

Madagascar hit by another devastating cyclone

dpa German Press Agency

Published: Friday March 16, 2007

Antananarivo- Rain- and wind-battered Madagascar off the east coast of Africa was on Friday experiencing its fourth heavy cyclone in recent months. Cyclone Indlala that hit land in the tropical island on Thursday, continued to rage over its vanilla plantations on Friday.

The cities of Sambava, Antalaha and Maroantsetra in the north, flooding large areas and leaving inhabitants without telephone links.

Antalaha, the centre of vanilla production, already hard-hit by earlier devastating cyclones, has lost an estimated 90 per cent of its crops.

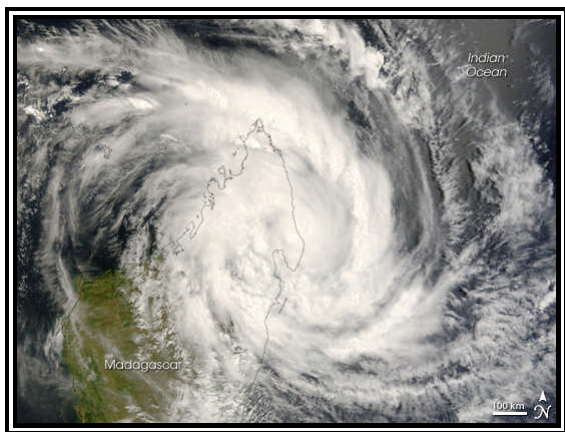
The cyclone, that featured strong winds, also caused damage to police buildings and the those of the aid agency, Care International in Antalaha.

Germany on Friday made available 22,000 euros for victims of the extreme weather amid appeals from aid agencies for international assistance for tens of thousands of islanders affected by cyclones.

In Maroantsetra heavy winds ripped away part if the roof of a prison and damaged the power supply late Thursday. Ten prisoners saw an opportunity and fled into the night, but three were rearrested.

Three cyclones in recent weeks have left approximately 45,000 people displaced, an estimated 18,000 in the capital Antananarivo. At least seven people have been reported killed as a result of the weather.

The Malagasy government declared a state of emergency and asked the international community for assistance for the impoverished country that has already lost most of its rice harvest and flooded around 85,000 hectares of cultivated land.



Cyclone Indlala

Our View:

We feel that the initial reports from the damaged region should not be considered 100% accurate and final. There is no doubt that the affected area and its inhabitants suffered damage. The question is, how much damage? We will not know the answer to this question until more accurate information is accumulated and reported in the coming weeks. Hopefully, all is not lost for the locals and the vanilla market. Maybe we'll have "cyclone beans" again?

New Jersey Office:
6 Fireside Drive
Colts Neck, New Jersey 07722 - USA

Champon Vanilla, Inc.
4521 PGA Blvd. - 382
Palm Beach Gardens, Florida 33418 - USA
Phone – 561.741.1325
Fax – 561.277.2526
E-Mail – m-p-c@vanillabean.com
Web Address – www.vanillabean.com

Members of:
Institute of Food Technologists
IFEAT
Certified Organic Handler by:
Oregon Tilth

Champon Vanilla Inc.

From: Champon Vanilla Inc. [m-p-c@vanillabean.com]
Sent: Tuesday, April 03, 2007 10:46 AM
To: 'Champon Vanilla Inc. (m-p-c@vanillabean.com)'
Subject: Madagascar - Cyclone Jaya
Attachments: Cyclone Jaya, April 3, 2007 (2).pdf

Good Day,

- Attached herewith are 2 updates released this morning concerning Cyclone Jaya, which is expected to hit the Madagascar coast, in the town of Sambava, today.
- Per the report: "According to the Saffir-Simpson damage scale the potential property damage and flooding from a storm of Jaya's strength (**category 1**) at landfall includes:"
 - Storm surge generally 1.2-1.5 metres (4-5 feet) above normal.
 - No real damage to building structures.
 - Damage primarily to unanchored mobile homes, shrubbery, and trees.
 - Some damage to poorly constructed signs.
 - Some coastal road flooding and minor pier damage.

