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# April 2022 Market Report

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## ESSENTIAL OILS AND EXTRACTS

### Aniseed Oil China Star

The market was very short during 2021 due to a poor crop the previous autumn; demand built up over several months and prices increased considerably as a result.

Prices remain high despite new oil entering the market from the autumn crop as much of the new production is already committed to making up the shortfall from last year.

### Buchu Oil

Harvesting is expected to finish by the end of April. Volumes are higher this year due to favourable weather conditions, however as demand has far exceeded supply in recent years there is no expectation for a price drop this year.

### Cassia Oil Chinese

Prices remain high due to poor output from the 2021 crops. The next crop will start in May/June and no improvement is expected ahead of this.



### Clove Leaf Oil Indonesian

Indonesia has been facing serious production issues, with heavy rainfall hampering harvesting and distillation. Prices have increased due to a lack of raw material availability which has also put pressure on other origins to make up the shortfall.

### Davana Oil

This year's crop was delayed due to heavy rainfall during November. Harvesting has just finished and processing is expected to continue through to May (approximately 2 months behind usual schedule), with yields to be determined at this point. As carryover from last year's crop is extremely limited prices are expected to remain at a high level.

### Eucalyptus Oil

Output from the winter crop was down compared to the previous year and crude oil prices increased after Chinese New Year as a result. In spite of this, prices are currently fairly stable as global demand has been low for some time.





### Lime Oil Distilled Mexican

Prices have increased significantly over the last few months due to serious supply issues; Peru's main crop season has finished and was shorter than normal. Ongoing logistics issues have meant that stocks have run short while material is afloat.

Mexico's crop will begin next month but with the market situation being so dire, even a robust crop is not expected to offer relief as the market is still reacting to a long-term shortage after last year's crop was down 50%.

### Litsea Cubeba Oil/ Citral EU Natural

Availability is tight at origin and prices remain high as a consequence. No new production will take place until the summer crop which will start in August and we do not expect to see any price improvement ahead of this.

### Orange Oil/d-limonene

The market remains extremely challenging with orange oil prices increasing rapidly due to lack of availability, particularly for high aldehyde grades. The price gap

between orange oil and d-limonene/ terpenes is larger than ever and this, coupled with the lack of availability, has meant that folded grades and isolates are priced at an all-time high and only available in limited volumes.

Florida suffered extremely cold weather at the end of January, resulting in frosts in many of the orange groves. The crop is expected to finish 22% down compared to last season according to current estimates. This has put additional pressure on Brazil and, with the 2021/22 on track to finish at a similar level to last year, prices are not expected to come down over the next few months.

### Tea Tree Oil Australian

New South Wales is in a state of emergency due to the recent catastrophic flooding. At least 80% of the tea tree plantations are expected to be affected with much of the crop completely submerged.

The harvest season will be delayed and severe losses are expected, demand for other origins has already increased in reaction to the anticipated shortage.



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## AROMA CHEMICALS

China is facing serious supply issues: with energy restrictions still ongoing and some regions back under Covid restrictions, many aroma chemicals are in short supply and the serious lack of freight space is only making matters worse. Freight that would normally ship from Shanghai is being diverted to other air/sea ports while the city is in lockdown, leading to even higher freight rates and longer lead times.

EU production is also facing serious issues due to of record-high energy prices following the Ukraine invasion. Producers have been forced to put their prices up significantly and lead times for many products are longer than ever, particularly as EU transport has also been severely impacted.

### 2-Acetylthiazole

Prices are high and availability limited due to ongoing raw material supply issues.

### Cis-3-hexenol and derivatives

The market for synthetic grades remains critical and is not expected to improve until Zeon's production expansion is complete, with availability hoped to improve during 2023.

Pricing for EU Natural grades has finally levelled off after months of increases due to demand slowing down.

### Citral

Citral availability has become limited due as current production is not able to keep up with supply, pricing has increased as a result.

### Maltol/Ethyl Maltol

Supply has returned to a relatively normal level after months of availability issues; prices have fallen as a result.

### Methyl Cyclopentenolone (MCP)

Pricing remains high and availability limited while the market is being supplied by a limited number of producers.

### Vanillin

Supply remains extremely tight as the remaining producers in China are still dealing with a backlog of demand after months of short supply.



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# Talk to us

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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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