

Vanilla Imports/Exports & Market Update January, 2008

- Based on the current import/export statistics (Jan-Nov, 2007), the projected year-end totals for 2007 are:
 - **IMPORTS** - Approximately 2,100MT from all origins, thus far. At this pace, the US will import approximately 2,291MT for 2007.
 - **EXPORTS** - Approximately 121MT, thus far. At this pace, the US will export approximately 132MT for 2007.
 - **PROJECTED 2007 USA TOTAL NET IMPORTS** - Approximately 2,159MT.
- **US DOLLAR** – Since our last update a month ago, the US dollar has again weakened against the Euro and other major currencies. Over the past 30 days, it has traded in a range between US\$1.43-1.48/€1. At the time of this writing, the exchange rate is approximately US\$1.47/€1. It's possible that the US\$ could further weaken if the US Federal Reserve again reduces the Fed Funds rate this week as expected.
- **VANILLA MARKET** – We continue to receive offers for containers of vanilla from India, Indonesia, Madagascar, etc. There does not seem to be any shortage of supply. Despite the seemingly abundant quantity of vanilla available on the open market, exporters from Madagascar are asking higher FOB prices. The exporters we speak to in Madagascar advise that a price increase is necessary because of their higher cost price from the 2007/08 crop and the weaker US\$.
- **USA IMPORTS** – USA imports continue their strong pace. It appears that vanilla imports for 2007 could meet, or exceed the previous record of 2,200MT set in 1997.
- **AVAILABILITY** - We can offer the following from stock, or for future contract delivery.
Please contact us for pricing and additional details.
 - **Bourbon Grade 1** - Min avg 1.7% VC, 18-22% MC (February).
 - **Bourbon Grade 2** - Min avg 1.4% VC, 16-19% MC (February).
 - **Bourbon Cuts** - Min avg 1.0% VC, 12% MC (spot).
 - **Indonesian Vanilla (Organic)** – Three grades available (shipment).
 - **Ugandan Vanilla (Organic)** - Min 1.8% VC, 18-22% MC (shipment).
 - **Indian Vanilla** - Min 1.8% VC, 18-22% MC.

We look forward to hearing from you.

Michael P. Champon

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