

Nigeria/Niger Sesame 2021-2022

Short Crop, Volatile Prices- Farmer's Unhappy



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The Nigeria/Niger crop this year was expected to be lower than the previous year by 20-25 percent at the beginning of the season. However, by Jan, after all, region crops have been harvested by now, the farmers, cooperatives, and associated growers are of the opinion that the crop is short by more than 35 percent.

During Sep and Oct, we have noticed the cargo flow was lesser than normal from Northern regions, this is mainly due to crop shortage. The arrivals have been dried up from Northern regions earlier than normal.

The Middle Belt/ central Region's crop is harvested Oct/Nov has reported good quality output and they expect the crop to be similar or better than that of last season. Hence, this year, Benu-type seeds are overall good.

Cargo flow and trade have picked up since the second week of October, but an accelerated increase in local prices has reduced traded volumes during the third and the fourth week of October. By end of October, the local prices started getting corrected and continue to get corrected and to align with that





of international trade levels. With traded levels, having parity in the international markets, this has resulted in an increase in trading activity both locally and internationally. During this time the prices have dropped down further both internationally and locally.

The trade was very active until the first week of December, but the local prices have gone down more than the farmers have expected and they have started resisting further price eroding.

Coinciding, with the end of harvested materials, the farmers have realized the extended crop shortage and stopped supporting lower prices. This has resulted in the dropping of cargo flow from the second week of December onwards. At the beginning of Jan 2022, the local prices improved after getting improved price support from the international market, but still, the crop flow is not good and lower.

As per the estimates over 210,000 tons have been traded in the local market and the trade is only expecting another 40-50,000 tons -maximum crop left from the new season to come from farmers and at farmland.

From a Nigerian origin perspective, the balance stock levels are very minimal and there will be pressure from farmers if the price slides further. As per trade information, the unsold stock position of exporters is of higher cost or price.

This will compliment farmers' sentiments and there will be resistance to any downward price pressure from the international market.

The reduced availability (already finished as per trade info) whitish crop in Burkina/Mali/Togo this year should help Nigerian/Niger exporters to get a better realization for the Nigerian seeds provided they can supply well cleaned and whiter cargo to the international market.

Note: The article was prepared on Jan-27-2022.

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