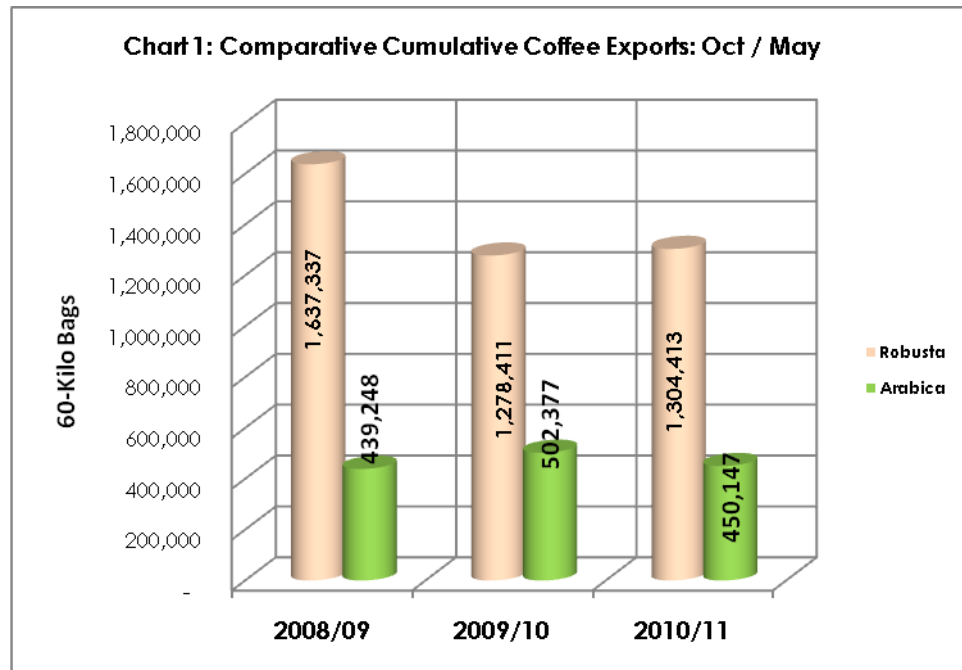


UCDA MONTHLY REPORT FOR MAY 2011

Highlights: -

- This is the eighth monthly report for the coffee year (Oct/Sept. 2010/11).
- 253,270 60-kilo bags of coffee valued at US \$ 40.02 m were shipped to various destinations in May 2011
- Weighted average export price stood at 263 cents/kilo, 9 cents up compared to April 2011.
- Farm-gate prices ranged between Shs. 1,800 – 2,200 per kilogramme of Robusta dry cherries (Kiboko); Shs. 4,100 – 4,500 /Kg of FAQ; and Shs.9,000 - 10,000 per kilogramme of Arabica parchment.
- Coffee exports in 8 months (Oct/May 2010/11) stood at 1.75 m bags comprising: 1.30 m bags of Robusta and 0.45 m bags of Arabica.
- Coffee exports in the 12 months (June 2010 – May 2011) stood at around 2.64 million bags worth US \$ 335.7 m.

In May 2011, Uganda's coffee exports amounted to 253,270 60-Kilo bags worth US \$ 40.02 m, representing a 30% and 54% rise in quantity and value, respectively over 177,380 bags (\$18.23 m) recorded in a similar month last year. Compared to April, volume was up by 43.4%, which is attributed to good weather that enabled coffee to dry. Farmers took advantage of the prevailing good prices to release stocks.



The Chart above represents running totals in the first eight months (Oct/May) for the 3 coffee years for Robusta and Arabica on a comparative basis. In the current year, total shipment stood at 1.75 m bags – 1,304,418 bags of Robusta and 450,147 bags of Arabica, a 2% recovery in Robusta from 1,278,411 bags last year and a slight drop in Arabica. The recovery being witnessed in Robusta attributed to good weather supported by firmness in prices. The drop in arabica is due to the cyclic nature of the crop exacerbated by the Coffee Leaf Rust disease in the area. Leaf Rust disease leaves the coffee tree with fewer or no leaves at all, minimising the ability of the plant to bear fruit to full maturity, thus the reported low outturn of 65% as opposed to the normal 82%.

