
May 2021 Market Report

ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

Material is in short supply due to low output from the autumn crop and high demand from the spice market. Some production will take place over the next few months, however with ongoing high demand and lack of available labour this is not expected to provide much relief to the market.

Buchu Oil

The 2021 crop is still ongoing; continuous heavy rain in March hampered harvesting and led to a delay in oil production.

Demand remains high as the market has been extremely short for several years so new oil entering the market is selling quickly.

Cassia Oil Chinese

Very little oil is available at origin as a result of poor 2020 crops and high demand. The new crop season has begun and distillation will take place in May/June.



Davana Oil

After a delayed start, harvesting has now finished and the crop has ended on the smaller side of normal. Prices have increased as there is very little carryover and no high davanone material left from the previous crops. The late harvest has also affected the quality of the oil in the areas that suffered crop damage last autumn.

As a result, availability of high davanone oil is limited. Prices have already moved up as a consequence and are expected to increase further.

Eucalyptus Oil

Prices have been fluctuating for some time but have remained at a relatively low level. Demand has been low since the factories reopened after Chinese New Year and prices have come down slightly as a result.





Lemongrass Oil Indian

Prices have moved up further from the existing high level; with low availability of oil from the farmers and high global demand there is significant pressures on stocks at origin.

In July-August new harvesting will take place after the monsoon season so further prices increases are expected ahead of this.

Lime Oil Distilled Mexican

The market remains extremely firm; as demand for fresh fruit has been especially high as a reaction to the global health crisis, there has been a significant reduction in the volume available for processing.

Unsurprisingly lime derivatives are also extremely short as there is so little oil available for processing.

Litsea Cubeba Oil/Citral EU Natural

Supplies are very tight at origin and prices remain at a high level. No relief is expected in the next few months as no new

production will take place until the next crop season starting in August.

Orange Oil/d-limonene

The market remains firm with the 2020/21 Brazil crop over 30% down, stocks at origin are low and high aldehyde qualities are in short supply. As demand for folded oil is high, greater volumes are required for processing which is putting even greater pressure on supply.

The 2021/22 crop will start in June-July and new oil will enter the market about 1 month later, official forecasts will be released later this month.

Peppermint Oil Indian

The ongoing high prices have encouraged farmers to increase the cultivation area of the piperita crop by 15-20%. Harvesting will take place early May to mid-June.

For arvensis, harvesting will take place late May to early July. If weather conditions are favourable and there is no heavy rainfall during harvesting, we may see prices come down slightly for both qualities.



Tea Tree Oil Australian

There has been severe flooding in several of the main growing regions; the crops in these areas have been badly affected and are expected to be down significantly as a result.

Harvesting of the crop is also delayed due to the poor weather conditions.



AROMA CHEMICALS

Cis-3-hexenol and derivatives

The market remains extremely short for both cis-3-hexenol and derivatives. Established contracts are being reduced as a result of the product shortage and extremely limited volumes are being made available on the market.

Maltol/Ethyl Maltol

Production in China is currently limited to only two major factories, prices have moved up as a result.

Sulfurol

This product remains difficult; several factories have stopped accepting new orders as their costs have increased significantly due to raw material price increases.

To make matters worse, one of the main factories of industrial sulfurol has been shut for some time due to pollution issues. Supply is expected to be tight for several months.

Vanillin/Ethyl Vanillin

The vanillin market is in chaos; one of the main producers in China, Wanglong Technology, was shut down due to infringement of intellectual property which also meant they were forced to forfeit long term contracts.

The subsequent panic buying has led to a severe shortage on the market and prices have increased dramatically, both for vanillin and ethyl vanillin which was already very short. With only 2 major producers remaining it will take some time for the market to recover.