If you have any questions, please advise.

Thks & Rgds,

Michael P. Champon
Champon Vanilla, Inc.
4521 PGA Blvd - 382
Palm Beach Gardens, FL 33418 - USA

Phone - 561 741 1325
Fax - 561 277 2526
E-Mail - m-p-c@vanillabean.com
Web Address - www.vanillabean.com

=====

Southwestern Indian Ocean

=====

CYCLONE Tropical Jaya

14.4°S 50.8°E - 75 knots 960 hPa

RSMC Reunion Tropical Cyclone Advisory #18

=====

As of 6:30am UTC, **CYCLONE Tropical Jaya** (14R) had 10 min sustained winds of 75 knots with wind gusts up to 105 knots, moving west-northwest at 9 knots.

The system is located 870 km northwest of the coast of Reunion.

CI: T5.0

Linked to a mid tropospheric dry air intrusion and to a slight increase of the east-northeastly vertical wind shear TC Jaya has clearly disorganized. Undergoing a mid-level high cell on the Mozambican Channel it has recurved west-northwest.

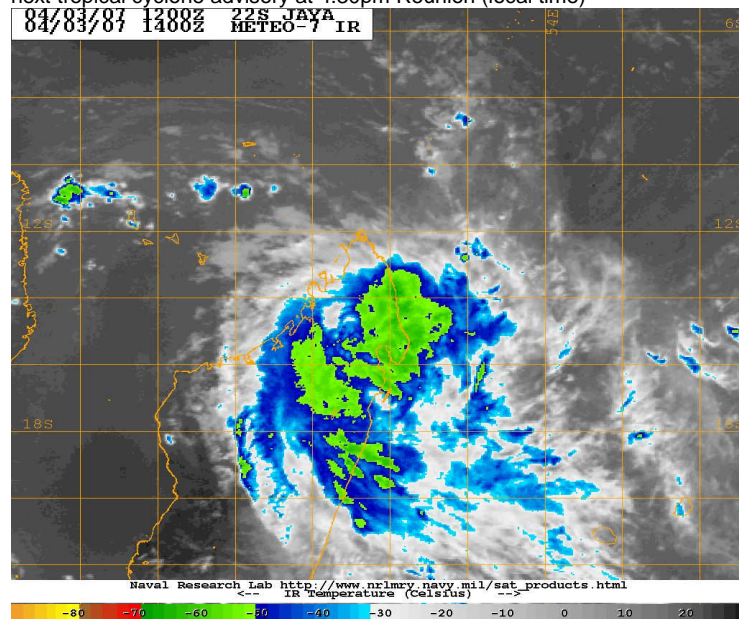
The weakening is rather quick and the system is expected to make landfall in three hours (0900UTC) in the vicinity of Sambava (Malagasy) at the minimal stage of tropical cyclone.

Heavy rainfall and strong winds are foreseen between Sainte Maria and Fanambana during the next 12 to 24 hours. Jaya should come back over sea at a tropical depression stage within the next night south of Nosy-be.

In a first time, the potential for an intensification would be poor but it should undergo an area of better environment within 48 hours in the Mozambican Channel.

12 Hrs. Overland
24 Hrs. 30 knots Tropical Depression
48 Hrs. 40 knots Tempête Tropicale Moderée
72 Hrs. 50 knots Forte Tempête Tropicale

next tropical cyclone advisory at 4:30pm Reunion (local time)



New Jersey Office:
6 Fireside Drive
Colts Neck, New Jersey 07722 - USA

Champon Vanilla, Inc.
4521 PGA Blvd. - 382
Palm Beach Gardens, Florida 33418 - USA
Phone – 561.741.1325
Fax – 561.277.2526
E-Mail – m-p-c@vanillabean.com
Web Address – www.vanillabean.com

Members of:
Institute of Food Technologists
IFEAT
Certified Organic Handler by:
Oregon Tilth

