



Ultra International B.V.

Essential Oils, Ingredients, F & F

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A top-down photograph of a white ceramic cup filled with a light brown beverage, likely coffee or tea. The cup is placed on a light-colored wooden cutting board. Beside the cup is a golden-brown almond croissant topped with sliced almonds. The scene is surrounded by fresh lavender flowers and greenery, creating a relaxing and aromatic atmosphere.

**SIT BACK
&
RELAX**

WE'VE TAKEN CARE OF IT

SPRING 2017

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LEMON OIL 📍 Argentina

Citrus limon (L.) Burm. F.

The outlook for Argentine lemons has deteriorated during the early part of 2017, after new assessments of the late frosts in September and October (2016) show some alarming results. The USDA is projecting decreased output of total lemon fruit to 1.37 MMT, a figure around 10% less than last year and closer to the 2014/15 season.

With both exports of fresh fruit and domestic consumption expected to remain unchanged the difference in supply is likely to come off the available fruit for processing, leading to the number of processed fruit being less than in the past 2 years. Thus 15% less fruit will be available for processing than during the 2015/16 season.

Processing volumes down

15%

This news has alerted many major buyers of lemon oil and as a result much of the forecast supplies for 2017 have already been committed, leaving some new pressure on the market both in Argentina and in other producing countries like Spain.

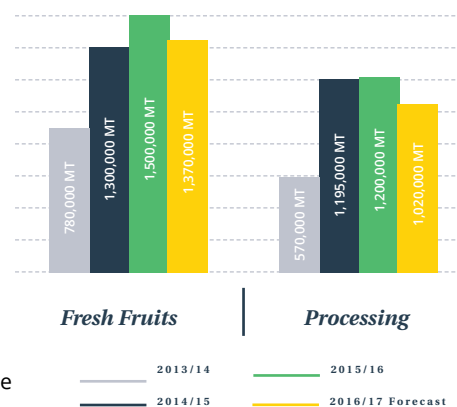
More positively it is hoped that on-going improvements to farming practices will help improve yields, this despite no actual expansion in area planted, which remains at 48,000 hectares. The USDA added this to their 2016-year end summary:

“Lemon producers have invested in plant replacement to overcome the effects of frosts, and have only marginally invested in new land. Lemon production competes with sugar cane production and urban expansion in the Province of Tucuman. According to private sources, the Argentine lemon sector is not expected to expand significantly through area expansion but through the incorporation of new genetic material, which would improve yields.”

The net effect of these figures has led to some price pressure with good quality oil now trading on a par with or higher than their European counterparts

📈 USD 32.00 /kilo

HISTORICAL OUTPUT (MT)



BUDDAWOOD OIL*Eremophila mitchellii*

Production at origin has reached new highs as the product is accepted into more and more applications. It is always pleasing to report that this consistent growth is sustainable as producers have both the capacity to distil and the assurances of wood supplies from the local authorities. Recent upgrades to the distillation facility have increased capacities with larger batch sizes now available. Stocks remain in place but if you feel your demand is growing or has potential to grow, contact us to ensure we have all the controls in place to meet your future demand.

🏠 AUD 600.00 /kilo

CYPRESS OIL BLUE*Callitris intratropica*

Supplies are slow as the only producer of this oil is commissioning a new plant. It will mean a brighter future but stocks built up to cover the recent closure have not been sufficient as the market continues to grow. Expect a few short-term bumps in supply but be reassured that raw material and medium term supplies will be stronger than ever.

🏠 AUD 600.00 /kilo

EUCALYPTUS HORISTES OIL*Eucalyptus Kochii*

This western Australia native oil is starting to gain some much-deserved attention in today's market. Its high cineol content along with its traditional clean odour has seen interest spike in recent months. There are some managed plantations already available to upscale harvesting and increase production giving this Australian eucalypt an advantage over any other at this time with up to 20 MT potentially available should the market demand.

🏠 AUD 34.00 /kilo

EUCALYPTUS RADIATA OIL*Eucalyptus Radiata*

This oil continues to be in high demand from the aromatherapy market as its low cineol levels are seen as a 'safe' eucalyptus, which is good for topical applications, in particular for children.

The total size of the Australian production is hard to calculate but it is not thought to be any larger than 7 MT per annum.

There are several known investments in place to ensure that by 2018 there is more product available from newer plantations but currently pressures on the market remain in place with prices rising on the back of more trading and desperation from end users to secure material.

🏠 N/A

SANDALWOOD NUT OIL*Fusanus Spicatus Kernel Oil*

Supplies remain healthy with stock in place to produce oil on request.16.

🏠 USD 150.00 /kilo



KUNZEA OIL 🌍 Australia

Kunzea ambigua

The new season in Tasmania and its Islands will start late April, early May, which should bring fresh supplies as currently stocks are scarce at origin. In part this is due to a significant increase in demand in recent months largely driven by the US aromatherapy companies incorporating it into their portfolios. This was expected and the new infrastructure recently put in place should help with this growing demand. Furthermore additional plantations will be introduced this year, improving harvesting speed and capacities by 2018.

With this comes continued economies and some softening in price, which hopefully will continue to open doors to newer markets.

📈 AUD 350.00 /kilo

ROSALINA OIL 🌍 Australia

Melaleuca ericifolia

New production started in early 2016 and with it a renewed sense of sustainability. Over recent months many aromatherapy companies have been discouraged from using this wonderful oil due to inconsistencies in quality from mainland Australian suppliers, but this new production based on Flinders Island could ensure the product has a much brighter future. Although it is slightly different from previous examples, the prospect of pure oils and a consistent quality over the longer term is already starting to encourage the market to adopt this newer quality.

📈 N/A

AUSTRALIA EUCALYPTUS HORTISES OIL

A New Native Eucalyptus

Eucalyptus horistes is a mallee type Eucalyptus that is native to Western Australia. Commonly known as Eucalyptus borealis, it is a sub species of Eucalyptus kochii and mainly found in the northern areas of Western Australia.

This particular eucalypt is very high in cineol and average levels are consistently near 90%, sometimes as high as 95%. This is almost pure eucalyptol, giving it a very fresh, camphor odour.

Due to its high cineol levels, Eucalyptus horistes has great medicinal properties and would represent a good choice in products such as mouthwash and cough

suppressant medicines. It would also be a good choice for use in insecticides and insect repellents.

In recent years Australia has lacked the ability to offer sustainable eucalyptus essential oils despite its strong history in the area. This is due to a lack of investment, poorly managed investment schemes and high labour costs meaning



that any production would result in the oil being uncompetitive. That said this particular oil has good options regarding sustainability with as much as 20MT available in the early days of processing. This will give this oil a good platform on which to establish itself in the market place and with local communities involved in the harvesting and distillation there is a good story to go with it.

SANDALWOOD OIL INDIAN Australia

Santalum album

No real change over the past couple of months. The plantation resource in Western Australia is starting to produce good quantities of oil. Press releases by one producer indicate that it increased production by more than 10 fold in 2016 suggesting an additional 10 MT of Indian sandalwood oil!

With the introduction of a second supplier during the year, which will continue to grow in 2017, there will be at least a little competitiveness in the market. The added volumes and lower prices will give perfumers a real chance to start using the oil again after a period in the 'cold' due to the wild harvested Indian sandalwood not

being accepted as it had a high percentage of untraceable wood.

Prices seem to be all over the place. One producer's official selling price is USD 4,500 /kilo but at this price there will be no uptake from the fragrance markets. Realistically prices need to be half of this and perhaps this will be sooner than we think. Another producer is offering material around USD 2,800 /kilo so you can see that if you shop around there may be a better deal to be made.

▲ USD 2,800.00 /kilo

SANDALWOOD OIL QUEENSLAND Australia

Santalum lanceolatum

This is a relatively new oil to market from the Queensland sandalwood species that has traditionally been used for incense and carving. It has a light woody odour with slight citrus and floral undertones and a lovely golden colour. Unlike other sandalwoods whose feature is the base note, this oil feels rounded from the start. Its top notes are typically sandalwood and on dry out it loses none of its unique character.

Today supplies remain steady with the producers willing and able to supply up to 5 MT per annum. If you are going to add a new oil into your palette this year then consider this one. It won't disappoint.

▲ USD 1,700.00 /kilo

SANDALWOOD OIL WEST AUSTRALIAN Australia

Santalum spicatum

2016 saw some new oil production from plantation wood starting to be introduced which marks the start of what should be an on-going improvement over the next few years and beyond. It comes at a welcome time as relying on government wood contract changes, which had been promised, became a futile process with disappointing outcomes.

Since the turn of the year we have been waiting for a new second contract issue from the FPC (Forest Products Commission), which has incurred one delay after another. This has had some impact as government contracts represent around 20% of the available wood in today's market, although as time passes this will be reduced by the continued introduction of plantation stocks.

Despite this short term blip in supplies, the market should be optimistic about the future as over the next

few years it won't be what the government controls that influences the market but rather the continued introduction of plantation wood. Between now and 2020 there will be a continued expansion of wood supplies to processors who are already fully equipped to introduce these additional volumes. This will increase confidence in the market regarding supply availability, which has been lacking during the recent years of monopolies.

The key question continues to be how the introduction of additional volumes mirrors market demand. Today prices are historically high so some formulators are refraining from using the oil in new products. However, the chances are that we could see prices back under USD 1,000 /kilo in several years should we have a well-balanced supply situation.

▲ USD 1,700.00 /kilo

AUSTRALIA GOLDEN GROVE NATURALS

Introducing a new enterprise for Australian Naturals

GGN is an enterprise driven by European and Asian investors (including Ultra International B.V), which is set to bring the Australian naturals market into the global arena.

In association with an experienced local partner GGN will look to establish itself as the leading Australian producer of native, natural essential oils and a key supplier of natural ingredients to the local and South East Pacific markets.

Primarily a tree plantation and distillery in its current state, GGN is the evolution of one of the first commercial tea tree plantations in Australia, with roots dating back to early 1980s when it was then, Australian Plantations Limited. The combined capacities of the plantation resources, contracted land and current commercial activities will allow GGN to offer upwards of 100 MT of oil to the market each year.

Set to grow both organically and through acquisition over the coming years a first initiative is to explore further planting of other, in demand, Australia native plants to ensure that more products have the sustainable future that tea tree has come to enjoy over the past three decades. In addition, refinements to the current distillery and plantation management will be introduced to ensure that we offer the highest quality tea tree oil available on the market today.

Drawing on the strengths of our combined business experiences, alongside those of elite local experts, GGN will aim to be your first and best choice for Australian native essential oils today and in the future and your confident choice locally to ensure that you have the pick of pure essential oils from around the world right on your doorstep.





Photo left
The road disappears at this point with the tea tree plantations under water for a period of weeks.

Photo right
Desperate times as flood waters simply can't recede and the trees start to uproot.

Photo left page top
The gates to the farm!
Welcome to Golden Grove!

Photo left page bottom
Aerial footage of GGN's Tea Tree plantation late 2016 - during a dryer period of time!



TEA TREE OIL

Australia

Melaleuca alternifolia

There were some initial worries that the dry summer had caused leaf drop in the Northern Rivers and Port Macquarie regions which could lead to a 20% biomass loss from the areas that contribute 85% of Australia's tea tree oil production. Some of these concerns had been offset by the fact that we expected some newer plantations to come online and that in recent years yields have been increasing through better farming practices and better seed stock.

