ESSENTIAL OILS

MARKET REPORT

SPRING 2023

READY FOR ADVENTURE!

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

www.ultranl.com

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ARTICLES

SPRING IN OUR STEP

Like the opening verse of a beloved rhythm, spring arrives. It awakens a song of hues of green with splashes of colour. There is playfulness in nature, and the promise of abundance infuses the skies with renewed energy. With a gentle uplifting confidence, spring greets the air. Soon trees will reflect the tones of grass glades. Flowers will deliver on the promise of rainbow garlands. With spring comes excitement and renewed energy and our first quarter echoes this sentiment.

This season, the mantra at Ultra is innovation and novelty. Atelier Ultra, the germinating pod for creativity, is delivering exemplary results. With a keen eye to promote a sustainable future for the essential oils industry, Atelier Ultra is providing a haven to meet, create, educate, and share the passion for all things natural. With this promise we hosted the British Society of Perfumers in March. From visiting plantations to tracing origin stories of enticing essential oils, Atelier is where the astonishing is born.

To further our quest for innovation, Ms Béatrice Favre-Bulle comes on board as Chief Development Officer. Béatrice comes from a school of thought that seeks to enrich the process of creation and provide perfumers a playground to craft compositions they deeply desire. Learn more about Béatrice's work in this report.

Growth is closely linked to the source, and the teams at Ultra are always enthusiastic of connecting with it. In November 2022 Lina Piccininni and Laura Johnston participated in the South Africa IFEAT study tour. The two gained intimate knowledge of naturals and interacted with industry professionals. The enriching experience prompted Miguel Doval and Rafael Bourdeau's participation in the IFEAT Focus Study Tour in Murcia in February 2023. They gathered information about Spanish citrus and gained immense on-ground experience which will be discussed in the next Market Report.

Ultra's learnings will continue well into June as we participate in SIMPPAR 2023. At the edge of central Paris, soaking in the glory of the city and yet away from commotion is The Espace Champerret, the venue for SIMPPAR 2023. This unique trade show steeped in history and tradition will be held on May 31 and June 1. Adventure runs deep in our veins, and we figured the best way to arrive at SIMPPAR is in a vintage camper van. We will begin this sojourn from the sprawling metropolis of London and travel 483 kilometres to reach paradisal Paris. Learn more about our exciting road trip in this report.

While Ultra has spread its wings across the globe, in this report we focus on the special bond that Mr. Ravi Sanganeria shares with Indonesia. How an IFEAT study tour in Sri Lanka was an inspiration to seek his own natural haven? And how did that journey reach the Indonesian shores? Find out the origin story in this report.

We are also very excited to announce the opening of our brand-new New York office. It will be operational from July with support management offices, creative centres, meeting rooms and of course, another new version of Atelier Ultra.

Let the refreshing warmth of spring inspire creation, as we continue our journey towards innovative excellence.

Priyamvada Sanganeria
Director, Ultra International BV

THE JOURNEY OF ESSENTIAL OILS
THE BRITISH SOCIETY OF PERFUMERS AND ULTRA INTERNATIONAL UK

Ultra International and The British Society of Perfumers collaborated to organise an event for sixteen ticket holders on 9th March 2023 to learn all about essential oils from seed to end formulation.

The day was divided into two workshops.

FARMING AND DISTILLATION WORKSHOP

This involved a tour of the vertical farm located in the premises of Ultra International UK. Plant scientists explained to the group how plants such as patchouli, davana, jasmine sambac and yuzu grew in a controlled environment. The group also got to pot patchouli seeds and take home their new potted patchouli plants. The tour included a live distillation of patchouli and then a trip to quality control to understand the analysis and approval process.

ESSENTIAL OILS WORKSHOP

This workshop was focused on essential oils and was conducted in Ultra's inspiring workshop space - Atelier Ultra. Topics discussed included sourcing naturals from farms, sustainability issues, challenges caused by climate change, changes in IFRA regulations and the mapping and use of essential oils across many olfactive families. In the second half of the workshop participants made their own natural fragrance with free range of the natural perfumer's compendium.

BOTON DE ORO OIL

Melampodium divaricatum *Argentina*

This oil comes with a nice artichoke undertone. For the last few years it has not been available in the market but it has now made a comeback. The harvest season for boton de oro is November. It is a popular product for niche fragrances.

USD 6000.00 /kilo

DOUGLAS FIR OIL

Pseudotsuga menziesii *Argentina*

The Argentine variety is popular in USA for its unique and refined nature. It is a popular product for the aromatherapy industry and is also being used now for fine fragrances in Europe. 2023 production has commenced and is expected to be in the range of 1 MT. This will exceed the 2020-2022 volume of 0.5 MT but will be lower than the 1.4 MT produced in 2019. The addition of a new distillery is responsible for the higher production volume.

USD 480.00 /kilo

LEMON OIL

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

Argentina lemon production is forecast at 1.770 million metric tonnes (MMT), down 130,000 MT from the prior year as a result of drought. The drought is expected to continue through the Southern Hemisphere summer of 2023 due in part to the third La Niña weather pattern in a row.

Lemon production takes place principally in Tucuman, Salta and Jujuy, with some minor production in northeast Argentina. Over the past few years, lemon growers in northwest Argentina have expanded planted area. Tree removal and replanting have been increasing the plant-per-hectare ratio and improving production efficiency and yields. For 2022/2023, the lemon planted area is forecast at 52,000 hectares, up 1,000 hectares from the prior year.

Lower available supplies reduce consumption, exports, and fruit for processing, which is projected to decrease to 1.4 MMT, compared to 1.49 MMT in 2021/2022.

Argentina's fresh lemon exports are forecast at 235,000 MT in 2022/2023, down 25,000 MT from the previous season. Argentine lemon exports continue to face strong competition from Turkey and South Africa, which offer the European Union (EU) market higher-quality fresh fruit. During January–September 2022, the EU remained the largest export destination for Argentine fresh lemons with a 45% share, followed by the United States with a 21% share and Russia with an 18% share.

Argentina experienced a crop shortage during its 2013/2014 lemon season, leading to a huge reduction in global supply for essential oil markets. This crop shortage created a market gap that was quickly filled by other nations looking to expand and promote their own lemon production. With Argentina's lemon production fully recovered, the new harvests from other origins have resulted in a global oversupply of lemon material.

Recent above average crop sizes in Argentina have left high inventory levels of lemon oil. In addition, processors are using a more efficient processing method with higher yield to produce lemon oil resulting in more supply. Because of the higher crop sizes and the more efficient processing methods, the price of lemon oil has remained soft for the past couple of years and the current price for lemon oil is not sustainable for processors.

Due to current socio-economic conditions in Argentina (increased production costs, currency inflation, rising interest rates, labour issues among others) many farmers have switched away from lemon production, converting their fields to more profitable crops such as sugarcane. However, this will result in less supply in the future and the price of lemon oil will increase.

USD 9.00 /kilo

ARGENTINA LEMON USDA PRODUCTION, SUPPLY AND DISTRIBUTION:

Market Years	*2020/21*	*2021/22*	*2022/23*
Production (1,000 MT)	1,800	1,900	1,770
Imports (1,000 MT)	2	1	1
Total Supply (1,000 MT)	1,802	1,901	1,771
Exports (1,000 MT)	264	260	235
Fresh Dom. Consumption (1,000 MT)	150	150	130
For Processing (1000 MT)	1,388	1,491	1,406
Total Distribution (1,000 MT)	1,802	1,901	1,771

PARAMELA OIL

Adesmia Boronioides *Argentina*

This product is almost exclusively used by a South American perfumery giant. They produce approximately 50 kg/yr. With a new mobile distillation process, the volume is expected to touch 200-300 kg/yr. Good quantities of oil are in stock to meet any new buyer demands. The oil is used for fine fragrances, cosmetics, and sensitive skin formulations.

USD 7200.00 /kilo

PICHI PICHI OIL

Fabiana imbricata *Argentina*

Harvest season for Fabiana will commence in November. The product gained popularity when perfumers were awarded on the global stage for using Fabiana as a source of innovation in perfumes. It is traditionally a medicinal plant from Patagonia, but is utilised in fine fragrances. Due to growing demand, its wild harvest increased to 50-100 kgs last year.

USD 4800.00 /kilo

PINUS PONDEROSA OIL

Pinus ponderosa *Argentina*

The aromatherapy industry is a major consumer of *Pinus ponderosa* oil, but the fragrance market is slowly getting fascinated by this product. It is obtained from the needles of the conifer tree. Production volumes for 2023 are expected to be higher than 2022, and in the range of 0.5-1 . The production season will commence in April. The addition of a new distillery will help increase production.

USD 480.00 /kilo

SENECIO OIL

Senecio vulgaris *Argentina*

The harvest season for senecio will begin in November. The annual production is in the range of 50 kgs. After missing from the market for the last few years, the oil has made a comeback. It is primarily used for niche fragrances.

USD 3600.00 /kilo

BÉATRICE FAVRE-BULLE
Chief Development Officer, Ultra International

COMPANY UPDATE

UNLOCKING THE RHYTHM, ELEGANCE AND BALANCE OF INNOVATION

Béatrice Favre-Bulle joins Ultra International as Chief Development Officer. Her leadership positions across the globe in fragrance development and technical perfumery teams make her a valuable asset. This experience will lay the cornerstone of a new era in Ultra as she works to select and develop unique naturals for Ultra customers. A transparent and sustainable supply chain are other principles that both Béatrice and Ultra hold dear. Based out of Paris, Béatrice will oversee the development of new technical projects, expand the scale of sustainability operations, and launch new marketing initiatives.

Béatrice comes from a school of thought that seeks to enrich the process of creation and provide perfumers a playground to craft compositions they deeply desire. She works in the background to match a perfumer to the natural ingredients that will enable this process. She is deeply invested in decoding a consumer's olfactory psyche. Her extensive experience as the lead of global creation teams, collaborating with market research outfits, and undertaking visits to source and natural origins have given her a broader outlook on the industry.

A constant association with perfumers has led Béatrice to a deep understanding of technical formulation requirements such as performance, stability, and safety of fragrance compositions. A strong advocate of personal connections, Béatrice likes to interact with perfumers and customers in privileged gatherings to foster creativity. In her words, *"smelling still remains the best model to gather profound comprehension of a product and process."* In her vision, Atelier Ultra is just the beginning of an innovation revolution at Ultra International.

As part of her earlier profiles, Béatrice has travelled extensively across the globe. These voyages have aided her interpretation of a customer, especially in markets of strategic importance to brands. During these sojourns she spent her time visiting creative centres and customers across the globe. Béatrice also made several field trips to comprehend the intricacies of the consumer.

As Head of the Perfumers' Palette, Béatrice has also participated in numerous field trips to discover the cultivation and processing of iconic ingredients, thus understanding the challenges of a sustainable supply chain for naturals. These visits to plantations and extraction units form an experience that is very closely related to Ultra's core competences.

With changing times brands play a key role in the development of naturals. The highly competitive market space demands novelty. Most brands today command unique and iconic ingredients for new launches, products adhering to stringent quality standards, as well as transparency and sustainability of the supply chain. Béatrice and the team will ensure the actualisation of these goals.

