
March 2019 Market Report

ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

The price increased rapidly at the end of 2018 as the crop suffered damage from adverse weather conditions. Much of the crop was bought at high cost for medicinal purposes so the volumes available for processing were low. Pricing has stayed relatively stable at the high level since and is not expected to come down in the short term.

Buchu Oil

The harvest is underway, initial weather conditions have meant that the yields were below expectation so the overall production may be lower than hoped. Overall figures for 2019 will be clearer within the next month; current prices are inflated to an unsustainable level while this remains unclear.



Clove Oil Indonesian

The price has moved up recently; as the production stopped during the rainy season demand has been increasing locally.

Davana Oil

Pricing dropped to historically low levels in 2018; the new crop which has just started is expected to be short as the cultivation area has been reduced in order to push the price back up. The situation will become clearer within the next month.

Eucalyptus Oil Globulus

The price has been increasing steadily in the last few months from a relatively low level at the end of 2018. The low stocks of crude oil collected throughout February due to the New Year holiday have pushed the price up further.

Lemongrass Oil Indian

The market has eased recently; the influx of synthetic citral has reduced pressure on



other natural sources. The most recent harvest also yielded improved figures compared to the previous one, which suffered crop damage. Although pricing is still historically high, it is not expected to come down from the current level as production costs in India are increasing year-on-year.

Litsea cubeba Oil/Citral EU Natural

Pricing has been stable since the end of 2018 with small fluctuations due to exchange rates. No major changes are expected until the next crop in August/September.

Mandarin Oil Red Italian

Production is currently underway and is expected to finish in 2-3 weeks. The high winds during the summer caused the flowers to be destroyed, subsequently the crop is expected to be down 40%.

Orange Oil/d-Limonene

The gap between orange oil and d-limonene

remains large, however orange oil prices have dropped recently.

Peppermint Oil Indian/Menthol Crystals

The market remains tight for both Piperita and Arvensis; as there is little competition outside of India there is no pressure for the producers to reduce their prices. No relief is expected prior to the new crop in the summer. Menthol EU natural has eased slightly due to BASF resuming production of synthetic menthol, however this has not provided much relief and speculators are holding onto stocks in order to push prices back up.

Tea Tree Oil Australian

Prices are currently stable, however there is currently a drought in the NSW region. Harvesting will begin in April so the yields will depend on the weather conditions over the next couple of months. We may see prices start to rise from this point.



AROMA CHEMICALS

2-acetylpyrazine

We saw a drop in pricing at the start of this year; the main factories increased their production prior to CNY and each dropped their prices in order to compete.

Cis-3-hexenol and cis-3-hexenyl acetate

An unexpected production shut down from one of the main factories at the end of January has had a catastrophic effect on an already unstable market. Pricing increased dramatically overnight and it is currently unclear when the situation will ease.

Citral and Isoprenol Derivatives

More citral derivatives are coming onto the market but volumes are still fairly restricted and in most cases prices have not yet come down to the previous level. The production of some materials has not yet restarted however, including ethyl linalool, linalyl acetate and geranyl butyrate.



Delta Lactones

Production of delta lactones is under pressure due to a shortage of cyclopentanone which is the main precursor.

Furaneol and derivatives

Material is still extremely short while production volumes are limited; any material available is being offered at a substantial premium. Ethyl furanone volumes are also restricted as some factories have diverted their production to focus purely on furaneol.

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:

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