ESSENTIAL OILS

MARKET REPORT

AUTUMN 2018

¡HOLA AMIGOS!

Ultra International B.V.

Essential Oils, Ingredients, F & F

www.ultranl.com

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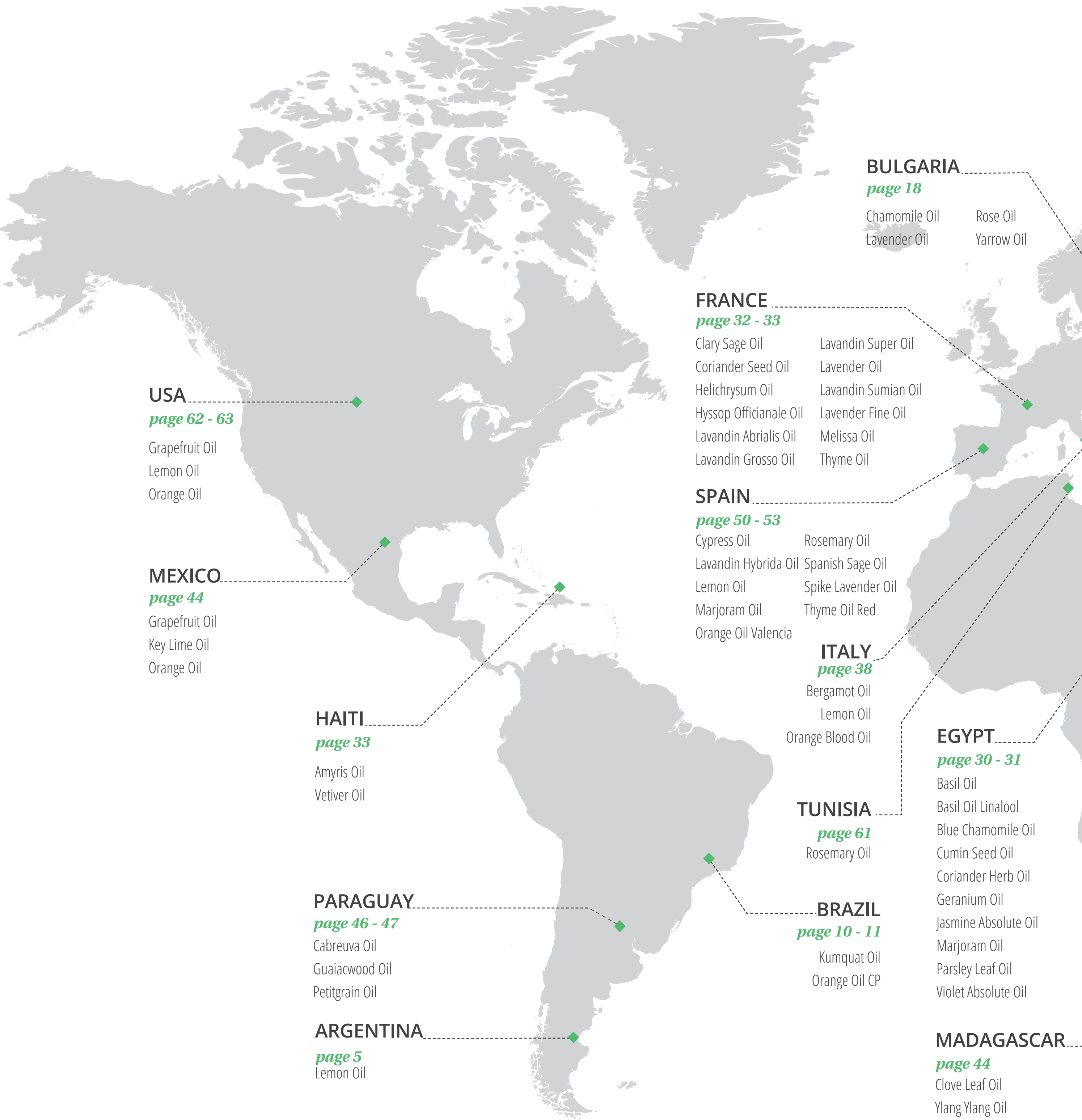


ARTICLES

¡HOLA AMIGOS!

It gives us immense pleasure to introduce our Autumn Market Report 2018.

All of us have, at some time or other, experienced the beautiful power of essential oils. Who hasn't stopped to admire the scent of fresh flowers? Or exulted in the fresh scent of fir needles in a forest? To harness the power of Nature's essences, for several years now we have explored a cornucopia of barks, roots, flowers, leaves and seeds of plants. And the best part of our job? Collaborating with Nature in a truly symbiotic and sustainable way. From the botanical to the bottle, we pride ourselves on our mastery of essential oils. In fact, being an 'essential' part of the industry, it gives us great fulfillment to know that, with our efforts, Nature's essences have poured into almost every alcove of the flavour and fragrance industry and onto the wellness map and have become a lifestyle for many.

The International Federation of Essential Oils and Aroma Trades (IFEAT) has come a long way from its inception in 1977 in London. South America is the cynosure of all eyes with the stage for the prestigious IFEAT 2018 conference this September at Cartagena, Colombia.

IFEAT has evolved to represent industry professionals, stakeholders, distillers, and experts from 691 member companies across 55 countries. From the first IFEAT conference held at Bangalore, India in 1979, to the upcoming in Cartagena, Colombia, the conference remains a unique platform for the exchange of ideas, conducting business and knowledge-sharing.

In this report we take you down to South America. Exotic in appeal, with the world's biggest rainforest, largest river and waterfall, mountains, remote islands, deserts, and icy landscapes, South America is an exhaustive palette of natural wonders. The continent abounds in flora and fauna. The colourful toucan is the most well known bird of the region. There are almost 40 species of toucans to be found within the thick rainforest canopy of South America. The continent is home to vast plantations of orange and lemon fields, which make it one of the leading citrus producers in the global arena.

This report contains a veritable olfactory feast. Many of the products featured here have been harvested in the summer months; and we bring you exciting news for all products direct from source. In addition, we share anecdotes from Sevilla, Segovia, Guadalajara, Barcelona, Lleida, and Emporda and the bus lectures from IFEAT's Spanish Study Tour 2018. We have shown you why South America continues to hold our attention as a key influencer on the growing global citrus industry. You will also discover the exotic nuances of the citrus product, Yuzu oil. It is well documented that there has been a substantial increase in the legal use of cannabis products, including cannabis oil. The market is poised on the verge of an unprecedented growth. In this edition of our report, we are fortunate to share the expert opinion on cannabis oil by Dr Robert S Pappas.

Muchas gracias, thank you for your time.
We look forward to bringing you more news in the future.

Priyamvada Sanganeria
Director, Ultra International BV

LEMON OIL *Argentina*

Citrus limon L. Burm. F.

According to the latest data from the USDA report, the 2017/2018 Argentina lemon production is poised to touch 1.55 million metric tonnes. This is an impressive increase of 100,000 MT compared to the last crop. The reason behind this bumper harvest is the almost perfect weather that contributed to the flourishing of the lemon trees. Lemons destined for the processing industry are forecasted to go up to 1.18 million MT from the previous crop figure of 1.12 million MT.

There is zero carryover inventory of lemon oil or juice from the last crop, and the demand for lemon oil and juice remains strong. Currently, there is adequate supply of oil and juice in the market. The prices for both lemon oil and juice concentrate have come down from the last crop. Export figures are projected to shoot up due to larger production.

USD 32.00 /kilo

ARGENTINA - ESTIMATED LEMON PRODUCTION AND PROCESSING DATA ('000 MT)

Countries	2015/16		2016/17		Forecast 2017/18	
	Production	Processing	Production	Processing	Production	Processing
Argentina	1350	1003	1270	950	1550	1180
European Union	1333	243	1536	284	1484	285
USA	822	190	804	159	791	155
South Africa	308	56	430	115	460	123
Total	3813	1492	4040	1508	4135	1743

The current site of Golden Grove Naturals shares property boundaries with Tucki Tucki Nature Reserve. Koala food tree corridors have been established along 1.5 km of Munro Wharf Road. This corridor of food trees has traditionally been used by local wildlife rescue groups as a source of food for animals in care. Additionally the trees have been used to re-establish rehabilitated koalas back to the wild populations.

Golden Grove removed dense infestations of pest plant species from the corridor in recent times. GGN is also engaging local groups to determine the current best practices to continue the establishment of koala food trees and protect and rehabilitate the local water ways.

BUDDAWOOD OIL

Eremophila mitchellii Australia

Under current conditions, sales and production figures reveal steady progress and continue to rise at a healthy rate. The emerging advanced and improved distillation facilities have increased capacity with larger batch sizes now available in the market. Furthermore, the newly adopted distillation processes have resulted in a change of oil colour from a dark brown shade to a lighter brown. This change has eased up its use in fragrance application. The demand for this essential oil has increased significantly in the Middle East, Turkey, and Russia; a further rise in demand is anticipated in coming months. Currently, more material is available on the ground, implying a quicker turnaround time than recorded earlier.

AUD 525.00 /kilo

CYPRESS OIL BLUE

Callitris intratropica Australia

Despite an increase in volume, the market continues to maintain balanced levels. The growing demand from the aromatherapy sector has led oil requirements to reach a new high level. Due to tight supply and limited availability of stocks, it is recommended to book requirements soon.

USD 625.00 /kilo

EUCALYPTUS HORISTES OIL

Eucalyptus kochii Australia

Production continues to grow along with rising demand. Good yields from accepted crop rotation and plantation practices continue to be sustained in the current period. With the increasing prices of Chinese eucalyptus, it is becoming feasible to harvest, distil, and process *Eucalyptus horistes* in Australia. Oil production this year is expected to be approximately 50-70 MT, and for next year, it is projected to be 100-150 MT. Emerging investments in advanced facilities have led to an additional supply of oil in the market. Further positive developments in this crop are anticipated in the future.

AUD 40.00 /kilo

EUCALYPTUS RADIATA OIL

Eucalyptus radiata Australia

The market continues to remain under pressure. The total size of Australia's market share in production is hard to calculate, but it is not thought to be larger than 7 MT per annum. The market feels pressure to deliver this oil due to a threefold rise in demand, ultimately leading to higher prices. Several known investments are in the pipeline to ensure that by the end of 2018 there will be more products available from newer plantations.

USD 85.00 /kilo

LEMON MYRTLE OIL

Backhousia citriodora Australia

Currently, Australia holds a monopoly as the single producer of lemon myrtle oil. Golden Grove Naturals (GGN) has transplanted around 1,750 trees, and the current year's yield is noted to be good. An additional transplant of around 2,000 plants is anticipated in the next five months. In order to produce 400-700 kg of oil this year, GGN will harvest close to 20 hectares of land. The growth in the aromatherapy market has led to demand touching new highs. This exotic origin of Australia attracts many producers and holds a top position in the aromatherapy sector due to the odour profile and high efficacy. Prices are at an all time high due to rising demand. Currently, some adulterated products are circulating in the market and sold as "Lemon Myrtle Oil." In order to ensure purity, it is recommended to conduct a C 14 test for all the samples before purchase.

AUD 750.00 /kilo

MACADAMIA OIL

Macadamia integrifolia Australia

The demand for this essential oil has increased significantly over the past few months. An inadequate supply of oil keeps current market pressures in place and demand is on the rise.

AUD 19.00 /kilo

ROSALINA OIL

Melaleuca ericifolia Australia

Rosalina is part of the Australian *Melaleuca* family. Southern rosalina was introduced as a sustainable alternative in the aromatherapy sector. Currently, the same botanical is being produced in different growing regions with different qualities. Thus, two qualities of rosalina oil are available in the market. 2018 may witness an improvement in supplies. The market continues to remain stable with an on-going production of rosalina oil.

AUD 410.00 /kilo

SANDALWOOD INDIAN OIL

Santalum album Australia

Market activity had gone down due to continuing financial instability. Despite this, two plantation producers continue as active market players in the steady supply of Indian sandalwood oil. As such, there appears to be reasonable oil volumes available. There are still issues regarding firmness of one of the producers, but some indications reveal that the challenges faced will be resolved shortly.

USD 3000.00 /kilo

SANDALWOOD QUEENSLAND OIL

Santalum lanceolatum Australia

The market welcomes sandalwood oil as a new entrant from Queensland sandalwood species. Traditionally, oil was used for incense and carving. Current supplies continue to remain steady. With producers willing and able to supply 5 MT per annum, supply is easily able to keep up with demand and remains healthy.

USD 2400.00 /kilo

SANDALWOOD OIL SPICATUM

Santalum spicatum Australia

There is continued consolidation in the industry. With Golden Grove Natural's new and upcoming initiatives, we hope to be one of the key players in this product in future. New partnerships coming up in 2019 will ensure the continued success of this product in years to come.

USD 1500.00 /kilo

SMOKEY MYRTLE OIL

Leptospermum glaucesscens Australia

Australian producers have a good forecast for smokey myrtle oil. With this particular oil, Australia continues to exist as the sole producer, growing plants under good climatic conditions.

AUD 280.00 /kilo

TASMANIAN MINT OIL

Mentha piperita l. Australia

This is a rare oil originating from an exotic origin. The good news is that the prevailing growing conditions are favourable and the production yield is increasing. Production will commence in November-December. Demand is soaring, especially in the aromatherapy sector. With an upsurge in demand, GGN has partnered with major market players to increase production.

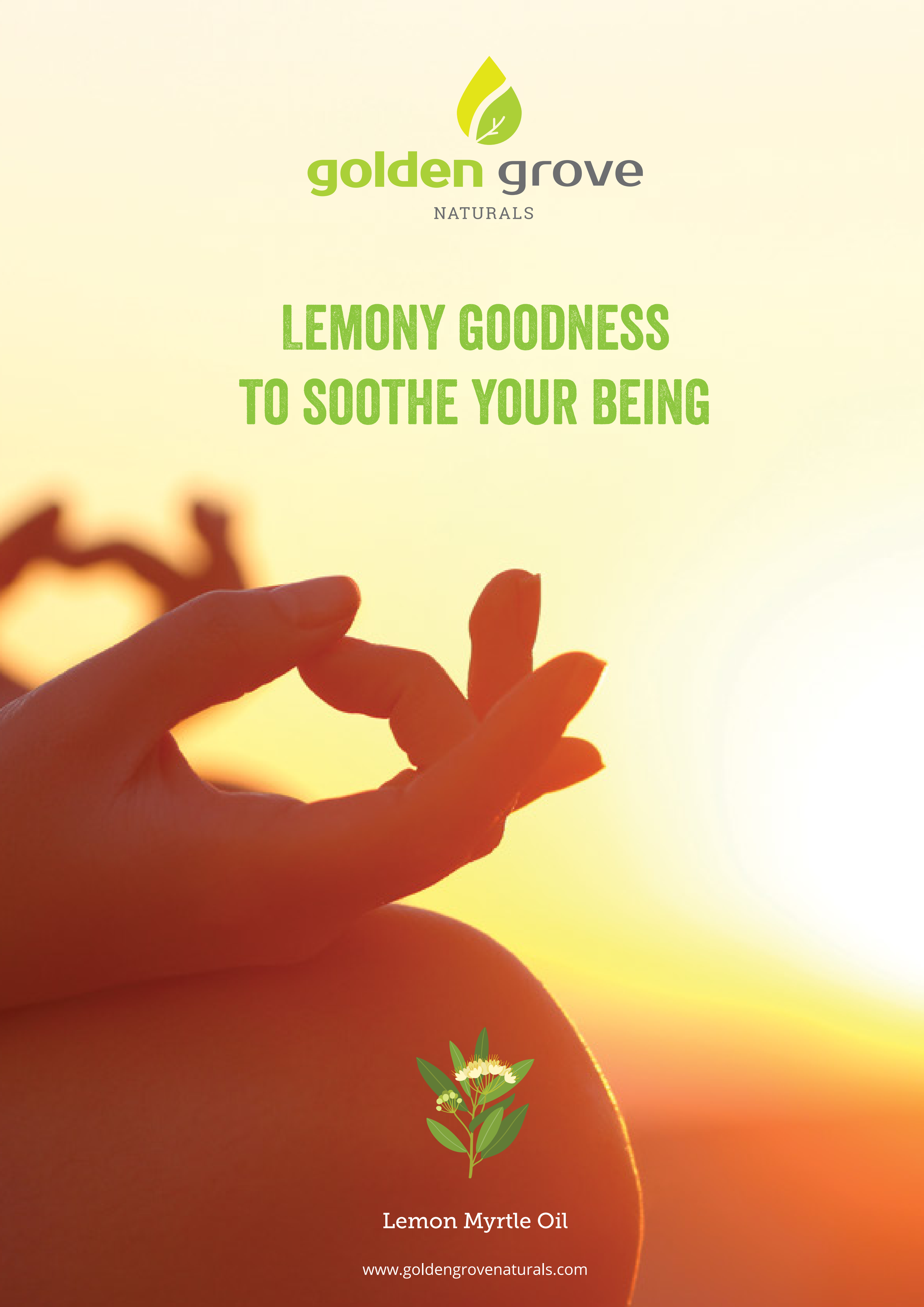
USD 65.00 /kilo

TEA TREE OIL

Melaleuca alternifolia Australia

Judging by the current cold weather and sufficient rain, this season is expected to bring in some robust figures. The favourable growing conditions with relatively good temperatures have resulted in a good harvest this year. The production season has begun and the harvest is in full swing all across the Gold Coast. There is a 600-700 MT expectation for the market from this year's harvest. With continued investments and developments in seeds, there is a healthy potential and an additional yield is expected in the near future.

