

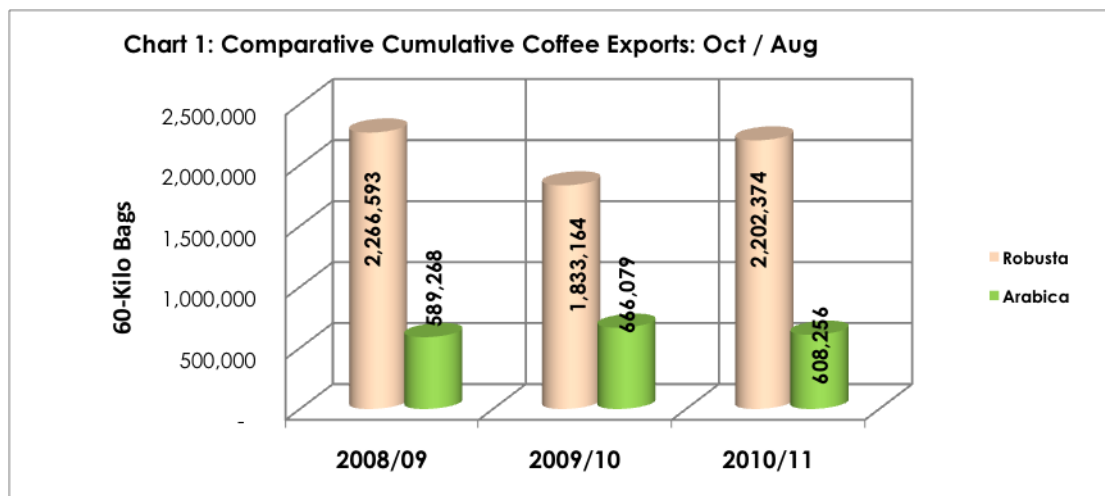
UCDA MONTHLY REPORT FOR AUGUST 2011

Highlights: -

- This is the eleventh monthly report for the coffee year (Oct/Sept. 2010/11).
- 309,303 60-kilo bags of coffee worth US \$ 44.36 m were exported to various destinations in August 2011, 42% and 87% up in volume and value, respectively over a similar month last year.
- The weighted average price at export level stood at 241 cents/kilo, a cent below July.
- Farm-gate prices ranged between Shs. 2,000 – 2,500 per kilogramme of Robusta dry cherries (Kiboko); Shs. 4,200 – 4,500 /Kg of FAQ; and Shs.7,000 - 9,000 per kilogramme of Arabica parchment.
- Coffee exports in 11 months (Oct/Aug 2010/11) stood at 2.81 m bags valued at \$400.3 m, a 12.5% and 64.3% rise in quantity and value over a similar period last year.
- Coffee exports in the 12 months (September 2010 – August 2011) stood at 2.98 million bags worth US \$ 418 m, 11% and 57% up respectively compared to a similar period last year.

A total of 309,303 60-Kilo bags of coffee worth US \$ 44.36 million were exported in the month of August 2011, representing a 42.4% and 87.2% increase in volume and value respectively over the same month last year when the totals stood at 217,284 bags (\$ 23.7 m).

Chart 1 and table 1.0 beneath represent the performance of the industry in the past 11 months (Oct/Aug) on a comparative basis for Robusta and Arabica.



Cumulatively, this year's performance in eleven months (Oct/Aug) is up by 12.5% and 64.3% in quantity and value respectively as illustrated in the table below. The improvement is more pronounced in Robusta, especially from the South and Southwest crop. This is attributed to the timely rainy season that salvaged the crop from the earlier severe drought.

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	2,810,630	400,307,623	2,498,595	243,590,726	12.49	64.34
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
June	370,924	57,947,758	234,956	23,021,102	57.87	151.72
• Robusta	306,392	40,834,833	173,598	14,644,776	76.50	178.84
• Arabica	64,532	17,112,925	61,358	8,376,326	5.17	104.30
July	375,843	54,627,301	265,567	23,364,386	41.52	133.81
• Robusta	334,172	44,250,652	215,767	16,910,898	54.88	161.67
• Arabica	41,671	10,376,649	49,800	6,453,488	-16.32	60.79
August	309,303	44,363,392	217,284	23,701,754	42.35	87.17
• Robusta	257,397	32,363,327	170,178	16,056,668	51.25	101.56
• Arabica	51,906	12,422,065	47,106	7,645,086	10.19	62.48

For the twelve months ending August 2011 (Sept/Aug 2010/11), coffee exports stood at 2.98 million bags valued at \$ 418.8 million; it comprised 2.33 m bags of Robusta and 0.65 m bags of Arabica. This represents an overall improvement in quantity of 11% and value of 88%, which is ascribed to good weather and the rise in coffee prices on global market. However, the volume of Arabica plummeted from 0.70 m to 0.65 m bags mainly due to the Coffee leaf Rust which hit Mt. Elgon area.

