



Proposal for a Strategic Plan of commercialization for the Sesame Seed

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Abstract: The agriculture it faces serious problems in terms of development since it is one of the most neglected sectors at present. Food security is expected to occur in areas that are highly dependent on the primary sector (agriculture, livestock, forestry and fisheries), so the growth of the agricultural sector is also the most effective means of reducing poverty and achieving food safety. In this respect, agriculture is also hampered by limitations in the distribution of its products, that is, there are no adequate marketing channels aimed at ensuring that farmers receive just enough for their crops and thereby generate true economic and social development. In recent decades, certain products such as sesame have been characterized by a high degree of intermediation in different states of the country, especially in marginalized or remote populations.

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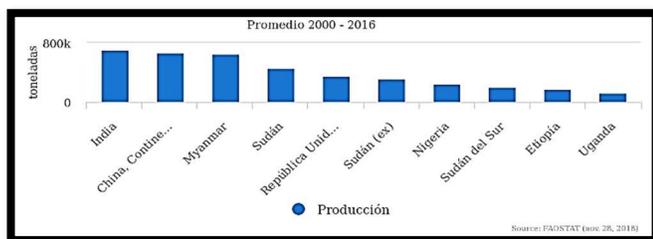
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1. Introduction:

In Mexico there are around 200 agricultural products that are grown within the country among the most important for their importance in consumption are corn, beans, wheat, rice, sorghum, sugar cane, tomato, chili and sesame seeds.

According to data from the Food and Agriculture Organization of the United Nations (FAO) total production of sesame seed in recent years is 3, 877, 569 tons, of which about 96% is concentrated in four countries: India, China, Myanmar and Sudan. India produces approximately 18% of the world total production of sesame with 702, 147.06 tons per year



Graphic1. Seedling production: top 10 producers
 Source: FAO (2018).

Mexican farmers contribute 0.8% of the sesame harvested in the world, its performance is 1.9 times higher than the world leader, placed Mexico in the 15th place as a world producer. The annual production of sesame exceeds 51 thousand tons. It should be noted that the states of Sinaloa, Guerrero and Michoacán are the largest producers

of this food to which more than 82 thousand hectares are destined to grow it in the fields of our country (Pérez, 2010).

Although, it is a product that due to its nutritional and curative characteristics, it has been practically several years without growing, the reasons are varied, but the slow adoption of technology, the climatic variations, as well as the old vices in the commercialization of this seed, where the producers that are dedicated to their cultivation have not been sufficiently capable of organizing themselves to carry out the distribution of their product to external markets since there are intermediaries, the ones who are responsible for collecting the harvests in different states with the purpose of distributing them either to national companies to be industrialized or destined for export and with this, responding to the needs of external markets that demand more and more volumes, delivery periods and better quality.

2. Theoretical framework:

2.1. Commercialization:

Two definitions are used: Micro-marketing and Macro-marketing. The first observes the clients and the activities of the individual organizations that serve them, the second widely considers our entire production and distribution system.

A company that has less confidence in its new product will have to enter slowly to the new markets. They must recognize that they have to limit their profits in order to be able to limit their losses (Kotler, 1980).

On the other hand Santesmases (2001) tells us that "marketing is a way of conceiving and executing the exchange relationship in order to be satisfactory to the parties involved and to society through the development, valuation, distribution and promotion by one of the parts of the goods, services or ideas that the other party needs to sell, give commercial character to the marketing activities, develop strategies and sales techniques for the products and services, the import and export of products, purchase and sale of material premium and wholesale merchandise, storage, display of products in counters, organize and train the sales force, sales tests, logistics, purchases, deliver and place the product in the hands of customers, financing "

The concept of commercial distribution or commercialization can be analyzed from two points of view according to the autor Juan de Vigaray (2008):

a) From the point of view of the manufacturers: it is part of the market offer and its organization, execution and control must be planned with the utmost care since it compromises the definition and positioning of the bins of the company in the market. However, in the case of distribution, these tasks exacerbate its difficulty, because just as the other variables of the commercial mix are developed within the company, without such external collaboration, now, this collaboration is essential, and without it the company would be very committed to be able to place its products in the market.

b) From the point of view of the distributors: in this case it is called Retailing or Retail Management, the term Retailing refers to the final activity, as well as the steps necessary to deliver a product or provide services to consumers. Regardless of whether an organization sells to the consumer in an establishment, through mail, telephone, television, internet, door to door, performs retail activities.