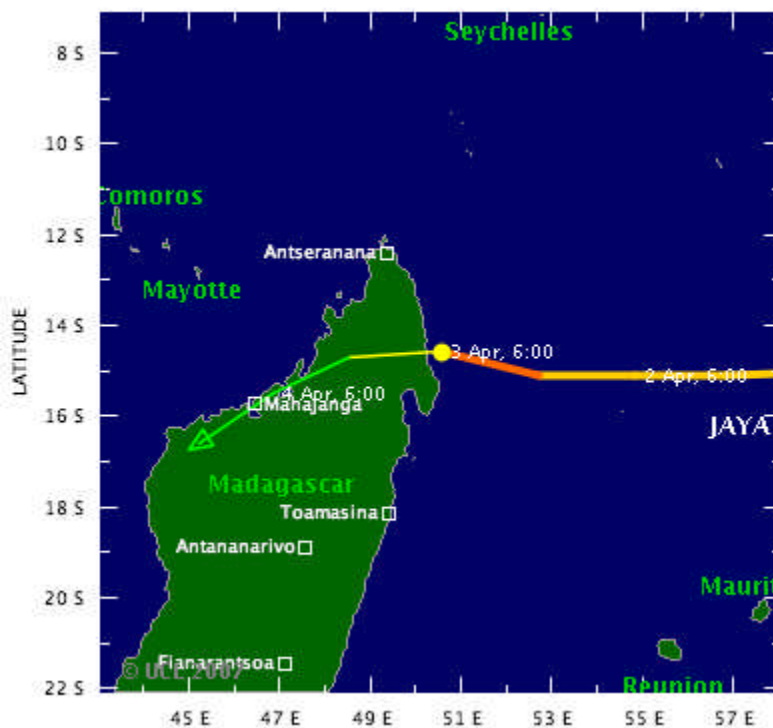
Intense tropical cyclone Jaya

03 Apr 2007 09:09:00 GMT

Source: Tropical Storm Risk

Mark Saunders

Reuters and AlertNet are not responsible for the content of this article or for any external internet sites. The views expressed are the author's alone



Intense tropical cyclone Jaya is forecast to strike Madagascar as a tropical cyclone at about 06:00 GMT on 3 April. Data supplied by the US Navy and Air Force Joint Typhoon Warning Center suggest that the point of landfall will be near 14.6 S, 50.5 E. Jaya is expected to bring 1-minute maximum sustained winds to the region of around 148 km/h (92 mph). Wind gusts in the area may be considerably higher.

According to the Saffir-Simpson damage scale the potential property damage and flooding from a storm of Jaya's strength (category 1) at landfall includes:

- Storm surge generally 1.2-1.5 metres (4-5 feet) above normal.
- No real damage to building structures.
- Damage primarily to unanchored mobile homes, shrubbery, and trees.
- Some damage to poorly constructed signs.
- Some coastal road flooding and minor pier damage.

There is also the potential for flooding further inland due to heavy rain.

April 06, 2007

Good Day,

- We communicated with people in Sambava and, at this time, we/they report as follows:
 - There was a lot of damage to homes, trees, etc.
 - Much of the structural damage is due, in large part, to the fact that many people in the Sambava area did not secure their homes adequately in preparation for Cyclone Jaya. We are told that a cyclone has **NOT** hit Sambava in approximately 30 years. Thus, this complacency could have contributed to the inadequate preparation. Cyclones frequently strike south of Sambava (e.g. the Antalaha area).
 - There will probably be pictures circulating in the trade showing the damage to the structures, trees and even some vanilla plantations. Our sources feel that giving such information this soon could be for the sole purpose of manipulating vanilla bean prices upward. A true and more accurate assessment of the damage to the vanilla crop is at least 2 weeks away.
- The good news is that Cyclone Jaya did weaken from a Category 3, while at sea, to a Category 1, when it made landfall (see attached NASA report of Cyclone Jaya released today and NASA information about Indlala). Had it remained a Category 3 upon making landfall, things could have been much worse.

We'll keep you informed as we receive updates. Meanwhile, if you have any questions, feel free contact us.

