

Vanilla Imports/Exports & Market Update April - 2009

VANILLA MARKET

The vanilla markets remain relatively quiet. Prices have not really changed too much. India is preparing to export new crop in May. Madagascar should start picking new crop vanilla in June. US vanilla imports were strong for January, but fell approximately 57% in February. It will be interesting to see if US vanilla imports maintain a strong pace throughout 2009, despite the slower than normal sales activity of the past several months. Taking into account the very low vanilla prices today and even lower special buying opportunities, it seems only wise to take on additional stock. Prices may not stay at these low levels as current stocks are consumed, productivity from future crops diminish and if/when the US\$ weakens due to inflationary pressures.

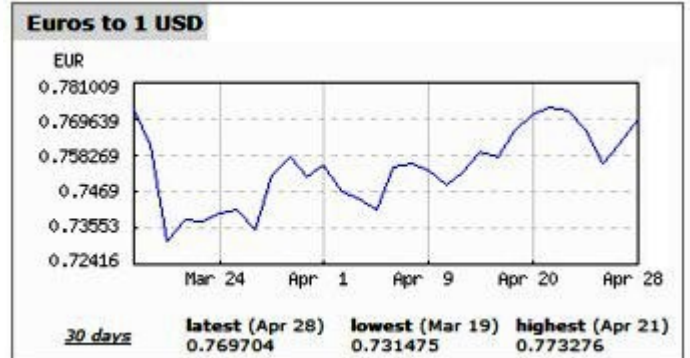
As we said in our update last month, it is highly unlikely that the political situation in Madagascar would end anytime soon. The Southern African Development Community (SADC) continues to support ousted president Ravalomanana. Riots and deaths continue to take place in Madagascar, but now in support of the ousted president. Ravalomanana vows to return.

Articles of potential interest: [Vanilla Pricing, Challenges and Opportunities](#), [Vanilla Market Report](#), and [Cyclones, Politics To Hurt Madagascar Vanilla](#).

US DOLLAR

As you can see in the graph to the right, during the month of April, the US\$ closed in a band of about 4%, from a low of approx €0.741/\$1 to a high of approx €0.773/\$1. Of course, intraday trading was higher/lower. Short term forecast for the US\$ remains firm to stronger. One currency trader's observation on April 18th: "More Signs of Floundering Global Trade... A Boost for the Dollar. The U.S. trade deficit narrowed last week to the lowest level since 1999. This is positive for the dollar and negative for U.S. trading partners."

Since our March update, the US\$ has strengthened approximately 8% vis-à-vis the Malagasy Ariary (MGA). In our March update, the MGA was trading at approx MGA1,948.98 (FMG9,745) / US\$1. Today, the exchange rate is approx MGA2,101.23 (FMG10,506) / US\$1. Click [HERE](#) to view graph.



USA IMPORTS

US vanilla imports for February 2009 (76MT total for the month) are about **75% LOWER** than the quantity imported during February 2008 (303MT total for the month). As usual, Madagascar lead the imports with **46MT**, India was 2nd with **17MT**, Indonesia was 3rd with **07MT each**, and Uganda was 4th with **06MT**. These 4 countries represented approximately **100%** of all the February 2009 USA imports.

USA IMPORT PROJECTION

Based on the current import/export statistics (February, 2009), the projected yearend totals for 2009 are:

- **IMPORTS** - Roughly 255MT from all origins, thus far. At this pace, the US will import approximately 1,530MT for 2009.
- **EXPORTS** – Roughly 31T, thus far. At this pace, the US will export approximately 186MT for 2009.
- **PROJECTED 2009 USA TOTAL NET IMPORTS** - Approximately 1,344MT.

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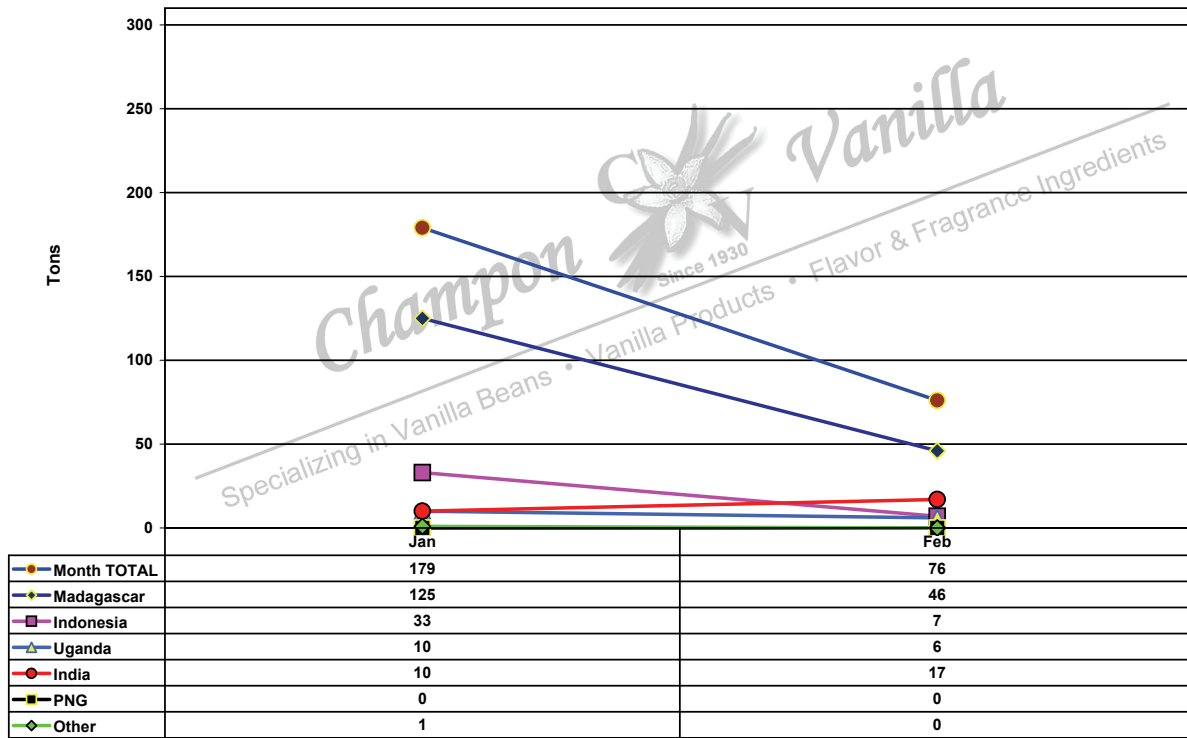
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2009 USA Vanilla Imports