A history major, Béatrice is always looking to unravel mysteries. She is an aficionado of cultures and art and believes her tango experience helps her maintain an elegant balance at work. After more than two decades at Symrise, Béatrice is ready for the next dance. Trust and passion run deep at Ultra, and the promise of long-standing partnerships is in sync with Béatrice's philosophy. Inspiring new ingredients, special qualities, and innovative approaches like vertical farming, the opportunities are endless as Béatrice heralds a new era at Ultra International Group.

golden grove NATURALS

BUDDAWOOD OIL

Eremophila mitchellii *Australia*

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

USD 450.00 /kilo

EUCALYPTUS OLIDA OIL

Eucalyptus olida *Australia*

This is a unique ingredient for the fragrance industry. It has a fruity strawberry-like note. There is a steady demand for the oil. New product with 80% methyl cinnamate concentration is available in the market. Small volumes are being produced and stocks have gone down.

USD 125.00 /kilo

EUCALYPTUS RADIATA OIL

Eucalyptus radiata *Australia*

There is limited supply of this oil. With depleting stocks, the price of the oil has gone up.

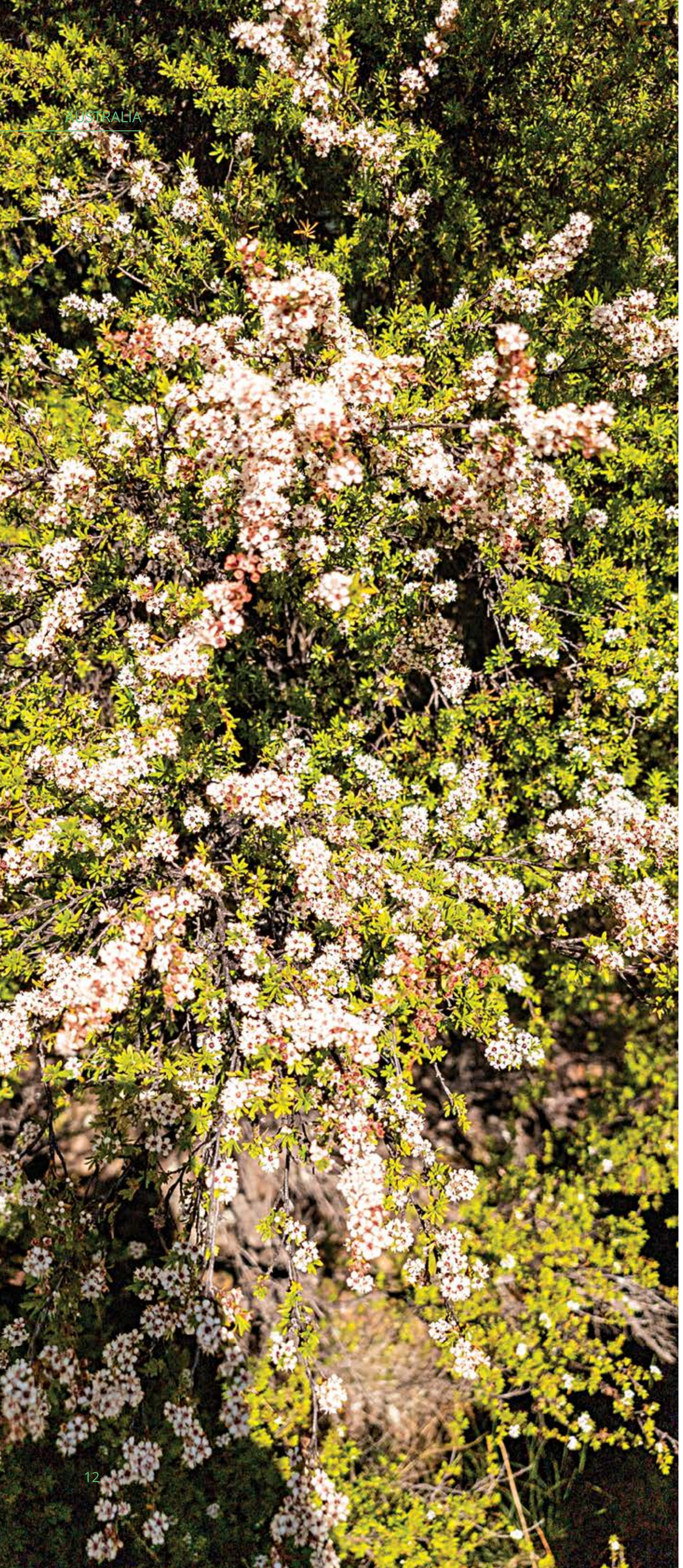
USD 59.00 /kilo

LEMON MYRTLE OIL

Backhousia citriodora *Australia*

This product has always been popular from Australia. It is increasingly being used in fragrance, flavours as well as aromatherapy. Demand for lemon myrtle oil is increasing. Production has increased to cater for the growing demand. Both varieties of organic and conventional are available.

USD 265.00 /kilo



MANUKA OIL

Leptospermum scoparium *Australia*

This oil has been known for its anti-bacterial properties. There has been increasing usage in the cosmetics industry as well. Demand for this oil has been increasing. There is sufficient product available in the market. The quality available is +20% mbk (methyl butyl ketone). The oil price is also stable.

USD 600.00 /kilo

SANDALWOOD OIL – NORTHERN QUEENSLAND

Santalum spicatum *Australia*

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

USD 1100.00 /kilo

TEA TREE OIL

Melaleuca alternifolia *Australia*

Demand for tea tree oil from Australia has been stable. There is large production of this oil in other origins. This was due to the fact that floods destroyed this crop for the last two years. Harvest operations had been delayed due to persistent bad weather. Industry estimates the production of this crop reduced to almost half of the original forecast. Prices seem to be stable.

USD 32.00 /kilo

IFEAT'S 12TH STUDY TOUR TO **SOUTH AFRICA NOVEMBER 2022**

Laura Johnston, *General Manager, Ultra International UK*
Lina Piccininni, *General Manager, Ultra International Inc*

The Ultra Group has always been a strong supporter of IFEAT Study Tours and for several years Ravi Sanganeria was the Chair of the IFEAT Study Tour Committee. Laura Johnston and Lina Piccininni from the Ultra Team participated on the IFEAT's 12th Study Tour that took place in South Africa from Friday 4th November to Saturday 12th November 2022. Each study tour is different. The South African Study Tour (SAST) contrasted sharply with some of the previous Study Tours not only in that delegates saw and smelt a wide range of essential oils from southern Africa but also within the space of eight days travelled over 4,750 km from the Atlantic Ocean to the Indian Ocean and through some magnificent and diverse scenery and cultures. The Study Tour started in Cape Town in the southwest and finished in the east in either Durban or Johannesburg, depending on the departure airport. The days were filled with visits to diverse companies – all IFEAT members - involved in our industry in South Africa. Another important feature of the SAST was the interaction between delegates from 18 countries each of whom had diverse roles in the flavour, fragrance, and aromatherapy sectors. All were willing to share their knowledge and experience either during the company visits or at mealtimes and during their travels together by coach or on flights. Many lasting friendships and business relationships were established.

FEATURE

Under African Skies

The Study Tour was not for the faint of heart – up early, to bed late, six different hotels and on the go all day long – not to mention the inability of our small aircraft to land at the desired location because of low lying clouds, necessitating a five-hour coach ride to finally reach our destination late in the evening. Otherwise, throughout the tour the weather was almost perfect, with only one afternoon of heavy rain. The range of essential oils being produced in South Africa also meant that it was sometimes too early in the season to see some products being harvested or processed. Nevertheless, our very hospitable hosts went out of their way to hold back some harvesting and processing so that participants could see these activities first-hand.

South Africa is an increasingly important global supplier of essential oils, and the region is a significant producer of lesser-known indigenous essential oils and botanicals, which are making their way into new cosmetic and cosmeceutical formulations. November, which is towards the end of spring in South Africa, was a good time to see the growing and processing of several essential oil crops. While travelling around this beautiful country, delegates were able to see diverse environments, alongside magnificent scenery and a rich heritage of traditional music, dance, crafts, costumes, and cuisines.

The tour began in beautiful Cape Town. The Cape is a UNESCO World Heritage Site with the largest floral kingdom in the world and the third highest level of biodiversity. Fynbos (fine leaf plants) are a distinctive type of flora found only on the southern tip of Africa. Fynbos oils include buchu, Cape chamomile, Blue Mountain sage, and Cape snowbush and delegates visited farms producing these oils, as well as organic rosemary, lavender, *Artemisia afra*, and several nurseries where other potential essential oil plants were being cultivated and trialled. On the eastern side of the country delegates visited companies who were growing and producing tea tree, several types of eucalyptus species, lemongrass, niaouli, lemon tea tree and rose geranium. The final day visit to the game reserve also provided the opportunity to learn about other fragrant and medicinal plants.

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

The tour began in Cape Town, Africa's most southerly city, with a Welcome Reception and briefing on the terrace of Table Bay Hotel with stunning views over the harbour towards the iconic Table Mountain. Earlier in the day some of the delegates had climbed up Table Mountain, while two Ultra members chose the easier option of a helicopter trip.

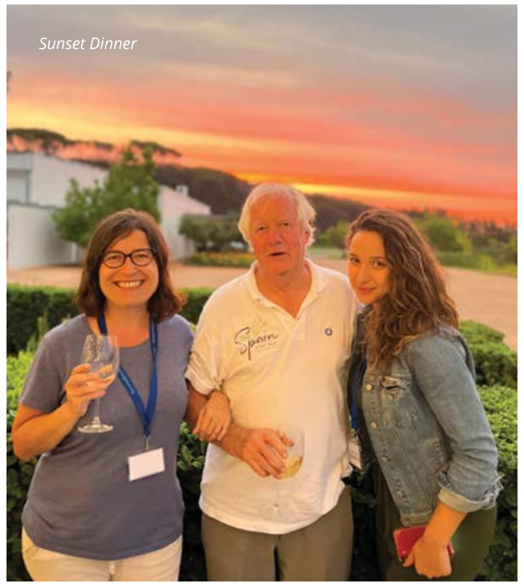
On Saturday November 5th we travelled north to the Cederberg region where two operations were visited. Skimmelberg Fynbos Oils Ltd. (www.skimmelbergfynbosoils.co.za) is organically certified and produces buchu, Cape chamomile, Cape may, Cape snowbush, and rooibos tea. After a superb brunch Lindsay Chicken and Paul Hartwig and their colleagues provided a detailed tour of their operations representing organic farming at its best. The tour included a visit to the buchu fields, the nursery, the innovative wormery providing organic fertiliser for the cultivated buchu and rooibos tea, and the distillery producing buchu and other fynbos oils. The visit ended with a Q and A session and more delicious food and tasting of buchu and rooibos teas.

In the afternoon we visited Mouton's Valley Pty Ltd. (www.piquetbuchu.co.za), owned and operated by Eric and Michele Starke. The beautifully situated farm has been producing buchu for over a hundred years, as well as a wide range of temperate fruits. The farm spanned from a lake in the valley to hills up where the buchu is grown, and the group were lucky enough to ride in the back of an open-air truck and witness the spectacular valley views. We were also able to taste Buchu Hydrosol which is known for many of its therapeutic properties. Today the buchu and other plants are cultivated rather than wild harvested as previously and a new distillation unit had been installed. The long day ended with a meal at the Gold Restaurant in Cape Town where delegates were served with a range of cuisines from many African countries alongside African traditional dancing.