However, during March torrential rains have caused flooding in many parts and the results could be catastrophic. Two successive floods in the space of 3 weeks, including the aftermath of Cyclone Debbie, hit the coast around Bowen, Queensland and travelled south along the coastline. Parts of the Northern Rivers area have been hit the hardest with approximately 900 mm of rain over 4 weeks compared with just 160 mm during the same period last year.

The flooding issues were compounded by the water not being able to recede due to king tides at the local beaches, as floodwaters cannot exit during this time. This has meant water has been sitting over the crop for 3-4 weeks and continues in some areas leading to more leaf loss and some uprooting of trees. It has also destroyed around 300 ha of young plantations, which had been a major investment of one large grower in the past year.

Another issue arising from these floodwaters is potential pest damage as most farmers are unable to get tractors and heavy equipment onto their farms to spray at this important time of year.

The losses are significant as will be the impact on the market over the next weeks and months. Losses from the Northern Rivers and Mid North Coast will be down around 50%, whilst in other areas (of lower production) losses will be around

25%. Overall we may be looking at a crop reduced to a half of what we have come to expect in recent times. It could be the lowest production for a number of years, when demand wasn't so great.

Price speculation has started, as some farms need to buy locally to supplement their committed sales. For those less affected by the weather they are already demanding price increases of 40%!

AUD 58.00 - 62.00 /kilo

AUSTRALIA

BLUE CYPRESS OIL

It's as easy as ABC!

Most essential oils have a history – generations of traditional uses, cult stories and modern day successes but here's an oil which certainly has a past story and with perhaps a few more chapters to write.

Callitris intratropica Cypress comes from the Greek word "sempervivens" which roughly translated means 'live forever'. Native to Australia, it mainly grows in the Northern Territory and the Kimberly region of Western Australia and can grow between 15 and 45 metres in height at an altitude from sea level to around 900 metres.

Known as Northern Australian Cypress Pine it also has a number Aboriginal names:

- Karnitirrikani in Tiwi
- Gangi/Lanapu in Djambarrpu
- Munlark in Rembarrnga
- Katanj in Jawony

Callitris intratropica can live for over 200 years, although the population of *Callitris intratropica* has declined significantly since European settlement, because of over exploitation and the change in fire regimes and the introduction of grasses that burn with a greater intensity than the native grasses[^]. Thankfully today's essential oil comes from well managed and sustainable plantations.

ESSENTIAL OIL

The essential oil which is extracted by steam or water distillation of the bark, sapwood and heartwood is the only naturally occurring blue oil that comes from a tree. Other blue essential oils are from floral plants like Blue Tansy and German Chamomile.

If you distil just the heartwood you would find that the colour is water white (clear) which contains clear azulene compounds. The blue coloured guaiazulene is formed when the essential oil of the heart and sapwood touches the bark and a catalytic reaction

occurs. The oil can be bluish green to dark blue depending on the percentage of bark to heart wood ratio[^].

Both the method of production and oil itself are patented (Australian Patent Number 742711). When the oil is first produced it has a very high guaial content (26% – 30%). The oil at this high guaial percentage becomes a solid at temperatures below 18° Celsius. The crystallised guaial is separated from the liquid by vacuum filtration to achieve levels as low as 11%.

The bark and cambium contain around 85% alpha pinene. To achieve lower levels of alpha pinene the first hours of the distillation parts are drawn off. Or alternatively the logs and or woodchip are left and the volatile alpha pinene is expended to the atmosphere[^].

AROMATHERAPY & THERAPEUTIC BENEFITS

Guaiazulene is claimed as an anti-inflammatory, anti-bacterial, anti-pyretic and anti-allergenic similar to chamazulene. Australian blue cypress oil also contains eudesmols known for their anti-viral properties hence its reputation amongst aromatherapists for the topical treatment of warts and cold sores.[^]

Its main constituents include α -Eudesmol, Dihydrocolumellarin, Guaial, Gamma-Eudesmol and β -Eudesmol.

It is often described as an oil effective for soothing, warming and calming, generally good for mental clarity and focus, and reducing irritations. Topically applied it can release the symptoms of tired joints and muscle pain as well as provide anti-inflammatory, analgesic and antiseptic properties to cuts, burns and insect bites (if you haven't previously used it to prevent the bites!).



^'Kakadu Blue' research and references

MODERN PERFUMERY

In recent years more analysis combined with greater economies of scale have allowed the doors to be opened to newer applications, in particular perfumery as a unique woody note.

Often classified as spicy, warm, balancing, smoky and honey like when describing its olfactory qualities it is also very substantive and acts as a perfect base note with good fixative properties, not too dissimilar to the functionality of sandalwood. It also blends well with other woody notes like vetiver, citrus and green tones.

COSMETICS

Blue Cypress essential oil when applied to topical creams and lotions can provide a number of benefits, in particular for moisturising and hydrating dry skin. One very good application for this oil is in aftershave balms and creams. It is also known to be an effective treatment of atopic dermatitis, the most common type of eczema. Using it together with your medication can help control flare ups and ease itchiness and inflammation.

For thousands of years the Aboriginal Tiwi people have burned *Callitris intratropica* wood to repel mosquitoes but applied topically in the correct proportion it can act as a skin repellent and (should it not work!) as a cure to reduce swelling and itchiness for bites and other skin irritations.

Photo top

Callitris intratropica plantations in Northern Territory, Australia

HISTORY

Generally the history is all about the wood since before its more recent introduction to the aromatherapy and perfumery markets it was better known as a quality hardwood. Historically there have been a number of investments made by local and federal authorities which over time have fallen into the abyss as the cost to maintain versus their purposefulness haven't warranted further funding.

Over the last 150 years the tree wood has been used for the construction of telegraph poles (1870s), railway bridges (1880s) and more, with trial plantations first introduced in the 1950s, then on a more commercial scale in the 1970s. However planting soon stopped as costs escalated and the plantations were handed back from the Australian Government to the newly established and self-governed Northern Territory in 1978. Through the next 20 years the management of the plantations fell into various authorities hands before licenses were eventually issued for the harvesting of plantation trees for essential oil extraction in the 1990s.

Since then it has had a modern day history with many legal issues over patent laws, harvesting and commercial rights which can be read on ABC's (Australian Broadcasting Company) archives – you may be surprised how many stories this little oil has had in recent years.

Thankfully today those issues are all resolved and we can start to enjoy what we hope is a long period of sustainable supply of this truly magnificent oil. Investments in modern distillation equipment have been in place since 2016 and continue to be expanded with many new brands and perfumery companies investing in this essential oil.

ORANGE OIL CP  Brazil*Citrus sinensis*

The orange story was certainly the talking point of 2016 with prices soaring to record levels. Recovery isn't an overnight process and we all know that for the most part of 2017 times will still be difficult but it appears the tide is turning and there is some light at the end of this dark tunnel.

This maybe a case of it simply can't get any worse and maybe that's correct. Are price levels of USD 12.00 /kilo and above sustainable for such a commodity? Do such prices do irrevocable damage to the industry's credibility and the long-term use of this oil? Perhaps, but none of these questions were factors in what happened last year, just resulting questions you had to ask yourself after such an event.

2016 HEADLINES!!

The lowest crop in Brazil for 10 years!

A further 17% reduction in production of fresh fruits in the 2016/17 season

2nd worst brix yield in history

Oil prices average 30% higher in 2016 from 2015 (FOB Santos Jan-Oct)

Oil prices in October 2016 40% higher than October 2015 with the gap widening month on month

There is no doubt we're still in for a rough period as prices in January 2017 peaked at record levels and local juice stocks by June 2017 (end of the season) are expected to be at an all time low. Juice is always a good indicator for our oil sector as without juice production there's no oil. Let's bear that in mind as we read on.

And so we move on and look ahead to this year's Brazilian orange production and the numbers appear to have suddenly improved, largely led by one company's dramatic turnaround. However, these benefits will not be felt in the oil industry until much later in the year as today we are starved of supply and still have a period to wait until the next harvest.

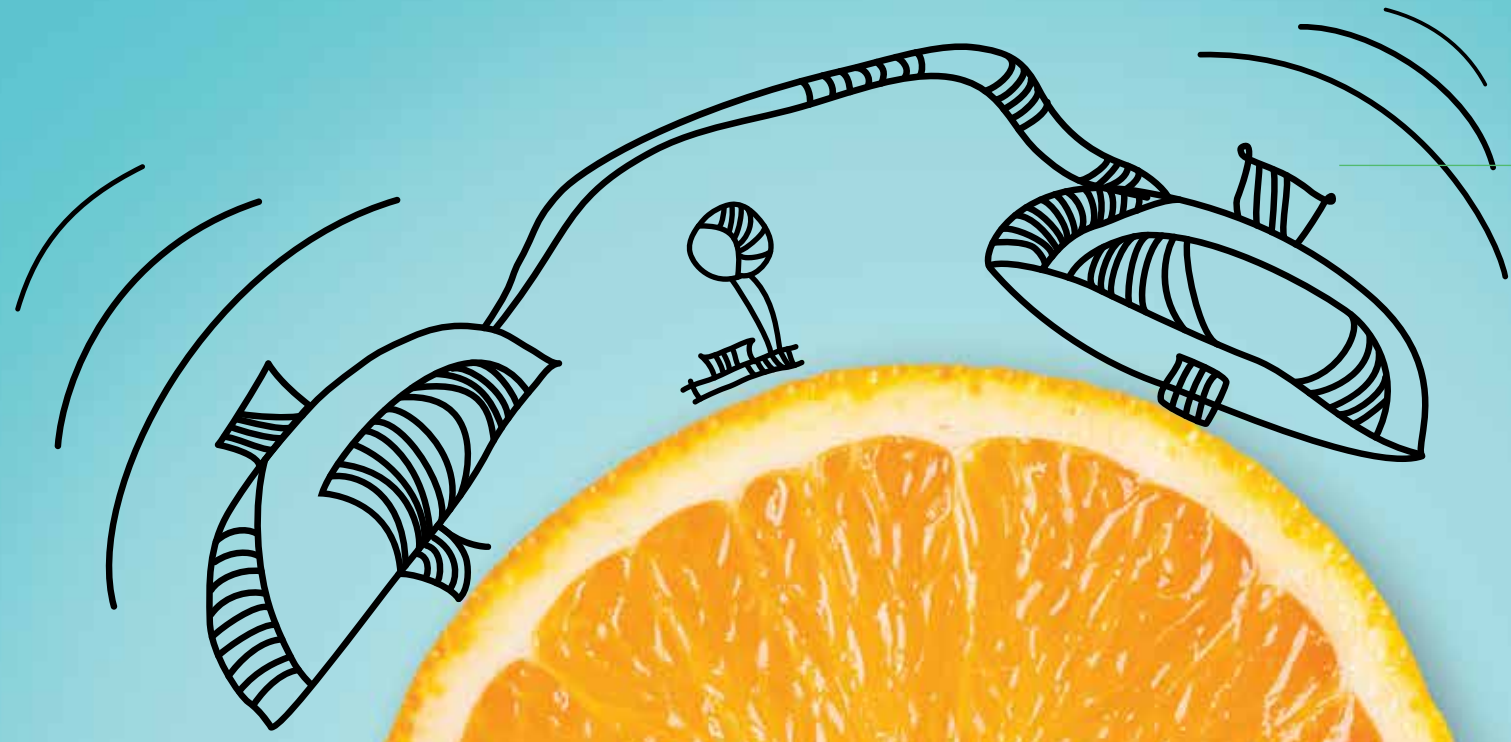
According to USDA information, it expects Brazil's fresh orange production to increase 27% over the course of the next season (starting July 2017 - ending June 2018). "Steady blossoming and adequate weather patterns have sustained the potential recovery of citrus yields this year" the USDA states. However, it does go on to say that this is an early estimate and a lot can happen between now and then, as we know.