Thks & Rgds,

Michael P. Champon
Champon Vanilla, Inc.
4521 PGA Blvd - 382
Palm Beach Gardens, FL 33418 - USA

Phone - 561 741 1325
Fax - 561 277 2526
E-Mail - m-p-c@vanillabean.com
Web Address - www.vanillabean.com

NASA MODIS Image of the Day: April 5, 2007 - Tropical Cyclone Jaya

STATUS REPORT

Date Released: Friday, April 6, 2007

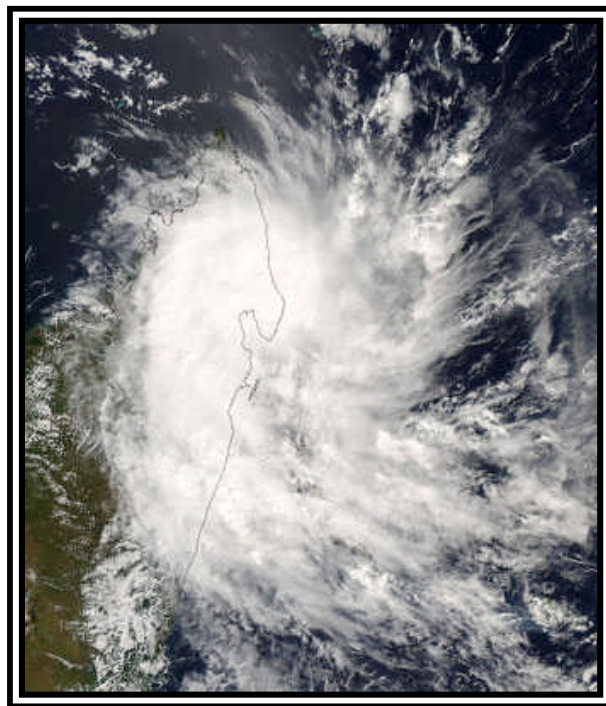
Source: NASA MODIS Web

Tropical Cyclone Jaya, which formed in the India Ocean on March 30, came ashore in Northern Madagascar in the morning of April 3, 2007 at around 11:00 am local time (08:00 UTC). This image was acquired by the MODIS on the Aqua satellite on April 3, 2007 at 10:15 UTC.

While the storm was still over the ocean, it went from a strong tropical storm to a Category 3 cyclone in just 36 hours. **Fortunately, the storm did lose power before hitting Madagascar, though it still had winds of around 150 kilometers per hour (90 miles per hour), a marked change from 200 km/hr (125 mph) just twelve hours earlier.**

The storm did, however, strike the northern part of Madagascar, now the 6th cyclone to hit the area this season. Forecasters are concerned that Jaya might reform after crossing the island and head inland into Mozambique where residents are recovering from floods caused by recent heavy rains. Our image of the day from April 3 shows what the storm looked like before it made landfall.

Saffir-Simpson Hurricane Scale		
Category	Wind speed	Storm surge
	mph (km/h)	ft (m)
5	≥156 (≥250)	>18 (>5.5)
4	131–155 (210–249)	13–18 (4.0–5.5)
3	111–130 (178–209)	9–12 (2.7–3.7)
2	96–110 (154–177)	6–8 (1.8–2.4)
1	74–95 (119–153)	4–5 (1.2–1.5)
Additional classifications		
Tropical storm	39–73 (63–117)	0–3 (0–0.9)
Tropical depression	0–38 (0–62)	0 (0)

