



Vanipro

Vanipro, a true passion for Vanilla

Vanipro has been involved for decades in processing and exporting thousands of tons of vanilla beans mainly coming from Madagascar. Vanilla represents an essential raw material in the flavors and fragrances economy and must be treated carefully. Therefore, Vanipro has been leading an efficient strategy for many years to ensure the respect of local environments and promote ethical behaviors among the 80.000 farmers involved in this activity. The vanilla exports represent an impact on the SAVA population's quality of life. Those farmers and curers, with a unique know how, must transmit their knowledge from a generation to the next one. We focus our commitments on sourcing the most qualitative and competitive products while maintaining a respectful work process.

From the field to the end users, with passion!



New Team

For some years now Vanipro became one of the leading companies in the vanilla industry.

Because markets, volumes, norms, requirements, needs are constantly evolving, it is good time for us to offer ourselves a human and financial reorganization.

For this reason Jean-François Savin is joining the board team of the company.

With a financial background and a strong management experience Jean-François will be in charge of the diversification and development of the group. A new challenge to realize all Vanipro's ambitions.

2011 is the year for new projects, new dynamics with a proactive spirit.

VANIPRO, objectives 2011

Innovative and effective actions are set:

- **BOURBON ETHICS:** A new label has been created providing the best qualities of mature vanillas and ensuring a direct link with the farmers. In order to develop ethical behaviors « Bourbon Ethics » will also ensure better income to local green beans growers.
- **HELP MADA:** Vanipro partnered with Help Mada (see page 3), an NGO developing different programs in children education, environment and health, three axes important for us. We also support another association, CALA, with a specific program dedicated in building new classrooms and a new canteen.
- **USA:** A new logistic and storage facility in New Jersey in order to provide better service and flexibility to our US clients. The warehouse is certified and temperature controlled.



Flash market update

Madagascar

2011 crop size was expected to be lower than 2009 and 2010. The storm Bingiza that hit the east coast last February affected the south Sava area with no major impact on the crop size. The last survey reflects that Madagascar will offer almost the same volume than last year. Farmers have for sure other priorities than vanilla, mainly due to the low revenues. Coffee, cocoa, rice, cloves (+100%) and pepper prices all increased and are being attractive for the producers and collectors.

Due to the late flowering (November and December 2010) and in order to have mature beans, the harvest should have started mid July or August. Unfortunately it is not the case, the harvest started mid June and the « vrac » local sales will start mid July. Two major consequences can be foreseen: lower yield from green beans to cured (could affect the crop size predictions) and an average lower vanillin content with a larger proportion of Grade 2 and 3. Other issues impacting the quality are the vacuum packing of wet beans and improper curing. Like 2010 we will not expect a « grand cru » this year.



India – Uganda – Indonesia

Called the « alternative » origins for Planifolia vanilla, they are all facing a decrease of production. Lately Madagascar has been more competitive; farmers have been really discouraged by their low revenues. Unfortunately the quality followed the quantity trend... The USA imported all Indonesian vanilla with a large percentage of EP and the majority of the Ugandan/Indian crops.

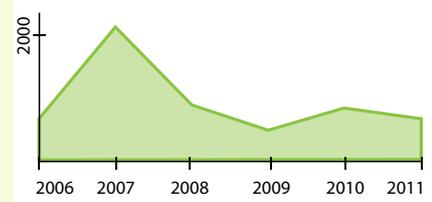
Papua New Guinea

The Planifolia production decreased over last three years and PNG is now producing mainly Tahitensis. The production is stable and Europe imports a large portion of the crop for the Gourmet market.

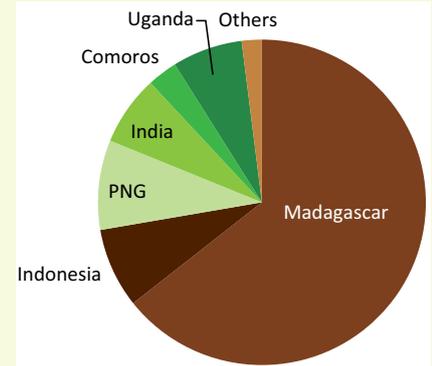
Globally the problem remains unchanged: low local profitability has an impact on crop sizes and on quality. We will be happy to provide you more detailed information when needed: trade@vanipro.com.

Key figures

Crop Size - Madagascar (M/T)



Vanilla production - Worldwide



CYCLONE BINGIZA



Storm impact: loss of around 600M/T of green vanilla beans (100-120M/T cured).



