



Lluch Essence

**Market Report**  
Winter 2023



Yellow Lemon

## Market Report Winter 2023

As we leave behind a tumultuous 2022, global petrochemical markets are likely to face more challenges, at least if some of the market predictions come true.

Among the major concerns is the ongoing Russia-Ukraine war, which could lead to tighter supply of upstream products as well as petrochemicals and their feedstocks, amid the imposition of sanctions.

The abrupt reversal of the zero-COVID policy in China is likely to weigh on Chinese activity in the near term. At a global level, persistent inflationary pressures are eroding disposable income. Bottlenecks in global supply chains have continued to normalise, but disruptions to economic activity in China could trigger renewed supply chain bottlenecks, with worldwide repercussions.

# Natural products

## EUCALYPTUS AND EUCALYPTOL

Chinese essential oils and aromatics suffered low prices during the last months of 2022. Demand has been weak, especially for big volume products as Eucalyptus.

With the Chinese New Year holiday, many Chinese factories were closed, so some overseas orders were confirmed.

Eucalyptus and eucalyptol prices have reached their lowest level in the past 5 years. Farmers and factories are not motivated to work. Oil production will be abandoned if prices keep falling. We do not expect further decreases and prices should increase a bit.



## LITSEA CUBEBA OIL

Since our last market report the prices for Litsea oil have increased. Demand from one big player is driving prices up. As per our information there is not a lot of stock in China from the last crop. Therefore, prices should increase until July 2023, when the new crop is ready.



## CASSIA OIL

The last harvest season for Cassia ended last December. Prices did not move compared with the spring crop. Slow demand for derivatives is pushing prices to come down for natural benzaldehyde, coumarin, etc.

The o-methoxycinnamaldehyde is an exception. Demand is very high and prices are increasing.



## ORANGE OIL

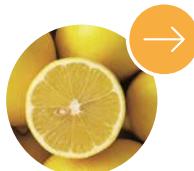
Fundecitrus predicts 314 million boxes of oranges for the coming crop. It is not a small crop, but not big enough to cover the lack of carryover from the last one. Supply is still tight and demand is firm, although we have seen a small decrease in interest from some buyers. Until August, new crop oil may NOT be available on the market. We do not see any reason for a price decrease until then. At this moment it is very difficult to predict what will happen with Brazilian orange prices. We may have a clearer picture at beginning of March.

Orange oil from other origins is also expensive. The actual crop in the northern hemisphere looks also complicated. Spain is expecting to have the shortest crop in a decade. We will keep monitoring the market.



## LEMON OIL

Lemon: Situation remains the same as previous months. Argentina has a large amount of oil available and demand is flat. Prices will remain low for a while



## LIME OIL

Lime: prices for Mexican Key lime keep rising. Availability is low and prices for fresh fruit are set. New key lime crop in Mexico seems to look good but all will depend on the demand for the fresh market. We will have more information from April on.

For Persian lime, prices remain high.



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## BERGAMOT

The bergamot oil market is stable. We do not expect any changes in price. Material is available, and crop will be completed pretty soon.



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## CLOVE OIL

Indonesia is still suffering quite a lot of rain. This is pushing some prices up, specially for clove and clove derivatives. The situation may remain like this until April..

Also material from other production areas as Madagascar and Sri Lanka are firmed, so globally clove crude oil price remain stable.



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## PATCHOULI OIL

Special mention to patchouli oil prices. Since the beginning of 2023 we have seen prices increase. It may be a reflection of an increase in demand after many months of low demand, not sure how things will develop as this oil is always suffering a lot of speculation. Previous low prices made some farmers quit cultivating patchouli, but we still believe there are stocks in origin. New crop expected for April.



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## CITRONELLA AND NUTMEG ( CITRONELLA )

Citronella prices remain low and stable while the uptrend in nutmeg prices remains. Rainy weather is not helping nutmeg crop. And it is still difficult to get raw materials from farmers. Demand is consistent.



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## DAVANA OIL

Davana oil price remains firm with very limited availability for HIGH quality material. For the 50% davanone there is no material left from last season. New season will be delay by two months due to weather conditions. Heavy rains and cyclones have affected many nurseries.



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## MINTS AND DERIVATIVES

Mentha piperita prices are rising as stocks are depleted. New crop material will not reach us before May. Mentha arvensis price increased during December as a result of big volumes of menthol being sold to China, not sure how prices will move during the first quarter of 2023 , it will depend on the volumes available for synthetic menthol which seems to be increasing.

Natural cis 3 hexenol price has suffer a drop as there is more synthetic material in the market. Buyers are waiting for a further decrease. As demand increases, prices will be more stable.

Spearmint oil season is over and prices are increasing



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## BLACK PEPPER

Crop season is starting in Vietnam . Prices are low and even we expect a small raise during the season the fluctuation will be low as there is some carry over.



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## LEMONGRASS OIL

Lemongrass oil prices have shown a downward trend due to unusually low demand. Farmers resist selling below the actual price level. We expect the stable / downward trend to continue until the orders from customers pick up.



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## PALMAROSA OIL

Palmarosa prices are stable. Area under cultivation has reduced substantially over the last few years. Prices are however stable, due to less demand over the last one year.



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## VETIVER AND AMYRIS OIL

Vetiver and Amyris oil are facing difficulties as troubles continue in Haiti. Fuel prices are very high and it is not easy to access to it. At Les Cayes, the region where vetiver is produced there is no fuel available, so only those who use biomass to produce can run their plants. Prices are increasing for both oils and we do not see an improvement coming soon.



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## PETITGRAIN OIL

Petitgrain oil ex Paraguay coming from the leaves of the bitter orange tree the petitgrain production is low now as the weather conditions are not optimal. Summer time will last until March and there is no expectation of price movement.



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## GUAIACWOOD OIL

Cites issues in Europe still not solved. We will keep you informed if anything change



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## LAVANDIN OIL

To keep in mind that prices for lavender and lavandin are still very low. Some French farmers started already some Lavandin plantation, even so prices won't move up quickly as stocks are high in all origins. The low price of lavender oil is affecting demand for lavandin oil, specially the lavandin super which usually is a cheap option for usage when lavender oil is at a normal.



# Aroma Chemicals

## VANILLIN / ETHYL VANILLIN

Prices have stabilized and availability is normal. Market is awaiting the delayed entry of a new player in the coming weeks.



## MALTOL / ETHYL MALTOL

Market prices continue on a very low level while several manufacturers battle for more market share



## CIS 3 HEXENOL AND DERIVATIVES

Situation is stable. With new production capacities at the horizon market expectations for lower prices are increasing. However it is not probable that the situation will substantially improve before mid 2023.



## DIHYDROMIRCENOL (DHM)

Market situation and prices are stable. Lead times have normalized.



## AMBROXAN

Availability is very limited and prices are increasing. Situation should not improve before the next Clary Sage harvest in September.



## TRANS 2 HEXENAL / TRANS 2 HEXENOL

Market prices continue to increase. Furthermore supply chain issues of one of the main suppliers have substantially delayed deliveries in the market.



## CYCLAMEN ALDEHYDE

The market is oversold. Problems with the supply of the main raw material have led to limited availability in the market!





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