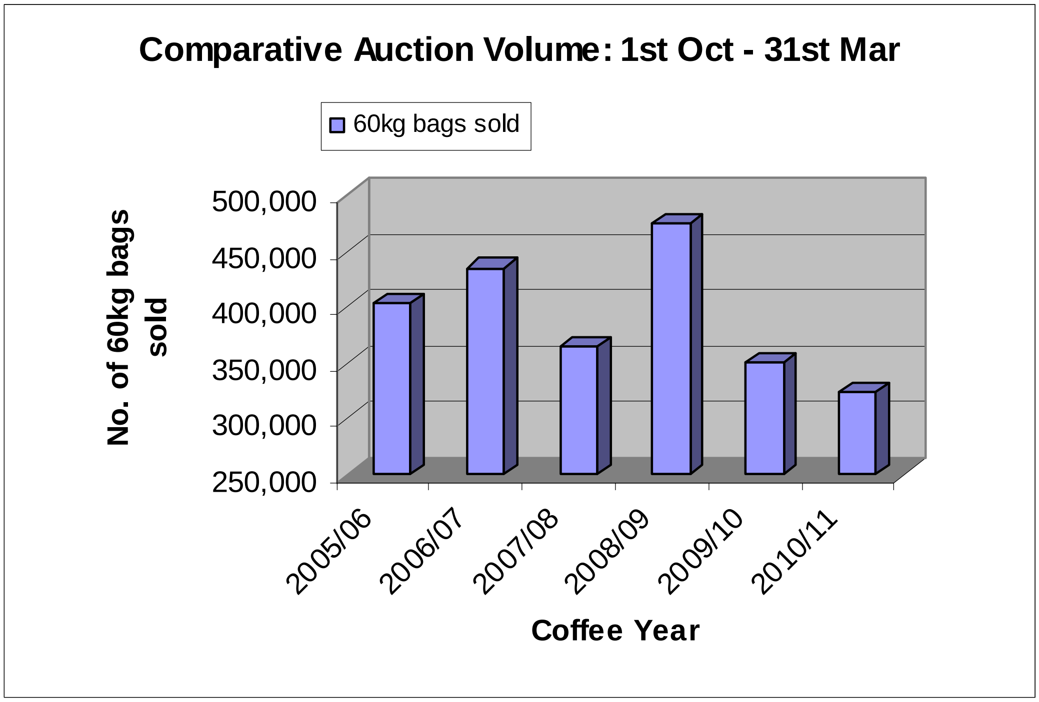
Market Report - April 2011

This is the half year report for the coffee year 2010/11.

1.0 Market Report: Kenya

Chart 1



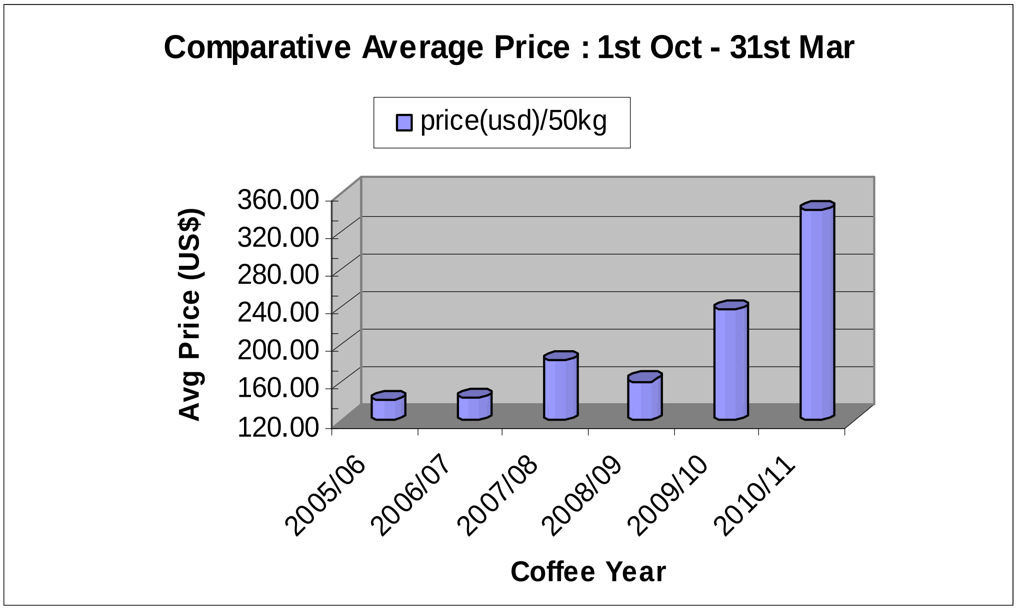
1.1 Auction Volume:

Chart 1 shows the comparative volume of coffee sold via the Nairobi Coffee Exchange auction in the past 5 years.