AUD 52.00 /kilo


golden grove
NATURALS
LEMONY GOODNESS
TO SOOTHE YOUR BEING
Lemon Myrtle Oil
www.goldengrovenaturals.com

GREENING IN BRAZIL

Greening in Brazil, like in the USA, has been a constant source of worry for citrus farmers over the last few years. However, an official survey undertaken in 2017 threw up some positive findings. It was found that 16.73% of the trees in the main growing regions in Brazil are affected by greening as compared to 16.92% in 2016. The numbers indicate that the spread of the disease has been effectively controlled over the last two years through insightful farming practices like the removal of infected trees from the groves. On the technological front, too, great strides have been taken towards prevention of citrus greening.

KUMQUAT OIL

Fortunella japonica *Brazil*

There is considerable awareness, and efforts are being directed towards development work at the end user level. Blueprints are in place for capacity enhancement, which currently hovers around 5 MT per annum. The existing cultivated areas are well insulated from unusual weather situations; and the projected figures for the year are somewhat similar to the current average.

USD 230.00 /kilo

ORANGE OIL CP

Citrus sinensis *Brazil*

In July this year, the USDA released its crop forecast figures for Brazilian orange production of 16.0 million MT for the current Brazilian marketing year, July 2018 to June 2019. This is around 23% lower than the last crop. The primary reason behind this year's low prediction is that the trees are stressed after surprisingly good yields from last season. Consequently, the groves are expected to produce less fruit. Also, the arid weather and high temperatures in São Paulo and Minas Gerais States damaged blossoms, and were big impediments to the fruit setting. Local sources cite insufficient rainfall as another cause of worry and reason for further crop reduction. The industry awaits with great interest the second Brazilian orange crop estimate by Fundecitrus, due to be released on September 10th – coinciding with the opening of IFEAT's 2018 Cartagena Conference.

Sources from origin reported that the production of Hamlyn orange has been very low. The Pera variety is not projected to be any better.

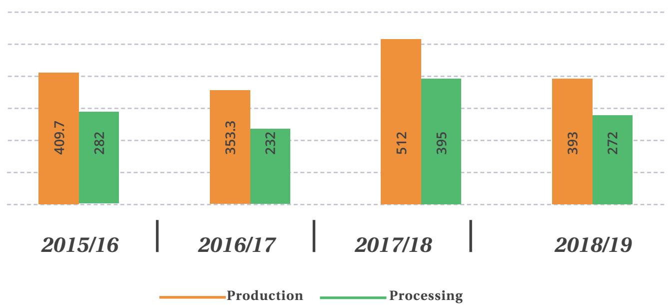
With the rather drastic plunge in orange production, and the increase in domestic fresh orange consumption, it is evident that oranges available for processing purposes will reduce substantially. The amount processed is projected to drop by 5.0 million MT to 11.1 million MT.

The demand for orange oil remains steady and stock levels remain low. The decline in crop size, and consequently available fruit for processing, will definitely affect supplies. Stocks are somewhat limited and prices are projected to increase for the new crop.

To summarise, there will be restricted quantities of orange oil supply due to decreased crop size, oranges available for processing will be significantly less than the last crop, prices are likely to escalate for the new crop, demand is firm for orange oil because of limited inventory, most sources are reluctant to commit on long term contracts in view of the prevalent uncertainties, and, with the Florida orange crop reaching its lowest in 75 years combined with an unwavering demand, the additional pressure on Brazil is tremendous.

USD 10.50-11.50 /kilo

BRAZIL ORANGE PRODUCTION AND PROCESSING - BRAZIL MARKETING YEAR
(MILLION BOXES OF 40.8 KG)



CITRUS
LEADING THE ESSENTIAL OIL BRIGADE

A chilled glass of tangy lemonade in the summer heat
or a juicy grapefruit at breakfast -
who doesn't enjoy the zesty freshness of citrus fruits?

Citrus fruits have captured the human population since time immemorial. It was after World War II that the citrus trade expanded due to increased awareness of the nutritional benefits and, of course, better trade relations. Today, citrus forms an indispensable part of our lives. Thriving in tropical and sub-tropical climes, citrus is cultivated across 140 countries worldwide. For the most popular citrus, orange, Brazil has displaced USA as the leading orange producer in the world. It also dominates world trade in orange juice production. The São Paulo region accounts for the lion's share of almost 94% of orange production. Further down, Argentina is a force to reckon with as one of the largest lemon producers in the world. Complemented by stringent agricultural practices and advanced processing technology, the country has set new standards of performance to also lead global lemon production. South America's competitiveness in the world citrus scenario is undisputed.

Citrus fruits ranging from lime to tangerine are the power solution for many of our vitamin requirements. But did you know that they can also play with your emotions? Essential oils derived from citrus fruits have the power to uplift and invigorate. So much so that lemon essential oil has also earned the moniker of 'liquid sunshine.'

THE ESSENCE-TIAL GOODNESS

Lemon, orange, lime, bergamot, tangerine, grapefruit and mandarin are the most common varieties of citrus essential oils. Cold expression or cold-pressing is the most preferred mode of commercial extraction since it keeps the ingredients intact. Unlike other essential oils, all citrus oils are acquired from the rind of the fruit. Among around 400 compounds, the key component of citrus oil is limonene that makes up around 97 percent of the citrus essential oil, depending on the citrus type. The remaining 1.8–2 percent represents alcohols, aldehydes, and esters. It is this compound that makes citrus oils powerful mood-boosters. They are generally phototoxic in nature, so should not be applied topically and then exposed to the sun.

MARKET DRIVERS

The essential oils markets have witnessed a burgeoning demand for citrus oils in the last few years. Skincare, immunity, and mood regulation because of citrus oils' ability to boost serotonin production, have created a citrus essential oils boom. The world has woken up to this foolproof freshness and consequently the requirement for citrus essential oils has escalated considerably.

Citrus has been esteemed as a source of a spectrum of distinctive flavours - from acidic and zesty to sweet and full-bodied notes to pungent and astringent tastes.

Citrus essential oils are also a must-have within a perfumer's palette. Almost all perfumers use citrus natural fragrances for top notes and ability to blend with other aromas.

The household and personal care industry also has been experimenting and employing the use of citrus. Increased usage of flavours, odourants, and pharmaceutical ingredients across diverse end-use industries has resulted in a rise in the demand for citrus essential oils.

Another driver for this demand is the rising standard of living and high per capita income in emerging economies. Increased spending and the proliferation of the wellness and relaxation industries have heavily influenced the surge in demand for citrus oils.

Growing end-user awareness has compelled producers to utilise bio-based and natural products. Beyond the industry use, consumer discernment about the immense health benefits associated with citrus essences has also increased considerably. Citrus oils have no detrimental side effects unlike most conventional drugs and medicines. Though many safety studies have thrown up some reservations regarding limonene, diligent usage and in moderation up to one year have proved to be low in toxicity for humans. It has been generally classified as safe (GRAS) by the Code of Federal Regulations, USA.

A combination of all the above, as well as the fact that citrus oils are reasonably less costly than most other essential oils, have pushed citrus essential oils into the much-in-demand category the world over.

CITRUS TRENDS

Citrus oil is enjoying a greater demand than most other types of essential oil across the world. This trend is anticipated to remain so over the next few years, with citrus oil continuing as the most valued product in the essential oil market.

The wellness and aromatherapy industry is growing drastically; and witnessing significant acceleration in growth. Worldwide, preference for convenient, harmless, and natural alternatives to traditional allopathic solutions is rapidly increasing. Rising consumer interest in aromatherapy directly contributes to the revenue increase in the therapeutic massage oils segment. As such, it is an important driver for the global citrus oils market.

By the end of 2016, the therapeutic massage oils segment dominated the aromatherapy essential oils market and was valued in excess of US$ 700 million. Traditionally, Europe has dominated this market propelled by the growing wave of natural products in the EU. Germany and UK too are consumers of citrus essential oils. North America comes a close second, with the USA leading the demand for citrus oils. In fact, if preliminary estimates are anything to go by, America and Western Europe are expected to account for more than half of the global market by 2026. Worldwide, industry pundits estimate the global aromatherapy market to flourish at a healthy growth rate of 7.7% annually; and valued at over US$ 8 billion by 2026.

Let us consider a few facts. In 2015/16 the total global output of fresh orange (the most popular among the citrus) for processing was 17,647,000 metric tonnes. In January 2017/18 this number reached 19,242,000 MT. Global lemon oil is the second most in-demand oil in the citrus family, and lemon processing reached 1,515,000 MT rising in 2017/18 to approximately 1,604,000 MT processed worldwide.

Brazil is by far the world's largest orange producer accounting for an estimated 21% of global production of 67 MMT with the USA and Mexico accounting for 7% and 5% respectively. USA, Mexico, and Spain also account for significant amounts of grapefruit. Argentina holds pride of place in lemon production, followed closely by EU, USA, Turkey, and South Africa.

Fresh global citrus production is in excess of **100 MMT** ***of which oranges account for approximately*** **62%** ***by volume;***

easy peelers (mandarins, tangerines, clementines, satsumas) 30%; lemons 5% and grapefruit 2%.

“Brazil is by far the world’s largest orange producer accounting for an estimated 21% of global production.

> *The Asia Pacific region is poised to become a front runner for driving citrus oil demand.*

Forecasts predict a Compound Annual Growth Rate of **5.1%** *with figures expected to reach more than* **USD 100 MILLION** *by the end of 2026.*

LOOKING FORWARD

Though challenges like inclement weather and citrus greening persist, there is no looking back as citrus reigns over the markets and is likely to continue to climb the global popularity charts in the years to come. Compelled by the ever-increasing demand for citrus oils in food and wellness industries, the segment is estimated to record substantial growth.

The Asia Pacific region is poised to become a front runner for driving citrus oil demand. In 2015, the market was valued to exceed almost US$ 90 million in the Asia Pacific region. Forecasts predict a Compound Annual Growth Rate of 5.1% with figures expected to reach more than US$ 100 million by the end of 2026.

In Europe alone, the segment is set to grow at a robust CAGR of 5.0% to go up to almost US$ 500 million by 2026.

If these indications are anything to go by, it is clear where the citrus oil industry is headed. Amidst this incremental demand for citrus across the F&F and aromatherapy sectors, there are some concerns regarding their perishable nature. The projected growth could be influenced by the low cost of production from emergent regions. However, despite these, the opportunities are stupendous and players are gearing up to enhance their distribution channels and exploring new application areas for citrus essential oil.

CHAMOMILE OIL

Chamomilla recutita L. *Bulgaria*

Chamomile is a flourishing essential oil crop in Bulgaria, widely used in herbal remedies. Interest in chamomile oil has increased in the past few years, and new producers have emerged in other countries. Due to higher chamazulene levels, Bulgaria continues to be a strong market participant, retaining its position for quality.

Euro 1310.00

LAVENDER OIL

Lavandula angustifolia *Bulgaria*

Lavender crop production has been around 30 / 40 % lower as compared to last year, due to adverse weather conditions. Heavy rain and storms, just prior to and during the harvesting period, lead to a substantial reduction in yields. Some distilleries are holding back stock and waiting for prices to go up further.

Initial estimates suggest production below last year's level and possibly in the order of 200-250 MT. At this time low price products will certainly be of inferior quality.

Euro 145.00 /kilo

YARROW OIL

Achillea millifolium *Bulgaria*

Yarrow oil, due to its blue colour and medicinal aroma, is gaining popularity in the aromatherapy market. Blue yarrow has an aroma that is sweet, fresh, and proves to be very effective in aromatherapy applications. In 2017, demand spiked despite sufficient supply quantities, and prices were higher than average.

Euro 1305.00 /kilo

ROSE OIL

Rosa damascena *Bulgaria*

As a result of favourable climatic conditions and other natural factors, for more than 350 years, Bulgaria has been the land of rose oil production – and today it remains the world's major rose oil producer. However, nothing is ever straightforward with Bulgarian rose production and each year throws up new challenges. Following the large increase in rose oil production in 2017, this season saw a severely compressed rose harvest period along with lower yields, labour shortages, and some distilleries even turning away already harvested rose flowers. This year's weather conditions led to rose flowers blossoming rapidly and simultaneously in all the producing regions. This meant that rose flowers had to be processed within a 2-3 week harvesting period in contrast to the normal harvesting period of 4–6 weeks. This created major problems for all the distilleries, most of which had insufficient capacity to process the flowers available, leading some to set daily limits on rose deliveries as well as turn away roses from non-contracted suppliers. Oil yields were reduced from previous years. Fortunately, the area under rose production has been increasing in recent years, growing by an estimated quarter in the past two years. The larger production area helped to compensate for the lower yields.

In addition, labour availability was a greater problem than usual, in part because rose flowers needed to be handpicked during an even shorter harvesting period. Picking requires great dexterity, and patience, and is mainly done by the minority Roma people, particularly women. Labour costs increased in an effort to attract and maintain labour supply, and the situation was not helped by legislative issues relating to labour employment.

While the overall area under rose production has been growing, this is not the case with organic production, which has been decreasing. The area under certified organic roses has fallen by an estimated 15% over the past two years. This is the result of higher organic production costs, lower yields, and the ending of EU subsidies.

The large 2017 harvest put downward pressure on rose oil prices following their 2016 peak. The downward trend has continued in 2018. However, this is not the case with organic rose oil where high production costs have maintained price levels.

Finally, quality issues are still a major concern. Despite the fact that the international fragrance community is now more alert to adulteration issues, there is still a significant production of adulterated "rose oil" in Bulgaria. It is strongly recommended that the standard GC-MC analysis be undertaken on all offers, along with other tests to prove authenticity and origin. Products can be labelled as "Bulgarian rose oil" only if they possess a PGI certificate and mark. A PGI certificate and special mark is symbolic of a guarantee of true authentic quality of 100% pure and natural Bulgarian rose oil.

Euro 6900.00 /kilo

This is a busy time in Yunnan Province, where the farming season corresponds with the rains. Demand has been on the lower side in both domestic as well as international markets. This impacts the eucalyptus oil, Chinese geranium oil, and citronella oil harvests.

ANGELICA ROOT OIL

Angelica archangelica *China*

Affected by the demand of China's domestic pharmaceutical companies, the price of raw materials of angelica root rose slightly in the recent past. However, due to the abundant inventory produced in the earlier period, the overall price stabilised.

USD 465.00 /kilo

CEDARWOOD OIL

Juniperus virginiana *China*

The demand for cedarwood oil is healthy and this unwavering demand is commanding steady prices. However, somewhat regulated supply of cedrol has seen a marginal increase in prices.

USD 17.00 /kilo

CASSIA OIL

Cinnamomum cassia Blume (Lauraceae) *China*

In late June the price of cassia oil was relatively stable, and at a low. The factory has begun production of cassia oil by using dry cinnamon leaves, which were harvested from the spring crops. From the statistics of raw materials collected by various factories, the total output of cassia oil this spring is less than the corresponding time period last year. Predictions suggest a lower level of output in the autumn production season in October - November. It is advised that customers in need should not wait but book their purchases according to actual needs.

