

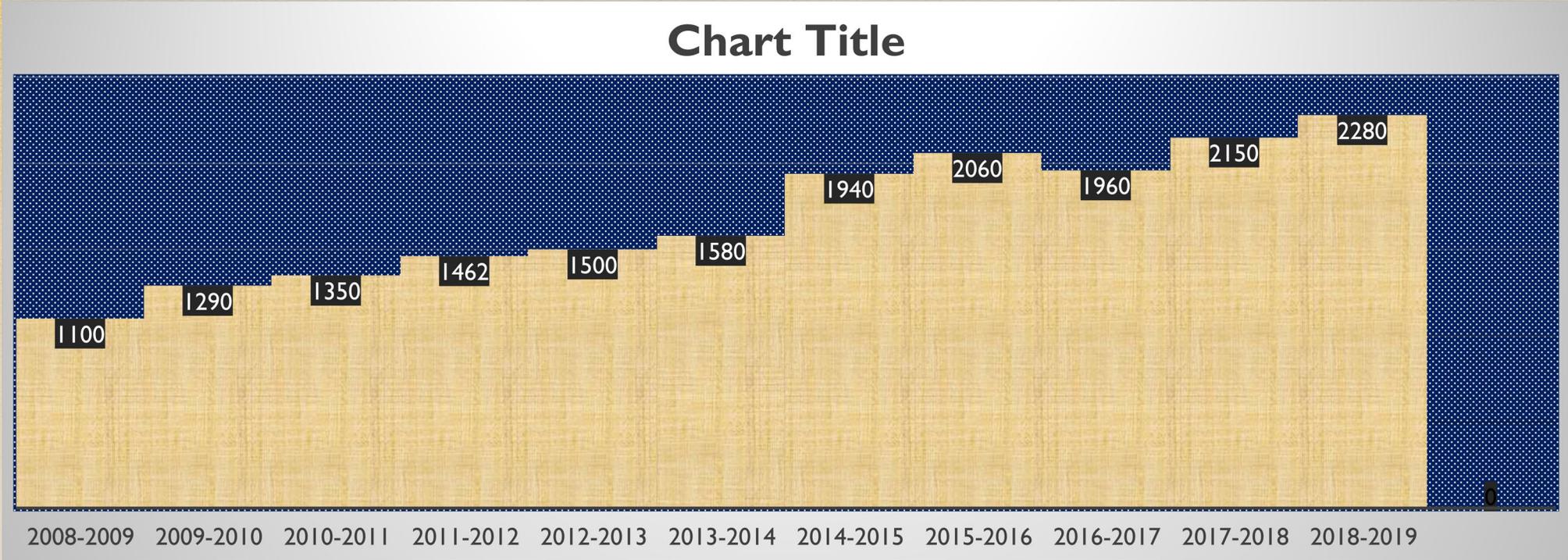
# GLOBAL SESAME INDUSTRY



CHALLENGES,  
OPPORTUNITIES AND FOOD  
SAFETY

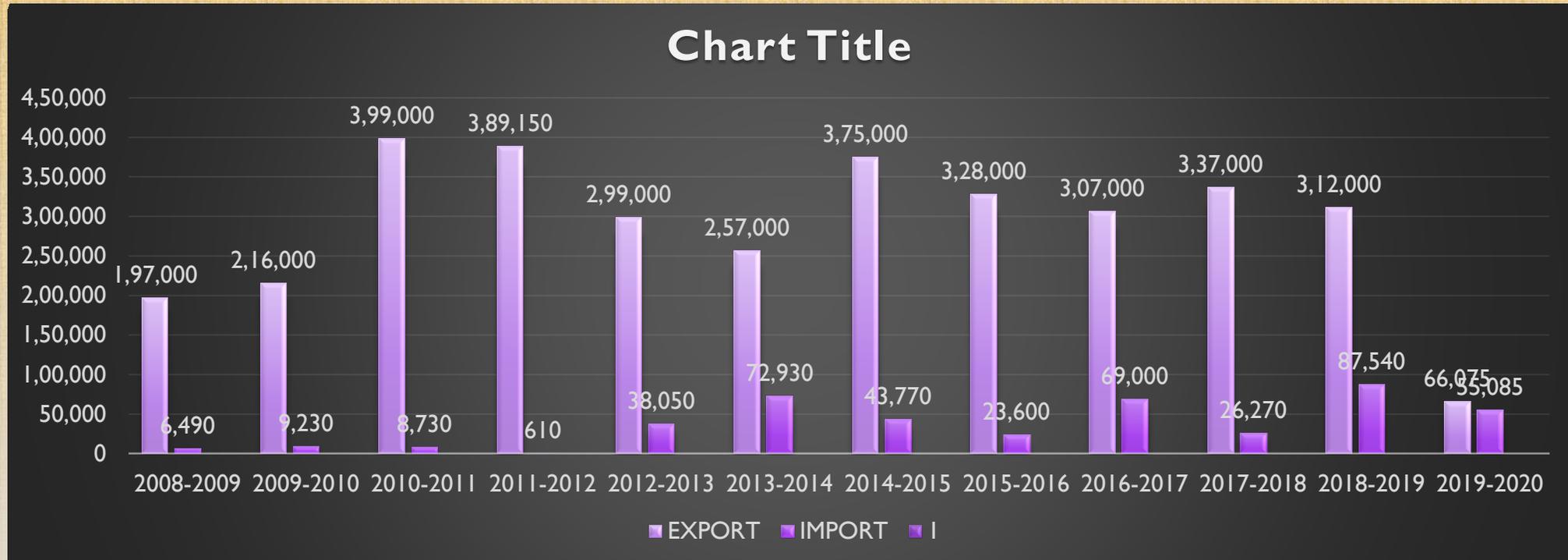
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# GLOBAL SESAME TRADE ESTIMATES