If we focus on the juice sector, there are talks of doubling stocks in Brazil, which will increase the global position by 15% as juice demand starts to recover a little. If we are expecting stocks of juice to double in Brazil this should mean availability of materials to produce more oil, but what about prices? Does more supply mean lower prices?

In January 2017 spot orange prices in Brazil reached record highs and we know most of the supply pipelines around the world are running dry and between now and the new season it can only get worse, not better. Once the new season is in full flow it will take time to get to a position where demand is again satisfied so it's likely to be towards the end of Q3, early Q4 before we see any price benefits from what we hope is an improved season ahead.

CitrusBR will release its data in May on the new season, which will be a good indicator as to what to expect for the rest of the year. For now let's take some positives from what we hear but remain realistic in that prices always fall much slower than they go up (just like your gas/fuel at the gas/petrol station!)

 USD 12.00 - 13.00 /kilo



It's
time
to call

us about

Orange

Citrus sinensis



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

www.ultranl.com

LIME OIL CP 🌐 *Brazil*

Citrus latifolia

Domestic demand for fresh fruits meant a reduction in 2016 of limes being sent for processing. It is anticipated that the net effect is around a 15% reduction in oil processing, a trend that we saw continue throughout the year.

The new crop started in mid-February 2017, and it is already expected that the amount of fruit available for processing from the first bloom will be less than in 2016 with both domestic and export demand increasing in recent months. The season continues until early June.

There are sufficient stocks of oil at origin but nothing significant to impact pricing either way.

📈 USD 33.00 - 35.00 /kilo



KUMQUAT OIL 🌐 *Brazil*

Fortunella japonica

Interest continues to grow with tangible results now being seen in markets across Europe and Asia. Capacities remain at around 5 MT per annum but thoughts are in place to expand capacity given current interest and on going development work at the end-user level. The growing area is said to be well protected from any unusual climatic conditions and therefore similar levels of production are expected in 2017.

📈 USD 180.00 /kilo



LEMON OIL 🌐 *Brazil*

Citrus limon (L.) Burm. F

Last season was reasonably good for this up and coming lemon-producing nation with many now happy to consider Brazilian quality as a straight alternative to Argentinian. Production is continuing to grow along with general demand.

📈 USD 30.00 /kilo



ORANGE OIL BITTER 🌐 *Brazil*

Citrus aurantium ssp amara

Overall both the early and late crops were good in 2016, but today stocks remain relatively low. The 2017 crop won't start for some time and there are concerns over how this crop will perform after the effects of "La Nina" when average temperatures were much lower than normal at the time of bloom.

Demand is also increasing in the USA and Europe, especially for the 'amber' type, so we are expecting some supply pressures in 2017.


📈 N/A

D'LIMONENE | Brazil ORANGE TERPENES

The market continues to be very difficult amidst all the issues surrounding the supply of oranges. The official figures create a clear picture of today's issues with year on year numbers showing a 20% fall in exports in 2016 versus 2015 and an average 50% increase in price! These figures are only exacerbated the further back you compare.

The market for terpenes is more difficult than oil. As is often the case when essential oil prices rise, the demand for by-products increases, as this is generally a cheaper alternative in formulations or at least can be used as an extender. Therefore, with demand increasing and supplies falling, we are seeing some offers for terpenes getting much closer to the oil price than we would usually see. Even when you compare the export prices from Brazil we see just a 35% difference today between the oil and the terpene price when historically this figure is above 60%! Producers are certainly getting a premium for their terpenes in current conditions.

As with orange, it is expected that we will see another difficult year during 2017 but in the case of terpenes availability will be more of a concern than price.

 USD 10.00 - 11.00 /kilo

ROSE OIL 🌍 Bulgaria*Rosa damascena*

The 2016 season started a little late and was generally slow due to continuous rain affecting the area. Despite the rain there was not much yield loss and the season finished with average results of 250 MT, which was an improvement on last year's disappointing crop. There isn't thought to be any carry over stocks at origin from the 2016 season.

The 2017 winter was mild and there are no major concerns at this stage ahead of this year's crop.

📈 Euro 11,000.00 /kilo

LAVANDER OIL 🌍 Bulgaria*Lavandula angustifolia*

It's been an interesting start to 2017 for this lavender oil, as supplies seemed to dry up fairly dramatically compared to the surplus stocks available in late 2016. Whilst there is no credible source that can verify how this happened it does appear that some significant volumes were sold over the Christmas/New Year period to a European blender/trader at very low prices, swallowing up most of the surplus stocks we saw after the 2016 harvest. What the long-term plan is for this recent purchase is not clear and as to whether there is a real and growing demand for the pure lavender oil comparable to that of the increased output from Bulgaria. Only time will tell on this one as the Bulgarians gear up for another record-breaking year.

As we look ahead to the 2017 crop in July we will be faced with the same questions regarding the size of the crop, the size of the market, the quality of oil produced and its suitable applications.

In 2016 we all know that the volumes Bulgaria exported hit records levels of around 280 MT. That was an 80 MT increase on 2015 which itself was a 60 MT increase from 2014! Done the maths yet? That's practically a doubling in 2 years and the planting continues.

Before the start of this year we asked ourselves that given the gap between supply and demand was increasing (as the price was falling like a stone!) at what price would it become uninteresting for the Bulgarians to continue planting and producing. We

also asked ourselves that if they could sustain falling prices and continue to increase output could we get to a point when lavender oil was at comparable prices to lavandin? These questions today still exist but when you look at the trading of the past couple of months and today's price level these questions seem out of place, as supplies are low and markets firm.

It's a confusing picture at the moment but the early word from Bulgaria suggests the winter was mild and that at this stage there is a positive feel towards the new crop. Of course, this can change dramatically later on during the harvest as late rains or high temperatures can have a big impact on yields. You feel there's more to this story still ahead.

📈 Euro 70.00 - 75.00 /kilo

2017 KAZANLAK ROSE FESTIVAL - JUNE 2 TO 4TH

Bulgaria's 114th Rose Festival

One of the world's most beautiful rose oil today comes from Bulgaria.

One of the highest per cent of the world's attar of roses is obtained in the Valley of Rose.

3,5 tons of rose petals go into the making of one kilogram of rose oil, which has the price of gold.

The Bulgarian "attar" of roses is an important component in the perfumery business throughout the world.



CASSIA OIL 🌐 *China**Cinnamomum cassia* Blume

Last year's crop period was very short, both in spring and autumn with a total output some 30% less than in 2015, close to 300 MT in real terms.

The start of 2017 meant the close of the 2016 autumn crop so we entered this year with very little raw material stocks and with increased prices. Over the past few weeks we have seen these prices continue to rise as processors scramble for material to meet the demand of the oil market.

Expect things to remain a little firm until we're into the next crop around July/August.

📈 USD 36.00 /kilo

CLARY SAGE OIL 🌐 *China**Salvia sclarea* L.

No change in the overall outlook for this region as we look ahead to the 2017 crop later this year.

China is no doubt still a net buyer of global clary sage production despite some recent noises that they will increase their own plantation sizes and export more finished oil production. No matter what the extent of their newer plantations most crude production is being used domestically as a feed product for ambroxan.

Simply put, if you are looking for any large consignments of oil from China you're not going to find them and at this time of year there should be material around with the season having only just finished. For the material that you can find, then prices remain very high compared with prices from Russia and France and some qualities recently seen from China have not been suitable for the aromatherapy and perfumery markets.

📈 USD 220.00 /kilo

CITRONELLA OIL 🌐 *China**Cymbopogon winterlanus*

The global market for citronella really firmed in the first quarter of 2017 as both China and Indonesia had lower than expected production thus pushing prices up. The impact in China was less than Indonesia, which is suffering more from the rainy climatic conditions, so China should recover the quicker of the two.

China's output last year dropped from 2,300 MT to 1,500 MT. The new season started in March and with it some relief on prices which had risen from around \$17 / kilo at the start of the year to \$20 before the season started. Today prices are weakening but won't fall much with output from Indonesia still slow.

📈 USD 17.50 /kilo

EUCALYPTUS OIL 🌐 China*Eucalyptus globulus*

It's been a challenging year so far for this one as influences from outside the normal sets of dynamics have come into play. On the back of a disappointing 2016 which saw 10% less oil production than the previous year, speculators have seized the opportunity to take advantage of a volatile market. It is hard to understand the exact conditions of the winter season which has just ended (January – March) but it seems there wasn't anywhere near the volume of collections expected. This possible truth coupled with the fact that those with cash are holding the processors to ransom has meant an increase in price of around 15% since the start of the year, and over 20% in the past 6 months, which on a commodity like this makes a big difference. We are now in the close season until August and whether the raw material exists or not it will be subject to being drip-fed into the market at whatever prices suit those with stocks. Expect another difficult 6 months.

📈 USD 14.00 /kilo

GARLIC OIL 🌐 China*Allium sativum L.*

There has been little change of late as it continues to be bad news. Depending on who you speak to, there has been either zero production or very little production for over 18 months. This has put immense pressure on supplies and with it market prices. Today, prices are higher than they have ever been with no real positive foreseeable changes on the horizon with environmental protection orders set to remain in place. In fact, following the last harvest period, ending October 2016, prices have increased further as the extent of the problem was realised by some end users putting additional pressure on supply. It takes 500 tons of garlic to make 1 ton of garlic oil and as such there is no profit in this oil unless the price of the oil keeps rising, and this seems inevitable.

📈 USD 350.00 /kilo

GERNAIUM OIL 🌐 China*Pelargonium graveolens*

Prices have continued to rise in 2017 on top of the large increases already seen during 2016. The problem in 2016 was due to poor weather conditions and reduced planting as farmers looked to plant other crops like grapes after disappointing returns in previous years. This has resulted in the lowest production levels in recent history. Thankfully the return of higher prices has had a positive impact with more farmers planting for the new season set to start around July. This is expected to produce an additional 20% on last year's poor output but perhaps not enough to recalibrate the market to normal levels. At the moment, the crop is looking OK so expect some price relief during Q3, although don't expect it to be anything too significant. That said, we will take every bit of good news wherever we can!

📈 USD 235.00 /kilo

LAVENDER OIL 🌐 China*Lavandula angustifolia*

The Chinese season is later than that of Europe so the market tends to be satisfied by the time Chinese oil arrives, especially with increased volumes from the likes of Bulgaria, Croatia and France.

The Chinese season ends early November and doesn't play a big role in the global markets as 90% of everything produced is consumed domestically.

What does get exported from northern China / Mongolia is a very particular quality of lavender with lavandulyl acetate levels up to and beyond 10% (usual European oil is around 2.5-3.5%). This material fetches a premium, as it is very desirable in the aromatherapy markets.

The 2016 crop was badly affected by late rains, reducing total output by around 60%. As a result China became a net buyer. This year's crop, whilst looking OK after the winter, covers a similar growing area to that of last year. As with all florals, the weather conditions close to the harvesting period will determine the whole season but realistically you would think (or hope) that it could only get better for the Chinese lavender producers this year.

📈 USD 90.00 /kilo



GINGER OIL 🌐 China

Zingiber officinale

The crop period ended in March 2017 having made little impact on the overall supply position for this oil. Environmental protection orders mean farmers have not been able to distil much oil even when raw materials have become available. So we still remain in the same position that we have been for a while now which is there is no surplus oil available and most production is made to order. Price has in fact continued to rise during the course of 2017 and may continue to do so.

