

UCDA MONTHLY REPORT FOR NOVEMBER 2011

Highlights: -

- This is the second monthly report for the coffee year (Oct/Sept. 2011/12) 227,177 60-kilo bags of coffee worth US \$34.6 m were exported in November 2011 at an average price of 254 cents/kilo, 18 cents above October 2011
- Cumulative coffee exports for the first two months of 2011/12 stood at 442,462 60 kilo-bags worth US \$64.4 million.
- Farm-gate prices for Robusta Kiboko averaged Shs. 2,100 per kilo; FAQ was at Shs. 4,100 and Arabica parchment at Shs.8,000 per kilo.
- Coffee exports in 12 months (December 01, 2010 to November 31, 2011)) totalled 2.92 m bags worth (\$428 m) comprising Robusta – 2.3 m bags) and Arabica – 0.61 m bags.

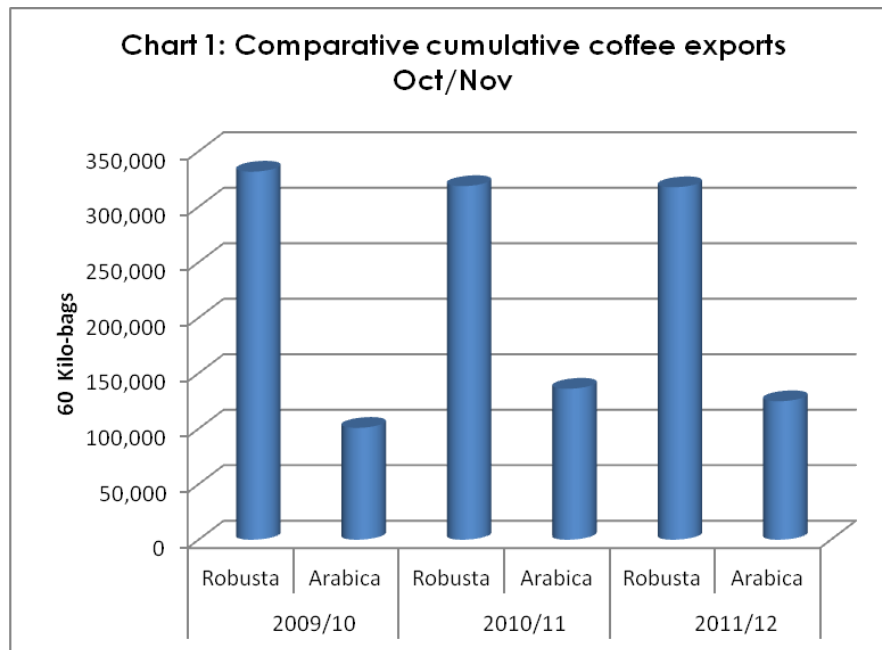
A total of 222,177-kilo bags of coffee worth US \$ 34.6 m, which comprised 150,004 bags (\$ 16.7 m) of Robusta and 77,173 bags (\$ 17.9m), were shipped during the month of November as indicated in table 1.0. Export earnings went up by 7.62% compared to November last year and volume was down by 14.83%. In terms of coffee type, Arabica was higher by 16.12% and 40.46% in terms of volume and value respectively, compared to November 2010, while Robusta was down by 25.10% and 14.10% in terms of volume and value respectively.

On a year-to-year basis, exports for the period (December 2010 - November 2011) totalled 2.92 m bags worth \$ 428 m.

Table 1.0 Comparative Coffee Export Performance – 60-kilo bags; US\$

Coffee Year	2011/12		2010/11		% -age Change	
	Qty	Value \$	Qty	Value \$	Qty	Value \$
Grand Total	442,462	64,423,821	454,738	55,507,084	-2.70	16.06
October	215,285	30,455,140	188,012	23,300,354	14.51	30.71
• Robusta	167,645	18,335,972	118,422	10,761,243	41.57	70.39
• Arabica	47,640	12,119,169	69,590	12,539,111	-31.54	-3.35
November	227,177	34,660,803	266,726	32,206,730	-14.83	7.62
• Robusta	150,044	16,664,613	200,269	19,394,818	-25.10	-14.10
• Arabica	77,173	17,996,191	66,457	12,811,912	16.12	40.46

Chart 1 gives comparative performance by coffee type in the month of November in the past 3 years.



1.0 EXPORTS BY TYPE AND GRADE

Table 2.0 represents coffee exports by type, grade and average realised price for each coffee grade during the month of November 2011.

