

**COFFEE AND COTTON MARKET DEVELOPMENT AND TRADE
PROMOTION IN EASTERN AND SOUTHERN AFRICA**

**Training Manual on Market Information System:
Coffee – Uganda**

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THE REPUBLIC OF UGANDA
Ministry of Tourism, Trade and Industry

Ministry of Tourism, Trade, and Industry



Common Fund for Commodities



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ABBREVIATIONS

ACE	Audit Control and Expertise
ASARECA	Association for Strengthening Agricultural Research in Eastern and Central Africa
CBOs	Community Based Organisations
CFC	Common Fund for Commodities
CDO	Cotton Development Organisation
CFU	Commercial Farmers Union
CM	Collateral Manager
CPHP	DFID Crop Post-Harvest Programme
CSCE	Coffee, Sugar, Cocoa Exchange (New York)
DFID	United Kingdom Department for International Development
FAO	Food and Agriculture Organization of the United Nations
GoU	Government of Uganda
ICO	International Coffee Organisation
ICT	Information and Communication Technology
ICAC	International Cotton Advisory Committee
IICD	International Institute of Communication and Development
IITA	International Institute for Tropical Agriculture
LC	Local Council
LG	Local Government
LIFFE	London International Financial and Futures Exchange
LMU	Local Management Unit
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MFPEd	Ministry of Finance, Planning, and Economic Development
MIS	Market Information Service
NAADS	National Agricultural Advisory Services
NARO	National Agricultural Research Organisation
NGOs	Non-governmental Organisations
NRI	Natural Resources Institute, University of Greenwich
NYCE	New York Commodity Exchange
PEAP	Poverty Eradication Action Plan
PMA	Plan for Modernization of Agriculture
PM&E	Participatory Monitoring and Evaluation
PRA	Participatory Rural Appraisal
UCDA	Uganda Coffee Development Authority
UCA	Uganda Cooperative Alliance
UCE	Uganda Commodity Exchange
UCTF	Uganda Coffee Traders Federation
UEPB	Uganda Export Promotion Board
UGT	Uganda Grain Traders Ltd
UNFFE	Uganda National Farmers Federation
UNOPS	United Nations Offices for Project Services
USAID	United States Agency for International Development
WFP	World Food Programme
WRS	Warehouse Receipts System

Exchange Rate

1US\$ = US\$1,836 (May 2006)

1. INTRODUCTION

This training manual on the market information system (MIS) for the coffee sub-sector in Uganda has been prepared as part of the project to improve marketing systems for coffee and cotton, including through developing Warehouse Receipt Systems (WRS). The project, which is funded by the Common Fund for Commodities (CFC), is executed by the United Nations Office for Project Services (UNOPS) in Tanzania, Uganda and Zimbabwe. A consortium led by the Natural Resources and including DCDM Advisory Services and Belmont Management Consultants, provided technical advice in implementation of the project.

According to the FAO a Market Information Service (MIS) is *‘A service, usually operated by the public sector, which involves the collection on a regular basis of information on prices and, in some cases, quantities of widely traded agricultural products, from rural assembly markets, wholesale and retail markets, as appropriate, and dissemination of this information on a timely and regular basis through various media to farmers, traders, government officials, policymakers and others, including consumers’* (Shepherd, 1997)¹.

The manual focuses not only on provision of information on coffee prices but takes a broader view of the concept of market information as also including quantities produced and traded, potential buyers, quality standards and other requirements. It is also intended to provide important information on the warehouse receipt system (WRS) for potential participants interested in using the system to access trade finance and/or better market their crop.

The manual starts with an overview of stakeholders’ information needs in the context of the WRS; followed by a section highlighting the importance of market information, focusing in particular on how the prices of agricultural commodities such as coffee are determined in a free market – that is in markets where Government does not control the quantity or prices of commodities traded. The discussions reveal that domestic coffee prices tend to reflect international price movements, which are usually very variable – so while farmers and traders can gain from upward price movements, they also risk losses if prices fall. This is what makes reliable market information important to market players – other benefits of the MIS are discussed in this section. The discussions in Section 3 focus on the collection, processing and dissemination of market information under the system developed for the coffee sub-sector in Uganda. The dissemination channels include radio, print media, mobile phones and the internet. Section 4 provides a guide on how to interpret market information.

The authors would like to thank all those who have contributed to the production of this manual. In particular, thanks are due to Mr Henry Ngabirano (Managing Director of UCDA), Mr Fred Mwesigye (National Project Coordinator / Commissioner for Cooperatives; Ministry of Tourism, Trade and Industry), Mr Chris Baine (WRS Project Consultant based in Kampala), and Mr Alex Rwego (Manager, Uganda Commodity Exchange). In addition, we are also grateful to organisations such as Foodnet, True Africa, mobile phone companies, coffee traders and various farmer cooperative societies, which have all provided valuable inputs during the different phases of the project. Finally, we would like to thank CFC and UNOPS for funding and executing this project.

¹ Shepherd A.W. (1997) Market Information Services – Theory and Practice; Food and Agriculture Organization of the United Nations, Rome.

1.1 Key Stakeholders And Their Information Needs

To effectively participate in the WRS, stakeholders in the coffee sub-sector require different information on the market and the receipt system. Farmers and other players in the coffee trade in Uganda, particularly those intending to use the warehouse receipt system (WRS) in commodity marketing and/or inventory-backed financing, are the main target beneficiaries for training programmes based on this manual. The list of the key stakeholders, provided below, is based on a review of the coffee marketing chain in Appendix 1. The information needs of these stakeholders is summarised in Table 1.

- Farmers and their organisations
- Medium-scale traders
- Exporters
- Banks
- UCDA
- Warehouse operator/CM
- Uganda Commodity Exchange
- Policymakers
- Legislators
- Media
- Target depositors
- Depositors and buyers of stored coffee
- Buyers of stored coffee
- Providing inventory finance
- Quality assurance, information, regulatory, and promotional functions
- Storage service providers
- Floor for auctioning stored coffee
- Enabling environment
- Regulatory framework
- Awareness creation for general public

Table 1: Information needs of key stakeholders in the coffee sub-sector in Uganda

Stakeholder	Information needed.	Purpose for which information is required.
Farmers	Functioning of the WRS.	To decide to and be able to use the WRS, farmers need an understanding of the system, its potential benefits; and how they can access it from specific locations, including names of farmer groups which are using the system and contact details of the leaders.
	Price information	Especially important to farmers are local coffee prices in the major markets. This will enable them to estimate farmgate prices, taking into account the cost of delivering to the nearest major market.
	Information on buyers	This will enable, especially, farmer groups with sufficient volumes to contact the buyers and negotiate a sale.
	Finance providers and conditions	This information is required where farmer groups intend to defer sale or use available financing to procure from members for purposes of bulking and therefore need inventory credit.
	Quality-related issues.	Farmers need information on the quality standards adopted for the WRS as well as crop husbandry and post-harvest practices which will enable them comply with these standards.
Traders	Functioning of the WRS.	Same as in the case of farmers.
	Price information	The relatively smaller-scale traders are especially interested in prices in the major local markets for purposes of bargaining with other larger-scale traders and exporters, who are also interested in international market prices for purposes of negotiating with international buyers and planning their future deliveries.

	Information on producers	To plan their procurement and future supply contracts, traders need reliable estimates of coffee production – national and within specific major producing areas. Where information on groups interested in marketing coffee is provided, the traders can directly arrange purchase.
	Finance providers and conditions	Apart from the relatively small-scale assemblers at the village level, most traders require trade finance and therefore need information on banks and the terms and conditions under which they offer such credit.
	Quality-related issues.	Quality standards applicable in the trade and the skills and equipment required to enforce these at the point of procurement is needed by the traders to minimise losses through deterioration of the quality of the coffee procured or high rates of rejection by buyers further down the marketing chain.
Bankers	Functioning of the WRS	Bankers need information on warehouse operators and their facilities, the terms and conditions under which they are designated and monitored; as well as stock management procedures to assess the risk of financing stocks held by particular operators.
	Depositors and potential buyers	This is needed to assess potential financing requirements and uptake risks.
	Price information	Is required for purposes of valuing collateralised stocks; assessing price risks and therefore the ratio of loan advanced to the market value (sometimes termed “hair-cutting”); as well as monitoring the value of the collateral – lenders can advise borrowers to sell financed coffee earlier than planned if market developments suggest that is necessary to reduce default risk.
Warehouse Operators	Functioning of the WRS	To decide to offer this service, operators need to understand the terms and conditions that they need to meet as well as the regulatory system instituted to protect the interests of depositors and lenders.
	Depositors and lenders	Information on potential depositors, estimated volumes of deposits in particular locations, and chargeable fees will enable warehouse operators assess the profitability of their operation and develop appropriate business strategies. Information on lenders and their terms and conditions will help them align internal control systems.
UCDA and other policymakers	Functioning of the WRS	Information on the “building blocks” and the functioning of the WRS, including on quality standards, certification/licensing regulations and procedures as well as progress made is required by UCDA, the Ministry of Tourism, Trade and Industry and other policymakers to determine the enabling interventions needed.

2. WHY MARKET INFORMATION IS IMPORTANT

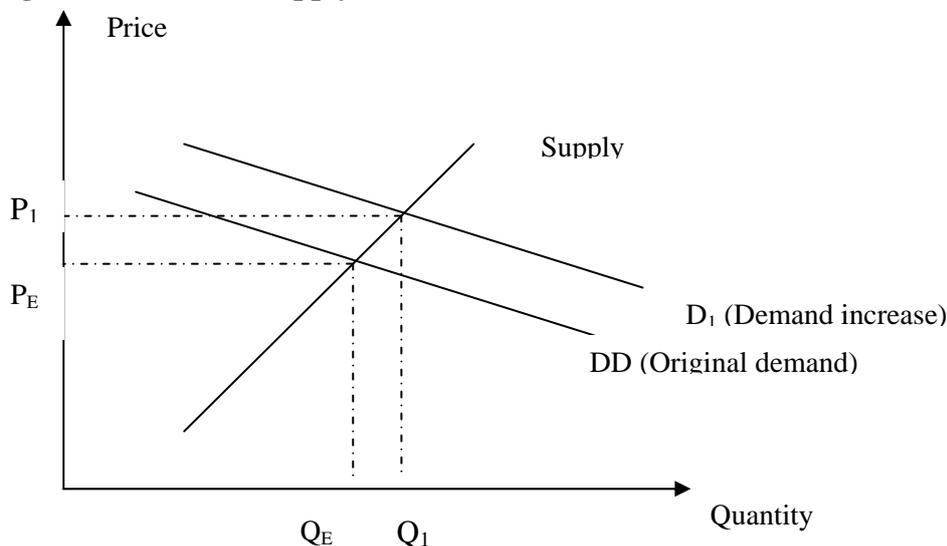
As shown in Table 1, there are different players in the coffee marketing chain in Uganda, who require different market information for different reasons. However, *decisions by all the players are influenced by coffee prices*, in the domestic and international markets – here we are not only talking about prevailing but also about anticipated future prices of the crop. In this chapter we discuss the general principles that explain how the prices of commodities such as coffee are determined and how market players can benefit from good quality market information.

2.1 How Are Coffee Prices Determined In The Market?

Since the agricultural sector in Uganda was liberalised in the early 1990s, Government has stopped fixing the price of coffee and other agricultural commodities. The price paid to farmers for their coffee is determined by the market, which means by the interplay of demand and supply.

Price – in simple terms – is the amount of money (or goods in a barter trade) that buyers are willing to offer in exchange for a good (in this case coffee) and which sellers are willing to accept in a transaction. There is a distinction between the *price* of a good and its *value*. Whereas value represents an opinion or estimate or the worth of the good to a person, its price is what money is actually obtained in exchange for it in a transaction. As earlier stated and illustrated in Figure 1, price is the outcome of demand and supply.

Figure 1: Demand, Supply and Price



Demand for coffee can be defined as the amount of coffee that traders or consumers are willing to buy at a particular price. Usually, *the higher the price of coffee, the lower the quantity demanded, in other words traders and consumers will be willing to buy less of the product if the price rises*. In addition to price, other factors tend to influence demand for agricultural commodities. These include:

- Income of buyers – because it *determines what and how much of a commodity a person can buy*.

- Price of substitutes – *usually influences choice by buyers* – if the price of substitutes is lower relative to the product, then demand for it is likely to be lower.
- Tastes and preferences affect not only demand for particular commodities but even the types that buyers want – *for example, there is growing demand by European and American consumers for “Fair trade” coffee and other agricultural products, not because of particular quality features but largely because of preferences shaped by their perceptions.*
- Religion and traditional taboos – *these may restrict what people can eat or wear and therefore affect their demand even though on the basis of their income they could afford to buy something else.*

Demand should not be considered static. When people's income increases, they can buy things which they could not afford before. Also, often people reduce the consumption of a certain product if their income increases and substitute it with another which is considered of higher value or more fashionable. For a market as a whole, demand will change with a change in the distribution of income. In addition, sales promotion and marketing can also influence the pattern of demand, in that it can lead to changes in preferences and tastes.