📈 USD 73.00 /kilo



NATURAL CITRAL 🌐 China

Ex Litsea

The 2016 season (August to October) was poor due to heavy rains in the central and northern parts of China – key production areas. As a result, this put some pressure on supplies, which were 40% down on 2015 levels. This put immediate pressure on crude prices, which started to rise sharply in September 2016 through to November 2016. There were some late supplies entering the market, which helped ease prices towards the end of 2016 and the beginning of this year but this has since changed and prices are again creeping up. This is likely to be the trend until the next crop, which doesn't start until August 2017.

📈 USD 21.00 /kilo



TEA TREE OIL 🌐 China

Melaleuca alternifolia

No real changes as markets remain stable with demand constant as in recent years. Demand tends to increase when Australian prices rise but the weak Australian Dollar has created cheaper Australian export prices in recent times despite local prices increasing. That said, this could change with expectations from Australia of a pending disastrous crop! As always, China exports vastly different qualities of tea tree oil and so called 'tea tree oil' so buyers should take care when comparing Chinese oil with industry standards from Australia. This year saw a further increase in growing areas but with general demand for tea tree from all origins growing the market for Chinese origin oil remains fairly balanced.

📈 USD 25.00 /kilo

HELICHRYSUM OIL 🌐 Croatia

Helichrysum angustifolium

There are a number of examples in the market of oil derived from new plantations, some of which are of Croatian origin, others are not. After over a year with little supply, it is quite a turnaround to see more offers in the market but our advice is to be careful on both quality and origin. With the extra material available we have seen prices soften a little but at the very least we have seen the market stable after a difficult period. All that said, we know too well that every year, every harvest can be very different. In 2016 we had the perfect weather conditions for this plant, let's hope it's the same this year.

📈 Euro 1,800.00 /kilo

LAVENDER OIL DALMATIAN

Lavandula angustifolia x 🌐 Croatia

Stocks remain available albeit in relatively small volumes after the 2016 crop delivered better than expected results. Unfortunately, we cannot always expect the same but currently locals are confident of another good season this year even if it doesn't reach the dizzy heights of last.

Due to its natural composition, Croatian lavender acts as a more powerful antiseptic than other lavenders, making it ideal for household first aid kits and other medicinal antiseptic creams.

📈 USD 58.00 /kilo

Photo left
Helichrysum plantations



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ESSENTIAL OIL QUALITY in **AROMATHERAPY**



When quality really should matter do you get what you pay for?

Essential oils can be confusing when it comes to quality, especially for those who are using the oils for their therapeutic benefits. Maybe you're a brand owner, a contract manufacturer or a local trader who put their faith in a supplier they don't know or a simple piece of paper that only tells half a story. Maybe you're unaware that there are many qualities of so called essential oils in the market place yet some of them have never seen soil, water or the sun! If you're one of those asking these next questions then you should keep reading and let us try to help.

Are you worried about quality?

Are you worried about using the true botanical or origin you claim?

Are you confused as to why they are so many qualities for each essential oil in the market at wide-ranging prices?

Are you confident that what your suppliers tell you is the same as what your marketing people tell your customers?

Can you be 100% sure that what you label on your bottles is exactly what you say it is?

Does your essential oil supplier offer different qualities depending on what price you want to pay?

Do they also sell aroma chemicals and have blending facilities?

Do you ever ask yourself why?

If you can't answer these questions with confidence then we're here to help.

ONE QUALITY, SINGLE ORIGIN, TRUE BOTANICALS – ALL DIRECT FROM THE FARMS AND FROM OUR OWN PLANTATIONS!





In the aromatherapy market you will be familiar with the essential oil botanical name, as it is this botanical you are purchasing the oil from. Just because a bottle of essential oil may say 'Lavender Oil' you should be careful that you are first buying an essential oil and not a fragrance oil/blend and that it's the correct botanical species to deliver the therapeutic properties you believe this oil will provide you with. In this case *Lavandula angustifolia*.

At a consumer level this can be confusing as many individuals are unaware of the industry that supports their aromatherapy beliefs and its close association with the flavour and fragrance markets where creativity is what sets one company apart from another. Perfumers and chemists alike are wizards at understanding what makes a particular odour and what constituents build a particular oil and with this same 'creativity' essential oils may not always be what it says on the label.

Checking is becoming more and more difficult as not only does technology help catch these 'creative' sellers but it also assists people in using the same technology against those trying to do the right thing. So how can you be confident as a consumer when there's a multi-billion dollar market supporting this creativity for your premium priced product?

Actually that's our first point – price! How is it one bottle of 10ml Lavender Oil can be one price and another be five times the price. It's not always the case but it can be an early indication that you often get what you pay for!

If you find your lavender oil is the cheapest on the market then it probably isn't lavender. It will smell like lavender, look like lavender and some unscrupulous marketing people will tell you all about the benefits of lavender on the label – but it won't work.

Why, because it isn't lavender!

Finding a true botanical supplier can be hard as most brand owners do not have the luxury of producing their own oils from their own plantations and instead they buy their oil which has changed hands a number of times through the supply chain. With each transaction you run the risk of the essential oil becoming something else – maybe blended or diluted to go that little bit further or meet the expectations of the buyer that prices should always be lower.

Not even the largest aromatherapy brands can offer this reassurance (even if they say they do) so they must put their faith in a supplier who's position in the market, and therefore their responsibility, is to grow, distil, test and supply the marketplace with pure, unadulterated, true botanical essential oils and this is what Ultra and our group of companies are here to do.

We don't offer Essential Oil Grade 1,2,3 or A,B,C as we've seen them called. We don't offer just 'Natural', 'Reconstituted', 'WNO' (with natural oils) or 'Synthetics'. We have just one standard quality for each botanical and each origin and that is what comes directly from the distillers. Mother Nature gives us our oils, just how it is supposed to be!



BLUE CHAMOMILE OIL

Chamomilla recutita L.

As of early April the season is underway with expectations of a reasonable crop. That said demand is high and within the local markets prices are rising fast. Thankfully the weak local currency will absorb much of these higher prices but our recommendation would be to book early to avoid higher prices post season.

▲ USD 950.00 /kilo

CORIANDER HERB OIL

Coriandrum sativum L.

The market is fairly flat at the moment as most production is made to order around May and with some carry over supplies from 2016 still in the market there is no problem of availability. Prices for Egyptian quality remain higher than that of other origins but many prefer this type and are happy to pay the premium

▲ USD 125.00 /kilo

NEROLI OIL

Citrus aurantium

The new season started in March and will close mid-April with some huge demand in the waiting. As usual, it is likely that all stocks will be quickly sold. Prior to the harvest producers speculated as to the condition being worse than last year. Last year saw yields drop 35%. 2016 prices averaged USD 3,000 /kilo and it's widely expected to increase after this season.

▲ N/A

CUMIN SEED OIL

Cuminum cyminum

Prices have been rising in recent months on the back of depleting stocks at origin and an increase in seed costs. Demand has certainly been higher than in recent years and it is likely that prices will increase a little more before the next crop starting soon in May 2017.

▲ USD 110.00 /kilo



Photo top
Coriander Herb

Photo bottom
Cumin Seeds

BASIL OIL LINALOOL

Ocimum basilicum L

Prices had been expected to rise after a disappointing 2016 crop and they have certainly done that during the past several months! Hot weather during the main growing period last year reduced biomass and therefore yields to a point where demand was much higher than supply and that's still the case. Furthermore, the quality of some essential oil is very poor and unacceptable to most markets. As a result, prices have firmed in recent months by as much as 50% and look set to continue to rise throughout 2017 with many producers unable to offer prices at this time.

📈 USD 140.00 + /kilo

GERANIUM OIL 🇪🇬 Egypt

Pelargonium graveolens

It has been a volatile period for geranium, with only speculation to blame for the events we've seen recently. Last year started with a very weak market and prices fell to levels of \$60.00 /kilo. From mid-year onwards prices started to rise slowly on the back of local stocks starting to deplete but not all of this stock was entering the market. Instead local buyers were securing material to deliberately remove it from the market in order to force up prices. In the short term, this worked as the market panicked and secured some product at higher prices before the increases reached dangerous levels, which eventually peaked at around \$130.00 /kilo in October. Since then the market has become more aware of the artificial conditions and has stopped buying which in turn has brought prices back down to more comfortable levels of \$100.00 /kilo. This is perhaps a much fairer price for all concerned so it is expected that price levels will remain stable for the immediate future.

📈 USD 110.00 /kilo

JASMINE ABSOLUTE 🇪🇬 Egypt

Jasminum grandiflorum L.

The 2016 season was better than in previous years with more plants coming online and almost perfect weather conditions producing larger flowers with good yields. Typically, Mother Nature and market demand were not in sync with one another and demand was lower last year than in previous times. As a result of over supply, prices began to fall, which was further encouraged with the devaluation of the local currency versus the US Dollar.

Carry over supplies into this year remain healthy and as a result prices remain stable. The new crop will begin in June.

📈 USD 3,200.00 /kilo

PARSLEY LEAF OIL

Petroselinum crispum

Markets are flat with little interest from the markets and little production to go with it. There are small volumes available at origin, which will keep the general market satisfied.

📈 USD 130.00 /kilo



AMYRIS OIL 🇪🇬 Haiti

Amyris balsamifera

Production this year could be as little as half of that of recent years as raw material supplies remain scarce and much of what is available is of low quality. Deforestation across Haiti is the main cause for concern with the only known supplies of Amyris in deeply remote and inaccessible areas. Collecting and bringing the wood to the distillation facilities is close to impossible and where it isn't impossible, it's at the very least time consuming and expensive. Don't expect to see any improvements in the near future.

📈 USD 80.00 + /kilo

VETIVER OIL 🇪🇬 Haiti

Vetiveria zizanioides

It is largely considered that the crop was particularly healthy this year but persistent rains in February and March slowed collections down to almost zero. Despite the reasonable crop, demand is extremely high and producers in the south of Haiti are competing with each other for material, with farmers selling to the highest bidder. This is pushing cost prices up and the final oil price in the market remains firm.

📈 USD 350.00 + /kilo



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DON'T SAY, JUST SHOW.
DON'T PROMISE, JUST PROVE.**

SO WE DID!



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Essential Oils, Ingredients, F & F

CLARY SAGE OIL 🌍 France*Salvia sclarea*

France enjoyed a good harvest in 2016. It seems that production was around 6 MT more than the 16 MT produced in 2015, most of which was pre-sold with very little stock remaining. As a result of pre-harvest sales, average prices fell back towards the historical normal levels for this material, which was a 50% reduction in 2015 prices! What the French producers will do this year is somewhat unknown but for now they have managed to keep the market a little more satisfied.

French clary sage is different from Russian and Chinese qualities so unfortunately it does not help fill the overall global void still present in this area.

🏠 Euro 125.00 /kilo

LAVANDIN ABRIALIS OIL 🌍 France*Lavandula hybrida abrialis*

Reflecting on recent years we can see little future for this variety as year-on-year output declines. 2015 production was down a further 15% on 2014. 2016 was down another 11% and now there is a maximum of 700 hectares of plantations still in existence for this year's production. Based on current trends and average yields we expect the crop to be no bigger than 17 MT.

