

Vanilla Imports/Exports & Market Update August - 2009

VANILLA MARKET

No real changes in the market. Prices remain where they were before the “decree” in Madagascar was passed. There doesn’t seem to be any shortage of supply. USA vanilla bean imports continue to be healthy, importing 150MT for June. Demand is still relatively calm. There are definitely some “good bargains” to be had for those buyers who don’t mind stocking.

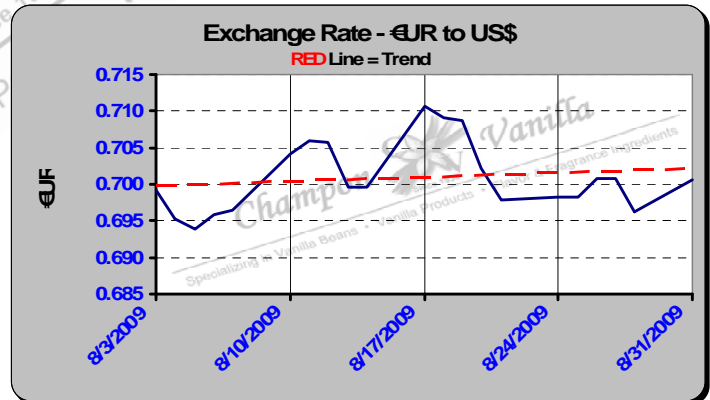
A meeting to discuss the “US\$27/Kg decree” is scheduled for September 07 in Madagascar. There remains a discord between the few who sought the implementation of this decree and those who oppose it. Rumors are starting to circulate that the decree will either be rescinded, or not enforced. We’ll see...

In India, some farmers continue to be discouraged with the low market prices and some have stopped their production of vanilla beans. Click [HERE](#) to read an article published in an Indian journal on August 31. While some of the statistics given are a little questionable (to say the least), the point to be noted is that production in India could further decrease.

US DOLLAR

The US\$ traded in a band of approximately 2% vis-à-vis €UR over the past month, with the US\$ ending the month virtually unchanged. A comment from one economic analyst: “Likely that the dollar is not going to be doing much over the next few months, except trading back and forth in a rather tight range, but within the confines of a longer-term, bear market, which will accelerate lower again in late September.” A weaker US\$ typically increases the prices of imported goods.

The US\$ barely changed by the end of August, vis-à-vis the Malagasy Ariary (MGA). In our July update, the MGA was trading at approx MGA1,929.62 (FMG9,648.10) / US\$1. At the end of August, the exchange rate was approx MGA1,926.24 (FMG9,631.20) / US\$1. Click [HERE](#) to view graph.



USA IMPORTS

US vanilla imports for June 2009 (149MT total for the month) are about **52% MORE** than the quantity imported during June 2008 (98MT total for the month). As usual, Madagascar lead the imports with **58MT**, Indonesia was 2nd with **38MT**, Uganda was 3rd with **34MT**, and India was 4th with **19MT**. These 4 countries represented approximately **100%** of all the June 2009 USA imports.

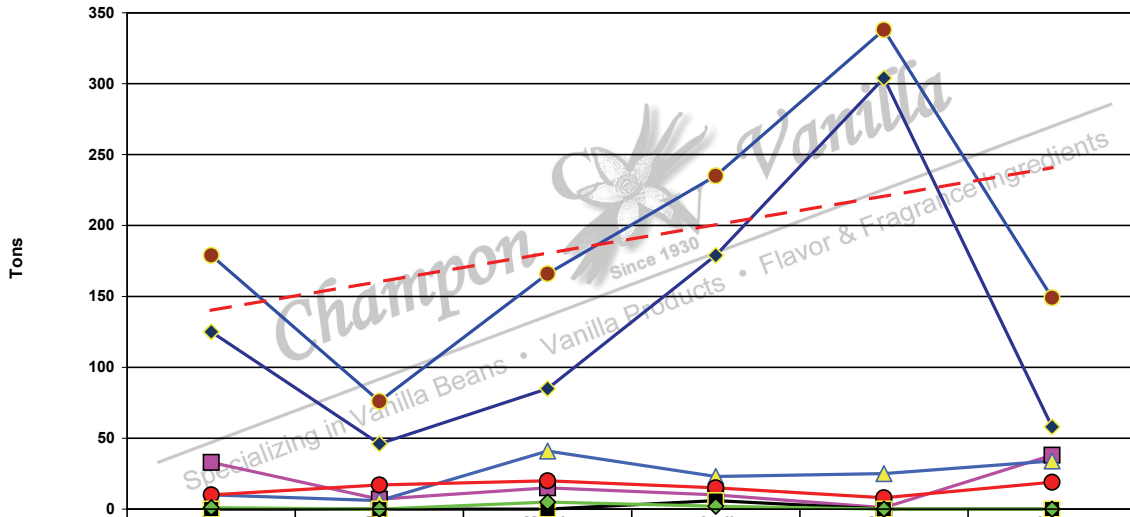
USA IMPORT PROJECTION

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

- **IMPORTS** - Roughly 1,143MT from all origins, thus far. At this pace, the US will import approximately 2,286MT for 2009.
- **EXPORTS** – Roughly 72T, thus far. At this pace, the US will export approximately 144MT for 2009.
- **PROJECTED 2009 USA TOTAL NET IMPORTS** - Approximately 2,142MT.