Supply of coffee is the amount that farmers and traders (such as exporters) are willing to offer for sale at a particular price. Supply usually reflects total output, which is determined by:

- How much was planted by producers – *for example, number of trees or hectares planted.*
- Production conditions – *such as the weather (e.g. rainfall, frost or storms), pests and diseases (e.g. coffee wilt disease), soil conditions and fertiliser used.*

However, other factors are important in determining how much coffee producers and traders will be willing to deliver for sale on the market. These factors include:

- Home consumption – *part of the production that is consumed by the farmers' household. For example, household consumption of coffee is substantial in Ethiopia whilst in Uganda and Tanzania it is consumed only in small quantities. This implies that the share of national output marketed and/or exported is higher in Uganda and Tanzania than is the case in Ethiopia.*
- Price – *normally the higher the price, the larger the volume of coffee that producers will be willing to produce and traders will be willing to offer for sale.*
- Seasonality – *coffee, like many crops is produced on a seasonal basis, though its consumption may be relatively stable throughout the year. Naturally, this affects coffee supply and prices.*
- Storage – *with crops which are produced on seasonal basis, storage ensures that physical supply can match demand. However, the capacity of farmers and traders to store and sell weeks or months after the harvest depends on the availability of storage infrastructure and the financial means – for farmers to meet other consumption and investment needs while waiting to sell; and for traders to buy and hold the stocks.*

In a free market, there is a price at which buyers take all that the sellers can offer and the market is cleared. This is the **equilibrium price**. Figure 1 shows how the price of a commodity increases as a result of an increase in demand. P_E corresponds to the equilibrium price whilst P_1 is the price resulting from the demand increase.

2.2 Why Coffee Prices Vary

As shown in Figure 2 below, the average prices (January 2003 to May 2006) that farmers and processors in Uganda received vary, partly because of the harvest seasons and more importantly because changes in international market prices (as shown in Figure 3). International coffee prices are determined at international commodity exchanges in countries such as UK, Germany, France and USA. Figure 2 shows monthly and annual average coffee prices for 2003 – 2005 according to coffee type and destination, which have been published on the website of the International Coffee Organization (www.ico.org). The two graphs demonstrate quite well the price differential between *Arabica* and *Robusta* coffees, which is attributed to the intrinsic qualities of the coffees. The graphs also show that prices for the two types of coffee move relatively in tandem.

The major coffee producing countries include Brazil, Vietnam, Colombia, Indonesia, Mexico, Ethiopia and Uganda; while the main importers of Ugandan coffee include European Union, Sudan, Switzerland, USA, and Japan. The international coffee trade and processing is dominated by companies based in these countries. The International Coffee Organization (ICO), which is based in London, assembles statistical data on coffee production, consumption and prices. Also, the United Nations Food and Agriculture Organization (FAO) provides information on international coffee production and trade.

For internationally-traded commodities such as coffee, the farm-gate prices offered to farmers depend on what is happening in other countries in terms of supply and demand. For example, a change in coffee production conditions in Brazil or Indonesia can severely influence prices offered to farmers in Uganda. Similarly, changes in demand patterns in the major importing countries can affect demand for Ugandan coffee. For example, more recently, the demand for commodities using “fair-trade” or “ecologically-friendly” labels has been on the increase. Also, speciality coffees have seen a small but growing market share.

The following statement, which is taken from the FAO website, illustrates how a decline in production in one country (i.e. Vietnam in this case) can affect the international coffee market².

Coffee prices reached 101.44 US cents per pound in March 2005, compared to 60.80 US cents per pound the corresponding month last year, a 67 percent increase. In April 2005, the average daily price fell to 98.2 US cents per pound, following some profit taking by investment funds. Rising coffee prices were underpinned by stronger market fundamentals: growing world consumption, reduction in output, and an anticipated fall in stocks of green coffee worldwide. World coffee production in 2005/2006 (October/September) is expected to reach 6.3 million tonnes, a decrease of 6.2 percent over 2004/2005 due to adverse weather in Vietnam, the second largest producer of coffee in the world after Brazil. Production in Vietnam is expected to decline by 90 000 tonnes, which could lead to a continued upward trend in world prices for the rest of the year. Provisional returns indicate a 27 percent increase in global export earnings in 2004, suggesting that exporting countries might be recovering from the coffee crisis of the past five years.

² Source: FAO website, Coffee Commodity Notes, www.fao.org, November 2005

Figure 2: Average Prices Paid to Farmers and Processors in Uganda (January 2003 – May 2006)

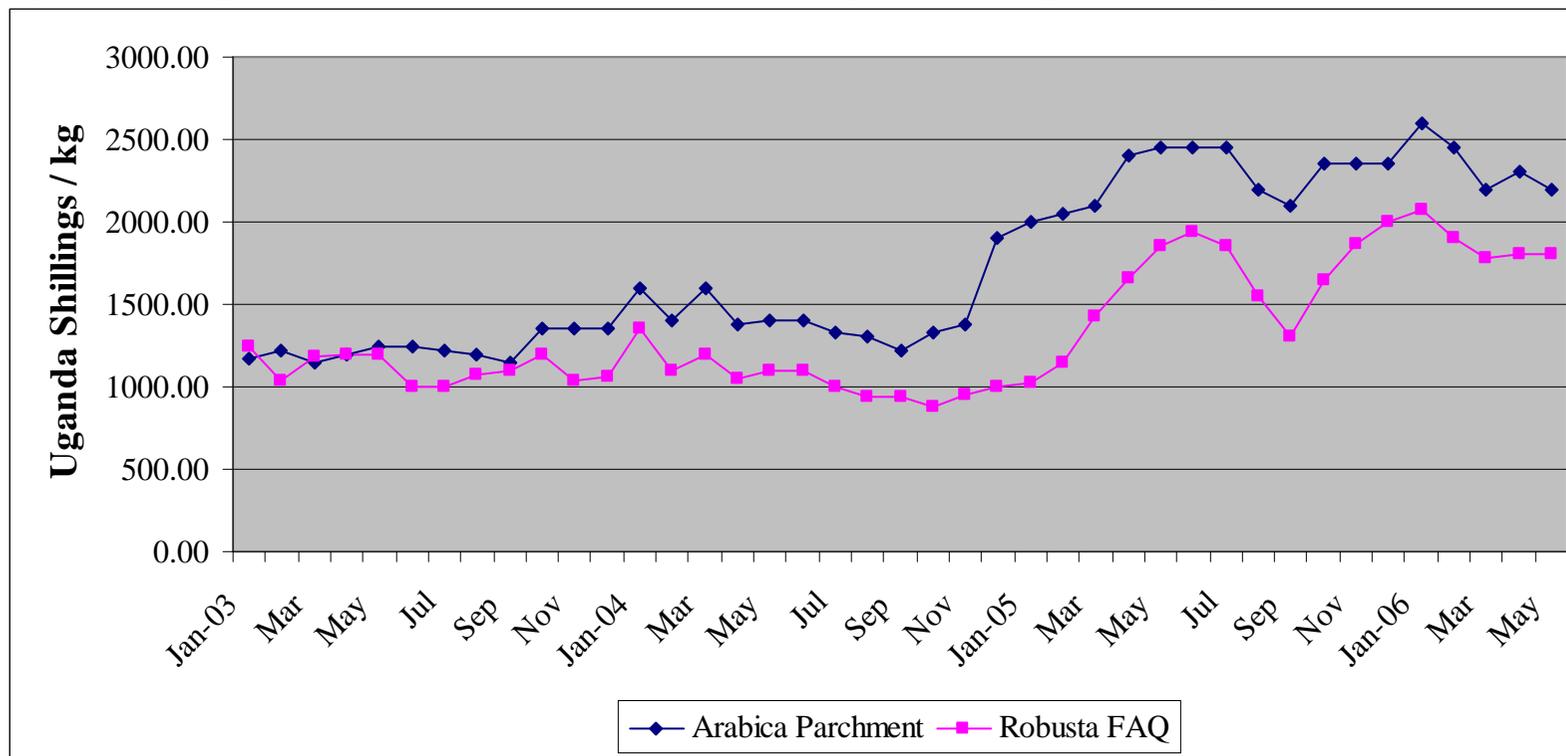
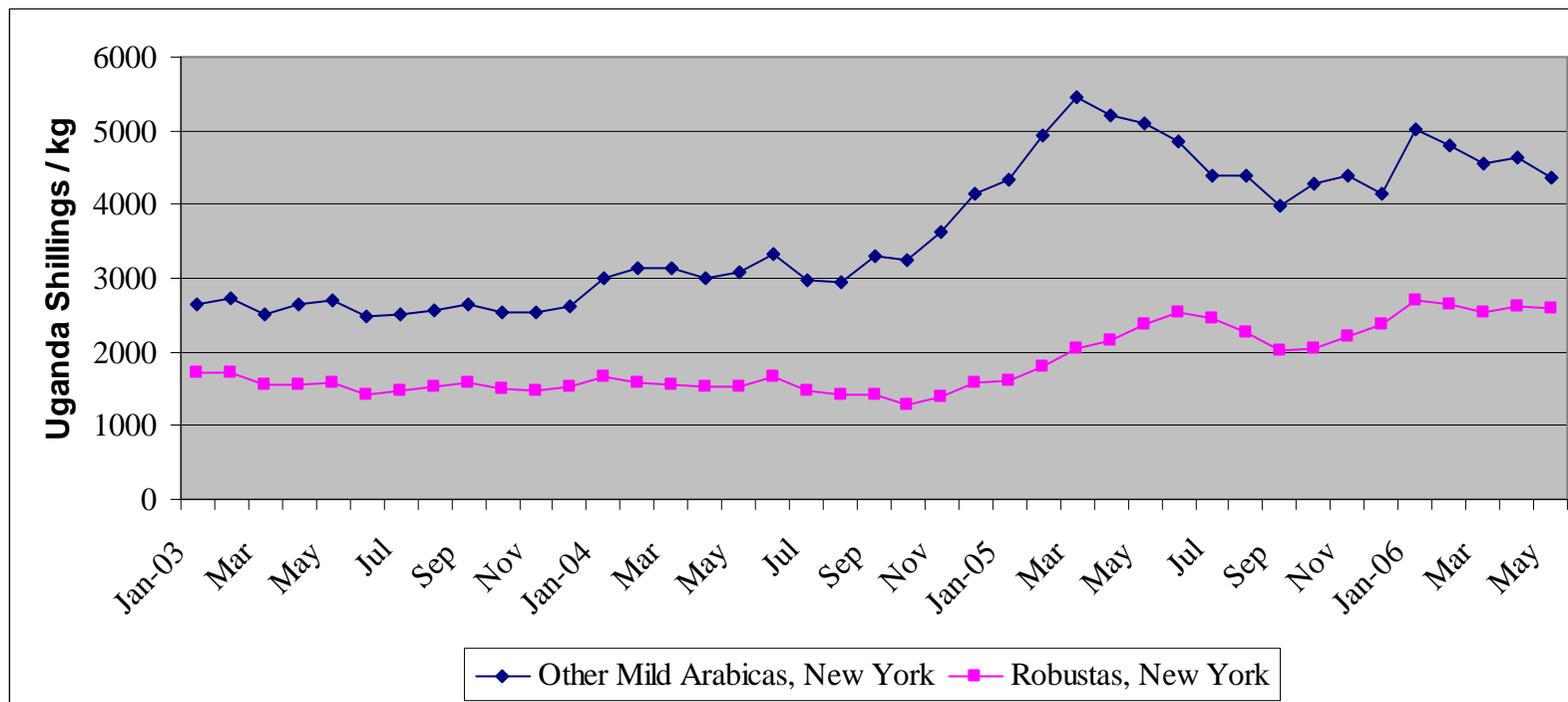


Figure 3: International Coffee Organisation Indicator Prices - Monthly Averages (January 2003 – May 2006)



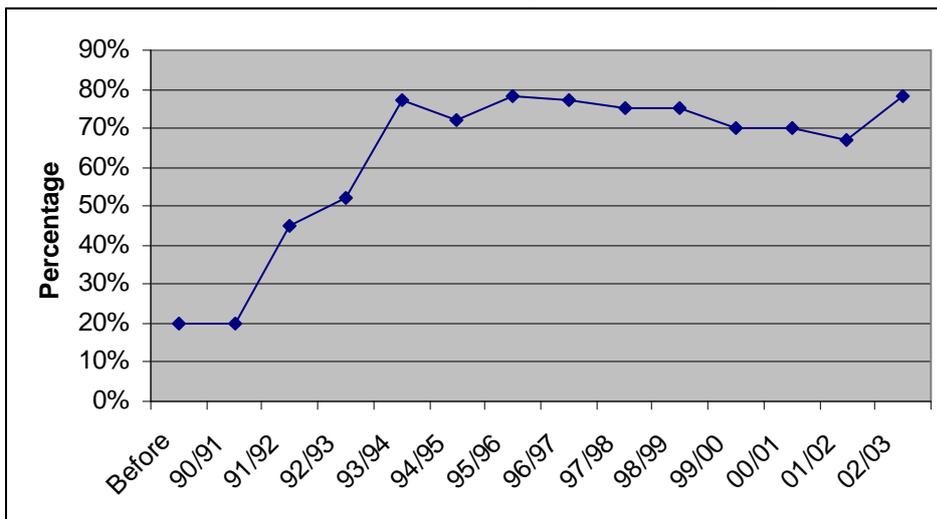
NB: One kilogramme equals 2.2046 lb. One US dollar equals 1,836 Uganda Shillings (May 2006)

The variation in prices affects most players in the coffee chain:-

- Producers are uncertain about what prices they will obtain for their crop when it is ready for the market;
- Traders have a difficulty determining what price to offer farmers because they do not know for certain whether the price they obtain later will cover their cost of procurement and shipment; and
- Processors can only optimise their profits if they minimise their cost of procuring the coffee beans, but this is made quite difficult as a result of price uncertainty.

