

UCDA MONTHLY REPORT FOR DECEMBER 2011

Highlights: -

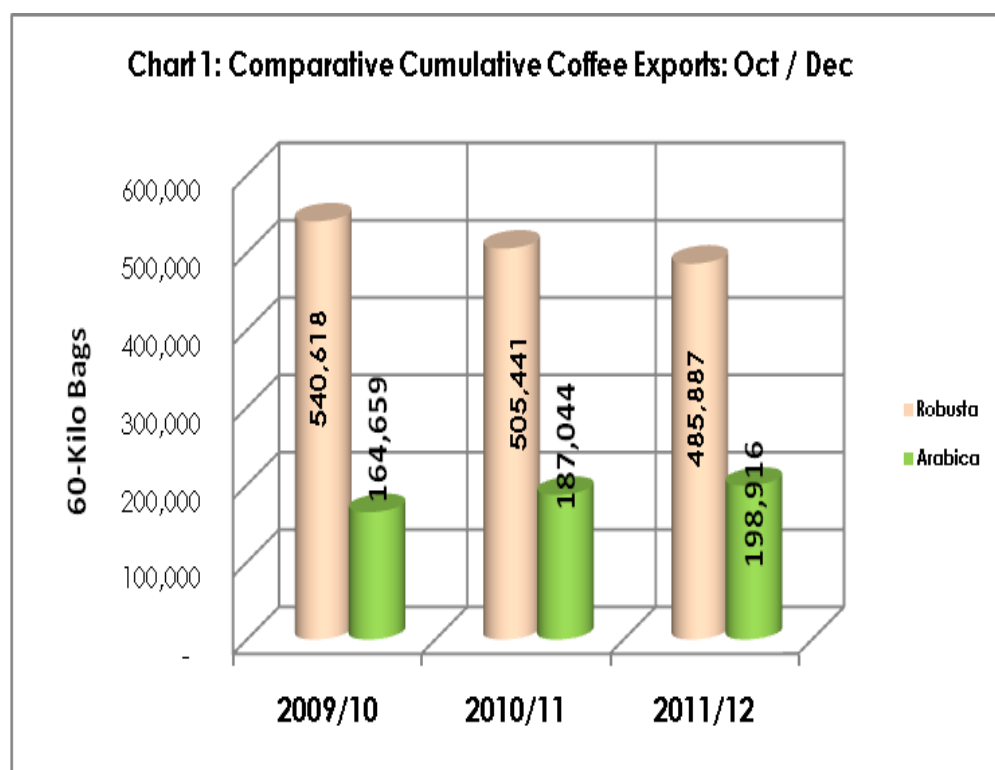
- This is the third monthly report for the coffee year (Oct/Sept. 2011/12). 242,301 60-kilo bags of coffee worth US \$36.9m were exported in December 2011 at an average price of 254 cents/kilo. This was a 1.92% and 28.85% increase in quantity and value respectively compared to December 2010.
- Cumulative coffee exports for the first three months of 2011/12 totalled 684,803 60 kilo-bags valued at US \$ 102.1 million compared to 692,485 (US\$84.2m), representing a slight drop in volume of 1.1 but a 21.2% rise in value.
- Farm-gate prices for Robusta Kiboko averaged Shs. 2,100 per kilo; FAQ Shs. 4,000 and Arabica parchment Shs.7,000 per kilo.
- Coffee exports for the calendar year 2011 (January 01, 2011 to December 31, 2011) totalled 3.14 m bags worth (\$466 m) comprising Robusta – 2.46 m bags) and Arabica – 0.68 m bags.

A total of 242,301-kilo bags of coffee worth US \$ 37.0 m composed of 168,198 bags (\$ 18.8 m) of Robusta and Arabica, 74,103 bags (\$ 18.2m), were shipped during the month of December as shown in table 1.0. Export volume and earnings rose by 1.9% and 28.9% respectively compared to December (2010). Arabica rose by 47.4% and 80.1% in terms of volume and value respectively, compared to the previous year 2010. Robusta volume dropped by 10.3% and a marginal rise in value of 1%.

