

ESSENTIAL OILS
MARKET REPORT
AUTUMN 2022



CHANGING WITH TIME!



Ultra International B.V.
Essential Oils, Ingredients, F & F



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CHANGING WINDS

As the rain droplets touch the ground, wind gushes through the trees, it produces a symphony oozing with soulful vibrancy. It is an invitation to let go. One the world has waited to hear. Our joy is unparalleled to once again meet and greet and exchange ideas. After living in the virtual world for two years, the Ultra team is excited to attend an in-person IFEAT conference. Being a platinum sponsor, we extend a heartfelt welcome to all delegates, whilst expressing our sincere gratitude for their enthusiastic response. An uninterrupted waterfront and the nearby mountains are waiting to welcome the IFEAT delegation to Vancouver.

The past 365 days have witnessed a plethora of changes within the Ultra Group. The sourcing team has been taking conscious steps to enhance partnerships and gain intimate knowledge of product origins. Ultra Group CPO, Gaëtan Bourdeau landed in Moldova to discover aromas hidden in nature. His investigations identified products including clary sage, fennel, oregano, sage oil and many more from various regions of Moldova.

Embracing technology for a sustainable future, Ultra is developing a state-of-the-art R&D facility in Chertsey, UK. It is empowered with customised environmental systems to allow multiple crop studies. Ultra is constantly looking to push boundaries and we have added to the workforce to realise our vision. The addition of qualified personnel in France and Brazil will help spread our wings to newer markets.

Overcoming a natural disaster requires resilience. Golden Grove Naturals is slowly standing on its feet, rebuilding infrastructure that was lost and damaged due to floods. Difficult situations test character, and we are positively focused to emerge with renewed energy and operational excellence.

It has been a challenging time for natural oil businesses. An unstable geopolitical environment, unfavourable weather, and increasing logistic costs have adversely impacted production. We bring you a detailed global outlook of the naturals market.

Our sustainability efforts brought us to the door of Ultra Natura, a gateway to vertical farming. It is paving a path towards a greener future. Vertical farming provides unique solutions to the problems of feeding a growing planet. It allows us to produce more, use fewer resources and reduce transportation. Flip the pages to find out more about our vertical farming venture.

The IFEAT conference will be a melting pot of ideas, and a great opportunity to trigger innovations. We sincerely wish the conference provides everyone the prospect to learn and enhance global businesses.

Take care!

Priyamvada Sanganeria

Director, Ultra International BV



Consistency in Quality.

Consistency in Price.

Consistency in Supply.



Growing plants in an indoor
and controlled environment.



VERTICAL FARMING

by Ultra Natura



www.ultranl.com



LEMON OIL

Citrus limon (L.) Burm. F. 🌐 Argentina

For marketing year 2021/2022 fresh lemon production is expected to be 1.9 million metric tonnes (MMT) which is 5% higher than the last crop, that ended at 1.8 MMT, and 15% higher than the previous estimate at 1.65 MMT, due to favourable weather conditions. Lemons for processing are projected at 1.49 MMT which is 8% higher than the last crop which ended at 1.38 MMT.

Fresh lemon exports are forecast at 260,000 MT, up 13% from previous estimates, due to larger production. The fresh lemon export business remains profitable. However, lemon sector competitiveness has been affected by significant production cost increases (especially labour, inputs, energy, inland, and ocean freight costs), a container shortage and high inflation rates. Moreover, although the continuous depreciation of the Argentine peso and the elimination of export taxes make exports more price-competitive in foreign markets, a decrease in export rebates and high interest rates partially offset those advantages.

Over the past decade, the lemon sector has been buoyed by investments in new production and technology, with 70-75% of total production devoted to exports of processed lemon products, such as essential oils, frozen pulp, and dehydrated peel. However, global competition and domestic economic contraction have negatively impacted the lemon sector. Global supply of lemon oil exceeds demand and carryover inventory from the last crop is also adding to the high supply of lemon oil. As mentioned above, production costs are higher because of inflation and export costs have increased due to shortages of containers and high freight cost. All these result in a still weak lemon oil price.

📈 USD 16 /kilo

USDA ESTIMATED ARGENTINIAN LEMON PRODUCTION, SUPPLY AND DISTRIBUTION 2019/20 TO 2021/22 ('000 MT)

	2019/20	2020/21	Forecast 2021/22
Production	1,491	1,800	1,900
Fresh domestic consumption	160	150	150
Processing	1,078	1,388	1,491
Total exports	256	264	260



We are elated and proud
to announce
Golden Grove Naturals receives
the esteemed ranking of
"EcoVadis Gold Sustainability."

The EcoVadis rating system
promotes a focus
on sustainable performance
throughout a fair
business practice.

Golden Grove Naturals
is the right fit to rank gold
for this honourable and
futuristic approach.





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NATURALS

BUDDHAWOOD OIL

Eremophila mitchellii 📍 Australia

Demand and supply are balanced, which has kept the price in check. Timber is being stocked, and production can be increased if demand goes up.

🏠 AUD 625.00 /kilo

EUCALYPTUS CITRIODORA OIL*Eucalyptus citriodora* 🌍 Australia

Production volumes are limited. Demand is holding steady, and stock volumes have reduced. The price remains consistent.

🏠 AUD 46.00 /kilo

EUCALYPTUS DIVES OIL*Eucalyptus dives* 🌍 Australia

New plantation areas are coming up, which will augment production volumes by 2024. At present stock is holding steady. If demand is increasing, production volumes could be limited.

🏠 AUD 47.00 /kilo

EUCALYPTUS OLIDA OIL*Eucalyptus olida* 🌍 Australia

There is a steady demand for the oil. New product with 80% methyl cinnamate concentration is available in the market. Small volumes are being produced and stocks have gone down.

🏠 Price on Request

EUCALYPTUS RADIATA OIL

Eucalyptus radiata 🌍 Australia

There is consistent demand for the oil, but production is limited. With depleting stocks, the price of the oil has gone up.

📈 AUD 82.00 /kilo

KANUKA OIL

Kunzea ericoides 🌍 Australia

The oil is produced in remote areas with raw materials being harvested from the wild. As a result, low volumes are produced. There is no available stock of the oil. Production is starting slowly.

📈 Price on Request

LEMON SCENTED TEA TREE OIL

Leptospermum petersonii 🌍 Australia

Demand for the oil is limited, thus only minor quantities are being produced. The plant originates in northern NSW and plantations are increasing in that area. As a result, greater production volumes are expected in the coming seasons.

📈 Price on Request

ROSALINA OIL

Melaleuca ericaefolia 🌍 Australia

There are two sources of rosalina production. In the northern area production is carried out on plantations, while in the south the material is harvested from the wild. The northern varieties have high linalool and low cineole content; it is the opposite for the varieties produced in the south. At present production volumes are limited. Floods have adversely affected production. With new plantations being established, production volumes are expected to increase by 2024.

📈 AUD 365.00 /kilo

EUCALYPTUS STAIGERIANA OIL

Eucalyptus staigeriana 🌍 Australia

Large volumes are available in stock. Thus, at present production volumes are limited. Demand for the oil is increasing, and with new plantations being established production volumes will increase.

📈 AUD 74.00 /kilo

LEMON MYRTLE OIL

Backhousia citriodora 🌍 Australia

There is an increased interest for the oil in the market. Production has been ramped up and long-term contracts are fetching a good price. The upcoming crop is in good health. Both varieties of organic and conventional are available.

📈 AUD 486.00 /kilo

MANUKA OIL

Leptospermum scoparium 🌍 Australia

Demand and supply are balanced. Unless there is a spurt in demand, oil production will not be increased. The quality available is +20% mbk (methyl butyl ketone). Oil price is also stable.

📈 AUD 825.00 /kilo





SANDALWOOD OIL – NORTHERN QUEENSLAND

Santalum spicatum 🌐 Australia

Limited raw material is available. The next harvest cycle is in 2023. Production is holding steady and meeting current market demand. Oil in stock is limited.

🏠 Price on Request

SANDALWOOD OIL – VANUATU

Santalum austrocaledonicum 🌐 Australia

There is limited demand and supply of the oil. Stock levels are also depleting. New production volumes are expected to be added this year.

🏠 USD 2200.00 /kilo

SANDALWOOD OIL – WESTERN AUSTRALIA

Santalum spicatum 🌐 Australia

Demand for the oil is steady and decent volumes of stocks have been maintained. Production is expected to go up in 2022. The price of the oil is declining.

🏠 USD 1350 /kilo

TEA TREE OIL

Melaleuca alternifolia 🌐 Australia

Demand and supply for the oil are low. Harvest operations have been impacted due to unfavourable weather conditions. Floods and persistent rain running into the dry months have delayed harvest operations. This year's floods have resulted in the loss of 500 hectares of crop. Before the rains, industry estimates predicted production for 2022 to be 1,200 MT. The forecast has now been adjusted to 500 MT. Currently, the oil stock is limited, and the price remains stable.