According to the author Edgar Arechavaleta (2015), one of the essential characteristics of commercialization is the existence of the distribution channels used, which are essentially divided into two major categories:

Marketing channels can be characterized by the number of levels they have. Each intermediary that performs some function related to the approach of the product to the final consumer constitutes a channel level. The length of the channel is measured by the number of operators (levels) that are interacting to get a product to its consumption (Vigaray, 2008).

A level two channel consists of a manufacturer that sells directly to the final customer:

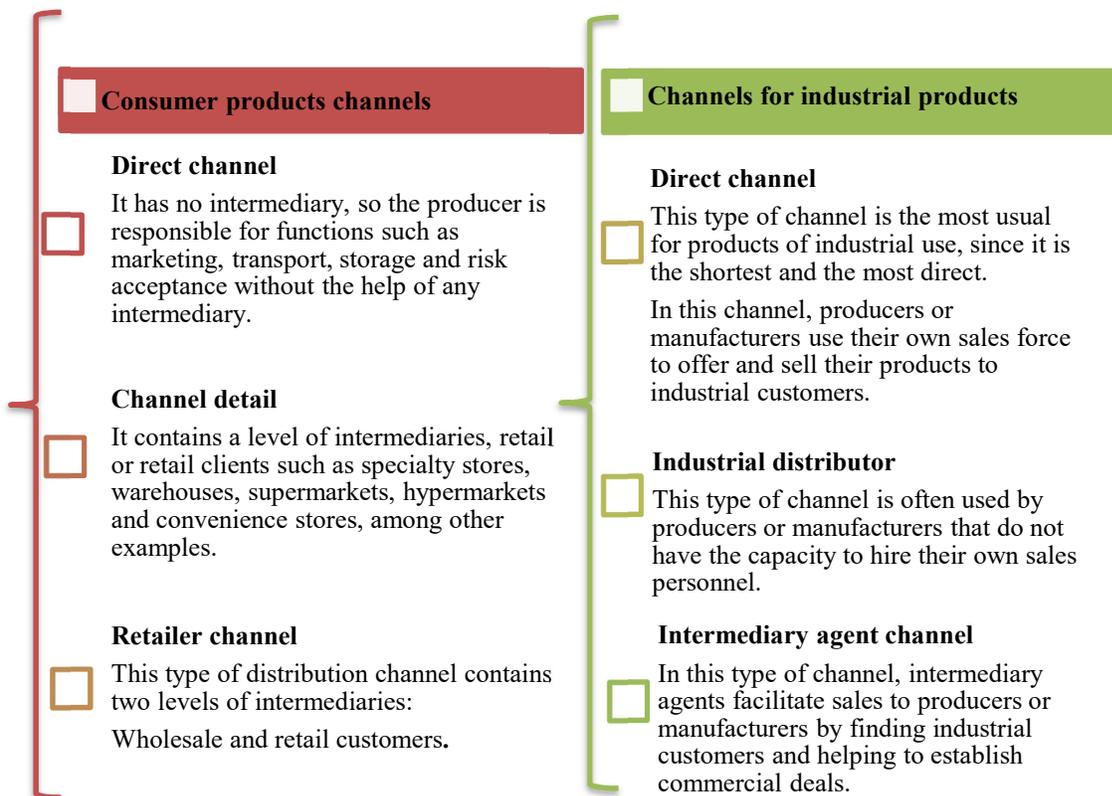


Figure 1. Distribution channels used.
Source: Arechavaleta Vázquez, (2015).

A channel of level three, refers to the existence of a retailer, in addition to the manufacturer and the end customer.