Table1.0 Comparative Coffee Export Performance – 60-kilo bags; US\$

Coffee Year	2011/12		2010/11		% -age Change	
	Qty	Value \$	Qty	Value \$	Qty	Value \$
Grand Total	684,803	102,084,026	692,485	84,198,616	-1.11	21.24
Robusta	485,887	56,760,782	506,178	48,736,586	-4.01	10.31
Arabica	198,916	48,323,844	186,307	35,462,030	6.77	36.27
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
December	242,301	36,968,680	237,747	28,691,532	1.92	28.85
• Robusta	168,198	18,760,197	187,487	18,580,525	-10.29	0.97
• Arabica	74,103	18,208,484	50,260	10,111,007	47.44	80.09

On a year-to-year basis, exports for the period (January 2011 - December 2011) totalled 3.14 m bags worth \$ 466 m comprising 2.46million bags Robusta and 0.68million bags of Arabica. Chart 1 gives comparative performance by coffee type in the first quarter in the 3 years.



1.0 EXPORTS BY TYPE AND GRADE

Table 2.1 represents coffee exports by type, grade and average realised price for each coffee grade during the month of December

2011. Robusta exports accounted for 69.4% of total exports during the month. The average Robusta price was US\$ 1.86 per kilo. Screen 18 fetched the highest price for Robusta of US\$ 2.11 per kilo followed by Screen 15 at US\$ 2.02 per kilo. Arabica weighted average price was US\$ 4.10. The highest price was for Specialty coffee (Sipi Falls) which fetched US\$ 6.90 per kilo as compared to US\$ 5.15 the previous month.

Table 2.1 Coffee Exports by Type, Grade & Unit Price in December 2011

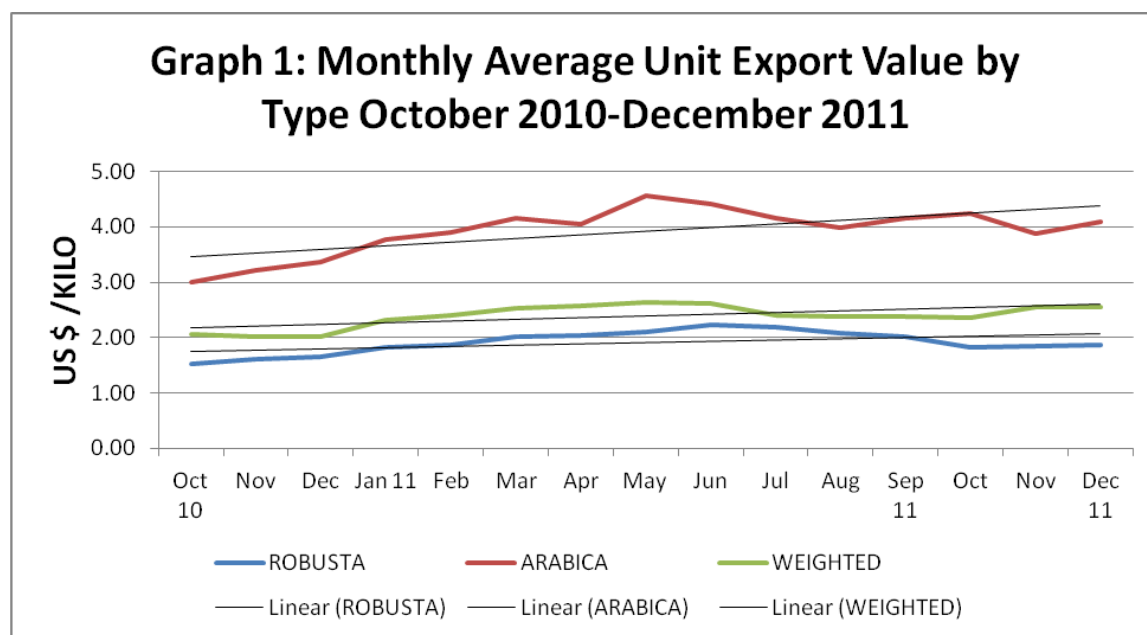
– in 60-kilo bags; US \$, US \$/kg –

Coffee type/ Grade	Quantity 60-Kilo Bags	%-age	Value in US \$	Unit Price \$/Kilo
TOTAL	242,301		36,968,680	2.54
ROBUSTA	168,198	100.00	18,760,197	1.86
Washed Robusta	334	0.20	37,553	1.87
Organic Robusta	660	0.39	67,659	1.71
Screen 18	16,986	10.10	2,152,025	2.11
Screen 17	5,462	3.25	624,061	1.90
Screen 15	87,094	51.78	10,534,078	2.02
Screen 12	27,608	16.41	2,952,530	1.78