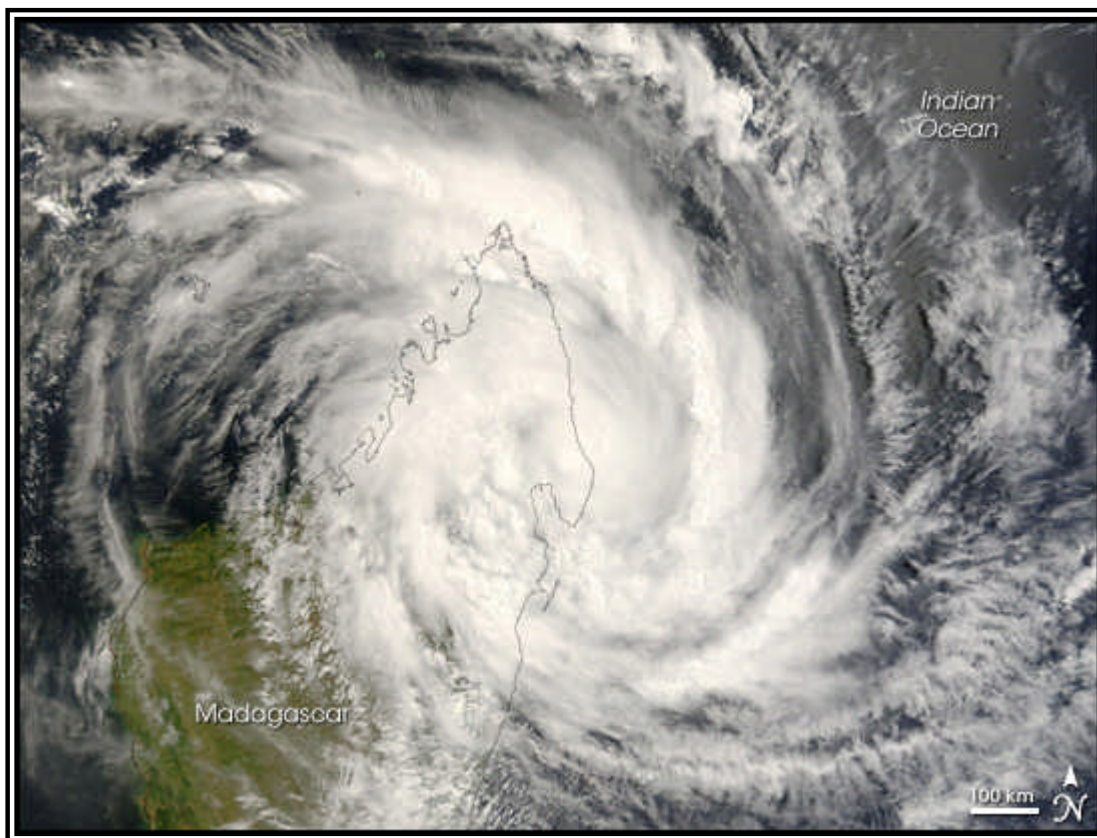


Cyclone Indlala

Source: NASA MODIS Web

Cyclone Indlala came ashore on the island of Madagascar on March 15, 2007, as a Category 3 storm, according to data provided by the Joint Typhoon Warning Center. The storm was the country's sixth hit of the 2006-2007 storm season. This image from the Moderate Resolution Imaging Spectroradiometer (MODIS) on NASA's Terra satellite shows Indlala draped over the northern part of the island. Bands of swirling clouds spiral around the eye of the storm.

According to Reuters AlertNet news service, Madagascar's emergency response resources were taxed to their limit in early March 2007 as a result of extensive flooding in the North, drought and food shortages in the South, and three previous hits from cyclones in the preceding few months: Bondo in December 2006, Clovis in January 2007, and Gamede in February. The arrival of Indlala interrupted emergency relief efforts and worsened an already difficult situation.



New Jersey Office:
6 Fireside Drive
Colts Neck, New Jersey 07722 - USA

Champon Vanilla, Inc.
4521 PGA Blvd. - 382
Palm Beach Gardens, Florida 33418 - USA
Phone – 561.741.1325
Fax – 561.277.2526
E-Mail – m-p-c@vanillabean.com
Web Address – www.vanillabean.com

Members of:
Institute of Food Technologists
IFEAT
Certified Organic Handler by:
Oregon Tilth

GNEV REPORT (April, 2007)
Estimation of the Production of Vanilla
After the Passage of 2 Cyclones, Indlala and Jaya, for the 2007/2008 Crop

For the coming 2007/2008 crop, it had been foreseen by the professionals, before Cyclone INDLALA, a tonnage similar to the production of the past 2006/2007 crop, which was estimated at 1,500/1,600 tons of cured exportable vanilla.

