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# January 2025 Market Report

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## ESSENTIAL OILS AND EXTRACTS

### Aniseed Oil China Star

In general there is still a lack of interest in Chinese essential oils which has meant that prices have remained low despite reports of poor crop volumes for several products. Aniseed Oil is no exception and the price has remained steady with sufficient availability.

### Eucalyptus Oil

Pricing is stable as supply and demand are in balance

### Lemon Oil Argentina

In H1 2024 prices reached their lowest point due to years of oversupply. Within Argentina, steps were taken over several years to correct the market dynamics which has now resulted in the market rebounding and pricing reaching a more sustainable level for producers.

The total crop area has now reduced further to 41,000 hectare which, coupled with heavy rains during the blooming period (affecting



both the fruit development and quality), has resulted in a further 20% reduction in the forecast production figures.

The upward trend in pricing is expected to continue throughout 2025 and climate conditions are expected to be an ongoing challenge.

### Key Lime Oil Distilled

Prices have finally come down from their peak thanks to improved availability from Mexico and Peru. We may see further reductions throughout 2025.

### Litsea Cubeba/Citral EU Natural

The market price is stable despite the poor output from the last crop. Demand is still fairly weak, and farmers are losing interest in this material and turning their attention to other more profitable crops.

As there isn't an abundance of material, the market could easily turn with an increase in demand. Argentina. Climatic

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## Orange Oil/d-Limonene

The latest Fundecitrus report (10th December 2024) predicts a very small increase (3.4%) for the orange crop production forecast to 223.14 million boxes. Crop sizes have been declining for the past 3 years but the current figures represent the most significant drop to date and the market is in a state of chaos as a result. The 2024/5 crop finished early and the 2025/6 crop is expected to start late, so inevitably supply will be tricky at least for the next few months of this year.

The popularity of WONF products has created a huge deficit in the terpenes/d-limonene market and prices have reached unsustainable levels. Prices of other citrus terpenes with a high limonene content have naturally increased with demand.

## Tea Tree Oil

As outlined in our last report, a detailed dossier has been submitted by the Tea Tree Task Force to request a category 2 classification rather than rep 1B as originally proposed by the ECHA RAC opinion.

With the data under review and the future decision uncertain, the demand for this oil has increased recently.



## AROMA CHEMICALS

### Furaneol

In December 2024 Bestally announced that they would be reducing the production capacity of their synthetic materials (including furaneol) and some of their natural products by 50% from January 2025 with the aim to phase out completely by 2026. The market reacted immediately with prices for synthetic furaneol increasing and availability becoming tight due to large users contracting volumes to protect their long-term supply. With more pressure on the other producers, supply is expected to become more difficult.

Furaneol EU natural is also impacted: Bestally are also planning to increase their pricing due to increased labour costs but also expand their production, so whilst supply may increase overall there is at least a short-term supply disruption while companies contract ahead while pricing is uncertain.

### Vanillin/Ethyl Vanillin

The anti-dumping investigation by the EU commission is still ongoing, with no preliminary measures yet introduced. On 10th January the US department of Commerce announced a general dumping margin of 379.87% for Chinese vanillin imports, with a lower margin of 186.20% for 9 named Chinese manufacturers.

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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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