2009 USA Vanilla Imports

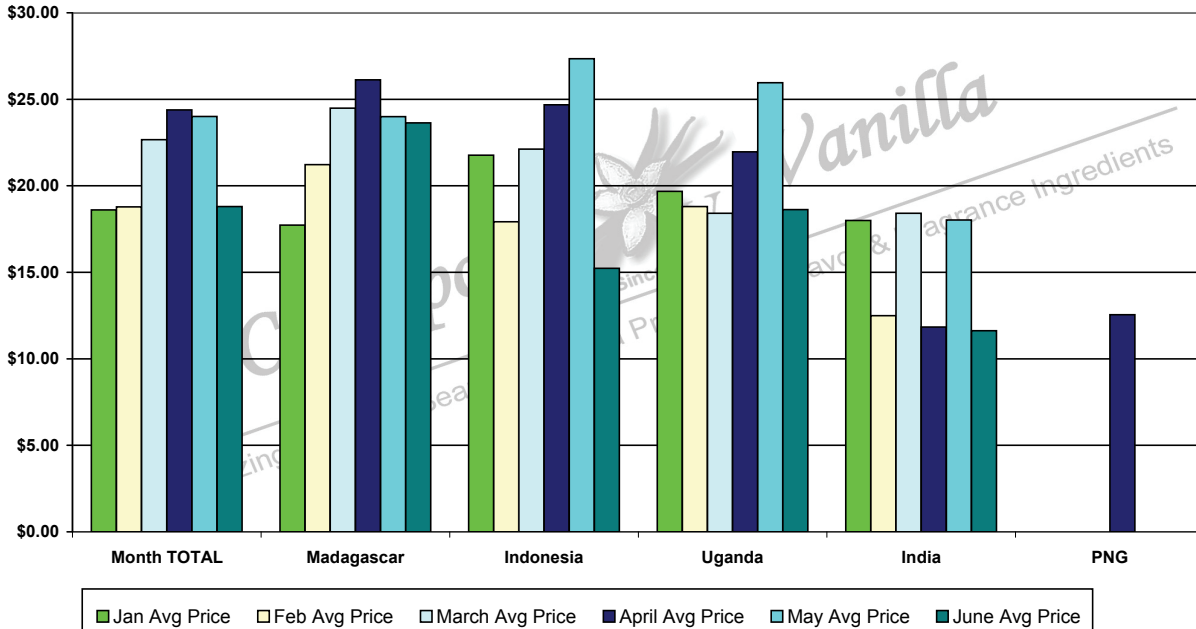
RED Dashed Line = Monthly Import Trend
All figures taken from U.S. Census Bureau statistics



	Jan	Feb	March	April	May	June
Month TOTAL	179	76	166	235	338	149
Madagascar	125	46	85	179	304	58
Indonesia	33	7	15	10	1	38
Uganda	10	6	41	23	25	34
India	10	17	20	15	8	19
PNG	0	0	0	6	0	0
Other	1	0	5	2	0	0

