

It is November end & the trends available in last 45 days reveal following facts about the international market of sesame seeds:

- The crop size in India is definitely around 15 - 20% less than previously estimated. This fact is endorsed by the present arrivals in the marketing yards of growing areas.
- The crop in Myanmar is damaged to major extent. As a result, China will have to buy an additional quantity of 80,000 to 120,000 tons from Africa and this will continuously support African sesame seeds. The availability of crushing quality, which is also suitable for hulling, is under pressure.
- The US Dollar has devalued against Japanese YEN, Korean WON & almost all other major currencies (including EURO, GBP etc.) across the world by around 15 - 20%. Hence, the price level of USD 1440 – 1450 PMT in Africa is at par with USD 1200 PMT, if we consider the impact of devaluation of USD.

At the same time, everybody is uncovered for the rest of the crop year. They have to consistently buy at the prevailing prices as they cannot defer their purchases anymore because of the threat of physical shortages.

The demand of Asia is growing rapidly by at least 8 – 10% p.a. & the CAGR effect is a huge one.

- Sesame prices at USD 1450 per MT (for natural) & USD 2100 – 2200 per MT for good Hulled Quality is not at all expensive. We consider this a fair price considering the price rally in agri commodities.
- The Korean tender results were out yesterday, and the bids were between USD 1530 – 1630 per MT. It is important to note that last time, the Korean Govt. decided to wait for a better price even though the prices quoted were in the range of USD 1450 – 1500 PMT & they postponed the procurement of a major quantity. Unfortunately, it appears that they have lost the last opportunity to procure at a competitive price.

In my last market update, I expressed the view that the Indian exporter's community is not matured enough & gets carried away very easily. At that time, Indian hullers were quoting a price of USD 1650 – 1700 per MT level.

Unfortunately, the buyer's community did not realize that sesame was more than cheap at that time & opted to wait for further price reduction. Today, I have to regretfully say that this too, was nothing but an ill-advised move on the part of buyers, especially from developed world. They remained uncovered, irrationally expecting the prices to crash further. I am aware that this is a bold statement, but regrettably, it is the fact.

It is very unfortunate that they don't understand if the sesame is priced below aforementioned level, farmers will shift to other crops. Even at this price level of USD 1400 – 1500 per MT, it is not a duly rewarding crop for the farmers to retain their interest in cultivating sesame. So if this situation endures down the line, sesame will disappear from the planet & this is not a distant reality.

As per my personal estimates, the present deficit in supply is almost 12-15% in world trade of 1 million tons.

To conclude, it appears that Natural Sesame will remain steady at USD 1350 – 1500 level & Hulled at USD 2050 – 2200 PMT level.

Best regards,

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***Disclaimer:** While the above mentioned predictions are based on rational thoughts & observations, the actual situation may not be the same. This is our personal view of the Sesame Seeds Market in particular and on agricultural products in general.*