USD 39.00 /kilo

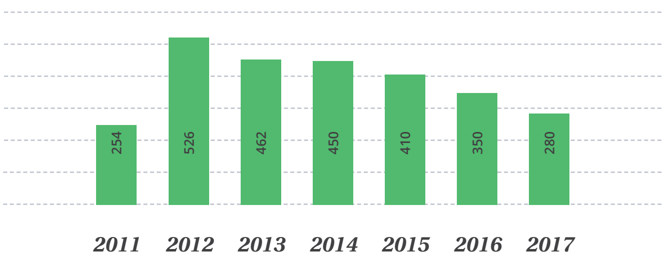
CITRONELLA OIL

Cymbopogon winterlanus *China*

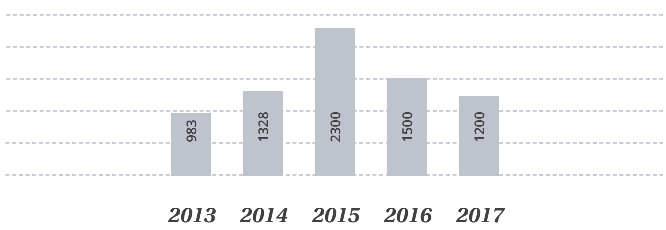
Low pricing discourages local farmers from cultivating citronella. Thus the crop size for 2018 is largely reduced. At present, it is the production season for citronella oil, but the main producing areas are still witnessing rains. New oil output is considerably less; and demand still relatively weak.

USD 29.00 /kilo

CASSIA OIL PRODUCTION
TOTAL PRODUCTION QUANTITY (MT)



CITRONELLA OIL PRODUCTION
TOTAL ESTIMATED QUANTITY (MT)



CLARY SAGE OIL

***Salvia sclarea* L.** *China*

In 2017, around 4,700 hectares of *Salvia sclarea* was cultivated and close to 12 tonnes of essential oil obtained. All of this stock has been exhausted as it is already sold out. In 2018, 1,700 hectares were cultivated. The plants are flourishing and farmers hope to achieve about 10 tonnes of essential oil amidst a healthily increasing demand. In 2018, factories have invested considerable sums towards steam distillation equipment. However, in the meantime, more than five small farmers have stopped cultivation and production due to the huge investment on environmental protection, and negligible margins on clary sage concrete.

USD 159.00 /kilo

EUCALYPTUS OIL

Eucalyptus globulus *China*

At present the main producing areas in China are experiencing rainfall. The forest ban imposed by the government is still in force; and as such there are no new oils. Some farmers are still holding stocks; but market demand is also relatively weak. There is moderate supply of raw materials. The main rural labour force is currently engaged in working in cities; others are also busy with agricultural production. In case there is no labour available and oil is depleted after the rainy season in the main production areas, and if market demand increases, factories will try to obtain any raw materials available. In such a scenario, eucalyptus oil and eucalyptol will see a trend of rising prices. Otherwise, prices are expected to remain relatively stable at current levels.

Supply during the small production season was tight; new crops will come in after October. At present, there is limited raw material available for processing. Current market supply is tight, but there is still some stock.

USD 32.00 /kilo

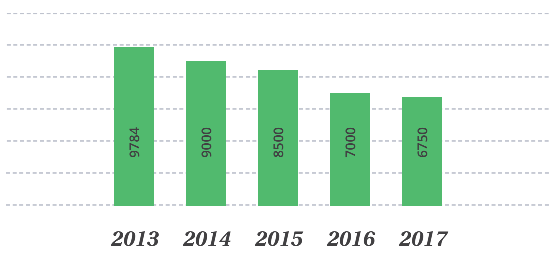
EUCALYPTUS CITRIODORA OIL

Eucalyptus citriodora *China*

Supply during the small production season was tight; new crops will come in after October. At present, there is limited raw material available for processing. Current market supply is tight, but there is still some stock.

USD 25.00 /kilo

EUCALYPTUS OIL PRODUCTION
TOTAL PRODUCTION QUANTITY (MT)



GARLIC OIL

***Allium sativum* L.** *China*

August marks the beginning of the garlic season, which ends in November. Prices for fresh garlic have been fluctuating, and eventually falling to very low levels. This has resulted in a drastic price drop of the essential oil too. Considering that the planting area has not decreased this year, and prices of new production raw materials look low, garlic essential oil is expected to remain steady at a reasonably lower rate.

USD 189.00 /kilo

GERANIUM OIL

Pelargonium graveolens *China*

The government's agricultural subsidy policy has resulted in an increase in plantation area by at least 50% this year. The prices have reduced significantly. The production season is on-going now; but the main production takes place during the imminent rainy season. Farmers are unable to distil, and most farmers and collectors do not have much crude oil in stock. If the rains continue and the current supply-demand maintains its momentum, prices of Chinese geranium oil will increase slightly.

USD 198.00 /kilo

GINGER OIL

Zingiber officinale *China*

The ginger season begins in November and ends in December. The waning demand for this oil has led to a corresponding price drop. The market is witnessing active trading with relatively stable prices.

USD 94.00 /kilo

HO WOOD OIL

Cinnamomum camphora *China*

Ho wood prices maintain their constancy in the prevailing stable market situation.

USD 40.00 /kilo

LAVENDER OIL

Lavandula angustifolia China

In 2017, 75 tonnes of essential oil was obtained from about 1,320 hectares of lavender cultivation; and all of this stock has been consumed. 2018 has seen a rise in cultivated area to 2,000 hectares. It is estimated that more than 100 tonnes of essential oil will be obtained from this crop. Harvesting and distillation is already in full swing. Prices have been on the higher side. This is a result of simultaneous production cuts in China and Europe, making it unlikely that prices will fall back.

USD 100.00 /kilo

LITSEA CUBEBA OIL

Litsea cubeba China

At present, no raw materials can be supplied. In August, the new oil will be available. Due to large rainfall this year, the seed production of *Litsea cubeba* in the main producing area looks optimistic. However, the strict environmental protection policy implemented in China is having a great impact on production. The production entails an enormous amount of water waste and residue after distillation. Consequently, the cost of waste processing has shot up drastically, forcing some of the smaller factories to stop production this season.

USD 39.00 /kilo

MAGNOLIA FLOWER OIL

Magnolia grandiflora China

The production season of magnolia flower oil is mainly concentrated in May-June. This year there was excess rain during the production period, thus the output of magnolia flower oil is not large. The aroma of freshly produced magnolia flower oil is rough and raw, so will take a while for the better aroma to be available. Current supplies are dependent on the stocks from each factory, which are running short. Market watchers are anticipating price rises once demand also improves.

USD 1410.00 /kilo

ORRIS ROOT OIL

Rhizoma iridis China

Given the peculiar characteristic of orris roots i.e., new dry roots need to be placed one year before the formation of ironone and aroma, the total output of orris root last year was remarkably lower than the previous year. This year's price of orris root has beaten last year's rates. The current tight inventory of raw materials may lead to inflated prices later. When inventory consumption increases, it is likely that the price of the oil will follow the rise of raw materials.

USD 17.00 /kilo

ROMAN CHAMOMILE OIL

Matricaria chamomilla China

Roman chamomile is primarily used as aromatherapy oil. 2017 saw less than 5 tonnes of oil obtained from 220 hectares of *Anthemis nobilis* cultivation. This stock is sold out. Currently, in 2018, around 1,000 hectares are under cultivation. It is anticipated that this will yield about 16 tonnes of essential oil. Harvesting and distillation of the plant is now under way.

USD 660.00 /kilo

STAR ANISE OIL

Illicium verum China

The current supply of raw materials is very tight; the market price has continued to rise in late June. Most of the factories have no goods to supply, and new oil will not be available until November. In the meantime, prices of star anise oil and anethol have continued to soar. However, there is still adequate room for prices to stabilise; it is the best time for booking orders.

USD 23.00 /kilo

TEA TREE OIL

Melaleuca alternifolia China

The crop season begins in August and continues till October. Incessant rains in the main production areas have had a radical impact. Production of raw material has been meagre, and supplies have been tightened. This scenario combined with stressed market conditions; prices are steadily on the rise.

USD 27.00 /kilo

WINTERGREEN OIL

Gaultheria procumbens China

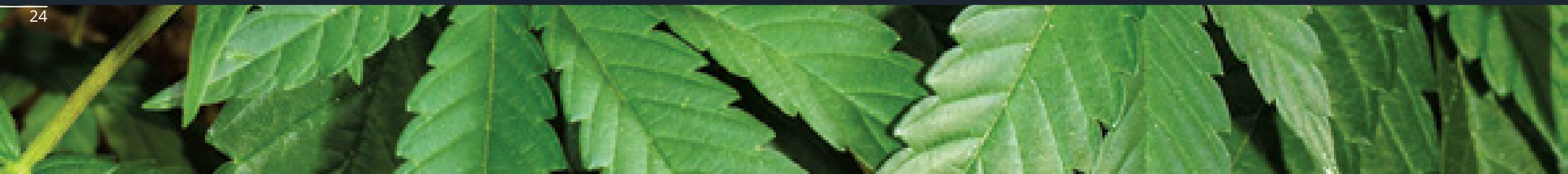
The current harvest season of wintergreen oil is expected to end in early August. Wintergreen is a wild plant; considering that, harvesting is difficult, and labour costs are prohibitive. Coupled with low margins, farmers are reluctant to cultivate wintergreen. Judging from the current production situation at origin, this year's production and market price are set to match those of last year's. Prices are predicted to rise on the back of healthy demand.

USD 52.00 /kilo

CANNABIS CONFUSION
HEMP, MARIJUANA, CBD AND THC
SOME PERSONAL REFLECTIONS

Dr. Robert Pappas, Founder - Essential Oil University

Over the past few years there has been a substantial increase in the legal use of cannabis products, including cannabis oil, and the market is booming. As with many such markets, there have been problems with adulteration and an overall lack of detailed knowledge about the various cannabis products. The article provides a personal overview of cannabis products from one of the world's leading experts on essential oils.



With the tremendous growth in the cannabis extracts and isolates market, we are seeing many websites, social media pages, and online groups dedicated to them. With that comes rampant misinformation perpetuated by people either lacking education or pushing an agenda. Regardless of the reasons, so much false and conflicting information is out there that it is leaving the average consumer confused and sceptical. This is unfortunate because these products really do have huge medicinal potential and so I find myself often setting things straight via comments in social media groups, multiple times over, in a never-ending battle against the myths that are becoming more widespread. It is almost like revisiting the essential oil and aromatherapy industries from the 1990s all over again.

With over 21 years of writings and publications, most people in the essential oils and aromatherapy arena know me by reputation. But I am not only writing this work for my fellow essential oil aficionados, but also for the long time cannabis enthusiasts.

Cannabis is a plant that is made into an extract and my focus has been the analysis and research of hundreds of plant extracts, for the better part of my career.

Yes, it's true that I am known for my work with essential oils, but it's important to understand that I have been analysing and researching plant extracts of all kinds, produced from a multitude of distillation and extraction methods. For me, cannabis is just another plant, among the many hundreds of extracts I have studied for over two decades. So hopefully the cannabis people will see the value of my background.

I do believe I have a unique perspective to offer that really very few in the cannabis world have access to. My first foray into the cannabis realm was in 1997 when I distilled and analysed the essential oil of a high THC cannabis variety (aka Marijuana). I did not publish this work out of fear of having to explain how I obtained the raw material for the research, not something to consider lightly being at Indiana University in the 1990s. For those of you who subscribe to the EOU chemical reference database, you can see the GC report of this 1997 distillation there (https://www.essentialoils.org). I did the distillation out of pure curiosity; I was keen to study what we would find. At that time, there were no reports on the analysis of cannabis essential oil with up to date techniques, the only real reference available on the essential oil composition was that of a 1965 paper which is also reported in the EOU database.

> ***"Many people still do not understand that marijuana and hemp are the same plant with the same genus and species, namely either Cannabis sativa or Cannabis indica.***

With the historical lack of real scientific information related to cannabis and its extracts, and the sudden boom of this industry, there is real confusion, especially among consumers, in the terminology used. This work is simply my attempt to clear some of it up. From my perspective, I absolutely hate the terms marijuana and hemp. Of course, as a scientist I prefer to use scientific terms that are less ambiguous. To me it is all cannabis but we need the proper descriptors to make sure people can understand what we are talking about. Many people still do not understand that marijuana and hemp are the same plant with the same genus and species, namely either *Cannabis sativa* or *Cannabis indica*. For the purpose of this article, I am going to focus only on *Cannabis sativa* because that is the species that most of the extracts in the USA seem to be coming from.

Very often you will see pages on the internet with headings like *"Hemp vs. Cannabis, what's the difference?"* Typically headlines like this are a good indicator that the person publishing does not fundamentally understand the plant science because, well, hemp IS cannabis, the word cannabis is simply the genus of the plant. What they obviously mean to say is *"Hemp vs. Marijuana,"* at least those traditional descriptors have real, historic differences.

So what exactly is the difference between hemp and marijuana?

More recently, hemp is defined as genetic strains that are higher in cannabidiol (CBD) and marijuana is defined as the strains that are higher in tetrahydrocannabidiol (THC). CBD and THC are the main cannabinoids (among several) found in cannabis.

Still others, more historically, will differentiate between the two products based on the part of the plant and how it's used. They reserve the term "hemp" to the industrial/commercial use of the cannabis stalk and seed for textiles, foods, papers, body care products, detergents, plastics, and building materials while using the term "marijuana" for the recreational and medicinal use of products derived from the flower and leaves.

And yet a third viewpoint seems to consider plants with low cannabinoid content = hemp and plants with high cannabinoid content = cannabis. Obviously, these viewpoints can lead to contradictions because under one definition material with very high CBD would be called hemp and under the other paradigm the exact same material would be called cannabis.

This leads to even more confusion among consumers, and even among people with a long history with cannabis. This is why I am desperately pushing for some consistency and convention among the cannabis community when it comes to terminology. I would love to see the entire community chose a definition and stick with it. Or perhaps the solution is to avoid using the trivial names hemp and marijuana altogether. Let's face it, it's all cannabis.

My preference is to stop using the trivial names and adopt the chemotype nomenclature from the essential oil industry. For example, there are many chemotypes of basil essential oil, mostly all coming from the same genus and species *Ocimum basilicum*. Basil oil that is high in linalool is called Basil ct. linalool. Basil oil that is high in methyl chavicol is referred to as Basil ct. methyl chavicol. To me it would be much clearer if, when referring to these extracts, we could simply talk about Cannabis ct. CBD or Cannabis ct. THC. This emphasises that we are talking about the same plant just different strains that produce a different major cannabinoid when extracted. It would be less confusing.

DIFFERENCE BETWEEN CBD AND THC

While both are very important cannabinoids, they have very different observable effects in the human body. It is unclear at this point, which is more medically valuable, but what is clear is that THC has the added complication (or benefit depending on your perspective) of getting you high.

Since CBD does not have the psychoactive effects that THC does, many think it is the more medicinally useful cannabinoid, at least from a practical usage sense. This is because the amount needed to be really potent for treating serious medical conditions such as seizures or chronic pain can be many hundreds of milligrams per day. This dosage level is no problem for CBD, but merely 100 milligrams of pure THC would turn most people into zombies for at least 12 hours, if they didn't vomit it out from nausea before then.

This is not to say that THC is not very medically useful, there is still much work to be done. But at the end of the day, one still has to function. It's quite likely that some perfect combination of both of these cannabinoids would be of optimal medicinal value. So, it's impossible to say at this point, which, if either, is more important.

There seems to be a lot of contention between the old-school growers of "marijuana" (what I call Cannabis ct. THC) who have turned their once illegal activities into huge cash cow businesses in states like Colorado, and the relative newcomers on the market, focusing on extracts of Cannabis ct. CBD. This contention leads to the spreading of misinformation on both sides because of lack of education as well as good old-fashioned propaganda based on economic interests of both camps.

For example, you will often hear ridiculous claims like, *"CBD from hemp is not as high quality as CBD from cannabis."* This statement is false on two counts. First CBD from hemp is CBD from cannabis because cannabis is simply the genus of all these plants. Secondly, CBD is a molecule with a specific three-dimensional structure, it knows not from whence it came. It's only requirement to be CBD is the unique three-dimensional arrangement of its atoms. So, it does not matter what genetic strain produced the CBD. IF IT IS PURE CBD, then it's going to act EXACTLY the same way in the body, regardless of where it was isolated from.

I believe this myth was originally perpetuated for economic reasons and then latched on to by those who set up camp backing the traditional "marijuana growers" to disparage what they view as mere "hemp growers," seen as a threat to their business. Likewise, the newer producers of Cannabis ct. CBD will many times vilify THC as the "bad cannabinoid" and tout CBD as the "good cannabinoid" and promote CBD as medically important.

Other outrageous claims you will see are things like *"CBD extracts from hemp are not as good as CBD extracts from cannabis because hemp does not have the needed terpenes for the entourage effect."* Again, hemp IS cannabis. But to address the claims about the entourage effect, we must first define what that means.

