

# Assessing market competitiveness with trade data: a case study for Nigerian sesame seeds

WHITE PAPER, SEP 2021



## Introduction

Reading and analyzing trade data can give agricultural businesses a clearer understanding of what is moving the market and help them identify emerging key trends. By reading Tridge's sesame seed market data, buyers can understand Nigeria's sesame seed market, its major competitor Sudan, who increased their exports to China, and strategic steps that should be taken to increase Nigeria's competitiveness in the global market. Deductions about possible drivers of market changes can be made as well. With this case study, Tridge provides an example of how to best utilize Tridge's trade data.

## HEADLINES

### 01 Nigerian Sesame Seed Export Growth

Export value to **China** doubled to **92M USD in 2020**

Export value to **Japan** remained at **66M USD in 2020**

### 02 Sudan: The largest supplier of sesame seed to China

**23.3%** of sesame seed imports to **China** are from **Sudan**

The import value of sesame seeds to **China** increased by **16.08% YoY in 2020**

### 03 Sesame seed production opportunities for the Nigerian economy

## KEY TAKEAWAYS

- The export value of **Nigerian** sesame seeds has grown significantly in the last 5 years reaching **204.87M USD in 2020**, mainly driven by **Chinese** and **Japanese** demand.
- **Sudan** is not only **Nigeria's** biggest competitor, but also a complimentary country in exporting sesame seeds to **China**.
- Security factors, production processing mechanization, and adverse weather will pose challenges for **Nigeria's** sesame seed market in the future.

## 01. Nigerian Sesame Seed Export Growth.

Nigeria holds a strong global position as one of the leading producers and suppliers of sesame seeds. Nigeria is responsible for 6.54% of the global supply. However in 2020, the global export value of sesame seed from Nigeria fell -29.32% to 204.87M USD.

### List of Importing Markets for a Product exported by Nigeria

Product: 120740 Sesamum seeds, whether or not broken

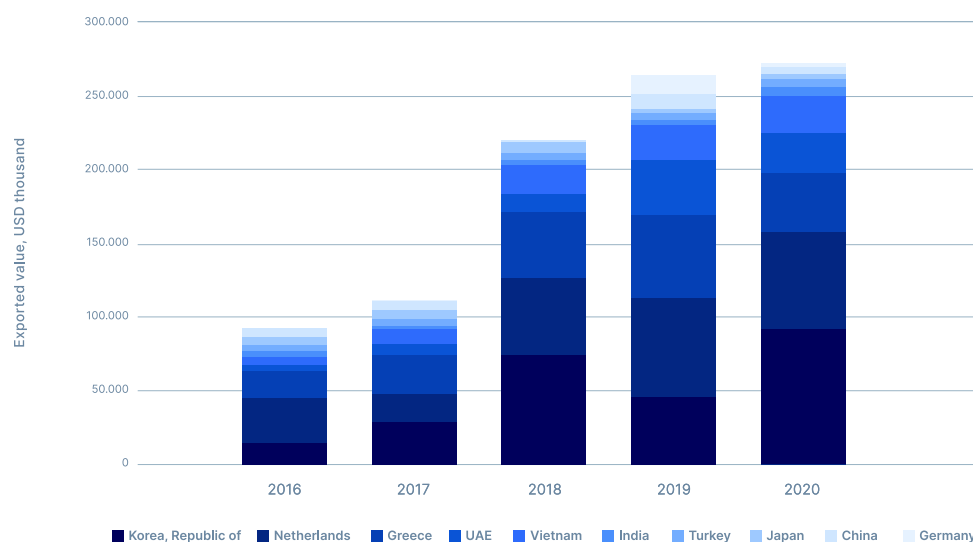


Chart 1. Nigerian Sesame Seed Export Destination Breakdown

Nevertheless, exports to several importing countries actually increased. For example, the export value of sesame seed to China increased to 92M USD, two times more than the previous year while exports to Japan remained at 66M USD. China accounted for 32% of Nigeria's export value, followed by Japan which accounted for 23.2%. With such a large share of Nigeria's export value, China and Japan hold a lot of leverage in the Nigerian sesame seed export market.

