UCDA MONTHLY REPORT FOR SEPTEMBER 2015

Highlights:

- *This is the twelevth monthly report for the coffee year 2014/15. 286,322 60-kilo bags of coffee worth US $29.32 million were exported in September 2015 at an average weighted price of US $ 1.71 /kilo, 37.71% and 9.81% higher in volume and value respectively compared to the same month last year.*
- *Cumulatively, coffee exports for twelve months totalled 3.46 million bags worth $410 million, comprising Robusta 2.72 million bags ($288 million) and Arabica 0.73 million bags ($122 million). This was a 1.26% drop in volume but an increase of 4.22% in value.*
- *Farm-gate prices for Robusta Kiboko averaged Shs. 2,150/= per kilo; FAQ Shs.4,250 per kilo and Arabica parchment Shs.5,750 per kilo.*
- 1,197,809 seedlings were planted during the month bringing a cumulative *total of 88.51 million seedlings planted since October 2014.*
- *Over 85% of the total export volume was exported by 10 exporters out of 29 exporters who performed in the month.*
- *The ICO monthly average composite indicator price was US 113.14 cents/lb down from US cents 121.21 in August.*

Coffee exports in September amounted to 286,322- 60 kilo bags worth US $ 29.32 million. This comprised 232,702 bags ($ 22.95 million) of Robusta and Arabica, 53,620 bags ($ 6.67 million)- *see Table 1.*

Table1: Comparative Coffee Export Performance – 60-kilo bags; US$

Coffee Year	2014/15		2013/14		%-age Change	
	Qty	Value $	Qty	Value $	Qty	Value $
Grand Total	**3,455,852**	**410,564,121**	**3,499,829**	**393,922,335**	**-1.26**	**4.22**
Total Robusta	**2,722,636**	**288,403,971**	**2,735,020**	**285,614,846**	**-0.45**	**0.98**
Total Arabica	**733,216**	**122,160,149**	**764,809**	**108,307,489**	**-4.13**	**12.79**
September	**286,322**	**29,320,763**	**207,923**	**26,700,684**	**37.71**	**9.81**
• Robusta	232,702	22,951,209	166,288	18,551,804	39.94	23.71
• Arabica	53,620	6,671,146	41,635	8,148,880	28.79	-18.13
August	**320,607**	**32,580,374**	**268,033**	**32,469,005**	**19.61**	**0.34**
• Robusta	285,967	27,951,209	234,002	26,528,610	22.21	5.36
• Arabica	34,640	4,629,165	34,031	5,940,395	1.79	-22.07
July	**402,721**	**42,958,800**	**314,304**	**37,862,272**	28.13	13.46
• Robusta	349,166	35,009,971	274,992	31,036,626	26.97	12.80
• Arabica	53,555	7,948,830	39,312	6,825,647	36.23	16.26
June	**333,943**	**35,095,264**	**264,611**	**32,823,086**	26.20	6.92
• Robusta	284,690	28,498,277	201,114	22,434,984	41.56	27.03
• Arabica	49,253	6,596,987	63,497	10,388,102	-22.43	-36.49
May	**262,604**	**30,470,864**	**286,448**	**35,844,953**	-8.32	-14.99
• Robusta	194,035	20,581,329	211,539	23,478,107	-8.27	-12.34