- A) After cyclone INDLALA of March 14-15, 2007, the initial estimates of the GNEV were as follows:
- Production from the district of Antalaha 200/250 tons of exportable vanilla. From the district of Maroantsetra, estimated between 100/150 tons.
 - The total production from these the 2 districts of Antalaha, touched by cyclone INDLALA, is therefore 300/400 tons.
 - We had at first estimated 80% of the crop destroyed and the same percentage for the district of Maoroantsetra,
 - Estimated total 250/350 tons of vanilla beans destroyed by Indlala.
 - From the preceding, if the initial Malgache production for the coming crop was foreseen as 1,500/1,600 tons before the cyclone from which we deduct 250/350 tons of vanilla destroyed, the production of vanilla Malgache for the 2007/2008 crop could be estimated after the cyclone INDLALA at 1250/1300 tons.

But this was an initial estimate which had to be studied in depth after further study.

- B) Second estimate of production, after further study of the damage after cyclone INDLALA:
- Antalaha: 80% destroyed This estimate maintained
 - Maroantsetra: 20% destroyed Revised figure
 - Mananara-North: 20% destroyed New estimate

Therefore, in terms of tonnage, the damage by Indlala could be evaluated as follows:

- Antalaha: 200/250 tons exportable, less 80% = 160/200 tons.
- Maroantsetra: 100/150 tons exportable, less 20% = 20/30 tons.
- Mananara-North: 80/100 t exportable vb at 20% = 16/20 tons.

Or, a total of destroyed tonnage of : 200/250 tons of exportable vanilla. Which would result in a total Malagasy production of approximately 1,300/1,350 tons, after Indlala.

- C) Estimated production of vanilla after cyclone Jaya of April 02, 2007:
- Jaya made landfall between the district of Antalaha and Sambava. This cyclone did not have too much impact on the 20% remaining of the Antalaha district production. It unfortunately entered at the rural area of Farahalana and followed the Lokoho river valley all the way to Ambodiampana. This valley is estimated to produce 350 tons of exportable vanilla. The destruction caused by Jaya on the production in the valley can be reasonably estimated at 20%, approximately 70 tons of exportable vanilla.

CONCLUSION

- a) From what precedes, the 2 cyclones, one after the other, Indlala and Jaya caused a loss of 270/320 tons of vanilla from the original estimate of 1,500/1,600 tons.

If we estimate an average price paid to the farmer of 30,000 Ariary this equates to a loss of 8/9 billion Ariary, or if the export price is US\$20.00/kg, this would represent a loss of sales of approximately US\$6,900,000. 00 (or at US\$18.00/Kg = US\$ 5,400,000).

- b) The production of Malagasy vanilla can reasonably be estimated at 1,200/1,300 tons of exportable vanilla for the SAVA region, Analajirofo and Diana.

For the GNEV

Jeannot Ranjanoro
President

Vanilla Imports/Exports & Market Update
August, 2007

- Attached herewith are the most recent US Vanilla Import/Export statistics (January - June, 2007), as received from the US Census Bureau.
- Based on the current statistics, the projected totals for 2007 are:
 - **IMPORTS** - Approximately 1,109MT from all origins, thus far. At this pace, the US will import approximately 2,218MT for 2007.
 - **EXPORTS** - Approximately 69MT, thus far. At this pace, the US will export approximately 138MT.
 - **PROJECTED 2007 USA NET TOTAL IMPORTS** - Approximately 2,080MT.
- **MADAGASCAR VANILLA MARKET** - The information we are receiving from Madagascar indicates that the price of "Vrac" (semi-cured) vanilla has increased. We are told that the vrac vanilla requires an additional 50-55% of drying/curing after being purchased from the collectors. The value of the weight that is lost during the drying/curing stage will be added to the cost/export price of the cured vanilla beans, together with the additional expenses for sorting, bundling, packaging, profit, etc. Reports from Madagascar advise that there had been quite a bit of rain during July, which made the sun drying process difficult. Thus, it remains to be seen just how much this may affect the overall quality of exportable vanilla from the new crop. At this time, it seems that FOB prices for the new 2007/08 crop will be somewhat higher than the lows seen during the 2006/07 crop. Global supply, which includes carryover stock and new crop, should be sufficient for the increased global demand.
- **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 1.8% VC, 18-22% MC.
 - **Bourbon Grade 2** - Min avg 1.6% VC, 16-19% MC.
 - **Bourbon Cuts** - Min avg 1.0% VC, 12% MC.