Table 1.0 Comparative Coffee Export Performance in 60-kilo bags & US\$

Coffee Year	2010/11		2009/10		% -age Change	
	Qty	Value \$	Qty	Value \$	Qty	Value \$
Grand Total	1,754,560	242,947,171	1,780,788	173,503,484	-1.47	40.02
October	188,012	23,300,354	199,011	18,672,578	-5.53	24.78
• Robusta	118,422	10,761,243	146,711	11,789,081	-19.28	-8.72
• Arabica	69,590	12,539,111	52,300	6,883,497	33.06	82.16
November	266,726	32,143,239	233,511	21,963,202	14.22	46.35
• Robusta	200,569	19,415,851	185,004	15,012,284	8.41	29.33
• Arabica	66,157	12,727,388	48,507	6,950,918	36.39	83.10
December	237,747	28,692,471	272,755	25,698,474	-12.83	11.65
• Robusta	186,450	18,359,248	208,903	16,509,486	-10.75	11.20
• Arabica	51,297	10,333,223	63,852	9,188,988	-19.66	12.45
January	215,180	29,981,006	263,014	25,146,131	-18.19	19.23
• Robusta	159,880	17,495,886	209,993	17,019,416	-23.86	2.80
• Arabica	55,300	12,485,120	53,021	8,126,715	4.30	53.63
February	193,965	27,831,927	262,793	26,277,806	-26.19	5.91
• Robusta	142,834	15,881,209	184,432	14,653,763	-22.55	8.38
• Arabica	51,131	11,950,718	78,361	11,624,043	-34.75	2.81
March	223,099	34,102,773	219,684	21,965,391	1.55	55.26
• Robusta	171,643	20,628,903	145,988	11,613,230	17.57	77.63
• Arabica	51,456	13,473,870	73,696	10,352,161	-30.18	30.16
April	176,561	26,873,084	152,640	15,546,559	15.67	72.86
• Robusta	130,279	15,766,844	91,882	7,242,599	41.79	117.70
• Arabica	46,282	11,106,240	60,758	8,303,960	-23.83	33.75
May	253,270	40,022,317	177,380	18,233,343	42.78	119.50
• Robusta	194,336	24,699,623	105,498	8,641,249	84.71	185.43
• Arabica	58,934	15,322,694	71,882	9,592,094	-18.01	59.74

Table 1.0 represents industry performance on a monthly basis in terms of coffee type and value. In the 8 months there has been a 1.5% drop in

quantity of export although value went up by 40% compared to last year.

On a year-to-year basis, coffee exports in the past 12 months (June 2010 to May 2011), totalled 2.64 m bags worth \$ 335.5 m against 2.76 m bags (\$ 262.0 m) recorded over the same period last year. This represents an 8.4% drop in volume and a 19% rise in value.

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 May 2011. The weighted average price for the month stood at \$ 2.63 per kilogramme, 9 cent up compared to \$ 2.54 recorded in April 2011.

Robusta prices averaged \$ 2.12 per kilogramme in May up from \$ 2.02 in April, \$ 2.00 in March, \$ 1.85 in February, \$ 1.82 in January 2011, \$ 1.64 in December 2010 and \$1.51 in November 2010 and October 2010; the continued positive trend being in line with what obtains on the World market.

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

Coffee type/ Grade	Quantity 60-Kilo Bags	%-age	Value in US \$	Unit Price \$/Kilo
TOTAL	253,270	-	40,022,317	2.63
Robusta	194,336	100.00	24,699,623	2.12
Washed Robusta	1,638	0.84	292,542	2.98
Organic Robusta	700	0.36	111,112	2.65
Screen 18	15,814	8.14	2,321,271	2.45
Screen 17	9,416	4.85	1,397,379	2.47
Screen 15	88,906	45.75	12,328,551	2.31
Screen 13	2,318	1.19	304,849	2.19
Screen 12	26,230	13.50	3,512,098	2.23
BHP 1199	25,614	13.18	2,085,795	1.36
Other Robusta ¹	23,700	12.20	2,346,026	1.65
ARABICA	58,934	100.00	15,322,694	4.33
Mt Elgon	2,640	4.48	882,545	5.57
Bugisu AA	5,560	9.43	1,735,554	5.20
Bugisu A	640	1.09	217,568	5.67
Bugisu PB	1,308	2.22	417,542	5.32
Bugisu AB	2,210	3.75	662,147	4.99
Bugisu CPB	300	0.51	59,524	3.31
Bugisu C	300	0.51	81,350	4.52
Organic Wugar	1,400	2.38	490,744	5.84
Organic Drugar	650	1.10	187,435	4.81
Drugar	33,426	56.72	9,305,895	4.64
Other Arabicas	10,500	17.82	1,177,031	1.94

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

Arabica prices averaged \$ 4.33 per kilogramme up from \$ 4.00 recorded in April but still lower than \$ 4.36 realised in March. The highest price recorded in Arabica grades was \$ 5.84 for Organic Wugar followed by \$

5.67 for Bugisu A and \$ 5.57 for Mt. Elgon. The market fundamentals - supply tightness - are still supportive of price firmness.

