

Vanilla Imports/Exports & Market Update September - 2009

VANILLA MARKET

We are told that vanilla buying locally in Madagascar has been somewhat active. However, supposedly few, if any, buyers are paying the prices set forth in the July decree. Consequently, exports from Madagascar have been very quiet since the decree was signed. Sources advise that there are many containers awaiting shipment from Madagascar on the next vessel in October. Furthermore, it is being said that virtually none of the vanilla awaiting shipment will be exported at the \$27/Kg price. We hear that 1 or 2 companies may export at the \$27/Kg price, but they have allegedly made some type of arrangement not to repatriate the entire \$27/Kg. As expected, it doesn't seem that the farmers are benefiting from the higher prices established in the decree.

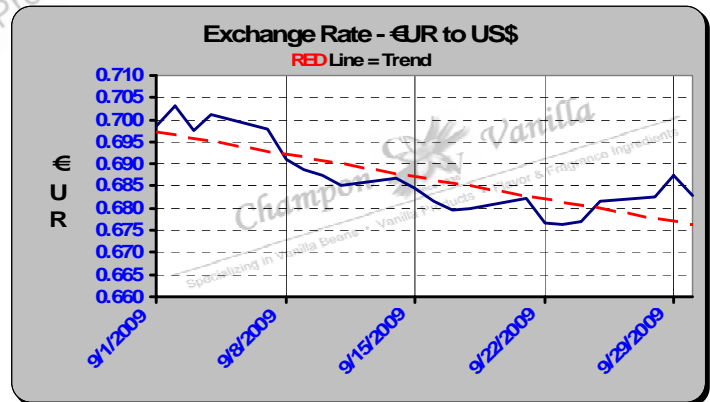
Politically, Madagascar remains unstable. The self appointed president, Rajoelina, signed an agreement in Maputo, but has since reneged on the agreement. According to sources in Madagascar and the mainstream media, the environment in Madagascar remains rather tense and uncertain. No political solution is expected in the foreseeable future.

There has been talk circulating about the flowering being good/ bad, which is normal for this time of the year. Some people feel that the flowering is smaller than normal, and others feel that it looks adequate. Since the flowering ends around December, our sources feel that it's still a bit too early to give any final word/forecast.

US DOLLAR

In September, the US dollar sank to a new 12-month low and was a mere 7 percent above its record low reached in July 2008. Taking into consideration the massive monetizing and debt being generated by the Federal Reserve/US Government, the dollar should continue its downward trend.

The US\$ strengthened by approximately 3% during September vis-à-vis the Malagasy Ariary (MGA). In the beginning of September, the MGA was trading at approx MGA1,920.69 (FMG9,603.45) / US\$1. At the end of September, the exchange rate was approx MGA1,979.92 (FMG9,899.60) / US\$1. Click [HERE](#) to view graph.



USA IMPORTS

US vanilla imports for July 2009 (48MT total for the month) are about **80% LESS** than the quantity imported during July 2008 (240MT total for the month). As usual, Madagascar lead the imports with **31MT**, Indonesia was 2nd with **10MT**, PNG was 3rd with **06MT**, and Uganda was 4th with **01MT**. These 4 countries represented approximately **100%** of all the July 2009 USA imports.

USA IMPORT PROJECTION

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

- **IMPORTS** - Roughly 1,192MT from all origins, thus far. At this pace, the US will import approximately 2,043MT for 2009.
- **EXPORTS** - Roughly 80T, thus far. At this pace, the US will export approximately 137MT for 2009.
- **PROJECTED 2009 USA TOTAL NET IMPORTS** - Approximately 1,906MT.

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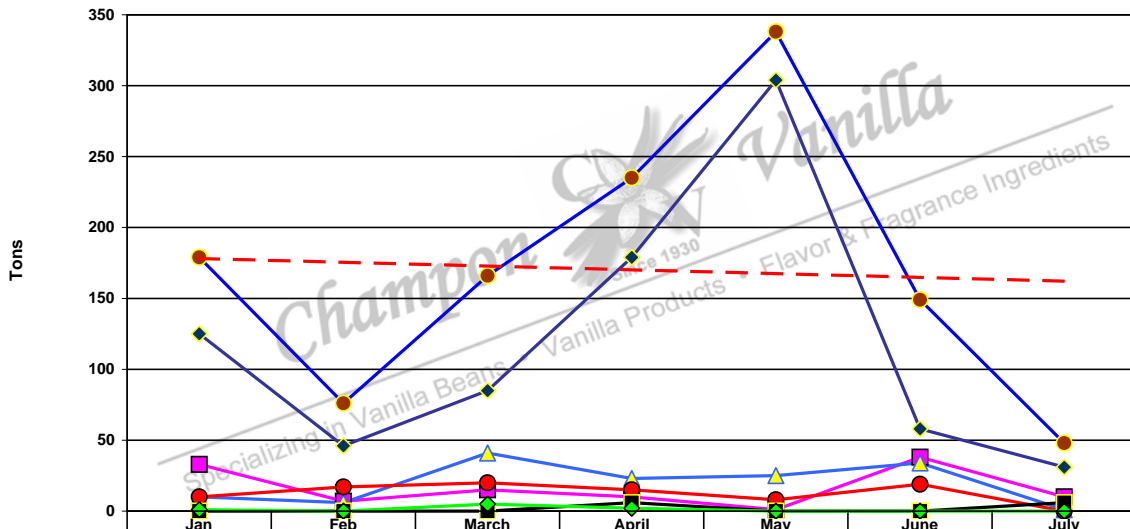
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2009 USA Vanilla Imports

