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# **Expanding Uganda's GREEN Coffee Grades: "An Essential Step in Expanding Uganda's Coffee Horizon"**

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**3rd UCTF Coffee Breakfast Fellowship**

**July, 15<sup>th</sup>, 2009**

**Rwenzori Ball Room, Kampala Sheraton Hotel**

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# Today's Discussion

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- ❑ **Introduction**
- ❑ **Current Coffee Grades?**
- ❑ **Challenges of the Status Quo**
- ❑ **Selected Coffee Origin Grades**
- ❑ **Recommendation of Additional Grades**
- ❑ **Where are the opportunities?**
- ❑ **Conclusions!**



# Introduction

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- **A Constructive engagement with UCDA**
- **UCDA is commended for activating the clause for special coffees in the interim**
- **The discussion is for a wholesome response vs. piecemeal reactions**
- **The discussion should allow the industry prepare better for the emerging opportunities**



# Statutory Coffee Grades

as per Coffee Regulations, 1994

## Arabicas

Arabicas			
	Bugisu		Other
1.	AA	1.	WUGAR A
2.	A	2.	WUGAR B
3.	PB	3.	WUGAR C
4.	B	4.	WUGAR D
5.	C	5.	DRUGAR A
6.	<b>E</b>	6.	DRUGAR B
7.	UG	7.	DRUGAR C
8.	Specialty	8.	TRIAGE
		9.	Specialty

## Robustas

Robustas	
	GRADE
1.	<b>Crane-Screen 18 [Polished/Colour sorted]</b>
2.	<b>Impala - Screen 18 [Colour sorted]</b>
3.	Screen 18
4.	Screen 15
5.	Screen 12
6.	BHP 1199
7.	BHP 18.99
8.	BHP 10.13
9.	Black Beans
10.	Washed Robusta



# Trading Coffee Grades

*as per UCDA Monthly Report for June, 2009*

Bugisu Washed Arabica	
	GRADE
1.	<b>Organic Bugisu</b>
2.	<b>Organic Okoro</b>
3.	Bugisu AA
4.	Bugisu A
5.	<b>Bugisu Arabica AB</b>
6.	<b>Arabica CPB</b>
7.	Bugisu PB
8.	<b>Mixed Arabica</b>
9.	Wugar
10.	Drugar
11.	Others

Natural Uganda Robusta	
	GRADE
1.	Screen 18
2.	<b>Screen 17</b>
3.	Screen 15
4.	<b>Screen 14</b>
5.	<b>Screen 13</b>
6.	Screen 12
7.	BHP 1199
8.	Other – <b>1299 1599; 1899</b>
7.	Washed - Uganda Robusta

# Challenges of the Status Quo...

*Revenue may be lost when higher grades [screens] sold in lower sc.*

<b>Screen 15</b>	
<b>Other Screens in Screen 15</b>	<b>Percentage Composition</b>
<b>Screen 17</b>	<b>26%</b>
<b>Screen 16</b>	<b>44%</b>
<b>Screen 15</b>	<b>30%</b>

<b>Screen 12</b>	
<b>Other Screens in Screen 15</b>	<b>Percentage Composition</b>
<b>Screen 14</b>	<b>67%</b>
<b>Screen 13</b>	<b>25%</b>
<b>Screen 12</b>	<b>8%</b>

*Source: UCDA Robusta Coffee Screen Distribution Analysis and new Grades Developments Report*



# **Challenges of the Status Quo**

- **Market for “unavailable” range of grades may be forfeited**
- **Timeliness of Delivery – processing special requests by UCDA**
- **Region branding is not promoted**
- **Cost of colour sorting high with much lower defect count requirements**
- **The current grading system not attract overseas re-processing investors in Uganda – value addition**

# Selected Origins; Indonesia & Costa Rica:

## – *Example of Region Branding-*

### 1. INDONESIA--Arabica

- Coffees from the various islands and are named after their origins;
  - Sumatra
  - Mandheling
  - Lintung
  - Sulawesi
  - Toraja
  - Java
  - Flores (can also be robusta from Flores - also from Java, or course)
  - Luwak - for something really exotic!

### 2. COSTA RICA--- Arabica

- Most Costa Rica coffee is into the specialty bracket, and sells under the origin descriptions according to where it comes from, e.g.
  - Tarazzu
  - Tres Rios
  - Orosi



# Selected Origins; Vietnam & Brazil:

## – Example of Region Branding-

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### 3. VIETNAM

- Some traders/exporters have developed private types, with exotic names, like;
  - Tiger,
  - Dragon,
  - Dambri Falls

### 4. BRAZIL

- There are a large number of private labels for estates, individual exporters, etc - such as;
  - Bandeirante Scr 17/18 - Cerrado Estate
  - Zona del Mata Screen 15/16 or 17/18
  - Sul de Minas again with a Screen size