2.0 Individual Exporter Performance

Table 3.1 represents the performance of individual coffee exporting companies during the month of May 2011 where the top 10, led by Ugacof Ltd., handled 83.0% of total exports same as in April, the shift in relative positions notwithstanding.

Table 3.0: Export Performance by Individual Companies in May 2011

Exporting Company	Quantity	% - age Market Share	
	Bags	Individual	Cumulative
Grand Total	253,270	100.00	
1 Ugacof Ltd	35,936	14.19	14.19
2 Kyagalanyi Coffee Ltd.	29,637	11.70	25.89
3 Kawacom (U) Ltd	27,364	10.80	36.69
4 Savannah Commodities	20,602	8.13	44.83
5 Olam (U) Ltd	19,894	7.85	52.68
6 Kampala Domestic Store	18,002	7.11	59.79
7 Wabulungu Multi-purpose	16,713	6.60	66.39
8 Ibero (U) Ltd	15,451	6.10	72.49
9 Pan Afric Impex	13,884	5.48	77.97
10 Great Lakes	12,600	4.97	82.95
11 Lake Land Holdings	11,240	4.44	87.39
12 Job Coffee	10,311	4.07	91.46
13 Penform Trading Co	5,420	2.14	93.60
14 Nakana Coffee Factory	4,006	1.58	95.18
15 Kamba Petroleum	3,578	1.41	96.59
16 Mbale Importers & Exporters	1,640	0.65	97.24
17 Bakwanye Trading	1,360	0.54	97.78
18 Ankole Coffee Processors	1,334	0.53	98.30
19 Armajaro	1,304	0.51	98.82
20 LD Commodities	1,294	0.51	99.33
21 KITASHA	700	0.28	99.61
22 Kaweri Coffee Plantation	640	0.25	99.86
23 Coffee Services	360	0.14	100.00

3.0 Local Situation

Local prices remained strong and hovered between Shs. 1,800 – 2,200, Shs. 4,100 – 4,500 and Shs 9,000 – 10,000 per kilogramme of Kiboko (dry Robusta cherries), FAQ and Arabica parchment up from Shs. 1,500 – 2,300; Shs 3,500 – 4,200; and Shs. 8,500 – 9,200, respectively in April. Farmers with good quality coffee in sizeable quantities received better prices through processing it to FAQ stage. Members under farmer Associations, NUCAFE and UCFA, received up to Shs 4,800 per kilogramme of FAQ.

The out-turn for Arabica coffee in Mt. Elgon area is reported low at 65 – 70%, which has kept traders out of the region. Otherwise, harvesting of the main season in South and South-western, especially in Masaka, Ibanda, Ntungamo, Bushenyi (Ishaka), Mitooma; and Isingiro districts, has

pick momentum and screen retention for Sc. 18 is slightly above 10%. The crop size is reported to be better than last year, albeit the long dry spell experienced during the year.

The current favourable weather supported by improved agronomic practices has considerably reduced the incidence of Red blister and twig borer in coffee, restoring farmers' confidence in coffee. Farmers' demand for clean coffee planting materials to take advantage of the current rains is on the increase.

UCDA, working with the Coffee Research Centre (COREC) at Kituza in Mukono district have embarked on the propagation process of the recently released CWD resistant robusta lines. Twelve nurseries for nodal cuttings have been established to supplement the ongoing tissue culture propagation at Kawanda. Meanwhile, a draft MoU for the private sector to partake in tissue culture propagation of the 7 lines is soon to be signed.

4.0 Coffee Exports by Destination

Table 4.0 gives coffee exports by destination during the month of May 2011. Coffee to EU countries amounted to 190,636 bags, accounting for 75.3% of total exports, an increase from 140,416 bags (79.5%) recorded in April 2011. Sudan registered 19,200 bags (7.6%) down from 20,801 bags (11.8%) in April 2011.

