

January 2022 Market Report

ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

Oil from the autumn crop has entered the market, however prices have only eased slightly due to ongoing high demand, with much of the new production fulfilling existing contracts.

Buchu Oil

Harvesting is expected to start this month; early reports are optimistic, as weather conditions have been favourable, with above-average rainfall over the winter months. There is no carryover from last year's crop so we don't expect prices to drop to the levels seen pre-shortage.

Cassia Oil Chinese

Prices have moved up again due to poor output during 2021, both from the spring crop and smaller autumn crop



Davana Oil

We are currently in the off-season for Davana; sowing of this year's crop was delayed a month due to heavy rainfall in the main growing regions during November. This caused significant damage to the crop at the nursery stage, much of which needed to be replanted.

Harvesting is expected to take place March-April and current expectations are for another short crop as the late harvesting usually negatively impacts both yields and quality. There is no carryover from the 2021 crop so prices are expected to be significantly higher than last year.

Eucalyptus Oil

The winter crop is underway but some producers are holding off distilling oil as they are put off by the long-term low pricing. This, coupled with an increase in demand during December, has led to a price increase.





Lemongrass Oil Indian

The market remains very tight; heavy rainfall has severely hampered harvesting as the crop has had no chance to dry out. Any oil being produced has lower citral levels which is typical of winter production, but often does not meet buyers' specs. No improvement is expected in the short term.

Lime Oil Distilled Mexican

Prices remain very high due to ongoing supply issues.

Litsea Cubeba Oil/ Citral EU Natural

Prices are continuing to increase from the already high level due to a short crop in 2021; this trend is expected to continue as no new material will enter the market until the summer crop.

Orange Oil/d-limonene

The market remains very firm, with high aldehyde grades becoming more and more scarce. The latest Fundecitrus forecast released in December shows a further reduction to 264.14 million boxes for

the 2021/22 crop. The price gap between orange oil and d-limonene/orange terpenes continues to increase and pricing for folded qualities and isolates are higher than ever.

Wintergreen Oil Chinese

Some volumes are being offered but prices remain extremely high following the major supply issues of last year, detailed in our last report.



AROMA CHEMICALS

The market for Chinese aroma chemicals remains difficult and unpredictable due to the energy restrictions we outlined in our last report.

Many factories are operating only part-time or have been closed completely while the government have prioritised domestic supply during the cold winter months.

2,3,5-trimethylpyrazine

Supply remains tight and prices have increased further, particularly for rectified grades as these are only produced by a limited number of factories.



Cis-3-hexenol and derivatives

The market remains critical and availability from both of the main producers is expected to be similar to 2021. Zeon's production expansion is expected to finish at the end of this year which should offer some relief to the market during 2023.

Prices for EU natural grades are continuing to increase as demand is higher than ever and lead times for new production are long.

Furaneol

Furaneol pricing increased late last year following the implementation of electricity restrictions and has only recently stabilised.

Linalool/Linalyl acetate

Chinese production has restarted following a temporary shutdown in November. This will hopefully ease the market situation in the coming months. Prices remain at a high level for now.

Maltol/Ethyl Maltol

Supply has been very tight over the past few months following the closure of one of the main producers in September, with prices increasing dramatically as a consequence.

We have heard that production is expected to resume shortly and, providing volumes are sufficient to meet the current demand, prices are expected to come down.



EU natural pricing has increased as several factories have had to scale down production, putting pressure on the remaining producers. This has also affected availability and long lead times are being offered.

Methyl Cyclopentenolone (MCP)

The market remains very short as the market is being supplied by only two factories.

Vanillin

Vanillin pricing has increased further and availability is extremely tight, with lead times around three months for new production.

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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