🏠 USD 26.00 /kilo

WHITE CYPRESS OIL

Cupressus sempervirens 🌐 Australia

Production and processing capacity has been expanded. There is a consistent flow of oil stock and suppliers are willing to negotiate price on long-term contracts., though demand for the oil has reduced.

🏠 Price on Request





MOLDOVAN ESSENTIAL OILS AN EXPANDING SOURCE OF SUPPLY?

Gaetan Bourdeau

In July 2022 Gaetan Bourdeau, Ultra's Chief Procurement Officer, made a short visit to Moldova to meet up with local partners to assess the current situation and discuss future developments. Currently Ultra sources a range of Moldovan essential and vegetable oils from local partners, including coriander seed, lavender, dill weed, sage, clary sage, hyssop, oregano, and sunflower oil. Ultra is constantly looking to expand and develop new sources of natural ingredient supplies. With the current severe restrictions on availability of essential oil and fixed oil supplies from Russia and Ukraine, the Ultra Group is looking to develop and expand supplies from Moldova with long term contracts. The following article reviews some of the challenges and opportunities facing the development of the Moldovan economy and its essential oil sector.



Until the Russian invasion of Ukraine in late February 2022, Moldova was an unknown country to most of the world. It borders Ukraine and Romania, and within the country is a breakaway Russian-controlled secessionist "Republic of Transnistria", which has not been internationally recognised and through which runs a Russian gas pipeline to southern Europe. There is also Gagauzia, an autonomous region in southern Moldova, inhabited by Gagauz people, Turkic-speaking Orthodox Christians. Moldova is a small landlocked country of just under 33,000 sq km, some 350 km north to south and 150 km from west to east. In 2021 the population was estimated at 2.64 million with a GDP per head of US\$ 4,514 the lowest in Europe (World Bank). Life expectancy at birth is just over 70 years.

Moldova was part of the USSR (Union of Soviet Socialist Republics) but declared independence in 1991 following the USSR's collapse. During the past 30 years the country has made considerable progress towards becoming a strong, independent, and market-oriented democracy. In 2009 the country broke away from communist party leadership and a more western-orientated government was elected. A wide range of economic, social, and democratic reforms have been undertaken. In 2014 it signed a European Union (EU) Association agreement and in June 2022 the EU granted Moldova, along with Ukraine, candidate status which includes a list of additional reforms Moldova will need to implement as it seeks full EU membership. Application to join the EU is seen as a means of providing some degree of protection but the process can take a considerable amount of time. Certainly, the country has moved closer to Western Europe, taking advantage of its geographical and cultural connections. Moldova now benefits from liberalised trade and investment and is promoting the export of its goods and services, particularly those from the agricultural sector.



THE EVOLUTION OF THE MOLDOVAN ESSENTIAL OILS SECTOR¹

In the 1970s and 1980s, during the Soviet era, there was a considerable expansion of aromatic and medicinal plant production. Some 50,000 to 70,000 hectares (ha) were cultivated on 20 to 25 large specialised collective farms (*kholkoze*). There were about 15 different distillation sites, two of which undertook extraction. In the late 1980s Moldova was annually producing some 160 to 200 MT of essential oils. These included: lavender 75-80 MT, clary sage 30–35 MT, dill 25-30 MT, mint 25–35 MT, fennel 16-20 MT and rose 5 MT. In addition, there were smaller quantities of other oils, such as hyssop and iris. Most production was shipped to Moscow which then distributed internally although some 20% to 30% was exported as “Russian essential oils”.

By the mid 2000s, some 15 years after independence, the area under cultivation had fallen dramatically to around 3,000 ha. Production was significantly lower compared with the figures from the late 1980s. One source estimated average annual production for 2005 – 2007 at: clary sage 2 MT of oil, 60 MT of extract, dill 6 MT, fennel 5 MT, coriander 5 MT, lavender 5 MT, sage officinalis 2 MT alongside smaller quantities of mint, hyssop, oregano, cumin, thyme and rose. However, harvests in 2007 were greatly reduced varying between 30% to 85% due to a major drought and high temperatures. For some plants, such as coriander and dill, the loss was almost 100%. Clary sage was the dominant aromatic plant but very little essential oil was produced due to Chinese competition. Most production was solvent extracted to produce clary sage concrete with +50% sclareol, most of which was used to produce ambroxan, although small quantities were sold to perfumers. A decade ago, clary sage was reported to be in the hands of one company with annual production around 30 MT.

Exact data on current production and exports are not available but a large range of essential oils are still being produced, including clary sage, seed oil, dill, fennel, oregano, sage oil as well as hyssop, wormwood, savory and thyme. Hundreds of farmers are reported to be growing lavender, while coriander seed oil is being produced to replace Russian coriander seed oil, which many companies have ceased purchasing. Russian production of coriander herb/leaf (*cilantro*) oil is small. Most of the *cilantro* oil comes from Moldova, although in the past it has been sold as Russian origin. Both the production levels and area of land under cultivation are greater than those estimated during the period 2005 – 2007 – and there is increasing interest and optimism in developing essential oil production in Moldova.



¹An excellent overview of the essential oil industry was provided by Natalie Green: *The Essential Oils Industry In Moldova IFEAT Budapest Conference Proceedings September 2007 pp. 103-110.*

CHALLENGES

Despite the considerable progress made over the past three decades the country faces many challenges:

- It is the poorest country in Europe, with a very narrow economic base and GDP per head about a seventh of the regional average of US\$ 33,000. It has been heavily dependent on remittances from Moldovans working abroad. Following independence there was a massive exodus of workers primarily to Western Europe and Russia, with approximately 25% of the population working abroad, representing one of the world's largest net emigration countries. Economic recovery was primarily driven by workers' remittances.
- Moldova has been beset by multiple shocks in the past two years. The COVID-19 pandemic was followed by a severe drought that reduced agricultural production by 34% in 2020, while the European gas crisis pushed gas prices up by around 400% in the second half of 2021 – since when they have risen further.
- In February 2022 began the devastating war between Russia and Ukraine, which has further exposed the country's vulnerability and put at risk its short-term economic recovery and its long-term economic prospects. The past few months have been a traumatic experience. Moldova is likely to be the external country most affected by the war. This is not only because of its physical proximity to Russia and Ukraine but also because of its landlocked economy with very close linkages to both countries. There have been severe disruptions in the supply chains for food, energy, and raw materials leading to significant upward price pressures. The longer the war continues the greater the challenge to Moldova's socio-economic environment.
- Following the outbreak of war there has been a massive influx of refugees accounting for approximately 15% of the population, the largest percentage for any country.
- Weak institutional and governance structure, especially in the financial sector and IP enforcement. The legal and regulatory framework is poor.
- Pervasive corruption and bureaucracy have historically stifled entrepreneurship but the government is pressing ahead with anti-corruption initiatives.
- The government is introducing laws and regulations to harmonise with EU legislation but full compliance with EU legislation and standards will take a considerable amount of time. Businesses still face burdensome licensing procedures and excessive authorisation requirements.
- Outward migration has led to an ageing population and a dwindling labour force. Moreover, the internal market is relatively small.
- The economy is dependent on imports of energy from Russia and the economy has been very inefficient in its energy usage.
- Climatic factors such as drought and flooding are constant risks to the agricultural sector. In recent years weather events in Moldova have increased in severity, longevity, and frequency; in particular, droughts and floods have impacted agricultural production. More variability in rainfall arising from climate change has increased the risk of floods in addition to drought. In 2022 the drought has certainly led to lower yields.
- During the 21st century Moldova has had sustained economic growth but it remains one of the poorest countries in Europe. Growth was very dependent on remittances from a migrant workforce. The fall in remittances combined with a falling and ageing population has led to declining growth rates and low productivity growth. A significant number of the lower-income population have become dependent on pensions and social assistance.



OPPORTUNITIES

- Agriculture is the main pillar of the economy. It employs almost 30% of the country's labour force, accounts for about 12% of GDP, 16% if food processing is included, and nearly half of total export value. Farmland covers approximately 2.5 million hectares or 75% of the country's land area – and some 1.8 million ha is arable land predominantly privately owned.
- From the late 1990s the collective farming sector has been reformed and by the early 2000s the reform was completed, resulting in a highly equitable distribution of agricultural land and a new class of landed independent farmers. The new corporate farms were about a third of the size of former collectives (i.e., 650 ha) but often run similarly to the former collectives.
- The history of the aromatic plant production goes back many years with most of the growth undertaken when Moldova was part of the USSR. During this period annual production reached an annual 200 MT produced from about fifteen factories. The main season for harvesting aromatic crops in Moldova is from June to August.
- High-value agriculture such as aromatic plants remains underdeveloped in Moldova but offers good opportunities for investors, although foreigners are not permitted to directly own land.
- The country has favourable conditions for agricultural production including favourable soil resources. Some 75% of the land is fertile black soil (called “chernozem” – one of the most fertile in the world) ideal for growing a wide range of fruit, vegetables, and aromatic plants.
- The moderate continental climate is also favourable with short relatively warm winters and hot summers enabling early planting and providing producers with a competitive advantage.