It was partly to reduce the impact of price uncertainty on especially coffee farmers that Governments fixed domestic prices. Unfortunately, a number of problems made the maintenance of this system difficult, including the high cost of subsidising prices when international market prices fell. Consequently, commodity markets were liberalised in Uganda in the early 1990s, allowing farmers to receive a bigger share of the export price (Figure 4). However, liberalisation also exposed Uganda farmers and coffee traders to the uncertainties in the market such as price fluctuations.

Figure 4: Farmers' Share of Coffee Export Prices (Kampala)



Source: UCDA, Annual Report, 2002/2003

International coffee traders and processors often use futures options contracts, which are traded on the international exchanges, to manage price risks. **Futures contracts** are agreements to purchase or sell a standard volume and quality of a commodity on a specific future date at a pre-set price. They are used to hedge against price risk by locking-in a future price. **Options** are financial contracts that convey the right, but not the obligation, to engage in a future transaction on an underlying commodity such as coffee. For example, a *call option* provides the right to buy a specified amount of coffee at a set (*strike price*) at some time on or before expiration, while a *put option* provides the right to sell. Upon the option holder's choice to exercise the option, the party that sold, or wrote, the option must fulfill the terms of the contract. The way these financial instruments are sometimes used for speculation can also contribute to price volatility.

2.3 What Are The Benefits of Market Information to Farmers, Traders And Other Stakeholders?

The benefits of reliable and transparent market information to farmers and traders in the coffee chain include the following:

- a. **Better negotiating powers**, especially of farmers, who are usually less well-informed about market developments than traders and other players further down the marketing chain, such as wholesale traders, exporters and large processors. This statement stresses that the information must be of good quality and not out of date. Especially, inaccurate information and data can lead to the wrong decisions. To strengthen their bargaining position, it is important that farmers have a good idea of market prices at different levels in the commodity chain, including what is happening on international markets since these determine export prices and ultimately farm-gate prices.
- b. **Improved decision taking** on *where to sell, when to sell, and who to sell to* are helped by reliable market information. It must be stressed, however, that although prices may be higher in locations outside of the farming communities, such as the urban centres, farmers and small-scale traders may not necessarily decide to sell in those markets since they also need take account of the transport and time costs, which will reduce their net margins.
- c. **Timing of sales** is particularly important for farmers and traders as there is the potential of earning more from delaying sale after harvest but at the same time there is the risk of prices falling. In Uganda, where futures and options (see Section 2:2) are not available, exposure to high price risk often discourages delayed sales. Another factor which often compels farmers to sell their crop early is the pressing need for cash to meet household consumption needs.
- d. **Production planning:** Market information can help farmers to plan their production. Especially with annual crops such as cotton and maize, farmers can quickly opt out of planting particular crops to alternative more remunerative ones. The same can not be said of perennial crops such as coffee. However, unfavourable price trends over long periods will often discourage farmers from investing much in the maintenance of the coffee farms and/or shift to the cultivation of other crops.
- e. **Quality related decisions:** Buyers usually offer higher prices for higher quality produce. This occurs in the Ugandan coffee trade, especially in the major urban markets such as Kampala when traders are selling to the exporters. This means that sellers obtain what is described as a *quality premium*. However, at the farmgate, the prices offered by small-scale traders often does not discriminate on quality as most are paid the same price on the same day for the same quantity of coffee delivered. This contributes to generally poor coffee quality and leads to Uganda, as a country, no longer enjoying the quality premium its crop used to enjoy. Information on coffee quality standards and how to comply with them can be obtained from the relevant manual produced under this project.

3. COLLECTING, PROCESSING AND DISSEMINATING COFFEE MARKET INFORMATION

3.1 Collection of Information

UCDA accesses information on international market prices and other related developments from websites of the major international exchanges as well as from the websites of ICO and the FAO. The price data from these sources are translated into local currency equivalent and disseminated daily. This data as well as data on export volumes is relatively easier to collect than local market information, which is the focus of discussions in this section. The guiding principles adopted for the MIS draw mainly on work by Poon (2002).

Data on prices and/or supply are collected from the major local markets by Field Officers of UCDA. The officers face major challenges in data collection, which can affect the quality of the information. These include:

- Quality differences – the price per Kilo of parchment or *kiboko* may or may not reflect differences in the quality of coffee traded, since quality standards are not robustly enforced at the farmgate.
- Differences in quantity measurements and units – this is particularly the case where containers of varying size are used as measures in the rural trade, making it difficult to accurately determine the price per standard volume or weight.
- In some markets haggling is practiced to decide the price, implying that prices may differ from trader to trader.
- Peak day of the week/month or peak times during the day – this may affect the level of prices in particular local markets, implying the timing of data collection can be significant.

Since the value of market information depends largely on the quality of information collected and the collection procedures, the UCDA Field Officers need to apply different methods or techniques – a process which is technically termed “triangulation” to reduce bias or inaccuracies due to the challenges outlined above. By using different methods, the Field Officers and other personnel at head office responsible for quality control of the information provided, cross-check the accuracy of information from a single source. The methods include:

- Interviewing vendors;
- Interviewing the buyers; and
- Observing transactions.

In deciding the design of the data collection sheet and the procedures for collection, the following must be taken into account and specified:

- Design of collection sheet - provide enough space for data collected to allow for ease of comparability.
- Recording the level of sale – for example, the price paid at wholesale market to the farmer or to the trader who bought it from farmer or price paid by exporter to wholesaler – the decision on the level of collection depends on who/what the information is intended for.
- The data collection must include a number of observations in order to provide adequate picture of the price at a particular time depending on the number of vendors

selling the in the market (three to six price observations from different vendors throughout the market is normal).

- Prices should be collected at the time when the market is busiest and a decision should be taken of the frequency of price data collection.
- Local units of sale must be converted to a standard unit by which all markets can be compared and which can be used throughout the year.
- The recording sheets should also include space for name of the market, unique code (for computerisation), comments, date and time, and signature of the collector.

3.2 Processing of Market Information

The most common methods of summarising market data include the:

- Simple arithmetic mean $(n + n + \dots / n)$,
- Trimmed mean (when the low and the high prices are discarded and the mean taken for the remaining price observations) or,
- Mode (the most popular price observation).
- Weighted averages, which takes into account volumes traded at a particular price and gives a truer reflection of the average price, can also be calculated by using the following formulae; $((\text{Price} \times \text{Unit sale}) + (\text{Price} \times \text{Unit Sale}) + \dots) / \text{Unit sale} + \text{Unit Sale} + \dots$

Processing Market Data – Computerisation

While manual processing may still exist in some areas, the use of computers is now very common, using Spreadsheets, Databases or Custom designed systems. The volume of data and level of manipulation needed usually determines the software choice. Spreadsheets software such as Microsoft Excel, are the easiest to use, but their drawbacks includes being:

- time consuming in data manipulation,
- difficult in adding new entry commodities, and
- systems can become cumbersome when there are large volumes of data.

On the other hand, databases such as Microsoft Access or FoxPro, while they are difficult to setup, have advantages over spreadsheets in that they:

- are easy to manipulate data,
- allow data validation features,
- are flexible, and
- allow security features to be setup

The third approach is the use of custom designed solutions, such as FAO-AgriMarket version 2, which is available on CD Rom and can be ordered free of charge. While they are tailor made, Custom Designed Systems:

- require services of skilled personnel such as programmers, and
- tend to be more expensive to maintain, especially when skilled staff are unavailable.

3.3 Disseminating Market Information

The means used in disseminating coffee market information in Uganda include radio, print media, mobile phones and internet. These are discussed below.

3.3.1 Radio

The rapid growth of FM radio stations in Uganda offers a good opportunity to disseminate market information. The radio media, though expensive, are considered to be the most effective way to disseminate information targeted at relatively large numbers of smallholder farmers. Currently, UCDA broadcasts 15-minute coffee radio programmes on seven stations in five local languages, with the emphasis on good agricultural practices (GAPS), quality improvement, and marketing information.

The radio stations indicated in Table 2 are used by UCDA for broadcasting of programmes and price information.

Table 2: Radio Stations used by UCDA for Broadcasting

Station	Language	Area of Coverage (Region)	Type of broadcast	Timing of broadcast
Radio West	Runyakitara (4Rs)	Western, Southern and South Western	Recorded, 15 minutes	Saturdays, 1500-1530 Hrs
CBS Radio	Luganda	Central, Eastern and Western	Live, 15 minutes	Sundays, 0815-0830 Hrs
Radio Simba	Luganda	Central	Live, 15 minutes	Sundays, 1945-2000Hrs
Radio Buddu	Luganda	Mid-Central	Live, 15 minutes	Sundays, 0700-0715 Hrs
UBC Radio	Lumasaba	Eastern	Recorded, 15 minutes	Saturdays, 1345-1400 Hrs
Radio Empanga	Lusoga	Eastern	Live, 15 minutes	1845-1915 Hrs
Radio Paidha	Alur/Luo	North Western	Live, 15 minutes	Sundays, 0700-0800 Hrs

Similar programmes as well as radio talk and discussion slots have been and will continue to be used to disseminate information on the WRS. The possibility of including daily broadcast of coffee prices in the news and local announcement programmes by the FM stations is envisaged.

Box 1: Example of UCDA radio script

PRICE ENHANCEMENT THROUGH COFFEE QUALITY

I Introduction

Programme starts with Introductions from the Radio Presenter, and the “Signature Tune”, which is a song about the benefits of growing coffee and its goodness at consumption is played.

II Highlights of factors contributing to good quality coffee

- a) Good land preparation prior to planting;
- b) Good planting material (arabica/robusta plantlets must be mature and from certified nurseries
- c) GAPs – Land preparation, planting out, mulching, weeding, pest control, intercrops and shade attributes;
- d) Good harvesting techniques – pick only the red ripe cherries
- e) Proper drying - on mats, raised wire mesh, cemented floors or tarpaulins and regular turning till coffee attains 12.5% Moisture Content
- f) Store properly before selling – the store must be for coffee only, without any substances that would be a source extraneous odour.

III Quality and Price Relationships

- i) The price of a commodity is directly influenced by its quality;
- ii) Good quality coffee will attract better prices;
- iii) Good quality coffee is full bodied, well dried (less than 12.5% MC) and without extraneous matter (e.g. stones, soil, grains;
- iv) Marketing through Farmer Group’s bulking system enhances quality;
- v) Good quality coffee, through the WRS warehouse attracts even a higher price premium.

IV Conclusion and Appeal

Farmers need to ensure that good planting material is used for planting, good management employed, proper harvesting and drying undertaken. In addition, farmers are advised to organise themselves into groups and sell in bulk through the warehouses to obtain maximum benefits from their coffee.

3.3.2 Print media

The printed media such as newspapers, newsletters, and notice boards play an important role in market information systems. UCE is negotiating with two of the major dailies to publish price information bulletins originating from the UCE and/or UCDA in their business columns. This information dissemination method will be free.

Posters written in local languages will also be used to communicate information on the WRS. In fact, posters and flyers are already used showing the functioning of the warehouse receipt system and the mobile phone SMS system. UCDA extension staff are expected to disseminate daily price bulletins, which are also available at the warehouses. Table 3 shows the price bulletin which is disseminated on a daily basis by UCDA.

Table 3: Example of daily UCDA price bulletin

DATE: 16, June 2006

LONDON ROBUSTA CLOSE: 15/06/2006				NEW YORK ARABICA FUTURES CLOSE		15/06/2006
MONTH	PRICE (\$/TON)	MOVEMENT ON DAY	VOLUME SOLD (LOTS)	MONTH	PRICE (CTS/LB)	MOVEMENT ON DAY
JUL'06	\$1,167	29	-----	JUL'06	96.55	0.50
SEP'06	\$1,185	30	-----	SEP'06	98.95	0.50
NOV'06	\$1,197	28	-----	DEC'06	102.90	0.60
JAN'06	\$1,199	27	----	FEB'06	106.70	0.80
MAR'07	\$1,207	27	-----	MAY'07	109.05	0.80

Market Analysis Report:

LIFFE Robusta Coffee futures: Closed higher across the board on Thursday. July closed higher at \$1,167 per tonne gaining \$29 over the closing, while September closed at \$1,185 a tonne, gaining \$30 over the closing.

CSCE Arabica: Closed higher across the board on Thursday due to fund and speculative buying. July closed at 96.55 cents a lb gaining 0.50 cents over the previous day, while September closed at 98.95 cents a lb gaining 0.50 cents over the closing.. Futures volumes were estimated at 24,655 lots lower than the previous day.

Indicators: Arabica: US.Cts/lb, Robusta: US.Cts/lb & Ug.Std.Robusta (NY Ex Warehouse): US.cts/lb

REGISTERED SALES ON 15 June 2006: Units in Cts/lb and 60 Kg bags.

GRADES/PRICES		INDICATIVE PRICE (cts/lb)	LOWEST PRICE (cts/lb)	HIGHEST PRICE (cts/lb)	VOLUMES SOLD (60 Kg Bags)
ROBUSTAS	SCREEN 18	59.60	61.50 (FOT)	61.50 (FOT)	320
	SCREEN 15	54.60	56.02 (FOT)	58.00 (FOT)	6,682
	SCREEN 12	51.60	51.48 (FOT)	52.39 (FOT)	2,671
ARABICAS	BUGISU AA	91.05	-----	-----	-----
	BUGISU A	90.05	-----	-----	-----
	BUGISU PB	90.05	-----	-----	-----
	BUGISU B	88.05	-----	-----	-----
	WUGAR	89.05	-----	-----	-----
	DRUGAR	70.05	73.00 (FOT)	73.00 (FOT)	640

MID WEEK. MARKET PRICE TREND

CATEGORY OF COFFEE:	FAQ	KIBOKO	ARABICA PARCHMENT
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**NOTE: The Indicative prices for today will be issued after the London Market has opened.