The entourage effect in the cannabis world usually refers to the enhanced effectiveness of the cannabinoids offered by the inclusion of the native terpenes of the plant. Some will also state it to more generally refer to the greater effectiveness of using the whole plant extract as opposed to just a single isolated cannabinoid. In the essential oil and aromatherapy world, we would simply call this the synergistic effect; the synergy of all the molecules in the essential oil has a greater effect than just the sum of its individual components.

THE "ESSENTIAL OIL" OF CANNABIS

What the cannabis world has largely not figured out yet is that what they refer to as the terpene profile of cannabis is simply the essential oil of cannabis. The essential oil is just the volatile organic fraction of the plant obtained by steam or hydrodistillation. Having been involved in the research of cannabis essential oil, I can assure you that the essential oils of both high THC and high CBD plants contain all the same components for the most part.

Of course, the ratios of the main terpenes found in the various strains of cannabis can vary, but they have the same terpenes in common and there is no evidence, yet, that would suggest that the cannabinoid ratio of the plant affects the essential oil composition. The essential oil is a secondary metabolite and basically determines the odour of the cannabis plant of interest.

There are literally hundreds of genetic strains of cannabis and if you spent any time smelling the different strains you know that the odour can be all over the place. But regardless of the odour, the essential oil is typically mainly comprised of three main terpenes, namely myrcene, alpha-humulene, and beta-caryophyllene. Myrcene is a monoterpene, while alpha-humulene and beta-caryophyllene are sesquiterpenes. The variance in odour, regardless of coming from "hemp" or "marijuana" is due to the varying ratios of these components along with the variance in all the other minor terpene and terpenoid components. This can range into the hundreds if you dig deep enough into your analysis. It would be quite likely that you could come across two genetic strains that could have very similar essential oil profiles, smell pretty much the same, and yet one would be higher in CBD and the other higher in THC. If not naturally occurring, then this certainly could be accomplished through selective breeding.

Lastly, many companies are talking about the so called “cannabis terpene isolates” and adding them to cannabis extracts to get the desired entourage effect. Sometimes these are terpene fractions from actual CO2 extraction of cannabis. These terpene fractions are often VERY expensive, more often than not; what is being sold on the market are often cheap terpene products that come from other botanicals, or even made synthetically. It is fairly easy for a lab to determine the origin of terpenes by GC/MS analysis.

The best thing to use for the entourage effect would simply be the true cannabis essential oil that is obtained by steam distillation of a variety of cannabis strains. It should typically be done on a production scale from low cannabinoid biomass as the steam distillation process is somewhat destructive to the plant material, and would drastically reduce the extraction yield of the highly-valued cannabinoid-containing parts which are saved for other extraction processes like CO2 or butane extractions.

In conclusion, when it comes to cannabis extracts, it is critical that every buyer beware. The cannabis industry is relatively new and is booming. Because of this, it is experiencing some of the same problems of large-scale adulteration and outright fraud that the essential oil and mainstream extracts industries experienced decades ago. Do not get me wrong, this still happens to a large degree in the essential oil and related industries as well, but not to the degree as the cannabis industry. Here, it is basically the Wild West all over again, especially on the terpene front. Because the cannabis industry is so new and, at this point, so isolated from the more mainstream industries as a result of the legal barriers, there is a tremendous lack of scientific expertise and knowledge within the cannabis world. Those of us coming from the analytical end of the flavour, fragrance, and essential oil industries have been dealing with detection of adulteration our entire careers. Therefore, we are perfectly set up to make the crossover into the cannabis world, but, because of the legality issues that many companies do not want to deal with, the crossover is not really that common, separating the cannabis world and mainstream botanical extracts world. I look forward to a unification of knowledge from both the cannabis industry as well as the mainstream extracts and essential oil industries, as they really are more related than most people realise.

Dr. Robert Pappas is the founder of the Essential Oil University (www.essentialoils.org), which hosts The Essential Oil Chemical Reference database, containing thousands of literature references and GC/MS reports for almost any oil. EOU’s Facebook page is one of the most followed independent social media sites concerning essential oils in the world. Rob received his Ph.D. in Physical Chemistry from The University of Tennessee and B.A in Chemistry from Indiana University. He has published many articles and has been a continuous source of inspiration and education for the aromatherapy industry for over 20 years.

BASIL OIL

Ocimum basilicum Egypt

The trend in 2017 showed a high demand with some deficit in supply. As a result, prices rose sharply. However, oil is available at source; there are reports about large cultivated areas, and naturally, a sizeable crop is anticipated. Now that the new crop has started, prices are on the decline and markets are easing out week-on-week.

USD 57.00 /kilo

BASIL OIL LINALOOL

Ocimum basilicum L Egypt

2016 witnessed short supplies throughout the year. This created active demand in early 2017 and pushed up prices of the oil. The basil oil linalool harvest started in early August and finished in October. Due to farmers' unrealistic price expectations, the oil prices hiked. While prices are higher with no relief, demand continues to remain active and the market is expected to be stable with good availability of stock.

USD 150.00 /kilo

BLUE CHAMOMILE OIL

Chamomilla recutita L. Egypt

Seeds of blue chamomile oil are planted after summer and distillation takes place around March. Demand continues to remain active and supply peaked over the past few months. Current season's growing conditions appear favourable with relatively good temperatures and the projected harvest is comparable to last year's crop. Currently, prices continue to remain stable. However, with rising demand, a higher price may be charged for the crop in the near future.

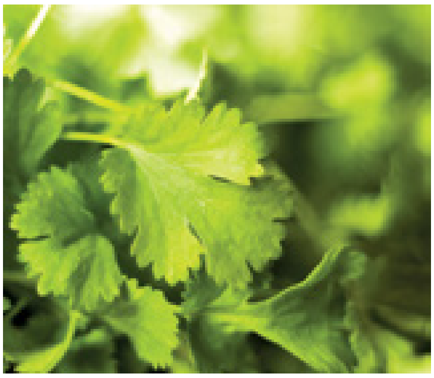
USD 680.00 /kilo

CUMIN SEED OIL

Cuminum cyminum Egypt

There were a few weeks of turbulence since the start of the new crop; and prices started moving up due to limited crop. Though demand and supply remain stable at the moment, the prices are higher in comparison with last season, due to increasing demand for cumin seed oil. It is expected that the prices may inch upward in the coming period.

USD 142.00 /kilo



CORIANDER HERB OIL

Coriandrum sativum L. Egypt

Adequate supplies in the market have ensured stability.

USD 205.00 /kilo

JASMINE ABSOLUTE

Jasminum grandiflorum L. Egypt

Growing conditions have been favourable this season leading to an anticipated good crop in the near future. 2016 saw a bumper crop leading to a crop surplus at the start of the 2017 season. The demand and supply situation continues to remain steady. During the coming months, stability in prices is anticipated as a result of a respectable crop.

USD 3216.00 /kilo

GERANIUM OIL

Pelargonium graveolens Egypt

With sufficient availability of geranium oil at this point, demand remains very strong. Adequate availability of stock at origin keeps the market stable, and no dramatic rise in price is anticipated. Accompanying favourable conditions may yield a good crop in the near future. The production of new crop commenced around June. The reports are encouraging; a fair crop is expected. Speculators were expected to be active, which would have led to a price rise, but this did not happen. Prices remain unwavering and it is hoped that this will last through till the end of the production season.

USD 96.00 /kilo

MARJORAM OIL

Origanum majorana Egypt

The demand for this essential oil has risen marginally as compared to the same period in the past season. The new crop production has almost ended with expectations of reasonable volumes. From recent conversations, there may be an availability of marjoram oil at source ensuring market stability, with a slight escalation in price

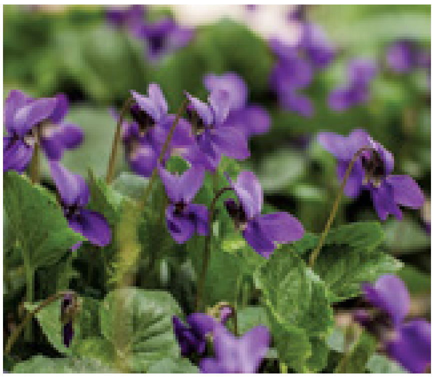
USD 80.00 /kilo

PARSLEY LEAF OIL

Petroselinum crispum Egypt

With little interest and low production, the market continues to remain flat. Current status reveals oil production in Egypt has reached its limit. Despite this, there is a small quantity available at origin, thus keeping the general market satisfied.

USD 205.00 /kilo



VIOLET ABSOLUTE OIL

Viola odorata Egypt

Due to a sudden decline in oil prices, the amount of planted land has reduced to half of the previously cultivated area. Farmers are not showing any interest, they have given up farming this crop in the coming season due to these prevailing circumstances. As there is sufficient availability of stock, demand and supply continues to prevail in a stable state. However, prices could rise in the near future due to reduced production volume and prevailing market conditions.

USD 804.00 /kilo

NEW UPCOMING FRENCH PRODUCTS

Tarragon, Oregano, Sarriette, and Thyme Oil

These oils are observing a significant expansion in demand from the food industry. Some new crops will be introduced this year, and there will be more essential oils distilled from the fresh raw materials that are being newly introduced in the market.

CLARY SAGE OIL

Salvia sclarea *France*

Clary sage production thrives in the growing conditions available in southern France, and recently, there has been a substantial expansion of production. However, demand is lower than available supply, which has led to a sizeable decrease in clary sage oil prices. Next season will see fewer producers but some carryover of stocks.

Euro 120.00 /kilo

CORIANDER SEED OIL

Coriandrum sativum L. *France*

Continued investments in new plantations have resulted in the expansion of growing areas - 200 hectares in 2017. In 2018, this figure is estimated to reach 300 hectares. However, it has not made a significant impact in the oil volumes.

Euro 85.00 /kilo

LAVANDIN ABRIALIS OIL

Lavandula hybrida abrialis *France*

The output decline has been at odds with general market slowdown. With only 700 hectares of plantation remaining, it's impossible to find new arrivals in the near future. The material is in limited supply corresponding to a weak demand. Most end users have turned to reformulations to ensure their product is not at the mercy of an oil that is facing extinction.

Euro 45.00 /kilo

HELICHRYSUM OIL

Helichrysum angustifolia *France*

The current season witnessed helichrysum oil production in abundance. Eastern Europe countries hold sizable stocks as the many producers in France support the harvest in large numbers. Bad quality helichrysum oil distillation by producers continues to remain the biggest area of concern. Demand for the oil continues to grow from the aromatherapy sector.

NA

HYSSOP OFFICINALE OIL

Hyssopus officinalis *France*

Hyssop officina, commonly called common hyssop, is a Mediterranean and medicinal plant known since the ancient Greek era. It is cultivated on Valensole plateau as well as in Drôme provençale. In-depth research is undertaken by French organisations in order to produce a standard essential oil quality just like Melissa, and also to increase its utilisation. The methods adopted for cultivation are very similar to that of lavender and lavandin. Also, the harvest takes place at the same time.

Euro 240.00 /kilo

LAVANDIN GROSSO OIL

Lavandula hybrida grosso *France*

Due to a productivity crisis, the market continues to remain in a tense state. In 2017 there was a sudden drought that damaged plants and adversely impacted production. These successive droughts affected yields per hectare leading to much lower production than normal. Due to drier growing conditions, the lavandin producers in the South East region started to review their working methods in order to remain competitive. *Lavandin grosso* is being grown in several parts of the French territory. Farmers are convinced that output will increase in the next two years because of the increase in number of producers. As far as the issues of withering go, soil specialists are working on it and farmers are hoping that the problem will be resolved soon. Producers are revising their current modes and means of production, and are exploring ways for sustainable and ecological crop production. The focus is to extend the number of years for viable production while simultaneously maintaining yields; and if possible increasing it.

Euro 28.00 /kilo

MELISSA OIL

Melissa officinalis *France*

For a variety of reasons, French melissa oil is highly priced. This has made French quality too expensive across the global market. The future prospects for this product in France are unlikely to improve under the prevailing conditions.

Euro 2750.00 /kilo

THYME OIL

Thymus vulgaris *France*

Demand for this product is very high. French producers have started exploring a wide range of options in the food industry. The new crop just harvested is identical to other crops cultivated in the market. This oil is also committed to meet the growing aromatherapy demand.

Euro 144.00 /kilo

LAVANDIN SUPER OIL

Lavandula hybrida super France

As with *lavandin grosso*, new producers of *lavandin super* are entering the market, and production is expected to rise. There may be an emergence of attractive oil prices for the coming season. Nevertheless, in comparison to *lavandin grosso* and *lavandin sumian*, the varieties of *lavandin super* and *abrial* are much more fragile.

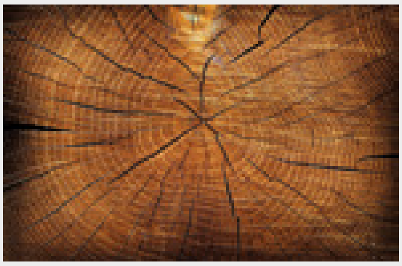
Euro 50.00 /kilo

LAVANDIN SUMIAN OIL

Lavandula hybrida sumian France

There is an enormous increase in production, especially in the areas where there are withering issues, namely east of the Plateau de Valensole. This species is more resistant to attack by the devastating insect. *Lavandin sumian* is commanding higher prices than *lavandin grosso*. Few buyers have replaced their needs for *grosso* by the *sumian*.

Euro 42.00 /kilo



AMYRIS OIL

Amyris balsamifera Haiti

Imposing a quota limit on raw material has ultimately led to restricted supply of amyris oil. Demand for this product is currently at a record high with back orders of between two to four months. There is a limited quantity of raw material available that can be sold. High fuel prices have affected production leading to a rise in prices over the last few months. The market continues to remain under pressure, as buyers get anxious about securing stock.

USD 84.00 / kilo

LAVENDER OIL

Lavandula angustifolia France

Among the clonal lavenders the most renowned lavender varieties are Maillette, Matherone and Diva. The best-known varieties of lavender are *rapido* and *carla*. Last year's lavender harvest faced a severe loss due to below freezing temperatures in the cultivating regions. This ultimately resulted in a substantial decline in total yield. This year is witness to a crisis situation in Bulgarian lavender production. Excessive rainfall and bad weather in Bulgaria have been the cause of significantly reduced lavender oil production and yield. This will eventually add pressure on French lavender. As the market demand for lavender will not be met by Bulgarian sources, users will try to meet their requirements from other origins. In this current situation of reduced supply from Bulgaria, the price of Lavender oil France is expected to increase further.

Euro 180.00-200.00 /kilo

LAVANDER FINE OIL

Lavandula officinalis France

An ideal topography in various French regions has encouraged an expansion of production. This season saw an excellent harvest in the French regions resulting in a bumper crop. Currently, local farmers are emerging on a large scale. Information coming from source is that attractive price levels for producers have been reached.

Euro 200.00-220.00 /kilo

VETIVER OIL

Vetiveria zizanioides Haiti

Currently sufficient raw material is available. Production capacity remains high with no quota restriction. Production continues to grow with a rising and strong demand.

USD 465.00 / kilo

BASIL OIL

Ocimum sanctum India

There has not been much fluctuation; the trend seems stable. Demand for methyl chavicol and anethole is poor, but demand for linalool is constant following one of the biggest crises of aroma chemicals. This is keeping prices tight for this product.

USD 12.00 /kilo

CITRONELLA OIL

Cymbopogon winterianus India

Sub-standard material with low citronella content has made its way into the market. This has led to unstable market conditions.

USD 24.00 /kilo

BLACK PEPPER OIL

Piper nigrum L. India

The season for pepper begins in January. 2018 opened on a positive note with a certain stability observed in terms of supply as well as pricing. The situation is not expected to change in the near future and the current unvarying rates should prevail.

USD 55.00 /kilo

DAVANA OIL

Artemisia Pallens India

2017 had witnessed a remarkable crop size, which produced a reported 7 MT of oil. The crop season for 2018 commenced in March and the harvest is over. The market is dominated by a wait-and-watch sentiment. However, since prices remain low, it is a good time to book orders. Clients are advised to review their annual needs so that the oil can be sourced well in advance.

USD 417.50 /kilo

JASMINE GRANDIFLORUM

Jasminum grandiflorum India

The approximate annual production of jasmine grandiflorum absolute and concrete is between 2.5 to 3 MT. The market has witnessed a marked fall in prices.

