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# July 2019 Market Report

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## ESSENTIAL OILS AND EXTRACTS

### Aniseed Oil China Star

Stocks are low while we await the next crop in August/September. Prices are expected to continue to move upwards at least in the short term.

### Buchu Oil

The crop has finished and was far below expectations, with demand being so high all of the oil has been sold. Any small volumes that are available are being offered at a premium.

### Coriander Oil Russian

We are currently in the flowering part of the crop cycle and harvesting will take place mid-July to mid-August. There was a lack of rain during spring which has inhibited plant growth. The situation will be clearer in the next month or so.



### Davana Oil

Prices at origin have increased almost 25% since the start of the year; the cultivation area was reduced for this year and hence the crop is down compared to 2018. Prices are expected to continue to rise until the next crop in March 2020

### Eucalyptus Oil Globulus

Global demand is weak and prices have eased since the start of the year. The current market price is at a particularly low point when compared to 2018, although historically still very high. The expectation is for an increase over the coming months when demand picks up.

### Lemon Oil Argentina

The 2019 crop is up 25% on last year; as there is also carryover stock from 2018 oil prices have fallen further. This may change at any moment depending on the activity of the large cola manufacturers.

### Lemongrass Oil Indian

Prices have eased recently, due to good availability of oil. Greater volumes of synthetic citral coming onto the market has also taken



the pressure off sources of natural citral. We are now in monsoon season where no production will take place so prices are expected to move back up.

#### Orange Oil/d-Limonene

The market remains unstable with terpenes pricing continuing to fall; a substantial drop in demand at the start of this year lead to a large surplus of stock at origin. Orange oil has eased along with the terpenes and with the expectation of a good crop from both Brazil and Florida prices may come down further.

#### Peppermint Oil Indian

The Piperita crop has now finished and yielded reasonable figures and as a result the market is currently stable. For Arvensis: a very good crop is expected but it is taking time for the situation to improve at origin. Currently no natural menthol is being produced and this is delaying oil production.

Prices are finally expected to ease in July-August. With synthetic menthol now available from BASF this has taken pressure off supply for natural material.

#### Rose Oil Bulgarian

The rose campaign has just finished and is down 40-50% compared to last year; cold weather and excess rain during spring caused substantial damage to the flowers. The low temperatures also meant that the oil was concentrated in the roots and not the petals, so the yield for the flowers processed is down 30%.

#### Tea Tree Oil Australian

At the start of this year growth of the trees was stunted due to a long drought. The situation has deteriorated further with a major frost hitting the region in early June. Harvesting has not yet begun, however the recent issues have lead to a further price jump for the early part of the season.



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## AROMA CHEMICALS

### 2,3,5-Trimethylpyrazine EU Natural

We have not seen a significant increase in prices but availability is expected to be tight for the next few months as production is restricted during the summer.

### Cis-3-hexenol and derivatives

The market is still extremely short as one of the main factories has not yet restarted production. Limited volumes are being produced and prices are extremely high. It is not yet clear when the situation will improve.

### Butyric Acid and derivatives

Availability is tight for these materials; one of the main producers is currently unable to meet the production requirement outlined by the EPA. To make matters worse any material produced is under tight controls due to the explosion in Yancheng,

### Furaneol and Derivatives

Greater volumes are becoming available however production is still not at full capacity. Prices for new volumes are expected to remain high for this year due to the backlog of commitments during the force majeure.

### Levulinic Acid

Production is now restricted to only one factory with the smaller producers being shut down by the EPA due to high pollution levels. Production is limited so any material that is available is being offered with long lead times.



### Maltol/Ethyl Maltol

Prices for both have eased recently, more significantly for Ethyl Maltol as a new producer has entered the market which has driven prices down.

### Methyl Cyclopentenolone

Prices have jumped up recently and availability is limited due to supply issues at origin.

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# Talk to us

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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 [sally.gill@demonchyaromatics.com](mailto:sally.gill@demonchyaromatics.com)  
Tel: +44 (0)1202 620888

Henry Gill [henry.gill@demonchyaromatics.com](mailto:henry.gill@demonchyaromatics.com)  
Tel: +44 (0)1202 620888

Ben Dawson [ben.dawson@demonchyaromatics.com](mailto:ben.dawson@demonchyaromatics.com)  
Tel: +44 (0)1202 620888

## Eastern Europe & Russia

Marek Bogucki [marek.bogucki@demonchyaromatics.com](mailto:marek.bogucki@demonchyaromatics.com)  
Tel: +48 883 262 853

## EMEA

Alvaro Manuel [alvaro.manuel@demonchyaromatics.com](mailto:alvaro.manuel@demonchyaromatics.com)

## Asia

Kris Yao [kris.yao@demonchy.cn](mailto:kris.yao@demonchy.cn)  
Tel: +86 (0) 21 6289 7588