3.3.3 Mobile phones

Three companies in Uganda have established mobile telephone networks in the country which are currently being used to disseminate price information for various commodities. Most farmers do not have mobile phones but among the farmer groups or cooperatives, at least one of the executives has a mobile phone. A database of mobile phone contacts of the executives of the primary cooperative societies has been built. Access via the phone costs users Uganda Shillings 160 per SMS displaying coffee prices.

Description of how SMS coffee market information system is working

Efforts to establish the mobile phone SMS system were finalised in December 2005 and it is now fully operational countrywide. Farmers and/or traders are required to key in the required key words (coffee, robusta or arabica) to enable them access coffee market information of either international prices or domestic prices. The international coffee prices are converted at the daily exchange rate into UCDA indicative prices. The prices are updated daily by UCDA and once a particular key word is sent to the respective network, the price data is received instantly on the screen.

The roles of UCDA, TrueAfrican Ltd and the mobile phone companies (MTN, CELTEL & MANGO)

The role of UCDA is to collect, analyse and input the updated price information into the system through the created interface.

TrueAfrican Limited is responsible for maintaining connectivity between the UCDA interface and the mobile phone networks.

The phone companies are responsible for disseminating the updated information as received from the established linkage with TrueAfrican Limited.

Numbers to be dialled for information

Send an SMS message to 197 MTN or 889 MANGO or 797 CELTEL as follows:

A: International Market Prices

Type keyword **COFFEE** then send to 197 MTN or 889 MANGO or 797 CELTEL.
*Response will give international prices for Arabica (NewYork) in US\$.... per tonne and Robusta (London) US\$..... per tonne - also both translated into Shs.... Per kg

B: Local Indicative Prices for Robusta

Type keyword **ROBUSTA** then send to 197 MTN or 889 MANGO or 797 CELTEL.
*Response will give local indicative prices per kg for Robusta Kiboko, FAQ and Parchment in the following locations: Bushenyi, Masaka and Iganga.

C: Local Indicative Prices for Arabica

Type keyword **ARABICA** then send to 197 MTN or 889 MANGO or 797 CELTEL.
*Response will give local indicative prices for Arabica Parchment, Wugar and Drugar in the following locations: Mbale, Nebbi and Kasese.

Box 2: Examples of how coffee prices are displayed in SMS

(a) International Price (Received by typing key word coffee and sending to networks):

(US\$/TONNE)

Arabica (NewYork) = 2128

Robusta (London) = 1167

LOCAL EXCHANGE RATE \$1 = 1846

Indicative FOT KLA (SHS/KG)

Arabica = sh. 3928

Robusta = sh. 2154

(b) Local Indicative Price for Robusta (Received by typing key word robusta and sending to networks):

BUSHENYI: Kiboko=shs.900 per kilo, FAQ=shs1800;

MASAKA: Kiboko=shs. 700, FAQ=shs.1750;

IGANGA: Kiboko=shs. 500, FAQ=shs. 1200.

Main season in Central and East ending

(c) Local Indicative Price for Arabica (Received by typing key word arabica and sending to networks):

MBALE: Parchment=shs.2700 per kilo;

NEBBI: Wugar Parchment=shs.2100 per kilo;

KASESE: Drugar(FAQ)=shs.1,900 per kilo, Parchment=shs 2200 per kilo

3.3.4 Internet and telecentres

The internet, particularly the UCDA website: www.ugandacoffee.org, is an effective means for disseminating information but it is most suited to traders, processors, exporters, warehouse operators, banks, commodity boards, and government agencies who are most likely to have user knowledge and are located in urban areas where access is not an issue.

Nevertheless, representatives of some farmer groups and cooperatives should be able to access the UCDA website through internet cafes or extension offices. The number of privately-run internet cafes is increasing rapidly, offering services such as e-mail and internet access as well as printing services.

Telecentres (e.g. at Nabweru, Buwama, Kasangati, Hoima and Kabwohe) offering similar services are also being promoted by the International Institute of Communication and Development (IICD) in conjunction with UNESCO. Similarly,

efforts are underway by UNIDO to establish District Business Information Centres which the WRS can take advantage of as well. Farmer organisations that are linked to the telecentres are able to access information via the internet.

Box 3: How to access market information on the UCDA website

In order to access the UCDA website, you log in to www.ugandacoffee.org, then you go to the home page which consists of a menu comprising; production, prices stakeholders, etc. On the menu, you click on ‘Prices’ and then on ‘Daily Coffee Prices’. You will access the prevailing market prices. Still on the home page, the daily indicative prices for both export and local prices (Kiboko, FAQ and Parchment) are scrolled on the screen as well as the lowest and highest prices contracted by exporters the previous day and the corresponding volumes and grades. In addition, coffee prices are indicated on the website of the Uganda Commodity Exchange (www.uce.ug), which is currently under construction.

3.3.5 How to get market prices on food crops

In view of diversification efforts, farmers frequently also ask for prices of commodities other than coffee. Table 4 provides an overview of sources of market information provided by Foodnet, Kampala, on food crops such as maize and beans. The role of neighbours, friends, and traders as sources of market information should be noted. Although these sources may not always be the most reliable ones, they are quite important for villagers.

Table 4: Market information sources on food crops

Source of market information	Method of obtaining	Frequency
Radio Price announcements	Tuning in to the radio at the time the programme is being aired	Three times a week
Village notice boards	Reading price lists on notice boards whenever you come by one	Weekly
Mobile telephones	Sending messages to SMS media (MTN 197, 198)(MANGO 889) and Celtel, 755)	Any time
Internet	Accessing Foodnet websites www.ugandamarkets.com www.foodnet.cgiar.org	Any time
Markets	Asking traders and buyers	When in the market
Neighbours, friends, people who visit markets	Asking them latest prices	When you meet them

Source: Marketing Fact Sheets, Foodnet and NRI (2005)

Table 4a below shows the pros and cons of each of the media discussed above, while a summary of the information requirements and sources for key stakeholders is provided in Table 5.

Table 4a: Pros and cons of media used in disseminating market information

Media	Pros	Cons
Radio	<ul style="list-style-type: none"> – Almost every household owns a radio s – Inexpensive for users – Widely used 	<ul style="list-style-type: none"> – Information is not ‘on record’ – Broadcasting schedule may conflict with other activities – Can be expensive for MIS (high charges) – There may be language issues if several languages are spoken in the country
Television	<ul style="list-style-type: none"> – Many households own a TV (to be discussed) – Inexpensive for users – Widely used 	<ul style="list-style-type: none"> – Information is not ‘on record’ – Broadcasting schedule may conflict with other activities – Can be expensive for MIS (high broadcasting charges) – There may be language issues if several languages are spoken in the country
Printed media – Newspapers	<ul style="list-style-type: none"> – Information is ‘on record’ and can be referred to (i.e. farmers or traders have ‘hard’ copy) 	<ul style="list-style-type: none"> – There may be time lag between submission of market report to the newspaper office for publishing and the appearance in the paper – Some farmers may find it difficult to buy a newspaper every day (e.g. cost, and delays in buying) – There may be language issues
Leaflets	<ul style="list-style-type: none"> – Useful for the dissemination of specific information (e.g. production planning, post-harvest quality issues) 	<ul style="list-style-type: none"> – Information may become out of date – Needs to be carefully planned to maximize the impact of the information
Notice boards	<ul style="list-style-type: none"> – Can be easily set up in markets – Traders in the market have easy access to the information 	<ul style="list-style-type: none"> – Farmers and traders who don’t visit the market don’t have access to the information <p>Issue: should paper reports be posted on boards, or should the market information be written on them</p>

<p>Mobile phones (SMS text messages)</p>	<ul style="list-style-type: none"> - More and more people have a mobile phone; traders definitely, but also more farmers - Relatively inexpensive to send and receive text messages - Allows cost / revenue sharing model - Dissemination is fast 	<ul style="list-style-type: none"> - Some farmers may not have mobile phones because they are too expensive - Some people may not be aware of the service - There is only a limited amount of information that can be disseminated by mobile phone text messages
<p>Internet and telecentres (web-page) and emails</p>	<ul style="list-style-type: none"> - Dissemination of information is fast - Information is 'on record' and can also be printed out if required - Accessing websites or receiving e-mails with trade info can be cheaper than subscribing to trade magazines 	<ul style="list-style-type: none"> - Not everybody has access to a computer or internet (can be too expensive) - Staff and skill requirements; MIS needs someone with skills in web site design; users need to be computer literate - Daily e-mail messages (with large attachments) can clog up the inbox of users

Table 5: Summary of Information Requirements and sources of information under the Warehouse Receipts System

Type of information required	Source of information	Target users of information	Most suitable means for dissemination
Functioning of WRS	Warehouse Receipt Authority (to be formed; for the time being the information is provided by the Project Management Unit)	<ul style="list-style-type: none"> • Farmers and their associations • Medium-scale traders • Exporters • Banks • Warehouse operator/Collateral managers • Uganda Commodity Exchange • Policymakers, UCDA, Legislators, General public 	<ul style="list-style-type: none"> • Posters/workshops/Radio • Website/Flyers/Radio/Newspapers • Website/Flyers/Radio/Newspapers • Website/Flyers/Radio/Newspapers • Website/Flyers/Radio/Newspapers • Website/Flyers/Radio/Newspapers • Website/Flyers/Radio/Newspapers
International and local prices	UCDA and UCE	<ul style="list-style-type: none"> • Farmer associations • Small and medium-scale traders • All others 	<ul style="list-style-type: none"> • Rural radio, mobile phone, notices at warehouses, extension officers. • UCDA/UCE websites, radio, mobile phone, newspapers. • Telecentres / UNESCO • District Information Centres/UNIDO
Buyer information	UCDA, UCE, and UEPB	<ul style="list-style-type: none"> • Farmer and their associations • Small and Medium-scale traders • Exporters • Banks 	<ul style="list-style-type: none"> • Notices at warehouses, extension officers. • All others via emails and UCE website.
Depositors and deposits	Warehouse operator or Collateral Manager	<ul style="list-style-type: none"> • UCDA • Medium-scale traders • Exporters • Banks • UCE 	<ul style="list-style-type: none"> • Internet-based transmission of individual details to UCDA and banks • Email and website dissemination of aggregate information.

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Financing terms and conditions	Banks	<ul style="list-style-type: none"> Farmer associations Medium-scale traders Exporters Banks Uganda Commodity Exchange UCDA 	<ul style="list-style-type: none"> Posters/workshops/Radio for general information and letters for individual details. All others: UCDA/UCE websites, radio and newspapers on general terms and conditions; and individual letters.
Crop output (forecast and actual)	UCDA	<ul style="list-style-type: none"> Farmer associations Medium-scale traders/Exporters Banks Warehouse operator/Collateral managers Uganda Commodity Exchange Policymakers, UCDA, Legislators, General public 	<ul style="list-style-type: none"> Rural radio, notices at warehouses and extension officers. All others: UCDA/UCE websites, radio and newspapers.
Crop husbandry and post-harvest issues	UCDA, MAAIF, and NAADS	<ul style="list-style-type: none"> Farmer associations Medium-scale traders Exporters Warehouse operator/Collateral managers 	<ul style="list-style-type: none"> Rural radio, notices at warehouses and extension officers. All others: UCDA/UCE websites, radio and newspapers.
Terms and conditions for participation by warehouse operators/collateral managers	Warehouse Receipt Authority (to be formed; in the meantime Project Management Unit)	<ul style="list-style-type: none"> Farmer associations Medium-scale traders/Exporters Banks Warehouse operator/Collateral managers Uganda Commodity Exchange Policymakers, UCDA, Legislators, General public 	<ul style="list-style-type: none"> Rural radio, notices at warehouses and extension officers. All others: UCDA/UCE websites, radio and newspapers.

4. HOW TO INTERPRET MARKET INFORMATION

4.1 Identifying Stage and Location in the Marketing Chain

When farmers and cooperative representatives read prices in newspapers or hear them on the radio, they need to be very clear about the stage of the produce in the marketing chain. For example, FAQ (Fair Average Quality) is a price typically quoted for Robusta coffee, whilst Arabica prices are mostly quoted for parchment. Ideally, the price information should also indicate the type of buyer or seller from which it has been gathered (e.g. middlemen's buying prices at district level).

In addition, it needs to be taken into account for which **location** the prices have been quoted. For example, the price of a commodity is bound to be much lower in a remote district or sub-county than in a location close to the capital or inland port for export commodities.

4.2 Taking Marketing Costs Into Account

Farmers may hear on the radio that the price of a particular product in a big wholesale market in the capital city is 100 US\$ a kilo. The price being offered by a trader on the same day in their village market might only be 80 US\$, however. This does not necessarily mean that the local trader is trying to cheat them. They should remember that the trader will have to pay for the goods to be transported to the capital city and that they may have to pay a porter to carry the goods to and from the lorry. They may also lose some of the produce during the journey. They may also need to borrow money to pay the farmer and so they must cover the cost of the interest charged by the money lender. In addition, they must also earn a living and so they must sell it for more than they have paid the farmer taking all the costs they have incurred into account. Also, we shouldn't forget that the price might fall when coffee is still in the trader's hands, reflecting the risks the trader undertakes.