- There is considerable agricultural knowledge and experience. This combined with relatively low labour costs, especially in rural areas, and high yields facilitates the production of labour-intensive crops that are competitive on world markets.
- There is increasing demand for organic products, creating opportunities for organic farming, which has been growing in Moldova, in part because of support for the sector and higher price premiums.
- Most Moldovan companies are privately owned but some cooperatives are operating. For example, in 2020 the Moldova Lavender Producers Association helped establish the Essential Oils Cooperative of Moldova (COOM), which is made up of a group of aromatic and medicinal plant producers.
- It is now much easier to ship essential oils from Moldova to western Europe than from Ukraine or Russia and hence the growing interest in expanding production.
- Neighbouring Romania is a member of the EU and Moldova is culturally more Romanian than Russian. Just over 80% of the population speak Moldovan/Romanian as their mother tongue – Moldovan is virtually the same as Romanian. 10% speak Russian. The younger generations in Moldova are much more drawn to the west.

In the Soviet era Moldova was a sizeable producer of aromatic plants and related essential oils. If, over the next few years, the Moldovan political and economic environment stabilises, then this small strategically placed country has the land, labour skills and knowledge and access to investment sources to expand production to satisfy the increasing global demand for natural, traceable, sustainable, and high-quality essential oils.

MOLDOVA

The Essential Oils Paradise.



Abundant ancestral aromatics knowledge, rich soil, right weather and flourishing crops of Hyssop, Clarysage, Lavender, Oregano, Fennel, Dill, and Tarragon.



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Essential Oils, Ingredients, F & F



ORANGE OIL CP

Citrus sinensis 🌐 Brazil

The total Brazilian 2022-2023 orange crop is expected at 414.4 million boxes (M boxes), an increase of 15% over the prior season's production. This is due to improved weather conditions which helped the groves to recover from the drought and frost conditions which occurred in 2020 and 2021.

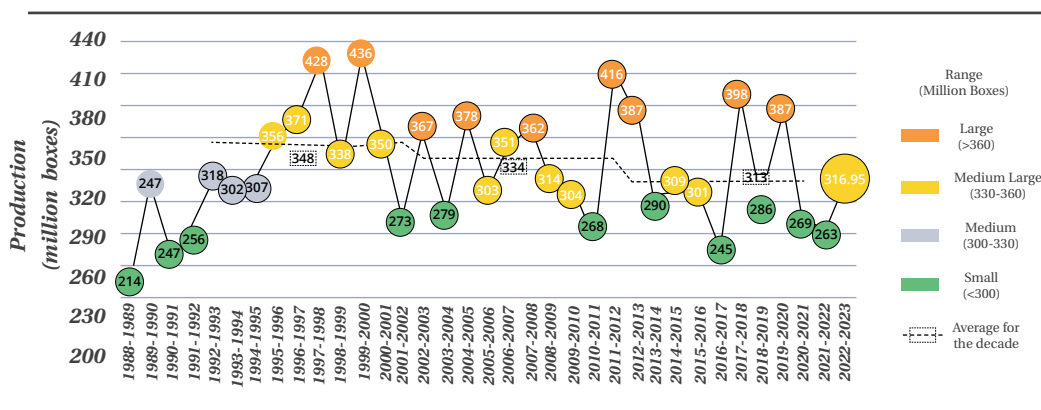
Most of Brazil's orange harvest comes from the state of São Paulo and the western part of Minas Gerais. Those regions are expected to produce 317 M boxes, an increase of 20% over the prior year. One reason for the expected larger crop is the increase in irrigation in Brazilian groves. Irrigated groves now make up 39% of citrus land compared to 31% in 2018.

Consumption is up slightly while fruit for processing is forecast 21% up with the jump in available supplies.

Despite a forecast of a higher crop, the price of Brazilian orange oil is expected to remain firm because production costs in Brazil are higher by an estimated 27% compared to the previous crop. This is due to high fertiliser, energy, freight and labour costs, as well as limited supply since there is no carryover inventory from previous years and processors are still filling contract requirements from last year.

Brazilian orange juice production is forecast up 21% as a result of more oranges available for processing. Similarly, consumption, exports, and stocks are forecast higher with the rise in production. Brazil is by far the largest producer and is projected to account for nearly three-quarters of global orange juice exports. The European Union remains the major destination of Brazilian orange juice, taking approximately 64% of Brazil's orange juice shipments.

▲ USD 18.00 /kilo



Graph 1 Orange production from 1988-1989 to 2021-2022 and 2023 crop forecast

Sources: CitrusBR (1988-1989 to 2014-2015) and Fundecitrus (2015-2016 to 2022-2023)

LAVENDER OIL

Lavandula angustifolia 🇧🇬 Bulgaria

The crop has been good this year, matching last year's production volumes despite the reduction in lavender plantations. In the last three years lavender has been fetching low export prices, and traditional crops like wheat and corn have become expensive. This has pushed farmers towards traditional crops. The past 12 months have witnessed a significant reduction in lavender fields. From 20,000 hectares (ha) under cultivation, it has come down to 13,000 ha. This number could go down further to 9,000 ha by the coming harvest cycle. This season a good crop has resulted in abundant supply of ISO and non-ISO grade lavender. The oil price is mostly dependant on demand and supply. But the cost of production has gone up significantly due to increases in fertiliser, natural gas and fuel costs. Even labour costs have gone up about 20%. This could result in a 20% increase in the oil price.

📈 USD 65.00 /kilo

MELISSA OIL

Melissa officinalis L. 🇧🇬 Bulgaria

The crop is on expected lines, but the market for the oil is generally slow.

📈 USD 1750.00 /kilo

ROSE OIL

Rosa damascena 🇧🇬 Bulgaria

The yield has been 20% lower in this cycle. The dry and short season resulted in a crop worse than expectations. Supply issues are expected to plague rose oil for the foreseeable future. There is a massive shortage of manual labour for harvesting rose, with no solution in sight. The cost of manual labour has more than doubled. Even propane gas, which is essential for the steam distillation of the oil saw a five-fold increase in price. All these factors saw the price of rose oil rise.

📈 USD 9450.00 /kilo





CASSIA OIL

Cinnamomum cassia 🌍 China

There is a considerable difference in Vietnamese and Chinese cassia oil, but in terms of natural benzaldehyde it is identical. The Vietnamese variety is exported in larger volumes due to its competitive price. Distillation for the spring crops in China commenced in May. Production volumes remain similar to last season.

🏠 USD 46.00 /kilo



CITRONELLA OIL

Cymbopogon winterianus 🌍 China

Epidemic control in the major producing areas of Yunnan has impacted production and trading volumes in border areas have gone down. The price of the oil has also reduced drastically. This in turn has lowered production and availability in the market.

🏠 USD 14.00 /kilo



EUCALYPTUS CITRIODORA OIL

Eucalyptus citriodora 🌍 China

The cheaper Brazilian variety is available in the market so it is difficult to find takers for Chinese eucalyptus citriodora oil. Farmers have also lost interest in distilling the oil.

🏠 USD 18.00 /kilo

EUCALYPTUS GLOBULUS OIL

Eucalyptus globulus 🌍 China

Demand for the oil has declined. This has resulted in the price falling to its lowest level in last five years.

🏠 USD 13.00 /kilo

GERANIUM OIL

Pelargonium graveolens 🌍 China

The Egyptian variety is cheaper than its Chinese counterpart, so the demand for Chinese geranium oil has decreased, though its price has gone up due to raw material costs.

🏠 USD 185.00 /kilo



LITSEA CUBEBA OIL

Litsea cubeba 🌍 China

The majority of the oil is produced in Yunnan province. Production in Hunan province has reduced. The distillation season has commenced, which will continue for a month. Production this year is expected to surpass last year's volumes. Suppliers will stock decent volumes to overcome any market fluctuations. The price of litsea cubeba seeds is increasing daily, which has resulted in a high oil price.

🏠 USD 55.00 /kilo

STAR ANISE OIL

Illicium verum 🌍 China

Suppliers are waiting for the upcoming production season. The next crop season will commence in December. There is limited stock of the oil and the price remains high. Sales have declined in comparison to last year, though the price has increased.

🏠 USD 33.00 /kilo

WINTERGREEN OIL

Gaultheria procumbens 🌍 China

Farmers have the oil in stock. Inventory levels are rising in the market. Demand for the oil is relatively low.

🏠 Price on Request

EASTERN
EUROPE



THE
EASTERN EUROPEAN
COLLECTION



Dry weather conditions and the unrest in Russia-Ukraine have affected crops in many regions of Europe.

CLARY SAGE OIL

Salvia sclarea 🌍 Eastern Europe

The crop is below average due to the drought in Europe. This will result in an increase in price.

📈 USD 115.00 /kilo

CORIANDER HERB OIL

Coriandrum sativum 🌍 Eastern Europe

A limited quantity of coriander herb has been produced.