• Arabica	68,569	9,889,535	74,909	12,432,088	-8.46	-20.45
April	**264,065**	**32,805,613**	**332,635**	**40,486,180**	-20.61	-18.97
• Robusta	176,932	19,070,021	229,868	24,807,123	-23.03	-23.13
• Arabica	87,133	13,735,592	102,868	16,264,697	-15.30	-15.55
March	**310,773**	**40,787,188**	**347,663**	**38,772,433**	-10.61	5.20
• Robusta	215,368	23,807,609	268,178	27,678,522	-19.69	-13.99
• Arabica	95,405	16,979,579	79,485	11,093,911	20.03	53.05
February	**290,475**	**36,950,798**	**355,449**	**35,532,674**	-18.28	3.99
• Robusta	230,750	25,794,351	285,221	27,291,303	-19.10	-5.49
• Arabica	59,727	11,156,448	70,228	8,241,371	-14.95	35.37
January	**310,149**	**39,691,234**	**391,092**	**38,846,691**	-20.70	2.17
• Robusta	244,366	27,033,929	322,307	30,861,741	-24.18	-12.40
• Arabica	65,783	12,657,306	68,785	7,984,950	-4.36	58.51
December	**224,803**	**29,750,803**	**257,386**	**25,217,747**	-12.66	18.08
• Robusta	176,711	20,587,890	201,687	19,004,110	-12.38	8.33
• Arabica	48,092	9,162,913	55,699	6,213,637	-13.66	47.46
November	**219,948**	**29,494,827**	**263,733**	**26,649,751**	-16.60	10.68
• Robusta	159,447	17,998,556	184,679	17,779,683	-13.66	1.23
• Arabica	60,501	11,496,271	79,054	8,870,068	-23.47	29.61
October	**229,442**	**30,657,591**	**210,552**	**22,738,119**	8.97	34.83
• Robusta	172,502	19,421,213	157,905	16,652,354	9.24	16.63
• Arabica	56,950	11,236,378	52,647	6,085,765	8.17	84.63

Robusta exports increased by 39.94% and 23.71% in volume and value respectively compared to the same period last year (2013/14), while Arabica exports increased by 28.79% volume and decreased by 18.13 % in value compared to last year.

Cumulatively, coffee exports for the period (October 2014-September 2015) totalled 3.46 million bags worth $410 million compared to 3.50 million bags worth US$ 394 million in the same period last year (October 2013 –September 2014). This was a decrease of 1.26% in volume and a 4.22% increase in value compared to the same period last year.

Chart 1 gives comparative performance by coffee type in the 2 coffee years.

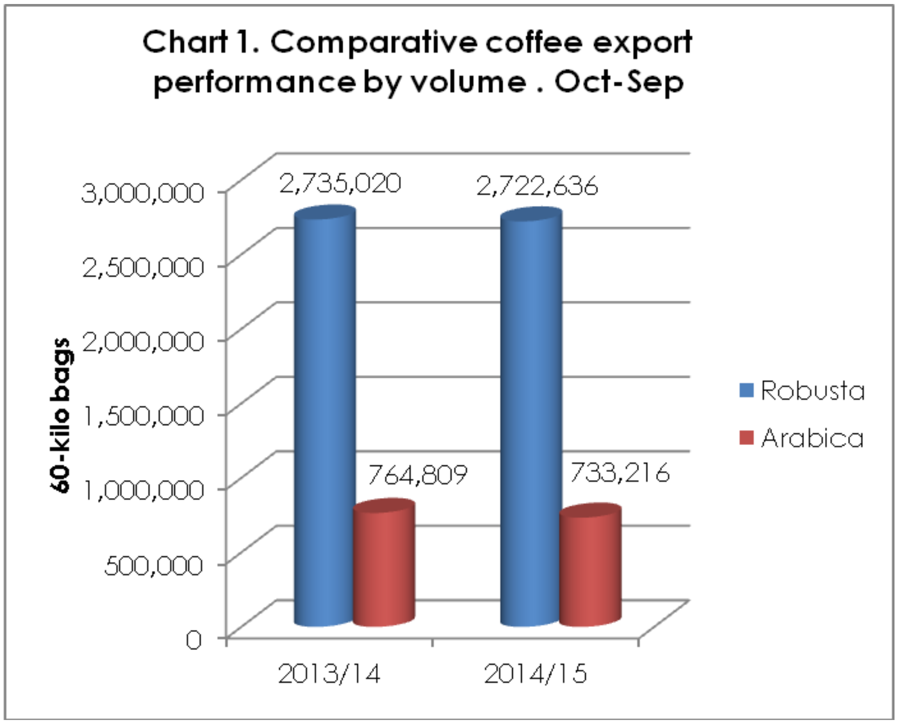
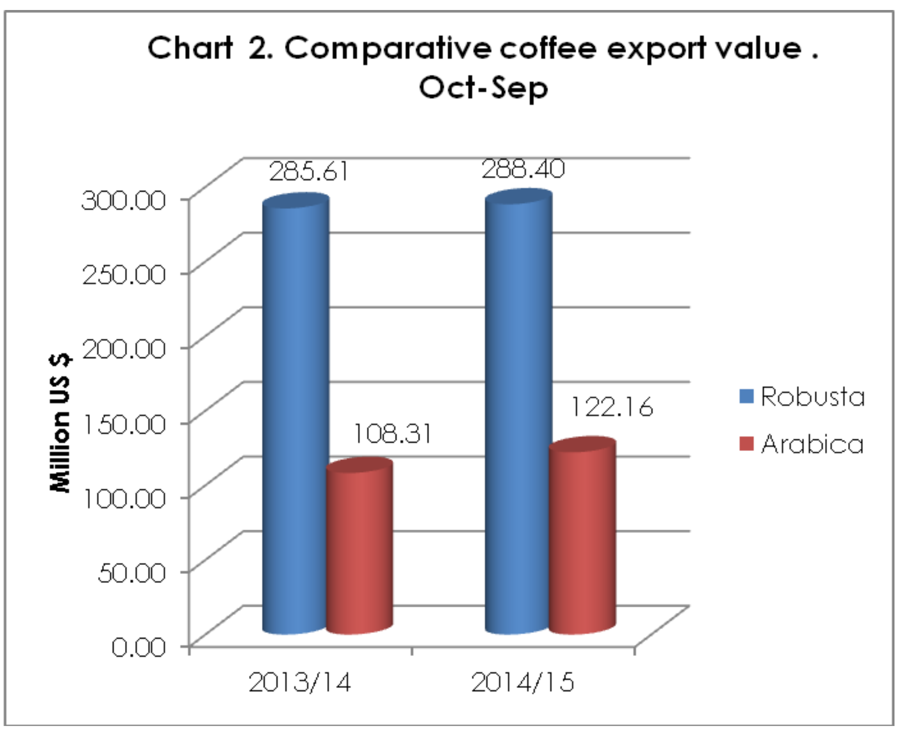