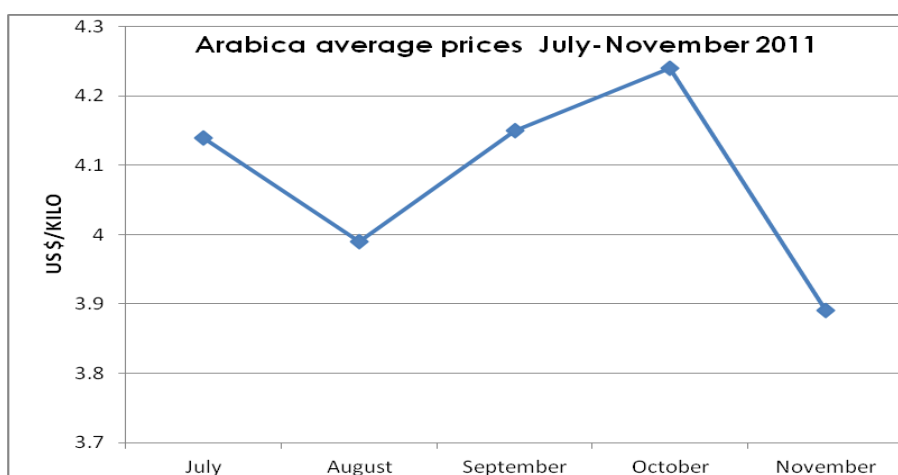
Table 2.0 Coffee Exports by Type, Grade & Unit Price in November 2011
– in 60-kilo bags; US \$, US \$/kg –

Coffee type/ Grade	Quantity 60-Kilo Bags	%-age	Value in US \$	Unit Price \$/Kilo
TOTAL	227,177		34,660,803	2.54
ROBUSTA	150,044	100.00	16,664,613	1.85
Washed Robusta	1,974	1.32	245,314	2.07
Screen 18	15,143	10.10	1,793,884	1.97
Screen 17	6,756	4.50	750,084	1.85
Screen 15	75,375	50.25	8,864,644	1.96
Screen 12	28,136	18.76	3,142,077	1.86
BHP 1199	9,900	6.60	770,111	1.30
Others	12,720	8.48	1,098,498	1.46
ARABICA	77,173	100.00	17,996,191	3.89
Mt Elgon	320	0.41	93,122	4.85
Bugisu AA	7,565	9.80	2,115,595	4.66
Elgon A	1,720	2.23	510,532	4.95
Arabica sipi	640	0.83	197,758	5.15
Arabica AB	4,460	5.78	1,228,595	4.60
Bugisu PB	60	0.08	18,254	5.07
Bugisu B	720	0.93	211,644	4.90
Bugisu C	1,400	1.81	351,431	4.18
Wugar	2,710	3.51	706,899	4.35
Drugar	48,443	62.77	11,452,204	3.94
Others	9,135	11.84	448,768	2.36

¹ Represents such coffees like Sc.1299, Sc. 1599, Sc. 1899, etc. in robusta.

The weighted average price stood at \$ 2.54/Kilo in November up from \$2.36 in October, \$2.39 in September, \$2.41 in August 2011.

Arabica prices averaged \$ 3.89 down from 4.24/Kilo recorded in October, \$ 4.15 in September, \$3.99 cts in August, \$ 4.14 in July. The highest realised price recorded among the arabica grades was for Arabica Sipi at \$ 5.15/Kilo.



The upward trend recorded in August-October was due to the firmness of Arabica prices as adverse weather conditions in top growers Brazil and Colombia underlined concerns over declining global coffee supplies. However in November, coffee prices were affected by the uncertainty of the world economy due to the Euro zone debt crisis.

Robusta prices averaged \$1.85/Kilo 3 cents up compared to October. Washed Robusta fetched the highest price of \$ 2.07/Kilo followed by Screen 18 at \$ 1.97/kilo.

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3.1 illustrates the performance of the individual coffee exporting companies in the month of November 2011 in terms of quantity and market share. The top 10 exporters, led by Olam (U) Ltd., held a market share of 85.86%.

Table 3.1: Export Performance by Individual Companies in November 2011

Exporting Company	Quantity	% - age Market Share	
	Bags	Individual	Cumulative
Grand Total	227,177		
1 Olam (U) Ltd	35,887	15.80	15.80
2 Kyagalanyi coffee Ltd	33,508	14.75	30.55
3 Ugacof (U) Ltd	32,763	14.42	44.97
4 Kawacom (U) Ltd.	17,882	7.87	52.67
5 Job coffee	17,771	7.82	60.49
6 Ibero (U) Ltd	16,094	7.08	67.57
7 Great lakes	13,170	5.80	73.37
8 Kampala Domestic Store	10,400	4.57	77.94
9 Lakelands Holding Ltd	10,280	4.52	82.46
10 Savannah Commodities	7,720	3.40	85.86

