



Lluch Essence

Market Report
Summer 2022



Japanese Yuzu

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We continue to live in a hectic period, conditioned by the post-COVID situation and the invasion of Ukraine. These events have had effects in the supply chain creating pressure on natural resources and leading to a shortage of raw materials. We could claim that we have learned to live along uncertainty.

Crude oil price has been going up for some time now and its affecting the manufacturing cost of many synthetic chemicals. In some cases, the suppliers are starting to pass on the price increase to the end customers.

Natural products

MINT ARVENSIS OIL

Mint price has been relatively stable over last two years. Most of the markets were affected by Covid crisis and now they are recovering. This year the arvensis crop started middle June and it will last until early August. The arvensis mint grows in different regions around India, so the crop does not happen at the same time in every region. Mentha arvensis is the largest variety oil consumed from all mints and it is also the raw material to produce menthol, cis 3 hexenol, menthone,....Crop is expected to be the same in volume as 2021, 55000 to 60000 mt. Prices for the oil will be affected by fuel, freight and container cost, which it is still disturbing the supply chain. There is a connection between cis 3 hexenol prices and menthol crystals. If the price of natural/synthetic cis 3 hexenol decreases the prices for menthol crystals may raise.



CLOVE OIL

Increased prices for Clove and clove derivatives are caused by environmental factors together with a fierce demand of Madagascar's crude oil from Indonesian producers. June / July, should have been the transition period from Rainy Season to Dry Season, however, this did not happen. During those months, rainfall intensity was still high on the main cultivation area for clove, so the output was limited. Eugenol availability starts to be an issue for big volume demands.



EUCALYPTUS GLOBULUS AND EUCALYPTOL

Prices are generally going down, just like demand. The big volumes of camphor oil to produce eucalyptol are affecting eucalyptol prices. According to the prediction, prices are likely to decrease.



GREEN MANDARIN OIL

Prices are higher than usual, as the value of the fruit has increased drastically.



GUAIACWOOD OIL

Cites has been an issue for this oil for a long time. For once, we thought the issue was solved but a negative surprise arose. Emerging issues in the EU will result in supply problems for this nice essential oil from Paraguay.



LABDANUM GUM DRY/WET

The spike in the price of this product is a consequence of the lack of carry over from the previous crop, the increasing cost of labor and energy, affecting production facilities in the South of Spain.



LAVANDIN OIL

Lavandin's crop started in Mid July. Despite the different opinions on price fluctuations, we strongly believe that the price will remain stable as there is still a significant amount of carry over of crop from last year. If demand increases throughout the year, prices may recover.



LEMON OIL

The demand for this product remains low, making prices decrease. Argentina is decreasing prices while Spain's production seems lower than the previous year.



LIME OIL

Issues involving low availability, labor shortage, and inflation have resulted in a significant increase of the price of this product. However, the supply of this product is expected to improve in July. Mexicans are looking for Persian Key lime in Brazil.



LITSEA CUBEBA OIL

The combination of low availability and environmental Chinese policy has resulted in an increase of prices. The upcoming crop is expected in July, which optimistically will result in lower prices. In order to predict price fluctuation, we will need to wait until August or September.



ORANGE OIL

Between 20/30% of actual crop is being used to fill in last year contract gaps. The price keeps increasing to unexpected levels. This high price will certainly remain until end of the year; it is difficult to predict what will be happening during Q1 2023. Concentrated orange price is also really high, while terpenes' price is stable and might decrease in the coming months.



PATCHOULI OIL

Patchouli oil situation is still about the same. Prices in local currency are stable and demand is weak.

These level of prices made some farmers change their patchouli fields for another crops with more margin. If demand increases there may be a supply issue.



Aroma Chemicals

CIS 3 HEXENOL AND DERIVATIVES

Global market demand continues to exceed overall production capacity. Prices remain at extremely high levels. It is not expected that the situation will improve before mid 2023.



GALAXOLIDE

Prices have recently moved up due to the increasing cost of raw materials.



MALTOL / ETHYL MALTOL

A battle for more market share between several manufacturers has sent prices on a declining path during the past few months.



VANILLIN / ETHYL VANILLIN

After a long period of product shortages and increasing prices the market has finally turned downwards while product availability has improved significantly.





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