📈 USD 116.00 /kilo

CORIANDER SEED OIL

Coriandrum sativum 🌍 Eastern Europe

It was a decent crop cycle resulting in a minor decline in price.

📈 USD 85.00 /kilo



DILL WEED OIL

Anethum graveolens 🌍 Eastern Europe

There is massive demand for dill weed in the market. Cost of production has increased due to the rise in energy prices. This has led to a rise in the oil price.

🏠 USD 49.00 /kilo

LAUREL LEAF OIL

Laurus nobilis 🌍 Eastern Europe

Market for the oil is stable.

🏠 USD 178.00 /kilo

FIR NEEDLE OIL

Abies sibirica 🌍 Eastern Europe

There is no issue with availability of fir needle. The price is high, but it has stabilised now.

🏠 USD 72.00 /kilo

THUJA OIL

Thuja orientalis 🌍 Eastern Europe

The market for thuja oil is stable. Demand and supply quantities are in sync.

🏠 USD 62.00 /kilo

LAVENDER OIL

Lavandula angustifolia 🌍 Eastern Europe

It was an average crop. Also, cost of production has increased due to rising energy prices. Expect oil prices to go up.

🏠 USD 72.00 /kilo



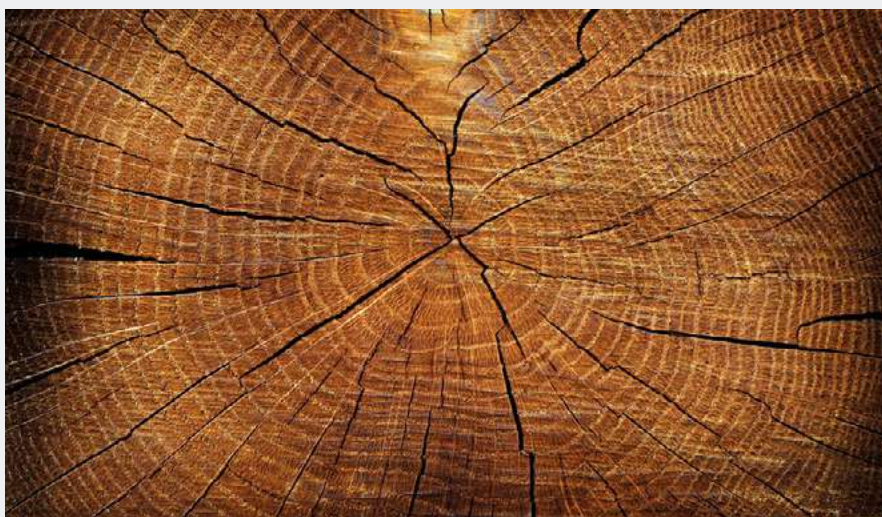


CARDAMOM OIL

Elettaria cardamomum 🌍 Guatemala

Cardamom is a volatile spice, and it is advisable to pre-order volumes to secure a better price. The harvest season has concluded with 15% higher yields compared to last year. Oil is expected to reach the market at the end of November-December. Large exporters have left the seed market, which has resulted in a fall in price. Producers may delay selling product and wait till the next harvest to fetch a better price. The seed market is witnessing immense fluctuations. Seeds harvested in the second and third cuts are of lower quality resulting in less essential oil production. This in turn increases production costs

📈 USD 295.00 /kilo



AMYRIS OIL

Amyris balsamifera 🌍 Haiti

Raw material is available in abundance. But there is limited access to fuel, which is crucial for production. Haiti has struggled with production issues for almost a year now due to several security concerns. Gangs control the sole access route to the capital city from the south, delivering products by road is a risky affair. Heavy taxes are levied just to allow transport vehicles to pass.

📈 USD 83.00 /kilo



CARDAMOM OIL

Elettaria cardamomum 🌍 India

India is a big exporter of cardamom. The current season has seen a good crop, and supply levels have been maintained. The best quality oil is obtained between August and December. The crop season goes on from June-July to February. During this period, the pods are picked five times. Demand for the oil has fallen so prices have reduced.

📈 USD 125.00 - 135.00 /kilo

CARROT SEED OIL

Daucus carota 🌍 India

Last season there was high demand, but an unstable crop. The harvest season for carrot seed is between May and August. It has just concluded and the crop is good.

📈 USD 67.00 /kilo



COFFEE CO2

Coffea arabica & Coffea canephora 🌍 India

The arabica variety is harvested from November to January, while robusta is picked between December and April. Harvest for this season has concluded and the crop is good. Demand for coffee has gone up because the flavour and fragrance industry are both smitten by the strong earthy notes. The market price for coffee is stable.

📈 Coffee Arabica - USD 190.00 /kilo

CORN MINT OIL

Mentha arvensis 🌍 India

Demand from the overseas market has reduced drastically. Production this year mirrors 2021. Suppliers are left with massive stockpiles and the prices have plummeted. While the traders are suffering losses, it is a good time for buyers to stock oil. The scope for further price reductions is limited. The planting area in 2022 was reduced 10-20%, but this loss was made up by hot climatic conditions, which increased yields by a similar margin.

📈 Price on Request



DAVANA OIL

Artemisia pallens 🌍 India

The harvest season has concluded and the crop was good. But there have been changes in the oil concentration. Ketone content used to be in the range of 40-50%, but now it has come down to 30-40%. Farmers shy away from the product because the yield is limited. This has resulted in a massive escalation of the price in the last few years. Production is now focused on confirmed orders.

🏠 USD 950.00 - 1,350.00 /kilo

HOLY BASIL OIL

Ocimum Sanctum 🌍 India

It is impossible to predict oil quality during the season, since the herbage depends on a variety of factors. The season has been good. The crop flourishes in winter between December and March.

🏠 USD 115.00 /kilo

FRANKINCENSE OIL

Boswellia serrata 🌍 India

The resins and oil of frankincense is popular among many industries like fragrance, home care, aromatherapy and pharmaceutical. The harvest season is ongoing and will conclude in November. India is the second largest producer of frankincense globally. The crop is good and the price is stable.

🏠 USD 24.00 /kilo

(Price as per quality varies from 18-64)

JASMINE ABSOLUTE

Jasminum grandiflorum 🌍 India

Primarily produced in southern India, the two variants of jasmine, *grandiflorum* and *sambac* are extremely popular within the fragrance industry. This harvest cycle has been impacted by uneven rain. Low yield has resulted in a price rise.

🏠 USD 10,000.00 /kilo

GINGER CO2

Zingiber officinale 🌍 India

India is a global hub for ginger in the flavour industry. It is grown in the southern parts of India. For the last few years the crop has been good.

🏠 USD 100.00 - 105.00 /kilo

JUNIPER BERRY OIL

Juniperus communis 🌍 India

The majority of the supply comes from Pakistan. In the last few years a conscious effort has been made to increase juniper berry plantations in Himachal Pradesh. The supply levels are increasing slowly. The crop is harvested twice a year in April and November. This season the crop is stable.

🏠 USD 72.00 - 132.00 /kilo

LEMONGRASS OIL

Cymbopogon citratus 🌍 India

Harvest volumes were decent for this cycle. Every 60 days the crop is harvested. The last harvest was in July, and the next is scheduled for September. It is one of the most significant crops in India. Demand for the oil has fallen, which has resulted in falling prices.

📈 USD 19.00 - 21.00 /kilo

PALMAROSA OIL

Cymbopogon martinii 🌍 India

The last harvest season produced good volumes. The upcoming season looks positive as well. The majority of the crop is grown in southern parts of India, and the harvest is scheduled every 3-4 months. The price should remain stable.

📈 USD 32.00 /kilo

PEPPERMINT OIL

Mentha x piperita 🌍 India

This year the crop was good. Harvest season for peppermint is between June and July. 20% of the world's peppermint oil production comes from India. With consistent supply, prices will remain stable.

Availability of genuine natural peppermint oil could reduce in the upcoming months. Traders are blending varieties to meet the quality and price demands of customers. Synthetic furan is also being offered in the market. Quality assurance is compromised if product is purchased from suppliers not connected with farms directly. Suppliers are offering a wide range of prices in the market.

📈 USD 22.00 /kilo

SPEARMINT OIL

Mentha spicata 🌍 India

There is limited trading of the oil in the market. The plantation area of spearmint was increased, but crop damage resulted in low yields. The oil price has gone up over 30%.

📈 USD 32.00 /kilo

STAR ANISE OIL

Illicium verum 🌍 India

Star anise is local to southern China and northern Vietnam. Arunachal Pradesh India has similar soil and climate conditions to these areas. It is the only state in India that produces a viable star anise crop. It is used by the flavour industry, or imported by certain suppliers for further export orders. Star anise propagates in the spring season. Limited oil is produced as per orders.

📈 Price on Request

VETIVER OIL

Vetiveria zizanioides 🌍 India

Vetiver is produced in the north and centre of India with the harvest season between January and March. The quality produced in the south is superior due to the climatic conditions and courted by the perfumery industry.