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 August 2011. The weighted average price for the month stood at \$ 2.41 per kilogramme, a cent down over July and 19 cents below \$ 2.60/ kilo recorded June 2011.

Robusta prices averaged \$ 2.10 per kilogramme, down from \$ 2.21 in July 2011. On the other hand, it was better than what was realised in May - \$ 1.71, April - \$ 2.02, March - \$ 2.00, February- \$ 1.85, January 2011- \$ 1.82, December 2010- \$1.64, November 2010 and in October 2010 - \$1.51 per kilogramme. Organic Robusta recorded the highest price among Robustas at \$ 2.60 per kilo.

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

Coffee type/ Grade	Quantity 60-Kilo Bags	%-age	Value in US \$	Unit Price \$/Kilo
TOTAL	309,903		44,363,392	2.41
ROBUSTA	257,397	100	32,363,327	2.10
Organic Robusta	1,020	0.40	159,232	2.60
Washed Robusta	613	0.24	89,194	2.43
Screen 18	33,423	12.98	4,972,426	2.48
SCREEN 17	16,228	6.30	2,099,609	2.16
SCREEN 15	112,232	43.60	14,440,180	2.14
SCREEN 14	360	0.14	44,286	2.05
SCREEN 12	68,110	26.46	8,297,693	2.03
BHP 1199	15,171	5.89	1,310,565	1.44
Other Robustas	10,240	3.98	950,142	1.55
Arabica	51,906	100	12,422,065	3.99
Mt. Elgon +	1,080	2.08	357,145	5.51
Mt Elgon	1,790	3.45	578,046	5.38
Organic Bugisu	720	1.39	223,811	5.18
Bugisu Supremo	640	1.23	194,710	5.07
Bugisu AA	1,246	2.40	379,050	5.07
Bugisu A	475	0.92	138,744	4.87
Bugisu PB	14	0.03	3,982	4.74
Bugisu AB	3,540	6.82	937,456	4.41
Bugisu CPB	1,400	2.70	351,854	4.19
Organic Drugar	700	1.35	182,409	4.34
Wugar	960	1.85	240,425	4.17
Drugar	35,441	68.28	8,391,481	3.95
Other Arabicas	3,900	7.51	442,952	1.89

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

Arabica prices continued with the downward trend from an average of \$ 4.42 per kilogramme in June to \$ 4.15 in July and \$ 3.99 in August. The highest price recorded in Arabica grades was Mt. Elgon Plus at \$ 5.51 followed by Mt. Elgon at \$ 5.38 per kilogramme.

2.0 Individual Exporter Performance

Table 3.0 represents the performance of individual coffee exporting companies during the month of August 2011 where the top 10, led by Ugacof Ltd., handled 87% of total exports of which the best 5 held a market share of 58.4%, ran element of concentration.

Table 3.0: Export Performance by Individual Companies in August 2011

Exporting Company	Quantity	% - age Market Share	
	Bags	Individual	Cumulative
Grand Total	309,303	100.00	
1 Ugacof Ltd.	47,799	15.45	15.5
2 Kawacom (U) Ltd	42,791	13.83	29.3
3 Kyagalanyi Coffee Ltd	39,745	12.85	42.1
4 Savannah Commodities	25,610	8.28	50.4
5 Olam (U) Ltd	24,731	8.00	58.4
6 Job Coffee Ltd. Lake	22,841	7.38	65.8
7 Lakeland Holdings Ltd.	22,490	7.27	73.1
8 Kampala Domestic Store	15,818	5.11	78.2
9 Pan Afric Impex	14,078	4.55	82.7
10 Ibero (U) Ltd	13,118	4.24	87.0
11 Armajaro	11,898	3.85	90.8
12 Nakana Coffee Factory	4,678	1.51	92.3
13 Great Lakes Coffee	3,700	1.20	93.5
14 Wabulungu Multi Purpose	3,076	0.99	94.5
15 Kamba Petroleum	2,656	0.86	95.4
16 Ankole Coffee Producers	2,380	0.77	96.2
17 Penform Trading	2,324	0.75	96.9
18 Coffee Services	1,992	0.64	97.5
19 LD Commodities	1,967	0.64	98.2
20 Ankole Coffee Processors	1,370	0.44	98.6
21 Bakwanye Trading Company	960	0.31	98.9
22 Gatto Estates Ltd.	900	0.29	99.2
23 Mbale Importers and Exporters	830	0.27	99.5
24 Kaweri Coffee Plantation	613	0.20	99.7
25 Three Farmers	330	0.11	99.8
26 Gumutindo Coffee Coop Ltd.	320	0.10	99.9
27 AJS Coffee	288	0.09	100.0