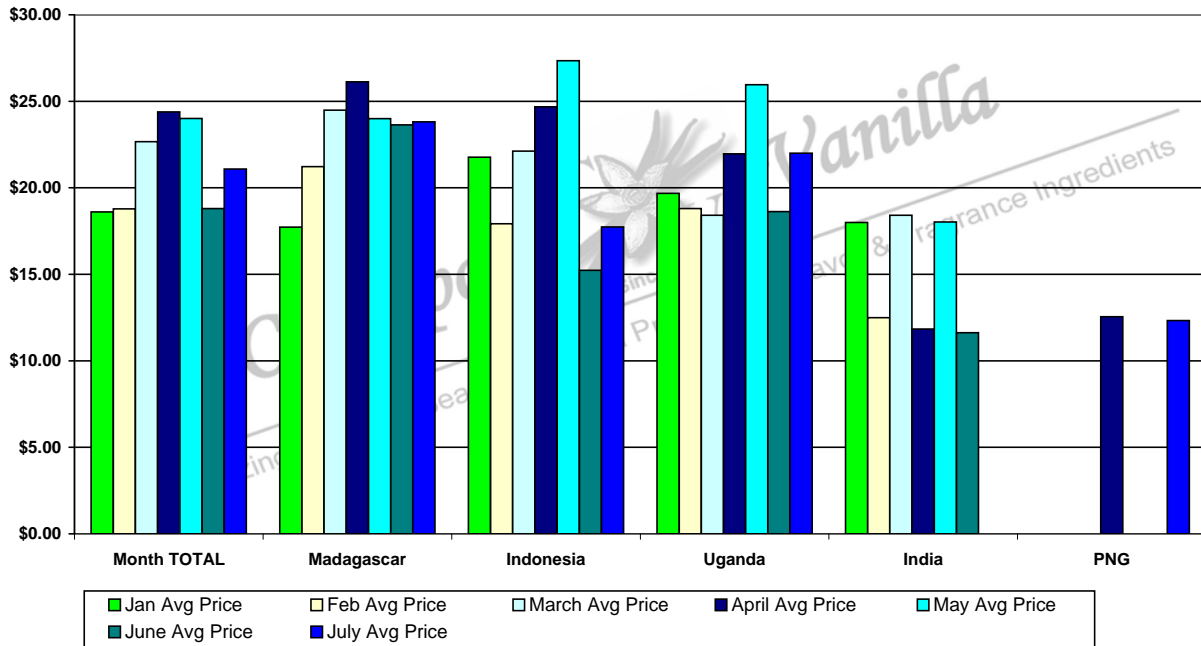
RED Dashed Line = Monthly Import Trend
All figures taken from U.S. Census Bureau statistics



Month TOTAL	179	76	166	235	338	149	48
Madagascar	125	46	85	179	304	58	31
Indonesia	33	7	15	10	1	38	10
Uganda	10	6	41	23	25	34	1
India	10	17	20	15	8	19	0
PNG	0	0	0	6	0	0	6
Other	1	0	5	2	0	0	0