Chart 2 gives comparative performance value by coffee type in the 2 coffee years.



1.0 EXPORTS BY TYPE AND GRADE

Table 2 shows coffee exports by type, grade and average realised price for each coffee grade during the month of September 2015**.** Robusta exports accounted for 81% of total exports. The average Robusta price was US$ 1.62 per kilo, US cents 1 lower than what was in August 2015. Washed Robusta fetched the highest price for Robusta at US$ 2.03 per kilo, followed by organic Robusta at US$ 1.81 per kilo, Arabica fetched a weighted average price of US$ 2.07 per kilo, US cents 15 lower than the previous month. The highest price was for Mt. Elgon A at US$ 2.76 per kilo, and it was followed by Organic Bugisu at US$ 2.58 per kilo. The weighted average export price was US $ 1.71

Table 2: Coffee Exports by Type, Grade & Unit Price in September 2015

– *in 60-kilo bags; US $, US $/kg –*

Coffee type/ Grade	Quantity 60-Kilo Bags	%-age Quantity	Value in US $	%-age Value	Unit Price $/Kilo
TOTAL	**286,322**		**29,320,763**		**1.71**
ROBUSTA	**232,702**	**100.00**	**22,649,617**	**100.00**	**1.62**
-SUSTAINABLES					
- ORGANIC ROBUSTA	2,160	0.93	234,287	1.03	1.81
WASHED ROBUSTA	3,328	0.43	404,997	1.79	2.03
SCREEN 15 ORGANIC	330	0.14	30,556	0.13	1.54
SCREEN 18	23,436	10.07	1,500,249	11.04	1.78
SCEEN 17	20,344	8.74	1,998,243	8.82	1.64
SCREEN 15	103,743	44.58	10,526,105	46.47	1.69
SCREEN 14	988	0.42	92,228	0.41	1.56
SCREEN 12	38,908	16.72	3,657,672	16.15	1.57
BHP 1199	18,493	7.95	1,380,611	6.10	1.24
OTHER ROBUSTA	20,972	9.01	1,824,668	8.06	1.45
ARABICA	**53,620**	**100.00**	**6,671,146**	**100.00**	**2.07**
-SUSTAINABLES					
-ORGANIC BUGISU	920	1.72	142,594	2.14	2.58
-MT. ELGON A	2,100	3.92	347,225	5.20	2.76
-BUGISU A+	1,280	2.39	186,245	2.79	2.43
BUGISU AA	2,020	3.77	309,648	4.64	2.55
BUGISU A	360	0.67	52,381	0.79	2.43
BUGISU AB	640	1.19	84,868	1.27	2.21
BUGISU CPB	2,600	4.85	341,008	5.11	2.19
DRUGAR	40,990	76.45	4,978,360	74.63	2.02
OTHERS	2,710	5.05	228,819	3.43	1.41