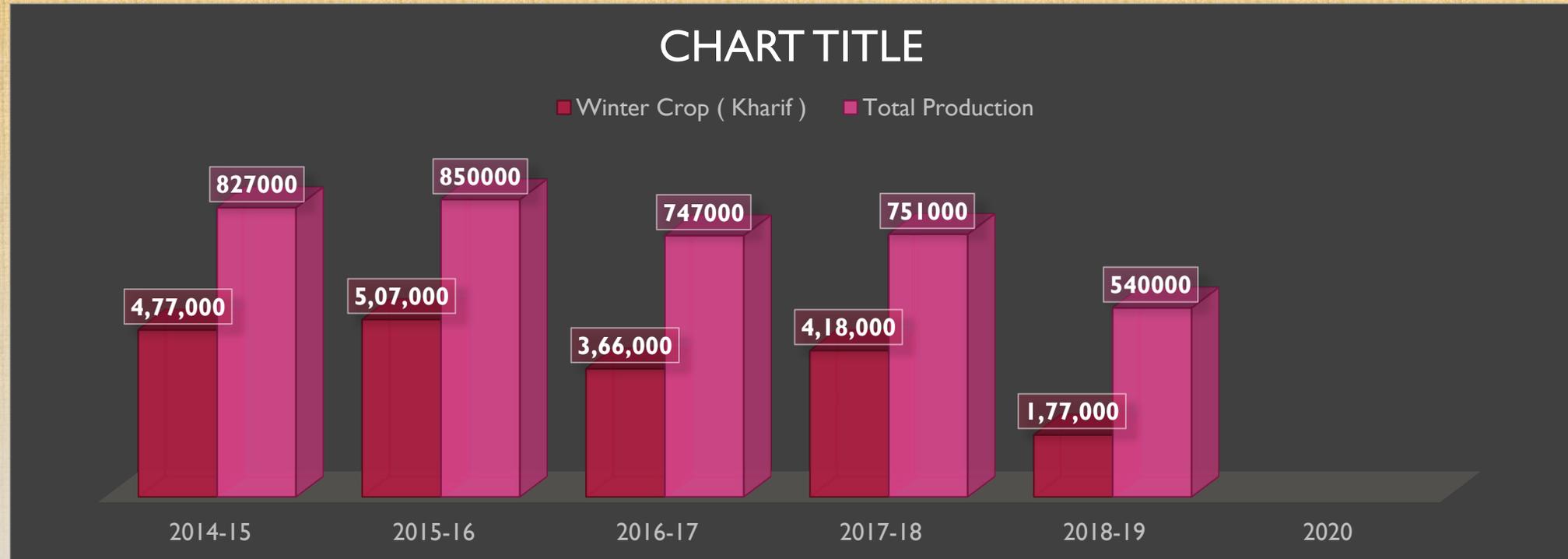


# INDIAN EXPORT AND IMPORT ( LAST 10 YEARS)

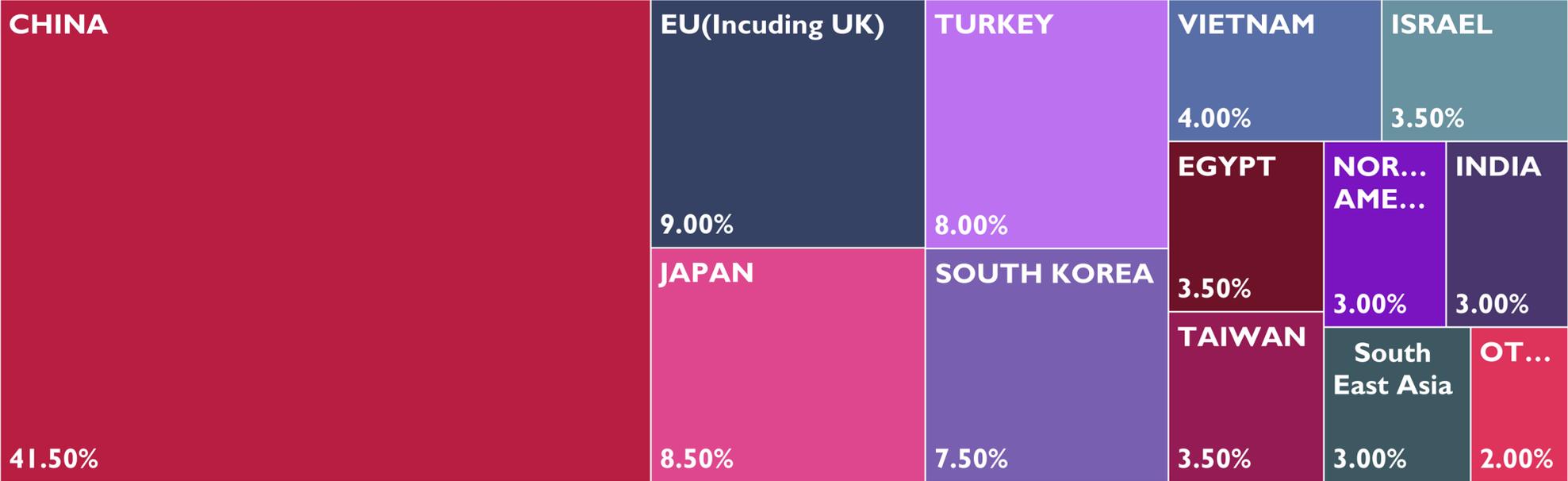
(ROUNDED OFF )



# INDIAN PRODUCTION LAST 5 YEARS



# WORLD SESAME TRADE BREAKUP COUNTRY WISE



# MAGICAL SESAME

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- Sesame as we know is one of the most versatile oilseed, we use it in all possible forms.
- Raw(Natural Sesame ) , Processed or Hulled Sesame , Oil and Paste( Tahina).
- Apart from the Bakery Industry where it is slightly Interchangeable with other seeds such as Sunflower , Poppy and Flax seed , Sesame Seed was , is and will remain a inseparable part of our diet.
- The growth rate of Sesame Trade globally is pegged to be 4% annually which is good news for all of us. The consumption patterns are to a large extent now detached from the prices which means with prices Rising and Falling in the range of 10-15% do not make any impact on its consumption. The detachment has come due to periodic spikes in prices which have happed in the past decade where Sesame has seen a Highs of over \$2000 PMT levels and lows of below \$1000 PMT levels.

# INDIAN HULLING INDUSTRY

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- In India the Hulling Industry has been in existence since forever but after liberalization of Indian economy in 1990's newer and bigger factories started to come up for exports. The real expansion started around 2002-2003 when China slowly started to convert itself into a Consuming nation from an Exporting one. India saw the opportunity of being the principle supplier to the growing demand of the world.