We look forward to hearing from you.

Vanilla Imports/Exports & Market Update
September, 2007

1. Attached herewith are the most recent US Vanilla Import/Export statistics (January - July, 2007), as received from the US Census Bureau.
2. Based on the current statistics, the projected totals for 2007 are:
 - **IMPORTS** - Approximately 1,288MT from all origins, thus far. At this pace, the US will import approximately 2,208MT for 2007.
 - **EXPORTS** - Approximately 85MT, thus far. At this pace, the US will export approximately 146MT for 2007.
 - **PROJECTED 2007 USA NET TOTAL IMPORTS** - Approximately 2,062MT.
3. **MADAGASCAR VANILLA MARKET** - Sources in Madagascar tell us that the prices for vrac (partially cured vanilla) have increased some since our last update in August. Local buying in Madagascar remains active.
4. **INDIAN VANILLA MARKET** - The picking of green vanilla beans should commence soon. Sources in India advise that the crop is expected to be somewhat smaller in quantity than the previous crop. Lower market prices and less global demand have discouraged some Indian vanilla farmers. Consequently, these same farmers have either neglected their vines, or removed them completely and replaced them with other agriculture products like coffee, pepper, etc.
5. **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 1.8% VC, 18-22% MC (spot).
 - **Bourbon Grade 2** - Min avg 1.6% VC, 16-19% MC (spot).
 - **Bourbon Cuts** - Min avg 1.0% VC, 11-15% MC (spot).
 - **Ugandan Vanilla (Organic)** - Min avg 1.8% VC, 18-22% MC (shipment).
 - **Indian Vanilla** - Min avg 1.8VC, 18-22% MC.

We look forward to hearing from you.

Michael P. Champon
Champon Vanilla, Inc.

Vanilla Imports/Exports & Market Update
October, 2007

1. Attached herewith are the most recent US Vanilla Import/Export statistics (January - August, 2007), as received from the US Census Bureau.
2. Based on the current statistics, the projected totals for 2007 are:
 - **IMPORTS** - Approximately 1,553MT from all origins, thus far. At this pace, the US will import approximately 2,330MT for 2007.
 - **EXPORTS** - Approximately 87MT, thus far. At this pace, the US will export approximately 131MT for 2007.
 - **PROJECTED 2007 USA NET TOTAL IMPORTS** - Approximately 2,199MT.
3. **MADAGASCAR VANILLA MARKET** - Vrac prices seem to have peaked since our last update a month ago. However, sources in Madagascar advise that recent exports from Madagascar were made at somewhat higher prices than the same time last year. A continually weakening US dollar is contributing to this price increase. A weaker dollar translates into higher export prices, as the exporter must receive more US dollars to obtain the same value in his local currency.
4. **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 1.8% VC, 18-22% MC (spot).
 - **Bourbon Grade 2** - Min avg 1.6% VC, 16-19% MC (spot).
 - **Bourbon Cuts** - Min avg 1.0% VC, 12% MC (spot).
 - **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
Champon Vanilla, Inc.