# Selected Origin; Vietnam:

## Example of Flexible Grade Ranges in Robusta-

1. **Gr 1, Sc 18, polished**
2. **Gr1, Sc 18, 0%**
3. **Gr1, Sc 18, 0.5%**
4. **Gr1, Sc 18, 2%**
5. **Gr1, Sc 16, polished**
6. **Gr1, Sc 16, 0%**
7. **Gr1, Sc 16, 1%**
8. **Gr1, Sc 16, 2% clean**
9. **Gr1, Sc 16, 2%**
10. **Gr1, Sc 16, 3%**
11. **Gr2, Sc 13, polished**
12. **Gr2, Sc 13, 0%**
13. **Gr2, Sc 13, 3%**
14. **Gr2, Sc 13, 5%**
15. **Gr2, Sc 13, 5% 4C**
16. **Gr2, Sc 12, polished**
17. **Gr2, Sc 12, 0%**
18. **Gr2, Sc 12, 3%**
19. **Gr2, Sc 12, 5%**
20. **Gr2, Sc 12, 5% 4C**

File

# Selected Country; Ethiopia:

## — Example of Flexible Grade Ranges in Arabica—

	Class	Type	Origin [by Zone]	Symbol	Grades
1.	Washed	Yirgachefe A	Wenago (partial), Kochere, Gelana, Abaya (	WYCA	1 to 9, UG
2.	Washed	Yirgachefe B	Wenago (partial), Kochere, Gelana, Abaya	WYCB	1 to 9, UG
3.	Washed	Sidama A	Borena, Benssa, Guji, Arroressa, Arbigona,	WSDA	1 to 9, UG
4.	Washed	Sidama B	Aleta Wendo, Dale, Chiko, Dara	WSDB	1 to 9, UG
5.	Washed	Sidama C	Kembata & Timbaro, Wellayta, S. Omo and	WSDC	1 to 9, UG
6.	Washed	Limmu A	Limmu Seka, Limmu Kossa, Manna,	WLMA	1 to 9, UG
7.	Washed	Limmu B	Bedelle, Loppa, Chorra, Yayu, and Alididu,	WLMB	1 to 9, UG
8.	Washed	Tepi	Mezenger (Godere) and Sheka	WTP	1 to 9, UG
9.	Washed	Bebeka	Bench Maji	WBB	1 to 9, UG
10.	Washed	Lekempti	Kelem, East and West Welega	WLK	1 to 9, UG
11.	Unwashed	Jimma A	Limmu Seka, Limmu Kossa, Manna,	UJMA	1 to 9, UG
12.	Unwashed	Jimma B	Bedelle, Loppa, Chorra, Yayu, and Alididu,	UJMB	1 to 9, UG
13.	Unwashed	Sidama A	Borena, Benssa, Guji, Arbigona	USDA	1 to 9, UG
14.	Unwashed	Sidama B	Wenago, Yirgachefee, Kochere, Dale Zuria,	USDB	1 to 9, UG
15.	Unwashed	Sidama B	Wenago, Yirgachefee, Kochere, Dale Zuria,	USDB	1 to 9, UG
16.	Unwashed	Sidama C	Kembata & Timbaro, Wellayta, Derashe,	USDC	1 to 9, UG
17.	Unwashed	Harar A	E. Harerege	UHRA	1 to 9, UG
18.	Unwashed	Harar B	W. Harerege, W. Arssi and Bale (Berbere)	UHRB	1 to 9, UG
19.	Unwashed	<b>Lekempti</b>	East and West Welega and Kelem	ULK	1 to 9, UG
20.	Unwashed	<b>Forest</b>	Sheka zone, Bench Maji zone, Mezenger e	UFR	1 to 9, UG
21.	Local	Local	Reject for export by region	LOC	1 to 5
22.	Organic	For all	Organic grown in all regions		

# Selected Origin; Kenya:

## Example of Flexible Grade Ranges in Arabica-

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1. AAA
2. AA
3. AB
4. C
5. E
6. F1
7. HE
8. MH
9. ML
10. PB
11. SB
12. T
13. TT
14. UG/
15. UG1
16. UG2
17. UG3