USD 2675.00 /kilo

JASMINE SAMBAC

Jasminum sambac India

The production of jasmine sambac absolute is around 2-2.5 MT. The production has been good. Prices have eased out and are slightly lower than the previous year's.

USD 2875.00 /kilo

CORNMINT OIL

Mentha arvensis India

May was an eventful month for *Mentha arvensis*. Prices fell sharply for mentha oil, DMO (dementholised mint oil) and mentha powder, in anticipation of a good crop. However, prices soared again in the first week of June. This was due to strong demand and significantly less production. Prices of menthol crystals too are dependent on market prices commanded by mentha oil.

At present, there is a marked difference between the prices of mentha oil and menthol crystals. The availability of menthol is restricted. There has been a significant change in market sentiment during the last month. Farmers are unwilling to sell their stocks at reduced prices. Despite the fact that distillation of *Mentha arvensis* is in full swing, arrivals of stocks at diminished prices have not been encouraging. At present sentiments are bullish, buoyed on the hope that prices will inflate in the coming weeks. The reason for this expectation is not illogical. Menthol powder has seen a huge spurt in demand from China. Yet at the same time, most major consumers were waiting to cover their requirements by the end of June.

One of the key producers has re-commenced production of synthetic menthol, but the plant is running at partial capacity. Their promise of starting menthol production from Malaysia in July 2018 is being taken with a pinch of salt by the market. However, we at Ultra feel that naturals in formulations have a strong foothold, which is rather difficult to be replaced by synthetics.

The only respite on the horizon seems to be the imminent difference of menthol and mentha oil, which can ease menthol prices. Chances are bleak for weakness in DMO too. It is recommended to keep material covered for the short term without expecting much downfall now.

The total production of cornmint oil is pegged around 37,000 MT, around 25% higher compared to last year. However, there is practically no carryover from last year.

USD 31.00 /kilo

LEMONGRASS OIL

Cymbopogon flexuosus India

The market for lemongrass oil has not been very encouraging. At the moment, only inferior quality material with low citral content is available.

USD 28.00 /kilo

PALMAROSA OIL

Cymbopogon winterianus India

Palmarosa trading is witnessing an unsound market situation, the consequences of lack of rainfall in the southern parts of the country.

USD 58.00 /kilo

SPEARMINT OIL

Mentha spicata India

The total production of spearmint is about 300 MT. After an initial downfall, farmers are holding stock in anticipation of better prices. The demand from the domestic market is robust; and this has kept a tight rein on prices. The yield is reportedly above average, and considerable amounts of material have been produced. Of late, there is rampant addition of synthetic l-carvone, which poses a considerable problem. Prices should remain at moderate levels.

USD 44.00 /kilo

PEPPERMINT OIL

Mentha piperita India

The first cut distillation is almost over and almost 80-90% of the crop has been distilled. The yield poses a major problem since initial significant production came with lower menthofuran content. The yield declined to around 50% lower than the normal yield at 12-15 kg per acre. Despite the rest of the crop showing a reasonable amount of menthofuran levels at 3-4.5 %, yield was recorded at lower levels. The crop estimation has been revised downward from 600 MT to 500 MT. This has come as a setback for the much hoped easing of peppermint oil prices.

During late May, prices lowered significantly. Soon after, farmers started holding back material and stockists began to hoard supplies. The cause can be traced back to last year when peppermint oil sold at very lucrative prices. As such, farmers are reluctant to sell their material at lower rates, and are holding back material in expectation of higher margins. Simultaneously, American mint dealers who had not bought significant material during the last two years have become active again. This has led to a surge in demand but limited availability in the market.

In the next few weeks if there is mounting pressure from *Mentha arvensis,* we can see some selling in the markets.

USD 41.00 /kilo

VAN Aroma

COMMITTED TO
IMPROVING LIVES

CAJEPUT OIL

Melaleuca cajuputi *Indonesia*

Demand, especially in the local markets, is unusually high for cajeput. Production is stable and prices are improving at a healthy rate. The reason behind this seems to be the limited supplies of eucalyptus oil. Cajeput typically consists of 45 to 60% of 1.8 cineol/eucalyptol. This is the main component being sought after in cajeput. A similar effect can be seen in the sudden rise of demand for sweet basil leaf oil, bay leaf oil, tea tree oil, etc.

USD 30.00 /kilo

CANANGA OIL

Cananga odorata *Indonesia*

Production is limited, and so is demand. There is not much news from the field or market fronts.

USD 145.00 /kilo

CITRONELLA OIL

Cymbopogon winteranus *Indonesia*

Prices continue to rise on the back of excessive demand. Oil from the new production areas should start feeding into the market at the beginning of August. Prices are expected to stabilise at that point with even a possible decrease. Hopes are pinned on significant growth in Sulawesi's share of the pie in the coming months.

USD 29.00 /kilo

CLOVE OIL

Eugenia caryophyllate *Indonesia*

Raw material supply continues to be a challenge with intermittent rains. The focus of plantations has shifted to harvesting of clove buds. This should last from July till the end of September. With Van Aroma's own production in Sulawesi, we now offer a stable supply of clove oils and derivatives.

USD 23.00-32.00 /kilo

GINGER OIL FRESH

Zingiber officinale *Indonesia*

Prices are flaring upwards because of an increase in prices of fresh ginger. This product, like clove buds, is driven extensively by the local herbal drink industry. Preparations are underway at Van Aroma to launch ginger CO2 shortly.

USD 126.00 /kilo

Photo: Sunset at Batu Bolong & Tanah Lot - Bali, Indonesia

MACE OIL

Myristica fragrans *Indonesia*

The market for mace oil is considerably smaller than nutmeg; and as such can withstand short-term interruptions in supply. Van Aroma maintains a steady supply and available stocks. Most distillers process nutmeg and mace together instead of separating them, since not too many buyers look for just mace oil.

USD 86.00 /kilo

MASSOIA BARK OIL

Cryptocaria massoia *Indonesia*

The market is robust with strong and steady demand and competitive prices. Some new players have entered the fray and are backed by sophisticated technologies. This has resulted in better product. It has definitely affected market dynamics, and 2018 promises to throw up interesting developments for massoia bark oil.

USD 620.00 /kilo

NUTMEG OIL

Myristica fragrans Houtt. *Indonesia*

Demand as well as supply is stable at this time. No major upheavals are anticipated in the short term.

USD 65.00-75.00 /kilo

VETIVER OIL

Vetiveria zizanioides *Indonesia*

There is almost zero production at this time owing to it being the off-season. The next harvest will be around August. Vetiver production is largely dependent on a variety of factors like the Indonesian and Haitian productions and varying harvest seasons in the two main producing countries. This makes it difficult to predict prices. Van Aroma is gearing up to introduce vetiver CO_2 extract very soon.

USD 440.00 /kilo

PATCHOULI OIL

Pogostemon cablin *Indonesia*

Sulawesi: Patchouli production at source has been substantially lower due to a failed crop in many areas. Frequent attacks of the Budog disease have distressed plantations across Sulawesi. Affected plants are distilled but the yield is very low. There is uncertainty regarding the coming months. However, supplies are not expected to recover for the next two to three months, so a price escalation may be on the cards.

USD 38.00-43.00 /kilo

Sumatra: Supplies are minimal so prices persist in their upward trend. This is primarily because several farmers who were previously cultivating patchouli have shifted to other crops. Demand remains firm. There are not too many clients who are actively looking for Sumatra Patchouli. Sulawesi continues to be the foremost producing area for patchouli.

USD 44.00-52.00 /kilo

BERGAMOT OIL

Citrus bergamia *Italy*

The citrus growing regions experienced arid weather and gusty winds that compromised almost all crops. Sizeable quantities of flowers were lost for their weakness; and between 20% to 40% of the crops were adversely affected, depending on the fruit variety or growing area.

Initially, bergamot was a fruit that was used solely for the purposes of processing into oil. However, the last few years have witnessed a rise in demand for fresh fruit, resulting in escalation of prices. This is the very reason that more quantities of fruit are being channelled into the fresh fruit market. The limited availability of fruit for processing has resulted in exorbitant rates for the oil. The outlook for this year looks grim. Soaring prices make it difficult to procure fruit for processing; but expect more clarity in the coming months.

Euro 280.00 /kilo

LEMON OIL

Citrus limon L. Burm. F. *Italy*

After Spain, Italy is the second largest EU producer of lemons. During the season, which finishes in July, harvesting proceeded at a slow pace. Fruit prices escalated, causing distress and financial stress for many processors. In fact, the market is apprehensive as another tentative price hike is on the cards and is likely to stay as such. The summer drought has been detrimental for all crops, and the industry has seen a decline in production. Even now, rainfall is scant; though the industry has taken measures to improve on the low volumes processed in the previous period.

Euro 36.00 /kilo

ORANGE BLOOD OIL

Citrus sinensis *Italy*

The crop is faring better this year compared to the last few years. Availability is adequate, and prices are competitive. The size of the blood orange is small in comparison; however, the quality of the juice and the oil is up to the mark. There has been an extended period of aridity and a drought-like situation during the summer. This has affected the pace of production; processing is relatively sluggish.

Euro 11.00 /kilo

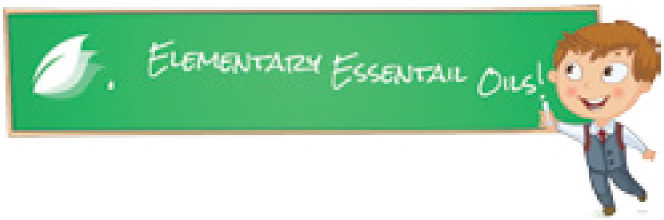
HINOKI OIL

Chamaecyparis obtusa *Japan*

In Japan, hinoki is not just a tree, it is an institution. Its distinct woody aroma, beneficial properties, and immense cultural significance make it attractive and revered by the Japanese and many Asian populations. Recently, hinoki oil enjoyed pride of place at the World Perfumery Congress (WPC) in Nice. A prestigious convention of international industry experts, WPC also attracts the crème de la crème of perfumers. Hinoki oil was successfully showcased and, with the opening up of the world market, garnered an immensely encouraging response. Demand is on the upswing as it has already begun to be a coveted ingredient in perfumes.

Hinoki is a well-protected tree in Japan. However, it is important to find the right manufacturing conditions that enable sustainable management of plantations and essential oil production. Keeping this in mind, our partner is a respected and responsible distillery producing a variety of Japanese essential oils, including hinoki.

USD 410.00 /kilo (Branch and Leaf)



YES TO YUZU
THE ASIAN TWIST

Michael Zviely, PhD CIC, Israel

There are several kinds of citruses in the market, but the one that has caught the western world by its taste buds is the yuzu. Loaded with three times more Vitamin C than lemon, the yuzu's sweet-n-sour, tarty taste is refreshingly different to the palette. From cocktails and condiments, flavours and fragrances, the characteristic accent of yuzu lends itself to versatile uses.

Yuzu (*Citrus Junos*) is a citrus fruit and plant in the family Rutaceae. The fruit resembles a small grapefruit with an uneven skin and can be either yellow or green depending on the degree of ripeness. Yuzu fruits, which are very aromatic, typically range between 5.5 and 7.5 cm in diameter, but can be as large as a regular grapefruit. Yuzu forms an upright shrub or small tree, which commonly has many large thorns. Leaves are notable for a large petiole, resembling those of the related kaffir lime and ichang papeda (the common name for a group of citrus natives to tropical Asia that are hardy and slow growing), and are heavily scented.

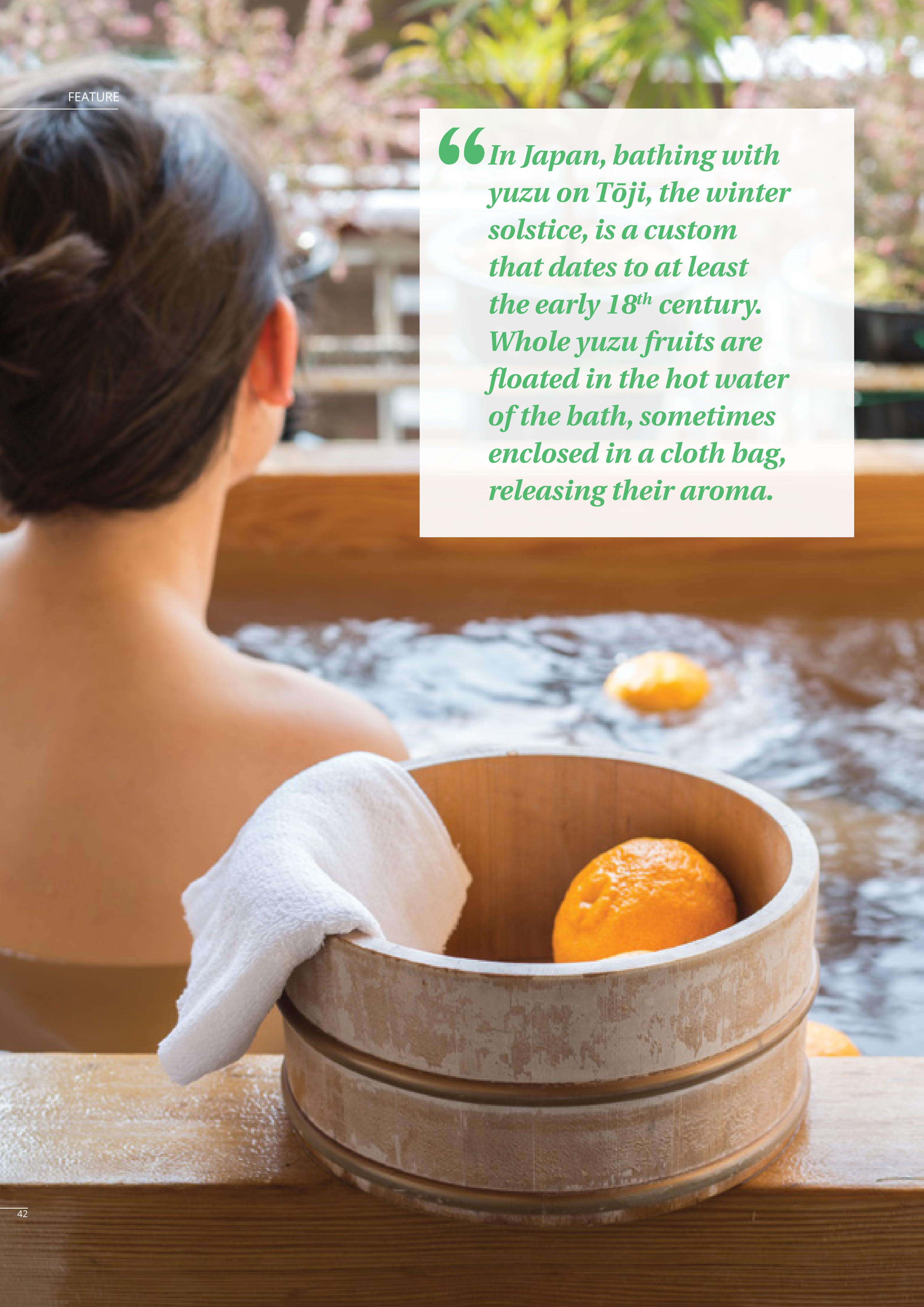
The main constituents of yuzu essential oil are limonene (63-90%), a-pinene, a- and b-phellandrene, myrcene, g-terpinene (3-20%), (E)-b-farnesene and linalool.

HISTORY

Yuzu originated in China and spread to Japan and Korea around the 8th century. This fruit has an important commercial value compared to other sour citrus fruits and has become very popular in Japan. Yuzu fruit and its juice have been traditionally used in making vinegar and seasoning. Some products containing infusions of fresh yuzu have evolved into a separate, commercial brand of marinade known as "Ponzu" sauces. The peel of yuzu fruit is commonly used in Japanese cuisine, as an ingredient in paste, marmalade, and jelly. Yuzu is industrially used in sweet production, beverages, cosmetics and perfumery, and also in aromatherapy. This fruit has been known for its antioxidant activity that was reported to be higher in peel than in flesh, in addition to its anti-carcinogenic properties. Almost all parts of yuzu fruit are used, including its peel, juice and seed. Most likely, yuzu is well-known by its pleasant aroma from the outer rind. Recently, yuzu essential oil has gained a great interest due to its unique organoleptic properties.

