

Tanzania-Mozambique Season-Crop Size Similar to Last Year, Logistics Challenges Remain



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Tanzania

Sesame sowing in Tanzania and Mozambique starts in December, and the harvest begins in April. This year, the crop is delayed by 25 to 30 days, and some farmers switched to other crops for better price realisation. Considering that, this year's production may not increase from last year's levels. The expected production volume this year is around 120 to 125 thousand MT.

Tanzania has primarily three types/ varieties of sesame seeds. One is the South quality which the Chinese buyers mostly prefer. Given that, the export volume of south quality goes mainly to China. South quality sesame seed is grown in the areas such as Lindi, Mtwara, Ruangwa, Tunduru and Masasi. The expected production volume of the southern part of Tanzania is around 70,000 to 80,000 MT, which mainly comes under auction. The second one is of whitish quality, and it is grown

in Mbilizi, Songea and some parts of Tunduru. And the third is mixed quality which is grown in Dodoma, Babati, Kondoa, Manyoni, Sumbawanga, Tanita, and Morogoro.

Sesame procurement in Tanzania is mainly in the form of government auctions. The auction process includes additional and hidden charges, which increase the cost to the exporters.



Agrochemical usage in Tanzania is increasing rapidly. Finding pesticide-free cargo in Tanzania is becoming a challenge. The flow of supply will be in a staggered manner during this season.

Tanzania sesame seed exports

Year 2021 - Quantity in MT								
Month	China	Japan	Vietnam	Turkey	Israel	India	Others	Total
May	6,334	1,191					108	7,525
June	34,631	11,268	1,045	167		190	912	48,212
July	41,697	2,945	624	381	209		209	45,856
September	5,484	1,898		38	114	95	95	7,629
August	18,214	1,938		65			127	20,217
October	1,893	395		53			76	2,341
November	384	114		56				554
Total	108,636	19,749	1,669	760	323	285	1,527	132,334

Currently, there is no stock left at the origin.

Logistic Challenge

Challenges related to logistics are increasing rapidly in all African countries. Container shortage and getting space is a major issues. Freight for major destinations has increased by up to 500% compared to previous years. As compared to last year, the increase in freight is about 200%.

Mozambique

Sesame Growth stages



Sesame sowing starts in Mozambique around January and harvest in May, many of the sesame farmers switch to other crops like Soya for better realization; due to cyclones in the Northern part of Mozambique some crops are damaged and the Central part of the Mozambique crop looks good. Overall, it doesn't look like production will increase as compared to last year. Neighbouring country Zimbabwe sesame also comes to Mozambique, but cannot be able to figure out an exact volume for that crop. The expected production volume is around 90,000 to 100,000 tons. Sesame season expecting a little bit of delay from the usual flow.

At the beginning of the season, prices may be soft as China have a COVID situation and lockdown, but later prices can go up and continue to get supported by Chinese buyers.

Last season Mozambique has exported around 100,000 tons. Most of the crop went to China (Crushing Grade) and then to Japan (Crushing & Edible Grade) and European countries (Natural and Processed Sesame). There is no last-season crop left in the country. Many other countries have also started buying and showing interest in Mozambique sesame.

Logistic Challenge

In Mozambique, the logistics issue is a big challenge, very limited shipping lines operate in Mozambique. Only Major shipping lines share each other vessels so shipping lines have the monopoly to control the freight and equipment. Some of the shipping lines load the empty container to China to reduce turnaround time rather than giving them to exporters as lines are getting higher freight from China to EU and US destinations and creating an imbalance in the container situation. Freight from Mozambique to China and Japan destinations has increased by 150% as compared to last season and all shipping lines are not giving more than seven days of free time at the destination. It is also a challenge for buyers to clear the cargo within a time frame and conflict in the contract for free time.

Freights are changing every month and come with an additional new surcharge. Nacala port is a small port, so many shipping lines cut the call of Nacala, so it creates a backlog of the container and frequency becomes very less.