Buchu Bush Growing in the Cape

Organic Rosemary

Organic Nursery



Sunset Dinner

The Ultra Team

Scent Creation Workshop with Frank Rittler

Wine-ding Down

On Sunday November 6th we visited Herbs-Aplenty (www.herbs-aplenty.com), which is to the east of Cape Town and is owned and operated by Elmarie de Bruyn and her son Pietersarel de Bruyn. The company produces a range of oils and herbs: rosemary, lavandin, lavender, Blue Mountain sage, African wormwood, and Cape chamomile – as well as several consumer products, including gin! Touring the farm's growing areas, nursery, and distillery we were treated to many insights into the fynbos oils. Elmarie then held a session of smelling and discussing the many benefits of a whole range of locally produced oils. The day finished off in the Cape Winelands in the foothills of the Helderberg Mountains, with an educational wine tasting session at one of the old wine estates. This was followed by an excellent sunset meal at the Morgenster Estate, which also provided an opportunity for some delegates to show off their dancing skills. Both estates were set in beautiful locations and each had been established over 300 years ago.

The three farms visited at the Cape each covered hundreds of hectares, some of which were protected and devoted to conservation, and set in beautiful locations. The owners were passionate about biodiversity conservation and actively promoting sustainable best practices and benefit-sharing. Moreover, each company is researching and evaluating possible new essential oils to produce.

Another early start on Monday November 7th as we flew from Cape Town to Durban and then onto the beautiful Oyster Bay Hotel at Umhlanga. This overlooks the Indian Ocean and an iconic lighthouse and is one of the best hotels in Africa. In the afternoon there was a Study Tour innovation with a Scent Creation Workshop led by the Master Perfumer Frank Rittler. The local companies had provided a range of local essential oils from which each delegate was able to smell and create their own fragrance, a first for many delegates. The practical work was preceded by an overview of perfume history, fragrance structures, ingredients, and applications. The Workshop ended with the creation of a range of cocktails involving a range of flavours and fragrances. It was very interesting to learn from the local producers what notes they try to bring out in their essential oil production.

Cultivation of Eucalyptus Radiata

Distillation Biomass

Spreading Organic Manure

Lemongrass

The next day was spent travelling north to visit Ayanda African Oils (https://ayandaoils.com), a farming cooperative founded by a group of farmers to sell their products jointly and share their production, processing, and marketing knowledge. There are currently 31 shareholding members producing essential oils on over 700 hectares. Two major products are tea tree and *Eucalyptus Smithii* oils but other oils are being marketed including lemon-scented tea tree, lemongrass and niaouli. In addition, Ayanda is currently investigating several other oils. We spent several hours being shown around the operations by Mathias Wessels, the General Manager, and his colleagues. They provided detailed explanations of their extensive production: harvesting, distillation, processing, and storage operations, including the rum distillery – as well as an excellent meal at a local Portuguese restaurant.

The following day we drove south to visit Lion Rock Essential Oils, a joint venture combining decades of farming experience to become a world leader in producing organic *Eucalyptus radiata* oil as well as tea tree. Dave Mitchell, one of the owners, shared his extensive knowledge and enthusiasm for essential oils with the delegates on an extensive tour of the farming, harvesting, organic manure and distillation operations. We understood better the difficulties and extra efforts put into place for organic farming, including continual hand hoeing and the use of organic fertiliser and compost. Following on was a visit to Oribi Oils, a producer group collaboration between large-scale commercial growers and disadvantaged emerging farmers producing several oils. Oribi Oils works in the tribal area of KwaNyuswa and also in the Oribi Flats. The operation is headed by Stuart and Lauren Bateman and produces several fair-trade essential oils such as tea tree, rose geranium, rosemary, and *Eucalyptus radiata.* Following an excellent lunch Stuart made a presentation on the economic, social, and political aspects of farming operations in the KwaZulu region. This was followed by a drive to the Khula Community Centre, supported by Oribi Oils among others. The Centre provides feeding and educational programmes for the rural community – and we were entertained by the xylophones and drums of their Marimba Boys band. The afternoon activities and entertainment were recorded on a short video available on YouTube: https://www.youtube.com/watch?v=lXxsXf1aOO4

> ***"The next day was spent travelling north to visit Ayanda African Oils a farming cooperative founded by a group of farmers to sell their products jointly and share their production, processing, and marketing knowledge.***

Harvesting Eucalyptus


An Unforgettable Safari Experience

Unfortunately, the next day's visit did not go according to plan. As mentioned earlier, the dense clouds meant our small aircraft were unable to land leading to a diversion to Johannesburg and a long five-hour coach trip to Piet Retief. Nevertheless, the following day was a truly memorable one. A very early start meant that we were able to visit Eucaforest (www.eucaforest.com) and see the harvesting and processing of *Eucalyptus dives,* including the mobile distillation unit and the isolation of the crude oil into its various constituents. The operations were described in detail by several Eucaforest staff supported by Catherine Crowley, the owner and Nicola Laubscher, the CEO, who were also tour participants. In addition, the delegates were entertained by the Eucaforest Choir and dancers to a moving rendition of *Jersusalema*, the global hit that was written and first performed in Zululand.

Then another long drive to Thanda Private Game Reserve to spend the last night. It was not a question of "chilling out" after a very busy week. It was rather spending the afternoon on open vehicles riding around the game reserve seeing some of the icons of African wildlife – elephants, lions, giraffes, cheetahs, rhinoceros, and many others – followed by an excellent "bush dinner" around open fires entertained by a Zulu warrior dance troupe and a lecture on the local aromatic and medicinal plants to be found on the reserve. Some participants were able to sleep in the tented camps at night, immersed in the environment and really elevating the wildlife experience. Late to bed but an early rise at dawn (i.e., 4AM) to make another open top tour of the reserve before back for breakfast and check out. Long days – but unforgettable experiences.

Throughout the tour, delegates saw and discussed at length the growing, harvesting, processing and uses of many essential oils. We received generous gifts from the companies, visited and enjoyed some excellent local cuisine and entertainment. From beginning to end we were fortunate with relatively good weather and excellent organisation. The Local Organising Committee of Catherine Crowley and Nicola Laubscher as well as Mellanie Ferreira of Africa Awaits, the tour agent, and the many South African companies that participated, as well as IFEAT, are to be warmly congratulated on providing yet another memorable Study Tour. For us, on our first IFEAT Study Tour it was a wonderful, unforgettable and in several ways a life-changing experience.

ORANGE OIL CP

Citrus sinensis *Brazil*

The Agricultural Trade Office (ATO)/ São Paulo forecasts the total Brazilian orange crop for marketing year 2022/2023 (July/June) at 405 million 40.8 kg boxes (M. boxes), equal to 16.524 million metric tonnes (MMT). This is a reduction of 2% relative to the current season (marketing year 2021/2022) due to unfavourable weather during the second bloom resulting in a reduced fruit set.

Meanwhile, Fundecitrus' February updated estimate for the 2022/2023 citrus production for the São Paulo and the western Minas Gerais citrus belt placed production at 316.23 M. boxes, (an increase of 0.7% compared to the December forecast). This increase is mainly due to the production of the Pera Rio variety, whose harvest is close to the end with higher-than-expected yield.

The orange production forecast for the state of São Paulo and the western part of Minas Gera includes:

- 58.04 M. boxes of Hamlin, Westin and Rubi (unchanged compared to the December forecast)
- 16.69 M. boxes of other early season (decreased by 0.9%)
- 96.35 M. boxes of Pera Rio (increased by 2.6%)
- 106.17 M. boxes of Valencia and Valencia Folha Murcha (increased by 0.5%)
- 38.98 M. boxes of Natal (decreased of by 1.6%)

The average rainfall that accumulated within the citrus belt between May and November 2022 was 30% below average, affecting the beginning of the crop season. This scenario changed at the end of November 2022, with heavy rains in December 2022 and January 2023 amounting to half of the rainfall that has been registered since May 2022. These heavy rains that occurred in the last two months could have further expanded the crop yield, since they contributed to the growth and weight increase of oranges. However, the highly frequent and intense rainfall also significantly intensified the premature fruit drop, offsetting the positive effect of weight gain. This was especially true for the late varieties, as most of these cultivars had not been harvested when the heavy rains started. The updated crop forecast still remains 0.2% lower than the initial projections, disclosed in May 2022.

Brazilian orange juice production is forecast down 1% to 1.1 MMT as fewer oranges are available for processing. Consumption is forecast to be higher as orange juice consumption has been steadily rising, pushing down exports and stocks.

Production of orange oil continues to struggle to meet increased demand. Supply is still very limited because of the lower-than-expected crop size. Processors are still filling contract requirements from the last two years and there is no carryover inventory. Pricing has remained firm and at a record high, and natural orange derivatives have also started to increase in price as a result. Despite the forecast for higher crop size than the last two years, the price of orange oil remains firm because production costs in Brazil are higher by an estimated 27% compared to the last crop. This is because the cost of fertilisers, energy, and freight, as well as labour costs, have increased.

More trees are affected by greening so the fruits from these trees are below standard quality. In this regard Brazil's Fundecitrus has participated in a meeting with state and local government representatives to discuss the country's citrus greening (HLB) situation. Mayors and representatives of city halls expressed concern about the economic and social effects of the disease. They were especially concerned for small citrus growers impacted by the so-called "edge effect", where HLB-spreading psyllids settle in the first 100 metres of an orchard. Because of the edge effect, the psyllids contaminate a larger portion of the orange trees in smaller groves.

USD 20.00 /kilo

ORANGE PRODUCTION FOR SELECTED COUNTRIES:

Marketing Years Production x 1,000 Metric Tonnes	*2018/19*	*2019/20*	*2020/21*	*2021/22*	*2022/23 Forecast from Jan*
Brazil	19,298	14,870	14,676	16,932	16,524
China	7,200	7,400	7,500	7,550	7,600
European Union	6,800	6,268	6,540	6,720	5,854
Mexico	4,716	2,530	4,649	4,595	4,200
Egypt	3,600	3,200	3,570	3,000	3,600
United States	4,923	4,766	3,981	3,149	2,452
South Africa	1,590	1,414	1,511	1,600	1,650
Turkey	1,900	1,700	1,300	1,750	1,400
Vietnam	855	1,017	1,150	1,150	1,150
Argentina	800	700	750	830	800
Morocco	1,183	806	1,039	1,150	750
Australia	515	485	505	535	505
Costa Rica	295	285	290	300	305
Chile	140	135	200	164	200
Guatemala	178	180	180	180	180
Other	309	356	356	397	358
Total	54,302	46,112	48,197	50,002	47,528

LAVENDER OIL

Lavandula angustifolia *Bulgaria*

Farmers are constantly giving up on lavender fields as they are unable to cover the expenses. Demand for the oil is low, which has impacted the price. Though with production volumes expected to go down next year, the price could rise. Currently, after a good crop season, the supply is sufficient in the market.

EURO 35.00 /kilo

MELISSA OIL

Melissa officinalis *Bulgaria*

After a typical crop cycle, stock is available in the market.

