

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

### VANILLA MARKET

Prices have increased a bit in Madagascar. Many people are forecasting the upcoming 2010 crop to be 1,000MT +/- . There was a lull in exports for some months following the US\$27.00/Kg decree. However, exports have since resumed. This does not mean that buyers/end users are actually paying US\$27/Kg, as financial gymnastics are being used to accommodate these transactions (even by the supporters of the US\$27/Kg decree, whose alleged intentions were to help the “poor little farmers”). The big topic of discussion has been the massive quantities of Rosewood being exported from Madagascar. Some people speculate that the large exports of Rosewood will inject a lot of money into the Madagascar economy, and subsequently the vanilla industry, which may contribute to higher prices for vanilla. Click [HERE](#) to watch an interesting YouTube video regarding the Rosewood problem in Madagascar.

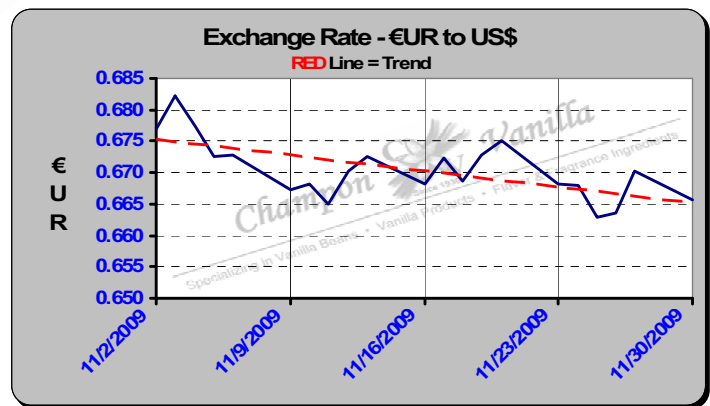
In Indonesia, prices have increased due to stronger local purchasing and increased export demand. The new crop will be ready for export starting only in March/April 2010 (for the lower grades).

We hear from Indian exporters that their new crop, which is currently being picked and will begin exporting around May/June 2010, is expected to yield only 75-100MT (about ¼ of their peak production). Currently, prices are lower than last crop. We are told that production is down because of low market prices and Fusarium damage to many plantations. Today, the foreseeable future of vanilla cultivation in India does not look good. The vanilla plantations suffering from Fusarium damage may start replanting vanilla when the Fusarium dies off, we are told approximately 3 years after it has infected the soil.

### US DOLLAR

As you can see in the chart to the right, the US Dollar continues its downward trend. In November, the US dollar declined another 1.5%.

The US\$ is also on a downward trend with the Malagasy Ariary. From the beginning to end of November, the US\$ has declined approx 2.3%. The weaker US\$ and the surge of Rosewood revenue should contribute to higher vanilla prices. But, who knows what will happen anymore, as most markets nowadays seem to be manipulated and defy logical, anticipated moves. In the beginning of November, the MGA was trading at approx MGA1,972.84 (FMG9,864.20) / US\$1. At the end of November, the exchange rate was approx MGA1,928.87 (FMG9,644.35) / US\$1. Click [HERE](#) to view graph.



### USA IMPORTS

US vanilla imports for September 2009 (103MT total for the month) are about **140% HIGHER** than the quantity imported during September 2008 (43MT total for the month). As usual, Madagascar lead the imports with **54MT**, Uganda was 2<sup>nd</sup> with **36MT**, Indonesia was 3<sup>rd</sup> with **06MT**, and India was 4<sup>th</sup> with **04MT**. These 4 countries represented approximately **97%** of all the September 2009 USA imports.

### USA IMPORT PROJECTION

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

- **IMPORTS** - Roughly 1,411MT from all origins, thus far. At this pace, the US will import approximately 1,881MT for 2009.
- **EXPORTS** – Roughly 122MT, thus far. At this pace, the US will export approximately 163MT for 2009.
- **PROJECTED 2009 USA TOTAL NET IMPORTS** - Approximately 1,718MT.

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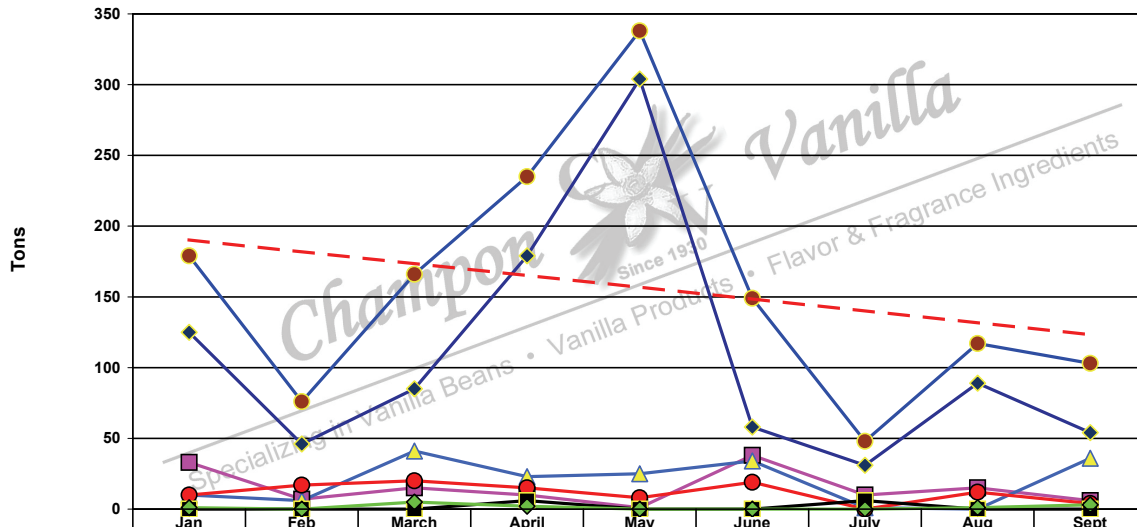
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### 2009 USA Vanilla Imports