BHP 1199	14,917	8.87	1,223,785	1.37
Other Robusta	15,137	9.00	1,168,507	1.29
ARABICA	74,103	100.00	18,208,484	4.10
Sipi Falls	20	0.03	8,280	6.90
Bugisu A+	1,280	1.73	449,252	5.85
Mt Elgon	4	0.01	1,265	5.27
Organic Wugar	420	0.57	128,414	5.10
Wugar	3,550	4.79	1,085,145	5.09
Organic Okoro	350	0.47	104,167	4.96
BUG AA	200	0.27	58,731	4.89
Arabica AB	2,138	2.89	619,001	4.83
Organic Drugar	700	0.94	194,446	4.63
Bugisu AA	5,211	7.03	1,441,665	4.61
Bugisu A	136	0.18	37,365	4.58
Bugisu PB	22	0.03	5,705	4.32
Drugar	54,943	74.14	13,396,682	4.06
Others	5,129	6.92	678,367	2.20

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

Graph 1 shows monthly average realized export prices since October 2010. An upward trend is shown for the two coffee types although more marked for Arabica. This was due to Arabica's supply tightness on account of adverse weather in Colombia, an off-cycle year in Brazil and drop in coffee supplies from Central American countries that led to firmness of Arabica prices In December in 2011. Nonetheless, coffee prices were somewhat affected by the uncertainty of the world economy due to the looming Euro zone debt crisis.



2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3.1 illustrates the performance of the individual coffee exporting companies in the month of December 2011 in terms of quantity and

market share. The top 10 exporters, led by Ugacof (U) Ltd., held a market share of 85.4% as compared to 85.9% the previous month.

Table 3.1: Export Performance by Individual Companies in December 2011

Exporting Company	Quantity	% - age Market Share	
	Bags	Individual	Cumulative
Grand Total	242,301		
1 Ugacof (U) Ltd	36,311	14.99	14.99
2 Kyagalanyi Coffee Ltd.	32,555	13.44	28.42
3 Olam (U) Ltd	25,693	10.60	39.03
4 Kawacom (U) Ltd.	25,333	10.46	49.48
5 Ibero (U) Ltd	20,935	8.64	58.12
6 Job Coffee Ltd.	17,101	7.06	65.18
7 Savannah Commodities Ltd.	16,380	6.76	71.94
8 Great Lakes Ltd	14,810	6.11	78.05
9 Panafric Impex	9,250	3.82	81.87
10 Kampala Domestic Store	8,446	3.49	85.35
11 Kamba Petroleum Ltd.	5,926	2.45	87.80
12 Lakeland Holdings Ltd.	5,710	2.36	90.16
13 Penform Trading Company Ltd.	5,670	2.34	92.50
14 Nakana Coffee Factory	5,078	2.10	94.59
15 Wabulungu Multi-purpose Ltd.	3,100	1.28	95.87
16 Coffee Services (U) Ltd	2,888	1.19	97.06
17 Bakwanye Trading Co. Ltd	1,340	0.55	97.62
18 Kitasha Ltd.	700	0.29	97.91
19 Mbale Importers and Exporters	700	0.29	98.19
20 Ankole Coffee Producers	660	0.27	98.47
21 Gumutindo Coffee Coop Society	640	0.26	98.73
22 Nile Highland Coffee Farmers Assn.	640	0.26	99.00
23 Risala Ltd.	600	0.25	99.24
24 Armajaro Ltd.	334	0.14	99.38
25 Anderson Investments Ltd.	320	0.13	99.51
26 Bukonzo Joint Cooperative	320	0.13	99.64
27 Coffee World Ltd.	320	0.13	99.78
28 LD Commodities Ltd.	320	0.13	99.91
29 Masai Tours Ltd.	221	0.09	100.00

3.0 LOCAL SITUATION

Coffee prices in the internal market remained firm but oscillated in the following ranges: Shs. 2,000 – 2,200 per kilo of Kiboko (Robusta dry cherries); Shs. 3,800 – 4,200/= for FAQ; Arabica dry parchment was sold at an average of shs.6,500-7,500/= per kilo.

Although December was generally wet, it became dry towards the end of the month allowing proper drying of the coffee reflected in higher procurement than the previous month.

4.0 COFFEE EXPORTS BY DESTINATION

Table 4.1 shows coffee exports by destination during the month of December 2011. EU countries imported 173,055 bags, accounting for 71.42% of total exports, followed by Sudan with 26,050 bags (10.75%) and USA with 7,402 (3.05%).

