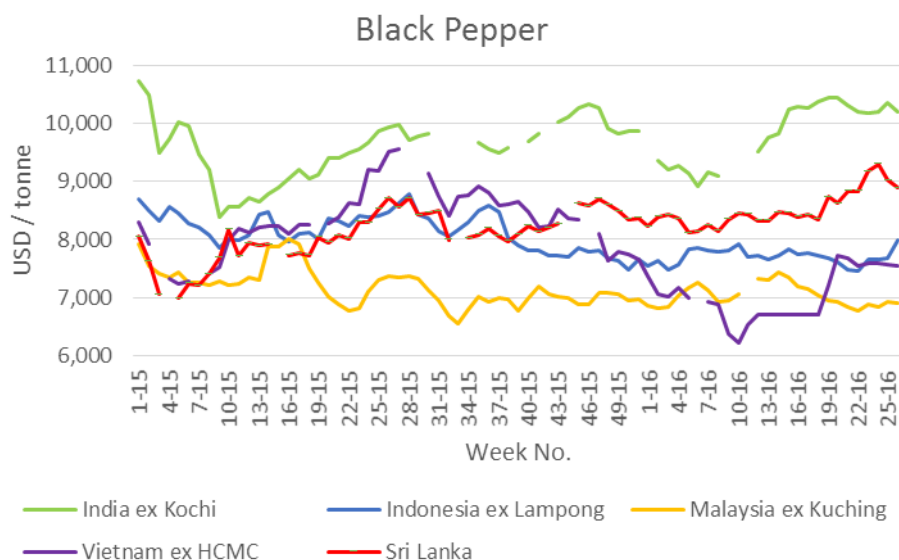


Market Dynamics

Pepper – Prices have stabilised. Vietnamese prices are weakening slightly – there is concern over quality in some quarters but it is not clear that this is quite justified.

The IPC have reported producer prices as follows:

(Indicative prices as received by growers. Based on information received from regional reporters)



Source: IPC Weekly Prices Bulletin data

Garlic – Prices edging ever further upwards. Underlying issues with low carry-over stocks, reduced yield expectations and issues in processing the crop to standards have all attracted the speculators into the market and prices moves have been amplified.

Ginger – Quiet days with low demand and limited movement in price.

Mustard – A Substantial increase in the Canadian acreage has been reported. So far the forecast for yields is good too, and we are on track for a big outturn, but until the crop is in the bag things can change.

Pimento – Seems to be a good crop and prices drift on downwards.

Vanilla – No substantive change in the market or sentiment here. Prices are still floating up in the stratosphere and show no signs of coming back to earth just yet not least while commentators point to low stocks in Europe. That there will be an adjustment is accepted but when and how hard the fall remains to be seen.