📈 USD 195.00 - 220.00 /kilo



CITRONELLA OIL

Cymbopogon winterianus 🌍 Indonesia

Low international demand for the oil is discouraging farmers from distilling. Locally there isn't much demand for pure citronella. Low quality oil is sold for fragrance.

📈 USD 14.00 /kilo

CLOVE OIL

Eugenia caryophyllata 🌍 Indonesia

Clove production has been massively hit due to erratic rainfall. Clove is primarily produced in Java and Sulawesi, and both areas have been hit by unfavourable weather. The produce harvested is not bearing fruits and turning into pods. The leaves are not dry and eugenol content is low. This will impact the quality and quantity of oil produced. Sieved clove is the raw material used to produce clove bud oil and clove stem oil. With limited production their volumes will also be hit. Due to the unstable market, exporters are importing clove leaf oil from Madagascar.

📈 USD 19.50 (Clove Leaf) /kilo

📈 USD 22.00 (Eugenol) /kilo

📈 USD 24.00 (Clove bud) /kilo

NUTMEG OIL

Myristica fragrans 🌍 Indonesia

Consistent rainfall has prevented the raw material from drying. This impacts the quality of oil produced. Farmers have stopped distilling, since the yields have dropped 6%-7%. If the weather conditions prevail prices will continue to rise.

📈 USD 95.00 /kilo

PATCHOULI OIL

Pogostemon cablin 🌍 Indonesia

Unfavourable weather conditions have resulted in low yields. Most farmers are not distilling oil due to the losses incurred. Supply has come down both in terms of the quantity and quality of the oil. Large exporters are influencing market prices by holding purchases.

📈 USD 39.00 (Dark) /kilo

📈 USD 40.00 (Light) /kilo

📈 USD 42.00 (MD) /kilo

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LIME OIL

Citrus aurantifolia – Key lime 📍 Mexico
Citrus latifolia – Persian lime

The two popular varieties of limes grown in Mexico are the Mexican or Key lime and the Persian lime. The state of Michoacán is the leading Key lime producer in Mexico, followed by Colima and Oaxaca. Michoacán has a winter production window that allows Key limes to enter the domestic market first. Persian limes are grown in northern Veracruz, with smaller scale production in Chiapas, Tabasco, Oaxaca, Puebla, Jalisco, and Yucatan.

Persian lime production in Mexico caters specially to the US market. A substantial increase in production has been attributed to the North American Free Trade Agreement. Lime production in Mexico has also expanded as a consequence of the increase in per capita consumption in the United States. There has been a huge increase in the popularity of fresh fruits over the past few years and this increased demand has led to substantially higher prices. In addition, these conditions have led to a significant decrease in the amounts of fruit for processing and therefore lime oil has soared to record high prices.

Other factors such as high energy, labour and transportation costs, together with inflation, price fixing by criminal groups in Mexico, and more demand for Mexican limes due to a problem with fresh limes from Brazil, are contributing to the difficult lime oil price situation.

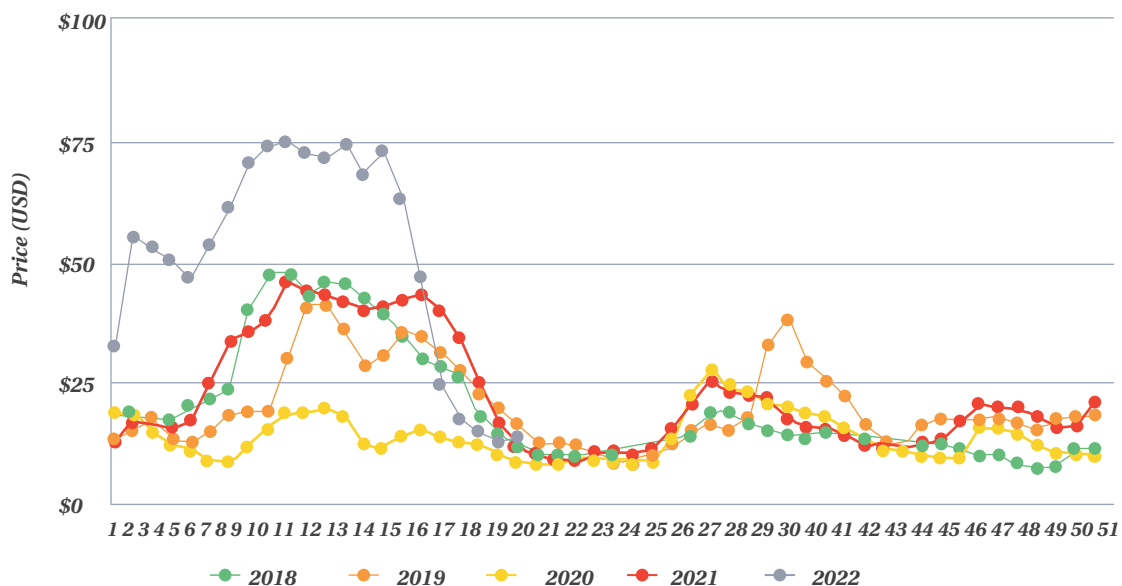
▲ USD 75.00 (key distilled) /kilo

▲ USD 42.00 (Persian) /kilo

FRESH MEXICAN LIMES: PRODUCTION, SUPPLY, AND DISTRIBUTION ('000 METRIC TONNES)

	2017/2018	2018/2019	2019/2020	2020/2021	Jan 2021/2022	Jul 2021/2022
Production	2,311	2,686	2,851	2,998	3,217	3,217
Fresh domestic consumption	1,190	1,542	1,549	1,858	2,023	2,094
For processing	396	397	507	350	400	400
Exports	729	751	798	795	798	730

LIME PRICES BY HISTORY (AS REPORTED) IN THE US | FROM MEXICO





BLUE TANSY OIL

Tanacetum annuum 🌍 Morocco

Demand for the oil has decreased in the last few years. Currently, the market is stable, but yield is expected to be lower due to insufficient rain.

🏠 Price on Request



CEDARWOOD ATLAS OIL

Cedrus atlantica 🌍 Morocco

There is massive demand for the oil. The new crop cycle is from April to October. Currently there are no market fluctuations.

🏠 USD 26.00 /kilo



NEROLI OIL

Citrus aurantium 🌍 Morocco

The flowering period was hit by rain and cold weather conditions. The yield in 2022 was lower by 20%.

🏠 USD 3550.00 /kilo

ROSEMARY OIL

Rosemarinus officinalis 🌍 Morocco

Late rain and snow in the growing areas has impacted the crop. The volumes this season are expected to be 30%-40% lower. The new crop was only available in June.

🏠 USD 75.00 /kilo

WILD CHAMOMILE OIL

Ormenis multicaulis 🌍 Morocco

Lack of rain will impact the crop. The current harvest season commenced at the end of June or early July.

🏠 USD 1355.00 /kilo



CABREUVA OIL

Myrcarpus frondosus 🌍 Paraguay

There is good supply of the oil, and production volumes are sufficient.

🏠 USD 48.00 /kilo

GUAIACWOOD OIL

Bulnesia sarmientoi 🌍 Paraguay

Offers will only be confirmed once the 2022 CITES export quota is fixed. This is expected in September.

🏠 Price on Request

PETITGRAIN OIL

Citrus aurantium 🌍 Paraguay

Production will commence after the conclusion of the winter season by the end of September and carry on till February. Currently production volumes are limited.

🏠 USD 75.00 /kilo

FUTURE INSIGHTS NATURAL CITRUS FLAVOURS

Vibha Gaur

Citrus oils, which include orange, lemon, lime, grapefruit, mandarin, tangerine, bergamot, and yuzu, are the largest group of essential oils used in the flavour and fragrance industry. In recent years citrus flavours have continued to gain popularity and are now recognised as a food additive to extend the shelf life of food products. Under Food and Drug Administration (FDA) regulations, some prohibited food ingredients such as carrageenan, phosphates & hydrocolloids can be substituted with citrus flavourings.

Citrus flavour market worth is expected to total US\$ 2,977.1 million in 2021, as per Future Market Insights (FMI). The survey also shows the demand of citrus flavours will exceed US\$ 4,931.5 million by 2031, growing at a CAGR of 5.2 % for 2021-2031. The Asian market is also on the rise.

The global natural flavour market is segmented into North America, Europe, Asia Pacific, South America, and the Middle East & Africa. In 2018 Europe accounted for the major market share owing to the high consumption of ready-to-drink (RTD) fruit beverages containing natural ingredients such as berries and citrus.





Citrus flavourings are high in demand for bakery, confectionery, beverages, nutraceutical, shisha and many more. They impart refreshing, tangy and juicy notes with partial aqua profiles. The trend of consuming naturally flavoured cookies, ice creams, and pastries has gained momentum in recent years. The preparation of fruit cakes has also changed as natural flavours of various fruits are readily available across the market. Unique citrus flavours are linked to providing freshness to the younger generation which is looking beyond the traditional lemon, lime and orange. "Different combinations of Navel orange, Moro blood orange, bergamot, Meyer lemon, Pomelo, red grapefruit, satsuma and calamondin are some of the examples for beverages as they have a juicy and balanced sweet and tart taste which is suitable for beverages and tonic water".

