
September 2020 Market Report

ESSENTIAL OILS AND EXTRACTS

Buchu Oil

The market remains extremely short with very little production taking place. We do not expect much to change before the next crop in early 2021.

Chamomile Oil Roman

The UK crop has now finished and, in spite of the drought conditions experienced May-July, the yields are only slightly below average.

Davana Oil

The 2020 crop was down over 60%. This, coupled with no carryover from the previous crop, has led to prices increasing considerably from the lows of last year, with high davanone material scarcely



available. Prices are expected to rise further throughout the year.

Eucalyptus Oil

Although stocks of crude oil at origin remain low, prices are at the lowest point seen for years due to weak global demand.

Grapefruit Oil

The market hit its peak in 2018 after several years of difficulties pushing many companies, unwilling to pay such high prices, to reformulate. This resulted in decreased demand, which in turn caused prices to fall throughout 2019.

Throughout 2020 pricing has been stable, with little movement in either direction.

Lemongrass Oil Indian

During lockdown harvesting was unable to take place causing a build-up of demand





and prices to rise significantly. In recent weeks, as a result of low global demand, prices have fallen.

Lavender Oil Bulgarian

The 2020 lavender campaign finished at the end of July and was very poor; most producing regions suffered from a lack of rain and the yields were very low as a result. There is carryover from the 2018 & 2019 crops, which is expected to be used to extend the oil from this year.

Lemon Oil Argentina

Prices fell throughout 2019, due to excess inventory at origin following two excellent crops, and reached the bottom earlier this year. The 2020 crop has just finished and is down 20% compared to the robust crop of 2019; prices are rising as a consequence.

Lime Oil Distilled Mexican

Prices rose rapidly at the start of this year due to poor weather conditions and high fresh fruit prices. The market has been fairly stable in recent months, however with

demand still exceeding supply we may see further increases throughout this year.

Litsea Cubeba Oil/ Citral EU Natural

Demand for citral EU natural increased considerably at the start of the pandemic leading to very short supplies at origin. This year's litsea cubeba crop has nearly finished and the volumes harvested are reasonable, however farmers distilled their oil early in order to top-up supplies while prices remained attractive. This has had an adverse effect on the quality and led to low citral levels in the oil, resulting in higher prices for citral EU natural.

Prices for both products have recently reduced in reaction to the new oil entering the market, but are expected to increase in the coming months.

Orange Oil/d-Limonene

The orange market remains firm; the 2020/21 season in Brazil is predicted to be 25% down on the previous crop, which has



prompted buyers to stock up. This, coupled with the existing high demand for d-limonene in cleaning products, has led to prices rising rapidly. At this point it is uncertain how much further prices will climb throughout the remainder of this year.

Peppermint Oil Indian

Prices have eased recently due to low demand from Europe while many companies are closed for their summer holidays. We may see prices move up during September once companies have re-opened.



Aroma Chemicals

Cis-3-hexenol and derivatives

Supply of synthetic cis-3-hexenol and its derivatives continues to be extremely difficult. Chinese production was closed for maintenance during the summer and is not expected to restart until later this



month. With most of the Japanese production allocated to long-term contracts, prices for what little material is available remain extremely high. This shortage is expected to continue into 2021.

Cis-3-hexenol EU Natural

Prices for cis-3-hexenol EU natural from India remain high, with many producers offering long lead times due to a build-up of demand during lockdown.

Gamma Nonalactone

Prices have firmed recently due to pressure on the supply of the starting material, which is also used in the production of PPE.

Maltol

The supply of synthetic maltol was difficult for several years; a factory explosion in 2017 led to a severe shortage and production took years to recover due to heavy restrictions by the environmental protection agency.

The market fell to a historic low in the latter part of 2019 as a result of new factories

entering the market and has been relatively stable since

5-methylfurfural

Prices have dropped recently due to high stock levels at source and low demand.

2-methyl-2-pentenoic acid

Production is still very tight due to pollution restrictions; limited volumes are available.

Sulfurol

Prices remain high as stocks of industrial grade are low due to a shortage of raw material, limiting production of the rectified quality.

Vanillin/Ethyl Vanillin

High demand has put pressure on the main producers in China. Prices are increasing and availability is limited, particularly for ethyl vanillin, which has been difficult for some time.

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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