- From few Exporting Units with limited capacity in early 2000's ,we have now developed into a nation of large units with over 400,000 MT annual installed capacity for Hulling alone. An Industry with size and scale this large with always find ways to survive and flourish despite all obstacles.

# CLASSIFICATION

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- Indian Hulling units can be classified into 3 categories
- 1:- EU compliant which have all necessary certifications such as HACCP, BRC, IFS, SEDEX etc. These units Process and Export directly and are Importing too when need arises and Import prices are attractive.
- 2:- Basic units which process only local raw material and are serving the Merchant Exporters who then reclean/repack the cargo for Exports.
- 3:- Units which process only for Domestic demands periodically or process Double Skins cargo which is also being exported to certain destination.
- I specifically mention Double Skin as this Quality now has a parallel market which is oblivion to the global prices and trade volumes which were traditionally taken into consideration of global Hulled supply. Double Skin Hulled is a reality and is here to stay, comparing crudely it is like the Street Food, its cheap so it moves faster but its not for everyone. We all try to avoid but end up eating it once in a while, some with strong stomach can eat again others just decide to stay away forever. It also acts like a barrier for price increase, every time the markets are on a Bull Run this variety steps in and checks the price rise and to a certain extent brings it down too. Not really an Ideal situation for the Industry but there is little we can do anything about it.

