



**Sesame Seed**

*Disaster! Very Little Seed In Central America*

The harvest in Guatemala and Mexico began just over one month ago, and initially most thought the seed was simply being held by growers due to the daily escalation of world sesame prices. Now it appears yields were so adversely affected that Guatemala is claiming to only have a 9,000MT crop versus the 18-20,000MT that was expected. Worse yet, most of the 9,000MT has already been purchased by Japan and ourselves, with the latter having the much smaller portion. Guatemalan hullers were active in the market yesterday purchasing large parcels from India so they can at least keep their plants running in the next few months.

Additionally, this writer personally traveled through 600 miles of growing regions in Sinaloa and Guerrero, Mexico last week and purchased every kilo of seed to be found. The trip yielded 1,100MT of sesame. To put this in perspective, this is a 3 week supply for our company. Of course we had previously purchased other volumes and hope to build enough supply to carry us through April when the South American crops of Venezuela and Paraguay become available. As stated very firmly in our last market update, our strategy this year is simply to get the seed at any price we can.

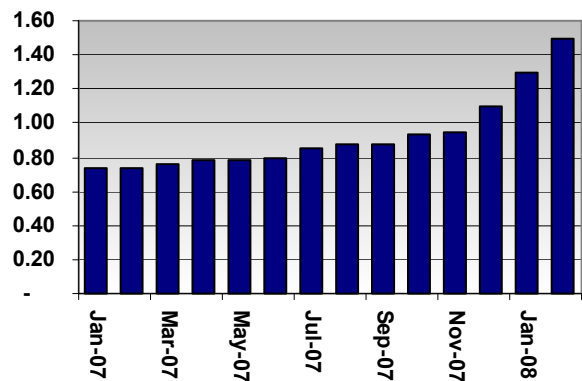
To quickly recap from previous reports what has happened here; China's crop was short by 30% and their consumption for all oilseeds has exploded. Oilseed consumption in India has followed a similar pattern. In October, China began buying everything offered from India. Buyers throughout the world were already short because 2007 prices had progressed well above the historical levels. When China moved it's buying into Africa the first week in December, prices jumped by \$0.20/lb. in a week. Since that point the market continued upward amidst strong emotion. The emotion has now changed to panic as the Central American crops apparently are off by as much as 50%.

So where are prices at today? If you can even get an offer, Guatemalan is over \$1.60/lb. Indian is \$1.25/lb., and there are yet no offers for South American. From all origins, there are no offers past April shipment.

Will there be a break in this market? The only hope for any relief will come in April when the crops in Venezuela and Paraguay become available. Combined they should yield approximately 65,000MT. However, given the speed in which new crops have been bought out this year, I would expect a great deal of competition to buy this seed. The SA crops may ease the tight physical supply problem, but we think prices will remain firm until the new crops out of Asia come on line next September.

One positive note; sesame was included in this years Farm Bill to be granted crop insurance for U.S. Growers of sesame. Many of our customers helped us in petitioning the Senate and USDA. This will help tremendously in fulfilling our vision to grow and process sesame in the U.S., so we can avoid nonsense such as we are seeing this year. Thanks to all of you who helped!

**Central American Sesame  
Price Development 2007**



**November Spot Prices—T/L Del'd Midwest**

<u>Origin/Quality</u>	<u>Spot Market</u>	<u>March 08</u>	<u>Trend</u>	<u>Comment</u>
Indian Natural	\$1.00/lb.	\$1.20/lb.	↑	Estimated to be 100,000MT left in India.
Indian W/H	\$1.10/lb.	\$1.35/lb.	↑	Can only get offers thru March.
Guatemalan W/H	\$1.30/lb.	\$1.60/lb.	↑	Going, going,.....gone.
Venezuelan W/H	NA	\$1.45/lb.	↑	No carryover, will increase price to follow India.
Black Sesame	\$1.10/lb.	\$1.30/lb.	↑	Same as all above.