PRODUCTION AND PRODUCT

Yuzu essential oil is produced mainly by solvent or CO_2 extraction, cold pressing, steam distillation, or vacuum distillation.
Yuzu peel oil CAS No. is 233683-84-6, and FEMA No. 4862. The oil is a colourless to orange brown semi-opaque, mobile liquid with a sweet citrus odour. Its Refractive Index is between 1.460 - 1.490 @20^{0}C, Relative Density in the range of 0.830 - 0.860 @20^{0}C, and Optical Rotation 70^0 to 90^0. Yuzu essential oil is soluble in alcohol and insoluble in water.



“In Japan, bathing with yuzu on Tōji, the winter solstice, is a custom that dates to at least the early 18th century. Whole yuzu fruits are floated in the hot water of the bath, sometimes enclosed in a cloth bag, releasing their aroma.

FRAGRANCE AND FLAVOUR

Yuzu essential oil is used in both the flavour and fragrance industries. It has recently become trendy in Western gourmet groups. Yuzu is also known for its characteristically strong aroma, and the oil from its skin is marketed as a fragrance. Yuzu essential oil is also well known for its use within the personal fragrance industry. In perfumery yuzu essential oil is thought to have considerable staying power in a blend but is still regarded as a top note. The pleasant aroma of yuzu oil makes it a good candidate for uplifting diffuser blends intended to help with anxiety, depression and nervousness. In Japan, bathing with yuzu on Tōji, the winter solstice, is a custom that dates to at least the early 18th century. Whole yuzu fruits are floated in the hot water of the bath, sometimes enclosed in a cloth bag, releasing their aroma. The fruit may also be cut in half, allowing the citrus juice to mingle with the bathwater. The yuzu bath, known commonly as yuzuyu, but also as yuzuburo, is said to guard against colds, treat the roughness of skin, warm the body, and relax the mind.

AROMATHERAPY & MEDICINAL

Yuzu has long been renowned in aromatherapy as a premier essential oil. It is very similar in action to bergamot, having a refreshing and uplifting effect on the body whilst calming the mind. Yuzu oil also has a powerful anti-bacterial action, which makes it effective against colds and flu. Yuzu is a very effective essential oil for use with stress, burn-out, nervous tension or anxiety, where it helps to bring a soothing and calming effect to the emotions. Likewise, it gives upliftment to depressive states, frustration, regret and also helps to build confidence.[1] According to The Complete Book Of Essential Oils and Aromatherapy,[2] yuzu essential oil is used to ease nervous stomach cramps, cellulite, neuralgia, influenza, colds, convalescence, stress-induced skin conditions, devitalized skin, nervous tension, nervous exhaustion, chronic fatigue, and as a general tonic.

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1. Quinessence Aromatherapy Ltd 1998; Geoff Lyth.

2. 25th Anniversary Edition; Valerie Ann Worwood, New World Library, 2016, ISBN: 1577311396/978-1577311393

CLOVE LEAF OIL

Syzygium aromaticum Madagascar

Production is now declining with farmers moving on to the rice and green vanilla crops. In addition, the advent of winter implies very little distillation during this season. International demand is still strong and local prices are firming up. Distillation will resume in September/October; however, the situation is not expected to change till then.

Euro 23.00 /kilo

YLANG YLANG OIL

Cananga odorata Madagascar

Production in the Comores region remains chaotic. Though Madagascar production is steady, there is a shortage in the market. Like vanilla, this product is cyclic and prices are now at a peak. It is difficult to gauge whether conditions will reverse or stay at this level.

Euro 226.00 /kilo (Quality-Complete)

GRAPEFRUIT OIL

Citrus paradisi Mexico

Mexico boasts a substantial grapefruit crop production. The Florida crop is beset with difficulties, and this has proved to be a boon for Mexican growers. Mexico has gained considerable market share due to the faltering Florida sector.

The season for grapefruit in Mexico is from August till November. Industry experts peg the percentage of fruit destined for processing to be at 20%. This year's crop scenario depicts a marginally reduced prediction; of the total 2017/2018 crop, about 87,000 MT are expected to be processed.

USD 115.00-125.00 / kilo (White)

ORANGE OIL

Citrus sinensis Mexico

The USDA estimates Mexican orange production to be marginally on the lower side as compared to the last crop.

USD 11.00 /kilo

KEY LIME OIL

Citrus aurantifolia Mexico

Key Limes are grown along the Pacific Coast of Mexico in the states of Colima and Michoacán. The fruit is perennial and cultivated throughout the year. However, the winter months of December through to February comprise the main season for key lime production in Michoacán. May marks the beginning of the season in Colima, which generally continues right up to September.

Key lime predictions from both Colima and Michoacán are encouraging. The crop is expected to outperform the previous season's production.

The price of key limes has been firm and this led to an increase in planted areas. Projections show an improved 2017/2018 crop as compared to the last season. Around 30% of the Colima and Michoacán crops are earmarked for processing, there are adequate supplies for key lime oil distilled; but key lime oil Type A availability is somewhat constrained. The price for key lime oil distilled fluctuates from stable to weak due to excellent supply but only average demand.

USD 32.00 /kilo

MEXICO - USDA ESTIMATED LIME PRODUCTION (MT)

X1000 MT	2013/14	2014/15	2015/16	2016/17	Forecast 2017/18
Production	2,187	2,326	2,416	2,500	2,580
Imports	3	1	3	3	3
Total Supply	2,190	2,327	2,419	2,503	2,583
Export	519	610	662	740	770
Fresh Fruit Consumption	1,332	1,383	1,385	1,377	1,414
For Processing	339	374	367	336	399

BASIL OIL LINALOOL

Ocimum basilicum L Nepal

The season for basil starts in August. The supply from last year is spent, so at the beginning of 2018, there was nil carryover stock. There has been flooding in the Terai Plains, which has drastically impacted the yields. On the other hand, demand continues to grow and there is anticipation of stock constraints. Market forecasts suggest higher prices later in the year.

USD 95.00 /kilo

BLUE CHAMOMILE OIL

Matricaria chamomilla L. Nepal

The harvest season begins in February and continues until March. In 2017, the chamomile oil production was above 100 kgs, despite the weather being erratic at times. Currently, though stocks are somewhat restricted, there are no ripples in the market, and demand is stable.

USD 810.00 /kilo

golden grove NATURALS

MANUKA OIL

Leptospermum scoparium New Zealand

The market conditions are strong and active. In the aromatherapy sector, manuka oil is the star amongst all other varieties available. With the emergence of new applications and aromatherapy brands in the market, demand for the oil shows a significant increase. High demand and short supply has lifted the price for oil. Currently, New Zealand manuka oil has high levels of beta-triketones; thus holding a dominant position in the market.

AUD 850.00 /kilo

LAVENDER OIL

Lavandula angustifolia New Zealand

New Zealand is one of the newest origins in the world to produce lavender. In association with experienced local farmers, Golden Grove Naturals looks forward to produce approximately 1-2 MT of oil this season. Further, it aims to develop this region as an upcoming origin for high quality lavender oil.

NZD 150.00 /kilo

CABREUVA OIL

Myrocarpus frondosus *Paraguay*

2017 witnessed a serious problem with overall supplies. The good news is currently product is available in sufficient quantities. Also the price continues to remain stable.

USD 52.00 /kilo

GUAIACWOOD OIL

Bulnesia Sarmientoi *Paraguay*

There is an adequate availability of stocks. Since June 2018, the price has begun to increase. As mentioned in the previous report, the new CITES regulations have imposed additional costs on exporting this oil, including a substantial rise in certification costs, and pre-shipment loading inspection charges.

USD 34.00 /kilo

PETITGRAIN OIL

Citrus aurantium ssp. *Paraguay*

The harvest for the main crop will begin in October. Production is at a declining stage, which is normal at this time of the year, until the main crop resumes in October. Due to supply problems during the off-season, there will be no carryover of stocks.

USD 74.00 /kilo

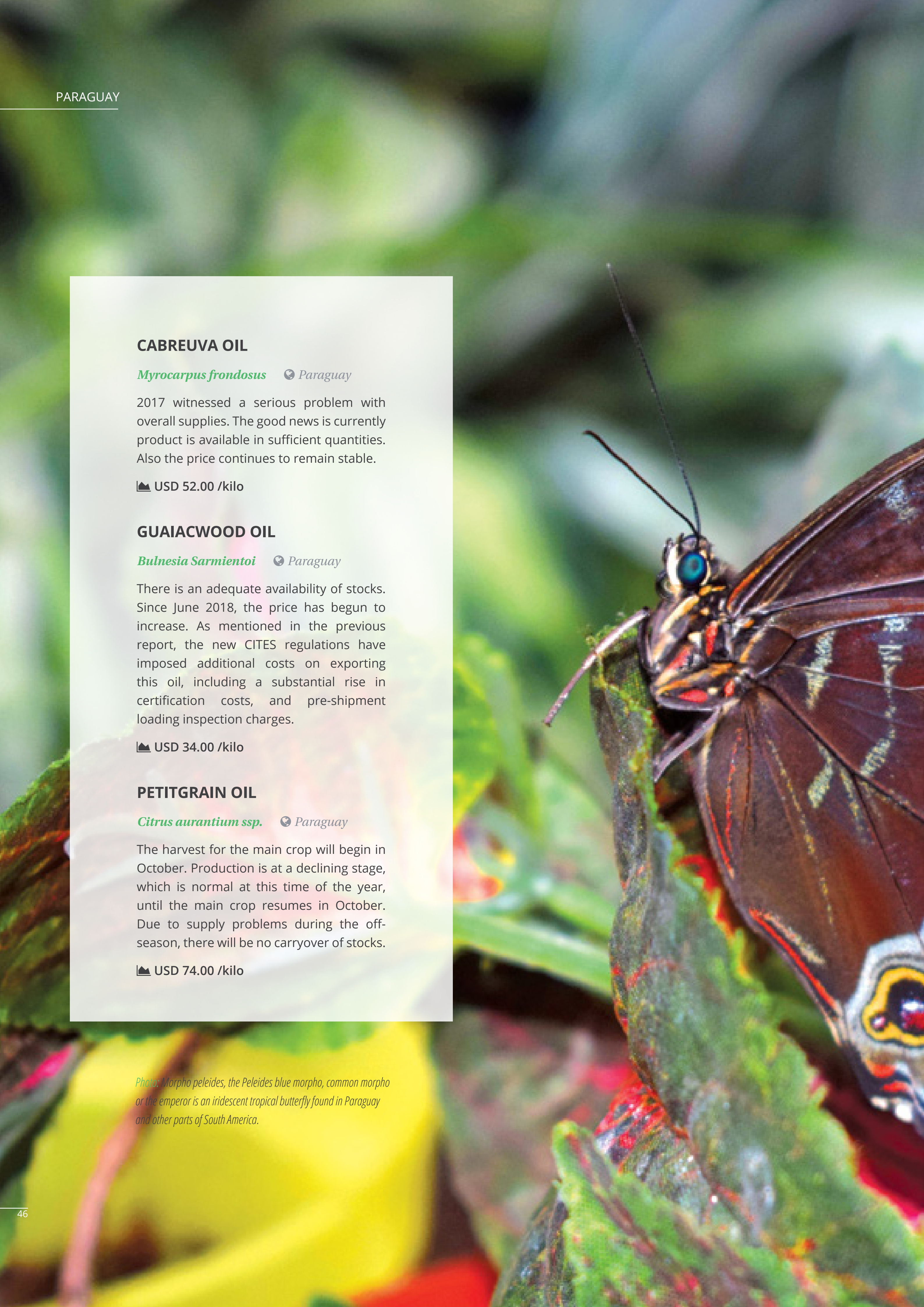


Photo: Morpho peleides, the Peleides blue morpho, common morpho or the emperor is an iridescent tropical butterfly found in Paraguay and other parts of South America.

ARTEMISIA TAURICA OIL

Artemisia taurica Russia

In 2018, the new harvest commences in September. Due to its higher thujone content, the material is recognised as one of the best value oils in the market. Looking on the bright side, this oil is now available at more reasonable prices. In 2017, natural climate variations and hot weather destroyed plants and also affected their size. As a result, oil production level reached one third of an average year.

USD 80.00 /kilo

CLARY SAGE OIL

Salvia sclarea L. Russia

With the emerging global demand, the market remained active. Buyers' positive preference for Russian quality ended 2017 with no material left at source. One source suggested that most of the fields are not in a good condition compared to earlier, which will negatively impact the current crop. The full impact will be understood in the near future. Clary sage oil production is expected to be lower than last year.

USD 155.00 /kilo

CORIANDER HERB OIL

Coriandrum sativum L. Russia

Currently, fields are facing a water scarcity problem due to scant rainfall. As a result, the crop has been adversely impacted. The major growing region is affected by drought, and the market is apprehensive about a disappointing crop. Information received from a source reveals that the unattractive price charged for the herb has discouraged farmers, leading to a drastic reduction in cultivating fields.

USD 85.00 /kilo

CORIANDER SEED OIL

Coriandrum sativum L. Russia

There is a serious water shortage problem in the major growing region. In order to protect the growing coriander crop, there is an urgent need to arrange irrigation facilities around the growing area. Otherwise, the one year old crop will be very weak. Very low prices for the seed and oil have negatively impacted the farming practices in the field. As a result, the growing region has shrunk drastically compared with past years. However, the prevailing wet weather conditions have stressed farmers, and many have decided to restrict planting until prices return to consistently higher levels.

USD 62.00 /kilo

DILL WEED OIL

Anethum graveolens L. Russia

Today's market continues to remain in a tense situation due to insufficient rainfall. Unfortunately, low rains negatively impacted the harvesting of this material and led to a reduction in total production. With the prevailing dry situation, a sudden rainfall is needed by farmers to protect crops for next year's harvesting.

USD 44.00 /kilo

FIR NEEDLE OIL

Abies sibirica Ledeb. Russia

The new crop was harvested in April and May this year. Last year witnessed the slow movement of supplies with the lingering of the Siberian winter. During summer, the production figures increased and ensured the availability of reasonable material. Currently, there is an adequate availability of stock. Despite this, demand is lower than for the past two years, but major producers anticipate higher prices from this year's yield.

USD 37.00 /kilo

JUNIPER BERRY OIL

Juniperus communis Russia

Currently, price and availability of crop remain steady as supported by steady demand. 2017 saw an overall increase in juniper berry oil production, although demand is expected to decline in the near future.

USD 183.00 /kilo

LAVENDER OIL

Lavandula angustifolia Russia

There have been better lavender fields in the past and the outlook seems to be bleak at present. Due to adverse weather conditions and insufficient rainfall, crop production is anticipated to decline. In view of current conditions, the crop is expected to be significantly below expectations. However, there was heavy rainfall in the week prior to writing this report, so it is a wait and watch approach to gauge the market in the future.

USD 130.00 /kilo

EUCALYPTUS CITRIODORA OIL

Eucalyptus Citriodora South Africa

The crop season starts in June and continues until October. Farmers have taken steps to manage their harvests better and embrace sustainable planting. Last year, the fruits of these efforts were evident in a good crop. Current estimates point towards a healthy production. However, most of this has already been committed for buyers with prior bookings. The picture will be clearer when the new crop is expected. Of late, South Africa has upped its ante in the eucalyptus market and looks like giving China a good run for its money in the international arena.

NA

GRAPEFRUIT OIL

Citrus paradisi South Africa

Grapefruit production for the 2017/2018 crop is set to go up by 5% compared to last season. The total fresh fruit production was 370,000 MT. Out of this approximately 127,000 MT are expected to go to the industry for processing. With Florida grapefruit production looking severely distressed, South Africa is emerging as a promising origin for this product in future.

USD 109.00 / kilo (White)
USD 97.00 / kilo (Pink)

LEMON OIL

Citrus limon (L.) Burm. F. South Africa

Recent USDA figures for the 2017/2018 lemon crop estimates an upsurge of 7% to 460,000 MT compared to last year's crop, which was at 430,305 MT. Driven by a robust demand and healthy export prices, South Africa has increased the total area of lemon plantations from 4,667 hectares in the 2010/11 marketing year to an estimated 12,100 hectares in the 2017/2018 marketing year. The weather, too, has been promising in the major growing regions. Put together, these have had a major role to play in the higher crop size. Consequently, lemons for processing and exports of fresh fruits are anticipated to be slightly higher than the last crop.

USD 30.00 /kilo

ORANGE OIL

Citrus sinensis South Africa

The USDA estimates that South African orange production is expected to increase by 8% compared to the last crop. The orange trees were impacted by the harsh drought of 2016. However, the trees have shown signs of recovery and slowly bearing fruit. The subsequent rainfall in 2017 has helped, but oil yield was lower by 35%. Orange production for the 2017/2018 crop is projected to chart an upward course compared to the last round, and an estimated 13% of the crop will go to the processing industry. The EU and Russia are the strongest markets for South African oranges.