EURO 1250.00 /kilo

ROSE OIL

Rosa damascena *Bulgaria*

While the demand for rose oil continues to rise after COVID, production is unable to pick up pace. The lack of field workers for handpicking roses is a major factor for this. Oil is available in short supply, after a disappointing crop season. Limited quantities have been produced.

EURO 10250.00 /kilo

BLACK SPRUCE OIL

Picea mariana *Canada*

High volumes of raw material are produced in the northern regions. There is an abundance of oil in the market, though prices are not responding accordingly and are still high.

Price on Request

CEDAR LEAF OIL

Thuja occidentalis *Canada*

The situation remains the same. No inventory of the product is available. The production season is over, and shortage of volumes continues.

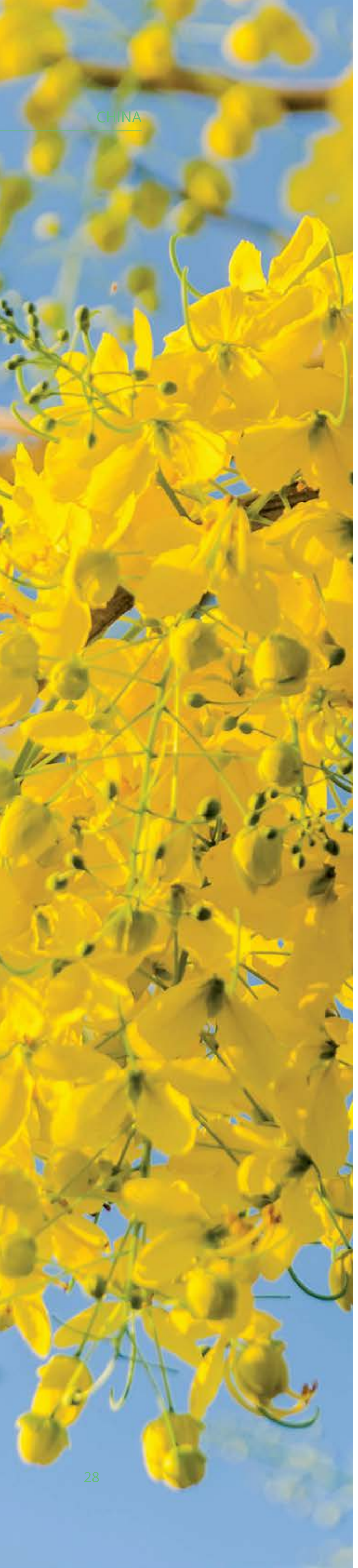
Price on Request

FIR NEEDLE OIL

Abies balsamea *Canada*

It was expected that after Christmas production would increase. However, with increasing levels of snowfall earlier, production has halted. There is a shortage of supply in the market. As a result, oil prices have increased.

Price on Request



CASSIA OIL

Cinnamomum cassia China

The oil production cost for cassia is extremely high and demand for the oil is weak. Spring harvest will commence in May. At present, factories in China have limited stocks and, with the high production costs, prices are expected to hold firm.

USD 45.00 /kilo

CITRONELLA OIL

Cymbopogon winterianus China

Since the easing of border restrictions after COVID, raw material imports from Vietnam and Burma are enough to meet local demand for the product. Farmers have lost interest in citronella and the local crop size is significantly smaller. High labour costs and low market prices have resulted in growing areas reducing over a period.

USD 13.00 /kilo

EUCALYPTUS GLOBULUS OIL

Eucalyptus globulus China

Eucalyptus ex camphor crop size in Jiangxi and Sichuan provinces is constantly increasing. This is keeping the eucalyptol price down. Farmers in Yunnan are not distilling oil at the current price. This has led to shortage of supply after the harvest from the November to January season. Traders are also unwilling to sell stocks at the low price the oil is fetching in the market. In fact, demand for the oil in the first quarter of 2023 was also low as customers are expecting prices to go down further.

USD 12.00 /kilo

GERANIUM OIL

Pelargonium graveolens China

The new crop season will commence at the end of March, though the desired quality will only mature by May. Limited supply of carryover stock from last year is available. Cultivation areas for geranium have reduced drastically and been replaced by economically stable crops like grape and garlic. Plantations in mountainous terrains remain since they are not conducive to fruit cultivation. This is due to high labour costs and the low price of crude oil. Farmers are not willing to sell raw materials at the current low prices. Demand for the oil is low and limited trade is taking place. Thus, price is holding steady.

USD 115.00 /kilo

GINGER OIL

Zingiber officinale China

There is massive demand for ginger from the local Chinese market. Due to COVID restrictions being placed in the country, the price has witnessed a massive spike between November and February. This price trend is expected to continue in the coming months.

Compared to last year, growing area for ginger roots decreased 35-40%.

USD 69.00 /kilo

LITSEA CUBEBA OIL

Litsea cubeba China

The next crop season will commence in July. The demand for the oil is low in the market. Suppliers have stocks to meet demand till June.

Price on Request

MAGNOLIA FLOWER AND LEAF OIL

Michelia alba China

Buyers are advised to stock up on the product now. The next harvest season will commence soon but oil production volumes are expected to go down from last year. This is because the growing area has reduced, as well as plants being cut down. There is already a shortage of the product in the market. Tea companies are massive consumers of magnolia. The price of these two products is already on the rise and is expected to increase further after the next harvest.

Price on Request

OSMANTHUS CONCRETE AND ABSOLUTE

Osmanthus fragrans China

Limited stock is available in the market. Next harvest season will only commence after September. Suppliers are not confident of a good season due to unfavourable weather conditions. This product is also popular among the tea industry in China. The price of osmanthus concrete and absolute have gone up in the last couple of weeks. This upward price trend is expected to continue for the coming months.

Price on Request

STAR ANISE OIL

Illicium verum China

The crop season is about to end. Farmers are not willing to distil at the current low price. Production volumes for oil will decline this season.

USD 24.00 /kilo

TEA TREE OIL

Melaleuca alternifolia China

Tea tree plantation areas reduced last year, and trees were cut for distilling the oil. This will lead to a shortage of the product this year. While demand for the oil is limited, the price is holding steady. It is expected to gradually increase in the coming months. It is advisable for buyers to stock the product now.

USD 26.00 /kilo

TURPENTINE OIL

Pinus species China

The market is volatile currently. The situation has been the same since December and is expected to continue in the short term. This is resulting in a gradual fall in price.

Price on Request

VALERIAN ROOT OIL

Valeriana officinalis China

Chinese pharmaceutical companies mostly consume valerian root oil. Only small plantations grow valerian root, and the area has decreased this year. No new oil is expected in the market in 2023. Last year's carryover stock is sufficient to meet demand, which is extremely weak. Price of valerian root oil touched its lowest levels in the last two years. Currently, the oil price is stable.

Price on Request

WINTERGREEN NATURAL OIL

Gaultheria procumbens China

New crop season will commence in May. Due to the high demand and price in 2022 wild wintergreen leaves were overcut. Recovery of the plant takes time, and thus crop size this season is expected to be small. At present, demand is flat and supply is limited as well. The oil price has also come down from its high from last year.

Price on Request

THE
EASTERN EUROPEAN
COLLECTION

CLARY SAGE OIL

Salvia sclarea *Eastern Europe*

The poor crop last year led to an increase in price. However, the demand is stable now, as stock is available in the market. This has resulted in firming prices in the last few months.

USD 117.00 /kilo

CORIANDER HERB OIL

Coriandrum sativum L. *Eastern Europe*

The stock is almost over. Only limited quantities are produced globally.

Price on Request

CORIANDER SEED OIL

Coriandrum sativum L. *Eastern Europe*

Countries across the globe planted coriander to meet the market demand. Russian coriander is not the only option in the market. The stock is expected to last beyond the summer of 2023.

USD 105.00 /kilo

DILL WEED OIL

Anethum graveolens L. *Eastern Europe*

Major players have already secured their requirements until next year's crop cycle. Thus, there is limited demand in the market, though product is available.

USD 54.00 /kilo

FIR NEEDLE OIL

Abies sibirica *Eastern Europe*

Before sanctions on Russia came into effect, decent quantities of oil were exported out. Thus, premium quality fir needle oil is available in the market. But the price of this oil has firmed at a high level. However, varieties like *Abies sibirica* Ledeb from other countries are also available in the market.

USD 65.00 /kilo

LAUREL LEAF OIL

Laurus nobilis *Eastern Europe*

There is ample stock in the market, though there is silence on the demand front.

USD 125.00 /kilo

LAVENDER OIL

Lavandula angustifolia *Eastern Europe*

Global buyers have reduced their inventories. On the other hand, there is excess stock with producers. This has put pressure on the oil price, which has plummeted.

USD 40.00 /kilo

OREGANO OIL

Origanum vulgare *Eastern Europe*

Market supply is sufficient to cover demand until the next crop cycle. Demand for the product is strong and the price remains stable.

USD 59.00 /kilo

SAGE OIL

Salvia sclarea *Eastern Europe*

During last year's harvest production costs were high, though price for the oil remains stable. Stock is available in the market.

USD 75.00 /kilo

THUJA OIL

Thuja orientalis *Eastern Europe*

There is decent supply in the market. The price is stable.

USD 50.00 /kilo

BASIL OIL

Ocimum basilicum *Egypt*

There is limited supply in the market as the price has increased dramatically.

USD 77.00 /kilo

CHAMOMILE OIL

Matricaria chamomilla *Egypt*

The new production season will commence soon. At present the market is stable, though raw material price is expected to be high.

USD 650.00 /kilo

CUMIN OIL

Cuminum cyminum L. *Egypt*

Raw material availability is an issue. Until the next crop cycle in May 2023 the price is expected to remain high. At present the price has increased exponentially.

USD 110.00 /kilo

GERANIUM OIL

Pelargonium graveolens *Egypt*

There is good supply in the market, but the demand is limited. With speculators in play, the price has gone up.

USD 77.00 /kilo

JASMINE ABSOLUTE

Jasminum grandiflorum L. *Egypt*

There is good supply in the market.

USD 2200.00 /kilo

MARJORAM OIL

Origanum majorana *Egypt*

The cultivation area for this product is limited. This has resulted in a price rise.

USD 59.00 /kilo

NEROLI OIL

Citrus aurantium var. amara *Egypt*

The new season of production commenced in March. There is sufficient stock in the market.

USD 755.00 /kilo

FEATURE

ATELIER ULTRA
INSPIRED CREATION

Atelier Ultra is a unique space that lets ideas breathe, encourages creativity, and teaches the nuances of essential oils and natural ingredients. The Ultra International site in Chertsey, West London is home to Atelier Ultra. A multi-functional space, Atelier Ultra entertains customers, holds meetings, workshops, and performs olfactive analysis on samples and products. Over the course of time, it has evolved into an educational gateway to history and literature. It is also a futuristic hub and possesses the ability to perform small tests and formulation development within it.

The space is a fragrance lover's paradise. It is equipped with a multimedia unit, conference table, multifunctional workbench, perfumer's organ, an interactive essential oil library, and a compelling collection of artifacts tracing Ultra's legacy and the history of essential oils. Atelier Ultra has emerged as a germinating hub and a delightful source of information for staff and visitors alike. Perfumers have revelled in its visual appeal and practical usage. And our quality control officers have found a pleasant abode to carry out operations.

