



India Sesame Crop 2019/20: Update & Outlook

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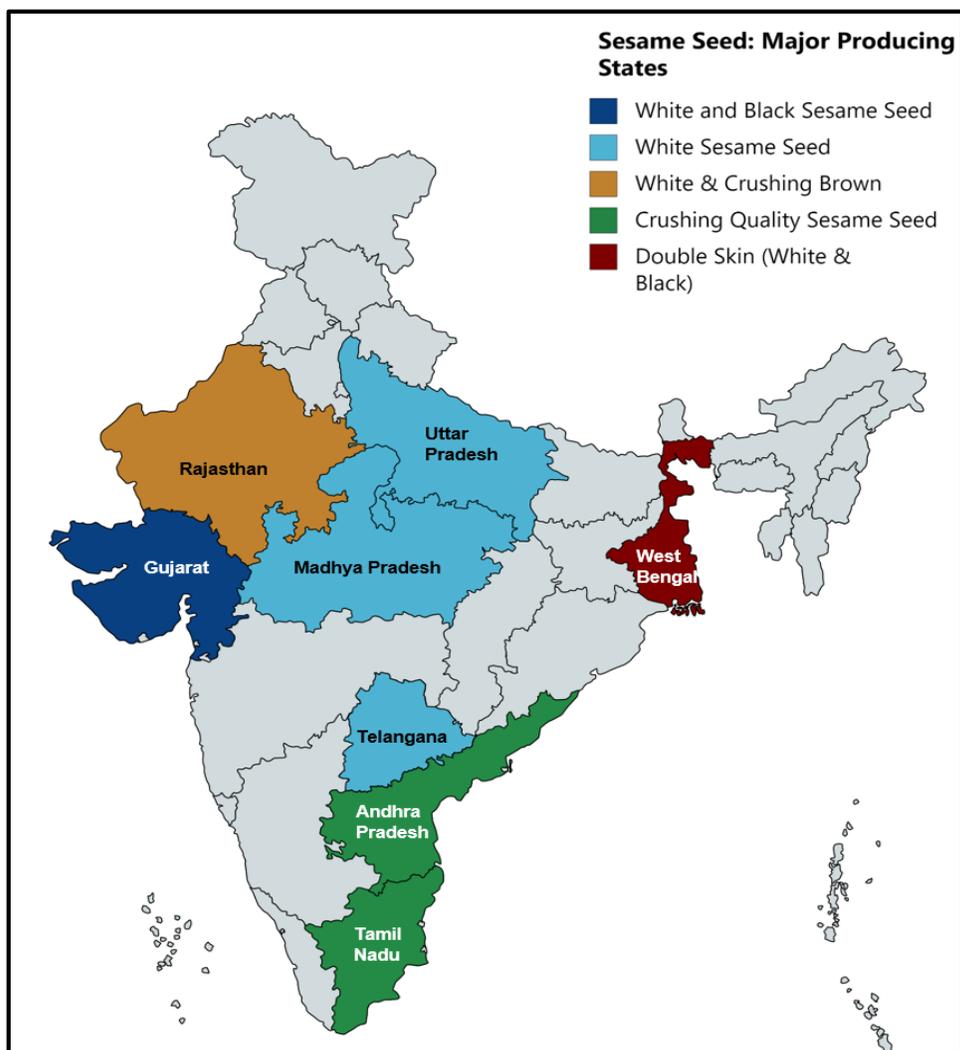
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India's Role in World Sesame Trade

- India has the unique distinction of being a producer, consumer, exporter & importer
- India exports about 300,000 tons of sesame seed, accounting for approx. 15% of the global sesame trade
- India offers wide range of qualities – natural whitish, black, golden yellowish, crushing quality & hulled sesame seed; Hulling capacity is more than 250,000 tons a year. Exports of sesame oil have reached about 10,000 tons a year
- Import of sesame seed have varied from low of 20,000 tons to as high as 127,200Tons (Oct'18 to June'19) this year; Quantity of import is influenced by domestic crop size and price spread between India and other origins