### List of Importing Markets for a Product Exported by Nigeria

Product: 120740 Sesamum seeds, whether or not broken

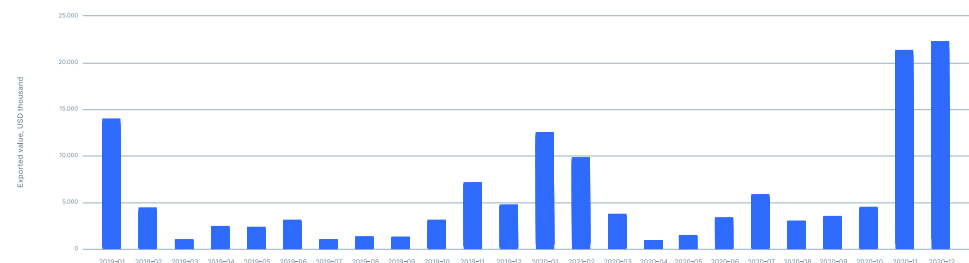


Chart 2. Sesame seed export season from Nigeria to China in 2019/2020

The Nigerian sesame seed export season (and harvest season) is from January to March and September to November. The 2019 export value peaked in January at 13.95M USD while the 2020 export value peaked in December at 22.36B USD.

### List of Importing Markets for a Product Exported by Nigeria

Product: 120740 Sesamum seeds, whether or not broken

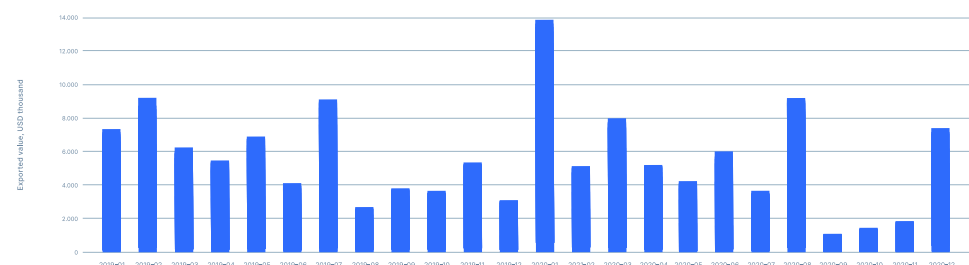


Chart 3. Sesame seed export season from Nigeria to Japan in 2019/2020

The highest export value to Japan in the 2019 export season was 9.18M USD in February, and in the 2020 export season, the highest export value was 13.86M USD in January.

## 02. Sudan: The largest supplier of sesame seed to China.

### List of Supplying Markets for a Product Imported by China Product: 120740 Sesamum seeds, whether or not broken

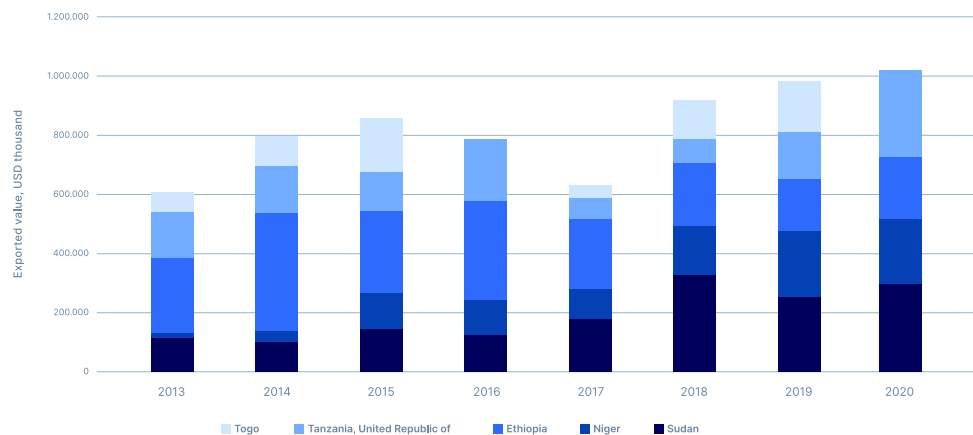


Chart 4. China sesame seed export partner breakdown

China has become the largest importer of sesame seeds in the world with a global market share of 44.18%. The high demand for sesame seeds in China requires China to rely on imports from other countries. On top of Nigeria, a large share of China's sesame seeds imports (23.3%) comes from Sudan. In 2020, the import value of sesame seeds from Sudan increased to 296.19M USD, up 16.08% from the previous year.