A WALK DOWN MEMORY LANE

Ultra International has a rich 90-year history and legacy. This wealth of knowledge and experience is now being shared with the world via Atelier Ultra's library. This section houses original 90-year-old recipes, adverts, photographs dating back a century, and lovely antique ornate bottles line up in the cabinets here. The essential oils library also has records of all current operations with a product list from our global sites.

WHERE CREATIVITY FLOURISHES

Atelier Ultra was designed as an abode that inspires and lets creativity flow. The space has sections labelled and organised by olfactive family. To provide depth and context to our global operations botanical photos and dried ingredients are mixed within the facilities. The scale of our global coverage is on show at the perfumer's compendium, which is home to 200+ product samples from 25+ countries we source and produce in. It is also well-equipped to handle regular smelling or olfactive checks on materials.

FEATURE

THE LEARNING WING

Atelier Ultra has a dedicated learning space. The large workbench and conference centre can hold 10 people for a workshop, or training activity. The space allows the exchange of ideas to develop sustainable projects, and innovative essential oil formulations. A couple of dedicated personnel help organise essential oil training workshops. Perfumer and flavourist presentations are less structured. It becomes a hub of ideas exchange. Creativity flows, as participants pick and mix essential oils from shelves to craft mesmerising fragrances.

UNIQUE CREATIONS

Atelier Ultra is the breeding ground for unique and special creations. With its extensive library and learning wing our valued customers can experience the delight of creation. From visiting plantations to tracing origin stories of enticing essential oils, Ultra Atelier is where the astonishing is born. Some of the oils we seek to cover on this voyage include:

NEROLINA OIL AUSTRALIA

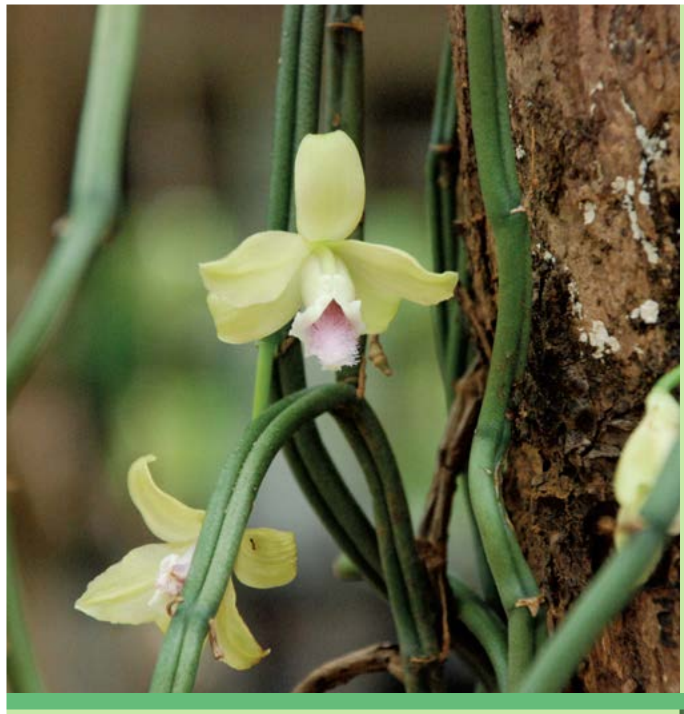
Derived from the leaves of the Australian plant, *Melaleuca ericifolia*, nerolina oil possesses a fresh, invigorating aroma. Due to its antiseptic, anti-inflammatory, and soothing properties, it is a popular ingredient in aromatherapy, natural cleaning, and skincare products.

CARDAMOM CO_2 INDIA

Cardamom CO_2 is a high quality, pure and concentrated form of essential oil obtained from the cardamom plant. The oil is extracted using the newer and advanced method of CO_2 extraction. The resulting oil obtained possesses therapeutic properties and is a popular antiseptic, antifungal and soothing agent. Cardamom CO_2 oozes a strong, spicy, and sweet aroma and is a popular flavouring ingredient in food and beverages. It also has a market among perfumers and aromatherapists.

VETIVER OIL PONDICHERRY, INDIA

Laden with a deep earthy fragrance, vetiver oil is extracted from the magical grass, vetiver, found on the coasts of Tamil Nadu. Due to its grounding properties, vetiver under expert supervision is occasionally applied on skin for relieving stress, as well as for emotional traumas and shock. It is also popular in aromatherapy due to its abilities to relieve nervousness, insomnia, joint and muscle pain.



NATIVE VANILLA MEXICO

The most flavourful and aromatic of all vanilla species, native vanilla is extracted from *Vanilla planifolia* found in Mexico. With a rich, sweet, and creamy flavour, native vanilla is widely used by the food and beverage industry. Its enticing aroma also makes it a popular fragrance in perfumes, soaps, and various personal care products.

EUCALYPTUS OLIDA AUSTRALIA

This oil is extracted from the leaves of *Eucalyptus olida* or strawberry gum tree native to Australia. While the tree itself is prized for its fragrant wood and ornamental value, the oil has a variety of applications. It has a hint of strawberry that could add the fruity notes in a perfumer's palette. Since it is believed to possess antiseptic and anti-inflammatory properties, it is also used in the treatment of skin conditions like acne, insect bites, and wounds. It is also a popular product in aromatherapy.

The vision at Atelier Ultra is to engage and prosper as a community. Anyone in the Ultra family is welcome to use the space and expand their knowledge about essential oils. Employees as well as outsiders can undergo olfactive training and be enchanted by the product range we have to offer. Our aim is to aid comprehension about the workings in the essential oils space, and growth in the industry.

Atelier Ultra is a germinating pod for creativity. It accomplishes the task by providing a haven to meet, create, educate, and share the passion for all things natural. Historical records and artifacts, latest technology, brightest minds, new research, all come together at Atelier Ultra to promote a sustainable future for the essential oils industry.

BLACK PEPPER OIL

Piper nigrum *India*

Farmers are moving away from pepper due to unpredictable weather. With this, the area under cultivation has declined. Production volumes are expected to reduce in 2023 and settle somewhere in the range of 53,000 MT. Reduced global demand and imports from other countries have put pressure on Indian pepper prices.

USD 49.00 /kilo

CARDAMOM OIL

Elettaria cardamomum *India*

Production volumes are expected to be 10% lower than normal. There is a massive increase in global demand for cardamom. This has led to an increased interest from farmers for the product. Earlier, they had exited the market due to falling prices. The current demand scenario has seen an enormous spike in cardamon prices.

USD 355.00 /kilo

DAVANA OIL

Artemisia pallens *India*

The harvest in Karnataka has been delayed by a month and a 30% crop loss is expected. Rain is responsible for the wilting of crops and delay in harvesting. In Andhra Pradesh, the crop is good, but the vigour is not meeting standards. With temperatures increasing and harvest delayed, the oil yield will also decrease. In Karnataka production volumes are expected in the range of 15 MT/hectare, while Andhra will see yield around 10-12.5 MT/hectare

USD 1055.00 /Kilo

FRANKINCENSE OIL

Boswellia serrata *India*

India is the second largest producer of frankincense. There is high demand for both resins and oil. The major consumers are fragrance, aromatherapy and pharmaceutical industries. The current season crop is good and the price is stable.

USD 55.00 /kilo

GINGER OIL

Zingiber officinale *India*

The harvest season is almost over, and the yield is approximately 15% lower than last year. One of the reasons for this is the low cultivation area in Karnataka. Stock of extraction quality ginger is already exhausted. Low volumes of carryover stock, in addition to low yields, will lead to a shortage of the product in the market. This will result in an increase in price.

USD 70.00 /kilo

JASMINE ABSOLUTE

Jasminum grandiflorum *India*

There has been continuous rain in the jasmine producing areas of southern India. The fine fragrance industry is a large user of jasmine absolute. The recent harvest produced a low yield so prices may increase.

Price on Request

PEPPERMINT OIL

Mentha piperita *India*

The demand for Indian peppermint is increasing. India is the leader of global mint production. The crop was good last year and there is a consistent supply of oil. However, there has been a price increase due to increasing demand.

USD 27.00 /kilo

TURMERIC OIL

Curcuma longa *India*

The harvest season is ongoing, and market supply has increased. Even though the cultivation area decreased, due to favourable conditions, production is expected to be 1.3 MT, which is comparable to last year. In comparison to demand, supply is extremely high. The addition of fresh stock, along with carryover stock, has increased the market supply of turmeric. This has resulted in the fall of turmeric prices. They are expected to hold firm this month. Depending on international demand, the price may fluctuate further.

Price on Request

FEATURE

ON THE ROAD TO SIMPPAR, PARIS

Laura Johnston and Rafael Bourdeau, Ultra International UK

Sometimes it is the journey that teaches you a lot about that destination.

Imagination and artistry flow through the veins of the city of love, Paris. The greatest poets, writers, painters, musicians, and actors have found inspiration in the mesmerising beauty of this twinkling city. Paris is where white stone houses exude luxury, fragrant flowers embellish cobbled streets with painters and musicians galore, and the aroma of freshly baked croissants floats in the air. Seeking inspiration in this artistic hub is SIMPPAR, a confluence of the greatest talent in the world of aromas.

At the edge of central Paris, soaking in the glory of the city, and yet, away from commotion is The Espace Champerret, the venue for SIMPPAR 2023.

THE STORY OF SIMPPAR

Over three decades ago, the quest to craft smells that nurture the soul and delight senses led to the creation of SIMPPAR by the French Society of Perfumers. Today, it stands as the symbol of novelty and creation. It is the oldest and most critical trade show in Europe for raw materials and services for the perfume industry. Every year, the participation of exhibitors, especially foreign producers grows leaps and bounds. In 2022, SIMPPAR welcomed 106 exhibitors from 23 countries. At SIMPPAR the agenda is to find the perfect match; to introduce new raw materials and producers to perfumers, sales representatives, and marketing managers.

A JOURNEY OF EXPLORATION

Ultra International is a proud participant of SIMPPAR 2023. But we like to keep the creativity alive. We are adventurous whilst focused on sustainability and upcycling. We want to take something old and turn it into gold. So, we decided to dust off the cobwebs of our 50-year-old beloved VW Campervan and travel by road. Impacting nature and being impacted by her. Route mapped; picnic baskets are also being pulled off shelves as we embark on a road trip of fragrant explorations to make our way to SIMPPAR 2023.

THE PICTURESQUE ROUTE

In the words of famous American philosopher, Ralph Waldo Emerson, *"Life is a journey, not a destination."* And with that thought, we gear up for SIMPPAR. We will begin this sojourn from the sprawling metropolis of London and travel 483 kilometres to reach paradisal Paris. This captivating journey will be completed in 24 hours as two enthusiastic members of the Ultra team, Laura Johnston and Rafael Bourdeau, get behind the wheel. Along the way we will make six pit-stops to refuel, recharge, and rotate drivers. And let's not forget, the 50-year-old campervan needs its beauty rest too.