Vanilla Imports/Exports & Market Update
November, 2007

1. Based on the current import/export statistics (Jan-Sept, 2007), the projected year-end totals for 2007 are:
 - **IMPORTS** - Approximately 1,694MT from all origins, thus far. At this pace, the US will import approximately 2,259MT for 2007.
 - **EXPORTS** - Approximately 91MT, thus far. At this pace, the US will export approximately 121MT for 2007.
 - **PROJECTED 2007 USA NET TOTAL IMPORTS** - Approximately 2,138MT.
2. **US DOLLAR** – The US dollar continues to weaken globally against most foreign currencies, including the Malagasy Ariary. There has been talk in the media that the US dollar could eventually be replaced as the world reserve currency. This remains to be seen. Nevertheless, such talk points to a further declining US dollar. Consequently, the price of goods purchased in foreign countries with US dollars should increase because the local exporters must raise their prices to compensate for the US dollar's devaluating tendency when they convert their US dollars into their local currency.
3. **MADAGASCAR VANILLA MARKET** - A few weeks ago, prior to our recent 3 week trip to Europe, we received reports from Madagascar that the new flowering (2008/09 crop) was better than expected, indicating a larger than anticipated 2008/09 crop. Now, upon our return home, we are hearing that the flowering may not be as large as last reported. Based on this uncertainty, it may be a little too early to make any accurate predictions for the 2008/09 crop. Meanwhile, we continue to receive reports that the quality of the vanilla from the current 2007/08 crop looks good.
4. **GLOBAL SUPPLY/DEMAND** – Looking at the import/export statistics for the USA, it appears that there is a large stock/inventory that rests in the USA (we also hear there is quite a bit of inventory in Europe as well). While most agree that vanilla bean consumption has increased from its low point, it's highly unlikely that consumption has increased to such high levels matching the current import statistics. Therefore, when you consider the seemingly large stocks in and out of Madagascar, the vanilla currently available/unsold in other producing sources, and the coming 2008 crops from all vanilla producing sources, it seems that global supply still exceeds global demand. In summary, if the aforementioned analysis is correct, then prices should remain fairly steady, with no significant price swings in either direction, for the immediate foreseeable future (barring any unforeseen natural disasters, sudden significant increase in demand/purchasing, or heavy speculation).
5. **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 1.8%VC, 18-22%MC (spot).
 - **Bourbon Grade 2** - Min avg 1.6%VC, 16-19%MC (spot).
 - **Bourbon Cuts** - Min avg 1.0%VC, 12%MC (spot).
 - **Ugandan Vanilla (Organic)** - Min 1.8%VC, 18-22%MC (shipment).
 - **Indian Vanilla** - Min 1.8VC, 18-22%MC.

We look forward to hearing from you.

Michael P. Champon

Champon Vanilla, Inc.

Vanilla Imports/Exports & Market Update
December, 2007

- Based on the current import/export statistics (Jan-Oct, 2007), the projected year-end totals for 2007 are:
 - **IMPORTS** - Approximately 1,917MT from all origins, thus far. At this pace, the US will import approximately 2,300MT for 2007.
 - **EXPORTS** - Approximately 104MT, thus far. At this pace, the US will export approximately 125MT for 2007.
 - **PROJECTED 2007 USA TOTAL NET IMPORTS** - Approximately 2,175MT.
- **US DOLLAR** – The US dollar has strengthened a bit over the past week or so. Nevertheless, some economists feel that this gain is temporary and that the long term trend will probably continue downward/weaken.
- **MADAGASCAR VANILLA MARKET** – We are told by sources in Madagascar that the weather has been dry and hot. There has been little to no rain for 4-5 weeks. Local buying and exports have been relatively calm recently. This calmness follows an active period for exports, as we were advised that many containers were exported during Oct/Nov.
- **INDONESIA** – There doesn't appear to be any problem obtaining conventional vanilla beans. However, based on the limited offers we are receiving, the supply of organic vanilla does not seem as plentiful. Nevertheless, we can offer approximately 5MT of Certified Organic Vanilla for prompt shipment.
- **USA IMPORTS** – USA imports continue their strong pace. The last time we saw imports at the 2,000+MT level was in 1997. It seems logical to assume that there is a lot of inventory being stocked here.
- **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 1.8% VC, 18-22% MC (afloat).
 - **Bourbon Grade 2** - Min avg 1.6% VC, 16-19% MC (afloat).
 - **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

Champon Vanilla, Inc.

Merry Christmas & Happy New Year 2008 !