Major sesame seed producing states



MAJOR PRODUCING STATES	LOCATION IN INDIA	HARVEST PERIOD	QUALITY HARVESTED
Gujarat	West	Sep/Oct	Edible White, Black, Yellow
Rajasthan	West	Oct/Nov	Edible White, Brown/Black (Crushing)
Madhya Pradesh (MP)	Central	Oct/Nov	Edible White
Uttar Pradesh (UP)	North - Central	Oct/Nov	Edible White
Telangana	South	Mar/Apr	Edible White
Tamil Nadu	South	Mar/Apr	Brown (Crushing)
Andhra Pradesh (AP)	South	Apr/May	Brown (Crushing)
Gujarat	West	May	Edible White, Black
West Bengal	East	May/Jun	Double Skin (Brown/Black)

India: Sesame seed

- Two major sesame crops in India are:

CROP	STATES	HARVEST PERIOD	AREA PLANTED (MILLION HECTARES)
WINTER CROP	Gujarat, Rajasthan, UP, MP	End Sep - Early Nov	1.40
SUMMER CROP	Gujarat, West Bengal	Mid May - Mid Jun	0.25

- Total area for sesame in India is about 1.8 million hectares; The above two crops account for about 90% of the total area
- Balance 10% is accounted by smaller crops harvested between March - May

Winter Crop

- Planting area has stabilized around 1.4 million hectares (+/- 3%)
- Planting time depends on the onset of monsoon: normally mid June to early August
- Main producing areas are West India (Gujarat, Rajasthan) and North-Central /North India (MP, UP)
- This year, the planting period has followed the below pattern:

PLANTING PERIOD	% OF AREA PLANTED	EXPECTED HARVEST PERIOD
20 th June - end June	20% - 25%	End September – Early October
1 st July - 15 th July	60%	October
20 th July – 10 th August	15% - 20%	End – October to Mid November

- White sesame seed comprises about 85% of the total crop harvested, followed by crushing (10%) and black (5%)

Winter Crop Estimate

- **Total Crop Size = Planted Area x Estimated Yield**
- **Planted Area:**
 - The trade relies on government data, that is progressively updated on a weekly basis
 - While the final planted area is still not available, ground reports indicate that the planted area for 2019/20 winter crop could be around 1.37 million hectares

Winter Crop Estimate

- **Yield:**

- In the last few years, average yields in rain-fed winter crop have been about 300 kgs / hectare in a good year, and about 200 – 225 kgs / hectare in an average year

	AREA PLANTED ¹ (MILLION HECTARES)	YIELD ² (KGS / HECTARE)	TOTAL PRODUCTION (TONS)
2016/17	1.627	225	366,278
2017/18	1.398	299	418,165
2018/19	1.324	134	177,925

¹ Government Data; ² Trade Survey

Winter Crop Estimate

- **Yield:**

- We are currently in the 20 – 60 day stage of plant growth in different areas; considering the climatic vulnerability of sesame plant, it is early to make a meaningful assessment
- This year, monsoon rains have been highly temperamental with unusually large downpours in various areas. This has resulted in flood like situations in several **NON-SESAME** growing states
- Two sesame growing states, Gujarat (on 10-11 August) and Rajasthan (on 15-16th August) have faced heavy downpours. Actual impact has not been assessed but yields could be affected by upto 10 percent
- In the states of UP and MP, field trips have indicated normal plant development so far

Winter Crop Estimate

- While the sesame crop in UP/MP is developing well, the crop in Gujarat / Rajasthan could be impacted by inclement weather

Crop Progression in UP/MP as of 14th August



A low-lying farm in Gujarat: Before & After Heavy Rainfall



Summer Crop - 2020

- Although, too early to discuss, we can make some inferences from past experiences
- Major summer crops are:

1) Gujarat – Edible White & Black Sesame Seed

- The crop is irrigated, resulting in good yields & quality
- Monsoon so far, has been satisfactory, this would give good water availability in summer months and crop size could be 60,000 tons

2) West Bengal – Double Skin Low Oil Sesame Seed

- Area planted is 200,000 – 225,000 hectares with yields of over 900 kgs / hectare
- Crop size could be between 175,000 – 200,000 tons
- This seed is used for crushing and lately also for hulling

Outlook for 2019/20

- Carry forward stock in early October 2019 is likely to be 25,000 Tons
- Winter crop, based on the present situation, could be 300,000 Tons
- **Should this materialize:**
 - We could see less volatility and softer prices
 - Import coverage would be subdued, and value based

Disclaimer :

The content in this presentation is based on information received from trade and Government sources. It only represents observations and does not constitute basis for any business decision or to contest any opinion/information.