As per the FMI report, citrus flavour blends such as lemon with the combination of ginseng is blooming in soft drinks throughout the European market due to its therapeutic properties. Another combination of citrus flavour with mint is a unique choice for candies and confectionery while citrus-infused beer with lemon, lime and zesty grapefruit is very common in alcoholic beverages.

Similarly, Mintel's March 2020 report titled "*Tending flavours and ingredients in non-alcoholic beverages US*" confirms that citrus is the top preferred flavour. This report also states that although conventional citrus flavours such as orange and lemon trended down from 2018 to 2019, citrus is still the No.1 preferred flavour for non-alcoholic beverages around the world.





Natural flavourings refer to essential oils, oleoresins, essence or extractive, protein hydrolysate, distillate, or any product which contains the flavouring constituents derived from fruits, vegetables, edible yeast, herb, root, leaf or similar plant material, meat, seafood, poultry, eggs, dairy products, or other fermented foods. Natural flavours are typically used in food and beverages in order to enhance the taste and quality of the products.

However, the high costs associated with natural flavour raw materials are restraining the adoption of natural flavours. The seasonal availability of natural sources which is a crucial factor for the extraction of natural flavours is also one of the factors limiting market growth.

In citrus flavours some polar components categorised under esters, aldehydes, oxides and alcohols contribute a major role to their aroma. Octanoic and decanoic acids contribute to a complex interaction of components towards natural citrus odour.

Some citrus oils can be used in making natural citrus flavours such as yuzu, finger lime, gondhoraj, blood orange, kumquat, kaffir lime, mandarin for their appealing pulp and fragrant aroma especially for beverages. For instance, blood orange is a rising star citrus flavour in the food and beverage industry due to its anti-inflammatory properties.

Beverage application will account for more than 55% of the market value, growing at CAGR of 7.2% over the forecast period. Citrus flavours are frequently perceived favourably by consumers and can impart a nutrient-rich profile in products such as electrolyte drinks, soft drinks, infused tea, and more.

According to FMI, approximately 33% of all new flavoured beverages established globally in the last three years featured citrus flavours.

The powder form of citrus accounted for the maximum share of nearly 58% in 2021 and is also expected to witness a lucrative growth rate of 5.6 % CAGR over the forecast period. Manufacturers operating in the global citrus flavour market are focusing on building awareness about powdered beverages, driving growth in the global market.



“Changes in citrus peel oil constituents from such chemical reactions as oxidation have long been known to alter flavour in citrus oil and juice, especially during storage.”

Furthermore, some challenges are associated with citrus and natural flavours such as solubility, stability, and strength during formulation. “Simple, natural and no preservative beverage formulations can undergo some challenges when working with lemon concentrates and flavours”, Angelich explains. Natural lemon and other citrus flavour ingredients and components can oxidise during a beverage’s shelf life and result in undesirable off notes and soapy tastes. Product formulators need to carefully balance what processing conditions, what flavour materials, preservation means, and shelf-life expectations they can balance and deploy to create fresh and natural-tasting lemon and citrus beverages.

Compound terpenes, specifically citral, are primary flavour and aroma constituents in lemon oil and lemon flavour, as are the major chemical terpenoid components, including D-limonene, gamma terpinene, alpha and beta pinenes. However, Conch-Meyer notes, “the high level of unsaturated fats and oxygen-functionalised compounds in citrus oil, specifically, make terpenoids highly susceptible to oxidation”.

Changes in citrus peel oil constituents from such chemical reactions as oxidation have long been known to alter flavour in citrus oil and juice, especially during storage. Oxidation is not only influenced by the presence of oxygen but also by temperature, UV radiation and trace metals that can act as a catalyst.

Try to replace the air in the container with nitrogen or fill the container to the brim without any air gap, tightly cap it, seal it, if possible, store it in the refrigerator. These procedures prolong the shelf life of citrus peel essential oil. Make sure no traces of moisture remain in the essential oil before storing it.

Day by day, millions of consumers are moving towards citrus beverages due to their nutritional and therapeutic properties along with their commercial aspects.

There is no doubt that the diversity and quantities of citrus fruits available throughout the world in such a wide variety of forms and flavours will ensure the continued growth in their demand and end-uses.

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BUCHU OIL

Agathosma betulina 🌍 South Africa

The buchu harvest season will restart in November-December. High raw material prices have resulted in illegal harvesting of wild buchu. This has extended into the growing period. It will have an adverse effect on regeneration of the wild plant population. This may impact wild buchu production volumes bringing them down slightly, though plantation areas have been added, which may be able to make up the lost volume. Traditionally June, July and August are wet months. But this year the rainfall has been lower than expected. The dried buchu leaf market is on the rise with growing volumes.

📈 USD 1255.00 /kilo

LEMON OIL

Citrus limon (L.) Burm. F. 🌍 Spain

EU lemon production is expected to close at 1.5 million metric tonnes (MMT), which is lower than the initial forecast. Despite the overall expansion in the growing areas in Spain, unfavourable weather conditions that affected flowering and fruit set in some production areas, along with hailstorms in November have caused the country's lemon production to decrease. In addition, Italy, the EU's second largest producer of lemons was hit by floods at the end of October, causing damage to lemon groves in Sicily.

AILIMPO's first crop estimate of lemon for the next 2022-2023 season forecasts production in Spain of 1.15 MMT, which represents a slight increase of 2% compared to the provisional balance of the 2021-2022 season that is expected to close with a crop of 1.13 MMT. This crop estimate is conditioned by the evolution of weather conditions and the impact on the harvest volume of the entry into production of new plantations, since the lemon area has increased by 12,900 hectares (ha) in the last 7 years, from 37,500 to 50,400 ha.

The start of the 2022-2023 season will be conditioned by the liquidation of the southern hemisphere stocks in September. In this scenario, Spain will start the season on a suitable date that will allow a correct transition and guarantee top quality lemons as a differentiating element.

📈 USD 13.00 /kilo

SPAIN: FRESH LEMON PRODUCTION (MT)

	<i>Final crop</i> 2021-2022	<i>1st forecast</i> 2021-2022	<i>Difference</i> (%)
FINO	820,000	850,000	+4%
VERNA	310,000	300,000	-3%
TOTAL	1,130,000	1,150,000	+2%

ORANGE OIL

Citrus sinensis 🌍 Spain

EU orange production is projected at 6.1 million metric tonnes (MMT), down from 6.5 MMT in 2020-2021. The decrease is driven by moderate production declines in Spain and Italy, which combined account for nearly 80% of total EU orange output.

Oranges are mainly consumed fresh in the EU. Approximately 80% of EU orange supply is destined for fresh consumption with the remainder destined for processing. Given the smaller crop, the processing share in 2021-2022 is expected to be approximately 13%, i.e., 800,000 MT.

📈 USD 18.00 / kilo

TOP EU FRESH ORANGE PRODUCERS (MT)

Country	2019-2020	2020-2021	2021-2022
Spain	3,342,540	3,496,145	3,356,000
Italy	1,650,207	1,772,769	1,680,215
Greece	910,186	886,639	720,000
Portugal	346,510	315,000	320,000



The price of all Turkish oils has seen a rise. This is due to the supply issues for oil and gas because of the Ukraine-Russia war. The Turkish currency crash vs USD has massively impacted costs. Manufacturing has seen a 15%-30% rise in costs. Producers are avoiding keeping huge stocks and mostly dealing in contractual orders.

LAUREL LEAF OIL

Laurus nobilis 🌍 Turkey

Harvesting will commence in mid-September. Price remains stable.

🏠 USD 52.00 - 63.00 /kilo

OREGANO OIL

Origanum vulgare 🌍 Turkey

The crop has been decent. The harvest season for oregano is between mid-June and September end. The price is still high.

🏠 USD 60.00 - 65.00 /kilo

ROSE OIL

Rosa damascena 🌍 Turkey

The cost of manufacturing has gone up and the yield is low. Rains have adversely impacted the crop. The price has gone up 60%-70%.

🏠 EURO 8700.00 - 9000.00 /kilo





CEDRIC HERMANT
*Vice President (Prestige & FF Ingredients),
Ultra International*

COMPANY UPDATE

CEDRIC HERMANT VICE PRESIDENT (PRESTIGE & FF INGREDIENTS), ULTRA INTERNATIONAL

Mr Cedric Hermant joins Ultra International as Vice President, Prestige and Fine Fragrance Ingredients. He is a widely connected fine fragrance expert, specialising in B2B development and building customer relationships. Having led extensive cross-cultural and multi-disciplinary teams, Cedric brings a unique perspective to the table. Based in Paris, he will oversee operations designed to nurture and expand natural raw material sales for the prestige and fine fragrance industry.