2.0 INDIVIDUAL EXPORTER PERFORMANCE

Table 3 illustrates the performance of the individual coffee exporting companies in the month of September 2015 in terms of quantity and market share. Ugacof (U) Ltd maintained the highest market share at 23.28% compared to 27.52% for the previous month. It was followed by Olam (U) Ltd- 17.12% (10.50%); Kawacom (U) Ltd 10.10% (3.547%); Export Trading Co Ltd- 9.39% (4.91%) and Kyagalanyi Coffee Ltd 7.46 (13.24%). The first 10 exporters held a market share of 85.66% higher than 81.92% in the previous month. *The figures in brackets represent percentage market share held in August 2015.*

Table 3: Export Performance by Individual Companies in September 2015

	Exporting Company	position held in August	Quantity Bags	%- age Market Share Individual	Cumulative
	Grand Total		286,322	100.00	
1	Ugacof (U) Ltd	1	66,666	23.28	23.28
2	Olam (U) Ltd	3	49,008	17.12	40.40
3	Kawacom (U) Ltd	8	28,914	10.10	50.50
4	Export Trading Co. Ltd	6	26,874	9.39	59.88
5	Kyagalanyi Coffee Ltd	2	21,363	7.46	67.35
6	Ideal Commodities (U) Ltd	7	14,836	5.18	72.53
7	Ibero (U) Ltd	4	14,590	5.10	77.62
8	LD Commodities (U) Ltd	11	8,827	3.08	80.71
9	Ishaka Quality Commodities	10	7,740	2.70	83.41
10	Besmark Coffee Co. Ltd	5	6,448	2.25	85.66
11	Ankole Coffee Producers	14	6,298	2.20	87.86
12	Kampala Domestic Store Ltd	9	5,700	1.99	89.85
13	Risala (U) Ltd	16	5,450	1.90	91.75
14	Banyankole Kweterana Coop	25	3,662	1.28	93.03
15	Coffee World Ltd	15	3,656	1.28	94.31
16	Kaweri Coffee Plantation	27	3,328	1.16	95.47
17	Ankole Coffee Processors	26	2,734	0.95	96.43
18	Savannah Commodities	12	2,140	0.75	97.18
19	Great Lakes Coffee Ltd	22	1,690	0.59	97.77
20	Sena Indo Ltd	18	1,200	0.42	98.18
21	Karaz Coffee Factory Ltd	19	1,020	0.36	98.54
22	Commodity Solutions(U) Ltd	13	934	0.33	98.87
23	Mbale Importers & Exporters	20	680	0.24	99.10
24	Kibinge Coffee Farmers Ltd	24	640	0.22	99.33
25	Nakana Coffee Factory Ltd	17	604	0.21	99.54
26	Zigoti Coffee Works Ltd	-	350	0.12	99.66
27	Bulamu Coffee Buyers Ltd	30	330	0.12	99.78
28	Bakhita Twase Produce Ltd	31	320	0.11	99.89
29	Wabulungu Multi Purpose Ltd	21	320	0.11	100.00

3.0 LOCAL SITUATION

During the month, farm gate prices were in the range of: Shs. 2,000 – 2,300 per kilo of Kiboko (Robusta dry cherries); Shs. 4,000/=-4,500/= for FAQ; Arabica parchment was sold between shs.5,000/=-6,500/= per kilo. Drugar from Kasese was in the range of 4,500/=-5,000/= per Kilo.

4.0 GLOBAL SITUATION

Total global exports in August 2015 were 9.1 million bags, 2.6% lower than August 2014, with exports for the first eleven months of coffee year 2014/15 (October to August) totalling 102 million bags, down from 104.8 million bags compared to the same period in 2013/14, with shipments of Arabicas down 2.3% and Robusta down by 3.5%.

The global total production for coffee year 2014/15 is estimated at141.7 million bags, a decrease of 3.5% from 2013/14. Consumption is still estimated at 149.2 million bags in calendar year 2014, an increase of 2.3% from the previous year.