🏠 Euro 45.00 /kilo

LAVANDIN GROSSO OIL 🌍 France*Lavandula hybrida*

It was a slightly mixed year for lavandin grosso as harvested areas increased by 4% while yields fell by around 15% due to the lack of rains in spring and an early hot summer. This all meant a 10% reduction in oil to around 140 MT, which in turn meant there was no carry over stocks as we entered 2017.

Currently, any demand is followed by increasing prices, which is likely to continue until fresh oil is released into the market in late August.

So far, the larger cooperatives have chosen not to share details of their crop expectations but from the weather we've seen throughout winter there should be no immediate concerns.

🏠 Euro 30.00 /kilo

LAVENDER OIL 🌍 France*Lavandula Officinalis*

There was some mixed news across the French lavenders with good 'Population' and 'Diva' harvests offset with some disappointing results for "Maillette and Matherone". Overall farmers are happy and the positive news helped ease prices by around 15% but with the price gap between Bulgarian and French lavender widening, the French farmers may have to consider reducing further to remain an attractive option. Total production of all types is estimated to be 80 MT (about a 1/4 of the size of the Bulgarian crop!).

It's a little early to fully assess the 2017 crop but at this stage there has been no evidence to cause concern so we remain optimistic.

🏠 Fine - Euro 160.00 /kilo | Diva - Euro 120.00 /kilo

LAVANDIN SUPER OIL 🌍 France*Lavandula hybrida*

2016 production was no more than 30 MT, which represents a continued year-on-year decline. Prices for this 'Super' type have risen on the back of lower supply, which may in itself cause long-term damage to its usability as end-users are tempted to reformulate to other lavandin or lavender types. That said, we expect new material to come onto the market during 2017, which may realign pricing to more manageable levels. The question is whether this will come too late and damage the overall demand for this oil?

🏠 Euro 48.00 /kilo





BASIL OIL HOLY 🌍 India

Ocimum sanctum

Both markets and supply are weak, which are causing problems for anyone who does require this quality of oil. Small collections and small production lots have increased costs significantly which in itself will probably drive down demand further. It's hard to say what if any future this product has given its current path.

📈 USD 62.00 /kilo

BLACK PEPPER OIL 🌍 India

Piper nigrum L.

Today the pepper market is stable with supplies at origin well equipped to support the market well into the new season, which will start in the early New Year. The general opinion is that today's price levels are at the bottom, as any lower prices will start to affect the oleoresin markets.

📈 USD 70.00 /kilo

DAVANA OIL 🌍 India

Artemisia Pallens

Some rains just at the right time helped this particular oil escape the droughts and potential supply challenges faced last year. That said, qualities are still mixed with some struggling to get back to the higher davanone levels of 40%+. Prices are firm and may firm further as stocks continue to reduce after the March crop.

📈 USD 550.00 /kilo +

LIME OIL DISTILLED KEY 🌍 India

Citrus aurantifolia

Supplies have slowed due to the lack of rain affecting the main fruit blooming period. This has reduced the options for local processors to buy fresh fruit and when they do there's a large premium to pay. Still there is a steady output but recent ambitious growth ideas have been curtailed in the short-term until conditions improve.

📈 USD 38.00 /kilo



LEMONGRASS OIL 🌍 India*Cymbopogon flexuosus*

There are mixed reports from India depending on to whom you speak and how successful they are in obtaining raw material. It also depends on the quality required, as there is a growing gap between the better qualities and the standard qualities.

Overall the market seems finely balanced with no alarming shortage in supply, yet no surplus stocks to help ease prices. It seems that it is difficult for those involved with this oil to give any clear picture or provide long-term supply agreements, which casts some doubt as to how volatile the market is. For now, supplies remain thin and there's a growing concern that prices will rise during the course of 2017.

🏠 USD 20.00 /kilo

PALMAROSA OIL 🌍 India*Cymbopogon winterianus*

The year has started with fairly weak markets, which isn't uncommon for this time of year but there is also little oil available in the market. No carry over from the 2016 crop, which was reduced due to heavy rains. The region is now facing the reverse problem and experiencing some of the worst droughts in 100 years! It seems it's one extreme or another at the moment!

Should demand return in the next few months we may find prices start to rise as supplies are slow and not expected to improve any time soon.

🏠 USD 37.00 /kilo

Photo left top
Black Peppercorns

Photo bleft ottom
Lime fruits (*Cistus aurantifolia*)

**CORNMENT OIL** 🌍 India*Mentha arvensis*

The growing conditions continue to adjust to the changing market, which has seen demand drop significantly over recent years due to the introduction of alternative ingredients. The past few years has seem the managed reduction in planted areas which will continue during 2017 with 15% less growing areas than in 2016. That will bring the total growing area since 2014 down by almost 50%.

🏠 USD 15.50 - 16.00 /kilo

**PEPPERMINT OIL** 🌍 India*Mentha piperita*

There has been little material in the market since the start of the year after a small carry over from the 2016 season. That said, demand hasn't returned to put pressure on the market and with fresh production expected from May onwards it is hoped that supply will meet demand and keep prices stable.

As with other mints, *Mentha piperita* plantings are around 15-20% less than last year but this is expected to be inline with demand patterns rather than causing too much concern over availability.

Production in 2016 was thought to be around 300 MT and this year closer to 250 MT with fewer plantings

🏠 USD 35.00 - 45.00/kilo

**SPEARMINT OIL** 🌍 India*Mentha spicata*

Spearmint follows a similar pattern to all other mints with significantly less plantings of around 25% expected in 2017.

Over the past couple of years there has been a good carry over in each year's starting stocks, which has kept markets over supplied and very weak.

There was around 225 MT produced in 2016, and this is expected to drop to 150 MT this year. In theory, this is where many see the size of demand in today's market.

🏠 USD 23.00/kilo

CLOVE OIL  *Indonesia**Eugenia caryophyllate*

As reported during Q4 2016 we expected to see prices increase on the back of low supplies and a tightening market and this was before any forecast of the poor weather conditions, which have been in play since the start of 2017.

The resulting impact on the market has been poor but it could have been worse and may yet worsen, until drier times are upon us.

There was always a fear that if supplies hit zero, including supplies of any residual 2016 stocks that have just about managed to keep supplies above zero, then prices could jump sharply. Well this is where we are today with zero stocks at just about every collection point and the prospect of almost zero collections in the coming weeks so the market could be in for a shock.

That said, clove is fast growing and a change in weather fortunes can always reverse these extremes in a matter of a few months. So we shall continue to pray to the weather gods that things start to improve quickly.

If you need stocks soon then act quickly. If you can wait until mid-year then sit tight and let's pray together and hope for the best!

 POA

CLOVE DERIVATIVES *now available ex P.T. Van Aroma**Eugenyl Acetate & Iso Eugenyl Acetate*

Eugenyl acetate follows the Iso Eugenol pattern when it comes to its odour profile which is more sweet than spicy, often characterised as fresh, carnation and malty. Its has a long lasting tenacity on dry out and can be used as a single ingredient or as a booster to other clove notes with the main benefit in today's market being that it currently has no IFRA restrictions. It's recommended to be used at up to 5% in fragrance formulations.

Iso Eugenol

Iso Eugenol is used as a sweet, spicy, clove-like character in fragrances as well as in oral care products. It's use in the perfumery markets are still strong despite IFRA controls regulating its use. It is understood the market to be in the region of 100,000 kilo. Van Aroma can offer trans 88-95% qualities.

Methyl Eugenol & Methyl Iso Eugenol

Two ingredients that serve the fragrance markets well. Methyl Eugenol with its warm, sweet, fresh herbal spicy notes and Methyl Iso Eugenol with its spicy, earthy and basil notes are a great addition to any perfumers palette. Both perform very well in liquid and tablet soaps, hair care products and alcoholic perfumes.



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CLOVE DERIVATIVES

EUGENOL

EUGENYL ACETATE

ISO EUGENOL

ISO EUGENYL ACETATE

METHYL EUGENOL

METHYL ISO EUGENOL



CANANGA OIL 🌐 *Indonesia*

Cananga odorata

Supplies are generally slow and have been consistently slow for some time. As a result, prices have remained firm with the market generally accepting these new price levels. At times, quality lacks consistency so some caution needs to be applied when evaluating any seemingly inexpensive offers. At this stage we do not anticipate any major changes over the next few months. Some shipments are leaving Indonesia not correctly classified as Dangerous Goods. This is giving some exporters a \$6-8 /kilo price advantage.

📈 USD 115.00 /kilo



CAJEPUT OIL 🌐 *Indonesia*

Melaleuca cajuputi

Supplies have slowed due to weather conditions but remain reasonable so general availability has not been impacted too much. The quality of raw material remains good and overall we are experiencing some stability with this product and no foreseeable changes ahead..

📈 USD 24.00 /kilo



CITRONELLA OIL 🌐 *Indonesia*

Cymbopogon winteranus

Heavy and persistent rains have severely affected local prices and supplies. Export markets are somewhat secondary compared with domestic demand for this essential oil so locally there is no interest in comparing Indonesia's performance on the export market with prices from other origins such as China. Instead there is much anguish that local prices are where they are and, more to the point, the available supplies are as low as they are. Local prices have increased around 30% since the start of the year and this is unlikely to change until the rain stops and a drier period has set in for some weeks. Expect continued price increases until mid-year.

📈 USD 21.00 / kilo +

GINGER OIL FRESH 🌐 *Indonesia*

Zingiber officinale

We reported in December a sudden movement in prices, which came unexpectedly and without good reason and this phenomenon has remained in place throughout the year to date. There was some increased demand during the second half of 2016 but nothing that should have made such a big impact. However, whatever the reason, prices have increased 25% over the past 3 months and these levels are expected to remain in place for the foreseeable future.

📈 USD 120.00 /kilo





Photo top
Whole and ground nutmegs

MASSOIA BARK OIL 📍 Indonesia

Cryptocaria massoia

Our general advice continues to be that although supplies have consistency improved since the second half of 2016, some qualities are less than desirable and some caution needs to be observed.

Overall the dynamics of the market haven't really changed despite many believing more producers have entered the market but this simply isn't true. Material is moving around the local market and traded more freely but total volumes are likely to remain unchanged.

📈 USD 400.00 – 700.00 kilo

NUTMEG OIL 📍 Indonesia

Myristica fragrans Houtt.

Supplies are finely balanced at the moment with the market struggling to get on top of itself due to a slow down in collections caused by poor weather conditions. Given the current wet weather conditions it is hard to see any sudden influx of raw material coming through soon as many farmers have chosen not to return to their plantations until prices return to consistently higher levels. There are also many back orders in the supply chain as many large buyers entered the market late last year. This has decreased the amount of unsold material in the local market and is keeping prices firm.

Don't expect too many changes over the next couple of months, if anything prices could still tighten a little further.

📈 USD 75.00 - 80.00 /kilo +

MACE OIL 📍 Indonesia

Myristica fragrans

There is certainly a knock on effect from the current situation impacting the supply and pricing of nutmeg oil but it is less damaging for mace as the market is smaller and can withstand some short-term disruptions in supply.

📈 USD 90.00 /kilo

VETIVER OIL 📍 Indonesia

Vetiveria zizanioides

The qualities and quantities of supplies remain challenging with no real changes seen over the past 6 months or expected in the coming 6 months.

With little availability we are also seeing some producers over heating the oil during the distillation process to shorten the distillation time but in doing so they are burning the oil. This then affects the colour and the odour, which have not been acceptable for many end-users.

Whilst the education process continues alongside longer-term investments the situation is likely to remain critical for some time.