Always drawn to the beauty industry, Cedric commenced his marketing journey training with L'Oréal. This was followed by six years of intense learning and training at Yves Rocher. During his term as product manager, he specialised in the world of personal care and fragrances. He was intrigued by natural ingredients and brushed paths with perfumers. Unaware of their impact till then, he was fascinated by the craft and creative process of perfumers. As a marketer, he visualised the inspiration essential oils provided from an olfactive point of view, and the stories that could be narrated. Caught in their world, Cedric spent considerable time interacting with perfumers and learnt about the art of developing fragrances.

With his love for fragrances blossoming, Cedric made a conscious decision to give up his marketing career. He embarked on a new relationship with fragrances taking the role of Fine Fragrance account manager first at IFF then at Symrise. With an enthusiasm for fragrance evaluation and an ever-adaptable approach Cedric honed his skills at Givaudan. He was responsible for managing several key Fine Fragrance accounts for European clients. This was a highly competitive space where olfactive vision, reactivity and resilience played a crucial role. Time was of the essence and Cedric flourished managing client relationships with his agility and problem-solving skills.

Growing in stature, Cedric concluded his Givaudan journey as World Account Manager for Coty for five years. It was a highly complex profile with extended development teams spread across four countries. The responsibility to manage one of the largest fine fragrance accounts allowed Cedric to strengthen his strategic thinking and negotiation skills.

After so many years of experience and adventure in this industry, Cedric is ready for another exciting challenge in his ever-evolving career graph. Trust and passion run deep in Ultra, and the promise of long-standing partnerships is in sync with Cedric's philosophy. His experience across the globe makes him an asset in a multicultural setup. With a keen eye on designing and outlining client strategies, Cedric aims to develop novel business opportunities for the naturals portfolio, transforming Ultra into the global hub for high-end fragrance and beauty brands.

ULTRA NATURA WHERE NATURE MEETS NURTURE

Laura Johnston

VERTICAL FARMING, A NEW TECHNOLOGY FOR OUR INDUSTRY

Within our industry we are familiar with product shortages, poor crops, climate induced disasters, plant diseases, supply chain issues and rising transport costs. We also know the value of on-site extraction. This means that we as an industry inevitably contribute to the global shipping pollution by transporting our tea tree from Australia to Iceland. The reality is that our industry is not alone. The growing global population has put pressures on farms, farmland and the shipping industry.

Fresh produce travels thousands of miles to reach the customer, losing in excess of 50% of the nutritional value along the way. Research indicates the next three decades will witness unforeseen challenges with rapidly altering climate conditions and fuel costs. So, we look to new technologies to help support our farms and customers.





WHAT IS VERTICAL FARMING?

Vertical farming is the practice of growing crops vertically in controlled indoor environments rather than the traditional horizontal rows in fields. This allows for conservation of space and produces higher crop yields per square foot of land. Vertical farms can be placed anywhere in the world and use a range of technologies including LED lights, artificial intelligence (AI), hydroponics, sensors and cameras and intelligent feeding systems to create for the plant ideal growing conditions irrespective of the external climate. It is this optimisation of the growing environment that makes this interesting to our industry. The global vertical farming market is expected to register a CAGR of 20.2% from 2022 to 2026, and Ultra International is growing with this technology.





ULTRA NATURA – PROJECT NURTURE

It's a rainy afternoon in London, as it usually is. Our shipment is delayed at the port. The current geopolitical crisis is holding up the order and prices are rising. We don't know when we will get the material and we don't know when we next will. The botanical isn't native to the UK and the cost of traditionally farming in northern Europe would price us out of the supply chain. So, we take inspiration from the salad market, for price stability, increased production yearly, better taste and guaranteed on time delivery. So, the idea was planted.

We then started exploring what we would like to grow; our focus is to localise growth of exotic plants and speciality ingredients.

We have selectively chosen plants not grown in Europe or north America, plants requiring difficult growing conditions, plants shipped around the world or facing climate induced disasters, geopolitical disasters or diseases. We worked out CO2 emissions vs growing the botanicals locally and the electricity required and started on a mission for net zero carbon emissions. In early 2022 a plant scientist, agronomist and lighting engineer joined our team to work out what (from our wish list) is feasible to grow within these controlled conditions and Ultra Natura germinated.

Then in July 2022 it all kicked off. Our pilot R&D site and our container farm arrived at the Ultra UK facility in Chertsey, West London. Trials began on an initial few plants such as coriander, basil and patchouli. Unlike traditional vertical farming we are focused on the value addition of these plants. We focus on reducing growing times, aroma, oil yield within the plant (as we have onsite extraction) and working on being as sustainable as we possibly can. Plants are packed in neat rows, 95% of the water is recycled to feed the plants pesticide free and take measures to ensure our electricity contribution is only coming from sustainable sources. Our engineer works on packing in the most biomass possible, off-setting costs and what actions we can take to reduce our carbon footprint. Our agronomist looks at improving the growing conditions of the plant and tailoring the environment to produce a high quality consistent essential oil from the biomass. Our QC here in Chertsey, analyses our extracts from the pilot production to feedback when we are onto a winning "recipe".

“We have selectively chosen plants not grown in Europe or north America, plants requiring difficult growing conditions, plants shipped around the world or facing climate induced disasters, geopolitical disasters or diseases.”



THE CONTAINER FARM - ULTRA NATURA PILOT FACILITY

The Ultra International container farm is customised to cater for research on short-grow and tall-grow crops with grow chambers that are completely controllable and with multiple flood and drain trays for water recycling. These specialised irrigation systems allow the excess water in this system to be pumped through the pipe network and collected into the plant room, before being pushed outside. This nutrient rich water can be re-used, thus saving water during the entire process. Two independent climate zones have been created to provide suitable conditions for a varied crop collection. The system allows monitoring and data collection of all parameters. Remote access and state of the art cameras have been placed to check on our plants 24/7 allowing us to monitor and adjust environmental conditions. A lot of research has gone into designing and customising the container we wanted to suit any growing conditions; relative humidity, temperature, light intensity and wavelength to be possible within the grow room giving Ultra the flexibility to conduct simultaneous tests on varied plant types.

NEXT STEPS – EXPANSION OF R&D

During the next few months, the aim is to shift towards data harvesting, and begin construction of a larger R&D centre. This phase will witness the addition of new crops to the programme such as lemongrass and saffron. Achieving price stability is a key objective of Ultra Natura. Towards this goal a multi-layered plan has been put into action. While the use of innovative ingredients is being studied, research and parallel talks with key customers are also in the pipeline. Once all the data are collated, our scientists will perfect recipes to obtain optimal results. In our upcoming R & D facility we hope to conduct trials on untested plants and build a comprehensive database for growing in a controlled environment. We hope our larger R&D centre will be ready for Spring/Summer 2023. Vertical farming provides unique solutions to the problems of feeding a growing planet. The next Ultra Natura facility will enable us to control the entire journey of a crop, from seed to store. It allows us to produce more, use fewer resources and reduce transportation.

Ultra International is committed to sustainable practices and Ultra Natura was born to promote this agenda. The idea was proposed to localise growth of exotic plants and speciality ingredients. To ensure consistent availability, quality and price, plants were propagated in controlled indoor environments. We want to offer our customers sustainability, transparency, traceability, and net zero carbon emissions. Vertical farming is paving a path towards a greener future. It provides unique solutions to the problems of feeding a growing planet. The Ultra Natura facility enables us to control the entire journey of a crop, from seed to store. It allows us to produce more, use fewer resources and reduce transportation. We are committed towards a sustainable future. Are you?



Ultra International B.V.
Essential Oils, Ingredients, F & F

CORIANDER OIL

Spreading smiles with every seed





GRAPEFRUIT OIL

Citrus paradisi 🌐 USA

Global grapefruit production in 2021-2022 is estimated up 4% to a record figure due to favourable weather and the expanded area of production in China. The volume of grapefruits processed is also expected to be greater than last year due to the increased amount of fruit going to the industry from Mexico, China and South Africa. The USA still remains the top producing country for grapefruit oil despite the fact that its production of fresh fruits has dropped substantially. The grapefruit oil price is stable even though demand is weak, as many companies have decreased their reliance on grapefruit oil due to the very volatile market and high prices in the past.

USA grapefruit production is expected to be 9.030 M boxes, 4% down compared to the June 2022 forecast. The July 2022 forecast for all Florida grapefruit production is 3.330 M boxes. The distribution comprises 2.830 M boxes of red and 500,000 boxes of white.

California grapefruit is forecast at 4.0 M boxes, 2.5% down compared to the June 2022 forecast, while the Texas grapefruit forecast tumbled from 2.4 M boxes in 2020/2021 and 2.0 M boxes in the June 2022 forecast to 1,700 M boxes in the July 2022 forecast.