Farmers should try to find out all the costs related to coffee processing and marketing. If they then deduct these costs from the price that the product is trading at in the capital city they can find out roughly what profit the trader is taking and the price that the trader **should** be offering if they are taking a fair and reasonable profit.

Box 4: Assessing the benefit of transporting coffee to Kampala (10 tonnes Robusta FAQ)

Kampala price: 2,000/= per kg
Farm gate price: 1,900/= per kg
Transport costs: 35/= per kg (or Shs. 350,000/= per 10 Tonne load)
Other costs (including time of farmer if he accompanies the coffee): Shs. 15/= per kg (inc. off loading)
Net benefit for farmers: Shs. 50/= per kg (or Shs. 500,000/= per 10 Tonne Truck load)

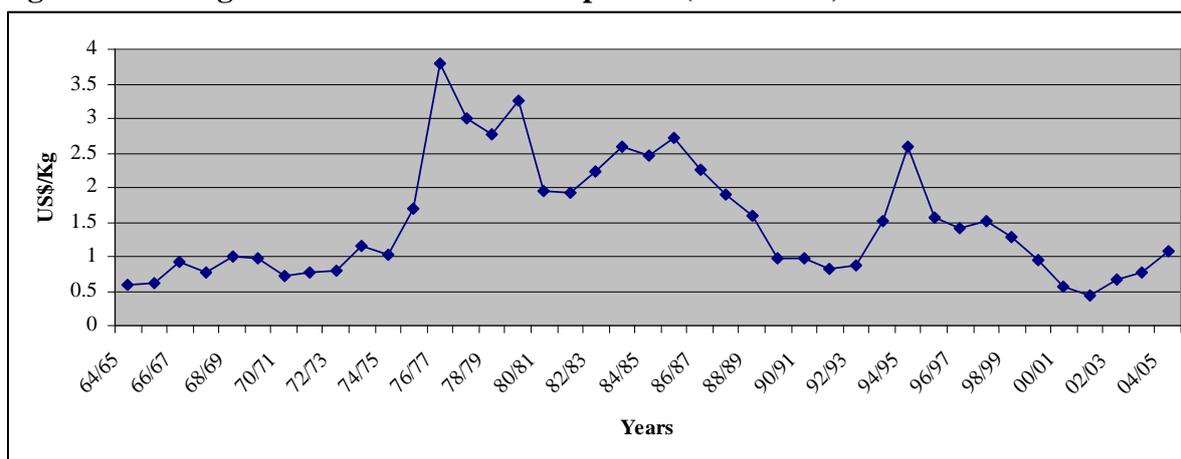
4.3 Be Aware of Price Fluctuations

One of the key reasons to obtain market information is to be aware of price movements. In particular, if a commodity is stored over a certain period of time, it is important to know if prices are likely to increase or decrease. Seasonal price fluctuations are likely to occur in the case of non-perishable commodities which are destined for the domestic market. For example, the price of maize tends to go up after about a month after harvest until the next harvesting season starts. Despite the low prices after harvest, farmers tend to offload their produce due to lack of storage facilities and their need for immediate cash.

On the other hand, internationally traded commodities such as coffee or cotton will see their price fluctuate depending on international supply and demand factors. For monthly international and domestic coffee prices, consult Figures 2 and 3 above). Farmers need to be made aware when prices are likely to move. If prices are going to tumble then this requires a quick sale, whilst farmers can be more relaxed if prices go up.

Figure 5 below shows how the average unit value of exported coffee has fluctuated between 1964 and 2005 (for more details see Appendix 5: Uganda's Coffee Exports from 1964/65 – 2004/05).

Figure 5: Average Unit Value of Coffee Exported (1964-2005)



Source: UCDA

Farmers should feel free to approach UCDA staff for their advice on future coffee prices. At the same time, this also means that UCDA extension staff need to be informed of market developments so that they can pass on their knowledge to farmer groups and cooperatives that have stored coffee in warehouses.

4.4 Quality Differences Can Affect Price Offered

The quality of the coffee on offer affects the price. If farmers offer a low quality product, they cannot expect traders to pay the best price. And, as we have said before, traders will not pay the full price for small quantities of produce.

It may be that there is a high demand for a product but that the customers need it to be of a very high quality or that it needs to be packed in a certain kind of way. If the farmers are unable to meet these demands – they should not produce it.

In the case of coffee this means the product needs to meet the specifications as advised by UCDA and demanded by the coffee exporters.

In particular, farmers need to be aware of the quality specifications corresponding to the prices announced over the radio, through SMS, or in the printed media. Table 6 illustrate the specifications for coffee grading used in Uganda and Table 7 shows to the extent to which coffee export prices are influenced by the quality of the product. For further details on coffee quality, refer to the *Coffee Quality Assurance Manual (Uganda)*.

Table 6: UCDA Quality Specifications

<i>Grading Specifications of Coffee</i>	<i>Accepted Percentage</i>
<i>Defect Type</i>	<i>Ratio Points Scale</i>
Moisture Content: Kiboko	Maximum 13.5%
Moisture Content: Export Coffee	maximum 12.5%
Blacks	1 = 1
Unhulled coffee	1 = 1
Extraneous matter	1 = 1
Partly blacks	1 = 1
Insect damage	1 = 1
Pin-hole	5 = 1
Chalky white	1 = 1
Discoloureds	1 = 1
Withered/malformed	1 = 1
Chips/badly broken	1 = 1
Mouldy coffee should be completely avoided	1 = 1

Source: UCDA

For more details on recommended quality it is advised to consult the guidance leaflets provided by UCDA.

Table 7: Realised Average Export Coffee Prices for 2003-04 (US\$/kg)

Grade	Oct US\$/kg	Nov US\$/kg	Dec US\$/kg	Jan US\$/kg	Feb US\$/kg	Mar US\$/kg	Apr US\$/kg	May US\$/kg	Jun US\$/kg	Jul US\$/kg	Aug US\$/kg	Sep US\$/kg	Avg US\$/kg
ROBUSTA													
SCREEN 18	0.72	0.72	0.74	0.79	0.79	0.80	0.81	0.78	0.85	0.83	0.76	0.78	0.79
Screen 15	0.69	0.68	0.68	0.73	0.74	0.75	0.72	0.69	0.78	0.75	0.69	0.68	0.72
Screen 12	0.60	0.62	0.63	0.64	0.66	0.65	0.62	0.66	0.70	0.64	0.60	0.59	0.64
WASH-ROB	1.02	0.75			1.00								0.81
ORG ROBUSTA		0.73					0.74		0.72			0.90	0.73
ARABICA													
BUGISU AA	1.06	1.12	1.15	1.16	1.28	1.26	1.27	1.32	1.27	1.35	1.31	1.29	1.21
BUGISU A	1.03	1.10	1.15	1.13	1.26	1.21	1.21	1.35	1.51	1.34		1.17	1.23
BUGISU PB	1.03	1.05	1.05	1.20	1.13	1.22	1.07	1.10	1.41				1.13
ORG-OKORO			1.18	1.27		1.38	1.36						1.29
ORG-BUGISU	1.36	1.25	1.22		1.34	1.36		1.30				1.36	1.32
DRUGAR	0.72	0.69	0.71	0.82	0.88	0.99	0.96	1.00	1.00	0.94	0.92	0.98	0.88
WUGAR	1.12	1.11	1.07	1.13	1.11	1.19	1.11	1.34	1.39		1.12	1.36	1.18
Average	0.69	0.72	0.73	0.75	0.79	0.84	0.82	0.79	0.80	0.75	0.70	0.71	0.76

Source: UCDA Database

4.5 Assess Value Addition Opportunities On Basis of Market Conditions

Price information for different stages of a commodity in the marketing chain will show farmers the benefits of value addition. In the case of coffee this may mean a price increment due to processing steps such as washing or milling the beans prior to selling them to an exporter. Appendix 1 illustrates the coffee marketing chain in Uganda.

4.6 Taking Production Decisions

Production decisions for tree crops such as coffee are long-term investment decisions and need to be taken with care. Although farmers and their cooperative representatives should try and obtain long-term price data to see how coffee prices have developed over the years, they should also obtain advice from UCDA staff. For example, they need to be aware of potential future price movements due to supply changes in other countries. Also, farmers need to understand how inflation has influenced prices. As a result, farmers should approach government extension staff for their advice on long-term decisions on planting new trees or replacing old ones, including those that have been affected by coffee wilt.

Local NAADS offices and their service providers can help to calculate profit margins for alternative enterprises.

4.7 The Importance of Negotiations

Taking all the above factors into account, farmers need to remember that they should negotiate as much as possible to obtain the best possible deal. As highlighted above, by knowing the price in a different location and price movements over the last few days and weeks, they are in a better position to negotiate with potential buyers. Farmers shouldn't just accept the price offered by buyers. They need to be aware of buyers' business 'tricks' and be able to respond to them. For example, buyers might quote an out-of-date price, or say that the quality of the produce is not good enough (e.g. too moist).

If the produce is of good quality and certified by an accredited warehouse manager, farmers are in a better position to deal with traders that are trying to rip them off.

At the same time, farmers also need to be aware of traders' marketing costs such as transport, market fees, etc. These need to be reflected in the price.

4.8 The Importance of Collective Action

There are situations where farmers may have up-to-date market information but may not be in a position to make use of it because they don't have transport to take the produce to another buying centre where better prices are offered, or they lack the means to store the produce over a certain period of time until the prices have increased to a more acceptable level.

In this case they should think about the importance of collective action and consider the options they have. For example, they might be able to hire a lorry to transport the coffee of an

entire group of farmers to another trading centre, or they can organise collective storage. Also, some processing and value addition activities can be carried out collectively (e.g. milling).

Although collective marketing activities may sound normal for farmers that are organised in functioning and well-organised cooperatives, there are still plenty of farmers who operate on an individual basis or have only recently joined a newly-formed group. It is those farmers and new groups that require a lot of support during the years to come so that they can better take advantage of their potential.

Further reading that can be consulted on farmer group marketing: **Advice Manual for the Organisation of Collective Marketing Activities by Small-scale Farmers**, by Robbins et al. (2004).

BUYERS' INFORMATION

A minimum number of three to five buyers is required to have competition in an area where coffee is bought. Farmers and their group representatives need details of these buyers in order to be able to contact them and offer them their produce.

A list of coffee exporters registered with UCDA is contained in Appendix 2. They are the principal players in the system and some of them turn over fairly large quantities and sums of money. Nevertheless, farmer cooperatives that are well established and able to offer larger quantities of good quality produce should be in a position to directly deal with them.

The alternative to selling a commodity such as coffee directly to a buyer is to have the produce auctioned at the Uganda Commodity Exchange (UCE). The majority of exporters are present at the UCE on a normal auctioning day and ready to bid for farmers' coffee based on the information they have received from the warehouse manager (e.g. quality and quantity).

EXAMPLES OF FOOD CROPS PRICE DATA

This section provides examples of how price information is collected by Foodnet in Kampala and assembled in spreadsheets. As part of their national market information service, Foodnet collects daily wholesale and retail price data from four markets in Kampala, and collects weekly prices of 28 commodities from 19 districts across the country (Robbins, et al, 2004).

The information is collected by data gatherers who are based in the Districts. Some of them are Marketing Technicians and belong to Foodnet staff whilst others are employed by Local Government or the private sector (e.g. radio stations).

The price information is sent from the Districts to Kampala through different means (e.g. e-mail, mobile phone or fax) and processed in the offices of Foodnet which forms part of the International Institute of Tropical Agriculture (IITA).

The processed information is then distributed to different media channels for dissemination, e.g. radio stations throughout the country, newspapers, and mobile phone companies which make the price information accessible through SMS messages.

Foodnet is the principal source of market information in Uganda for the major food crops (e.g. maize, beans) and some export crops (e.g. sunflower, soybeans, beans, sesame).

Box 5: The use of mobile phones and SMS to obtain food crop prices

In many countries in Eastern Africa, including Uganda there has been an “explosion” in the use of mobile telephones. As there are no wire connections, coverage for these phones has penetrated into many remote rural areas and in Uganda, virtually the entire country is accessible on one of the three mobile phone systems.

These phones not only provide voice services, they also allow for short text messages (SMS). The text message is cheaper than a phone call and can be used to ask a question to a known trader such as ‘What is your best price for two tons of good quality large beans?’ Alternatively, the SMS can be sent out to many traders within the locality with an offer. E.g. ‘Zabade Farmers offer large robusta beans delivered to Kamuli town market, 1800 Uganda shillings/kg – stocks held are 15 tons, as of Monday 12th 14:00 hrs. If interested, call 077 - 333456.’

In Uganda, the SMS platform is being used to transfer data from the field to the market information services. However, for farmers and traders, a dial up service has also been established which enables farmers to call into an SMS centre and ask for prices of the major commodities. In Uganda, FOODNET have set up a system whereby the caller can ask for prices of agricultural commodities across the country.

The system operates on a call up system, whereby the caller dials in a key word e.g. MAIZE and then sends this message to the SMS service provider e.g. 198. After 3-5 seconds the phone will receive a SMS message which will display prices as follows:- Maize-UGS/KG-W/SALE:Kla225 Aru350 Glu200 Iga210 Jja210 Kab230 Kse180 Lra220 Lwr300 Msk350 Msi200 Mbl230 Mbr275 Rki180 Sor250 Tro250. FOODNET * RADIO WORKS 7/02/04 See Footnote for details of message³.

