

Nigeria and Burkina 2021-2022

Short Crop, Firm Price, Logistic Challenges



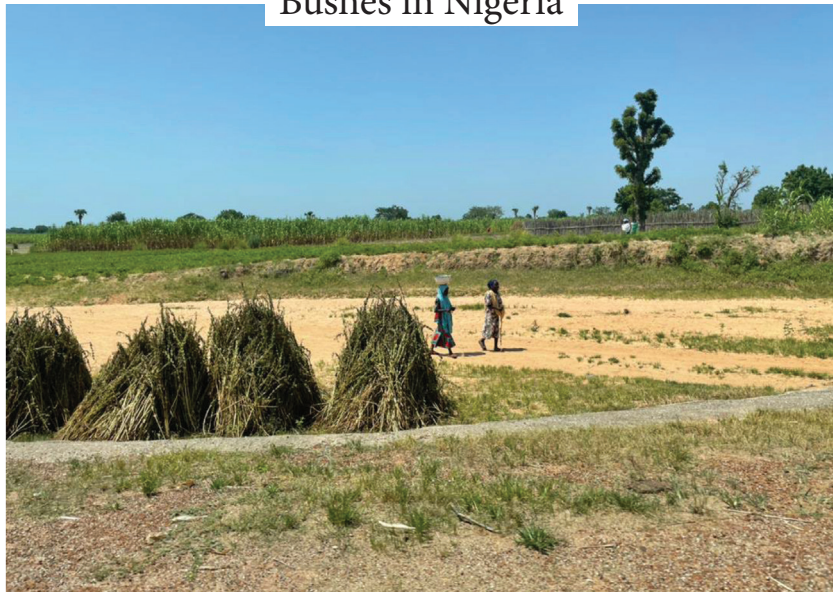
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Nigeria

Nigeria Sesame Crop harvest started at the end of August, followed by Shipments, which begin by mid -September, and the crop starts to finish by march end though the stock remains with the stockiest until July-Aug.



Bushes in Nigeria



Price and Demand

Regarding quality, it is about to be expected this year; however, this year again shift towards whiteness has been observed after three to four years. This season's sesame price has started at USD 1550/MT, and today the prices are @ USD 1500/MT (March 30-2022). During the mid-season, the market was very slow as importing markets like China and Turkey were slow due to less demand. China, primarily because of lockdown and stocks availability and Turkey because of currency and economic situation.

Challenges

Logistics has always been an issue in Nigeria; however, the supply chain in Nigeria had to face again the challenge of shipping out the cargo due to port congestion and, most importantly, increasing freight rates and non-availability of containers as most of the shipping companies were shipping out empties to China. Also, considering the given scenario, oil prices have been at an all-time high due to which shipping companies have been increasing freights two times a month, and in future, it's predicted to increase further. Exports are still happening out of Nigeria.

Burkina Faso

Burkina Faso sesame crop harvest starts during October, and arrival flow starts during November every year. Shipments usually begin moving out of Burkina to respective ports by the end of December on a year-on-year basis. Normally ports used are Tema – Ghana and Lome-Togo.

Quantity, Stock and Conflicts

Burkina produces around 210,000 – 220,000 MT of sesame;

however, this year, the crop was short, and arrivals have seen at 160,000+ MT. Some stock is still available in the bush and with the stockiest traders as they are holding the cargo due to currency depreciation against the USD due to Russia Ukraine war and increasing oil prices.

Decline in quality

The quality of the current crop was average; however, towards the end of the season, cargo arriving from the bush declined in quality. Compared to last year's output of whitish sesame was less, and one of the main reasons would be unrest caused in growing areas. Post covid, there has not been an authenticated report for crop survey.

Price

On the price front, the season started with Whitish at USD 1600/MT and today, the prices are at USD 1550/MT and mixed at USD 1550 and today at USD 1450 (as of date Mar 30, 2022). In the mid-season, the market was prolonged as exporters had less demand due to the bearish market.

Logistic Scenario, Cargo Movement and Container shortage

No logistics issues were reported in Burkina post unrest, but there were a lot of problems with cargo movement during the unrest. Increasing freight rates and less availability of empty containers were also an issue in Togo.

NOTE: Mandatory China registration from 1 Jan 2022 has also created confusion in the market, and in some exporter registration countries still, exporters are struggling with export registration procedures.



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