📈 USD 450.00 /kilo +



PATCHOULI OIL 🌍 *Indonesia*

Pogostemon cablin

As always, there are many factors to consider when assessing overall supplies, making the process of evaluating and predicting the crop all the more difficult. Some factors under consideration include:

- Weather conditions
- Older plantations with lower yields
- New plantations
- Farmers less interested at today's low prices

Certainly older plantations are yielding less and some farmers switching to other crops could contribute to a reduction in supplies during 2017 by as much as 40%, whilst new plantations could add up to 20% (at different times of the year). The weather is presently slowing down supplies but this may not affect overall supplies during the course of the year. Then when you factor in the current and foreseeable market demand the end result can be slightly blurred.

Traditional patchouli buyers will recognise that over the past 12 months it has been a buyers' market with enough supplies to keep competition at origin on their toes. However, what perhaps many don't see is that during more recent times supplies have only just kept up with demand. Any one major change in current conditions could create upward price pressure so our recommendation would be to keep your stocks healthy, as at today's prices you can't really get it wrong as prices from here can only go one way.

📈 USD 40.00 – 54.00 /kilo

PATCHOULI TERPENES 🌍 *Indonesia*

Myristica fragrans Houtt.

Over the years the process of obtaining patchouli oil has gone further than a simple steam distillation. The quality of raw materials, in particular from Sulawesi has meant that to obtain the quality the industry expects, a further process of fractionation is required. From this process we obtain the product Patchouli Terpenes and with it, a fully natural, versatile by-product which in today's market offers some interesting applications.

In a market where cheaper naturals seem to becoming more and more scarce our patchouli terpenes offer clients an opportunity to formulate with a cost effective ingredient.

With prices cheaper than today's citrus terpenes can you afford not to be looking at introducing this new ingredient?

📈 USD 8.00 /kilo

[Here is an overview of Indonesia's essential oil exports along with a forecast as to how we see 2017 unfolding.](#)

Oil production (MT)	2014	2015	2016	2017
Citronella	550	700	700	Similar to 2016
Clove	4,000	4,500	3,500	Similar to 2016
Ginger Fresh	7	10	7	Similar to 2016
Massoia Bark	15	20	20	Less Production
Nutmeg	400	350	300	Similar to 2016
Patchouli	1,000	1,400	1,500	Less Production
Vetiver	25	20	10	Less Production

BERGAMOT OIL 🇮🇹 Italy*Citrus Aurantium var*

As with other Italian citrus crops, bergamot has been badly affected by the extreme weather conditions over the winter period, which damaged or destroyed much of the crop. Different producers are citing different figures but all are consistently in the region of 50-60% loss of fruit! As a result, prices of various qualities of oil are all on an upward trend.

📈 EURO 160.00 / kilo

LEMON OIL 🇮🇹 Italy*Citrus limon (L.) Burm. F.*

It was supposed to be a reasonable lemon season in Italy but the harsh winter conditions had a severe negative impact. It has been a difficult few years for the Italian lemon industry, reflected in the year-on-year increase in imports to supplement the gaps in Italian production. Last year's production was poor so there was hope of some improvements during this campaign but this never happened. While not as bad as for other citrus fruit, the poor winter conditions destroyed an estimated 20% of the lemon fruit, which directly impacted on the volumes available for processors.

As there was no carryover from the previous season the net impact on the overall position is negative with prices firming in the past couple of months.

📈 EURO 33.00 / kilo

MANDARIN GREEN OIL 🇮🇹 Italy*Citrus reticulata*

The crop ended with disappointing results and today there are few stocks available after most production was taken to satisfy existing contracts.

The 2016 crop was similar to that of 2015 which itself was 15% lower than 2014. About 10,000 MT of fruit went for processing.

This long running low output continues to put stress on the market, where demand is certainly consistently higher than supply.

📈 N/A

ORANGE BLOOD OIL 🇮🇹 Italy*Citrus sinensis*

It has been a terrible few months for orange production in Italy as rain and hailstorms earlier in the year damaged or destroyed the ripening fruits to the extent that many have described it as the worst crop in living memory. Total fruit for processing was down as much as 50% in March with hardly any fresh deliveries expected in April, marking the close of a bad campaign.

Prices of fresh fruit and oil are impossible to quantify at the moment as there's either simply too little stocks to talk about or for what stock is available there is too much price speculation with significantly more demand than available product.

Referencing an article in Food News, it also went on to discuss the organic crop situation as follows:

"Furthermore, it has not been possible to process any quantities of organic blood oranges this season. Unprotected by any agrochemicals, the climatic conditions have resulted in a total loss of the organic blood orange crop this year."

📈 EURO 10.00 /kilo





Photo left

Mexican Lemon acreage is growing year on year following large investments from processors

Photo right

Vast amounts of crops await harvesting in the Colima area of Mexico



LEMON OIL 🌐 Mexico

Citrus x limon

There have been some significant investments in lemon plantations across Mexico in recent years and volumes are increasing. As of November 2016 there were 10,000 hectares of plantations in Mexico, largely in the state of Tamaulipas with each hectare yielding around 15 MT of fruit.

The season runs from August to November and the 2016 season was considered to be good. One important factor in longer term investment in Mexican lemon is that unlike most citrus markets around the world, 50% of plantations are owned by processors so there is more control over supplies and less influence from the fresh fruit market.

Investment across Mexico continues with other states also looking to add more trees during 2017.

🏠 USD 33.00 /kilo

LIME OIL DISTILLED 🌐 Mexico

Citrus aurantifolia

The winter crop, which ran from December 2016 to February 2017, had little impact on the market as producers scaled back production due to sufficient carry over stocks from last year's main season. This reduction in the winter season equates to around 330 drums of oil, or 50% less compared with the same period in 2015/16.

The main 2017 season will begin in May and would appear to be normal with an expected total harvest of 300,000 MT of fresh fruit. As in recent years, domestic and international fresh fruit demand will have a large impact on how much fruit goes into processing and at what price. Overall trends from the past couple of years suggest fresh fruit consumption will continue to rise with as much as 85% of total fruit going to the fresh fruit markets in 2016. This will be the biggest factor for the key lime oil markets in 2017.

🏠 USD 35.00 /kilo

MANUKA OIL 🌍 *New Zealand****Leptospermum scoparium***

Over the past 6 months there has been a significant increase in demand, which has come from the US led aromatherapy markets as well as some additional growth across Asia. As a result, all the inventory that had been accumulating over the past year or two has been sold and collectors are now trying hard to plan ahead for more production.

Expect to see this one appear more commonly in your markets during 2017.

We just hope that demand doesn't grow much faster than supply as this can lead to an unhealthy market situation, which will be a pity as so much effort to date has gone into maintaining sustainable growth.

Today prices are firming due to a lack of available oil in the market

🏠 NZD 750.00 /kilo (min total triketones 28%)

BASIL OIL LINALOOL 🌍 *Nepal*

Ocimum basilicum L

The 2016 harvest was considered 'average' but with high market demand current stocks are almost non-existent at origin. Hopefully, this year additional plantings will bring a larger crop, which will help satisfy a growing demand.

📈 USD 90.00 /kilo



CHAMOMILE OIL 🌍 *Nepal*

Matricaria chamomilla L

The February crop has finished with some reasonable results, with output a little higher than last year due to some new plantings that have yielded additional volumes. Today supplies are good but expect the market to pick up this material in the coming month, as demand seems to be on the increase.

📈 USD 700.00 /kilo



CINNAMON BARK OIL 🌍 *Sri Lanka*

Cinnamomum Zeylanicum

The market has hit a dry period for supplies after higher than normal demand and heavy rains slowed supplies at an important time. This has put an unexpected strain on the market, which may continue until the next major harvest period in June. As a result prices are firm.

📈 USD 325.00 /kilo



CINNAMON LEAF OIL 🌍 *Sri Lanka*

Cinnamomum zeylanicum Nees C.

There is limited availability but for this time of year they remain low. There are also reports of a lot of adulterated material entering the market so some additional caution is needed by your quality control.

The new season is expected to start mid-May.

📈 USD 30.00 /kilo



CABREUVA OIL 🌐 Paraguay

Myrocarpus frondosus

There is a real shortage in supplies with limited availability each month. Some months when demand is low there isn't a great problem but in other months when there is some demand there is almost a crisis. Supplies won't improve in the foreseeable future so pricing and availability will be all down to market demand.

📈 USD 40.00 /kilo

GUIACAWOOD OIL 🌐 Paraguay

Bulnesia Sarmientoi

Production continues to improve with good stocks now available at origin. This should remain in place for the early part of 2017.

📈 USD 22.00 /kilo

PETITGRAIN OIL 🌐 Paraguay

Citrus aurantium ssp.

Although production generally continues throughout the year, the main production period runs from October to March. This period has recently ended so supplies are a little better today than they have been for some time but don't let this fool you. Average monthly demand is still slightly higher than average monthly production so it's likely that in a few months the lead-times from origin will once again get extended. Our advice would be to purchase now whilst stockists have reasonable inventory. If demand continues to grow at 15-20% as in the past couple of years then supplies will once again be difficult later in the year..

📈 USD 56.00 /kilo

LIME OIL PERSIAN 🌐 Peru

Citrus latifolia

A few months ago you could have referenced Peru's severe droughts as a primary source of concern when it came to their citrus crop as a lack of rain saw fruit less mature at a critical time of the campaign with the season traditionally starting in early January. The season then started and was cut short by the continued impact of El Niño, which has recently delivered some of the heaviest rains on record! Peru has literally gone from experiencing droughts and wildfires to extreme floods in the space of a few months!

So far (as at 22nd March), according to data provided by the Peruvian organisation COEN (National Emergency Operations Centre), there have been a total of 75 deaths, 100,169 victims, 627,048 people affected and more than 10,600 collapsed homes. A grower in the north of Peru explained the impact on local production as, "Crops are damaged or cannot be harvested and packing facilities cannot be reached or are not functioning because of power failures or are flooded."

The expectations for this season were already pessimistic but the actual state of the lime crops is not very clear at this time but whether the crops are better than expected, that is only the start of the challenges ahead in any supply chain processing fruits in Peru.

We remain hopeful for better news soon.

📈 USD 34.00 /kilo



ROSEMARY OIL 🌐 Tunisia

Rosmarinus officinalis

The 2017 season started late March and should last for around 4 months. Although still challenging there is a sense of optimism about this year's crop, which makes for more pleasant reading after a couple of miserable years. Whilst too early to speculate, we expect prices for new season oil to be 10% less than today's spot prices.

📈 USD 60.00 /kilo



OREGANO OIL 🌐 Turkey

Origanum L.

The 2016 crop was considered good as it was up by 20% on 2015. Today the market is stable with no real changes to be expected during 2017. Prices vary depending on the carvacrol content but are around 10% lower today than at this same time last year.

📈 USD 65.00 - 75.00 /kilo

ARTEMISIA TAURICA OIL*Artemisia vulgaris* 🌍 Russia

As expected, 2016 production was slightly lower than in previous years, which can be attributed to a reduction in harvest areas, with some areas difficult to reach in the South and South East areas of Ukraine. The crop started in September and finished in November. Today supplies are limited as most oil was produced against forward orders.

📈 USD 70.00 /kilo

**CLARY SAGE OIL** 🌍 Russia*Salvia sclarea* L.

The 2016 clary sage crop was similar to that of 2015 despite a reduced growing area and some reports of poor yields. Sales of Russian quality moved very quickly post season and today there are limited stocks remaining at origin.

