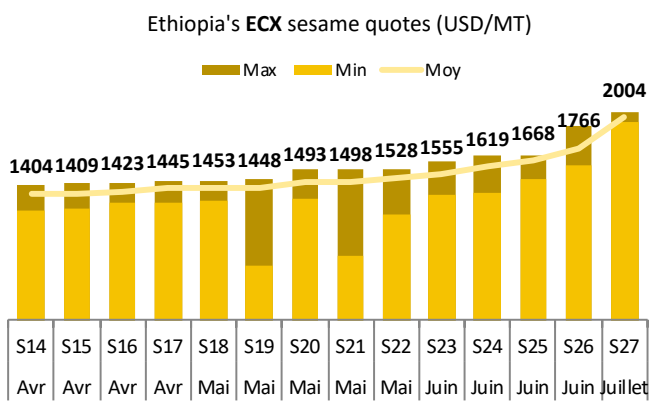
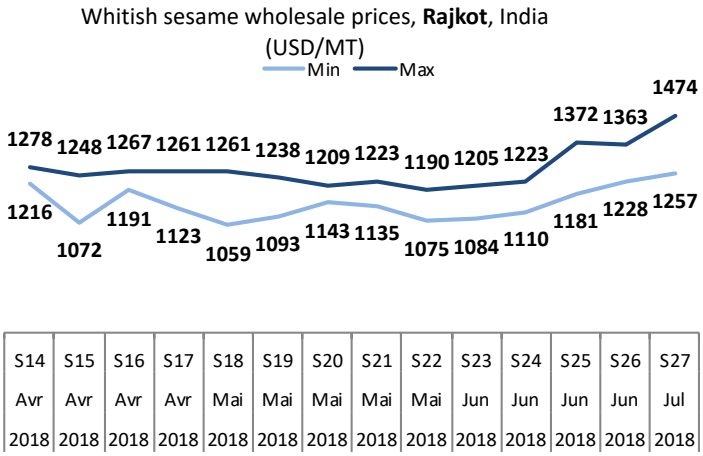
Sesame market report

July 06th 2018 - Number 159 - www.nkalo.com

n'kalô information et conseil

The market at a glance





Expected trend on the West African sesame market

Next week:

Next month:

Sesame market in Burkina Faso

In **Burkina Faso**, the sesame market remained calm during the month of June. There were no significant transactions in the market. A few producers still have small stocks (<200 kg) to cope with potential difficulties in the coming months. Wholesalers and exporters alike have globally low inventories.

News are on the side of the fields where some producers started to prepare their plots for the next sesame crop. Rainfalls are currently unsatisfactory as a whole, according to producers, but we are still at the beginning of the rainy season and all crops are not yet sown. For the moment, this low rainfall does not affect the production of sesame, which will be progressively planted from the second half of July to the beginning of August according to the pluviometry.

Sesame market in Senegal

In **Senegal**, the sesame market is calm. Most of the stocks are depleted and traders are not active in local markets.

The rains have settled and the producers are now sowing the cereals. The sesame sowing will start from mid-July. FENPROSE continued to sell sesame seeds to its member producers and individual producers. FENPROSE has already sold all its stocks. The Senegalese State has also set up a seed distribution network through regional commissions. We also noticed that some Senegalese living abroad are beginning to invest in large areas for the sesame production. There is thus a general enthusiasm for the sesame crop in Senegal this year.

Sesame market in Mali

In **Mali**, the sesame market is calm and identical to last month. Some sesame stocks are still available on the traders' side, but transactions are rare. Demand is limited to the few one-off orders made by foreign buyers. The sesame price currently varies between 500 and 600 FCFA / kg.

To subscribe to N'Kalô Service Market Reports visit: nkalo.com or write to international@nkalo.com
Twitter : @service-nkalo | Facebook : NKALO

Field activities began in all production areas. Rains resumed after drought pockets recorded in most areas of production. It will be necessary to wait for the end of the first agricultural activities (around the cereals) to have a first estimate of the total area sown in sesame. Discussions with producers and farmers' organisations indicate for the moment that the sesame acreage will be at least equal to the acreage sown last year.

However, the sesame production, like all productions, will depend on the start of the subsidies. Indeed, a delay in subsidies is likely to affect the agricultural calendar, which, in turn, will impact the sesame production, as it is the last crop sown. For the moment, the subsidies situation is good, as state agencies are working on the input subsidies.