3.0 Local Situation

Local prices oscillated between Shs. 2,000 – 2,500, Shs. 4,200 – 4,500 and Shs 7,000 – 9,000 per kilogramme of Kiboko (dry Robusta cherries), FAQ and Arabica parchment respectively; more or less the same as in July and June. The price differentials to farmers with good quality coffee in

sizeable quantities coupled with the generally better prices on the market have translated into adherence to good agricultural practices. Some farmers are receiving Sh. 9 million per hectare.

Outturn at all levels has continued to improve as the year progressed for Kiboko to FAQ from a low average of 45% in quarter one (Oct/Dec) to 49.8% in (Jan/Mar), to 52% in (Mar/Jun) to around 56% in the first two months the forth quarter (Jul/Sept). Similarly, the screen retention for Sc. 18 averaged 13% from 7-8% in the second quarter.

Harvesting of the main season in South and Southwestern, especially in Masaka, Ibanda, Ntungamo, Bushenyi (Ishaka), Mitooma; and Isingiro districts has virtually come to an end but some farmers still have reasonable stocks in their possession.

4.0 Coffee Exports by Destination

Table 4.0 gives coffee exports by destination during the month of August 2011. EU countries accounted for 71.6% with 221,416 bags as opposed to 67.3% (252,927 bags) in July 2011. Sudan registered 37,030 bags (11.97%) vis-à-vis 55,630 bags (14.8%) recorded in July.

Table 4.0 Main Destinations of Uganda Coffee in August 2011

Destination	QTY	% - Age Market Share	
	60-Kilo Bags	Individual	Cumulative
Grand Total	309,303	100.00	-
1 EU ¹	221,416	71.59	71.59
2 Sudan	37,030	11.97	83.56
3 USA	11,952	3.86	87.43
4 Egypt	7,789	2.52	89.94
5 Algeria	6,680	2.16	92.10
6 India	6,050	1.96	94.06
7 Syria	3,840	1.24	95.30
8 Russia	3,276	1.06	96.36
9 Israel	2,616	0.85	97.21
10 South Africa	2,616	0.85	98.05
11 Australia	1,600	0.52	98.57
12 Tunisia	1,300	0.42	98.99
13 Japan	1,220	0.39	99.38
14 China	640	0.21	99.59

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.

15	Switzerland	350	0.11	99.70
16	Morocco	320	0.10	99.81
17	Vietnam	320	0.10	99.91
18	United Arab Emirates	288	0.09	100.00

5.0 Buyers of Uganda Coffee

Table 5.0 represents the buyers of Uganda coffee in August 2011 where the top 10 buyers collectively held a market share of 75.15% up from 68.1% registered in July this year, an increase in concentration. The top buyer was Sucafina with 45,451 bags (14.7%), a decrease from 66,236 bags (17.62%) recorded in July.

