

Sudan Sesame 2021-22

Political Instability, Economic Distress, Currency Devaluation, Logistics Nightmare - Hampering Exports



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I would like to describe the current scenario in Sudan, especially the political and the economic situation, as distressing.

Crop size

The crop size of sesame seed is relatively good, but the farming areas used for sesame during this season were replaced with other crops. In my opinion, the crop size is not less than 350,000 tons, and the seed is of decent quality. Many crops are being used locally to hedge the currency's extreme devaluation and stocked in warehouses. Stock in Sudan is not less than 80,000 tons, in my opinion.

Sudan export scenario and its challenges

- Sesame exports from Sudan were very slow due to internal and international logistics nightmare. However, China and India exports were mainly exports through sea and somewhat manageable, and quantities exported can be predicted to be 120,000 tons and above as of 16th Mar 2022.
- Middle East exports were limited to truck transport via Jeddah to Jordan at \$200+ per ton.
- Egypt's land transport was severely interrupted due to road closure. Furthermore, complications arose due to export procedures issued by the central bank of Sudan imposing advance payments.
- Also, in-transit cargo via Egypt was banned. Private vessels of 2000-4000 tons operated to Mersin and Beirut now and then.

Impact of currency

Local market deliveries are not hindered by the situation, and inflow is steady, but most cargo is beyond farmer level today, and without descent, mark-up traders are reluctant to engage. With the current extreme devaluation of the currency, local offers are becoming scarce.

Price scenario

Prices of FOB today (as of March 16th 2022) are also not relevant due to complicated vessel arrivals, schedules, and arrivals. But if we are to judge on FOB prices, Sudan is competitive. Offers range from commercial-grade \$1450 to Ghaderef \$1620.

We remain optimistic, and trade will always find its way to proceed—prayers to Sudan and its people.

Points to Ponder

As per the Central Bank of Sudan statistics, Sudan sesame exports in the first nine months of 2021 were valued at USD 338.9 Million. This is against the export value of USD 607 Million during the same period in 2020.

Sudan exported 148,745.92 tons of sesame seed to China in 2021. This is as against the 2021 export volume of 231,132 tons. This corresponds to a decline of 35.6 per cent.

Sudan exports to Japan totalled 4,654 tons in 2021, with 583,502 CIF 1000 Yen. This is as against 2,042 tons exported with 286,658 CIF 1000 Yen in 2020. This corresponds to an increase of 128 per cent in volume terms in 2021 compared to 2020.