Gujarat Summer Sesame Seed Crop at its Trajectory

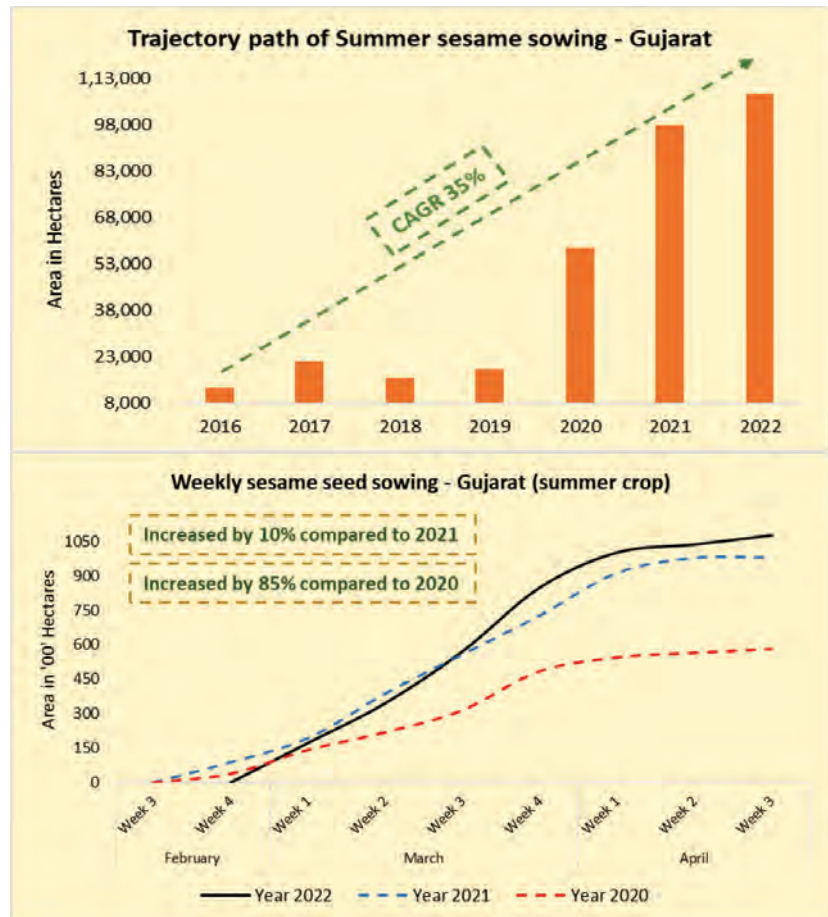
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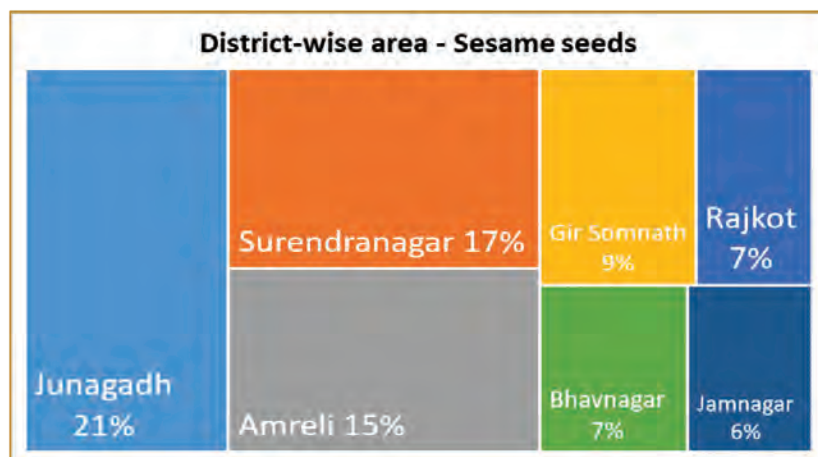
Summer Sesame Seed Crop – Gujarat

The average area under sesame seed (summer crop) in Gujarat from 2016 to 2019 stood at 17,300 hectares. Over the last seven years (2016 to 2022), the area under sesame seed in Gujarat has been growing at a rate of (CAGR) 35%.

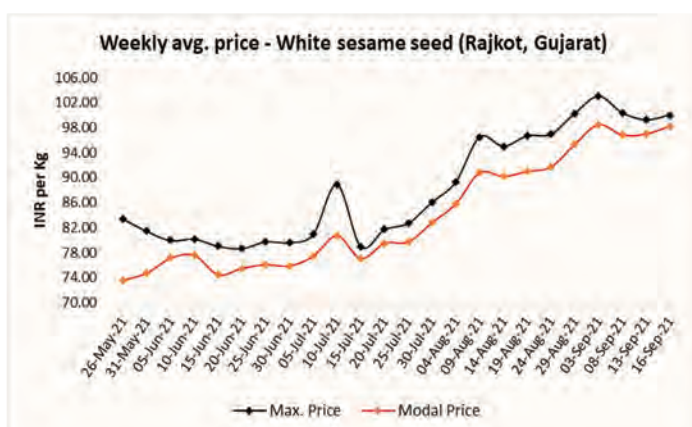
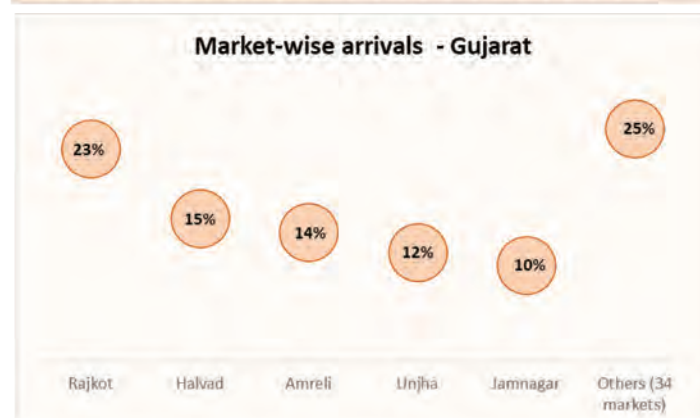
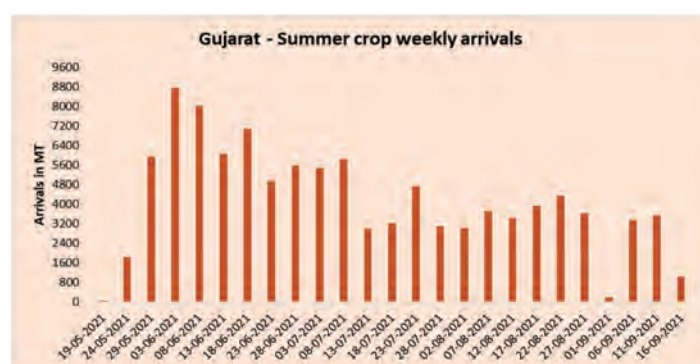
The summer sesame seed sowing in Gujarat started at the end of February 2022, with full swing observed in March 2022. With sowing almost nearing completion, the total area as of 18th April 2022, stood at 107,800 hectares. Backed by higher acreage, share of Gujarat to the country's production is estimated to be around 20% to 22%.