USD 10.00 /kilo

TAGETES OIL

Tagetes erecta South Africa

Last year was a good season for tagetes oil. The new season has commenced and production is underway. If weather conditions are anything to go by, sufficient rainfall and cool weather will ensure that 2018 follows in last year's footsteps. The market is well adjusted with the prices finely balancing the stock situation. More clarity is expected in coming months.

USD 196.00 /kilo

TEA TREE OIL

Melaleuca alternifolia South Africa

The South African tea tree oil cycle begins in April and continues until October. It is only by the end of February that fresh estimates are available. Tea tree oil distillation is underway, but quantities are currently restricted. Demand for the organic variety of tea tree oil is particularly high, and the 2017 crop was exhausted within a very short span of time. Market predictions forecast that there will be no dent in demand in 2018.

USD 48.00 /kilo

THE SPANISH **COLLECTION**

CITRUS OUTLOOK

The inclusive figures for lemon production in Spain are 1.3 million MT. This is an opportune time for the Spanish industry to consolidate its export volume of fresh fruit to EU markets—where Spain has the highest market share—for the upcoming season. Also, since this harvest volume includes both the Fino and Verna varieties, it has the added advantage of maintaining activity almost all through the year. The sector can also hone its efforts towards expansion and diversification of markets started a few years ago. Exports can be boosted to markets like the Middle East, Canada, and Brazil. With this, the lemon processing industry into juice, essential oils, and dehydrated peel is expected to return to normal lemon processing activity. This is an arena where Spain ranks second in the world and which plays a pivotal role in regulating supply and market balance. The country is also the largest lemon producer in the EU 28, and the second largest processor in the world. It is a crucial influencer in the dynamics of the market.

CYPRESS OIL *Spain*

Cupressus sempervirens L.

Cypress is harvested throughout the year. With the aromatherapy sector leading the demand for cypress oil, there is mounting pressure on the distillers and producers of the oil. The coming months are sure to witness an escalation in prices.

Euro 40.00 /kilo

MARJORAM OIL *Spain*

Origanum majorana

Flourishing in the loam and silt soils of the country, marjoram is harvested in July-August. Production yield is estimated to be at 80 kgs/ hectare.

Euro 105.00 /kilo

ROSEMARY OIL *Spain*

Rosmarinus officinalis

The harvest season for rosemary is from July to August. Wild harvested and cultivated, the plant thrives in the clay and calcareous soils of southern Spain. Sources peg production yields at 35 kgs/ hectare. Weather conditions have been regular, and the market stable.

Euro 72.00 /kilo

SPANISH SAGE OIL *Spain*

Salvia lavandulaefolia

A small, woody perennial plant, the Spanish sage is harvested in the month of September. It requires average rainfall and is found in the calcareous, stony terrain of the hills. The production yield is estimated to be at 40 kgs/ hectare.

Euro 78.00 /kilo

LEMON OIL *Spain*

Citrus limon L. Burm. F.

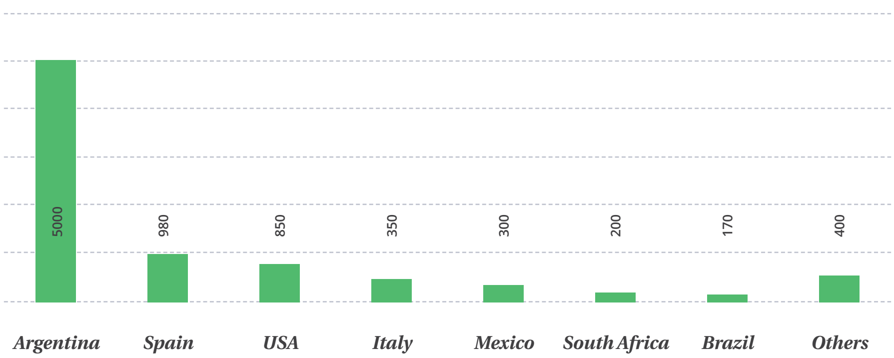
Initial forecast for the lemon harvest from the Inter-professional Association of Lemon and Grapefruit (AILIMPO) for the next campaign 2018/2019 is estimated at a production of 1.3 million MT. This is significantly higher by 29%, although uneven in the two Spanish varieties, Fino and Verna. Considering this, Spain retains its position as the foremost supplier of fresh lemons in the European market and the second processing country worldwide.

The Fino lemon harvest commences in September. Healthy flowering conditions leading to more fruit per tree have lifted hopes for an expected increase of 14%. Also, production is expected to go up since new plantations over recent years have now come into production. A production figure of 920,000 MT is forecast. However, this is reliant on the amount of rainfall in the summer and autumn months.

The preliminary forecast for the Verna variety expects a harvest of 380,000 MT. This is a striking increase of 90% in comparison with last year's production figure of 38% compared to the average harvest for the past two seasons (+9% if compared with 2016/2017 season).

Euro 32.00 /kilo

LEMON OIL PRODUCTION IN THE WORLD
TOTAL PRODUCTION QUANTITY (MT)



Source: AILIMPO

LAVANDIN HYBRIDA OIL

Lavandin hybrida *Spain*

The harvest season for *lavandin hybrida* species starts from July and lasts till August. The production yield is estimated at 80 to 120 kg/hectare. It is hoped that the harvesting of the varieties of *lavandin grosso* and *lavandin super* are completed by August 2018. The weather has not been conducive this winter. As a result, there is some trepidation that production may not be up to the mark. Prices are predicted to be on the higher side during September.

NA

ORANGE OIL VALENCIA

Citrus sinensis *Spain*

Valenica, Andalusia, and Murcia are Spain's leading orange producing regions. They account for most of the varieties grown in Spain, namely Naveline, Navel, Navelate, Salustiane, Valencia, and Sanguinello. The last five years have witnessed shrinkage of the Spanish orange industry. Poor margins have driven several Valencian farmers to shift to cultivation of other profitable plants. The Spanish fruit abounds in aldehyde, rich aroma, and colour. Copious rainfall too has affected availability of fresh fruit. At present, available supplies of oil are low, and prices are anticipated to remain constant.

Euro 11.00 /kilo

SPIKE LAVENDER OIL

Lavendula latifolia *Spain*

Often found in the temperate climes of the Mediterranean, spike lavender is found growing profusely at an altitude of 1440 metres. It is harvested in August, and this year the production yield is said to be 50 kgs/ hectare.

Euro 60.00 /kilo

THYME OIL RED

Thymus zygis L. *Spain*

A mild climate and moderate humidity is ideal for thyme. Found mainly at an altitude of 255 metres, thyme is harvested from July to August. The production yield is predicted to be at 90 kg/hectare.

Euro 141.00 /kilo

IFEAT Spain

STUDY TOUR

15-23 JUNE 2018

11TH ANNUAL IFEAT STUDY TOUR
SPAIN

Lisa Piccininni, Ultra International Inc., USA

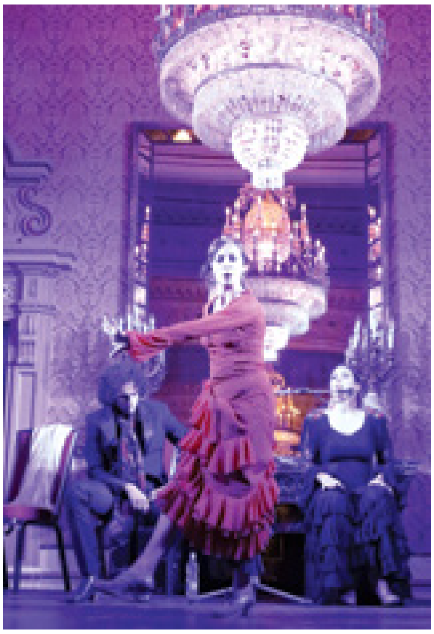
IFEAT's 11th Study Tour took place in Spain from Friday June 15th to Saturday June 23rd 2018. Each study tour is different; for example, the Spanish tour contrasted sharply with last year's Bulgaria tour not only in terms of the number of essential oils and other products seen but also in terms of the number of days and the distances travelled – over 1500 km in eight days and through some magnificent scenery.

The study tour started in Sevilla, and then went on to Segovia, Guadalajara, Barcelona, Lleida and Emporda. The eight days were filled with visits to a diversity of companies involved in our industry in Spain. Another important feature of the study tour was the interaction between delegates, from various sectors of the F&F industry, who were willing to share their knowledge and experience either through individual discussions or the "bus lectures", in which delegates spoke about their countries and products.

8 Nights 9 Days | **16 Products** | **6 Locations** | **1,440 kms** | **5 Cities**

The study tour is not for the faint of heart – up early, to bed late, and on the go all day long. We needed to see eucalyptus being harvested and our bus couldn't manage the dirt roads, so the participants walked a couple of kilometres each way in bright sunshine to see this being done. Throughout the tour the weather was almost perfect, and the only downside was that the visit was too early in the season to see some of the products being harvested and processed.

The tour started in Andalucia, Spain's most southern province bordering Portugal, with visits in Sevilla and Huelva. The products seen here included *Eucalyptus globulus*, and *Cistus labdaniferus,* the source of various cistus-based products. Days 4 and 5 were spent in Segovia and Guadalajara in central Spain, where pine oleoresin (gum turpentine and terpenes), lavender, lavandin and helichrysum were the focus of attention. A presentation was also made on various aspects of Spain's expanding essential oil sector. Day 6 was spent in Barcelona where distillation techniques (molecular, fractional and CO_2), and warehousing dominated. In addition, AILIMPO – the Spanish industry association dealing with lemon and grapefruit – made an excellent presentation on Spain's citrus industry and its citrus oils. Two companies involved in citrus oils – as well as other vegetal oils - were visited in Lleida on Day 7. The final day was spent close to the French border seeing the distillation of cypress and lentiscus. For many of the 50 delegates from 22 countries this was the first time they had seen the production and processing of some of these products.



Photos left column
Eucalyptus Harvesting
Flamenco Dancing
Photos right column
Eucalyptus Globulus Diistillery
Eucalyptus Distillation
Castillo de Coca

Throughout the tour the delegates were warmly welcomed by the Spanish companies visited who explained in great detail the growing, harvesting, distillation and further processing of a range of Spanish produced F&F ingredients. It was good to see the important strides and efforts that Spain is taking to increase the volume and range of F&F ingredients being produced.

The Tour started on Friday 15th June in the beautiful city of Sevilla with a welcome dinner at the Alfonso XIII Hotel, which 21 years earlier had been the location of IFEAT's 1997 Seville Conference. After the dinner delegates saw a magnificent display of flamenco dancing and singing. Throughout the tour delegates were able to witness other aspects of Spain's rich cultural heritage including a tour of Sevilla's magnificent Real Alcazares Palace, a number of historic castles and the Roman aqueduct in Segovia. In addition, every day we experienced a wide range of excellent Spanish food and drinks that were available – although perhaps too much and too late for some!

On Saturday, June 16th we travelled to Huelva to visit two companies specialising in the processing of cistus, namely Biolandes, a world leader in the production of natural extracts offering more than 1,000 products, and the much smaller Aromas Y Esencias Del Andevalo, both family-run businesses. On arrival at Biolandes we visited a cistus field, all of which grow wild on uncultivated land and reproduces quickly after being cut or burnt. The cistus plant, a green shrub with sticky leaves and stems has a strong balsamic ambery odour, and develops a protective gum on the leaves and stems from April through to June. The material is ready for harvest from July through to October. In April, the plant generates a beautiful non-fragrant white flower that lasts only one week. There are five crimson marks on the five cistus petals that are known as the "tears of Christ" and a festival revolves around this blossom in the nearby town.

Since 2013 Biolandes has been operating an automated 24/7 cistus processing unit and accounts for some 40% of the world market for cistus essential oil and concretes. Aromas Y Esencias Del Andevalo's cistus processing operations were a much simpler affair but very interesting nevertheless. Some 80% of cistus derivatives come from Spain and Andevalo is the dominant producing region. The hotter the weather, the more gum the cistus plant produces to protect it from the sun, thus the yield of gum is higher. If there is a rainy period the yield of gum is lower. A number of processing techniques are used to produce the range of cistus products available including cistus and labdanum oils, concrete, absolute, gum labdanum and ambreine. Products that are made by distillation or extraction of the twigs are called "cistus", while products derived from the gum are called "labdanum". The overall cistus harvest is roughly 10,000 tonnes of cistus bundles, of which 6,000 – 7,000 tonnes are made into gum labdanum, a key ingredient for the perfume industry. Approximately 300 - 350 tonnes of raw gum labdanum are produced each year. The distillation of cistus produces about 1.5 tonnes of essential oil, most of which is organic, and the extraction process produces 60 to 70 tonnes of concrete.

On Sunday, June 17 the plan was to visit a thyme distilling operation but the crop was late so our first stop was a rural outdoor distillery where they were getting ready to distil *Eucalyptus globulus*. We saw the still being filled with dry leaves (unlike China and South Africa) and sealed with clay at the top. We then visited a nearby eucalyptus harvesting operation involving a long walk. On the way back, we stopped off at the distillery to see the recently distilled eucalyptus oil coming from the condenser. An estimated 70,000 tonnes of eucalyptus are distilled annually in Spain. One factor facilitating the increased availability of almost cost free raw material is government subsidies to clean forest areas in an effort to minimise forest fires, which have been a major problem on the Iberian Peninsula in recent years.

Photo top: Cistus growing wild
Photo centre: Cistus Harvesting, Cistus Distillery
Photo bottom: Gum Labdanum

The next visit was to Destilaciones Bordas Chinchurreta S.A. located in Sevilla, a third generation family company approaching its 100th anniversary and one that had been intimately involved with IFEAT since its formation. The Managing Director, Ramon Bordas III, a member of the local organising committee, laid on a series of excellent presentations, including one on the use of essential oils in animal feeds; a smelling session and a tour of the company's very impressive 19,000 m^2 processing operations. Bordas is a leading supplier of ingredients for human and animal food as well as the pharmaceutical and nutraceutical sectors. The company sponsored a superb lunch in the Pelli-designed 40-floor skyscraper overlooking Sevilla.

In the afternoon, we visited Aromasur, S.L. some 75 km north of Sevilla, near the endemic cistus fields. The company was acquired in 1991 by Albert Vieille, and we were welcomed by Chairman Georges Ferrando and his colleagues who showed us around the processing operations and organised a smelling session of company products. With 10 distillation, rectification, and solvent extraction units, the operation continually processes cistus, labdanum gum, gum resins, tonka beans, ambrette, osmanthus, floral concrete, olibanum, myrrh, rosemary and other botanical materials. However, cistus is Aromasur's major product and it works closely with the regional authorities to better manage cistus growing and ensure an environmentally sustainable supply.

Photo top left: Aromasur Smelling Session top right: Pine Tapping bottom: Helichyrsum Fields

Day 4 was a new experience for most delegates as we visited the pine forests and the pine tapping operations of Luresa Resinas, S.L. (formerly La Union Resinera Espanola, founded in 1898) at Coca, near Segovia. In March 2013, Resinas Brasil Group, a company employing 2,000 people, acquired Luresa. We saw the tapping of 50-75 year old pine trees involving incisions being made into the tree and sulphuric acid applied to stimulate the flow of oleoresin. Each tree annually produces around 3.5 kg of oleoresin. We then visited the nearby factory to see the oleoresin being processed into rosin and turpentine, from which many terpene ingredients are produced for use in fragrances. Finally the group moved to the beautiful 15th century Coca Castle, where the General Manager made a detailed presentation on the global rosin and turpentine sectors, while several delegates discussed trends in the global terpenes industry and its vital role in ensuring the future sustainability of the F&F sector.

On Day 5 we travelled to the beautiful historic town of Brihuega, some 920 metres above sea level. Nearby we visited the 125 ha of lavender/lavandin and 10 ha of immortelle (helichrysum) fields as well as the impressive new distillation facility of Intercova Aromaticas founded in 2015, and incorporating some of the latest technologies. The joint owner Emilio Valeros, who is one of the few Spanish perfumers of international renown, guided us around the facilities. A superb lunch was held in Brihuega Castle and a detailed presentation on the Spanish and French lavender industry was followed by another presentation on Spanish essential oils, including fennel, immortelle, marjoram, rosemary, and thyme.

Day 6 was spent in Barcelona at the Ventos operations seeing various forms of distillation as well as touring the warehouse facilities. In addition, José Antonio Garcia of AILIMPO gave an excellent presentation on the Spanish citrus industry. In the evening another major Barcelona-based trading company, Lluch Essence, entertained us to a superb buffet and paella alongside the Barcelona beach.