Mobile phones are available across large parts of the country in Eastern Africa and provide a new information platform that has much to offer for trade. The SMS commodity service is currently operating in Uganda and Kenya.

Source: Robbins et al (2004)

³ Acronyms of market centres, See Map 1 for locations:- Kla- Kampala; Aru – Arua; Glu – Gulu; Iga – Iganga; Jja – Jinja; Kab – Kabale; Kse – Kasese; Lra-Lira; Lwr – Luwero; Msk – Masaka; Msi – Masindi; Mbl – Mbale; Mbr – Mbarara; Rki – Rakai; Sor – Soroti; and Tro – Tororo.

Daily Price Sheet - from National Marketing Information Service

Market Information Service, International Institute of Tropical Agriculture

Tel: 256-41-223460, 077-221162, 077-221164; Fax: (256-41)-223459; Email: mis@imul.com

COMMODITY PRICES FOR KAMPALA DISTRICT FRIDAY 23ND JAN, 2004

CLASS/GROUP	CROP	Owino			Kisenyi			Nakawa			Kalerwe		
		Off lorry	Wholesale	Retail									
	Onions	450	500	700				500	550	800	480	550	700
CEREAL	Maize Flour	470	520	600	450	470	600	480	500	600	470	500	600
	Maize Grain	260	280	400	220	230	400	250	280	400	250	270	400
	Millet Flour	500	530	600	500	520	600	500	550	700	530	570	700
	Millet Grain	430	450	500	440	460	500	450	480	500	450	470	500
	Rice	750	800	900				750	800	1,000	750	800	1,000
	Sim Sim	1000	1200	1500	1100	1250	1500	1200	1350	1,500	1150	1300	1,500
	Sorghum Beer	250	300	400	230	260	400	270	300	400	270	300	400
	Sorghum Flour	500	530	600	500	520	600	500	550	700	500	550	600
	Sorghum Food	260	300	400	240	280	400	270	300	400	270	300	400
LEGUMES	Beans Large	450	480	600	430	460	600	460	500	600	470	500	600
	Beans Medium	450	500	600	450	480	600	460	500	600	460	500	600
	Beans Yellow	500	550	600	500	550	600	550	570	600	550	580	600
	Mixed bean												
	Beans small	400	450	600	400	430	600	430	500	500	450	500	600
	Cowpeas	600	630	800	560	620	800	600	650	800	600	650	800
	Groundnuts	900	1100	1400	1050	1150	1500	1100	1250	1,500	1150	1280	1,500
	Grams	700	750	900				700	800	900	700	800	900
	Soya	550	620	800	520	600	800	600	700	800	600	650	800
OTHERS	Cocoa												
	Ginger	600	650	700				650	700	800	600	650	700
	Sun Flower												
PLANTAIN	Banana/Matooke	115	155	200				125	160	200	118	160	200
ROOT/TUBERS	Cassava Chips				160	180	200						
	Cassava Flour	280	300	400	270	300	400	300	320	400	300	320	400
	Cassava Fresh	225	260	300				230	270	300	240	270	300
	Potato Irish	235	250	400				250	270	400	250	280	400
	Potato sweet	180	200	250				175	200	250	185	200	250

Training Manual on Market Information System for WRS Project in Uganda

Weekly Price data – from Uganda National Market Information Service, Wholesale and Retail prices

Retail Prices (in Shs. per Kg) for Selected Commodities for Week2 (12th Jan-16th Jan, 2004) PL 480 Title II Program

	Kampala																			Mean	Max
	Kisenyi	Owino	Nakawa	Arua	Gulu	Iganga	Jinja	Kabale	Kasese	Lira	Luwero	Masaka	Masindi	Mbale	Mbarara	Rakai	Soroti	Tororo	Min		
Matoke	200	250	230	420	340	350	400	153	197	400	220	200	290	140	183	350	220	140	267	420	
Fresh Cassava	300	300	130	118	260	270	300	90	160	250	200	150	150	150	162		180	90	198	300	
Sweet Potatoes	250	250	130	118	250	320	250	130	143	220	215	200	200	250	165	93	220	93	200	320	
Irish Potatoes	300	400	600	650	400	500	200	110	400	500	200	600	350	200	152	500	400	110	380	650	
Beans	500	500	600	600	600	600	600	500	470	500	500	500	550	600	500	400	600	700	400	546	700
Beans Other	500	600	600	700	350	600	600	4,450	500	500	600	500	600	700	500	400	500	600	350	767	4,450
Cassava Chips	200			180	260	200	300	300	160	270		250	250	350		250	300	160	252	350	
Cassava Flour	400	400	400	300	680	300	300	350	250	500	350	350	500	350	400	400	300	300	250	379	680
Groundnuts	1,500	1,500	1,500	1,000	1,000	1,300	1,300	1,300	1,600	1,500	1,350	1,500	1,000	1,400	1,200	1,200	1,400	1,500	1,000	1,336	1,600
Maize Grain	400	400	400	450	250	350	300	300	300	270	500	400	250	300	400		300	300	250	345	500
Maize Flour	600	600	600	600	700	500	500	400	600	800	700	700	600	500	600	400	500	500	400	578	800
Millet grain	500	500	500	600	400	500	500	600	580	450	550	550	500	500	600	500	500	600	400	524	600
Millet Flour	600	600	700	850	650	700	600	800	750	1,200	550	700	600	1,000	800	600	600	1,200	550	750	1,200
Rice	900	900	800	850	900	900	950	1,000	1,000	1,000	900	900	1,000	1,000	1,100	1,000	1,000	1,000	800	947	1,100
Simsim	1,500	1,500	1,500	1,000	1,000	1,500			1,000	1,500	900		1,200	1,300			1,400	1,400	900	1,285	1,500
Sorghum	400	400	400	450	220	350	400	350	500	250	400		350	300	600		250	350	220	373	600
Sorghum flour	600	600	700	500	450	400	400	450	750	400			600	400	750		300	350	300	510	750
Soya beans	800	800	800	600	350	500	500		600	500	500	600	600	700	700	500	700	600	350	609	800
Sunflower					240					310				360					240		360
Cattle steak		2,300	2,300	2,500	2,500	2,400	2,500	2,500	2,000	2,200	2,000	2,500	2,000	2,600	2,200	2,200	2,200	2,500	2,000	2,318	2,600
Chicken		6,500	7,000	7,500	6,300	5,500	5,000	4,500	5,000	6,000	4,000	4,000	4,000	6,000	4,000	4,000	4,000	4,000	4,000	5,135	7,500
Goat		3,000	3,000	2,700	2,500	2,700	3,000	3,000	2,700	2,500	2,600	3,000	2,500	2,800	2,500	2,500	2,500	3,000	2,500	2,735	3,000
Fish		3,000	3,500	3,000	3,850	2,500	3,200	2,500	2,700	3,500	2,500	3,000	2,500	2,800	3,000	2,000	4,500	3,400	2,000	3,026	4,500
Milk (one Litre)		500	500	500	600	500	500	300	500	600	500	500	600	600	400	500	500	500	300	506	600

Training Manual on Market Information System for WRS Project in Uganda

Weekly Price Data - Continued.

Wholesale Prices (in Shs. per Kg) for Selected Commodities for Week 2 (12th Jan-16th Jan, 2004)

	Kampala Off lorry																				
	Kisenyi	Owino	Nakawa	Arua	Gulu	Iganga	Jinja	Kabale	Kasese	Lira	Luwero	Masaka	Masindi	Mbale	Mbarara	Rakai	Soroti	Tororo	Min	Mean	Max
Matoke		145	150	210	340	270	260	350	131	161	250	210	160	250	100	172	325	160	100	214	350
Fresh Cassava		260	250	110	105	160	180	250	75	120	200	185	135	135	100	146		100	75	157	260
Sweet Potatoes		170	170	110	110	150	240	200	95	120	180	205	150	160	180	153		150	95	159	240
Irish Potatoes		235	250	500	600	350	350	180	92	350	350	190	350	300	170	131	450	250	92	300	600
Beans	430	450	450	500	500	390	420	450	380	400	400	450	500	500	400	300	500	600	300	446	600
Beans Other	450	450	460	600	300	390	450	430	400	450	450	400	550	550	400	330	400	550	300	445	600
Cassava Chips	170			150	220	140	150	280	130	250			200	220	300	230	230	220	130	206	300
Cassava Flour	270	280	280	250	500	200	200	320	200	300	280	300	400	270	350	350	230	250	200	291	500
Groundnuts	1,050	1,050	1,150	900	800	1,150	1,000	1,200	1,300	1,200	1,300	1,300	950	1,300	1,100	1,000	1,200	1,300	800	1,125	1,300
Maize Grain	235	260	265	420	200	210	220	280	230	250	300	350	220	270	275	280	250	250	200	265	420
Maize Flour	470	480	500	550	600	430	420	350	450	600	400	600	500	440	500	350	450	450	350	474	600
Millet grain	400	400	420	550	350	380	350	550	500	420	480	500	450	450	500	400	450	500	350	447	550
Millet Flour	500	500	550	700	550	500	500	700	650	1,000	500	600		800	700	500		900	500	634	1,000
Rice		720	750	700	700	700	700	900	850	900	760	750	950	920	1,000	900	880	900	700	822	1,000
Simsim	1,150	1,150	1,200	900	850	1,200			800	1,200				1,200			1,100	1,300	800	1,095	1,300
Sorghum	250	260	270	450	200	230	250	300	450	220	350			270	400		220	280	200	293	450
Sorghum flour	500	500	500	500	420	350	400	400	650	350				350			250	300	250	421	650
Soya beans	630	600	700	500	300	400	400		480	450	400	500		600	450	400	650	500	300	498	700
Sunflower					220					300				320					220	280	320
Cattle steak		1,900	1,900	2,300	2,200	2,200	2,000	2,400	1,600	2,000	2,100	2,300	1,800	2,400	1,900	1,600	2,200	2,000	1,600	2,047	2,400
Chicken		5,000	5,000	6,000	5,600	3,500	3,500	4,400	3,800	5,000	3,500	3,500		5,000	3,500	3,000	3,500	3,500	3,000	4,206	6,000
Goat		2,700	2,700	2,600	2,200	2,500	2,500	2,900	2,000	2,200	2,400	2,700	2,200	2,600	2,000	1,800	2,400	2,500	1,800	2,406	2,900
Fish		2,400	2,500	2,500	2,850	2,000	2,700	2,400	1,800	3,000	2,200	2,850		2,600	2,800	1,700	4,000	3,200	1,700	2,594	4,000
Milk (one Litre)		400	400	400	500	400	400	250	400	500	320	300	375	500	300	400	400	300	250	385	500

Box 6: Example of Weekly Radio Script - Uganda Market Information Service

Radio Script No 02, 16th January 2004

The NEW Market Information Service,

Tel: 077221162, +041-223445

Email: mis@iitaesarc.co.ug, Website; www.foodnet.cgiar.org.

Author: Okoboi Geoffrey

This "Market News" is brought to you by the FOODNET Market Information Service; funded by UGANDA USAID.

Highlights

- *Maize harvesting in Busoga region.*
- *Cooking banana and Irish potato prices lower in Kampala*
- *Groundnuts harvesting in Mbarara*
- *District Briefs*

Maize harvesting in Busoga region.

Second season harvests of maize grain are ongoing in Busoga region. In Jinja and Iganga the second season output is expected to be high owing to the favourable weather conditions in the past months. The expected high supply is likely to depress prices. Currently, there is low demand for maize grain, which is wholesaling at Ush.220/kg in Jinja and at Ush.210/kg in Iganga.

In Kampala, traders from Tanzania Lake region continue to buy but lower quantities of maize grain in Kisenyi market at Ush.235/kg off-lorry. However, for good quality dry maize, the traders offer Ush.270/kg.

In other districts, maize prices remain stable. Maize is wholesaling at Ush.220/kg in Masindi, Ush.230/kg in Kasese and Ush.200/kg in Gulu. However, in western Uganda wholesale prices for maize are high at Ush.280/kg in Rakai and Kabale, Ush.275/kg in Mbarara and Ush.350/kg.

Cooking banana prices lower

Retail prices for cooking bananas (matooke) have considerably reduced following the end of the Christmas festive season. In Kampala, barely two weeks ago, a bunch of cooking bananas that retailed at Ush.8,000 now goes for Ush.5,000 and smaller bunches are retailing at Ush.2,500. Low demand for bananas coupled with improved supply from Mbarara and Bushenyi districts are the main reason for lower prices.

In Mbarara, the retail price for matooke too, has dropped. A big bunch of 20-25kg retails at Ush.3,000. Prices for bananas are also comparably low in Rakai and Kasese districts. However retail prices for bananas remain high in Kabale and Luwero at an average of Ush.8,000 for a 20kg bunch.

Groundnuts harvesting on.

Groundnut prices have fallen in Gulu, Arua, Masindi and Mbarara due to increased supply from new harvests. In Gulu, groundnuts are wholesaling at Ush.800/kg, Arua they are at Ush.900/kg, Masindi they are at Ush.950/kg and in Mbarara they are at Ush.1,100/kg. The supply of groundnuts is also high in Kampala, the off-lorry price is Ush.1,050/kg.

In other districts where no harvests are taking place such as Luwero, Tororo and Mbale,

wholesale prices are averaging Ush.1,300/kg.