District-wise sesame seed sowing in Gujarat (2022)



- Junagadh and Surendranagar accounted for about 37% of the total area combined.
- Harvest has started from 1st week of May 2022.
- About 80 to 85% of the total area is under White sesame seeds



Market Arrival and Price

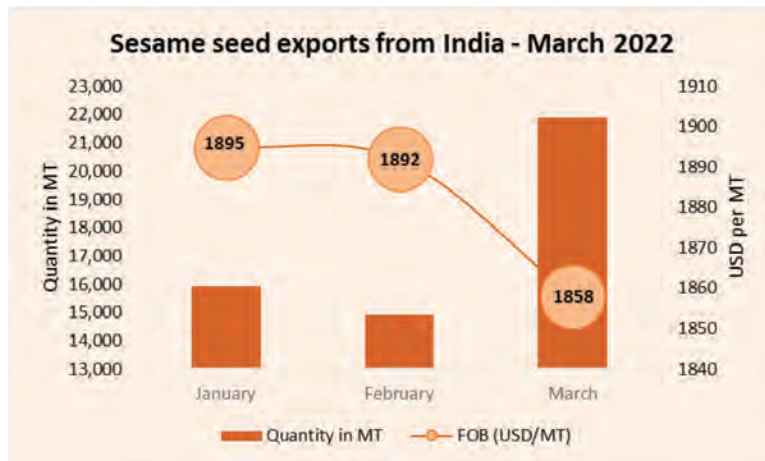
For the period 15th May to 15th September 2021, sesame seed arrivals in Gujarat stood 103,800 MT. Nearly 82% of the arrivals comes during June to August, with peak arrivals seen in June month (40% of the total).

Rajkot, Halvad, Amreli, Unjha and Jamnagar markets accounted for about 75% of the total arrivals in 2021 (15 May to 15 September).

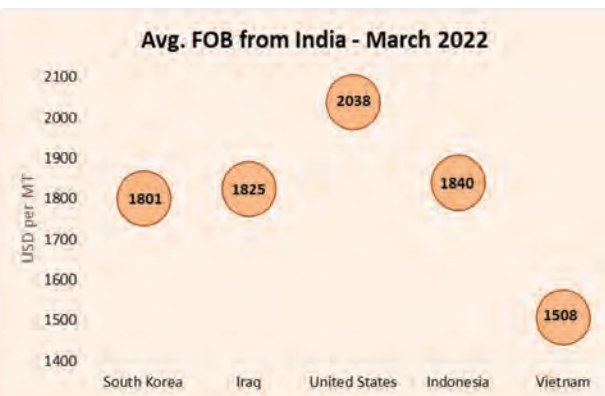
According to sources, 2021 summer crop production was approximately 150 thousand MT. This year, given the increase in acreage, one can expect the production to be around 165 to 170 thousand MT.

During May to June 2021, the modal price of white sesame seed (natural/uncleaned) in Rajkot market ranged from INR 73 to 80 per kg levels. Shortfall in Kharif 2021 (June to September) production lifted the price of Gujarat summer crop to INR 103 per kg in August 2021. Given higher summer crop production this year and normal monsoon prediction for Kharif 2022, is expected to keep the prices stable. However commencement and progress of southwest monsoon would decide the prices going forward.

Indian sesame seed exports



- Sesame seed export from India during Jan to March 2022 declined by 23% compared to the same period last year.
- Similarly, the FOB in the first three months of 2022 is 17% higher than last year. In March 2021, the monthly average FOB stood at USD 1600 per MT.



Disclaimer: The research content is for information purpose only. The trade flow data and acreage are taken from Govt. sources. The views on Volume and price is based on interaction with ground level sources which may vary.