Nobody affirms if one considers long channel from three operators, or from four. In fact, this is a measure of comparison between alternative options, without them presupposing more or less profitability or commercial efficiency. The channels with more levels are found less frequently since from the point of view of the manufacturer, the problem of obtaining information about the end users and carrying out the control tasks becomes more complex as the number of levels in the system increases the channels.



Multiple activities are developed through a distribution channel. In this successive series of stages that allow a product to end at the point of sale where the buyer can acquire it, a series of flows takes place that are not limited to the transaction between goods and money. Three types of main flows circulate through the channel:

- a) Physical flow: there is a transmission of products or services that go from who produces them to who buys them and finally consumes or uses them. In this sense it is a downward flow. You can also talk about a physical flow of return or product returns; in this case, the flow is ascending.
- b) Monetary flow: consists of the money that each protagonist of the channel is delivering to the company that has sold that product or service.
- c) Information flow: this flow is increasingly relevant. It consists of information of all kinds that is required to operate a channel with maximum efficiency. This flow includes the promotion flow, the negotiation flow and the order flow.

2.2. Strategic Planning:

Therefore, strategic planning is defined as "the art and science of formulating, implementing and evaluating decisions through functions that allow a company to achieve its objectives".

For Charles Hofer (1985), strategic planning is formulated in six stages:

- 1. **Identification of the strategy:** what is the evaluation of the current situation of the organization.
- 2. **Environmental analysis:** it consists of evaluating the internal and external environments of the organization to identify the opportunities and threats that arise.
- 3. **Analysis of resources:** the analysis of the main skills and main resources.

4. **Gap analysis:** Comparison of the objectives, strategies and resources of the organization with the environmental components.

5. **Strategic alternatives:** The identification of the options on which a new strategy can be built.

6. **Evaluation of the strategies:** It is the evaluation of the options in terms of the values and objectives of the organization, the administration and the legitimate sources of power; the available resources and environmental opportunities; in order to identify those that best satisfy these resources.

In the elaboration of a Strategic Plan we can distinguish three fundamental stages (Martinez & Milla, 2005):

- 1. The strategic analysis can be considered as the starting point of the process. It consists of the previous work that must be done in order to formulate and effectively implement the strategies.
- 2. Analyze the purposes and organizational objectives. The vision, mission and strategic objectives of a company form a hierarchy of goals that are aligned from broad declarations of intentions and foundations for competitive advantage to specific and measurable strategic objectives.
- 3. Analyze the environment It is necessary to monitor and examine the environment as well as analyze competitors. This information is critical to determine opportunities and threats in the environment.

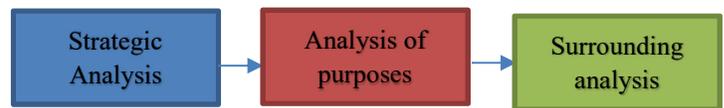


Figure 2. Stages of Strategic Planning.

Source: Own elaboration.

2.3. Sesame:

The modern name of sesame, apparently, has its roots in the Hispanic or Andalusian Arabic and descends from the word "ažžulžulin", whose meaning is "sesame seed". The Sesamum genus belonging to the Pedaliaceae family, includes about fifteen species native to Africa and Asia, and was used by the Greeks, Egyptians and Romans. In that ancient world, sesame was a valuable crop because of the oil produced in Babylonia and Syria at least 4,000 years ago. Also Turks and Persians already used their oil centuries before Christ. Sesame came to America, from India and Africa, transported by slaves, who used their seeds to thicken and flavor a wide variety of dishes (Ibarra & Soberanes, 2012).

The production of sesame seeds in Mexico is obtained preferably in those entities where the climatic conditions are generally dry, mainly in the spring-summer cycle and therefore its cultivation is oriented during the rainy season. The cultivation of this seed represents a great source of jobs and income because it is not demanding in



what refers to the climates and soils for its growth and development.

However, the cultivation of sesame does not have enough research support and continues the traditional forms of commercialization of this oilseed, where the producers engaged in its cultivation have not been sufficiently capable of organizing themselves to respond to the needs of the farmers external markets that demand more and more volumes, delivery periods and quality.

