

Brazil's low yields push up coffee price



A man harvests coffee. According to the International Coffee Organisation report for the month ending July, global price climbed to 131.52 cents of a dollar. FILE PHOTO

...tive impact on bean quality," the report noted. Experts say besides these agronomic factors, the weakening US dollar lowered the competitiveness of Brazilian coffee on the world market, thus hampering exports.

Uganda's status

Responding to the global coffee market prices going up, Uganda Coffee Development Authority's director quality and regulatory services Edmund Kananura, Kyerere said any negative news happening to Brazil affecting their production impacts price because they are the world's leading producers.

"However, this may be short-lived because when Brazilians are affected by natural calamities, they quietly go into massive production," Kyerere Mr said.

He said Uganda is enjoying the rising prices especially now when the country's production is increasing.

He added: "We have seen our coffee production to up to 4.2 million (60kg) bags up from 3.5 million bags and we expect more coffee coming on board as new gardens come up countrywide."

Uganda is enjoying the rising coffee prices since production is increasing, Dorothy Nakaweesi writes.

Brazil's low yields for its 2017/18 crop have pushed up global coffee prices, allowing producer countries like Uganda to enjoy the harvest.

According to the International Coffee Organisation (ICO) report for the month ending July, global price climbed to 131.52 cents of a dollar.

This is an increase of 6.66 cents of a dollar from July 3, the highest level since the end of April 2017.

"Coffee exports have stabilised in the last two months but cumulative exports remain well above the levels reached in the previous year and leave consumer stocks well supplied," the ICO report read.

Cause

According to the report, market developments in July seem to have been caused by a combination of specific agronomic and wider economic factors potentially affecting coffee supply from Brazil.

Reports have emerged that farmers in Brazil's Arabica growing regions, currently harvesting the 2017/18 crop, are faced with unexpectedly low yields.

"Beans are smaller than usual due to unfavourable weather conditions earlier in the season," the report noted.

This has been exacerbated by considerable damage resulting from a berry borer infestation.

The ban on use of the highly controversial but effective endosulfan insecticide used by farmers in the past, has led to significant spread of this pest.

"Up to 30 per cent of the crop is estimated to have been affected in major growing areas, with a nega-

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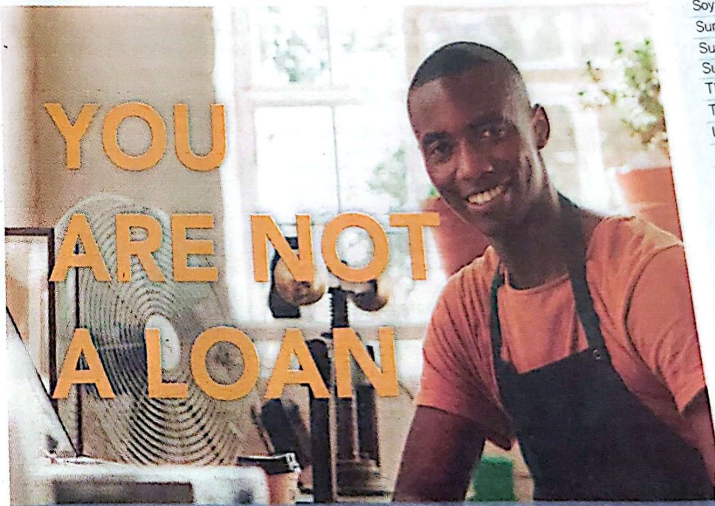


PROMOTIONAL ITEMS

AVERAGE PRICES A COUNTRY

WEEKLY MARKET REF

Item (kg/ltr)
Argentine Beans
Apple Bananas
Beef
Cassava Flour
Cassava Fresh
Cavendish (Bogoya)
Coffee (Arabica)
Cow Peas
Exotic Chicken
Exotic Eggs
Goat Meat
Groundnuts
Irish Potatoes
Kayiso Rice
Local Chicken
Local Eggs
Maize Flour
Maize Grain
Matooke (bun)
Milk
Millet Flour
Millet Grain
Nambale Be
Nile Perch
Orange S. F
Pineapple
Pork
Processed
Red Irish
Simsim
Sorghu
Sorghu
Soya E
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