District Briefs

Masindi: The supply of beans is very low in Masindi, wholesaling at Ush.500/kg for Nambale beans and Ush.550/kg. Meanwhile, the coffee buying season that has started in Masindi has attracted many buyers especially from Luwero.

Lira:

Lira is now enjoying cabbages from Mbale which are wholesaling at Ush.18,000 per sack. On the other hand simsim and soya beans are currently going to Busia in large quantities, while maize grain is take to Kampala by Lira traders.

*****Please read prices relevant to your area from the prices spreadsheet.***

The FOODNET Market Information Service brings this information to you:

Script compiled by Okoboi Geofrey.

REFERENCES AND FURTHER READING

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UCDA (2003) Annual Report; October 01, 2002 – September 30, 2003, Uganda Coffee Development Authority, Kampala, Uganda

WEBSITES: www.fao.org, www.ico.org, www.ugandacoffee.org, www.foodnet.cgiar.org

Appendix 1: The Coffee Marketing Chain in Uganda

In order to be able to appreciate the benefits of market information, farmers require an understanding of the functioning of the marketing chain with and without a warehouse receipt system. This section describes the traditional marketing chain in comparison with a warehouse receipt based chain.

Robusta Coffee Marketing Chain

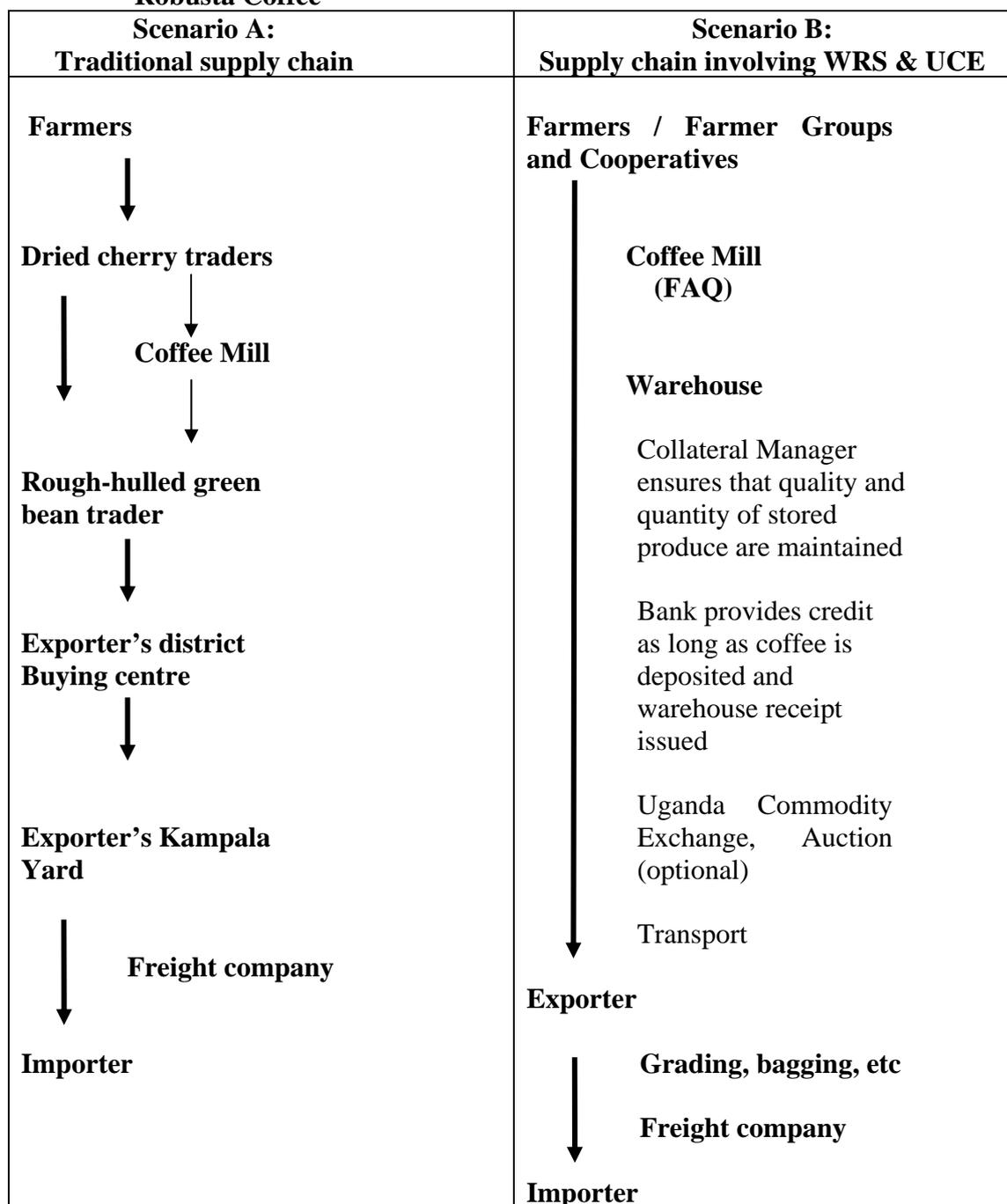
Traditionally, most of the farmers sun-dry the red cherry on the farm. In very few instances they may be able to sell red cherry for wet processing into washed Robusta (NRI/Foodnet, 2002). As a result, the bulk of coffee that comes off farms is *kiboko* (dry cherry). This is usually sold in small quantities to *kiboko* traders who bulk the dry cherry and transport it to coffee mills for hulling. Nowadays, most mill owners prefer to provide dehulling services to *kiboko* traders at a fixed fee rather than take the price risk involved in trading. After milling, the *kiboko* traders occasionally sell directly to exporters but more often they sell at the mill to “FAQ” traders, who then sell to the exporters’ district depots or to the exporters’ yards in Kampala. The number of players involved in the traditional marketing chain is quite large due to the different activities to be carried out (e.g. testing for moisture content, defective beans and extraneous matter) and the fact that exporters prefer to buy minimum quantities of rough-hulled coffee (i.e. usually 300 – 500 kg). Owing to working capital constraints, most *kiboko* traders are very unlikely to be able to collect this minimum quantity. “FAQ” traders, on the other hand, are able both to assemble sufficient quantities to sell to exporters, and to wait for payment.

Figure 1A compares the two Robusta coffee marketing chain scenarios whereby Scenario A shows the ‘traditional’ chain involving dried cherry traders and green bean traders in the Districts. Scenario B depicts the warehouse receipts based system which encourages farmer co-operatives to undertake the tasks which are usually carried out by several types of middleman.

The emphasis of the WRS is on storing FAQ and graded, export coffee. While the auction at the Uganda Commodity Exchange is optional, the benefits of passing through it are significant as compared to private treaty sales.

For more information on the functioning of the warehouse receipt system refer to UCDA training material such as flyers and posters.

Figure 1A: Comparison of traditional and WRS based supply chains- Robusta Coffee

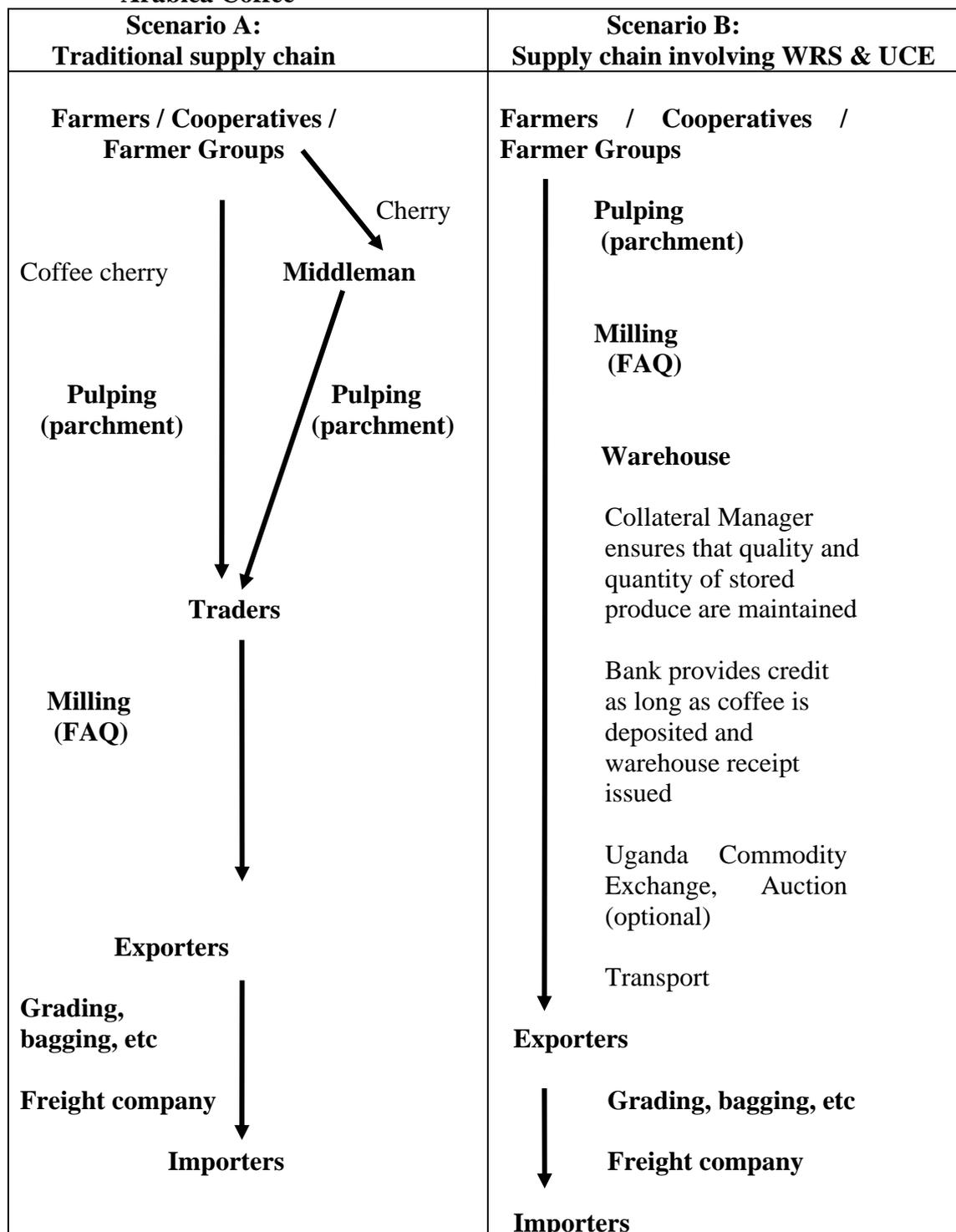


Source: UCDA and NRI

Arabica Coffee Marketing Chain

Figure 1B presents the two scenarios of a traditional Arabica marketing chain and a supply chain involving a warehouse receipt scheme. According to Greenhalgh and Kitching (2005), in the case of Arabica coffee a warehouse receipt scheme can only be introduced for the stage from parchment to green coffee. This is likely to take about three to four weeks.

Figure 1B: Comparison of traditional and WRS based supply chains - Arabica Coffee



As with Robusta, Arabica coffee is produced by smallholders ranging from several trees to five hectares. Currently, farmers sell the coffee either as ripe cherry or parchment and are usually paid cash upon delivery. There are small-scale pulperies at farm level, where the cherries are floated, pulped, fermented, washed, and the resulting parchment sun dried. In addition, there are larger-scale pulpers (central pulperies) in the rural areas operated by both cooperatives and private traders, who usually sell parchment direct to “dry” millers as well as to other traders. Dry millers are located in urban centres close to the Arabica coffee producing areas (e.g. Mbale, Kapchorwa and Nebbi), and these further dry the parchment, remove the “silverskin”, clean, sort and grade into exportable quality green beans. Grades produced are named Bugisu from AA, A, B, AB, PB, and Wugar in the case of Nebbi.

As described in Scenario A, the millers sell to Kampala based traders (who are often international trading companies or their Ugandan affiliates) or directly to overseas traders, roasters and grinders on FoR/T Kampala basis.

Scenario B describes how the warehouse receipt scheme fits into the Arabica coffee marketing chain between the stages of parchment and green coffee.