Prices have remained firm yet stable for some time as other countries producing similar qualities have struggled with their output while demand from China remains high.

The 2017 crop will begin in August with first shipments in late September.

📈 USD 150.00 /kilo

**FIR NEEDLE OIL** 🌍 Russia*Abies sibirica* Ledeb.

Spring is finally in the air (even in Siberia!) so fresh supplies have started to come through and be offered to the market for the season ahead. The higher prices during 2016 have encouraged the producers of the Taiga (Siberia) regions to harvest more and as a result supplies will improve once the backlog of winter orders has been fulfilled, when there is no production.

📈 EURO 31.00 /kilo

DILL WEED OIL 🌍 Russia*Anethum graveolens* L.

The market is in healthy balance after a good 2016 season. The increase in demand last year was offset by increased supply as crop conditions were near perfect. We can't always come to expect this, so it will be interesting to see how the market reacts should demand continue to increase or if supplies encounter any major setbacks during this season. For now, the market is happy and there should be enough stocks to see us through to the new season later this year.

📈 USD 35.00 /kilo

**LAVENDER OIL** 🌍 Russia*Lavandula angustifolia*

There are only a handful of plantations left in the region that continue to be harvested for oil. Year on year we have seen a decline in production with little or no real investment in new plantations for some time. Also, the global landscape of lavender is changing due to investments in other parts of Eastern Europe.

That said, the Russian quality is still desired by some and with only a few tons available from last season it may be the case that there is now a premium to be paid for this quality.

📈 USD 75.00 /kilo



*Photo top
Coriander field in blossom,
close to harvesting time (for
seed oil)*

CORIANDER HERB OIL 🌐 Russia

Coriandrum sativum L.

The markets have quietened a little after increases in demand caused some concerns at the start of the year, as there was no carry over stocks from a disappointing 2016 crop.

As is often the case with this material, the larger demands are covered by pre-season contracts as only enough green coriander is harvested to meet demand and most plants are left for seed harvesting at a later date.

The 2017 season will start in June and the conditions today seem reasonable but it was late rains last year, which impacted the harvesting time and the overall yields. Of course, until harvest time we do not know if any other factors may come into play.

🏠 USD 80.00 /kilo

CORIANDER SEED OIL 🌐 Russia

Coriandrum sativum L.

We ended 2016 and started 2017 with some of the lowest oil prices seen for 10 years – a stark contrast to recent times. It's almost impossible to justify these prices as given the maths they appear unsustainable and this may be a factor during 2017.

These low prices are a result of surplus seeds stocks existing as we approached the winter period so farmers and collectors were keen to offload them, almost at any price. This gave the processors a chance to produce cheaper oil but at the same time take a risk, as market demand was also weak.

Seeds don't store well but oil can be stored without too many concerns so in some ways it made economic sense to produce stock even given the weak demand. However, it may have set an unhealthy expectation with buyers who will be expecting more of the same this year.

But this may not be the case as every season is different and demand from the spice market appears to be returning, giving farmers a welcome boost and processors a challenging position as to whether to bid for more expensive seeds this year if the oil prices don't start to increase.

At the moment, the crop seems healthy as the winter period passed without causing too many issues but it is not unusual to get a late cold spell, which may impact on crop conditions yet.

For now it's too early to tell how 2017 will play out but if you can buy oil at these cheap prices then it could be a very safe bet to make a small investment. You do feel that prices can only go one way this year after these record lows.

🏠 USD 50.00 /kilo

There has been and continues to be huge concern over the drought conditions facing parts of South Africa, which is impacting some more than others depending on growing regions and local dam capacities. It's affecting most citrus growers and particularly areas that are known to supply more fruit for processing.

Whilst 2016 was a bad year for some, overall figures suggest it wasn't catastrophic, especially when compared to the citrus challenges elsewhere in the world. None the less, last year's disappointment was the first in a long time for South Africa which had enjoyed a period of stable growth and consistency.

LEMON OIL 🌐 South Africa

Citrus limon (L.) Burm. F.

Challenging, to say the least, some would say is the way that the 2016 season unfolded as one climatic event after another made for a difficult time for many growers and processors.

All will be hoping that this season gets off to a better start as last year's May hailstorms hampered the start of the season which came on the back of the well publicised drought conditions. Although official data won't recognise the particular impact for oil processors average production from the traditional growing areas was down around 30% with only around 45,000 MT making it to oil processors (officially this number is doubled but not all processing results in essential oil).

Starting in February along the Limpopo River region, this season is forecast to be similar to last, so whilst down on previous years it should not have the same negative impact as last year with expectations more in tune with reality.

🏠 N/A

ORANGE OIL 🌐 South Africa

Citrus sinensis

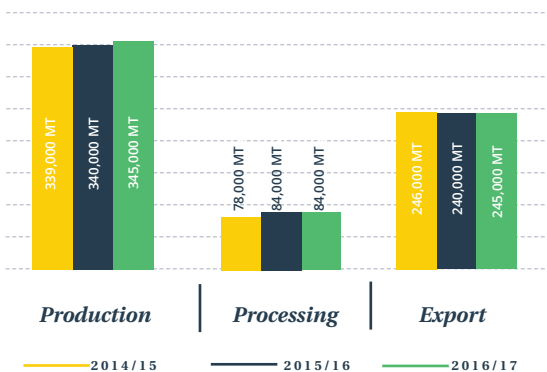
Last year wasn't the best for South African citrus growers as drought conditions throughout 2016 and a lack of spring rains (September to November) have reduced output significantly – in some parts by as much as 30%. Overall the story was more mixed with some new plantations coming online to compensate for losses elsewhere but the official story tells us overall production was down 5%.

The bigger concern moving forward is the reduction in planted areas as many growers switch to soft citrus (tangerines, mandarins etc.) as export prices and demand yield better returns for farmers.

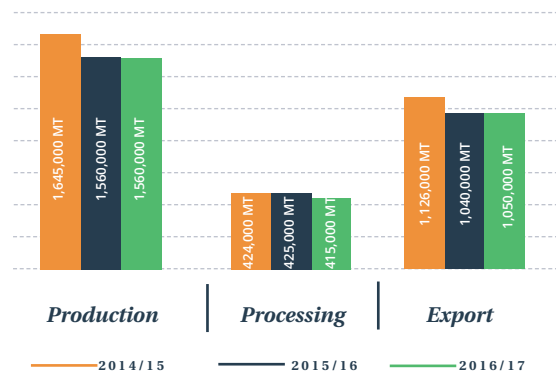
The 2017 season will kick off around June and expectations are for a similar year to 2016. Some may not give such an optimistic appraisal but others say there is nothing really significantly different from last year to make any other judgment. Let's hope that overall South Africa gets more rains and at the right times. Maybe this is just too much to wish for!

🏠 N/A

LEMON DATA (USDA)



ORANGE DATA (USDA)





GRAPEFRUIT OIL 📍 South Africa

Citrus paradisi

South Africa's grapefruit crop covers 6,000 hectares of fruit-bearing, harvested trees which produce around 330,000 MT of fruit of which 125,000 MT head for processing. The area has fallen by over 10% in the past couple of years. This has directly impacted the amount of fruit for processing rather than exported fresh fruit or domestic consumption, as export prices are the highest prices paid for fresh fruit.

Europe and Asia are South Africa's major export markets for grapefruit. South Africa is still faced with the challenges of citrus black spot in the EU market, although it is reported that the industry is avoiding problematic ports with higher interceptions especially in Spain. There is also an increasing emphasis on the growing Middle East and Africa markets.

The USDA forecasts that grapefruit production will decrease by 5% to 330,000 MT in the 2016/17 MY, from 348,000 MT in the 2015/16 MY, based on the decrease in area planted and the impact of the prevailing drought conditions. About 75% of

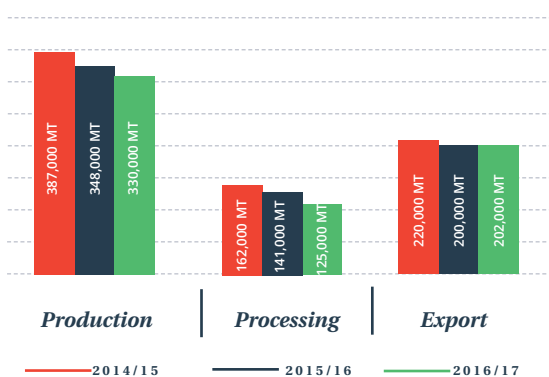
the grapefruit in South Africa is produced in the Limpopo and Mpumalanga regions, which were more severely affected by the drought. Current dam levels in Limpopo are between 12 – 17% as compared to 50 – 59% during the same period in 2015. Current dam levels in Mpumalanga are between 19 – 41% as compared to 62 – 72% during the same period in 2015. As a result, the limited irrigation water and hot weather conditions are forecast to impact the flowering phase of citrus production and some farmers have started pruning some of their trees to conserve water.

The season starts in April with fresh oil supplies becoming available around July once the bulk of export markets for fresh fruit has been satisfied. Hopefully this will provide some respite for a deprived global market.

📊 N/A

*Photo above
Grapefruits ripening in South Africa*

GRAPEFRUIT DATA (USDA)



Citrus Type	Harvest Period
Navel Orange	June to July
Valencia Orange	July to September
Lemon	July to September
Red Grapefruit	April to September
White Grapefruit	April to June



EUCALYPTUS RADIATA OIL

📍 South Africa

There continues to be a growing global demand and what feels like falling production from South Africa and other producing countries. Batch sizes are small and do little to fill the amount of enquiries. That said, efforts have been long under way in South Africa to improve this and 'significant plantings' should start to yield some results by next year. How we continue to fill the gaps during 2017 is a challenge as no other eucalypt offers the same 'safe' values as *E. radiata*, which is lower in cineol than other varieties.

📈 N/A



EUCALYPTUS CITRIODORA OIL

📍 South Africa

South Africa has become more active in this essential oil and is now well positioned to compete in the global arena against Brazil and China. Better-managed farms and sustainable planting allow an offering of around 20 MT per season and with the season starting earlier than China, this offers a small edge when it comes to supply. The 2017 season starts in June and runs until October. Currently some supplies remain from the 2016 season with a citronellol content above 80% and at an attractive price.

📈 USD23.00 /kilo



TAGETES OIL

📍 South Africa

Tagetes erecta

The 2017 season is expected to continue in the same positive vein as last year with favourable conditions resulting in a good yield. Rains at the correct times early this year should help the case and growers are more positive as demand seems to have returned to a healthier state.

📈 USD 160.00 /kilo



TEA TREE OIL

📍 South Africa

Melaleuca alternifolia

Onwards and upwards are the messages from South African tea tree producers who are positive about their recent extra plantations and higher yields. The South African quality is slightly different to the Australian standard but for most end users this isn't a problem. Although South Africa's output is set to continue to grow it would only represent 15% of the global market so the impact, whilst important, is still a smaller factor in global terms. What is interesting is that their season runs during the Australian close season which gives tea tree a year round production when you factor in all producing areas. This is always a good insurance for end users.

This season's production was good and prices today are competing with Australia, where supplies remain low. The recent negative news coming from Australia on its 2017 crop could prove beneficial for South Africa.

With regard to the small organic production from this region, it is understood that all stocks are sold leaving a gap in supply with demand firming and with it, prices.

📈 USD 45.00 /kilo

LAVANDIN GROSSO OIL 🌐 Spain*Lavandula hybrida*

Last year's August crop was somewhat better than in 2015 and there are some small supplies still available which is unusual at this time of year.

