
July 2021 Market Report

ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

Aniseed oil remains in short supply due to low output from the autumn 2020 crop and high demand from the spice market. Prices jumped up in early June and are expected to move up further as demand, both for aniseed oil and natural anethole, remains high and stocks at origin are limited.

Buchu Oil

Favourable weather conditions have led to a healthier crop than the previous few years, however with the ongoing high demand and lack of any carryover stock from the previous crop, prices remain high.

Cassia Oil Chinese

Cassia oil has been growing short since after the spring 2020 crop as a consequence of



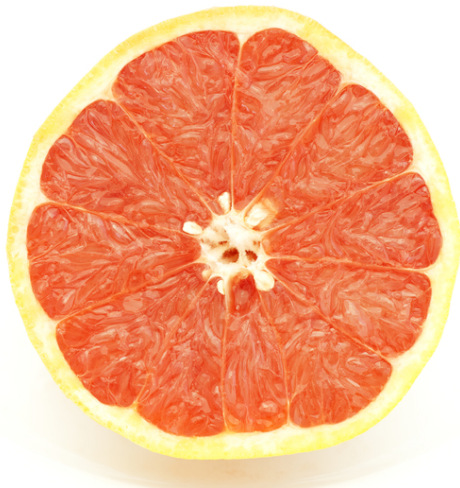
reduced production following a period of low demand. This year's spring production is underway and is estimated to be down 40-50% due to a shortage of raw material; labour is scarce and with the trees mostly located in the mountains there have been major issues in collecting the bark, twigs and leaves required for processing.

Prices have risen considerably and there is an expectation that they will rise further if demand remains high.

Chamomile Oil Roman

The UK crop has benefited from favourable weather conditions during winter and spring; heavy rainfall has meant that the flowers have grown to twice the height seen this time last year. Harvesting will start in late July and yields will be determined once distillation is underway.





Eucalyptus Oil

Prices are stable at a relatively low level; global demand remains weak and factories are keeping low stock levels as a result.

Grapefruit Oil

Prices fell from peak level during 2019 due to decreased demand after several years of difficulty. After a long period of stability demand has increased and, as there is no improvement in availability, prices have moved up and further increases are expected.

Lemongrass Oil Indian

Prices have jumped up recently from the already high level due to a shortage of raw material. The availability of oil is very limited and, as a consequence, there is a higher risk of adulteration.

Lime Oil Distilled Mexican

The lime market remains extremely firm; with fresh fruit prices staying at a high level the volumes available for processing are

considerably reduced. Limited volumes of oil are available and, with more industries opening up after long periods of lockdown, demand is high resulting in significant pressure on the volumes that are available. Prices are not expected to come down in the near future.

Litsea Cubeba Oil/Citral EU Natural

The new crop season will begin at the end of this month. It is too early to predict what the output will be however there is an expectation that the price will remain at least at its current level due to increasing production costs and lack of carryover from the previous crop.

Orange Oil/d-limonene

According to the Fundecitrus forecast released at the end of May, the 2021/22 Brazilian crop is expected to be at 294,170 million boxes which is slightly above the previous crop season but still down historically.

Availability is tight and the market remains firm as a result, with high aldehyde qualities becoming scarcer.



Peppermint Oil Indian

The piperita crop this year is good, with the cultivation areas having been increased 15-20%. Harvesting finished at the end of June and the output is expected to be similar to last year; as there is good carryover prices at origin have come down slightly as a result.

Harvesting of the arvensis crop has nearly finished; there were some issues due to heavy rain but as the acreage was increased by 5-10% volumes are still expected to be good. We may see prices for menthol crystals come down next month once the oil has been processed.

Rose Oil Bulgarian

The rose campaign started late May and finished mid-June; COVID restrictions meant there was a shortage of pickers and labour costs had to increase as a consequence.

Cold and rainy conditions also reduced the yield of oil as the low temperatures meant that the oil was concentrated to the roots rather than the petals.



AROMA CHEMICALS

Cis-3-hexenol and derivatives

Availability is incredibly scarce, with several users forced to consider natural origins due to lack of alternative options. Supply of EU natural grades are also under pressure as a consequence, resulting in prices moving up and long lead times being offered by producers.

Maltol EU Natural

Demand for maltol EU natural increased significantly this year and, since there is a limited number of factories producing, this led to a temporary shortage of material at origin. Supply will resume in the next few weeks and prices have moved up slightly.

Maltol/Ethyl Maltol

Prices have been moving up for several months due to one of the main factories temporarily stopping production, limiting supply to only two other producers. The factory is expected to resume production soon, so this should improve supply for the latter part of this year.

Sulfurol

All grades of sulfurol remain in short supply; industrial grade costs have increased by around 15% which has had a knock-on effect to the further rectified grades used in our industry, lead times being offered at origin are long.

Vanillin/Ethyl Vanillin

The market remains in chaos as Wanglong Technology were forced to shut production after a successful lawsuit for infringement of intellectual property earlier this year.

With another major producer having stopped production for several weeks for summer maintenance, this left one factory having to make up the shortfall. Prices are at an all-time high and are expected to increase further, no improvement is expected this year.

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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