



Lluch Essence

Market Report
Autumn 2022



Moroccan Mint

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During the months of September and October three major exhibitions for the F&F sector have been taking place: ICBC in Florida, IFEAT in Vancouver and SIAL in Paris. After a long period without personal contact with customers and suppliers, these meetings have give us the opportunity to see each other. It has been a pleasure to talk and discuss with our friends from the F&F industry.

The IFEAT Study tour took place also at the beginning of November. This year delegates visited South Africa. It has been a great experience for all of us. You will find here some actual information about South African oils.

Times are not easy and uncertainty is present in everyone's life. Demand seems to slow down in some parts of the globe. Currency exchanges are not helping either.

Having said that we keep positive knowing that our industry has lots of strengths.

Natural products

EUCALYPTUS GLOBULUS AND EUCALYPTOL, LITSEA AND WINTERGREEN OIL

The demand for Chinese essential oils in general is not high at the moment, specially for eucalyptus globulus. Prices for this oil have reach a bottom line. We have predicted this to happen as the stocks are too high at origin. This is also affecting to price of eucalyptol. Actually, most of the eucalyptol offered in the market is not longer coming from eucalyptus globulus oil but from camphor oil.

Litsea oil price is also decreasing a little, after reaching a historical high price. In this case there won't be a new crop until July 2023, but even so there may be still some small decrease in the coming months. Specially if demand does not grow.

The availability of 100% P&N wintergreen has improve. At the moment you can find out good quality material at a more rational price.



GUAIACWOOD OIL

During the month of November there will be a new meeting taking place with Cites Europe. There is no much hope left for this problem to be solved. It has became a political issue. Demand of this oil is high and most of the volumes have moved to other regions outside Europe. Prices are stable. Actual Cites quota 270 mt



ORANGE OIL

The price for this commodity has reach unsuspected levels. Brazil is either not offering material or asking for prices that most customers are not able to pay. The crop in the north hemisphere did not started yet but we do foresee high prices also. The last hurricane in Florida put more pressure in a market that was already under stress. This situation is affecting to all orange derivatives and it is difficult to say when this nightmare will come to an end. Some big users are exploring Biotechnology options in order to minimize the impact of orange oil in its formulas. These projects will need time but for sure its worthy to explore possibilities.



LEMON OIL

Lemon situation is the opposite than orange, for this oil demand is low vs availability. We have stocks in all production regions and prices are low. If nothing changes this low prices may stay for long. This situation is also affecting the terpenes price level.



LIME OIL

Key and Persian limes are both suffering low availability and high prices. This is affecting cold press and distilled qualities of these oils. Specially Mexico is suffering with high prices of the fruits. Difficulties when trying to book vessels is also not helping in Brazil. Stock in Europe are not big either. The high labour cost and the freight are also adding difficulties on these oils. New crop for Brazilian Persian lime will take place in April only.



PATCHOULI OIL

Prices for Patchouli oil are low at the moment. There are stocks in origin and the demand is less than usual. This level of prices is not motivating the farmers. They will be switching crops to a more profitable ones.

It is a good moment to buy Indonesian essential oils as most of them have attractive prices. Nutmeg is the only material which demand is higher than availability, so price is increasing at the moment, while clove and clove derivatives stay high but stable. If demands picks up for clove aroma chemical derivatives prices could increase during the rainy season.



CEDARWOOD OIL

While Virginian type situation has improved a little, the Texas quality is still under difficulties. Super high demand of crude oil is not helping. Prices are high and we still may need 6 months time in order to balance production and demand.



CARDAMOM OIL

Indian oil price is stable while material from Guatemala is decreasing their price level. Crop showed just started in October, but the down price tendency started before. New oil will be ready end of this month beginning of December.



MINT AND MENTHOL OILS

Demand for natural menthol is low at the moment. Crop was 30% lower but prices did not increase due to currency exchange rate (over 9% depreciation 2022) and slow demand. Chinese demand for menthol decrease a lot from January to September. Price level may change if demands picks up and/or volumes of synthetic material decrease. Natural cis-3- hexenol price is also reducing by 5 to 7 %.



TEA TREE OIL

The botanical name for this oil is Melaleuca Alternifolia. Material is produced in Australia, South Africa and China. South African oil is similar to Australian one. Prices for all origins are decreasing. Although the last floods affected Australia's production, there is an overstock on the market. There has been a significant drop in demand for Aromatherapy products, which is affecting prices of conventional and organic oils.

The excess of production cannot be absorbed in a short period of time. We predict low prices for the rest of 2022 and all 2023.



BUCHU BETULINA OIL

Buchu is a very special oil used only in the Fragrance and Flavor industry. There are two species of Buchu oil: Buchu Crenulata and Buchu Betulina.

The Betulina type is the one most used in the F&F industry, with a higher content of isomenthone than the crenulata type. Buchu oil has no usage in Aromatherapy, so it has not been impacted by the low demand of this sector.

Buchu oil is only produced in South Africa. After a couple of years with lots of problems fulfilling market demand, it seems that demand and availability is now balanced.

Prices are stable. It is a good moment to cover your Buchu requirements.



EUCALYPTUS RADIATE/ SMITHII/ DIVES OILS

South Africa is well known for the production of different species of Eucalyptus tree.

The country has a paper industry that uses the fibers of the eucalyptus tree to manufacture tissue and printing paper.

F&F and Aromatherapy use essential oils distilled from eucalyptus radiate, smithii and dives leaves.

Prices are stable for these oils and there is enough production to satisfy demand.

In the case of Eucalyptus dives, their isolates are produced from crude oil.

You can find alpha phellandrene, Piperonite, alpha thujene, etc.. All fractions are EU and USA natural certified.



TAGETTE OIL

South African tagette oil is made from the tagette minutas plant. It is used for flavoring and fragrance preparation, sometimes confused with Marigold oil from India (*calendula officinalis*), which is used primarily in extracts.

Despite being out of season, the tagette price is stable at the moment.



Aroma Chemicals

VANILLIN / ETHYL VANILLIN

With the expectation of a new player entering the market the downward trend continued in recent month. Product availability is back to normal.



MALTOL / ETHYL MALTOL

Market continues to be highly volatile while several manufacturers battle for more market share. Even after a new accident at one of the main producers prices continue on a very low level.



CIS 3 HEXENOL AND DERIVATIVES

Global market demand continues to exceed supply. With new production capacities at the horizon market expectations for an improvement of the situation are increasing. However it is not probable that the situation will substantially improve before mid 2023.



DIHYDROMIRCENOL (DHM)

Prices have increased rapidly after a major accident at one of the main producers. Expect longer lead times entering 2023.





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