

A Glance at Paraguay Sesame Season 2021-2022

Drought Hampers Production, Prices to Stay Higher, Sky Rocketing Freight Rates



Mr Gilberto Ozorio
President of Paraguayan
Chamber of Sesame Exporters
(CAPEXSE), President and
General Manager, Dulsan
Organica S.A, Paraguay

Harvest 2021 - 2022

We started planting in September 2021 with great expectation and good promotion in the entire country through CAPEXSE (PARAGUAY CHAMBER OF SESAME EXPORTERS), achieving a lot of interest from farmers, the effect of recent years with good production and prices appropriate to the current situation of our country in terms of costs.

More than 60,000 hectares of white and black sesame of manual harvest varieties, or edible grade, were planted in the country and more than 40,000 hectares of mechanized varieties in the Chaco region. In its sowing and development stage, this last area is immensely affected by drought.

Drought all over Paraguay has hampered production expectations

During its vegetative development, an intense drought has affected all regions of Paraguay, which harmed the expected production, leading to a decrease in the yield of approximately 40% and the Chaco area, even crop losses due to lack of rain. In the same way. It is crucial to assess the resistance of sesame to this type of climatic

event like drought since in other agricultural items, some products like soybean, 68% of national production was lost.

80 per cent of the produce harvested

As of date (March 25th), practically 80% of the edible sesame varieties have been harvested and 30% for the mechanized varieties, which makes us calculate that this year we could harvest and market locally about 18,000 tons of edible grade sesame seeds and about 10,000 tons of mechanized harvest sesame seeds. This would indicate a reduction of approximately 17,000 tons less than the previous two years for the reasons already mentioned.

Price to go up due to decline in production

This caused the prices of local raw materials to go up and installed many new companies testing this business, generating strong internal competition and much speculation in the fields.

Exports to pick up soon and continue until May 2022

The amount exported as of March 2022 is still minimal. The most

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significant amount of product is in the processing stage in industrial plants of the leading exporters, estimating their respective shipments more massively as of this second fortnight of March and April, going until May 2022.

Logistics challenges persist

Logistical problems continue due to the drop of water in our main rivers that serve to go abroad and connect us to the sea with

the world. Likewise, the costs of maritime river freight are still high, especially to countries of the EU, USA and Central America, with a cost four to five times higher than was paid before the pandemic. In the case of Asian countries such as Japan, Taiwan, China, etc., the incidence is relatively lower, but it is about double. Added to all this is the excessive delay in transit to the final destination.

indirectly it is affecting the national economy, also with an increase in fuel costs, which implies an increase in total services and food, this was added to inflation already existing before the conflict.

In conclusion, we are in a difficult year, with very high costs in the entire production, commercial, industrial and logistics chain, which prompts us to make every effort to overcome these obstacles and to start planning the next campaign. At the same time, it requires us to look for the best markets to sell all the products with a moderate income. Japan remains the most critical buyer of Paraguayan sesame seeds, but in recent years there has been a significant diversification of markets for our sesame with equally competitive prices, mainly in EU countries.

On Russia-Ukraine conflict

Regarding the Russia/Ukraine conflict, the Paraguayan sesame doesn't affect us directly commercially, since isn't a buying market for the volume of our sesame seeds, but