The ICO monthly average composite indicator price decreased to US cents/lb 113.14 down from US cents 121.21 in August, reaching the lowest level since January 2014. This was as a result of the weakness of the Brazilian and Colombian currencies.

5.0 COFFEE EXPORTS BY DESTINATION

Table 4 shows coffee exports by destination during the month of August. Exports to EU countries totalled 212,407 bags accounting for 74.18% of total exports compared to 229,106 bags (71.53%) exported in August 2015. It was followed by Sudan with 39,730 bags (13.88%) compared to 42,000 bags (13.11%) and India with 9,740 bags (3.40%) compared to 13,805 (4.31%) exported in August 2015.

Table 4: Main Destinations of Uganda Coffee in September 2015

	Destination	Position held In August	QTY	%- Age Market Share	
			60-Kilo Bags	Individual	Cumulative
	GRAND TOTAL		**286,322**	**100.00**	
1	EU	1	212,407	74.18	74.18
2	Sudan	2	39,730	13.88	88.06
3	India	3	9,740	3.40	91.46
4	Japan	-	6,360	2.22	93.68
5	Korea	5	4,720	1.65	95.33
6	China	11	3,380	1.18	96.51
7	Morocco	6	1,920	0.67	97.18
8	Russia	7	1,600	0.56	97.74
9	USA	11	1,520	0.53	98.27
10	Israel	8	1,285	0.45	98.72
11	Switzerland	4	1,090	0.38	99.10
12	South Africa	14	640	0.22	99.33
12	UAE	-	640	0.22	99.55
13	Singapore	10	350	0.12	99.67
14	Canada	12	320	0.11	99.78
15	Ukraine	-	320	0.11	99.90
17	Taiwan	17	300	0.10	100.00

6.0 BUYERS OF UGANDA COFFEE

Table 5 shows the buyers of Uganda coffee in September 2015. The top 10 *buyers held a market share of 68.22% of the total exports lower than 67.72% in August 2015. Sucafina – 22.17% (26.22%), Olam International – 12.26% (8.78%), Altasheel – 7.16% (5.03%), Bernhard Rothfos 5.21% (7.31%), Ecom Agro Industrial 4.83% (2.77%), ETG Commodities 4.63% (2.03%), Icona Cafe 3.21% (1.89%) Aldwami Company 3.18% (0.76)Strauss Commodities 2.92%(2.58%) and Socadec 2.65% (1.55%). Note: The figures in brackets represent percentage performance in the previous month – August 2015.*

TABLE 5: Buyers of Uganda Coffee in September 2015: 60-kilo bags

	BUYERS	Position held in August	QTY 60-Kilo Bags	%-Age Market Share Individual	 Cumulative
	GRAND TOTAL		**286,322**	**100.00**	
1	Sucafina	1	63,488	22.17	22.17
2	Olam international	2	35,100	12.26	34.43
3	Altasheel	4	20,510	7.16	41.60
4	Bernhard Rothfos	3	14,910	5.21	46.80
5	Ecom Agro industrial	9	13,824	4.83	51.63
6	ETG Commodities	11	13,264	4.63	56.26
7	Icona Café	14	9,186	3.21	59.47
8	Aldwami Company	25	9,110	3.18	62.65
9	Strauss Commodities	10	8,370	2.92	65.58
10	Socadec	9	7,576	2.65	68.22
11	Louis Dreyfus	6	7,363	2.57	70.79
12	Cofftea	7	7,350	2.57	73.36
13	Namyang	20	6,000	2.10	75.46
14	Abu Asma	21	5,450	1.90	77.36
15	Bercher Consulting	8	5,168	1.80	79.17
16	Abaco International	13	4,900	1.71	80.88
17	Koninklij	-	3,500	1.22	82.10
18	Vayhan Company	24	3,500	1.22	83.32
19	Volcafe	5	3,304	1.15	84.48
20	Elmathahib	-	3,150	1.10	85.58
21	Tata Coffee	17	2,823	0.99	86.56
22.	Coffy Handels	-	2,760	0.96	87.53
23	China Tea & Coffee	-	2,300	0.80	88.33
24	A Van Weely	-	2,240	0.78	89.11
25	Coex Coffee	-	2,240	0.78	89.89
27	Others	-	28,936	10.11	100.00

7.0 COFFEE DEVELOPMENT AND PROMOTIONAL ACTIVITIES

7.1 The Weather Situation

Central Region

- The anticipated good rains during the Month of September delayed though the temperatures generally lowered in most of the areas. However, some areas in the Districts of Nakaseke and Mpigi received some rains that warranted planting of coffee.
  The intermittent flowering of coffee that had occurred in parts of Greater Masaka during late August was not well supported and abortion was evident.