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

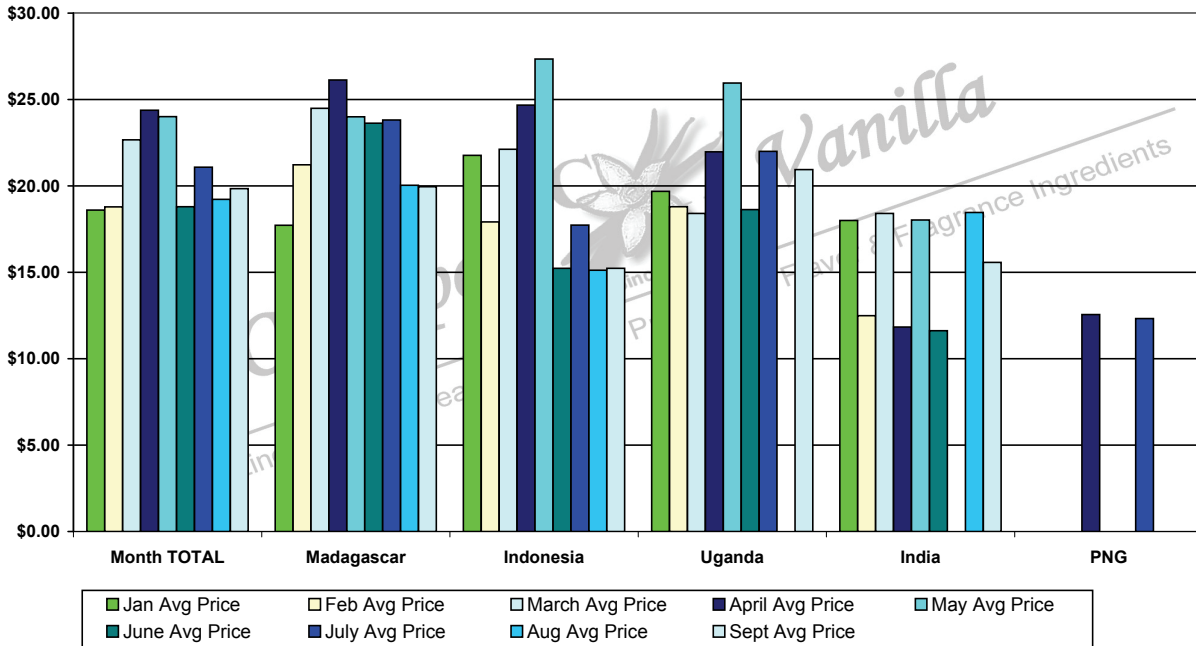


Month	Month TOTAL	Madagascar	Indonesia	Uganda	India	PNG	Other
Jan	179	125	33	10	10	0	1
Feb	76	46	7	6	17	0	0
March	166	85	15	41	20	0	5
April	235	179	10	23	15	6	2
May	338	304	1	25	8	0	0
June	149	58	38	34	19	0	0
July	48	31	10	1	0	6	0
Aug	117	89	15	0	12	0	1
Sept	103	54	6	36	4	0	3

### 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)

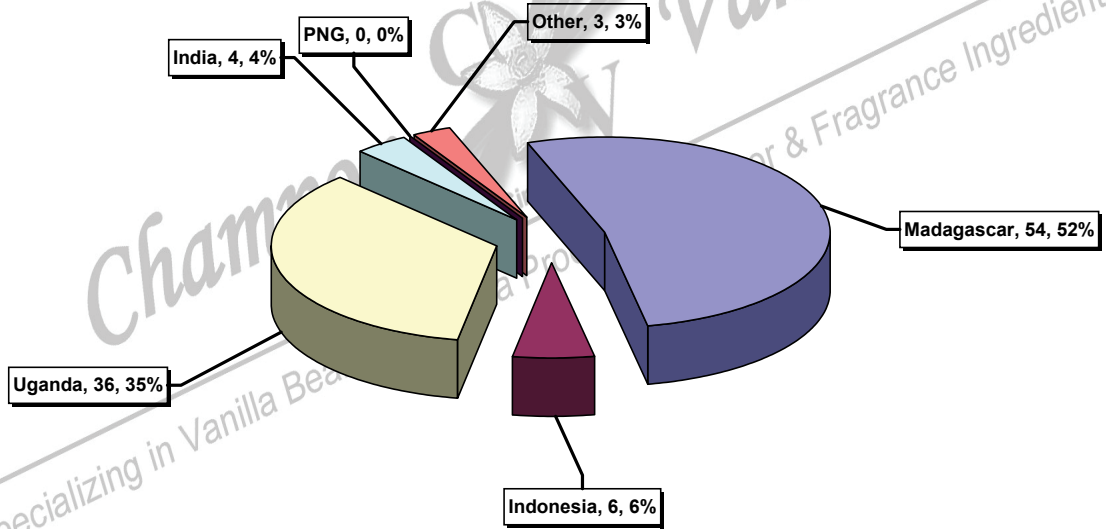


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**2009 USA Vanilla Imports**  
**September Import Total = 103 MT**  
 (All figures taken from U.S. Census Bureau statistics)



**2009 USA Vanilla Imports**  
**January – September, 2009 = 1,411 MT**  
 (All figures taken from U.S. Census Bureau statistics)

