

Buyers Reward Mozambique Exporters



Mr Jahid Nagarwala
CEO, Alfa Group, UAE

About Alfa Group

Alfa Group started in 2002 in India as a small construction company. In 2005, we shifted our operation to Africa, establishing an operation in Mozambique to export agricultural commodities that are available in abundance in that country. Gradually we expanded our operations and established cleaning, processing, storage, and logistic factories in Mozambique.

About their operations in Mozambique

In Mozambique, we work from the grass root levels, starting from farmers to our collecting centres and to the processing factories, and then export directly. We also established our processing and export operations in Sudan, Tanzania, Senegal, and Benin. Similarly, we do other commodities such as Peanuts, pulses, and soya from Mozambique, Sudan, and other African countries, we export the same to more than 20 countries globally.

“At present, we have over thirty buying and collection centers across Mozambique’s northern and central zones along with 200,000 sq ft of storage facilities, also have modern equipment’s for cleaning and processing, wherein we process our Mozambique-grown sesame seeds as well as peanuts, pulses, and nuts”, says Mr Jahid

On Alfa’s presence in other African nations

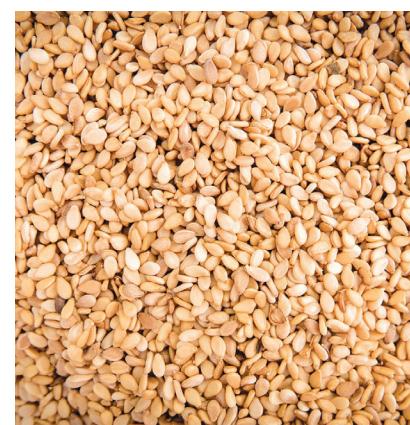
We also process and export sesame seeds from Sudan, the largest sesame seed exporting country and from Tanzania. We also process and export sesame seed from Senegal, despite the quantity produced by them is very small. Depending on the season, we deal with around 12,000MT in

Mozambique; 8,000 to 10,000MT in Sudan, about 3,000 to 4,000MT from Tanzania, and overall, from Africa we trade in the region of 20,000 and 25,000MT of sesame seed per annum.

Outlook of Mozambique

Sesame crop

Based on the assessment done by our team this season Mozambique’s sesame crop is likely to be lesser by about 15-20 percent of last season’s crop size of 80,000 to 90,000MT. Moreover, the commencement of the crop is to be delayed. It is too early to judge the quality of the crop; during this season planting has been delayed about 15 days due to rain in the early sowing days, as two-three cyclones passed through Mozambique, affecting the crop. The decline in production could be attributed to farmers shifting to other alternate crops like soya in some places hoping for better returns and also excessive rains affecting crops in the Nampula region.



On Mozambique yield

Farmers are unaware of the hectare/acres, and in Mozambique, half MT are regarded as a good measure. There is no irrigation, and almost no or very few fertilizers or pesticides are used in the planting process. Also, most of the farmers were using traditional seeds for sowing and not fortified seeds.

About their cleaning and processing plant

We used to work with South African origin machines, but we've established a new plant with Chinese and Indian machineries in the last three years. Because Mozambique cargo contains a lot of impurities, it's necessary to use pre-cleaning technology, multi-layer screening, destoner machines, and gravity separators to achieve a 99 per cent purity level. In a thick line of manufacturing in one line, there are four distinct types of machines, each with a four-ton capacity, but capacity can vary depending on the quality of the raw materials.

Improvement in Mozambique quality and export to Japan

Compared to other nations, Japan is always concerned with good quality and is sensitive to pesticide issues. As a result, cargo can sometimes be refused in Japan due to pesticide concerns. In my opinion, Mozambique has improved their quality of seeds in recent years. Earlier, we were selling 97 or 98 per cent clean, which was sufficient for Mozambique. Nowadays, many of the exporters were able to meet the Japanese requirements of 99+purity, which is the reason for

the surge in Mozambique's exports to Japan.

Moreover, China and Japan are now pleased with Mozambique's seed quality, particularly among the oil producer groups. This could be due to an upswing in requirements, or it could be due to an overabundance of last year's exports. In my experience, exports from Mozambique to China were tight for exporters, with shallow margins close to disparity levels. Japan, we were getting premiums sometimes \$30 and at times \$50 premium, which is why Japan was a preferred market for Mozambique exporters.

On oil content of sesame seeds

Mozambique's oil content is always high, with only one quality Seed. Some locations may appear whiter than others. China buys the majority of Mozambique cargo for oil purposes, with few exceptions. Sudan has a wide range of varieties, like gadarif, non-gadarif (confectionery and oil.) and even red (hulling). The oil percentage for hulling in Mozambique is generally 50 to 52 percent.



How to add sesame seeds to your daily diet?

The best way to incorporate these seeds to your daily diet is by adding them to whole grain bread and muffin. You can even toss some roasted seeds on top of your salad or soup. Mixing your sesame seeds with granola, nuts, and other seeds as a snack is also a good option.

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On port infrastructure facilities in ports

Nacala port is one of the best ports in the North Zone. It is an all-weather deep-sea port, it's a natural channel that any vessel can enter the port throughout the year. Port has a total of four berths of which one is dedicated for the Fuels and the remaining three for general cargo and Containers. Unfortunately, one of the general Birth are under maintenance since part 2/3 year. The remaining 2 birth are dedicated for Containers and General cargo whose total length is 360 meters and it can accommodate 2 vessels below 200-meter length at a time simultaneously if any of the vessels are bigger than 200-meter length than other vessels have to wait outside. Most of Container's vessels Comes to Nacala are more than 200-meter length which increases port congestion and slows down the operation. Nacala port authority is very Supportive and trying their best to control the situation.

We have operated several breakbulk cargoes from Nacala last year because our previous shipping lines were not able to provide empty containers. Therefore, we found a solution by ourselves for the majority of the cargos exported from Nacala to other destinations.

“The port capacity was 2000 to 2500MT/day, but we operated the vessel on 5,000MT per day, a record for the port”, says Mr Jahid

Transit time from Mozambique to China and Japan

Prior to the logistical crisis, shipping line transit times were around 30 to 35 days. Even now it is difficult to say how many days it will take to get cargo to its final destination because shipping lines may be overbooked or overburdened. In my perspective, Sudan to China and Indonesia currently takes 60 days, maybe 70 to 80 days.



With respect to containers availability

Container shortages are not new to Mozambique; they have been occurring for many years. We expect it to grow more this year. Last year due to the non-availability of containers, the majority of the exporters desired breakbulk containers, because Mozambique's export volume was not only confined to sesame but also to other crops was very large. Moreover, Malawi cargo uses the Mozambique port to export. Hence, considering the combined volume of both countries, shipping lines cannot provide empty containers during this crisis time. Even if they bring in empties from outside, they divert containers to exporters.

On freight rates

Freight rates have increased in Mozambique. However, freight forecasting from Mozambique, India, Sudan and Tanzania is problematic. Shipping lines provide freight with limited validity periods, so each booking must wait for different freight rates.



On currency Fluctuations, and their impact on exporters

“Since last year, the dollar has been weaker. Only a few nations like Mozambique across the world maintained their US dollar levels, which was beneficial to exports. On the other hand, Sudan was in grave peril due to its currency fluctuations,” says Mr Jahid