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# February 2026 Market Report

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## ESSENTIAL OILS AND EXTRACTS

### Buchu Oil

Severe wildfires in the Western Cape region, caused by an unusually hot dry summer have caused substantial damage to the natural habitation and are believed to have damaged some buchu plantations. Controlled burning, once common in the autumn to reduce dry vegetation and prevent rapid fire spread, is now rarely practised due to legal liabilities. As such, wildfires are harder to control once they start.

Processing is underway and yields will be finalised around March; the expectation is for a smaller crop than was originally hoped. The extreme heat between November and January also stressed the plants, which has slightly altered the composition with slightly elevated pulegone levels observed.

### Eucalyptus Oil Globulus

The market remains stable with ample availability; we urge customers to check qualities carefully as we have identified this product as high risk for inclusion of *eucalyptol ex-camphora officinarum*.



### Lemon Oil Argentina

Prices steadily increased throughout 2025, and this is expected to continue. A combination of reduced yields, high fresh fruit prices and a reduction in cultivation areas has corrected the unsustainable levels seen over the past few years of oversupply. The hope is that pricing will settle at a level that ensures a balanced market for both buyers and sellers longer-term.

Italy and Spain have both reported short harvests which has put additional pressure on global supply.

### Key Lime Oil Distilled

Prices peaked in 2024, then dropped sharply in 2025 as supply improved and demand decreased during reformulation by major users. The market has remained stable recently, with only minor fluctuations.





### Litsea Cubeba/Citral EU Natural

Pricing is stable, as supply and demand appear to be in balance

### Orange Oil/d-Limonene

The latest forecast for Brazil (as of 10th February 2026) is 292.60 million boxes. While this is a significant improvement on the previous season (which was the lowest recorded), it is still historically small and the 6th in a series of small crops.

The hope was that improved availability would lead to a price drop, but the Brazilian processors have been holding firm on higher pricing, and it appears that the major buyers have accepted this price level and secured their annual volumes accordingly.

Additionally, the removal of the 50% US tariff on Brazilian orange by-products at the end of November—reinstating the 10% rate imposed in April—will play a significant role in market dynamics. There is still strong demand for orange terpenes/d-limonene, with pricing remaining at a historic high point.

### Tea Tree Oil

In the EU, Tea tree oil has been classified as a CMR Category 1B substance in the 24th ATP draft delegated act. Tea tree oil will likely be listed in Annex III (restricted substances) of the EU cosmetics regulation.

According to the SCCS, it can be used safely in cosmetics within strict limits: Shampoo (rinse-off): 2.0%, Shower gel (rinse-off): 1.0%, Face wash (rinse-off): 1.0%, Face cream (leave-on): 0.1%.

This opinion only applies if:

- Tea tree oil in final products complies with ISO 4730:2017 standards.
- Use in dermally applied cosmetics is limited to adults, excluding aerosol or spray forms that could lead to inhalation exposure.

In August 2025 the UK HSE published its final opinion not to follow the EU's reclassification, but this is under regular reassessment.

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## AROMA CHEMICALS

### Cis-3-hexenol and derivatives

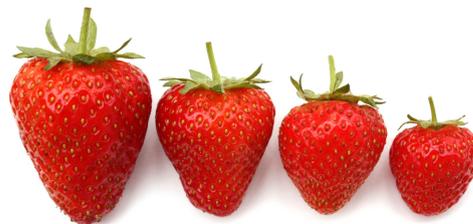
Supply of synthetic cis-3-hexenol and esters from the key producers is stable and pricing is continuing to slowly decline.

Cis-3-hexenol natural (and associated esters) are priced at a historic low point and prices are continuing to decline, due to surplus volumes on the market and increased competition. There appear to be three grades on the market: the traditional ex-mint, ex-tea and a new quality of unknown botanical origin which is priced lower. We are in the process of investigating the naturalness of this new source.

### Decanoic acid (and other fatty acids)

The EU Deforestation Regulation (EUDR), EU 2023/1115, affects materials from commodities at risk of deforestation, such as palm oil—a key source of many fatty acids like decanoic acid. Originally set for December 2024, continued delays have meant that enforcement is now planned to begin in December 2026.

If implemented, companies will need to switch to EUDR-compliant grades (e.g. ex-coconut oil) and submit a due diligence statement proving traceability to the growing area. In this scenario, prices are expected to increase sharply both due to higher raw material costs and increased demand.



### Furaneol

Synthetic pricing has been under pressure due to fierce competition between the key producers in China.

For the natural grade, in a similar scenario to cis-3-hexenol natural - we are seeing new qualities emerging and increased competition between producers. There are some concerns about the environmental controls in place at other factories we believe to be involved in the supply chain.



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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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