
January 2021 Market Report

ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

The Autumn crop season, which began in October, has not generated sufficient output to meet the current demand due to low yield of fruit per tree, high fruit prices and a lack of available labour.

No improvement is expected until at least the next crop season (April-June) and pricing remains at a historically high level.

Buchu Oil

Current predictions for the 2021 crop are optimistic due to a good level of rainfall over the winter. Harvesting will begin this month so the outlook should become clearer in the coming weeks.

Cassia Oil Chinese

In our last report we outlined the factors that led to the price increases witnessed throughout 2020. This trend has continued, with the market firming further as a result of



the autumn crop (October-December) yield being low.

The spring crop will begin in April and prices are not expected to come down in the meantime.

Coriander Seed Oil Russian

After years of low demand, production at origin decreased to meet the reduced demand. Consequently, the current high demand has caused availability of material to be extremely limited and prices to be notably high in recent months.

Eucalyptus Oil

The winter harvest season is currently underway. Demand typically peaks in December with overseas buyers securing large volumes ahead of the festive period. However, this peak was not witnessed in 2020 due to the impact of COVID-19.



Consequently, prices have eased slightly with factories putting pressure on farmers to reduce the price of their crude oil.

Lemongrass Oil Indian

Harvesting was not able to take place during spring due to the extended lockdown in India. Pent up demand and little available new material resulted in prices moving up dramatically. Prices remain high, with small fluctuations driven by demand.

Lime Oil Distilled Mexican

At the start of 2020 prices rose rapidly and remained high in the ensuing months due to poor weather conditions and high fresh fruit prices.

Prices increased a further 10% in December as high demand put additional pressure on the supply from both Mexico and Peru.

Litsea Cubeba Oil/Citral EU Natural

Prices remain high for both products due to

the low 2020 crop yield (down 25%) and continuing high demand.

Orange Oil/d-Limonene

The orange market remains difficult. In December Fundecitrus announced further reductions in the 2020/21 Brazilian crop due to poor rainfall in Sao Paulo, with current estimations in the region of -30% compared to the 2019/20 crop.

Prices for both orange oil and d-limonene are increasing and it is unclear what level these will reach.

Peppermint Oil Indian

The 2020 Arvensis crop was robust and prices fell to the lowest level seen for over 3 years. The market is currently fairly stable due to ample stocks at origin.

For Piperita the crop was on the lower side so a recent increase in demand has pushed prices up slightly.



Aroma Chemicals

Cis-3-hexenol and derivatives

Synthetic cis-3-hexenol and its derivatives remain in global shortage, with the production from the major factories still extremely limited.

Chinese production will not take place during February due to the Chinese New Year holiday so further stresses on supply are expected.

Beta-Damascone

Prices have moved up recently due to high demand.

Diacetyl

Diacetyl remains in short supply as one of the main factories has temporarily halted production due to high raw material prices.

2-methyl-2-pentenoic acid

This product is still in short supply due to

on-going pollution issues; several factories have stopped producing as a consequence, which has put more pressure on supply.

Sulfurol

Prices are continuing to increase due to the tight supply of industrial grade sulfurol which is used to produce the higher purity grades supplied into the F&F industry.



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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