**USA 2009 Vanilla Imports
Monthly Average Import Price**

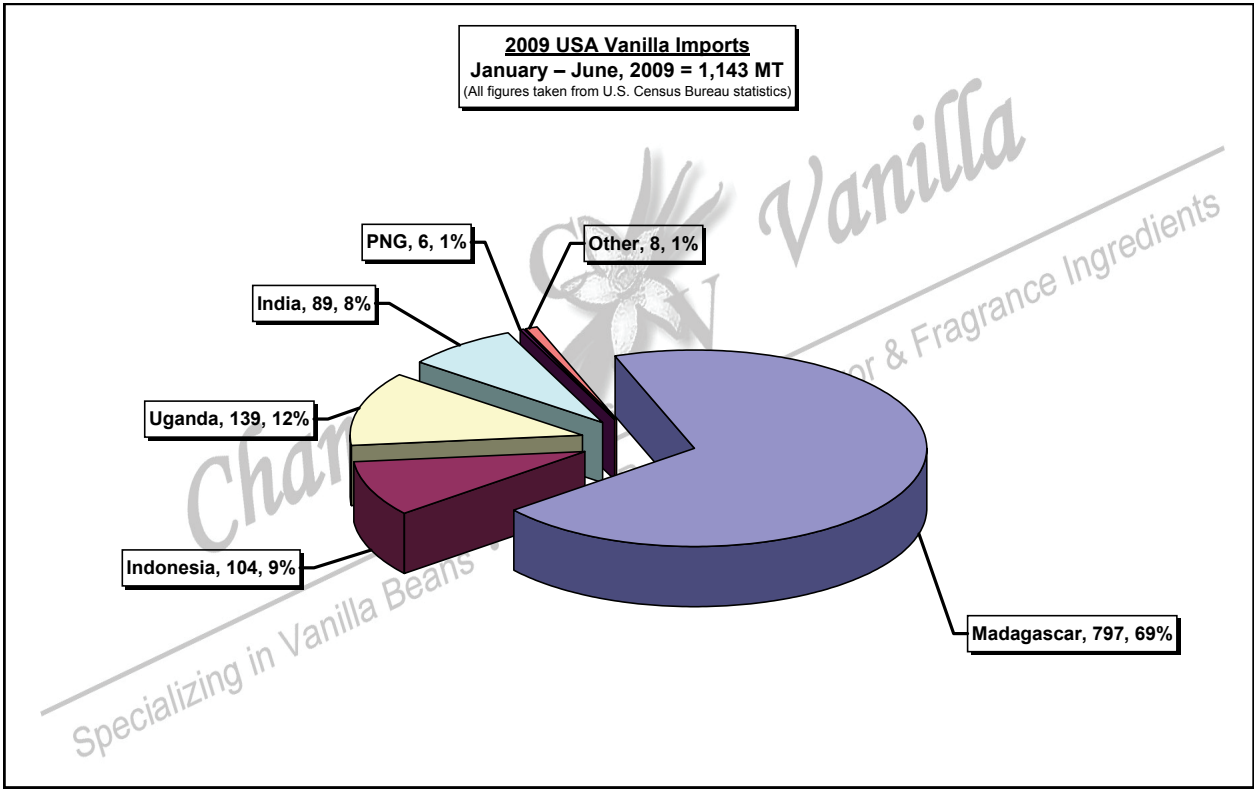
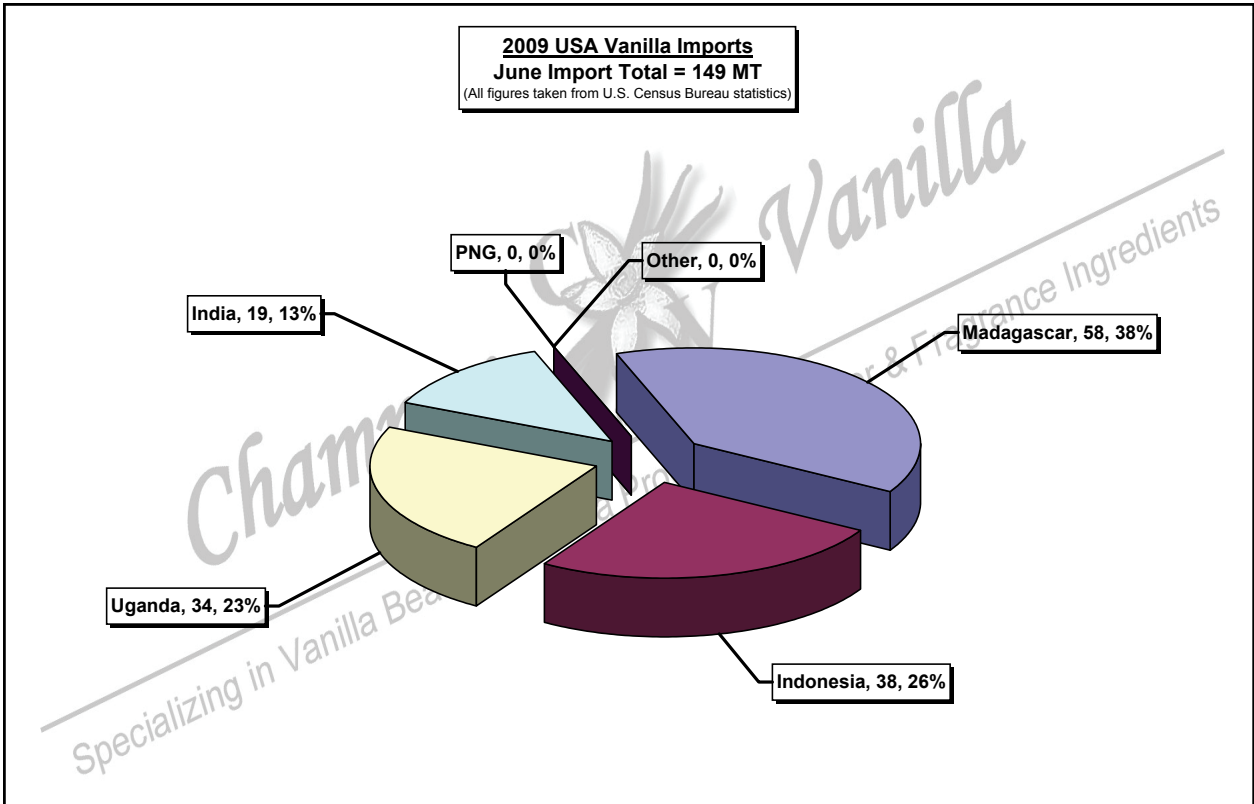
(Based on Total Monthly "Customs Value" / Total Monthly Quantity For Each Origin)
(All figures taken from U.S. Census Bureau statistics)



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