But can a road trip be successful without the right company? And, by company we mean food! So, before we get on the road, we intend to make a quick stop at New Covent Garden Market in London. Who can resist decadent, freshly baked treats? And while we are there, a refreshing bunch of flowers is a must. Our van will be loaded with the world's most popular fresh cut blooms and some delicious snacks to satiate hunger pangs.

Once we are loaded and locked, this is what our voyage will look like.

LEEDS CASTLE – A ROYAL DAY OUT

Our first stop will be a 12th century royal palace. Leeds Castle is one of the most mesmerising medieval castles in England. Surrounded by 500 acres of beautiful parkland and gardens, the castle projects into its natural lake. It has been owned by monarchs for generations, six of whom have been queens of England. Leeds Castle is a palace of contrasts which offers thrilling experiences, tranquil escapes, and spots for quiet reflection.

SEVEN SISTERS CLIFFS – A DRAMATIC COASTLINE

After medieval England, our next stop will be the dramatic white cliffs. The Seven Sisters are adorned by the pristine English Channel on one side, and the delightful English countryside on the other. The towering cliffs are part of England's South Downs National Park and located near Brighton. For hikers the Seven Sisters cliff walk is a dream. For others there is always the opportunity to enjoy stunning coastal views, wildlife spotting, cycling, kayaking, and paddle boarding at the Seven Sisters Country Park.

CROSSING THE CHANNEL IN STYLE

The boat journey from Dover to Calais typically takes around 90 minutes and is a popular route for travellers crossing the English Channel between England and France.

The journey begins at the port of Dover, which is located on the southeastern coast of England. We are very excited to sail across the channel with our van and take the opportunity to enjoy the scenery on the way.

On a clear day you can see the iconic white cliffs of Dover receding into the distance, while on the other side of the Channel, you can see the French coastline coming into view.

As the ferry will approach the port of Calais, the French coastline will be visible more clearly. We are looking forward to our boat journey from Dover to Calais across the English Channel.

ABBEVILLE – REFLECTING ON THE PAST

As we bid adieu to England and say hello to France, we will stop over at Abbeville. A historic city, Abbeville, is swept in the beauty of ancient architecture and mesmerising gardens. Abbeville's belfry is a UNESCO World Heritage site and one of the oldest structures in France. Dating back to 1209, this belfry climbs almost 30 metres with two-metre-thick walls.

AMIENS – VENICE OF THE NORTH

Next up on our itinerary is the town of Amiens. Dubbed as the Venice of the North, a network of over 65 kilometres of public channels creates an intricate watery kingdom in Amiens. It is encompassed by lily-covered water and tranquil surroundings. Amiens is also home to France's largest cathedral. The façade of this 13th century Gothic landmark is decorated by over 1,000 statues and carvings.

BEAUVAIS CATHEDRAL – AN AWE-INSPIRING STRUCTURE

Just before hitting Paris, 60 kilometres outside the city, is the gravity defying Beauvais Cathedral. Beauvais doesn't feature on most tourist itineraries to France. But this surprising stopover is home to the gorgeous Beauvais Cathedral. This true gem of gothic architecture, the Saint-Pierre Cathedral possesses awe-inspiring proportions that would dwarf the Parisian Notre Dame Cathedral.

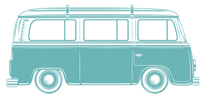
CHANTILLY – A HINT OF CREAMY SWEETNESS

Another 10 kilometres and we reach Chantilly, our final stop before Paris. Chantilly is a town that owes its fame to an impressive Renaissance castle, one of the world's most exclusive fabrics, and it is the perfect spot for hot chocolate. While whipped cream has been around since the time of Catherine de Medici, it is the town of Chantilly that added sweetness to this recipe. So, when in Chantilly, our hearts and stomachs both crave dollops of whipped cream.

Everyone at Ultra is delighted to be part of SIMPPAR and undertake this adventurous ride to the trade fair. Hopefully it's bump-free, but nonetheless, we will keep you updated. So, come by to say *'bonjour.'*

"Sometimes it is the journey that teaches you a lot about that destination." With that thought, we are ready to fire up the engine and hit the road.

See you all at SIMPPAR 2023!



INDONESIA

THE INDONESIAN **COLLECTION**

CAJEPUT OIL

Melaleuca cajuputi *Indonesia*

The market for the oil is stable.

USD 23.00 /kilo

CANANGA OIL

Cananga odorata Indonesia

The demand and supply dynamics for this product is balanced.

USD 75.00 /kilo

CITRONELLA OIL

Cymbopogon winterianus Indonesia

There has been low demand for this product. Farmers are choosing to switch to other crops that are more economically beneficial. This trend may reduce the supply volume.

USD 12.75 /kilo

CLOVE OIL

Eugenia caryophyllata Indonesia

Crop size was very small, and production volumes are expected to be almost half of what is received during a good harvest. The quantity of oil produced has reduced significantly. Due to leaves not drying completely, eugenol content was low.

USD 14.50 /kilo Leaf rect 85%
USD 22.00 /kilo Bud
USD 17.50 /kilo Eugenol

NUTMEG OIL

Myristica fragrans Houtt. Indonesia

Due to heavy rainfall, raw material is not drying completely. There is a considerable fall in oil yield. Despite high demand, supply of this product remains limited. Indonesia remains the primary producer of nutmeg oil in the world, so due to the gap between demand and supply, prices see an upward trend.

USD 84.00 /kilo

PATCHOULI OIL

Indonesia

Pogostemon cablin

Oil supply has declined in terms of quality and quantity. Yield has also declined due to harsh weather conditions. For the last few months patchouli oil prices have been volatile, making purchasing decisions complicated. As raw material prices continue to surge, collectors and producers are looking to find an optimum balance.

USD 41.00/kilo 30PA Dark
USD 42.00/kilo 30PA IF
USD 44.00/kilo 30PA MD

VETIVER OIL

Vetiveria zizanioides Indonesia

Production volumes are extremely low. Currently oil prices have an upward trend.

USD 265.00 /kilo

CLOVE OIL

Eugenia caryophyllata Madagascar

While the expected crop size from the last harvest was 15,000 tonnes, it has fallen to 11,000-12,000. Flooding due to the cyclone has disrupted production. There is limited demand in the market and the price is low.

USD 15.00 /kilo

LIME OIL

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

Mexico lime production in 2022/2023 is forecast down 5% to 2.8 million metric tonnes (MMT) as higher input costs reduce use and drive down yields. Lower available supplies reduce consumption, exports and fruit for processing.

Mexico's lime production consists of three main varieties - Persian lime which is 52% of the production, Key lime is 42%, and lemons which are referred to as limes in Mexico are 6%, so the total production and processing mentioned above consist of all three. Lime is grown all year long in Mexico, with peak season occurring in the summer months (May - July).

The area harvested and the number of bearing lime trees are higher than last year, however the crop size is less because of lower yield since growers are applying fewer fertilisers and pesticides as a consequence of over a 200% increase in price for these inputs.

At the same time, limes have been gaining popularity and this has resulted not only in a huge increase in demand for the fresh fruits but also contributed to the substantially higher price. In addition, these conditions have led to a significant decrease in the number of fruits for processing and therefore lime oil has soared to record high prices.

USD 102.00 /kilo (Key lime oil)

USD 45.00 /kilo (Persian lime oil)

FRESH MEXICAN LIMES: PRODUCTION, SUPPLY AND DISTRIBUTION (1,000 METRIC TONNES)

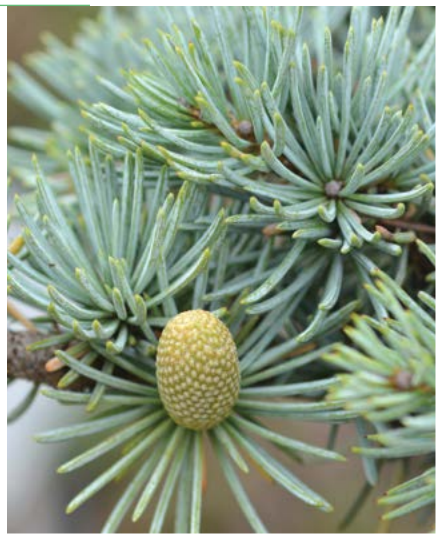
	2017/18	*2018/19*	*2019/20*	*2020/21*	*2021/22*	*Jan 2022/23*
Production	2,311	2,686	2,851	2,870	2,954	2,800
Fresh domestic consumption	1,190	1,542	1,549	1,757	1,985	1,955
For processing	396	397	507	350	300	250
Exports	729	751	798	769	678	600

BLUE TANSY OIL

Tanacetum annuum *Morocco*

Low quantity of organic blue tansy oil is available in the market. There is limited demand for the oil, thus no production took place in 2022.

Price on Request



CEDARWOOD ATLAS OIL

Cedrus atlantica *Morocco*

Production volumes are holding steady, though there is low demand for the oil. This has resulted in prices falling.

EURO 19.00 /kilo

NEROLI OIL

Citrus aurantium *Morocco*

The upcoming harvest cycle is in March-April. The stocks from the 2022 crop are available in limited quantity.

EURO 2995.00 /kilo

ROSEMARY OIL

Rosemarinus officinalis *Morocco*

The next crop cycle is in June. Due to late rains the current harvest will fall short of expected volumes. Limited stock is available in the market.

USD 65.00 /kilo

WILD CHAMOMILE OIL

Ormenis multicaulis *Morocco*

The next crop will only be available in April. At present, the oil is not in stock.

Price on Request

CABREUVA OIL

Myrocarpus frondosus *Paraguay*

Production levels have been good. There is sufficient supply of oil in the market.

Price on Request

GUAIACWOOD OIL

Guaiacum sanctum *Paraguay*

The ban on the product in the EU is expected to be lifted between April-May. The quota for 2023 will be fixed in September. The oil will only be available post that.