Sesame market in Côte d'Ivoire

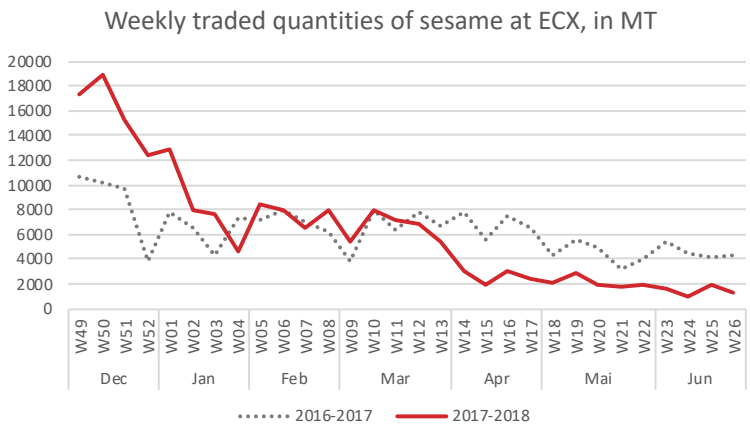
In **Côte d'Ivoire**, the sesame market is still calm due to lack of available stocks. The rainfalls are intensifying and field preparations for cereals and sesame are well under way. At the sesame level the evolution of crops varies from one area to another. Some have already sown arguing this is the right time to get good production and a good quality sesame. The others are still waiting for the end of this month before going on stage arguing that the late rains could depreciate the quality. What should be noted is that for the moment the rains are regular and good. If this situation continues, one could expect a good production of sesame this year.

International market

In **China**, while sesame imports have been limited (< 5,000 MT/week) during the month of June, Chinese processors have increased their purchases. Port stocks have decreased (around 150,000 MT this week) but still remain above the port stocks of the past year. Sesame sowings have started in several regions and it appears from the first available information that the sesame acreage is increasing this year.

In **India**, the *rabi* production is lower than that was initially estimated and traders expect delays in the availability of this harvest. The demand is good and prices are rising, as we can see with the evolution of the prices on the wholesale market of Rajkot (Gujarat) which reached yesterday 1,250 to 1,475 US$/MT (700-825 FCFA/kg). Regarding the production during the monsoon season, sowing has started or is about to begin in most of the main producing regions. During the month of June, the rains were deficient to slightly deficient in Uttar Pradesh and northern Madhyar Pradesh. In southern Madhyar Pradesh, rains were good to slightly above average.

In **Ethiopia**, the quantities traded at ECX have continued to be significantly lower in recent weeks than compared to last year. This situation has led to a sharp rise in the price of sesame at ECX in recent days, reaching the range 1,960-2,045 US$/MT (1,095-1,145 FCFA/kg) at the beginning of the week, for an average price of 2,000US$/MT (1,120 FCFA/kg). Whitish sesame FOB quotations have risen to 1,575-1,650 US$/MT (880-925 FCFA/kg).



FOB quotes for other African origins follow this uptrend. The West African mixed sesame FOB quotations reached this week 1,450 to 1,475 US$/MT (810-825 FCFA/kg).

In **Tanzania** and **Mozambique**, the sesame trade campaign has recently started. FOB prices have risen sharply in the last weeks and currently stand at 1,400 to 1,450 US$/MT (785 to 810 FCFA/kg) for whitish sesame batches shipped in August. Farm-gate prices in northern Mozambique are currently in the range of 40 to 55 Mt/kg (380 to 520 FCFA/kg).

Outlooks

The trend is very clearly bullish on the international market. The Tanzanian and Mozambican markets are following this trend with contracts for August at prices significantly higher than last month. However, the level of stocks in China is good compared to last year and the areas sown is expected to be increased. In addition, we expect an increase in exports for Tanzania and Mozambique.

If the weather conditions are favourable in the coming months, the supply in China and in West African countries could be good this year, thus correcting the current international market trend. The monitoring of the rainy season in the coming months will allow us to clarify this.

This newsletter is a publication of N'Kalô Service. N'Kalô Service is an initiative led by a network of experts working together for greater transparency and better control of marketing risks on African agricultural markets. In order not to threaten the sustainability of this initiative, please do not forward neither copy this newsletter without our permission. The 1-year subscription to the N'Kalô Service costs 60,000 Francs CFA, 100 Euros or 120 US Dollars. Group discounts and subscriptions exist for African Professional Agricultural Organizations. For more information, contact international@nkalo.com.

Disclaimer: The information presented in this newsletter is collected from many economic actors and cannot claim to be perfectly representative of all that occurs on an agricultural market. The opinions and statements published in this newsletter are the sole responsibility of the authors and are shared for informational purposes only.