



Flavor & Fragrance Ingredients  
Specializing in Vanilla Products

Telephone – 561 741 1325  
Fax – 561 741 1326  
E-Mail – mc@vanillabean.com  
Web address – www.vanillabean.com

## **Vanilla Market Update - August, 2003**

### **Madagascar**

The official picking date for the 2003 crop was scheduled to begin on July 15<sup>th</sup>. However, most, if not all, of the crop was already picked before that date. Some exporters expressed a concern that the quality from the 2003 crop could be inferior because of the early picking.

Reports from Madagascar, during the month of August, advised that the buying activity for vrac vanilla increased and the lot sizes being purchased were relatively small. Subsequently, vrac prices increased from approximately 1.2million FMG/Kg to over 1.8million FMG/Kg today. Some people in Madagascar feel that the vrac prices will soon reach, possibly surpass, 2millionFMG/Kg. Initially, the quality of the vrac vanilla being offered was poor and the weight loss (desiccation) was over 50%. Lately, we hear that the quality of the vrac has improved and the weight loss (desiccation) is now approximately 30%+. Some buyers are waiting until the beginning of September for the official vrac campaign to begin, as they expect better qualities and less moisture. If the market continues to advance, some exporters feel that prices could reach, even cross, \$500/Kg.

We received reports from Madagascar during July that flowers were already being seen on the vines. This is unusually early. Assuming this is correct, the processing and exporting of the 2004 crop could be approximately 2 months ahead of normal schedule. This news, coupled with the expected large crop size for 2004, should help reduce prices during 3<sup>rd</sup> or 4<sup>th</sup> quarter 2004.

### **Indonesia**

For the past few months, offers for Indonesian vanilla have been scarce. However, we have been receiving offers for PNG vanilla from Indonesia. Apparently, Indonesian exporters have been buying vanilla in PNG and exporting it from Indonesia. It is said that the Indonesians were paying high prices in PNG to obtain the vanilla.

### **India**

None of the exporters we are in contact with have any stock to offer. Nevertheless, the Indian exporters are actively following the Madagascar market in preparation for their new crop.

**PNG**

We continue to receive many offers from PNG and their prices have been relatively stable and reasonable over the past month. The drier extract quality we have seen has been acceptable, but very limited compared to the quantity of gourmet quality they produce. It would be good if PNG produced more Planifolia extract grade vanilla, as there is more of a demand for this quality. It seems that many PNG people are obtaining an export license to export vanilla. However, few actually have stock and even fewer can execute what they offer.

**USA Vanilla Imports**

The most recent import statistics (Jan-June, 2003) show that the USA imported a total of 901MT of vanilla beans from all sources. Madagascar leads the imports with 656MT, Indonesia is 2<sup>nd</sup> with 175MT and the Comores is a distant 3<sup>rd</sup> with 21MT. Imports look pretty strong for the 1<sup>st</sup> half of 2003. How much will they taper off during the 2<sup>nd</sup> half? Exports of vanilla beans from the USA from Jan through June are approximately 70MT.

**Availability / Offers**

If you have need for vanilla, please contact us for availability and prices. When the goods are available, we can usually deliver directly from source within 2-3 weeks.

We look forward to your comments, questions and inquiries.

Champon Vanilla, Inc.