The Spanish have been planting more and will look to grow production in 2017 challenging the French producers by increasing capacity and offering at more competitive prices. Fighting talk from the Spanish! The reality is that they will not produce anything near what the French produce but they could look to fill the gaps the French leave if they're to have a less than satisfactory season, as in 2016 when French production was 120 MT short. The new season is 5 months away so it may be that prices for what oil is left in the market could rise in the short-term but there is real optimism at this stage for a good production later in the year.

🏠 Euro 30.00 /kilo

THYME OIL RED 🌐 Spain*Thymus zygis L.*

The 2016 June/July crop was small and quickly sold as the on-going market challenges for this oil continue. It is unlikely that we will see any external influences that may help this situation so as time passes between now and the next crop in June 2017, prices are likely to continue to firm.

Farmers are planning to significantly increase plantings, which should improve supply in 2017, but this will also depend on weather conditions improving. No supplies are available at origin today.

🏠 Euro 130.00 /kilo

CYPRESS OIL 🌐 Spain*Cupressus sempervirens L.*

No change of late. The markets are stable with good supplies at origin. This is not expected to change any time soon. If only other Spanish products could be the same!

🏠 Euro 28.00 /kilo



Photos above (from top)
 Spanish Red Thyme in blossom
 Cypress pines
 Lavandin Super in blossom

LAVENDER OIL SPIKE 🌐 Spain*Lavendula latifolia*

It's a confusing and mixed picture for this particular oil. As is often the case, market demand quickly reacted to the shortages and high prices of 2015 and end-users seemingly re-formulated their products without this oil. As a result, some producers still had oil at the start of this year and hoped to keep the market short to maintain the higher prices enjoyed in past years. This is likely to backfire if long-term demand has changed.

It's hard to judge what could happen this year. Regardless of the crop, there needs to be some realignment of thinking on the part of farmers to come back to attractive price levels to encourage new users.

🏠 Euro 75.00 /kilo

LAVANDIN SUPER OIL 🌐 Spain*Lavandula hybrida*

The 2016 crop was poor but a little better than 2015 at around 20 MT. Supplies at origin are very limited and this tightening of supply is expected to push prices up in the first few months of 2017.

There is a 10% carry over into 2017. Much of this is probably down to a change in demand patterns as market expectations have been subdued in recent years after successively disappointing crops.

🏠 Euro 45.00 /kilo

ROSEMARY OIL 🌐 Spain*Rosmarinus officinalis*

There is no let up in the supply issues that have prevailed for some time now. Small batches are irregularly available and when they are available the price is as much as someone is prepared to pay. Long drought periods are to blame for this on-going supply issue.

🏠 Euro 66.00 /kilo



LEMON OIL  Spain

Citrus limon (L.) Burm. F.

The Spanish Primofiori season started in October and the winter season ends March/ April when the majority of fruit is produced, especially for processing supplies.

It was largely forecast at the start of the season that after a disappointing 2015/16 season Spanish production would return to previous levels and despite a few bumps along the way, this is generally the case. In fact, the first estimates of 980,000 MT is still the number being used today as the latest best estimate. This is a 22% increase on the previous year but still less than 2014/15.

The season started slowly, as fruits lacked maturity, but started to pick up late November and into December. There was also no rush to start the harvest, as there was an oversupply within Europe of fresh fruit from Argentina. In the end, it was good to be patient as those stocks soon dried up and from the beginning of 2017 demand was back and the Spanish were in full flow.

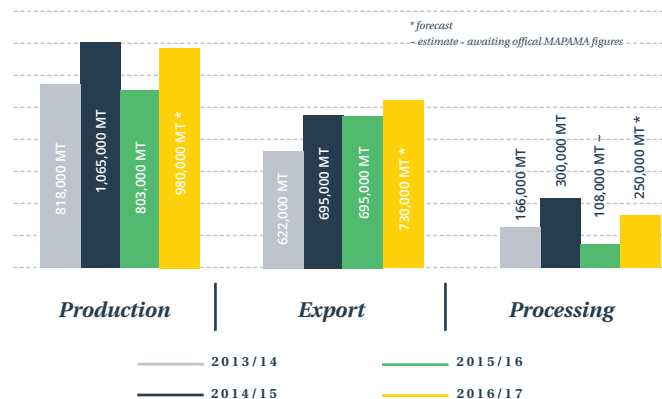
This has impacted on the amount of fruit processed for juice and oil in the past couple of months, as processors have had to pay fresh fruit premiums in order to secure fruit stocks, leaving some producers already sold out for the season. In fact, the amount of fruit available for processing has been downgraded by around 5% since the start of the campaign.

Oil demand has certainly returned with many seeing Spain as their preferred choice of origin with quality and price at the right levels to do good business. That said, with most of the winter season now behind us and most processors sold out there is a strong tendency that prices will continue to firm, especially given the negative feel about this year's crop in Argentina. Stocks of Primofiori are close to running out and today fresh fruit prices are at a 15% premium compared to this time last year. This is a direct cost to the processors, which will be reflected in your oil prices.

April should mark the start of the Verna season with as much as twice the volume of fruit expected compared to last year when 40% of the crop was lost due to bad flowering. April is a relatively early start for this campaign but the condition of the fruit suggests the whole season will start and finish early, maybe by the end of June.

 Euro 31.00 - 32.00 /kilo

SPANISH LEMON HISTORY



ORANGE OIL VALENCIA Spain

Citrus sinensis

It's been a quieter than expected for the Spanish orange oil market so far this season. What started with great optimism has been constantly challenged with changing conditions but there is still time for Spain to deliver on its earlier good forecasts.

Weak export demand before the start of the year, along with some severe weather conditions in December and January, dampened some expectations but the situation is slowly recovering, and with the Valencia type being a late bloomer we expect better news over the next weeks as the season is likely to last until June.

Although we haven't seen any great impact from the Spanish yet to support the struggling oil markets, the latest data from the Spanish Ministry of Agriculture, Fisheries, Environment and Food (MAPAMA), Spain's MY 2016/17 fresh orange production is forecast at 3.6 MMT, an increase of 17.6% compared to the previous campaign. The main Spanish orange producing areas are the regions of Valencia, Andalusia, and Murcia with an expected increase in orange production for MY 2016/17 of 19%, 17.3% and 18% respectively. Hopefully some of this trickles down to the processors and we soon have some good news for Spanish orange oil!

 Euro 10.00 - 11.00 /kilo

HLB - SPAIN TAKING PRECAUTIONS

Expert warns how HLB could kill citrus in just a few years

It is known as greening and is a lethal bacterium for citrus. It is transmitted by an insect whose presence has already been detected in Spain, in particular in Galicia, but also in Portugal. There is no solution or treatment once the tree has been infected; the only way out is its destruction. And prevention is the only way to fight against it.

Taking into account these facts, the interprofessional lemon organisation Ailimpo, in partnership with Koppert and Cajamar, recently organised a technical day in Murcia regarding biological control in citrus and strategies for the prevention and control of Greening disease or HLB (Huanglongbing). It was given by Leandro Peña, one of the world's expert's on this bacterium, who is currently working in Brazil; a country that has been seriously affected by the pest. More than a hundred producers and entrepreneurs attended the talk.

In Spain, a lemon production of around 1 million tonnes is at stake; 600,000 in the Region of Murcia alone. The country has around 39,000 hectares; 22,000 in Murcia, which means that of the 9 million lemon trees in Spain, Murcia has 6 million.

The Valencian researcher commented that, in Florida, this disease is killing the trees, and within three to four years citrus growing could come to an end in this US state, one of the world's most important producers. "It is a pest that kills; there is no cure and there is no resistant variety."

In Brazil, which is where the expert works, they are, he said, "surviving," as 40 million trees have been uprooted so far.

"Spain could never resist an attack like this. Uprooting millions of trees is not an option and the best strategy we have is prevention," he pointed out.

Having systems and regulations in place to prevent its spread is deemed the only way to ensure that greening does not affect the trees.

Peña pointed out that if the insect moved from Portugal or Galicia, which is very possible, because "nothing is being done to prevent it, we will have it here in a few years." With the insect, any movement of infected plant material could cause the pest to spread like wildfire. "The threat for Murcia, Andalusia and Valencia is currently in Portugal and Galicia," he insisted.

The expert considers it essential for the regional, national and even European administrations to collaborate and prevent the disease's spread.

"With proper laws and plans, it could be controlled, and it would also be necessary to become more alert to prevent the traffic of plants from other countries, which is prohibited, but is done all the same," he stated, stressing that this bacterium also affects shrubs and ornamental plants, "and these are much less regulated from a phytosanitary point of view."

The researcher has made an appeal for citizen collaboration in general, to think long before bringing plants from other countries, as great and irreversible damage could be caused to this important economic sector.

Source: laopiniondemurcia.es
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GRAPEFRUIT OIL 🌍 USA

Citrus paradisi

Unfortunately, it's the same old story with this one as the long-term situation surrounding the effects of HLB (citrus greening) have well established themselves as the norm.

In March 2017 the USDA further revised their crop expectations downward to 8.9 million boxes, which is split between 1.70 million boxes of white and 7.20 million boxes of red (or pink). This is 10% less than last season's total production figures. This is reflected in the processed markets where oil prices continue to rise without any signs of stopping with the greater pressure being on white oil.

The net effect of this season will make the history books with the headline 'the worst season since the early 1930's!'

With the season almost over the oil supply situation is likely to continue on its current path of uncertainty and high prices.

🏠 Pink USD 75.00 /kilo+
White USD 75.00 /kilo+

Florida's citrus is a huge \$10.7 billion industry. Covering 500,000 acres of planted citrus it is estimated to support around 62,000 people making a living from this sector. Having suffered in recent years from HLB (Citrus Greening), canker and other diseases there is a huge concern over the long-term impact on the State's economy should the industry continue to contract.



LEMON OIL 🌍 USA

Citrus limon (L.) Burm. F.

The latest USDA figures for the 2016/17 season show the California lemon forecast to be 20 million boxes, a small decrease of 3% on last season.

The USA isn't a large global player on lemon accounting for around 10% of the global 7.3 MMT of production. Their recent reduced forecast has been compensated with increased imports.

Despite recent challenges caused by droughts, Californian production has remained fairly stable in recent times. The amount of oil available to processors remains stable, albeit relatively small.

🏠 USD 40.00 /kilo



ORANGE OIL 🌍 USA

Citrus sinensis

Just when you thought it couldn't get any worse.....it does!

Our readers will be used to this story now as with each passing report and analysis the situation only seems to get worse.

New figures recently released in March by the USDA show an estimate for the 2016/17 season ending at 17% lower than last season, which was the lowest since 1963/4. The new 2016/17 estimate is for 69 million boxes, down from a closing figure of 81.6 million for the 2015/16 season.

All in all, the picture remains unchanged with the devastating effects of the past few years really becoming the new reality. Citrus greening, it seems, has irrevocably changed the citrus industry in Florida, although we all hope new research can make some contribution soon towards rebuilding this depleted market.

The United States' production is forecast down by 470,000 tons to 4.9 million tons as citrus greening continues to reduce the area in Florida. Overall, Florida accounts for nearly 60% of U.S. production and California about 40%. Most orange production in Florida is used for processing, whereas California produces mainly for the fresh market. Fruit for processing is down due to the smaller crop in Florida at 3 million tons, 20% less than last year or 30% less when compared to the year before!

🏠 USD 12.50 +/- /kilo

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