Table 4.0 Main Destinations of Uganda Coffee in May 2011

Destination	QTY			% - Age Market Share	
	60-Kilo Bags	Individual	Cumulative		
Grand Total	253,270	100.00			
1 EU ¹	190,636	75.27	75.3		
2 Sudan	19,200	7.58	82.9		
3 India	18,638	7.36	90.2		
4 United States	6,990	2.76	93.0		
5 Russia	3,940	1.56	94.5		
6 Vietnam	3,206	1.27	95.8		
7 South Africa	2,270	0.90	96.7		
8 Equador	2,240	0.88	97.6		
9 China	1,970	0.78	98.3		
10 Australia	1,280	0.51	98.9		
11 Morocco	960	0.38	99.2		
12 Japan	920	0.36	99.6		

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.

13	Kenya	700	0.28	99.9
14	South Korea	320	0.13	100.0

5.0 Buyers of Uganda Coffee

Table 5.0 represents the buyers of Uganda coffee in May 2011 where the top 10 buyers collectively held a market share of 72.6% up from 70.2% registered in April this year, an increase in concentration. The top buyer was Sucafina with 45,452 bags (17.9%), an improvement from 19,449 bags (11.0%) realised in April.

TABLE 5.0 Buyers of Uganda Coffee in May 2011: 60-kilo bags

BUYERS	QTY 60-Kilo Bags	% -Age Market Share	
		Individual	Cumulative
GRAND TOTAL	253,270	100.00	
1 Sucafina	45,452	17.95	17.9
2 Icona Café	24,726	9.76	27.7
3 Ecom Agro Industrialist	23,994	9.47	37.2
4 Olam International	19,894	7.85	45.0
5 Tata Coffee	15,660	6.18	51.2
6 Bernard Rothfos	14,798	5.84	57.1
7 Socadec	11,918	4.71	61.8
8 Decotrade	10,080	3.98	65.7
9 Coffee Services	8,877	3.50	69.3
10 ABACO	8,400	3.32	72.6
11 Aldwami	8,400	3.32	75.9
12 World Botanical	7,598	3.00	78.9
13 Volcafé	6,560	2.59	81.5
14 Straus Commodities	5,717	2.26	83.7
15 Guzman	4,048	1.60	85.3
16 Gebre Wes	3,600	1.42	86.8
17 Coex Coffee	3,150	1.24	88.0
18 Lova Impex	2,982	1.18	89.2
19 El Mathahib	2,450	0.97	90.1
20 Aziende	2,050	0.81	91.0
21 Africa Tea and Coffee	2,030	0.80	91.8
22 Maison Jobin	1,920	0.76	92.5
23 Others	18,966	7.49	100.0

6.0 Coffee Development and Promotional Activities

- In the World Barista Championship that took place in Bogota, Colombia, Uganda represented by one Mark OKUTA, maintained the 48th position as last year. The best Barista in 2011 came from El Salvador. Uganda's Washed Arabica coffee drawn from Gumutindo farmers in Mt. Elgon area was used in the Barista Competition and it featured quite competitively. Ms Clare RWAKATOGORO, a recently certified International Barista Judge in New Zealand was among the judges. The next World Barista Championship 2012 will be held in Vienna, Austria.

- Uganda participated in the SCAA coffee exhibition that took place in Houston, USA and presented Uganda robusta coffee for cupping by the specialty market. Robusta was drawn from Kasambya, Bunjakko subcounty in Mpigi district, Ankole Coffee Producers and Ugacof. It was appreciated and inquiries in regard to its availability are being raised.
- On the global scene, CONAB, the government agency responsible for agricultural estimates in Brazil, indicate a production level of 43.54 million bags, comprising 32.18 million bags of Arabicas and 11.36 million bags of Robustas in 2011/12, which is already under way. This puts the preliminary estimate of total production for crop year 2011/12 at around 130 million bags, down from an estimated level of 133 m bags in 2010/11.
- Global coffee exports for the first half, Oct/Mar, reached a record high of 101 million bags due to the prevailing prices.

7.0 Outlook – June 2011

- Coffee exports in June 2011 are projected at 265,000 bags as harvesting intensifies; and farmers selling off their coffee reserves to benefit from the good prices.
- Total global coffee production in the crop year 2010/11 is estimated at 133 million bags, representing an increase of 8.1% over the preceding crop year – 2009/10.

8.0 Upcoming Events

- Under the Netherlands Trust Fund (NTF) II coffee project, 30 coffee participants are to undergo a 5-day training during the week June 13-17, 2011 at Hotel Africana. The trainees, thereafter depending on performance, shall become certified trade advisors. The programme is being coordinated by Uganda Export Promotion Board (UEPB) supported by UCDA and NUCAFE while the actual training is by ITC experts. The main goal of this initiative is to make coffee firms more competitive locally and internationally.