Sustainable development

Help Mada

Help Madagascar is a non-governmental organization (NGO) created with the spirit to help the vanilla farmers in Madagascar and improve their daily life through social actions and voluntary help.

HELP MADA



Interview of Sabrina Albert, President of Help Mada.

Help Mada ?

« Help Mada is the result of the experience of two people strongly involved in the vanilla field: Marcello Aciri and myself. We both began organizing sustainable actions separately, but Vanipro has focused on health and education sectors. From my side, I began my actions in 2000 with my family and friends by donating school furniture in far and poor rural areas.

In 2008, after the birth of my first child in Madagascar, I decided to go one step further and contacted Vanipro to develop a common project. We were able to increase children presence at school with a « vary (rice) and school » program. We are providing rice all over the year to all pupils. Parents are now bringing more and more their kids at school who are now regularly attend at classes and we saw the child labor strongly decreasing. The organization is composed of 20 people and 5 board members. I'm very proud to be the president of Help Mada and to lead effective operations to improve the quality standards of life in Madagascar ».



Your objectives for Help Mada in 2011?

« Our next actions are focused on three main topics :

- Health: we plan to build new medical centers to provide first aid and medicine for people leaving in the bush. This centers will also be used as a place for prevention.

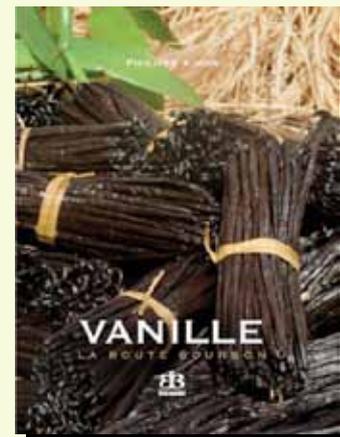
- Environment: we are working on the construction of a shaft to get access to drinking water.

- Education: we will continue our work on « the vary and school » program completing it with the distribution of school supplies and

furniture. We will concentrate our action in other villages and will develop on the long term to the SAVA region.

We are looking forward to get new funds in order to launch new projects and continue our daily actions ».

Art & Sustainability



Vanipro is very proud to have financed and promoted the book « VANILLE, La Route Bourbon ». All profits from its sale are donated to the two NGO, Help Mada & Cala. Obtainable on www.amazon.fr and an English version will be soon available.

Vanille la route Bourbon

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Focus SMI (Vanipro Group)

The company **Société Marseillaise d'Importation (SMI)** is specialized since 1941 in the trading of tropical products.

Vanipro took over SMI in 2006 along its vanilla experience to reinforce its leadership on the importing market field.

Focused at the beginning on Cassava roots and crabs from Madagascar, SMI has extended its activity to offer nowadays a wide range of exquisite products coming out from Madagascar like Cinnamon, Cloves, Black Pepper, Green Pepper, Pink Pepper, Raffia and Nutmegs; but also specialized products like Cinnamon Seychelles, Cassia from Indonesia and Cloves from Sri Lanka.

SMI is a leading company in Raffia (raw and processed) and is now developing its activities in Cocoa and High Quality green Coffee, both from the North West of Madagascar.



Sourcing local natural products:

Brazil: Cloves, Pink Pepper

Seychelles: Cinnamon

Indonesia: Cassia, White Pepper

Madagascar: Black Pepper, Cloves CG3 and HP, Cinnamon,

Raffia, Green Pepper, Pink Pepper

Sri Lanka & Comoros: Cloves



Local investment

ORGANIC

Vanipro was one of the first to be organic certified for Vanilla beans coming out of Madagascar. Getting involved into environment and quality Vanipro is offering Organic NOP vanillas that have been certified by Ecocert, Lacon and the United States Department Of Agriculture (USDA). Audits are made annually and do certify that all products labeled as organic meet strictly defined standards.

To reinforce our commitment we work closely with Ecocert & Lacon, test soils, organize and train farmers and develop traceability systems.

FAIR TRADE

Vanipro is FAIR TRADE certified by FLOCERT after many years of hard work in Madagascar to set farmers' associations.

Offering Fair Trade vanilla is the beginning of sustainability but not enough to sustain the farmers, reason why Vanipro is being more and more involved in sustainability and social local programs in Madagascar:

- 2005 & 2006 we sponsored the book « Une fenêtre sur un peuple » that financed food programs.

- 2008 & 2009 we sponsored several NGOs for farmers' children's health.