It illustrates the impact of adverse weather on production (the volume of coffee offered for sale at the Auction); with coffee year 2007 / 08 being affected by CBD; prolonged drought affected 2009 / 10; and 2010 /11 was affected by lack of moisture stress periods (hence little flowering).

323, 837 bags (60kg) of coffee were sold in the first six months of the current coffee year 2010 / 11 (October 2010 / March 2011), down from 351,177 bags sold last year and 475,461 bags in 2008/09.

Chart 2



1.2 Auction Price:

Chart 2 shows the comparative average price of coffee sold at the Nairobi Coffee Exchange in the past 5 years.

In the current coffee year (2010/11), the average price of coffee sold at the Nairobi Coffee Exchange is US$ 342.42 per 50kg (US$ 6.84/kg), compared to US$ 237.58 per 50kg in 2009/10 and US$ 161.66 per 50kg in 2008/09.

The average price for grade AA was US$ 433.15 per 50kg, while Grade AB sold at an average price of US$ 385.27 per 50kg. The NCE auction attained a high of US$ 1,022 per 50kg, up from a high of US$ 702 per 50kg achieved last year, US$ 378 per 50kg in 2008/09 and US$ 954 per 50kg in 2006 / 07.

1.3 Direct Sale:

Table 1: source Coffee Board and Marketing Agents

Marketing Agent	60kg Bags	Value (US$)
Coffee Management Services	14,510	10,342,804.00
Kenya Cooperative Coffee Exporters	10,041	3,826,038.98
Tropical Farm Management Kenya	8,974	3,698,214.67
Sasini Ltd.	4,160	2,051,558.40
Oaklands Coffee Marketing ltd. (Kofinaf)	199	130,608.82
Grower Marketing Agents	-	-
Thika Coffee Mills	-	-
Sustainable Management Services	-	-
Total Direct Sales	**37,884**	**20,049,224.87**

As shown on table 1, Coffee Board data on direct sale (and reports by Marketing Agents) indicated that 37,884 bags valued at US$ 20,049,224.87 were sold via Direct Sale for the period ending 31st March 2011.

2.0 World Market Report

The world market experienced some volatility during the first half of coffee year 2010 / 2011. During the period, it posted a low of 173.55cts/Ib in October 2010, rising to a high of 296.65cts/Ib in early March 2011 and closed on 31st March at 268.58cts/Ib (basis New York 'C' July 2011 position)

3.0 Market Report: Tanzania

3.1 Volume

Tanzania Coffee Board (TCB) reported that a volume of approx. 487,000 bags of Arabica (19% sold via direct sale) and approx. 433,000 bags of Robusta (80% sold via direct sale) were sold as at the end of March 2011 for the current marketing season (August 2010 – March 2011).

3.2 Price

Direct sale posted an average price of US$228.25 per 50kg for Arabica and US$ 74.63 per 50kg for Robusta.

The average auction price was US$ 218.50 per 50kg for Arabica and US$ 92.62 per 50kg for Robusta. AA Grade sold at an average price of US$ 234.70 per 50kg while AB Grade sold at an average price of US$ 229 per 50kg with the Moshi based auction achieving a season high of US$ 350 per 50kg for a small quantity of AA Grade in March 2011.

4.0 Market Report: Uganda

4.1 Volume

The Uganda Coffee Development Authority (UCDA) reported that a total of 1.325 million bags (comprising of 980,000 bags of Robusta and 345,000 bags of Arabica) were exported to various destinations in the first six (6) months of 2010 / 11 coffee year (Oct/Mar).

4.2 Price

During the period, the average export price was US$ 87.21 per 50kg for Robusta and US$ 177.59 per 50kg for Arabica.