

Vanilla Imports/Exports & Market Update June - 2009

VANILLA MARKET

The saga continues in Madagascar... So far, the parties leading the movement to establish a minimum export price law seem to be unsuccessful. The original proposal was US\$35.00/Kg, then US\$30.00/Kg, now US\$27.00/Kg. Some people are spreading the news that the minimum export price law was passed at US\$27.00/Kg, but this means nothing until an official document is issued by the Madagascar government stating this. While our sources in Madagascar believe that the law will NOT be passed, we feel that almost anything is possible. However, the current Madagascar government seems to be occupied with more important things.

Some headlines over the past month: "Ravalomanana calls for military intervention", "France, UN warn against Madagascar military option", "Political negotiation in Madagascar suspended", "Madagascar's government quits crisis talks", "Madagascar: Regional Leaders Call Emergency Summit"

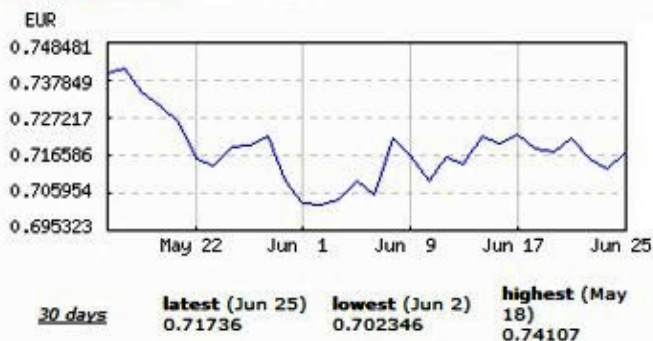
Virtually all of the vanilla markets remain quiet. Buying activity locally in Madagascar is relatively calm. We are told that most of the new crop vanilla in Madagascar is in the hands of the farmers, which could negatively impact the overall quality of the new crop. Based on the new crop, we are receiving very low prices for new offers directly from Madagascar. We find this a little strange, if the new US\$27.00/Kg minimum export price law was passed, as some are alleging.

US DOLLAR

The US\$ traded in a band of approximately 2% vis-à-vis EUR over the past month, with the US\$ ending the month on the stronger side. A comment from one currency trader: "And considering the challenges facing the Eurozone, these valuations give further reason to believe that the euro will likely come under pressure again before the broadest global recession on record passes."

Since our May update, the US\$ has gained approximately 1% vis-à-vis the Malagasy Ariary (MGA). In our May update, the MGA was trading at approx MGA1,918.06 (FMG9,590.30) / US\$1. Today, the exchange rate is approx MGA1,935.50 (FMG9,677.50) / US\$1. Click [HERE](#) to view graph.

Euros to 1 USD



USA IMPORTS

US vanilla imports for April 2009 (235MT total for the month) are about **20% LESS** than the quantity imported during April 2008 (294MT total for the month). As usual, Madagascar lead the imports with **179MT**, Uganda was 2nd with **23MT**, India was 3rd with **15MT**, and Indonesia was 4th with **10MT**. These 4 countries represented approximately **97%** of all the April 2009 USA imports.

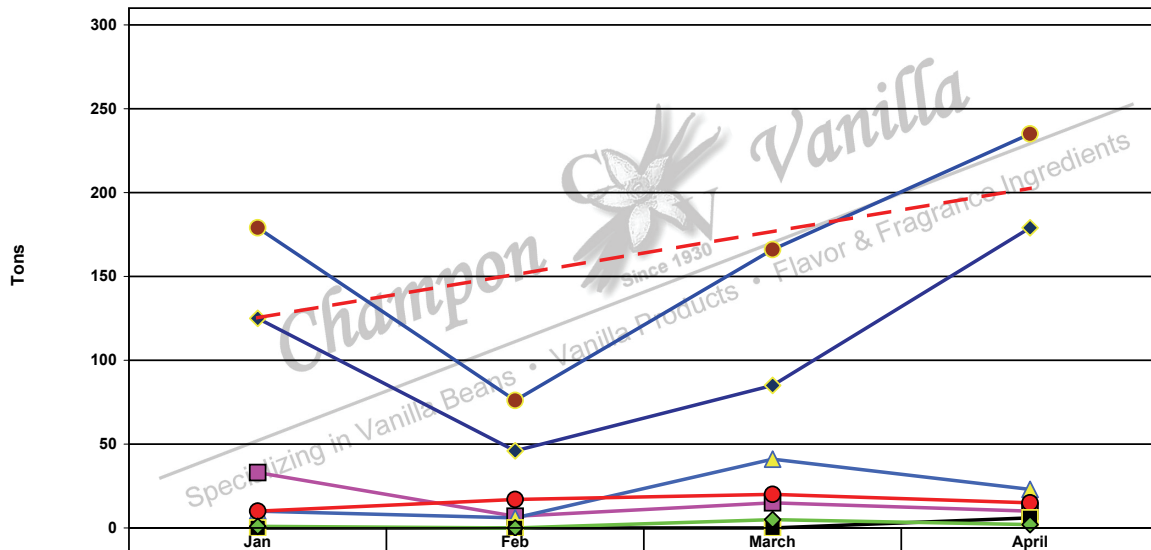
USA IMPORT PROJECTION

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

- **IMPORTS** - Roughly 656MT from all origins, thus far. At this pace, the US will import approximately 1,968MT for 2009.
- **EXPORTS** - Roughly 52T, thus far. At this pace, the US will export approximately 156MT for 2009.
- **PROJECTED 2009 USA TOTAL NET IMPORTS** - Approximately 1,812MT.