Price on Request

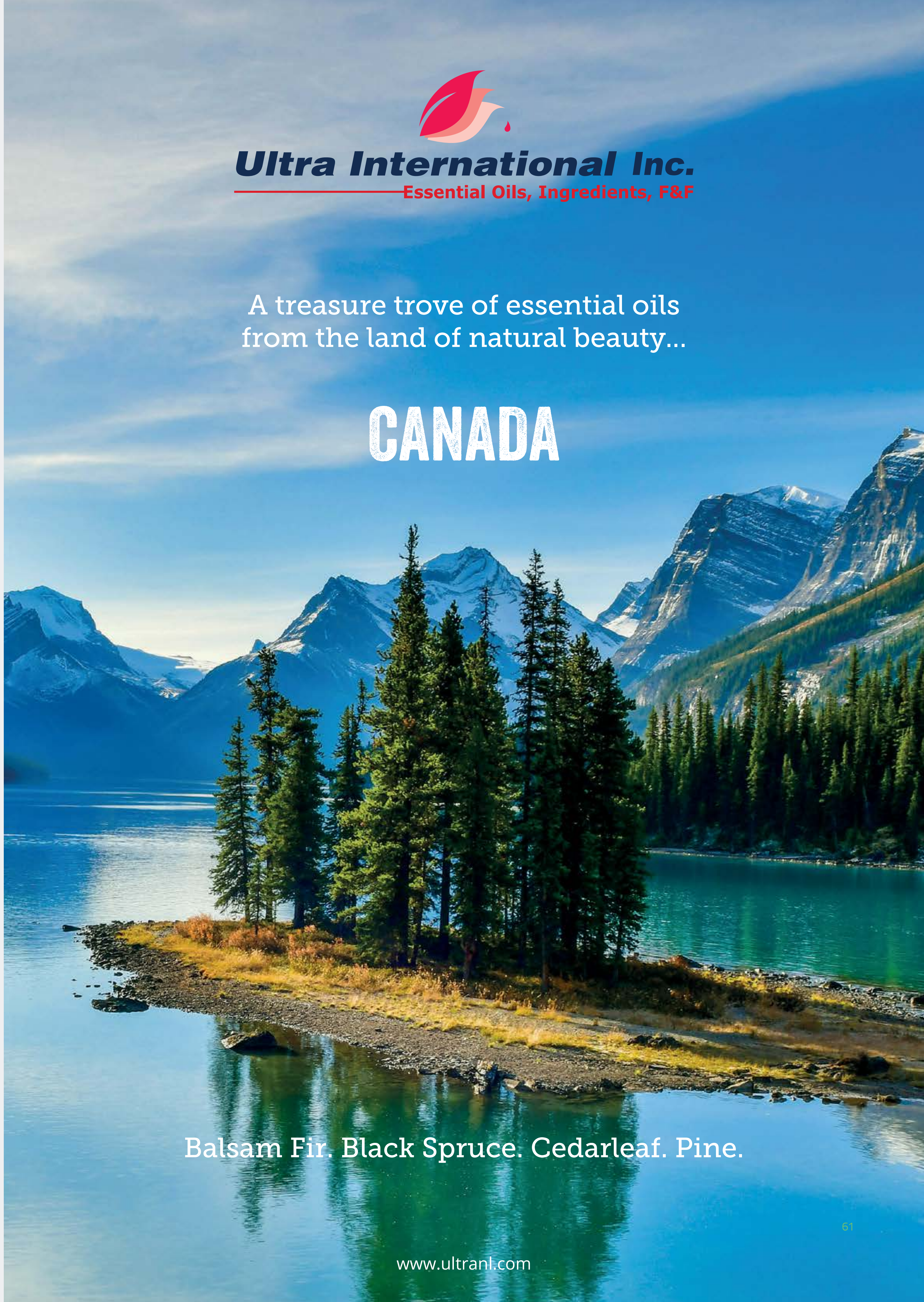
PETITGRAIN OIL

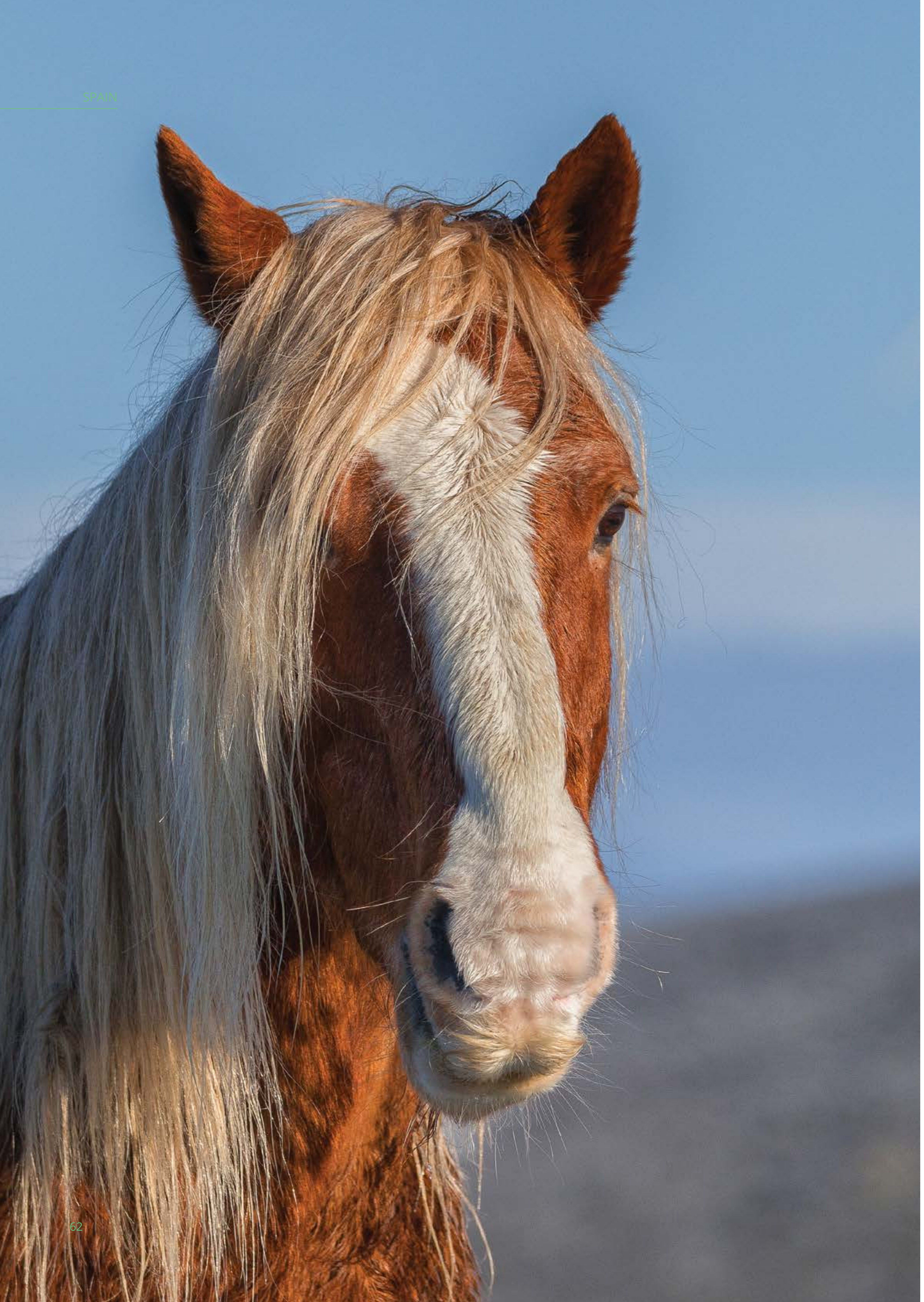
Citrus aurantium *Paraguay*

Production in February was slow due to rains and sesame seed harvesting. It is expected to pick up in March to make up for the lost production volumes in October-November. As compared to previous years, last year production in the second half of the year was lower, though December and January witnessed great production levels. The major production season is about to conclude. The primary season starts in mid-October and ends in February. In the other months low levels of production take place.

Due to the severe drought, production volumes will not meet expectations. The price for the oil remains stable.

USD 79.00 /kilo





LEMON OIL

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

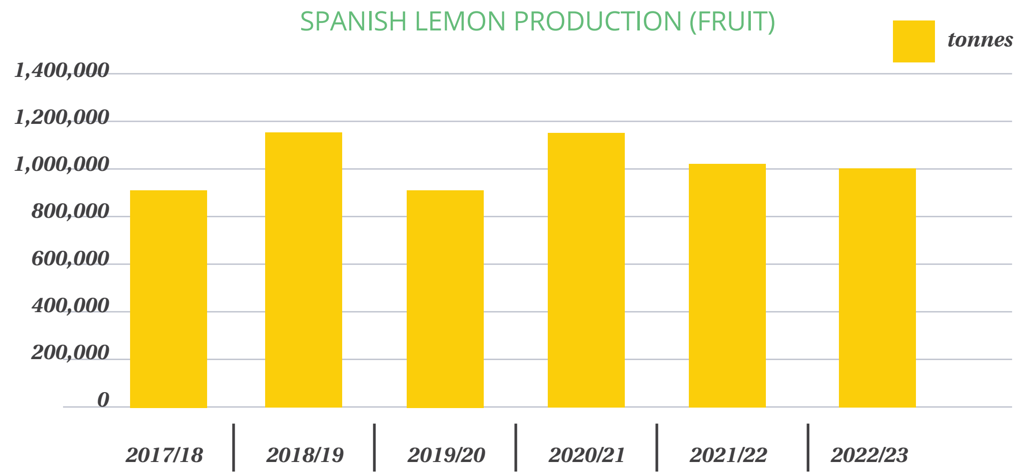
AILIMPO forecast for the 2022/2023 crop season currently estimates a production of 1.011 million metric tonnes (MMT), which is slightly lower from the previous season. This slight reduction is attributed to the excessive rainfall experienced during March and April 2022, which is the flowering stage for lemon trees.

Spain is a key citrus and lemon player in the world. It has a large tradition on lemons, especially on the fresh side. Producing for the fresh market guarantees the viability of the producer and means a long term guarantee for processing. Its main lemon-producing regions are Murcia, Valencia, and Andalusia. One of Spain's main strengths as a lemon producer is its unique ability to grow and process fresh lemons all year round thanks to the region's two varieties of lemon: Fino and Verna. The Fino lemon season runs from September to April and the Verna lemon season runs from May to July. This unique seasonality provides Spain with fresh lemon material all year round.

Of all the lemon material produced in Spain, around 25-30% goes towards processing for the juice and essential oil industries. Between 2010 and 2021 an estimated 2.4 MMT of lemon were annually processed globally of which Spain accounted for approximately 17% and Argentina approximately 50% of total lemon processed in the world. In 2021, according to AILIMPO, global production of lemon oil was estimated at 10,340 MT of which Spain accounted for 1,451 MT and Argentina 6,000 MT.

The organic market plays a major role in Spanish lemon production. Organic farming operations have steadily increased over the last decade, with 20% of the total lemon area in Spain now being organic. Spain is at the forefront of the world's organic lemon market with more than 170,000 MT of organic lemons shipped from Spain each year. However, the recent economic downturn has led to stable if not declining demand for organic lemon products. The future of Spanish lemon production is firmly rooted in sustainability. Lemon has the lowest water footprint of any crop in Spain (271m^3 /t), and its environmental efficiency has increased dramatically over the last 30 years.

EURO 10.00 / kilo



Lemon crop production for 2022/23 estimated at 1,011,00 tonnes which is slightly lower sv. last year's crop season.

Sri Lanka seems to be recovering from financial crisis. Political reforms have been suggested by the IMF that are supporting businesses. The Sri Lankan rupee remains weak against the US dollar, hence supporting export industries.

CINNAMON BARK OIL

Cinnamomum zeylanicum *Sri Lanka*

Even though the current season is low season for cinnamon bark oil, material has been available. This could be due to the continuous rainy season. Prices remain stable.

USD 285.00 /kilo

CINNAMON LEAF OIL

Cinnamomum zeylanicum *Sri Lanka*

Demand is low for this product while production is stable. Due to this situation lower prices have resulted.

USD 17.00 /kilo

CITRONELLA OIL

Cymbopogon nardus *Sri Lanka*

There has been constant growth in demand for Ceylon citronella oil. Prices have been increasing in the past months.

USD 19.00 /kilo

CLOVE BUD AND STEM OIL

Eugenia caryophyllata *Sri Lanka*

Excessive rain continues to bring issues with this crop. There are challenges with drying the material, leading to loss in production. Prices continue to rise.