11	Kamba Petroleum	7,278	3.20	89.06
12	LD Commodities	3,705	1.63	90.69
13	Armanjaro	3,340	1.47	92.16
14	Nakana Coffee Factory	3,012	1.33	93.49
15	PanAfric	2,930	1.29	94.78
16	Pen Form	2,800	1.23	96.01
17	Wabulungu Mult-purpose	2,402	1.06	97.07
18	Bakwanye Trading Co. Ltd	1,340	0.59	97.66
19	Kitasha	1,327	0.58	98.24
20	Mbale Importes and Exporters	980	0.43	98.67
21	Gumutindo Coffee Coop Soc	640	0.28	98.95
22	Coffee Services Ltd	630	0.28	99.23
23	Ankole Coffee Processors	360	0.16	99.39
24	Qualicoff	350	0.15	99.54
25	Ankole Coffee Producers	320	0.14	99.68
26	Gatto Estates	288	0.13	100.00

3.0 LOCAL SITUATION

Coffee prices in the internal market remained firm but oscillated in the following ranges: Shs. 2,000 – 2200 per kilo of Kiboko (Robusta dry cherries); Shs. 3,800 – 4,300/= for FAQ; and Shs. 4,000 – 4,700 for the conventional coffees. Parchment was at an average of shs.7,000-8,000

The on-going rains have delayed the harvesting and drying processes in most areas. This has put pressure on the quality of the coffee where some farmers opt to hull coffee that is not properly dried.

4.0 COFFEE EXPORTS BY DESTINATION

Table 4.1 gives coffee exports by destination during the month of October 2010. EU countries imported 181,072 bags, accounting for 79.71% of total exports, followed by Sudan with 14,250 bags (6.27%) and India with 9,360 (4.12%).

Table 4.1 Main Destinations of Uganda Coffee in November 2011

Destination	QTY	% - Age Market Share	
	60-Kilo Bags	Individual	Cumulative
GRAND TOTAL	227,177	100.00	
1 EU ¹	181,072	79.71	79.71
2 Sudan	14,250	6.27	85.98
3 India	9,360	4.12	90.10
4 USA	5,540	2.39	92.49
5 Switzerland	3,705	1.63	94.12
6 Russia	2,894	1.27	95.39
7 Israel	1,322	0.58	95.97
8 Morocco	1,308	0.58	96.55
9 South Africa	1,280	0.56	97.11

¹EU countries are: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Rumania, Slovakia, Slovenia, Spain, Sweden, The Netherlands, and UK.

10	Egypt	910	0.40	97.51
11	Syria	668	0.29	97.80
12	Naples	640	0.28	98.08
13	Canada	640	0.28	98.36
14	China	620	0.27	98.63
15	Georgia	608	0.27	98.90
16	Taiwan	600	0.26	99.16
17	Japan	600	0.26	99.42
18	Lebanon	320	0.14	99.56
19	Ecuador	320	0.14	99.97
20	Australia	320	0.14	99.84
21	Algeria	300	0.13	100.00

5.0 BUYERS OF UGANDA COFFEE

Table 5.1 shows the buyers of Uganda coffee in November 2011. The top 10 buyers held a market share of 71.2%, down from 72.2% realised in the previous month. Olam International –16.06% (20.98), Sucafina – 11.93% (9.96%), Socadec 9.09 (3.42) Ecom Agro Industrial – 7.74% (9.15%), Bernhard Rothfos 7.08% (3.52), Icona Café 5.19 (2.66%) , Volcafe – 5.19(6.86%). The figures in brackets represent performance in the previous month – October 2011.

TABLE 5.1 Buyers of Uganda Coffee in November 2011: 60-kilo bags

BUYERS	Position held in October	QTY 60-Kilo Bags	% -Age Market Share		
			Individual	Cumulative	
GRAND TOTAL		227,177	100.00		
1	Olam International	1	36,487	16.06	16.06
2	Sucafina	2	27,102	11.93	27.99
3	Socadec	8	20,658	9.09	37.08
4	Ecom Agro industrial	3	17,582	7.74	44.82
5	Bernahard Rothfos	7	16,094	7.08	51.90
6	Icona café	10	11,790	5.19	57.09
7	Volcafe	6	11,790	5.19	62.28
8	Abaco	4	9,800	4.31	66.59
9	Intercom	13	5,330	2.35	68.94
10	Strauss Commodities	21	5,100	2.24	71.18
11	Hamburg Coffee	16	4,910	2.16	73.34
12	Webcor	28	3,954	1.74	75.08
13	Louis Dreyfus	5	3,705	1.63	76.71
14	Armanjaro	17	3,340	1.47	78.18
15	Lavazza	11	3,290	1.45	81.08
16	Lova Impex Ltd	18	3,,100	1.36	82.44
17	Tata Coffee	-	2,900	1.28	83.72
18	ED & Man	-	2,560	1.13	84.85
19	Elmathahib	20	2,450	1.08	85.93