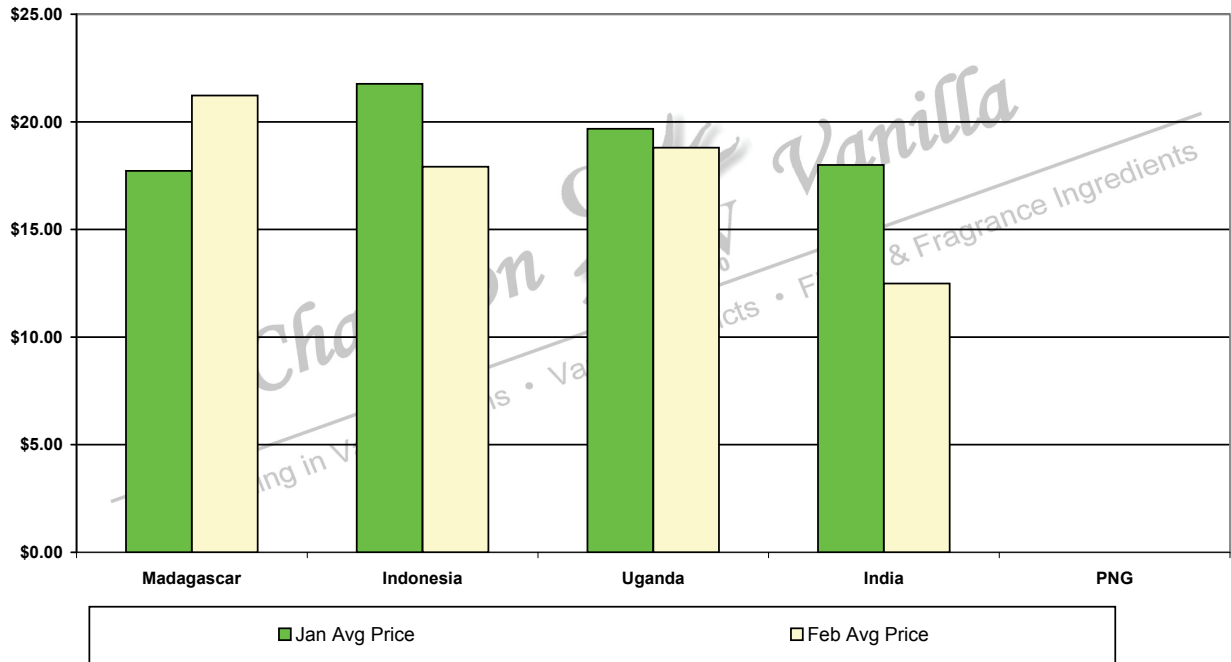
RED Dashed Line = Monthly Import Trend
All figures taken from U.S. Census Bureau statistics



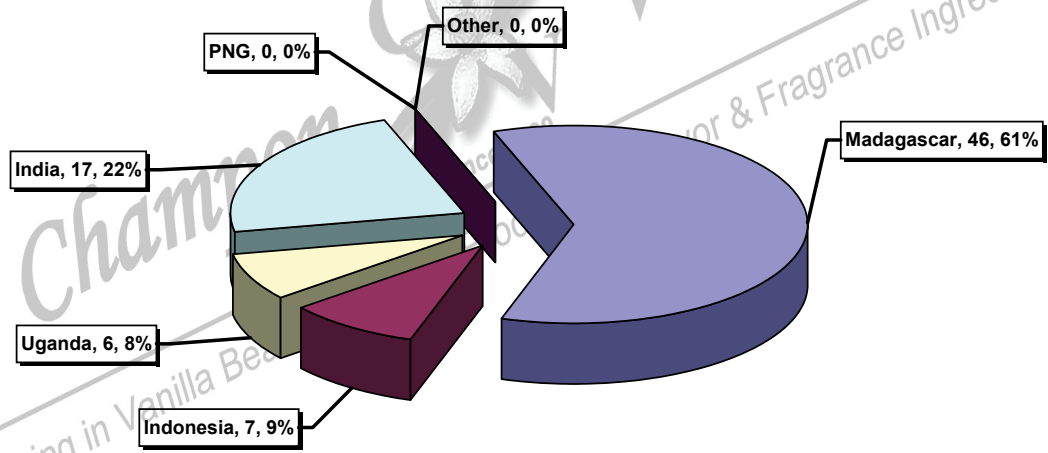
USA 2009 Vanilla Imports

Monthly Average Import Price

(Based on Total Monthly "Customs Value" / Total Monthly Quantity For Each Origin)
(All figures taken from U.S. Census Bureau statistics)



2009 USA Vanilla Imports
February Import Total = 76 MT
 (All figures taken from U.S. Census Bureau statistics)



2009 USA Vanilla Imports
January – February, 2009 = 255 MT
 (All figures taken from U.S. Census Bureau statistics)

