

## Vanilla Imports/Exports & Market Update March - 2009

### VANILLA MARKET

The vanilla markets remain relatively quiet. Offers are being received from various sources and suppliers. Sellers continue to lower their prices with the hope that this will entice buyers to take on additional stock with minimal downside risk. There are some GOOD buying opportunities with virtually ZERO downside risk.

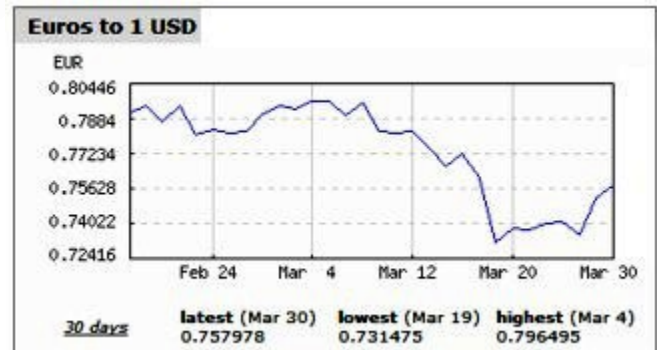
On the other hand, there seem to be some people who feel that production has been decreasing and will continue to decrease because of low market prices and Fusarium damage. Consequently, they are buying and stocking with the expectation of seemingly inevitable higher prices. Here is an article dated March 25 from India: [Vanilla Prices May Gain On Drop In Madagascar Supply](#)

The political situation in Madagascar is far from ended. The elected president, Ravalomanana, resigned and fled Madagascar to Swaziland, where he is seeking assistance from King Mswati III and the Southern African Development Community (SADC). Swaziland is hosting a summit of the SADC this week. Today, the SADC announced that they are suspending Madagascar from the group until constitutional order is restored. Ravalomanana vows to return to Madagascar. In Madagascar, Rajoelina, was installed as president. He is now dealing with protestors who support the ousted president. Protesters have been physically hurt and tear gassed.

### US DOLLAR

The US\$ tumbled on news that the US Fed would start buying US Treasuries, in an effort to artificially push long term interest rates lower. The US\$ has since recovered approx half its loss. Some currency traders still feel that the US\$ will remain on the stronger side for a while. One currency trader said: "...my expectations for the buck to outperform are based on the fact that the global economy is still so heavily dependent on the U.S. What's more, the U.S. has led the way down throughout this economic crisis, and now almost everyone else is playing catch-up."

Since our February update, the US\$ today is virtually unchanged vis-à-vis the Malagasy Ariary (MGA). In our February update, the MGA was trading at approx MGA1,931.79(FMG9,659)/US\$1. Today, the exchange rate is approx MGA1,948.98 (FMG9,745) / US\$1. Click [HERE](#) to view graph.



### USA IMPORTS

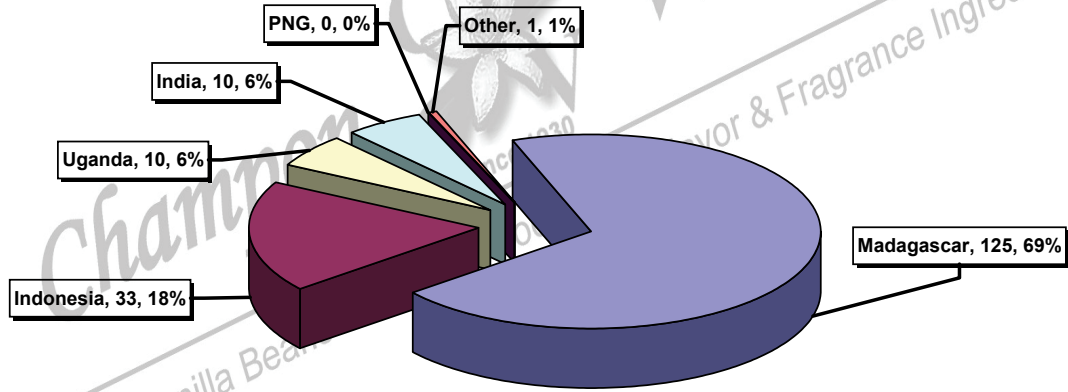
US vanilla imports for January 2009 (179MT total for the month) are about **22% HIGHER** than the quantity imported during January 2008 (147MT total for the month). As usual, Madagascar lead the imports with **125MT**, Indonesia was 2<sup>nd</sup> with **33MT**, Uganda & India were 3<sup>rd</sup> with **10MT each**, and PNG was 4<sup>th</sup> with **0MT**. These 4 countries represented approximately **99%** of all the January 2009 USA imports.

### USA IMPORT PROJECTION

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

- **IMPORTS** - Roughly 179MT from all origins, thus far. At this pace, the US will import approximately 2,148MT for 2009.
- **EXPORTS** – Roughly 8MT, thus far. At this pace, the US will export approximately 96MT for 2009.
- **PROJECTED 2009 USA TOTAL NET IMPORTS** - Approximately 2,052MT.

**2009 USA Vanilla Imports**  
**January Import Total = 179 MT**  
 (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)