Western Region

- Kyenjojo & Ruwenzori sub regions experienced near normal rainfall in most parts. Mountainous sub counties in Kasese and Ntoroko received heavy rains.

- Mityana and Hoima sub regions received near normal rains throughout the month of September, which was normal in some sub counties and enabled some planting of coffee.

Northern Region

- Zombo, Nebbi and some parts of Koboko received substantial amount of rainfall during the last two weeks of the month.
- Mid North registered near normal to below normal rainfall which was erratic and not uniformly distributed in both time and space especially in the districts of Nwoya, Amuru, Apac, Kaberamaido, Otuke, Pader and Alebtong.

Eastern Region

- In Busoga, irregular but heavy showers were reported although these rains could not sustain planting. There is a delay in ripening of coffee berries.
- In Mt Elgon, most Districts remained dry and hot throughout the month. The medium altitude sub-counties in Sironko, Bulambuli and Manafwa remained dry and hot apart from the high altitude sub-counties which received some scattered showers. Bududa district received some rains but not enough to sustain planting crops. Coffee has started ripening at both lower and higher altitudes, and farmers have started harvesting.

South Western Region

- With the exception of Kanungu and parts of Rukungiri districts, the weather was quite dry in most of the districts. Rain showers commenced during the last quarter of the month and this has delayed commencement of seedlings distribution in most districts.

In summary, the forecast is for longer rainy period due to anticipated el – nino effects. Farmers are advised to speed up coffee planting so that coffee trees are established early enough. Farmers are also advised to make fertigation trenches , establish terrace bands and avoid swampy areas (nursery establishment) due to possible effects water run off and flooding.

7.2 Generation of Coffee Planting Material

- Coffee Wilt Disease Resistant seedling Generation;
  - Tissue culture seedlings generation for 500,000 seedlings is progressing at FICA Laboratory in Kyenjojo District, and will be due for weaning and hardening from December 2015
  - Allocation of CWD-R seedlings – 5,800 seedlings allocated to 5 Nursery operators.
- Elite seedling Nurseries:
  - 71 million seedlings are available for Distribution through the Country during the September – November rains.
  - Allocations to the Districts under the OWC program and other stakeholders has been completed.

7.3 Management of Diseases and Pest Out breaks.

- Additional 4,000 liters of systemic chemical and 30 motorized pumps were procured for spraying against BCTB immediately after harvesting is complete
- Surveillance reports continue to indicate a reduced presence of BCTB. The BCTB incidence is reported between 0% and 7% in most parts of the affected regions.

7.4 Coffee Planting.

- Due to the erratic rainfall patterns, minimal planting was achieved. 1,197,809 seedlings were planted.
- Planning Meetings for distribution and planting with OWC and the DLGs were completed in most Districts.

- Coffee nurseries to provide coffee seedlings for September- November season were all verified by a team comprising of OWC, DAO's and UCDA staff

7.5 Technical Extension Services and Quality Improvement.

- In West Nile – The main crop has started but at low profile. In Mt Elgon the coffee beans have not yet fully. The beans are large and a good harvest is expected this season.
- In Busoga sub region, un-ripe coffee is already being harvested and can evidently be seen drying in factory/store premises. Cases of adulteration of coffee were observed in Kasambira in Kamuli, Buwaya in Mayuge and Makuutu, Busesa & Idudi in Iganga. Operations of several factories and stores were suspended, and arrests were effected on traders dealing in poor quality coffee. Sensitization of factory operators was also done.
- Registration of stores, factories and sensitization of Buyers and traders in preparation for the new harvesting season continued during the month.

