
June 2023 Market Report

ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

The April-June harvest has come to an end with the yield affected by heavy rainfall. Market demand was weak during the pandemic which brought prices down. At present pricing is stable.

Buchu Oil

Production is slightly down on last year, due mainly to longer than usual dry spells during the winter. This is not helped by the long blackouts implemented by the government in South Africa, however prices are stable.

Cassia Oil Chinese

The first of this year's harvest has begun; yields will be known by July/August but production costs are high and demand is still weak. There are limited stocks available from the previous harvests to cover any requirements until then.

Davana Oil

Once again this year's crop was delayed due to adverse weather with a smaller yield per acre than previous years. Prices have increased significantly due to the small harvest and very high demand. The higher quality oil is in very short supply so most of the oil available is of the lower quality with an average davanone content of 40-45%.



Eucalyptus Oil

Prices remain at a low level due to lower demand for the oil. Production is down this year, with fewer farmers collecting the raw material after Chinese New Year. At current prices and with stock still available from the previous harvest, for the time being there is little incentive for producers to continue manufacturing. Once the carry over oil has sold, this could bring prices up slightly.

Lime Oil Distilled Mexican

The availability of distilled lime remains critical. Prices are still rising with no sign of improvement in the near future while producers are still struggling to fulfil contracts from previous years leaving the market short for spot orders.



Litsea Cubeba/Citral Natural

July sees the start of the harvest with new oil being available later in the year. Demand has slowed in recent months with the carry over available from the previous harvest, current pricing is competitive.

Orange Oil/d-limonene

Still, there is no relief in the orange oil market as producers struggle to fulfil previous contracts, prices continue to rise and there is limited oil or derivatives of available for spot orders. No improvement is expected for this year. The one piece of positive news is that prices for d-limonene remain stable.

Rose Oil Bulgarian

The 2023 rose campaign has recently finished and we understand the yields are very poor. There was also a huge problem with a shortage of labour, a problem that has been ongoing for several years now. The cost for picking is nearly double that of last year. Two years of poor yields and high production costs have pushed prices for oil up. Many producers have opted to focus on rose water as this is cheaper to produce and demand is greater than for the oil.



Tea Tree Oil

Following severe weather that destroyed much of the Australian crop over the last two years, production has almost halved though material is still available from previous harvests. The market has been quieter, but it is starting to see a return to more normal levels of activity with the price remaining stable. Currently Australian Tea Tree is on par in price with South African whilst Chinese origin is slightly higher.

AROMA CHEMICALS

Cis-3- hexenol Natural and derivatives

The prices for Cis-3-hexenol EU Natural are at their lowest that they have been for the last five years and are stable. However, the crop area for mentha arvensis has decreased by 25% as some farmers have switched to farming more profitable crops, bringing a decline in production for mint products and their derivatives that could lead to prices increasing slightly. As such now is a good time to discuss contracting with us as we have available stock.

Ethyl Vanillin/Vanillin

Production has normalised and ongoing weak demand from export markets has brought prices back down.

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

United Kingdom

Henry Gill

henry.gill@demonchyaromatics.com
Tel +44(0)1202 620888

Ben Dawson

ben.dawson@demonchyaromatics.com
Tel +44(0)1202 620888

USA & Western Europe

Virginie Waldron

virginie.waldron@demonchyaromatics.com
Tel +44(0)1202 620888

Eastern Europe & Russia

Marek Bogucki

marek.bogucki@demonchyaromatics.com
Tel +48 883 262 853

Asia

Kris Yao

kris.yao@demonchy.cn
Tel +86 (0) 21 6289 7588