2009 USA Vanilla Imports

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

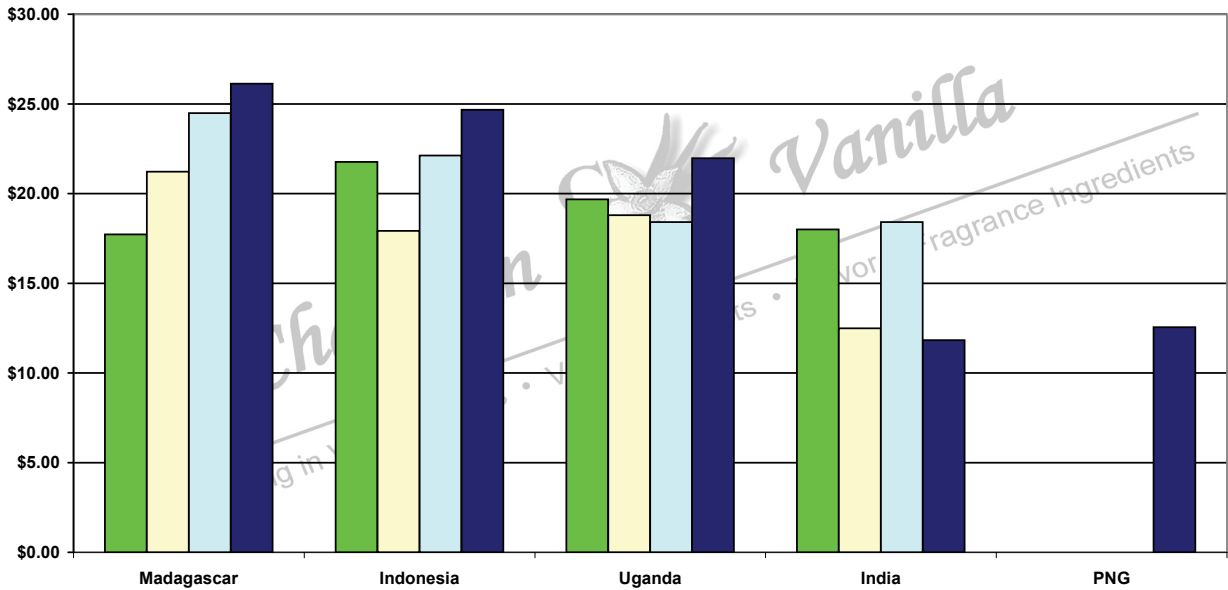


Month TOTAL	179	76	166	235
Madagascar	125	46	85	179
Indonesia	33	7	15	10
Uganda	10	6	41	23
India	10	17	20	15
PNG	0	0	0	6
Other	1	0	5	2

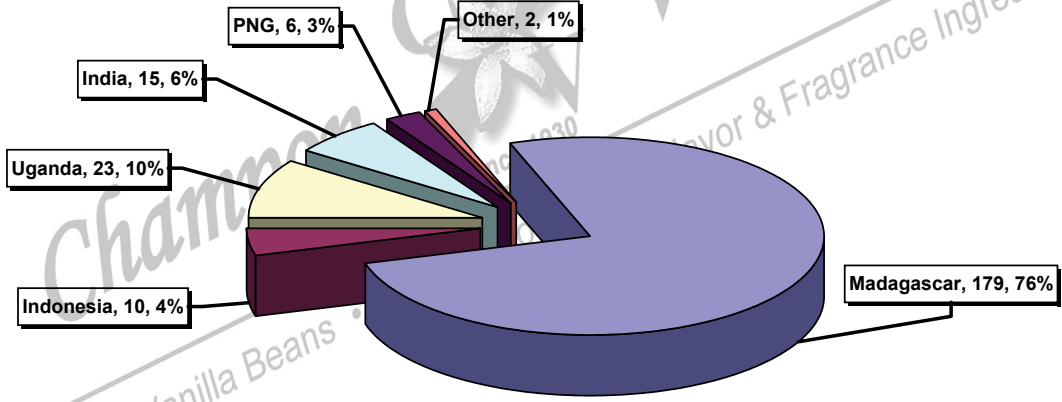
USA 2009 Vanilla Imports

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
April Import Total = 235 MT
 (All figures taken from U.S. Census Bureau statistics)



2009 USA Vanilla Imports
January – April, 2009 = 656 MT
 (All figures taken from U.S. Census Bureau statistics)