Photo top left: Brihuega Castle Lavender Presentation top right: Textron Vegetable Oils bottom: Group photo Coca

On Day 7 we journeyed to Lleida, one of the best European horticultural areas, to visit Textron and toured their new operations producing a range of vegetable oils mainly for the cosmetic, food and pharmaceutical sectors. Then on to nearby Dallant, who process a range of citrus and other fruits and deliver unique flavours and other ingredients to the food and beverage industries. We toured their Moleva plant and saw the processing of fruit juices, fruit by-products and various speciality compound flavours, emulsions and juice blends.

The final day saw a visit to Jordi Calonge's cypress and lentiscus distillation operation at Empordu. After loading the still and visiting the plantation, delegates were able to "chill out" after a very busy week and enjoy a string quartet prior to lunch as well as cooling off in the pool. In the evening we enjoyed a farewell dinner and firework display followed by a disco – a fitting end to a superb week.

Throughout the tour, delegates received generous gifts from the companies they visited and enjoyed some excellent local cuisine and entertainment. From the start to the end we were blessed with good weather and excellent organisation. The Local Organising Committee of Jordi Calonge and Ramon Bordas as well as Events&Co, the tour agent, and the many Spanish companies that participated, as well as IFEAT, are to be warmly congratulated on providing yet another memorable IFEAT Study Tour. For me, the Study Tour was a wonderful and unforgettable experience.

Icon credits: Day by Adrien Coquet, Leaves by Delta, Map by Mahnaz , Train by andriwidodo, City by Himmah kamil from the Noun Project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The island country known for its spices has been going through some turmoil. There is local political instability. In addition, the Sri Lankan currency has fallen to an all-time low against the dollar. This depreciation is expected to work in favour of overseas buyers. May to September marks the Southwest monsoon season in Sri Lanka, where the spice growing areas receive most rainfall. This year, like 2017, has seen copious amounts of rain, sometimes more than 150 mm on certain days. This has resulted in an immediate shortage of raw material for distillation but buoys up hope for a robust harvest towards the year-end.

CINNAMON BARK OIL

Sri Lanka

Cinnamomum Zeylanicum

The peak harvest season for cinnamon commences in May and continues till November. During May raw material availability was limited due to flooding but now, given the prevailing conducive weather, raw material supplies are freely available in the market. Prices remain constant. In early June, members of the Export Development Board of Sri Lanka and the EU Trade Commission conducted extensive meetings with local producers. The objective was to finalise Geographical Indication (GI) status for Ceylon cinnamon. This comes as a positive development, which will put cinnamon and its allied products under the spotlight.

USD 303.00 /kilo

CINNAMON LEAF OIL

Sri Lanka

Cinnamomum zeylanicum Nees C.

Similar to bark oil, there is a profusion of raw materials. This has contributed to stabilising the obtainability as well as the prices of cinnamon leaf oil. The oil was trading at inflated prices in the previous quarter locally, but since then has declined. Given the ample availability of leaves, small distillers are operating in full swing to produce cinnamon leaf oil.

USD 21.00 /kilo

CITRONELLA OIL

Sri Lanka

Cymbopogon winterianus

An abundance of rainfall and flooding in some areas has disturbed the supply of grasses for favourable citronella oil distillation. However, given the lower prices of Javanese citronella oil, demand for the Sri Lankan variety has remained low in recent years. In light of increased availability of raw materials and lower prices of citronella in the international markets, the local prices for citronella oil are unruffled and are not likely to vary significantly.

USD 35.00 /kilo

CLOVE BUD OIL

Sri Lanka

Syzygium aromaticum

No crop is available till the end of the year. Restrained availability of raw material is exerting upward pressure on the oil prices. However, given the enhanced supply of clove bud oil from Indonesia, prices are likely to maintain their current trading levels.

NA

CLOVE STEM OIL

Sri Lanka

Syzygium aromaticum

There are problems in the availability of raw materials; and farmers are stockpiling clove stems. Consequently, prices are predicted to either remain at current levels or escalate further.

NA

NUTMEG OIL

Sri Lanka

Myristica fragrans Houtt.

Though the main harvesting season for nutmeg begins later this year, at present there is a smaller crop available for distilling from some parts of the country. The heavy rains have sustained hopes for a healthier year-end harvest. Favourable weather conditions in Indonesia have resulted in the curbing of nutmeg oil prices in international markets as well. Market prices are expected to stay firm given improvements with raw material availability in addition to increased supply from Indonesia.

USD 61.00 /kilo

ROSEMARY OIL *Tunisia*

Rosmarinus officinalis

The new season commenced during March and ended in early August. Lower levels of remaining stock created new challenges in the last few years. Sources assure that supplies are improving and moving towards a healthier situation, allowing supply to catch up with the on-going demand. Hopefully, as new supplies enter the market a price drop may be seen in the near future.

Euro 58.00 /kilo

BASIL OIL *Vietnam*

Ocimum basilicum L.

In 2017, unprecedented tropical cyclones particularly 'Severe Tropical Storm Talas' caused severe damage to the crops. Naturally, this resulted in limited stocks in the market, and saw prices firming up by 30-40% in recent months. A further price hike is predicted for 2018. Normally, production level reaches 25-30 MT; but final figures may reveal a probable reduction of 50%.

USD 58.00 /kilo

CASSIA OIL *Vietnam*

Cinnamomum cassia

The main harvest period for cassia oil is from April to June. The Yen Bai, Lao Vai and Quang Nam regions contribute almost 700 MT of cassia oil. The first harvest yields a higher cinnamic aldehyde content of around 85-90%. The second harvest period resumes from September to November. It yields cinnamic aldehyde levels of 75-83%. At present, stocks are sufficient to meet existing demand.

USD 41.00 /kilo

GRAPEFRUIT OIL

Citrus paradisi USA

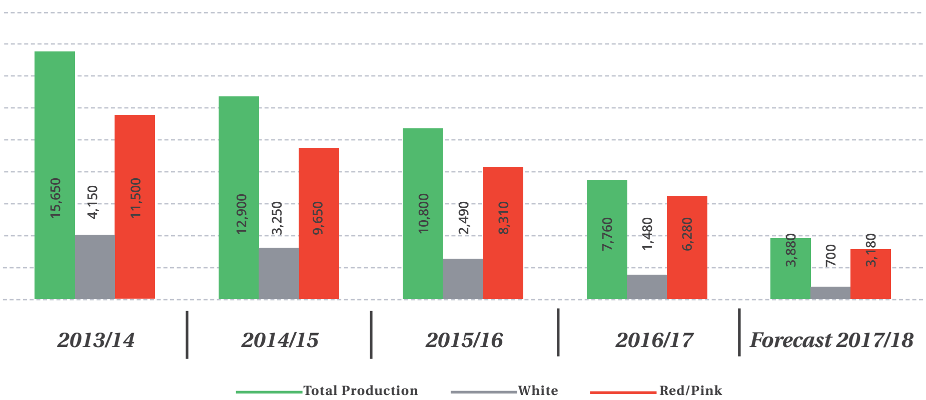
Global grapefruit production witnessed an increase of about 1%. This was due to the fact that the China crop increased, which more than offset the decreased production seen in the USA. In spite of a marked increase in the production of fresh fruit, grapefruit for processing decreased significantly. This is because China does not process the fruits. During the 2016/2017 season, 575,000 MT were processed. But in 2017/2018 it is estimated that about 513,000 MT are available for processing.

The USDA pegs the Florida grapefruit production for 2017/2018 at 3.88 million boxes. White grapefruit was estimated at 700,000 boxes and red grapefruit stood at 3.18 million boxes. The Florida Citrus Commission predicts the 2018/2019 grapefruit crop to be at 5 million boxes on the consideration that weather conditions will be conducive.

In conclusion, there was a substantial decrease in crop size for 2017/2018, caused by citrus greening. This is the most pressing problem for growers in Florida. Hurricane Irma added to the woes of farmers and adversely affected crop production since several groves were damaged and many fruits were dropped. The current supply situation is very tight.

USD 125.00 /kilo (White)
USD 115.00 /kilo (Pink)

USA - GRAPEFRUIT PRODUCTION OF FLORIDA ('000 BOXES)



LEMON OIL

Citrus limon (L.) Burm. F. *USA*

The USDA forecast for the 2017-2018 United States lemon crop is at 791,000 MT. This is a decrease of around 2% from last season's crop, due to a fall in production in Arizona. California has stepped up on citrus farming, and is gradually overtaking Florida. Most of America's fresh lemon for consumption is supplied from California. Californian production has always focused on addressing the fresh fruit market; thereby leaving less fruit being available for processing.

USD 43.00 /kilo

ORANGE OIL

Citrus sinensis *USA*

The 2017/2018 season for Florida citruses ended in July, and it was an extremely difficult one. The USDA puts the final estimate for orange crop at 45 million boxes, a massive 32 % plunge from last season's final production. This is in sharp contrast to the peak of 244 million boxes in 1998. The total includes 19 million boxes of non-Valencia oranges (early, midseason, Navel, and Temple varieties) and 26.0 million boxes of Valencia.

The Florida Citrus Commission reported that the 2018/2019 orange crop, due to commence in the fall season, is predicted to be at 60 million boxes.

The Florida industry is reeling under the crisis of the 2017/2018 crop, a record low in more than 75 years. Florida witnessed a severe attack of citrus greening that destroyed a large percentage of orange trees. The market was slowly limping back to recovery with an expected improvement in crop of about 75 million boxes, which would have been the first upward trend in several years. However, Hurricane Irma struck on September 10, 2017, and once again Florida witnessed a harsh setback.

Over the last ten to twelve years, crop sizes have decreased considerably due to citrus greening. This fatal bacterial affliction affects the vascular systems of citrus trees and thus hinders nutrient uptake. Though the tree yields fruit, the fruit size and quality are impacted and the cost of production shoots up. Since the discovery of greening in the fall of 2005, the Florida orange crop has shrunk by over 70% from 242 million boxes in the 2003-04 season. The state ranks first as USA's primary orange-producing state and the third largest in the world after Brazil and China. According to studies conducted by USDA/NASS, approximately 95% of all oranges grown in Florida are processed for juice.

USD 11.00 /kilo

USA - ESTIMATED ORANGE PRODUCTION

X million of 40.8 kg Boxes	*2012/13*	*2013/14*	*2014/15*	*2015/16*	*2016/17*	*July Estimates 2017/18*
Florida	133.600	104.700	96.950	81.700	68.850	44.950
California	54.500	49.500	48.200	58.500	48.300	44.500
Texas	1.793	1.777	1.452	1.691	1.370	2.110
Total	189.890	155.980	146.600	141.891	118.520	91.560

INDIA IS MAKING STEADY PROGRESS: **THE SCIENTIFIC & REGULATORY ASPECTS OF THE FRAGRANCE INDUSTRY**

Martina Bianchini, President of International Fragrance Association (IFRA), Belgium and Ms. Bhuvana Nageshwaran, Creative Director of Ultra International Limited, India are in the news by pushing the Indian Aroma/Fragrance Industry to the international level by instilling tremendous progress in the field of scientific and regulatory aspects.

Photo left: Martina Bianchini Photo right: Bhuvana Nageshwaran

In order to bring transparency in this field, they have facilitated the organisation of **INCITE 2018** — *a path-breaking event to discuss a roadmap for the sustainable growth of the fragrance industry*. This event was organised jointly by CSIR-Indian Institute of Toxicology Research (IITR), CSIR-Central Institute of Medicinal and Aromatic Plants (CIMAP), Fragrance & Flavour Development Centre (FFDC), Research Institute of Fragrance Materials (RIFM), the International Fragrance Association (IFRA), and Ultra International Limited, as the main Industry Partner. Thanks to Chair IFRA – Mr. Michael Carlos and Mr. Sant Sanganeria, Founder Chairman & MD, Ultra International Limited (New Delhi), were helpful in organising the event.

Martina Bianchini has 25 years experience under her belt in two Fortune 100 companies, a trade association, and a consulting company, while Bhuvana Nageshwaran has spent more than 30 years in Research and Development, enhancing skills with a particular focus on fragrance, flavours and essential oils.

Recently, both of them have taken the lead role to interact with *Fragrance & Flavour Association of India (**FAFAI**).* For the overall benefit to the Indian fragrance industry, they are influencing FAFAI to join *International Fragrance Association (**IFRA**)*. It may take about one year for the FAFAI to analyse joining IFRA, but they are hopeful to succeed. The compelling argument being it is time for the Indian Fragrance Associations to join IFRA, as in the coming years the Indian Government may enforce fragrance regulations in line with EU and other developed economies, as in the case of food safety. Therefore, IFRA membership will give the industry an advantage to prepare in advance for compliance to regulations.

These ladies are convinced that this move will pave the way for a ground-breaking development in the Indian fragrance and flavour sector.

5TH NATIONAL STANDARDS CONCLAVE NEW DELHI

5th National Standards Conclave with the theme "Implementing the Indian National Strategy for Standards" held on 18th - 19th June, 2018 at New Delhi.

The Conclave was organised by CII in Partnership with Centre for WTO Studies, Department of Commerce, Ministry of Commerce & Industry Government of India, Bureau of Indian Standards (BIS), Export Inspection Council (EIC) & National Accreditation Board for Certification Bodies (NABCB).

Shri C.R. Chaudhary, Honourable Minister of State, Commerce & Industry and Consumer Affairs, Food & Public Distribution, Government of India, inaugurated the conclave. In his inaugural address Shri C.R. Chaudhary, said that standardisation is essential for ensuring quality & safety of products and also for acceptability of our products in the international market.

Ms. Rita Teotia, Secretary, Department of Commerce, Mr. R. Seshasayee, Past President CII, Ms. Surina Rajan Director General BIS and Mr. Sudhanshu Pandey, Joint Secretary, Department of Commerce also graced the dais during the inaugural session. The views expressed by these dignitaries set the tone of the conclave.

The Honourable Union Minister Commerce & Industry Shri Suresh Prabhu, addressing the valedictory session, reiterated the government's commitment towards standardisation of products & services as well. The Conclave culminated with the launch of the report on 'Indian National Strategy for Standardisation (INNS)' by Shri Prabhu.

All participants attended the two-day intense deliberations to chalk out a comprehensive programme for implementing the Indian National Strategy for Standards in order to develop a robust quality eco-system.

Experts gave thought provoking presentations on various aspects concerning the standardisation process, such as market surveillance for setting up standards, awareness and education of stakeholders, challenges faced during preparation, enforcement of standards and implementation of technical regulations.

INDIAN NATIONAL STRATEGY FOR STANDARDISATION (INNS)

The Strategic Intents of INNS

The INSS provides direction for India's political and executive leadership on how best to use standardisation, technical regulations, quality infrastructure and related activities to advance the interests and well-being of Indians in a global economy.

Implementing the INNS

It is expected that all elements of the strategy can be undertaken over a five year period (2018-2023).

Scope and Approach

The INNS addresses four broad pillars of Quality Ecosystem. It determines the critical role of each pillar by a brief description of the background conditions and recommends specific activities that need to be undertaken for its realization. It takes into account the needs and expectations of all stakeholders. Key features of these pillars are briefly described below:

Pillar 1: Standard Development

The objectives of this pillar are to build a national culture of standards for growth and economic leadership and to develop a dynamic and priority driven standards ecosystem that will drive development across sectors, promote competitiveness of Indian products and services, and foster India's eminence among the global leaders in standardization.

Pillar 2: Conformity Assessment, Accreditation and Metrology

The objectives of this Pillar are to evolve a credible, competent and robust infrastructure for conformity assessment and to provide confidence to customers and markets, supplement and provide alternates to regulatory oversight and escalate Indian exports.

Pillar 3: Technical Regulations and SPS Measures

The objectives are to secure the highest degree of protection for the well-being and safety of Indian citizens and to ensure that technical regulations are aimed to achieve legitimate objectives, minimal, risk based, least burdensome, and effective in meeting the objectives with least disruption to businesses.

Pillar 4: Awareness, Counselling, Training and Education

The objectives are to create a quality mindset nationwide and to make every citizen, organization, and institution understand and value the benefits of that standardization and related activities that this will bring to them.

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a Belief

Because a Belief has the potential
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At anytime
From anywhere

That's why thinking should be encouraged
And nurtured in all its forms.
No matter how small.
Or how impossibly grand.

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Big Ideas follow.
Minds become enlightened.
Knowledge grows.
And people discover new ways to undo their
Potential.

So start Thinking...

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