Sesame may have several uses such as the preparation of edible oil and margarine. It is appreciated in countries that consume it for its pleasant and digestible taste. Also as an ingredient in the pharmaceutical industry, the manufacture of soaps, cosmetics and paints. Sesame seed is widely used in international food, especially in the East (Infoaserca, 2011).

Table 1: National production of Sesame (Mexico, 2017)

Federal entity	Surface			Production (Tone Ladas)	performance (udm/ha)	PMR (\$/udm)	Production value (thousands of pesos)
	Hectares (ha)						
Chiapas	7,965.70	7,965.70	0	3,841.80	0.48	15,230.63	58,513.05
Colima	83.5	83.5	0	82.72	0.99	15,658.01	1,295.23
Guerrero	16,328.85	16,306.85	22	14,410.68	0.88	15,444.28	222,562.52
Jalisco	1,695.60	1,695.60	0	639.37	0.38	16,984.88	10,859.62
Michoacán	10,535.00	9,870.00	665	7,192.21	0.73	17,059.03	122,692.12
Nayarit	195	57	138	31.65	0.56	16,000.00	506.4
Oaxaca	7,936.00	7,861.00	75	6,073.76	0.77	16,895.82	102,621.18
Puebla	90	90	0	90	one	13,200.00	1,188.00
Sinaloa	30,452.27	29,452.27	1,000.00	21,012.50	0.71	15,932.89	334,789.95
Sonora	1,935.00	1,935.00	0	608.67	0.31	17,640.09	10,737.00
Tamaulipas	259	259	0	121.93	0.47	17,054.65	2,079.47
Veracruz	510	510	0	718.74	1.41	19,947.35	14,336.95
	77,985.92	76,085.92	1,900.00	54,824.03	0.72	16,091.15	882,181.49

Source: Information Service Agri-food and Fisheries (SIAP, 2017).

The main producing states of this oilseed are: Sinaloa, Guerrero, Chiapas, Sonora, Michoacán, Oaxaca and Jalisco. According to the SIAP 2017, 54,824.03 tons of the seed were produced.

Table 2: Nutritional composition of Sesame

COMPOUND	QUANTITY / 100 GRAMS
Calories	570 Kcal
Water	3 g
Protein	17.81 g
Grease	48 g
Ashes	8 g
Carbohydrates	26.19 g
Fiber	9.3 g
Calcium	420 mg
Iron	2.51 mg
Match	762 mg
Vitamin C	0.0 g

Source: FAO (2018).

There are three other traditional ways of preparing sesame that also take advantage of their properties:

- Sesame oil: can be used like any other vegetable oil. It is very stable to rancidity.
- Tahín: very tasty pasta that is obtained by grinding the seeds. It replaces butter and margarine with advantage.
- Gomasio: paste formed by about 15 parts of crushed sesame and one of sea salt. It is also an excellent seasoning.

The demand for sesame seed is increasing every year due to the commercial and industrial interest aroused by the high oil content. Today, India and China are the world's largest producers of sesame, followed by Burma, Sudan, Mexico, Nigeria, Venezuela, Turkey, Uganda and Ethiopia.

2.4. Seed distribution channels in Mexico:

The commercialization of sesame in Mexico is characterized by a high degree of intermediaries, since it provides added value to the product and this is present in terms of the resources available to these intermediaries.



Generally the intermediaries are divided into two groups:

- a) Those who are not going to process the product and who only transfer it from the production centers to the consumers. They do not add any value to the product. Its function is based on the availability of sesame.
- b) Seed processing companies, the most important being the International Distributor of Agricultural Products, SA de CV, Sinaloa Exportadora, SA, among others.

c) These are the ones who consume most of the Mexican production of sesame seeds and use it for the export of said product; they also hire representatives or buyers and open purchasing centers close to the production areas.