8.0 COFFEE PROMOTION ACTIVITIES

Coffee Shows

- Coffee shows were held in Sironko, Mbale, Kamuli, Mayuge, Iganga, Kween and Kapchorwa, Hoima and Kibaale. The theme for the shows this year was "feeding your coffee plants for sustainable growth".

- In all the shows, stakeholders were advised and encouraged to embrace networking, value addition, market intelligence, quality production in order to exploit economies of scale.

- The Iganga coffee show was graced by the Chairman UCDA Board; while the Hon. Minister MFPED Hon Matia Kasaija graced the Kibale Coffee show.

- **IWCA Annual General Meeting**

On 28th September 2015, UCDA participated in the International Women's Coffee Alliance, Uganda Chapter Annual General Meeting (AGM) held at Mosa Courts Apartments. The well attended AGM saw Mrs. Jane Magombe returned as the Chairperson for another term. UCDA was represented by Mr. James Kizito-Mayanja, who emphasized the need for IWCA to address the four thematic areas of the Uganda Gender Policy 2007 i.e. gender and livelihoods; gender and rights; gender and governance and gender and macro-economic management.

EAST AFRICAN MANUFACTURING SUMMIT

UCDA participated in the East African Manufacturing Summit held on 1-2 September 2015 at Speke Resort, Munyonyo. The Summit organized by the East African Business Council in conjunction with the Ministry of Trade, Industry and Cooperatives (MTIC) was officially opened by the Hon. Minister, Ruhakana-Rugunda. The theme of the inaugural Summit was 'Unlocking the Potential of the Manufacturing Sector in East Africa'. It was attended by delegates from East Africa's manufacturing sector as well as representatives from EA governments, development partners and the academia. Presentations made hinged on constraints and opportunities along the manufacturing value chain.

THE 2015 SCAJ COFFEE EXHIBITION,TOKYO -JAPAN;

UCDA participated in the 2015 SCAJ coffee exhibition held in Tokyo, Japan. this year's event was held at Big Sight, Tokyo from the 30th September to 2nd October 2015. UCDA operated a booth where Uganda coffee was promoted through interfacing with the show goers giving them information on the Uganda coffee and an opportunity to test the brewed coffee and appreciate Uganda coffee. UCDA hosted two exporters from Ankole coffee processors who interfaced with the consumers and promoted their fine Robusta coffee. UCDA was awarded HIGASHIKUNI prize by the emperor of Japan for promoting Uganda coffee.

9.0 OUTLOOK FOR OCTOBER 2015

September exports are projected at 230,000 bags. Harvesting of the main season in central and Masaka is yet to start.

10. UPCOMING EVENTS

13th -15th October 2015: Africa Coffee Renaissance Summit and Breeding work shop Nairobi Kenya

The workshop will be held at Safari Park Hotel Nairobi, Kenya. There will be a chance to meet coffee buyers, National Bodies, development organizations and finance institutions to collaborate on a climate smart market driven strategy to raise

October 16TH 2015: World food Day

Uganda joins the rest of the world to celebrate the 33rd World Food Day today with the them " Social Protection and Agriculture: Breaking the cycle of Rural Poverty." UCDA will be participating in the celebrations that will be held in Kabalore district. Participants will get a chance to learn a lot about coffee while sipping a delicious cup of coffee.

19 – 22 October 2015: IIAC Italian Espresso & Espresso Italiano Trainers Certification program. TBC, Brescia, Italy

The international Institute of Coffee Tasters (IICA), in conjunction with the Italian Espresso National Institute , will put on the Italian Espresso Certification program and the Espresso Italiano Trainers Certification Program. Espresso Italiano Trainers Certification Program includes information on espresso and tasting techniques with the final aim of teaching students how to assess the quality of Italian coffee. *www.espressoitaliano.org/en/*

23 – 25 October 2015: Coffee fest. Oregon Convention Centre, Portland, Oregon

Coffee fest focuses on the specialty coffee, gourmet tea and alternative beverage industry and brings together retailers, distributors and manufacturers. With a mission to help attendees build and refine their specialty coffee business, Coffee Fest couples a relevant educational program with a friendly, informative, and enjoyable trade shoe floor, creating a successful show that serves as a touchstone for many in the specialty coffee industry. Coffee fest provides retailers with relevant information to hone their business skills and u their bottom line. *www.coffeefest.com*