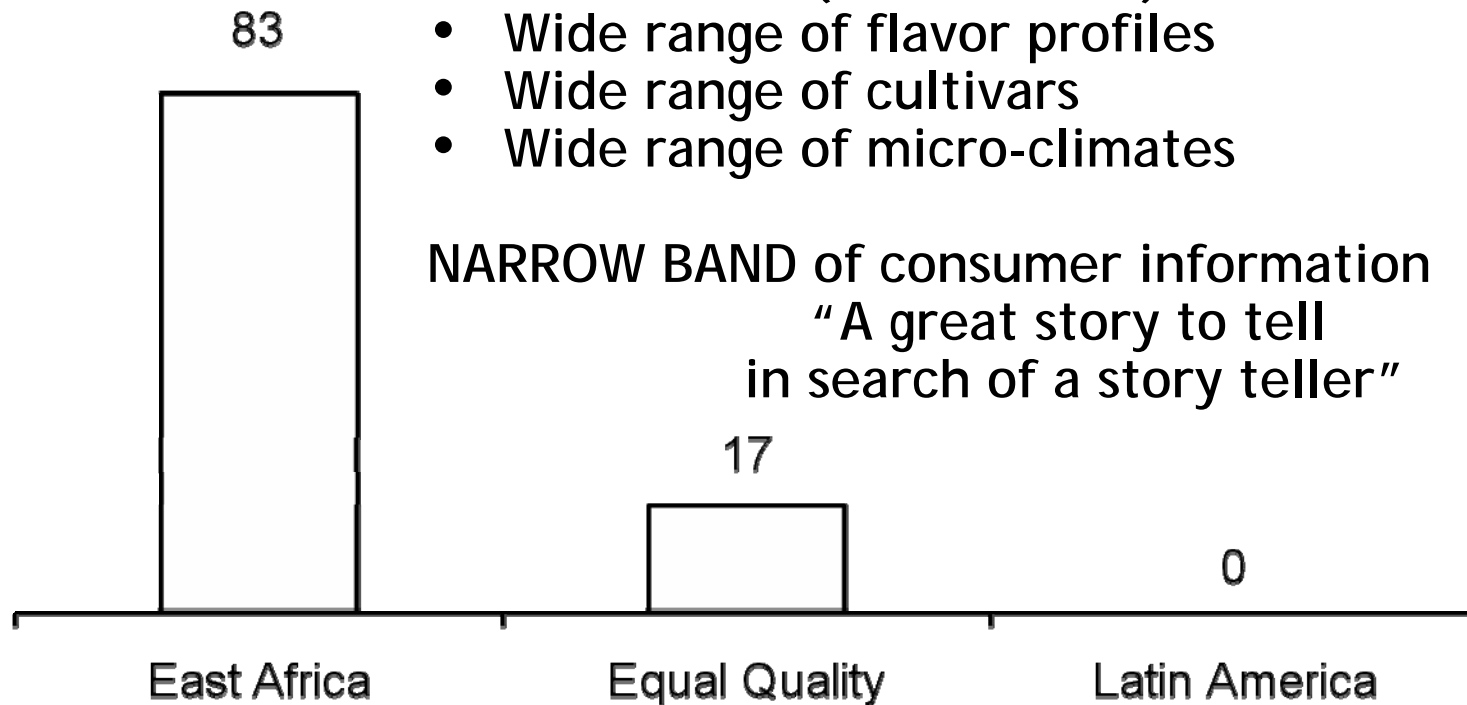
## Where the Opportunities?

- **Quality Recognition – especially Arabica;**
- **Region/place Branding – mystique/ mills/ names**
- **Grade Ranges – screens and defect percentages**
- **Origin reprocessing– steaming, polishing, bulking**

# Quality Recognition

## Coffee quality preference East Africa versus Latin America

Percentage of respondents



Eastern Africa (10 countries):

- Wide range of flavor profiles
- Wide range of cultivars
- Wide range of micro-climates

NARROW BAND of consumer information  
"A great story to tell  
in search of a story teller"



# Region Branding

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- **Region Separations – the Cup/Q-certification**
- **Mystical Names - Sezibwa, landmarks [Sip falls]; uniqueness Mt. Elgon, Rwenzori; Etc**
- **Mills/washing stations names – Buginyanya,  
...**



# A Case for Increased Grades

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**“What limits us is not what we are but what we think we are not!”**

## **Clonal Coffee has increased screen sizes**

- ***Returns screens 19 sold as 18;***
  - ***Screens 17, 16 in screen 15***
- ***Screen 12 has a lot of 14 and 13***
- ***Lower grades with higher defect %-ages to reduce cost of colour sorting; e.g Sc.12 with 15%***

# Responding to the Market---

Recommending Grades the following additional Robusta Grades

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1. Sc. 19
2. Sc. *17 to be institutionalized*
3. Sc. *16 to be institutionalized*
4. Sc. *14 to be institutionalized*
5. Sc. *13 to be institutionalized*
6. Sc. 12 with 5% Black beans
7. Sc. 12 with 10% Black beans
8. *Grade 1299 be institutionalized*
9. *Grade 1599 be institutionalized*
10. Bulk undergrades

# Responding to the Market---

Recommending Grades the following additional Arabica Grades

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1. Sc. 18+ --- Bugisu AAA *be institutionalized*
2. Sc. 14 --- CPB *be institutionalized*
3. Bugisu AB *be institutionalized*
4. Mixed Arabicas *be institutionalized*



# Responding to the Market---

## *Revisiting Appellation!*

1. By washing stations
2. By region e.g. Mt. Elgon, Sipi, Rwenzori, Okoro, Paida, Bushenyi, Kisoro, Ibanda



# Responding to the Market---

*Reprocessing at the origin!*

1. Polishing
2. Washing/Steaming
3. Decaffeination
4. Bulking



# Conclusions

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- The trade is getting sophisticated by day & market demands keep changing,**
- The expertise among the shippers is growing year by year.**
- Continuing in the business depends on being reliable in supplying not only the right quality but also the desired profile.**
- The industry has to respond accordingly**



**End!**

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**Thank you for listening**