20	Belcher	-	2,000	0.88	86.81
21	Guzman	27	1,980	0.87	87.68
22	Others		31,255	13.76	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

- UCDA continued with its replanting programme where 313,230 seedlings were distributed and planted through H.E. the President's Poverty Alleviation Programme, 449,000 coffee seedlings that were raised through CBNs have been planted while 1,536,476 seedlings were planted by other stakeholders. The demand for seedlings remains high as farmers respond to the current good prices.
- As part of the efforts the Netherlands Trust Fund (NTF II) envisages to create sustainable exporter competitiveness in the coffee sector in Uganda, a 4 day training session from 27th November to 1st December 2011 was conducted at Jinja Nile Resort by experts from the International Trade Centre led by Mr. Olivier Narray, the NTF II project director and 2 other consultants. The essence of the training was to equip staff from the 3 trade support institutions (TSIs) i.e. UCDA, Uganda Export Promotion Board (UEPB) and the National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE) in monitoring and evaluation (M & E) skills to be in position to effectively and efficiently monitor and evaluate projects and programmes. In total, 10 participants attended the training session, three from each TSI and also the ITC NTFII national project facilitator, Mr. Vincent Ntaro.

At the end of the training session, participants were in position to develop effective monitoring and evaluation units for measuring output, outcome and impact indicators.

- In a bid to increase domestic coffee consumption, UCDA and the Coffee Quality Institute (CQI) conducted the 5th Uganda National Barista Championship (UNBC) training. A total of 40 participants were trained and included those from roasters, cafés, hotels and restaurants from all over the country. The Barista training programme started on 19th September 2011. The UNBC competitions were held on 21st and 22nd November 2011 at Chop Sticks, Imperial Royale Hotel. Mr. Mbabazi Roberts of Barista Pro consulting was the winner of the competition.
- Relatedly, to continue attracting the youth in coffee consumption, UCDA commissioned an essay competition which sought to ascertain the level of knowledge of university students in the youth's role in the coffee value chain. The winner Mr. Katunguka Samson from Makerere University got a prize shs. 1,000,000.

The Chief Guest, the Vice Chancellor of Makerere University, Prof. Venansius Baryamureeba, was gratified that the youth were involved in coffee consumption and encouraged them to put to good use the knowledge and skills acquired. He later on handed over certificates to sponsors, judges, semi-finalists and finalists.

- The 50th and 51st Inter African Coffee Organisation (IACO) Annual General Assembly was held at Safari Park Hotel Nairobi, Kenya from 21st to 25th November 2011. The theme of the conference: “**The Way Forward for the Inter African Coffee Organization and the African Coffee Industry**” reflected 50 years of IACO while serving the African coffee industry. Uganda was represented by Mr.Fred Luzinda Mukasa, the UCDA Board Secretary/ Head of Finance, the Head of Coffee Research Centre (COREC), Dr. Africano Kangire and the UCDA Principal Quality Controller, Ms Doreen Rweihangwe.
- The conference was held concurrently with an exhibition. The conference’s presentations hinged on the following:
 - ▶ Role of government in the development of the coffee industry sharing from the Colombian experience.
 - ▶ Practical steps in the promotion of domestic coffee consumption-the Brazilian experience
 - ▶ Mobilizing African youth for long-term sustainability of the coffee industry-Uganda’s experience
 - ▶ Coffee sector liberalization and its impact on the industry in Cameroon
 - ▶ Presentation on achievements and challenges of Africa Coffee Research Network (ACRN) and
 - ▶ Progress on donor funded ICO/CFC projects.

UCDA participated in the exhibition where it displayed Uganda coffees (green beans- both Arabica & Robusta); coffee products of different brands (*Star Café, Zigoti Coffee, Elgon Pride, Elgonia, Kahawa Mahawwwa Malum, and Good African Coffee*). Some of the delegates who visited UCDA stand showed interest in investing in farming and farm management in Uganda. Others requested for more information on the direct sales mode employed in exporting Uganda coffee.

7.0 OUTLOOK FOR DECEMBER 2011

- December coffee exports are projected at around 215,000 bags, as the harvesting season comes to end. Prices globally are expected to rise as global output has been reduced due to bad weather that

affected production in major producing countries. However this is likely to be affected by the current EU debt crisis.

8.0 Upcoming events

- UCDA will host the Taste of Harvest (ToH) competition in the month January 2012 where farmers will be showcasing their coffees. Top 5 selected coffees will be submitted to the "African Taste of Harvest" competition and judging event at the African Fine Coffees Conference and Exhibition in Adis Ababa, Ethiopia in February 2012.