Table 4.1 Main Destinations of Uganda Coffee in December 2011

Destination	QTY		% - Age Market Share	
	60-Kilo Bags	Individual	Cumulative	
GRAND TOTAL	242,301	100.00		
1 EU	173,055	71.42	71.42	
2 Sudan	26,050	10.75	82.17	
3 USA	7,402	3.05	85.23	
4 Ecuador	7,349	3.03	88.26	
5 India	6,900	2.85	91.11	
6 Russia	5,176	2.14	93.24	
7 Israel	3,143	1.30	94.54	
8 Kenya	2822	1.16	95.71	
9 South Africa	2,747	1.13	96.84	
10 Switzerland	2,075	0.86	97.70	
11 Morocco	1,670	0.69	98.39	
12 Australia	1,280	0.53	98.91	
13 Japan	1,040	0.43	99.34	
14 Oran	660	0.27	99.62	
15 Egypt	598	0.25	99.86	
16 Albania	334	0.14	100.00	

5.0 BUYERS OF UGANDA COFFEE

Table 5.1 shows the buyers of Uganda coffee in December 2011. The top 10 buyers held a market share of 73.4%, up from 72.2% realised in the previous month. Sucafina –13.55% (11.93), Olam International – 10.89% (16.06%), Ecom Agro industrial 10.72 (7.74) Abaco International – 9.26% (4.31%), Bernhard Rothfos 7.81% (7.08), Volcafe 6.48 (5.19%) , socadec – 4.37(9.09%). The figures in brackets represent performance in the previous month – November 2011.

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

BUYERS	Position held in October	QTY		% - Age Market Share	
		60-Kilo Bags	Individual	Cumulative	
GRAND TOTAL		242,301	100.00		
1 Sucafina		32,821	13.55	13.55	
2 Olam International		26,393	10.89	24.44	
3 Ecom Agro industrialists		25,973	10.72	35.16	
4 Abaco International		22,430	9.26	44.41	
5 Bernhard Rothfos		18,935	7.81	52.23	
6 Volcafe		15,710	6.48	58.71	
7 Socadec		10,589	4.37	63.08	

8	Icona café	9,196	3.80	66.88
9	Strauss Commodities	8,723	3.60	70.48
10	Hamburg Coffee	7,162	2.96	73.43
11	Coex Coffee	6,840	2.82	76.26
12	Luigi Lavazza	5,220	2.15	78.41
13	Gebr.West	5,040	2.08	80.49
14	Guzman	4,748	1.96	82.45
15	Tata Coffee	4,500	1.86	84.31
16	Coffee Services	3,698	1.53	85.83
17	Aldwami	3,500	1.44	87.28
18	Supremo	3,000	1.24	88.52
19	Africa Tea and Coffee	2,800	1.16	89.67
20	Falcon	2,560	1.06	90.73
21	World Botanical	1,934	0.80	91.53
22	Others	20,529	8.45	100.00

6.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

1. In a bid to address coffee value chain constraints, Coffee A Cup handed over six Ecological mini wash stations (Pulperies) and equipment for establishing 1 million coffee trees in Mt Elgon to its members in the districts of Bududa, Manafwa, Mbale, Sironko, Bulambuli and Kapchorwa. Coffee A Cup is a house hold speciality coffee farmers' cooperative that is undergoing several speciality codes such as 4Cs, Fair Trade, Rain Forest Alliance to enable them consolidate international niche markets in Europe, USA and Asia. UCDA is planning to allocate 400Kgs of Arabica seed in support to the various farmer groups.
2. A coffee laboratory was launched at KABUM specialty buying center in Kapchorwa, which was donated by UCDA to support their efforts in the coffee sub sector.

7.0 OUTLOOK FOR JANUARY 2012

- January exports are projected at 230,000 bags as the harvesting season in Central and Eastern regions is at its tail 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 on 15-16 January 2012 where farmers will be showcasing their coffees. The best 5 selected coffees will feature at the "African Taste of Harvest" competition event in the 9th African Fine Coffees Conference and Exhibition to be held in Addis Ababa, Ethiopia from 13-16th February 2012.

- Netherlands Trust Fund II coffee project planning meeting at the International Trade Centre, Geneva, Switzerland scheduled on January 22-27, 2012. The 3 Trade Support Institutions (TSIs): UCDA, UEPB and NUCAFE will participate.