### List of Supplying Markets for a Product Imported by China Product: 120740 Sesamum seeds, whether or not broken

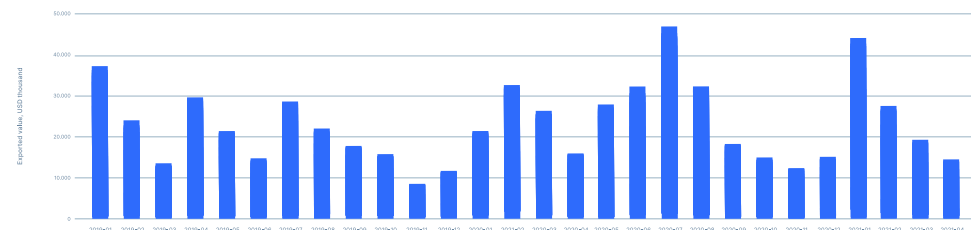


Chart 5. Sesame seed export season from Sudan to China in 2019/2021

The Sudan sesame seed export season to China is from January to March and May to July. The highest export value in 2021 so far was in January at 43.92M USD. The Sudan sesame seed from January to March export season is the same as Nigeria causing competition between the two countries. However, in the May to July period, Sudan complements Nigeria's off season.



### 03. Sesame seed production opportunities for the Nigerian economy.

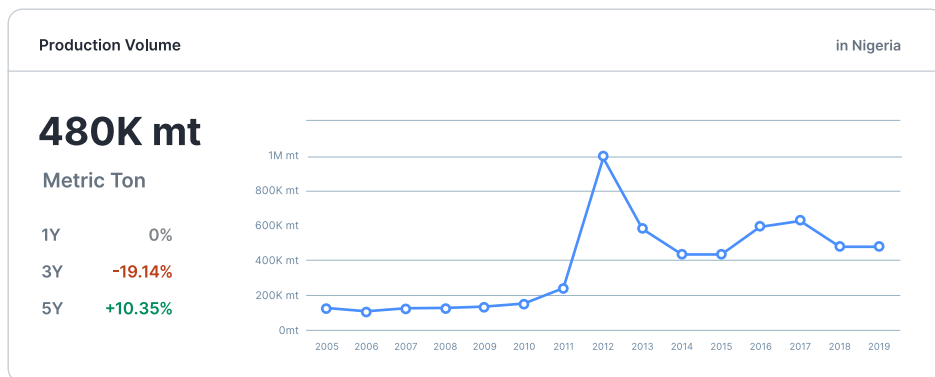


Chart 6. Sesame seed production volume in Nigeria

Nigeria is one of the largest sesame seed producers in the world. In 2019, the country accounted for 7.33% of the world's total production. Nigeria's sesame seed harvest stood at 480K mt in 2019, making it the fifth-largest producer in the world. Despite fluctuating production volume growth over the past 5 years, Nigeria's export of sesame seed still increased significantly.

The increasing demand for Nigerian sesame seeds opens up great opportunities for the Nigerian economy. In an effort to take advantage of its many opportunities and competitiveness, the Nigerian sesame seed value chain must include both production and processing. However, many factors pose challenges to the production process, including security in the agricultural sector (robbery, damage by livestock, and logistics), lack of mechanization for processing agricultural products, and adverse weather conditions. These factors could trigger a possible decline in production which will also have an impact on increasing export prices.

Tridge shows sesame seed prices updated on a Weekly Basis.

