

Challenges in Quality of Sesame and in-land Logistics

Praramb Agri Trading DMCC



Mr Alok Bhargava C A

Director, Praramb Agri Trading, DMCC - Dubai

"Mr Alok Bhargava holds a bachelor's degree in science. Then, he moved on and successfully became a Chartered Accountant. Mr Alok started his career as an accountant and became a Financial Controller. A shift to the trading desk at his workplace has changed everything. And now, Mr Alok Bhargava is the founder &

chairman of Praramb Agri Trading DMCC. The company is one of the leading exporters of Cashew, Sesame seeds, Ginger and Hibiscus."

Brief us about your sesame seed business

Our company, Praramb Agri Trading, is headquartered in Dubai. The word "Praramb" is

attached to me as it combines my parents' names.

We source sesame seeds from Nigeria, Burkina Faso and East African countries. We have dedicated procurement offices in Nigeria and Burkina Faso. Similarly, we have designated partners/teams in Tanzania, Mozambique and Uganda. Farmers in these origins are small landholders. So, we source sesame seeds from the aggregators who buy from the group of farmers and supply us with the cleaned raw material.

We have well-established cleaning, grading & packaging facilities in Kano, Lagos and Lome, which have proximity to the Ports. Our team is well-trained to procure and pack the best quality raw material for our customers. We export sesame seeds mainly to three countries, namely China, Turkey and Japan. Last year (2021-22), we exported about 40,000 MT of sesame seeds. Our normal export volume range between 35,000 and 40,000 MT per annum.

Does congestion still exist in the Port of Lagos in Nigeria?

To be precise, yes, it still exists. A warehouse where our cargo gets loaded onto the trucks is located 12-15 KM from the Port of Lagos. Because of congestion and traffic, it takes two to three weeks to reach the port. We are currently

shipping our cargo from the Port of Harcourt to overcome this issue.

The Harcourt port has more vessels than Port Lagos as the other commodities shipments are more. Also, it takes two to three days for our cargo to reach the port, a massive time and cost savings for us.

The majority of sesame seeds growing in Kano province, Nigeria, have good potential to export via Port Harcourt. But now, due to excess rainfall that resulted in a bridge collapse and road damage, the route to Port Harcourt remains challenging. Our shipment volume is 100 to 200 containers per month. So, finding the best and fastest way to reach the port is much needed.

What are the quality and trade-related challenges you are facing?

I will give an example for this question; our customers sometimes require 1 FCL of Kano white sesame seeds and sometimes 2 FCL of golden whitish. Nigeria has more than nine types/varieties of sesame seeds, such as Bauchi, Niger, Kano, Maiduguri etc. There are a few types in Kano province, namely Lafia and Benue. So, organizing the required quality from respective regions is challenging compared to other origins. As a supporting factor, the arrival period of the various types of sesame from the above locations is very close. Usually, the

harvest begins in October when Bauchi quality enters, followed by Kano and Jigawa. Maiduguri-type sesame is exceptional as it starts in December.

But the story is much easier when we see Tanzania and Mozambique. Tanzania has only two types of sesame seeds, South Tanzania quality and North. In Mozambique also two types, namely Beira and Nacala.

On trade, yes, we do have challenges in in-land logistics. The logistics cost in Nigeria and other countries has high volatility. Without prior information, we have seen the cost surge by over 10 and 15 per cent in recent times. The weakening of the domestic currency has also recently impacted the in-land logistics cost.

How many hulling plants are in Nigeria, and What is your view on production this season in the African countries?

About 50,000 MT of sesame seeds goes for hulling in Nigeria, and the rest goes in natural form (cleaned). Earlier, we expected Nigeria's production at around 320 to 330 thousand MT. But, considering the current weather scenario, the production would be 300 thousand MT. In Burkina Faso, Senegal and Mali altogether, we expect around 190 to 200 thousand MT.