2.5. Methodology of Sesame Marketing Plan

Once the above information has been analyzed, the methodology of the sesame marketing plan will be established, which consists of 7 steps that are shown and described below:

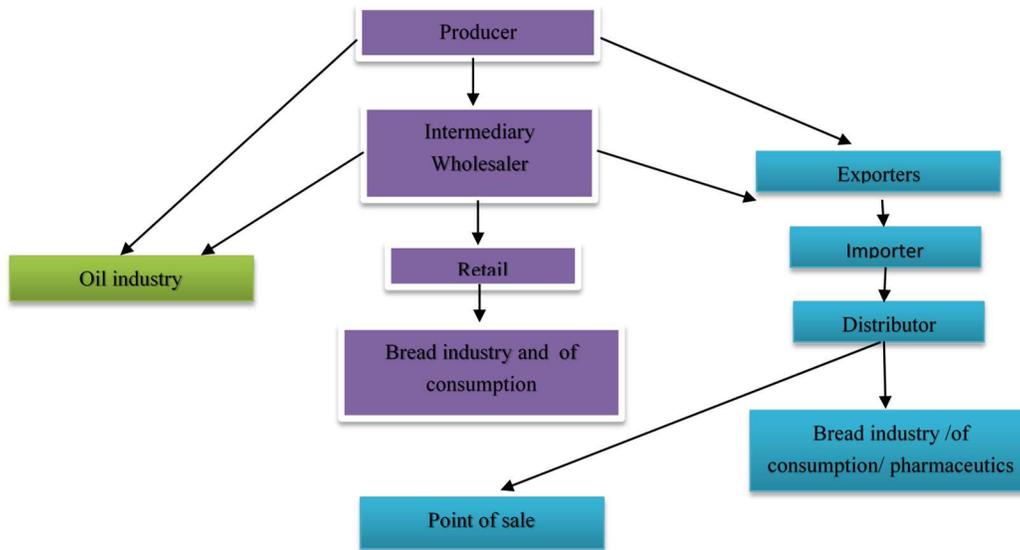


Figure 3. Marketing channels for sesame seeds in Mexico. Source: Ibarra & Soberanes (2012).

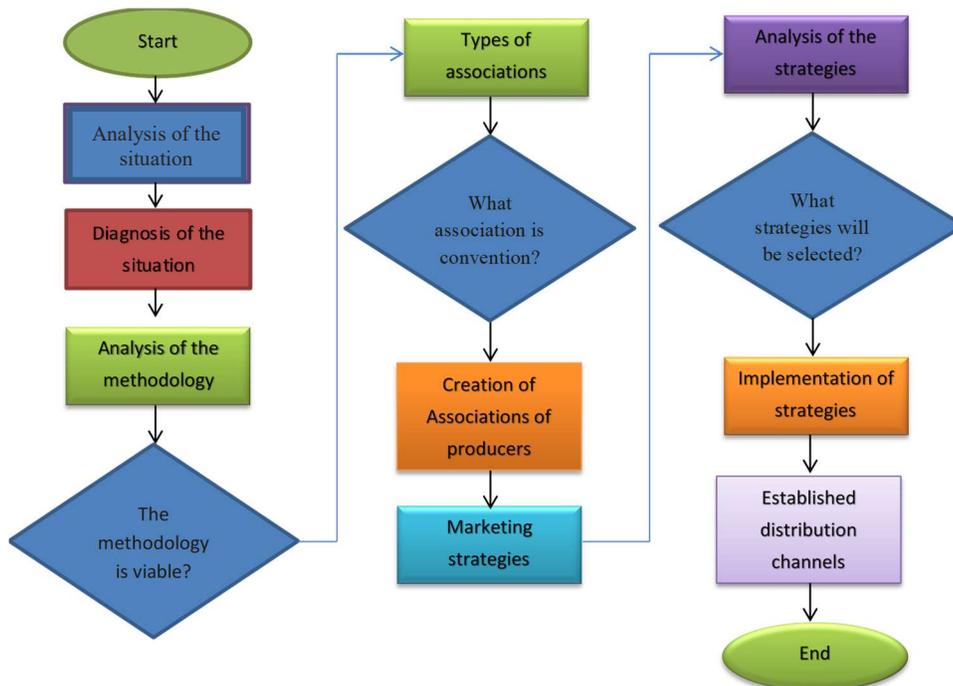


Figure 4. Proposed methodology. Source: Own elaboration



2.6. Marketing Process that you want to Implement

The process carried out for the commercialization of the sesame seed is shown in the following figure, and later the explanation of each of the parts that comprise it.