Price on Request

NUTMEG OIL

Myristica fragrans Houtt. *Sri Lanka*

Prices of nutmeg oil have been increasing. Excessive rainfall is not supporting a good nutmeg crop.

USD 69.00 /kilo

THE USA **COLLECTION**

CEDARWOOD OIL

Juniperus mexicana *USA*

At least 4-5 varieties of cedarwood are being sold in the market. The majority of buyers are not in the market for natural composition of oil produced. Customers demand special compositions of this oil. These require an intensive production process by re-blending various fractions and isolates to provide the required fragrance. It puts massive pressure on production costs. Suppliers don't maintain stocks of cedarwood oil, and the lead times vary from 8 to 12 weeks, though a surge in demand has reduced these lead times.

USD 32.00 /kilo

GRAPEFRUIT OIL

Citrus paradisi USA

Latest forecast from USDA in March for all USA grapefruit production is 8.10 M boxes, over 10% down from the previous season due to fruit drop caused by citrus greening and the high winds of Hurricane Ian last year. This forecast consists of 1.60 M boxes for Florida (1.44 M boxes of red grapefruit and 160,000 boxes of white grapefruit), 4.30 M boxes for California, and 2.20 M boxes for Texas.

Grapefruit growing areas have decreased over time, reducing availability of all oil types, particularly grapefruit oil white, making many customers remove grapefruit oils from their formulas. This has given fresh fruit consumption the advantage in the market, leaving very little material for the processing industry.

USD 46.00 /kilo (Grapefruit oil white)

USD 32.00 /kilo (Grapefruit oil pink)

USA ESTIMATED GRAPEFRUIT PRODUCTION 2019/2020 TO 2022/2023 FORECAST ('000 BOXES)

Crop & State	2019/20	2020/21	2021/22	2022/23 Mar forecast
Florida-All	4,850	4,100	3,330	1,600
Red	4,060	3,480	2,830	1,440
White	790	620	500	160
California	4,700	4,200	4,100	4,300
Texas	4,400	2,400	1,700	2,200
Total	13,950	10,700	9,130	8,100

USA

LEMON OIL

Citrus limon (L.) Burm. F. USA

The March USDA USA total lemon production forecast for 2022/23 stands at 23.50 M boxes. Arizona production stands at 1.50 M boxes, up from 950,000 boxes final production in 2021/22. The forecast for California production went down from 24.9 M boxes in the 2021/2022 season to 22 M boxes.

USD 24.00 /kilo

USA ESTIMATED LEMON PRODUCTION 2019/2020 TO 2022/2023 FORECAST ('000 BOXES)

Crop and State	2019/20	2020/21	2021/22	2022/23 Mar forecast
Arizona	1,800	750	950	1,150
California	25,300	20,100	24,900	22,000
Total	27,100	20,850	25,850	23,500

ORANGE OIL

Citrus sinensis USA

According to the USDA March 2023 forecast, total USA orange 2022-2023 production is estimated at 63.35 million boxes (M boxes):

- 16.10 M boxes for Florida, with 6.10 M boxes of non-Valencia oranges (early, mid-season, and Navel varieties), and 10.0 M boxes of Valencia oranges;
- 46.10 M boxes for California, over twice as many oranges as Florida in 2022/2023, with 38.00 M boxes of non-Valencia oranges (early, mid-season, and Navel varieties), and 8.10 M boxes of Valencia oranges; and
- 1.15 M boxes for Texas.

All Florida production is estimated down 61% compared to last season's final production mainly due to fruit drop caused by citrus greening and high winds from hurricanes. Hurricane Ian first and then Nicole made landfall along the Southwestern coast of Florida and affected four of the largest citrus growing counties. Moreover, the citrus growing region experienced cold temperatures at the beginning of the bloom period causing widespread frost damage to leaves, twigs and bloom in many groves, followed by drought in all areas. The unfavourable weather conditions caused the fruit set to be less and the fruit sizes to be smaller than most seasons. Moreover, orange production continues to decline in Florida due to greening. Thus, real estate developments are growing and many of the citrus groves are now used to build commercial buildings and homes for a growing population.

Since Florida processes about 90% of their crop, lower production volume represents less fruit going to processing, affecting the global supply of juice, orange oil and other byproducts. This has caused the USA moving down in rank to the third spot in the processing of oranges, overtaken by Mexico.

USD 20.00 /kilo

ORANGE PROCESSING FOR SELECTED COUNTRIES

For Processing x 1000 Metric Tonnes	*2018/19*	*2019/20*	*2020/21*	*2021/22*	*Forecast from Jan 2022/23*
Brazil	14,362	9,915	10,118	12,281	11,913
Mexico	2,200	900	2,200	2,150	1,760
United States	3,378	3,050	2,498	1,844	1,140
European Union	1,309	848	996	1,110	659
Egypt	360	335	350	300	300
China	520	400	350	249	240
Costa Rica	216	213	215	218	221
Australia	210	195	226	215	210
Argentina	307	190	186	200	200
South Africa	333	76	123	174	184
Other	197	182	196	219	193
Total	23,392	16,304	17,458	18,960	17,020

The orange oil market remains firm, with strong demand and supply at historical low volumes. And until safety stocks are recovered it is unlikely that oil producers will be able to keep up with worldwide demand alongside other variables, including inconsistent weather and global events. Thus, price is on the increase, not only due to the imbalance of demand and supply, but also to inflation and to an increase in labour and maintenance of the groves and trees costs.

USA ESTIMATED ORANGE PRODUCTION 2019/2020 TO 2022/2023 FORECAST ('000 BOXES)

Crop and State	*2019/20*	*2020/21*	*2021/22*	*2022/23 Mar forecast*
Non-Valencia Oranges				
Florida	29,650	22,700	18,250	6,100
California	43,300	41,300	31,800	38,000
Texas	1,150	1,000	170	900
Total	74,100	65,000	50,220	45,000
Valencia Oranges				
Florida	37,750	30,250	22,800	10,000
California	10,800	7,700	8,600	8,100
Texas	190	50	30	250
Total				
All Oranges	48,740	38,000	31,430	18,350
Florida	67,400	52,950	41,050	16,100
California	54,100	49,000	40,400	46,100
Texas	1,340	1,050	200	1,150
Total	122,840	103,000	81,650	63,350

FEATURE

INDONESIAN WANDERLUST
A TALE OF THE ESSENTIALS INSPIRATION

Indonesia, a nature's blessing, one of the richest biodiversities in the world. With a heavy presence of volcanos, their lands are rich in nutrients laden with volcanic soil, making them one of the most fertile lands across the globe. For centuries the nation has played a crucial role in medicine and culture, and now holds an indispensable position in the world of flavours and fragrances.

Indonesia is a treasure trove of natural resources. It is home to an extensive variety of products, which can rival collections from most countries. Particularly for the fragrance, flavour, pharmaceutical, and aromatherapy industries, Indonesia is a pivotal destination. Natural products like aromatic plants flourish in these lands, and in turn, a diverse selection of high-quality essential oils flood the markets. Clove, citronella, patchouli, nutmeg, cananga, and vanilla are a few of the popular products grown here.

IFEAT Sri Lanka Study Tour 2005

FEATURE

This nature's love and the variety offered by these lands brought Mr Ravi Sanganeria to Indonesian shores. As a young lad, learning the tricks of the trade from his father, Ravi got the opportunity to visit Sri Lanka. A gem in the world of naturals and the den of numerous aromatic plants and essential oils, Sri Lanka was an eye opener for Ravi. In 2005, IFEAT organised their first study tour, and fittingly the venue was Sri Lanka. Having worked for three years in the company, Ravi attended this educational excursion. For over a year he experienced the natural beauty of this island nation and learnt about its product catalogue that featured names like cardamom, nutmeg, and cinnamon. The country inspired Ravi and prompted him to seek his own natural haven. This search brought him to Indonesia. He dug deep and learnt all about the country. He hit the ground running as he met a large network of suppliers in Indonesia. For weeks he traversed the country and learnt about every corner of Indonesia and its naturals industry.

As Ultra's association with Indonesia grew, Ravi indulged in intimate conversations with local farmers. He soon learnt they were all heart, but extremely particular about numbers when it came to production. He personally experienced the varied techniques of harvesting among farmers of nutmeg, patchouli, and cananga.

IFEAT Sri Lanka Study Tour 2005

In fact, one of his first success stories is closely linked to this region. During the peak of the patchouli crisis in the late 2000s, Ravi introduced his first major customer, Henkel, to Indonesia. He fondly remembers the story, *"The purchasing manager of Henkel at the time and their perfumer had accompanied us to Indonesia. During those days, our first factory in Sumatra was operational. Patchouli was in huge shortage at the time, and the Henkel team came down to the island to help us search for more material. It almost resembled a hunting trip. We had rented an old school boat with four cabins and set sail to Padang Bai Islands. It was a difficult 8–9-hour journey through rough waters, buzzing with dangerous wildlife like crocodiles and bull sharks. Ten hours later we anchored at Mentawai Islands. Here the local villagers welcomed us on motorcycles. We hopped on these bikes, and the locals helped us reach the edge of the island, where patchouli was being harvested. Two hours later, we hit the local market and were in for a pleasant surprise. We were elated to greet a local broker with almost 1,800 kgs of patchouli oil. It was like finding a diamond. I soon got my negotiating hat on. Overnight we closed the terms of the deal with Henkel and Van Aroma. With the first rays of the sun, we loaded our boat with 1,800 kgs of oil and commenced our return journey. Once we reached the island of Sumatra, the material was reprocessed, repackaged, and exported to Germany. This is one adventure I will never forget."*

FEATURE

Ravi's Indonesia adventures continued in 2019 with the IFEAT Bali Conference. The conference was a crucial milestone for his essential oils journey. It marked 15 years of his foray into the lucrative Indonesian market. The conference honoured the relationship by handing the keynote address to Mr Ravi Sanganeria. His composed and informative speech drew immense applause from the audience. *"I put the spotlight on the past, present, and future of the Indonesian market. I believe, as the Joint Chairman of the conference, my biggest achievement was hosting 1,500 delegates under one roof. Relationships are crucial to the success of any business, and Indonesia owes it to all those who graced the occasion."* With an intention to strengthen bonds, Ravi honoured delegates of Indonesia and presented them a certificate of recognition. They were all welcomed on stage and received a standing ovation for their contribution to the essential oils business.

While Indonesia has a bright future in the essential oils space, climate change continues to pose a challenge for farmers. The situation is grim across the globe, and farms in Indonesia are experiencing severe losses in yield. Ravi believes that until the world governing body takes drastic steps to rectify the situation, producers need to adapt. He is a big advocate of vertical farming as a solution, something Ultra has successfully achieved with Ultra Natura. It was the company's quest for sustainability that pushed them to create Ultra Natura, a gateway to vertical farming.

It's been over two decades of the glorious association between Ultra and Indonesia. During this time the company, under the guidance and leadership of Mr Ravi Sanganeria, has transformed into a global force. Today, it operates in over 14 countries with a portfolio of over 700 products. Van Aroma in Indonesia was one of the first investments for the Ultra Group. Today the company supports over 20 exporters and 7,000+ farmers directly for oil production. The visionary that he is, Ravi has always promoted Ultra as a cooperative partner and promises to continue their association with small and sustainable units.

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