USA 2009 Vanilla Imports Monthly Average Import Price

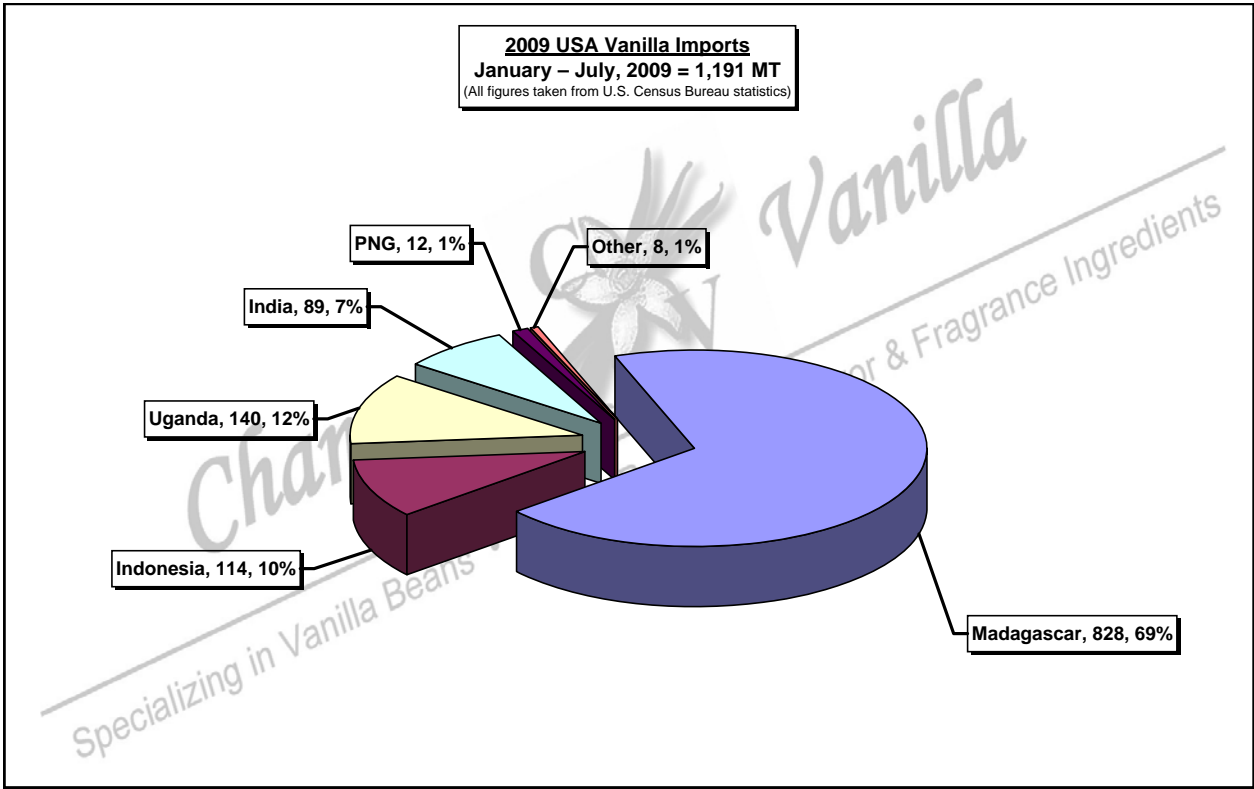
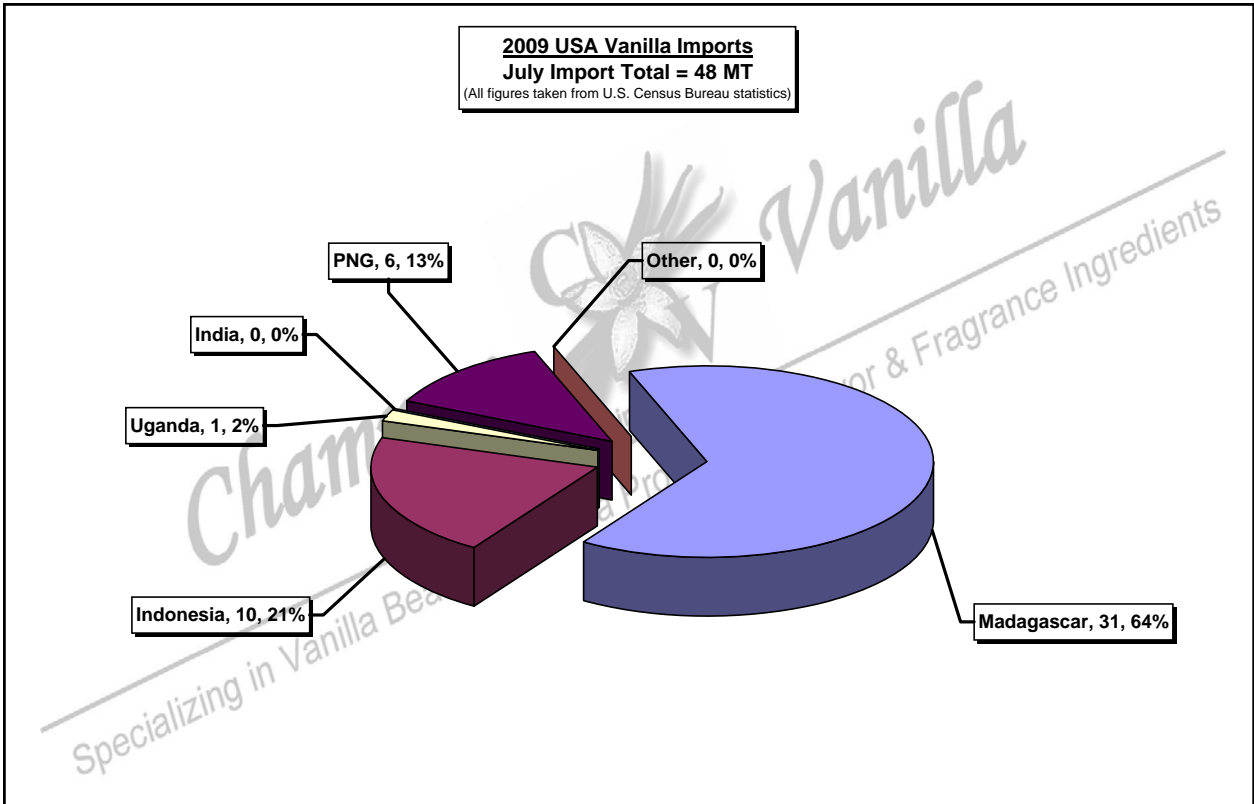
(Based on Total Monthly "Customs Value" / Total Monthly Quantity For Each Origin)
(All figures taken from U.S. Census Bureau statistics)



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