
July 2018 Market Report

ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

Supplies are still very tight and the price is still rising month-on-month. We are not anticipating any improvement in the short term as there will be no new material available until the end of the year.

Buchu Oil

The situation is critical; with the ongoing drought and wild fires in the production areas there is little or no oil being offered from origin. The situation is not expected to improve this year.

Chamomile Oil Roman

In the UK the new crop started well thanks to the cold spring and warm start to the summer. This led to good coverage, however recent high temperatures and lack of rain have stunted the growth of the plants and the harvest has started earlier than anticipated. Flooding in Europe will affect the yield there too. The expectation is that the crop is going to be down significantly this year.



Clove Leaf Oil Indonesian

The price for clove leaf oil is rising steadily; the rainfall has been higher than normal and the dry season is expected to be short. The current trend is expected to continue for the remainder of 2018.

Eucalyptus Oil Globulus

There is still a low availability of oil at origin and prices remain high; with the heavy rains and limited labour, collection of the leaves is difficult. If no new oil is available, factories will hold back stocks to push the price up.

Grapefruit Oil

The supply situation remains critical with very little material available.

Lemongrass Oil Indian

The crop has benefited from early rainfall; there is biomass available for distillation and processing is underway. The market remains firm as there is still a lot of pressure on the available stocks due to ongoing strong demand for sources of natural citral.

Lemon Oil Argentina

The new crop is reported to be a regular one as expected however there are still mixed prices coming out of Argentina. With much of the fresh fruit market being supplied to the USA there may be some additional pressures on stocks in the coming months.

Lavender Oil Bulgarian

We are now mid-way through the lavender campaign but reports so far are that a very poor crop is expected due ongoing heavy rainfall. The crop may be down as much as 50% on last year.



Litsea Cubeba Oil/Citral EU Natural

The price of both litsea cubeba oil and citral natural have remained high in previous months, with some producers now reducing their offers slightly in anticipation of new oil coming into the market in August. Currently the new crop is looking improved on last year, however heavy rains in the production region are likely to have an impact. We expect to have more news in the next couple of weeks.

Orange Oil/d-Limonene

Early reports from Brazil are that the crop is expected to be down on last year; a prolonged drought since May has meant that the fruit size is likely to be reduced and there is an increased risk of severe greening.

Peppermint Oil Indian/Menthol Crystals

The mint market is extremely volatile in spite of the expectation of a good crop. Once the harvest completed there was huge demand which pushed prices up substantially almost overnight. Stocks are being held by speculators to drive up the price further. Although the situation is unclear, the market is expected to stabilise over the next few months.

Rose Oil

The new crop from Bulgaria was very good and this has led to a substantial drop in prices for new oil compared to the previous crop, in spite of low carryover from 2017. The production from Turkey is expected to be similar to 2017 and, with good carryover, the prices are also expected to decrease.

Tea Tree Oil Australian

The new crop is expected to be complete by the end of August. This year the trees are doing well; those affected by last year's flood have largely survived unscathed and total oil availability is expected to be up 5% on last year. Price is still high but not expected to increase further.

AROMA CHEMICALS

Citral and Isoprenol derivatives

On 02/07/2018 BASF announced the lifting of force majeure for key vitamin A and E products for its animal nutrition business, however the aroma ingredients/citral and isoprenol-based aroma ingredients will remain under force majeure until Q4 of 2018.



Furaneol Synthetic

Due to production issues with one of the main producers in China, material is in short supply and prices have increased in recent weeks. Due to the backlog of shipments material will more than likely remain tight into 2019.

Levulinic Acid

The starting material is still in short supply so levulinic acid remains difficult. Some material is available but lead times are long and prices remain high.

Maltol/Ethyl Maltol

Maltol synthetic prices remain high as production is still very limited. A new factory has started producing ethyl maltol which has led several existing producers to drop their prices to put pressure on the new producer. Maltol EU Natural is still in global shortage, however some factories have started up small-scale production. Limited material is available and prices are extremely high.

Talk to us

Should you have any questions regarding the materials we have discussed in this report, or indeed if you just fancy a chat, we're always pleased to hear from you. You can contact us in the following ways:

United Kingdom

Sally Gill
Skype: sally.gill.dmt

sally.gill@demonchyaromatics.com
Tel: +44 (0) 203 1708 354

Philippe Caumont
Skype: philippe.caumont.dmt

philippe.caumont@demonchyaromatics.com
Tel: +44 (0) 203 1708 353

Alexandra Kelly
Skype: alexandra.kelly.dma

alexandra.kelly@demonchyaromatics.com
Tel: +44 (0) 1202 620888

Ben Dawson
Skype: ben.dawson.dma

ben.dawson@demonchyaromatics.com
Tel: +44 (0) 1202 620888

Asia

Kris Yao
Skype: kris.yao.dmc

kris.yao@demonchy.cn
Tel: +86 (0) 21 6289 7588

Eastern Europe

Marek Bogucki
Skype: marek.bogucki.dma

marek.bogucki@demonchyaromatics.com
Tel: +48 883 262 853