# SEGMENTATION BY APPLICATION

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- Food
- Pharmaceutical



# OPPORTUNITIES AHEAD

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- As of now Food industry dominates the sesame seeds market. Growing acceptance of sesame seed-based sauces, marinades, and seasonings in developed/developing economies owing to penetration of Chinese-Arab-African food culture on a domestic level is expected to contribute significantly to the growth. Some of the European countries make use of sesame seeds oil as an olive oil substitute.
- However Pharmaceutical is expected to emerge as a prominent application in the market..
- Sesamin is a [lignan](#) extracted from [sesame oil](#). It has been used as a dietary fat-reduction supplement , one of the two highest sources of lignans in the human diet (the other being flax seed). Sesamin could be the next big thing which could change Sesame Industry in the coming years as there is little or no competition with unmatched potential of being a mass product.
- Medical tourism is on a rise and use of Sesame Oil is bound to pick up. For Vegan/Lacto Intolerance Protein industry Sesame Protein extraction could be a future prospect too.

# OPPORTUNITIES AHEAD

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- The world has shifted towards consolidation, that is the synergy we see between our African Suppliers and Indian Traders/Brokers. They are not competing with each other but rather working in tandem to fulfil the huge global demand. The idea today is not to have the “best price” all the time but to have access at the “best time” when opportunity strikes. With a new crop coming every 3 months somewhere in the world and open access to all, “Time” is the most important factor.
- I see future in “China Model” where big players will start to push cargo at consuming destinations and compete with local players. Why would an Indian or African Exporter stock goods in his warehouse when he can easily put it at any port in the world with easy access to the buyers there. The Importers must realize that unless they partner with good suppliers they risk being outplayed altogether in the coming years. The port stocks in China have reached to a normal of 150,000 MT which in turn has spiked consumption due to ready availability of goods and constancy in prices this is bound to be replicated globally soon.

# CHALLENGES

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- **Environmental Impact** :- Hulling Industry which uses a lot of water and energy in future might need to invest more in conservation/sustainability which can push up prices.
- **Finance** :- Now being a expensive commodities it is imperative that we find bigger pools of finances to sustain the growth.
- **Stagnated Growth**:- In developed nations such as US,EU,Japan etc the growth has practically stagnated which is a concern.
- **Carry Overs** :- In the last few years we have seen carry over stocks worldwide reach all time low. Unless every producing nation has a good harvest in a cyclic year these will be hard to fill again which means markets will continue to have dramatic up's and Down's which is not good for trade.

# FOOD SAFETY

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- The new Age Agri Business are “Farm to Fork” or “ Soil to Stomach ” personified. That means we have to know what our farmers grow, how they grow it, how its being processed and what the final end use of that product will be. We must know what Quality suits best for which destinations and have a basket of product range to suit all needs.
- Food Safety in terms of Pesticides and Microbiological limits remain a challenge for the Industry with norms getting tighter by the year and rising consumer awareness.

# FOOD SAFETY ( GENERAL POINTERS )

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- ***I. Contaminants***

- To avoid negative impact on the quality of food and risks to human health, countries have set limits for several contaminants as heavy metals, mycotoxins and cross contaminations. We must get aware about these.

- ***II. Labelling***

- Food placed on the market must conform to the many legislation with regards to food labelling. Wrong declarations can cost a fortune these days.

- ***III. Traceability***

- Although it is difficult but we must work towards proper traceability systems , this specially helps us identify the Pesticide residue problems to a large extent.

# FOOD SAFETY

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- **IV. Food safety certification:**

- Many buyers now require standards which go beyond HACCP. These include
- BRC,IFS, ISO22000 , GMP+ and SEDEX etc. Sooner or later we must invest in these.

- **V. Social compliance and sustainability**

- Social compliance is a continuing process in which organizations endeavour to protect the health, safety, and rights of their employees, the community and environment in which they operate, and the lives and communities of workers in their supply and distribution chains. Apart from the CAPEX it is imperative that we invest in Human Resources too for long term sustainability.

- **VI. Fair trade:**

- Fair trade is an institutional arrangement designed to help producers in developing countries achieve better trading conditions. Farmers must be shielded and given a fair price for their produce as well.

# CONCLUSION

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- At a personal level it is painful for me to see that while other fancy seeds like Chia, Quinoa etc have been marketed well and have managed to catch the attention of consumers, we have failed to market our Sesame as real health food or a niche product
- .Sesame Oil/Tahina despite being a far superior products still have limited reach and usage. As Vegan diet gets popular I hope that more growth is achievable.