

# Sesame Seeds Market Report

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With reference to my previous report, I hereby update you with the new figures and the detailed report about the new Sesame Seeds crop in India and also about the Global scenario of demand and supply of Sesame seeds. As written in my last report about the delayed Sesame seeds crop due to late monsoon arrival in various regions of India. But now the good news is that the production of [Sesame seeds](#) in India this time is very good as compared to the last year.

As Diwali festival in India this year is on 17<sup>th</sup> October, the farmers and traders are on week's leave. Therefore the crop of Sesame Seeds in Gujarat would be harvested in the mid or 2<sup>nd</sup> half of October 2009. The crop in Rajasthan would be harvested after 20<sup>th</sup> of October i.e. after Diwali festival. In UP/MP the crop would be harvested in starting of November and will be ready to ship in the last week of November or first week of December.

The crop position has thankfully improved as we received a good patch of rainfall in the month of September. Recently a survey was performed by the representatives of Exporters Council of India and the figures they have obtained about the estimated crop of Sesame Seeds are as follows:

## Estimated New Crop in 2009:

| Region    | 2008 Crop   | 2009 Crop Estimates(MTs) |
|-----------|-------------|--------------------------|
| Gujarat   | 60,000 MT   | 94,000 MT                |
| U.P.      | 40,500 MT   | 76,500 MT                |
| Rajasthan | 1,08,000 MT | 72,500 MT                |
| M.P.      | 35,000 MT   | 82,000 MT                |
| Others    | 10,000 MT   | 10,000 MT                |
| Total     | 2,45,000 MT | 3,35,000 MT              |

**Note:** There was some rain in some regions of Gujarat on 3<sup>rd</sup> and 4<sup>th</sup> of October 2009 after the above survey was conducted by Exporters Council of India. Due to this there may be chances of crop damage. Therefore the prices that were falling are now stable. But we are still awaiting the correct report from the farmers and will update you with the same within a week's time.

- In Gujarat the situation is very good this year as compared to previous year. This is because Saurashtra and Kutch regions which are the main Sesame seeds cultivating regions have received a good amount of rains in the month of August and September. Last year the area under cultivation for Sesame Seeds was 2.3 lac Hectres (2008), but this year the figure shows that the area has been reduced to 1.83 lac Hectres (2009). But still the estimated yield per Hectare has increased this year from 287 kg/Ha (2008) to 520kg/Ha (2009).
- This year Rajasthan region has received very less rainfall say nearly 40% below average. This is the main factor due to which the crop has got damaged and as compared to last years production this year the crop will be very less by around 35,000 MT as stated in the above table. This year the area under cultivation of Sesame seeds in Rajasthan is 4.15 lac Ha (2009) which is more compared last year i.e. 3.79 lac Ha (2008), but as it was hit by drought the estimated yield this year would be around 173 kg/Ha (2009) as compared to 285kg/Ha in 2008.
- Initially U.P. and M.P. were the major drought hit states in India when farmers started cultivating Sesame Seeds crop. But later on in the month of August and September these regions got excess rainfall which proved to be good for the Sesame Seeds crop. Now as compared to the last years figures the crop is almost double or more than double in this region.
  - U.P. area under cultivation has been increased to 2.74 lac Hectres in (2009) compared to 2.30 lac Hectres the last year. The yield was 176 kg/Hectres (2008) and estimated yield this year is around 2.79kg/Ha (2009).
  - M.P. area under cultivation has also being increased and the yield expected this year is 317.5kg/Hectres (2009) which is almost double that the last years yield 140kg/Ha (2008).

| <b>Region</b> | <b>Area Cultivated in Hectares (2008)</b> | <b>Yield / Hectare (2008)</b> | <b>Estimated Area Cultivated in Hectares (2009)</b> | <b>Estimated Yield / Hectare (2009)</b> |
|---------------|---|-------------------------------|---|---|
| Gujarat       | 2,30,000                                  | 287 Kgs/Ha                    | 1,82,000  | 520 Kgs/Ha                              |
| Rajasthan     | 3,79,000                                  | 285 Kgs/Ha                    | 4,15,000  | 173 Kgs/Ha                              |
| U.P.          | 2,30,000                                  | 176 Kgs/Ha                    | 2,74,000  | 279 kgs/Ha                              |
| M.P.          | -   | 140 Kgs/Ha                    | -   | 317.5 kgs/Ha                            |

## International Market:

Let me also give you a brief idea about the crop in various other countries.

- Crop in China is also good this year but as a fact we all know they would still need more than they can produce and will certainly buy from cheaper origins whenever possible.
- The estimated crop of China this year is 4,50,000 MT. China's annual consumption is around 6.5-7 lac MT. So what about the remaining 2 lac MT and where will this demand be met? As usual the demand of China is ever increasing and would be met only by importing the crop from other countries.
- This year we have heard that China more willing to buy from Sudan, Ethiopia and other countries in Africa. So its need will be fulfilled by the African countries. It can also import from India this year but may be on small scale say up to 30-50k MT.
- This time it is estimated that the African countries have got the largest crop production than ever, around 4 lac MT. Out of this almost 90% of it is exported and only 10% of it is consumed locally by those countries.
- So this year the production is very good at world level.
- Last Korean tender was also given to the African countries.
- In Sudan and Ethiopia it is said that the crop is very good. The new crop of Sesame Seeds in Sudan and Ethiopia will be harvested in the month of November and will be ready to be shipped in the month of December.

## Market Prediction/Conclusion:

Now the ultimate question that arises in every ones mind is that "Where is the market headed?". The answer to this is, as the crop is good this year the supply will obviously overcome the demand. So in the immediate future the market is bearish but not as one has expected.

The reason for this is that due to global slowdown International traders do not have enough raw materials in their inventory. Everyone was and is still waiting for the arrival of the new crop. Due to this in past 2-3 weeks we have seen that the demand was almost negligible and the market had crashed around USD 200 PMT.

**However the demand from these international traders was just from hand to mouth and no one was interested in stocking up sesame seeds in their inventory. The demand for the new crop is flowing in slowly; the prediction is that the immediate market is still acceptable; it will just dip by around USD 100-150 PMT for the new crop in October-November. But if the**

international demand comes in suddenly on a large scale then instead of the market falling down it may rise.

The new crop from U.P. /M.P. will arrive in the month of November. The same time Sudan and Ethiopia will arrive. Therefore during the month of December supply will actually overcome the demand and market is set to fall and we can see lower levels during this period.

**Important Note:**

During the month of October India get rains from North East Monsoon. There is heavy rainfall in the states of Andhra Pradesh, Karnataka and south of Maharashtra as the low pressure is mounted over the Bay of Bengal. States like Andhra and Karnataka are hit by floods. This rain is most probably said to progress over the states like Gujarat, Rajasthan and M.P.

As per the current weather the monsoon clouds are still wandering on Gujarat. Unfortunately if it rains heavily the crop of 60 days to be harvested would be damaged and the price for the same would hike instead of falling down. So let's keep our fingers crossed and hope for the best.

***Best Regards,  
Viral Patel,***



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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.***