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

BUYERS `	QTY 60-Kilo Bags	% -Age Market Share	
		Individual	Cumulative
GRAND TOTAL	309,303	100.00	
1 Sucafina	45,451	14.69	14.69
2 Ecom Agro-industrialist	42,791	13.83	28.52
3 Olam International	34,483	11.15	39.67
4 ABACO	22,330	7.22	46.89
5 Socadec	18,190	5.88	52.77
6 Volcafé	17,837	5.77	58.54
7 Coex Coffee	14,582	4.71	63.25
8 Bernard Rothfos	13,118	4.24	67.50
9 Armajaro	11,898	3.85	71.34
10 Strauss Commodities	11,768	3.80	75.15
11 Cofftea (Sudan)	11,200	3.62	78.77
12 Icona Café	9,932	3.21	81.98
13 Coffee Services	5,661	1.83	83.81
14 Guzman	5,352	1.73	85.54
15 Hamburg Coffee	4,170	1.35	86.89
16 Aldwami	3,850	1.24	88.13
17 Misr Cafe	3,000	0.97	89.10
18 Webcor	2,520	0.81	89.92
19 Nasarus	2,230	0.72	90.64
20 El Mathahib	2,100	0.68	91.32
21 Supremo	2,040	0.66	91.98
22 World Botanical	1,934	0.63	92.60
23 Decotrade	1,800	0.58	93.18
24 Others	21,066	6.81	100.00

6.0 Coffee Development and Promotional Activities

- A total of 450,000 seedlings were planted during the month of August, bringing the total number of seedlings planted to date to 7.992 Million since October 2010. There is a very high demand for planting material due to the current favourable rains and good farm gate coffee prices.

- Arrangements for multiplication of the Coffee Wilt Resistant material by tissue culture and nodal cuttings are in advanced stages. Twelve (12) nursery operators multiplying through nodal cuttings are progressing well and avenues have been sought in collaboration with the private sector for faster multiplication using Tissue culture technology.
- As part of the activities under the Coffee Production Campaign, 3 Coffee shows were held in the districts of Rukungiri, Bushenyi and Ibanda. The Coffee shows where inputs and various technologies were displayed and attracted many stakeholders within the coffee value chain – farmers, processors, exporters, roasters, agro-input dealers, researchers, financial institutions, NGOs and district Leaders.
- The 30 trainees undertaking the Certified Trade Advisors Programme (CTAP) offered by trade experts from the International Trade Centre (ITC) were further trained in trade related techniques which would make enterprises more export competitive.
- Under the CFC-Project – Building Capacity for Certification and Verification for farmers practicing Sustainable Coffee initiatives, 10 Trainers of Trainers (TOTs) were trained on the principles and practices of at four standards – Organic, 4C, Utz and Rainforest Alliance. The main objective is to create technical capacity in the field and help farmers with training needs.
- On a sad note, over 27 people, mainly coffee farmers, died in a landslide caused by torrential rains in the sub-counties of Sisiyi and Buluganya in Bulambuli district which are major coffee growing areas in Mt. Elgon region. This disrupted movement of coffee from other areas and cut off the road that goes up to Buginyanya Zonal Agricultural Research Development Institute.

7.0 Outlook

- Coffee exports in September 2011 are projected at 250,000 bags.
- Total global coffee production in the crop year 2010/11 is estimated at 133.3 million bags, representing an increase of 8.1% over the preceding crop year – 2009/10.
- As for 2011/12, global production is pegged at 130 million bags on account of lower production in Brazil and Indonesia. Nonetheless, increase output is expected from Vietnam, Honduras and some African countries.
- Global consumption for 2011/12 is projected at 136 million bags.
- Programmes in 2011/12 are targeted towards rapid multiplication of the Coffee Wilt Disease Resistant varieties through tissue culture and nodal cuttings, continued breeding for resistance to diseases/pests and drought, increment in quantities of sustainable coffees, quality

enhancement along the coffee value chain through effective extension service delivery.

8.0 Upcoming Events

1. Barista training and preparations for national championships: 19-30th September, 2011 for students from tertiary institutions; 11-21st October, 2011, trainees and professionals.
2. Q & R Trainings from 19th to 23rd September 2011.
3. Uganda Coffee Trade Federation (UCTF) is organizing the 2nd Coffee Day to be held at Nakanyonyi, Mukono District on 6th October 2011. This gathering will attract stakeholders from the coffee industry under the "Private Public Partnership" arrangement where they will be updated about the progress of multiplication of CWD resistant materials.
4. International Trade Centre mission will be in Uganda to assess the progress on the ongoing Netherlands Trust Fund II coffee project to enhance export competitiveness in the sub-sector with emphasis on financial management of NUCAFE farmer associations, 20th September-6th October, 2011.
5. Uganda National Barista Championship 26-28th November, 2011 and international training.
6. 9th African Fine Coffee Conference and Exhibition, Addis Ababa, Ethiopia, 16-18th February, 2012.