Appendix 2: List of Registered Coffee Exporters in 2005/2006

S/NO.	NAME	MANAGING DIRECTOR	PHYSICAL ADDRESS	POSTAL ADDRESS	TELEPHONE	FAX	E-mail
1	Kawacom (U) Ltd	Roy Lugone	M284 Ntinda, Kampala, Uganda	22623 Kampala,Uganda	+256 31 260201	+256 41 222612	rlugone@ecomtrading.com
2	Salati Ltd	Elia Salati	58 Kawuku, Bunga, Kampala, Uganda	12154 Kampala,Uganda	+256 41 510940	+256 41 510940	salati@spacenet.co.ug
3	Olam Uganda Ltd	P. Shankarasubban	7/9 Maperu Rd, Nalukolongo,Kampala, Uganda	23436 Kampala,Uganda	+256 41 271440/271418	+256 39 251013	niraj@olamnet.com
4	Ibero (U) Ltd	Andrew Guy Speakman	44/50 7th street, Kampala, Uganda	23139 Kampala,Uganda	+256 41 342621/ 31 261464	+256 41 342646	traffic@ibero.co.ug
5	Kaginda Coffee Exporters Ltd	J. Kaginda	9 3rd street, Kampala, Uganda	27 Marembo	077 422970/ 075 422970	+256 41 345113	kaginda-cof-exp@yahoo.com
6	Kyagalanyi Coffee Ltd	David Burry	1/2/3 5th street, Kampala, Uganda	3181 Kampala,Uganda	+256 41 344021/251447	+256 41 230145	kcl@kyagalanyi.com
7	Mbale Importers & Exporters Ltd	S.M.Wekomba	27/29 Pamba Road, Mbale, Uganda	264 Mbale,Uganda	+256 75 725400	+256 45 34166	mbaleimpex@utlonline.co.ug
8	Pan Afric Impex (U) Ltd	Mohamad Hamid	62 Bombo Road, Kawempe, Kampala, Uganda	7257 Kampala,Uganda	+256 41 567847	+256 41 567848	panafricimpex@utlonline.co.ug
9	Kampala Domestic Store Ltd	Ishak Lukenge	9 3rd street Kampala,Uganda	30532 Kampala,Uganda	+256 41 235597	+256 41 235304	kds@infocom.co.ug
10	Great Lakes Coffee Company Ltd	Aristotles Nicolaidis	M289 Ntinda, Kampala, Uganda	27198 Kampala,Uganda	+256 41 286961	+256 41 286960	glc@imul.com
11	Savannah Commodities Co. Ltd	H.Karuhanga	4/5 Nyondo close, Kampala, Uganda	6217 Kampala,Uganda	+256 41 252541	+256 41 258254	savannah@infocom.co.ug
12	Zigoti Coffee Works Ltd	Enock K. Kato	104-106 5th street Kampala Uganda	1479 Kampala,Uganda	+256 41 250420	+256 41 250429	zicofe@infocom.co.ug
13	Ugacof Ltd	Francois Bercher	246 Byogerere, Kampala, Uganda	7355 Kampala, Uganda	+256 41 286290/286288	+256 31 250020	fbe@ugacof.com
14	Sitanida Agencies Ltd	S. Byarugaba Itu	14 William street, Kirumira Towers, Kampala,Uganda	23122 Kampala,Uganda	+256 41 255913	+256 41 234811	sitanida@africaonline.co.ug
15	Wabulungu Multi-	Samuel Mayanja	508 Bombo Road,	27544 Kampala,	+256 41 254485	+256 41	*

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	Purpose Estates		Kawempe, Kampala,Uganda	Uganda		254485	
16	Mtl Main Traders Limited	L. Mwaka	46 Palisa Road, Mbale,Uganda	6217 Kamplala,Uganda	+256 45 36377/41 256426	+256 41 256426	lawrence.mwaka@mtluganda.co
17	Job Coffee Limited	Ayub K.Kalale	101 3rd street, Kampala, Uganda	4152 Kampala,Uganda	+256 41 255914	+256 41 251783	jobcoffee@infocom.co.ug
18	Union Export Servirces Ltd	Y.K. Abinenamar	101 3rd Street, Kampala, Uganda	7455 Kampala,Uganda	+256 41 258778	+256 41 254495	unex@starcom.co.ug
19	Bakwanye Trading Co.Ltd	C.Bwambale	13/15 3rd street, Kasese, Uganda	240 Kasese,Uganda	+256 483 44068/44007	+256 483 44381	cobwa@yahoo.co.uk
20	Gumutindo Coffee Coop Enterprise Ltd	W.Wamayeye	46 Palisa Road, Mbale,Uganda	283 Mbale, Uganda	+256 45 34415/ 77 927942	+256 45 35103	mutindo@infocom.co.ug
21	Simba Café' East Africa Ltd	Reuben S.Nakuo	M466 Ntinda, Kampala, Uganda	26926 Kampala,Uganda	+256 41 285855	+256 41 285866	branton@wananchi.com
22	Lakeland Holdings Limited	Bwire George Namude	9 3rd street, Kampala, Uganda	29129 Kampala	+256 41 345120	+256 41 345113	lakelandholdingslt@yahoo.com
23	Uganda Medium Industries Limited	E. K. Musiwa	9 3rd street, Kampala, Uganda	2645 Kampala	+2560 41 348810	+256 41 348810	umil30@yahoo.com
24	Kaweri Coffee Plantation Limited	F. R.Bibby	Buwekula 99, 1 Kitemba, Mubende Dist.Uganda	264 Mubende,Uganda	+256 36 600600	+256 41 255914	mail@kaweri.com
25	Nakana Coffee Factory Ltd	G.W.Kawoya	45/47/49 Bunyonyi Drive,Kampala,Uganda	8251 Kampala, Uganda	+256 41 223630/341746	+256 41 342828	*
26	AMR Food and Beverage co.Ltd T/A Rwenzori Finest Coffee	Andrew Rugasira	12th Floor Crested Towers	1718 Kampala	+256 41 335000	+256 41 344126	info@rwezoricoffee.com
27	East African Organic Commodities Ltd	Nteza William	101/103 3rd Street, Kampala, Uganda	1388 Kampala	+256 41 346652	+256 41 346653	eaocomm@yahoo.co.uk

Source: UCDA

Appendix 3: ICO Indicator Prices – 2003 to 2006 (US cents per lb)

	Composite price	Colombian Mild Arabicas			Other Mild Arabicas			Brazilian Natural Arabicas			Robustas		
		New York	German	Weighted average	New York	German	average	New York	German	average	New York	French	average
2003	51.91	67.31	64.34	65.33	64.08	64.30	64.20	50.82	50.16	50.31	38.39	36.50	36.95
January	54.04	69.68	66.21	67.27	65.22	65.74	65.57	49.14	49.68	49.31	42.75	40.65	41.18
February	54.07	69.60	66.48	67.47	67.60	65.58	66.41	48.54	50.16	48.97	42.35	40.14	40.67
March	49.61	61.82	62.30	62.16	61.66	61.80	61.75	42.99	46.90	43.77	38.36	36.78	37.17
April	51.87	66.12	63.69	64.40	65.35	64.29	64.69	48.71	48.24	48.55	38.68	37.02	37.42
May	53.19	67.56	64.90	65.74	66.47	66.05	66.26	51.06	50.83	51.12	38.90	37.36	37.80
June	48.90	65.01	60.14	61.61	61.34	60.86	61.04	47.11	45.98	46.88	35.33	33.83	34.21
July	50.89	67.84	63.61	64.87	62.32	63.36	62.95	49.64	49.11	49.50	36.71	34.90	35.35
August	52.22	68.65	64.33	65.65	63.60	64.05	63.89	52.88	50.59	52.48	37.92	35.77	36.30
September	54.10	68.37	67.22	67.55	65.50	67.06	66.41	55.19	53.78	54.86	38.76	36.89	37.35
October	51.72	66.59	65.79	66.17	62.58	65.87	64.30	53.51	52.52	52.81	37.32	35.53	35.88
November	49.81	67.04	62.66	64.39	62.36	62.30	62.28	54.15	49.87	50.73	36.05	33.63	34.11
December	52.44	69.38	64.71	66.68	65.01	64.61	64.86	56.92	54.24	54.79	37.59	35.47	35.90
2004	62.15	84.15	79.49	81.44	80.15	80.64	80.47	68.18	69.11	68.97	37.28	35.65	35.99
January	58.69	76.61	71.89	73.76	74.25	71.24	72.73	64.32	61.51	62.06	41.32	39.27	39.84
February	59.87	79.34	74.59	76.53	77.51	74.81	76.21	66.08	65.37	65.52	39.10	36.54	37.05
March	60.80	80.12	76.53	77.97	77.29	78.83	78.06	65.79	67.26	66.97	38.61	36.22	36.70
April	58.80	77.08	73.97	75.22	74.24	76.63	75.44	62.89	63.89	63.70	38.02	35.96	36.37
May	59.91	80.61	75.02	77.17	76.40	77.73	76.99	64.31	65.52	65.16	38.04	36.19	36.56
June	64.28	85.62	80.28	82.51	82.24	81.96	82.21	67.62	70.06	69.61	41.09	39.54	39.87
July	58.46	78.27	74.70	76.13	73.64	76.22	74.94	59.39	63.77	62.89	36.44	35.90	36.02
August	56.98	78.85	73.01	75.35	72.99	74.23	73.61	60.25	62.13	61.75	34.81	33.68	33.91
September	61.47	85.71	78.12	81.02	81.22	80.02	80.47	69.46	68.84	68.90	35.10	34.04	34.24
October	61.10	85.52	81.35	83.02	79.90	81.21	80.55	68.63	70.23	69.91	31.77	31.65	31.67
November	67.74	95.63	90.10	92.83	89.88	89.89	90.27	80.20	78.66	79.39	34.07	32.32	32.71
December	77.72	106.48	104.36	105.75	102.19	104.86	104.12	89.17	92.08	91.76	38.98	36.49	36.92
2005	89.36	117.02	114.67	115.73	114.30	115.22	114.86	101.36	102.49	102.29	53.37	49.87	50.55
January	79.35	110.03	107.09	108.22	107.07	107.36	107.16	94.00	93.56	93.63	39.63	36.30	36.96
February	89.40	124.34	119.55	121.56	122.20	119.27	120.86	108.05	105.58	106.11	44.61	40.40	41.24
March	101.44	137.10	134.49	135.54	134.81	135.25	135.03	117.03	120.89	120.12	50.70	49.22	49.51
April	98.20	129.93	129.24	129.51	128.80	130.26	129.53	112.82	114.90	114.48	53.32	50.11	50.75
May	99.78	128.36	129.21	128.87	126.21	130.54	128.37	111.89	115.72	114.96	58.66	55.55	56.07
June	96.29	122.47	120.51	121.29	119.87	122.44	121.16	105.08	107.76	107.23	62.96	59.29	60.02
July	88.48	112.48	109.72	110.79	108.45	111.41	109.93	94.66	97.04	96.56	60.57	57.18	57.88
August	85.31	111.21	107.43	108.94	108.43	107.98	108.20	95.66	94.81	94.98	55.60	51.07	51.97
September	78.79	101.31	100.76	101.15	98.17	100.41	99.49	87.02	89.99	89.48	50.07	46.03	46.87
October	82.55	108.77	104.59	106.21	106.09	104.54	105.05	94.54	94.69	94.40	50.84	46.85	47.53
November	85.93	111.66	107.18	109.00	108.81	107.11	107.74	99.35	97.63	97.96	54.72	50.78	51.45
December	86.85	106.54	106.28	107.69	102.68	106.10	105.77	96.23	97.25	97.57	58.79	55.67	56.39
2006													
January	101.20	129.64	125.24	126.92	124.26	124.49	124.20	115.89	114.84	114.98	66.46	62.77	63.39
February	97.39	123.17	120.01	121.31	118.46	119.70	119.12	109.51	108.91	109.01	65.50	62.45	62.98
March	92.76	117.00	115.26	116.01	112.20	114.76	113.66	103.52	104.02	103.92	62.92	58.92	59.60
April	94.20	119.87	116.37	117.87	114.65	116.01	115.42	105.89	105.39	105.49	64.45	59.75	60.55
May	90.00	113.03	111.43	111.81	107.96	111.03	109.36	99.00	99.63	99.29	63.97	59.32	60.08

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NB: One kilogramme equals 2.2046 lb. One US dollar equals 1,836 Uganda Shillings (May 2006)

Appendix 4: Uganda's Coffee Exports from 1964/65 – 2004/05

	Coffee Season	Total Quantity (60 kg bags)	Total Value (US\$)	Unit value (US\$/kg)
1	64/65	2,158,736	76,820,312	0.59
2	65/66	2,855,621	106,126,982	0.62
3	66/67	2,637,862	146,548,850	0.93
4	67/68	2,967,825	139,078,017	0.78
5	68/69	2,670,201	162,473,613	1.01
6	69/70	3,193,638	185,874,447	0.97
7	70/71	3,032,609	130,818,018	0.72
8	71/72	3,139,559	145,469,659	0.77
9	72/73	3,677,100	175,549,153	0.80
10	73/74	3,283,183	228,518,975	1.16
11	74/75	2,861,399	175,337,140	1.02
12	75/76	2,431,524	245,222,753	1.68
13	76/77	2,449,737	558,512,578	3.80
14	77/78	1,742,575	312,097,360	2.99
15	78/79	2,353,031	389,108,354	2.76
16	79/80	2,219,802	433,471,715	3.25
17	80/81	1,973,458	230,463,637	1.95
18	81/82	2,785,647	322,030,310	1.93
19	82/83	2,194,888	295,259,322	2.24
20	83/84	2,519,024	392,677,096	2.60
21	84/85	2,500,031	367,591,092	2.45
22	85/86	2,392,198	390,362,568	2.72
23	86/87	2,280,206	308,594,658	2.26
24	87/88	2,318,341	263,239,573	1.89
25	88/89	3,114,396	294,867,882	1.58
26	89/90	2,364,751	139,566,731	0.98
27	90/91	2,085,004	121,343,113	0.97
28	91/92	2,030,829	101,442,768	0.83
29	92/93	2,088,642	108,873,991	0.87
30	93/94	3,005,205	273,658,850	1.52
31	94/95	2,792,753	432,651,034	2.58
32	95/96	4,148,803	388,916,157	1.56
33	96/97	4,237,114	355,126,641	1.40
34	97/98	3,032,338	276,476,134	1.52
35	98/99	3,647,989	282,995,511	1.29
36	99/00	2,917,257	164,763,789	0.94
37	00/01	3,074,773	104,776,424	0.57
38	01/02	3,146,381	83,936,951	0.44
39	02/03	2,663,888	104,787,094	0.66
40	03/04	2,523,042	115,705,844	0.76
41	04/05	2,504,890	162,146,236	1.08

Source: UCDA