🏠 USD 46.00 (Light) /kilo

🏠 USD 32.00 (Pink) /kilo

USA ESTIMATED GRAPEFRUIT PRODUCTION 2019/2020 TO JULY 2022
FORECAST ('000 BOXES)

<i>Crop & State</i>	<i>2019/20</i>	<i>2020/21</i>	<i>June 2022</i>	<i>July 2022</i>
Florida-All	4,850	4,100	3,300	3,330
Red	4,060	3,480	2,800	2,830
White	790	620	500	500
California	4,700	4,200	4,100	4,100
Texas	4,400	2,400	2,000	1,700
Total	13,950	10,700	9,400	9,030



LEMON OIL

Harvest: May - July 🌐 USA

Citrus limon (L.) Burm. F.

The July USDA Arizona lemon production forecast for 2021/22 stands at 1.3 M boxes, up from 750,000 boxes final production in 2020/21, but 13% down compared to the June forecast. The forecast for California lemon production rose from 20.1 M boxes in the 2020/2021 season to 23 M boxes. Because of the larger crop, the quantity of lemons processed is expected to be higher.

📈 USD 25.00 /kilo

USA ESTIMATED LEMON PRODUCTION 2019/2020 TO JULY 2022 FORECAST ('000 BOXES)

<i>Crop and State</i>	<i>2019/20</i>	<i>2020/21</i>	<i>June 2022</i>	<i>July 2022</i>
Arizona	1,800	750	1,500	1,300
California	25,300	20,100	23,000	23,000
Total	27,100	20,850	24,500	24,300

PEPPERMINT OIL

Mentha piperita 🌍 USA

Mint growing areas in the Pacific northwest have seen a decline in production of 20% compared to last year. The period of planting peppermint was impacted due to delayed rains. Till May the growing areas had a water shortage as the snowpack was below normal levels. The rainfall in spring did help the situation to some level. Input costs also increased with fertilisers and pesticides seeing a three-fold increase in price. This prompted a lot of growers to shift from mint to alternate crops like corn and wheat. A cold and wet spring has delayed the crops by 2-3 weeks. Uncertainty due to weather and the state of global agriculture has made growers cautious to accept orders until harvest. With energy costs also going up, mint prices will witness a substantial increase this year.

📈 Price on Request



ORANGE OIL

Citrus sinensis 🌐 USA

According to the USDA July 2022 forecast, USA orange 2021-2022 production is estimated to drop 13% to 90.15 million boxes (M boxes) the lowest level in over 55 years due to unfavourably dry weather and poor fruit set in California, and the continued decline in area and yields in Florida because of citrus greening. Consumption is up with less fruit going to processing and on higher imports to meet consumer demand. Exports are lower with the drop in production.

The forecast consists of 40.95 M boxes of Florida oranges, 1% up compared to the June forecast; 49.0 M boxes of California oranges, 5% down compared to the June forecast; and 200,000 boxes of Texas oranges, 43% down compared to the June forecast.

The Florida orange total forecast is comprised of 18.25 M boxes of non-Valencia oranges and 22.70 M boxes of the Valencia orange. The California orange total forecast is comprised of 40.0 M boxes of non-Valencia oranges, and 9.0 M boxes of Valencia oranges, while Texas accounts for 170,000 boxes of non-Valencia oranges and 30,000 boxes of Valencia oranges.

In 2004, the year before citrus greening arrived in the state, Florida citrus growers produced 242 M boxes of oranges. But the USDA estimates that Florida's orange groves will only produce about 41 M boxes this year. This yield will be the lowest since the 1944-45 season, when growers produced 42.1 M boxes.

📈 USD 17.00 /kilo

USA ESTIMATED ORANGE PRODUCTION 2019/2020 TO JULY 2022 FORECAST ('000 BOXES)

<i>Crop and State</i>	<i>2019/20</i>	<i>2020/21</i>	<i>June 2022</i>	<i>July 2022</i>
Non-Valencia Oranges				
Florida	29,650	22,700	18,200	18,250
California	43,300	41,300	43,000	40,000
Texas	1,150	1,000	250	170
Total	74,100	65,000	61,450	58,420
Valencia Oranges				
Florida	37,750	30,250	22,500	22,700
California	10,800	7,700	8,300	9,000
Texas	190	50	100	30
Total	48,740	38,000	30,900	31,730
All Oranges				
Florida	67,400	52,950	40,700	40,950
California	54,100	49,000	51,300	49,000
Texas	1,340	1,050	350	200
Total	122,840	103,000	92,350	90,150



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THE CUP RUNNETH OVER WITH WELLNESS

The simple process of pouring hot water over cured leaves of *Camellia sinensis* procures an elixir loved by millions the world over. Tea has evolved over centuries from being a medical cure to a refreshing beverage. The flavour of tea depends on its origin, harvest, and processing. While black tea is a popular choice worldwide, green, oolong, and white teas also have many takers.



AN UPWARD TRAJECTORY

Tea is one of the hottest properties in the beverage industry. It is trending and, according to recent studies, tea sales have grown over 11% for 52 weeks straight to touch \$70 billion in April 2021. The spurt in demand for tea is spread across packaged tea, ready-to-drink (RTD) tea, and tea collaborations. The high tea segment is also catching on the trend, and even social media is not immune to it. According to a Pinterest report, afternoon tea has caught the fancy of many, and is being described as the new happy hour. 'Cuppa tea' is a trend that has found a lot of following.

While a hot cuppa tea has many fans, you can also beat the heat with ready-to-drink teas. Iced tea is a top seller in the RTD segment. Customers are enticed by a variety of flavours and seasonal offerings. Everything from orange blossom to organic sparkling teas line up on shelves to catch the tea loving customer fantasy.

The latest trend to push sales is tea collaborations. Unique product combos are always a huge draw for customers. Tea brands are now collaborating with products that offer a heightened wellness experience to the customer in the sanctuary of their home. For instance, eucalyptus tea and scented candles combine for a healing ritual.

The tea market is dynamic and buzzing with innovative activities. Unique flavours, thanks to creative collaborations, are all expected to keep the market trending.

THE DREAM TEAM: TEA AND ESSENTIAL OILS

For centuries tea has worn the crown of a magical elixir with health benefits. Everything from digestion troubles resulting from stress to obesity have found a cure in tea. A cuppa tea in your diet can improve health as well as quality of life. Essential oils have similar tales of origins. Hailed for their medicinal benefits, today essential oils are the backbone of the entire wellness industry.

So, what happens when you merge two wellness products? It results in the creation of a supreme formula laden with enormous beneficial qualities. The amalgamation of tea and essential oils has created a steaming cup that is hard to resist. Just a few drops in the teapot are enough to make a refreshing pick-me-up. You can experiment with essential oils and discover new and exciting flavours. Here are some crowd favourites to help you get started.







BERGAMOT

Bergamot pairs best with Earl Grey though its slight citrusy note makes it a good option for citrus teas as well. With a fresh citrus note bergamot oil is known to aid brightening moods and is soothing to the nerves. It is delicious to just sip it for the sheer pleasure of a perfect blend.



LEMON

Lemon essential oil is fresh and stimulating, but it is pungent with a sour flavour. So, tread cautiously. A single drop in a pot of tea can bring out huge flavour. Black tea with lemon is a crowd favourite. For lighter tea appreciators, you can also give lemon a go with English or Irish breakfast tea. Lemon has the capacity to bring out other flavour profiles in tea. Lemon is a well-known soother and cleanser and can also refresh the mood, as it flushes toxins from the body. Give lemon and light green tea varieties a try. You can also decide to brew a pot of jasmine tea with the goodness of lemon.



PEPPERMINT

A refreshing, bright flavour follows peppermint oil, making it an ideal partner for just about any tea. Mix it with citrus, oolong, earl grey or even chocolate. Steeped in a tea, peppermint enhances the flavour with a fresh and warming tone, though peppermint has the ability to overpower other flavours, so just the right amount will do the trick.

Start your day with a few drops of peppermint in tea to wake your senses and greet the day. Peppermint also brings out holiday feelings, so add a drop to Christmas tea blends and see the magic unfold. Peppermint's digestive properties help soothe the tummy. Enjoy the crisp yet soothing flavour in your tea by adding a few drops of peppermint oil to your teapot.



GINGER

When you need a little extra to wake your senses and energise the day, add ginger essential oil to your tea. It is mildly spicy with a pungent flavour. A few drops in black and green tea varieties formulate the perfect combo. Traditional Chinese medicine lists ginger as a cure for nausea and other stomach ailments.



CINNAMON

A potent essential oil, avoid direct skin contact with cinnamon. A single drop of cinnamon is enough to augment the flavour of tea. It sprouts the holiday spirit as it is an all-time favourite Christmas flavour. With its slightly sweet and warm tone, cinnamon works well with citrus teas.

The world of flavours is just waiting to be explored and discovered as consumers are switching to natural ingredients in tea blends. Essential oils and teas can form innumerable interesting and healthy combinations. Soothe your mind and body with enhanced flavours, as you sip a hot cup of your tea with a few drops of essential oils goodness.

BLACK CUMIN SEED OIL

Black cumin seed oil is extracted from the seeds of the flowering plant *Nigella sativa*. It requires a hot summer before it can be harvested. The oil is known to have antioxidant and antifungal properties. It is also a popular ingredient in numerous health foods.





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