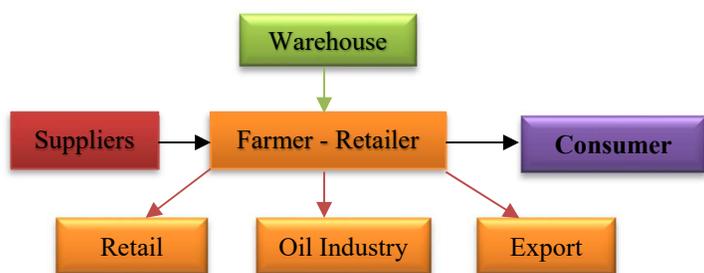


Figure 5. Distribution channels of sesame that is intended to establish.

Source: Own elaboration

Warehouse: it is the physical space or commonly called warehouses that are required for the storage of sesame production. These are usually wineries of approximately 10x15 m² depending on the production of each farmer and the adequate space that he has. They are generally closed and isolated spaces, away from animals such as cows and sheep, which can damage the sacks, as well as should be protected from moisture and sunlight, since the product has to be set at an ambient temperature to that the sesame seed is conserved in the best conditions for its later sale. The maximum time the sesame can remain in the store is one year, since it can be damaged by little bugs called *corcojos*, which usually enter the sacks and eat the seeds little by little leaving only the skin, so it is useless when is touched by these bugs.

Suppliers: it is the set of companies that provide the necessary products for the seeding of sesame seeds, this includes from the auto parts that are used for the tractor when it starts in the preparation of the well-known ground as well as diesel fuel to make the tractor, the seeds selected for sowing and all the fungicides to eradicate the weeds. All of the above is of vital importance to start the seeding process of sesame seeds, which is why farmers have to rely on all of these elements provided by suppliers in the region, located in the City of Huetamo, Mich and City Altamirano, Gro so the farmers have to move to these cities to be able to cover them with the necessary tools and components to start their crops.

Farmer: here reference is made to all the ejidatarios that are dedicated to the cultivation of sesame seed in the municipality of Zirándaro, which are usually farmers owning land of approximately 5 hectares each, with the purchasing power necessary to provide all the necessary materials for planting. Usually the farmers dedicated to this crop are groups of families that support each other by providing economic resources or human resources to carry out the activities.

Client/User: as mentioned throughout this work, the main objective is to eradicate intermediaries, which is why it is intended to look for direct clients that require this seed for industrialization or direct sale to the consumer. The main clients that are expected to contact are the owners of the industries that are dedicated to the transformation of this seed.

3. Conclusion:

As we can see any commercialization of a product or service that want to carry successfully and yield good results, must go through certain processes. Once analyzed the above, it is concluded that a marketing system is not being carried out by the sesame producers, so it has been determined that it is viable to carry out the strategies for the commercialization of this seed, eradicating a figure called intermediaries.

The commercialization of sesame seeds is intended to be carried out in a direct with the producers, industry and final consumer and with this eliminate intermediaries who are the main actors at present, for what will be done through the distribution channels through wholesalers, retailers and the same distributors.

The farmer will be in charge of marketing directly with the actors involved and will be working formally to obtain a better price when selling it with a company or with any other person, thus making the producer keep harvesting year after year, taking advantage of the weather in that is scarce and thus be able to sell it at a much better price to be able to continue solving the commercialization.

Likewise, by creating an association of sesame producers, they will be able to work more formally, which will allow them to obtain credits through financial institutions or government programs, as well as start billing and marketing the grain with large companies, obtaining tax benefits.

In this way it will be possible to simplify the commercialization of sesame seeds, and to create a self-sustaining lifestyle for the communities that develop this cultivation practice, which are generally lagging populations and the poorest in the country, which will help generate greater economic and social growth.

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