

ESSENTIAL OILS

# MARKET REPORT

SUMMER 2023

ZEST FOR SUMMER!



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



**BULGARIA**

*page 20*  
Lavender Oil  
Melissa Oil  
Rose Oil

**ITALY**

*page 52*  
Bergamot Oil  
Mandarin Oil

**USA**

*page 66 - 62*  
Grapefruit Oil  
Lemon Oil  
Orange Oil

**MEXICO**

*page 54 - 55*  
Lime Oil

**HAITI**

*page 23*  
Amyris Oil  
Vetiver Oil

**SPAIN**

*page 57*  
Hyssop Oil  
Lemon Oil

**MOROCCO**

*page 59 - 60*  
Cedarwood Atlas Oil  
Neroli Oil  
Rosemary Oil  
Wild Chamomile Oil

**PARAGUAY**

*page 56*  
Cabreuva Oil  
Guaiacwood Oil  
Petitgrain Oil

**ARGENTINA**

*page 5*  
Lemon Oil  
Paramela Oil  
Pichi Pichi Oil  
Pinus Ponderosa Oil

**BRAZIL**

*page 10 - 11*  
Orange Oil CP

**ARTICLES**

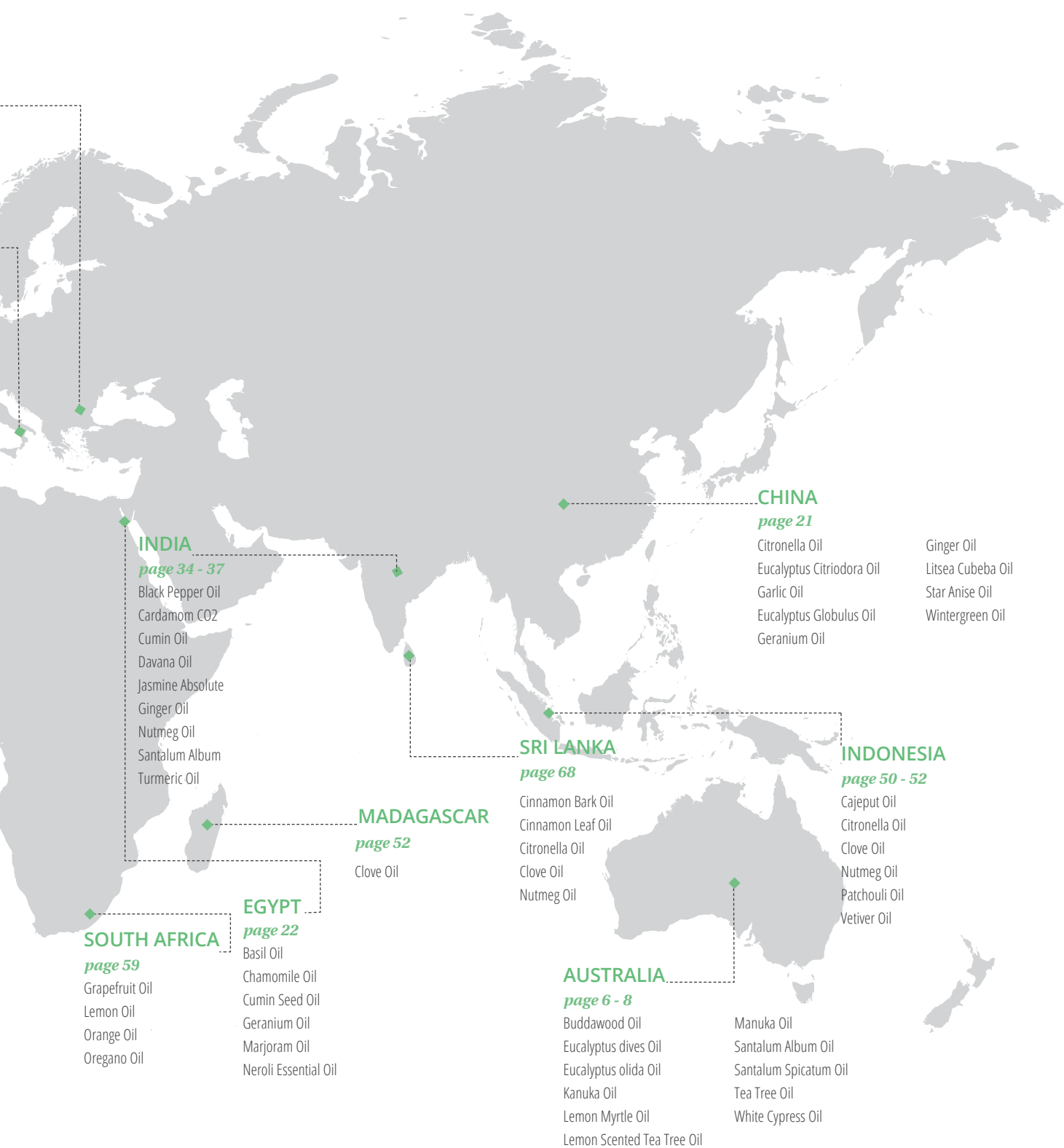
*Grasse: Making the World Smell Good Since the 16th century* *page 12 - 18*

*IFEAT Focus Study Tour Spanish Lemons (FST-SL)* *page 40 - 48*

*Vegetable Oils Food for the Skin* *page 24 - 32*

*SIMPPAR: A Journey of Fragrant Explorations* *page 64 - 65*

*In Search of Orange Oil* *page 66 - 74*



**INDIA**

*page 34 - 37*

- Black Pepper Oil
- Cardamom CO2
- Cumin Oil
- Davana Oil
- Jasmine Absolute
- Ginger Oil
- Nutmeg Oil
- Santalum Album
- Turmeric Oil

**CHINA**

*page 21*

- Citronella Oil
- Eucalyptus Citriodora Oil
- Garlic Oil
- Eucalyptus Globulus Oil
- Geranium Oil
- Ginger Oil
- Litsea Cubeba Oil
- Star Anise Oil
- Wintergreen Oil

**SRI LANKA**

*page 68*

- Cinnamon Bark Oil
- Cinnamon Leaf Oil
- Citronella Oil
- Clove Oil
- Nutmeg Oil

**INDONESIA**

*page 50 - 52*

- Cajeput Oil
- Citronella Oil
- Clove Oil
- Nutmeg Oil
- Patchouli Oil
- Vetiver Oil

**MADAGASCAR**

*page 52*

- Clove Oil

**EGYPT**

*page 22*

- Basil Oil
- Chamomile Oil
- Cumin Seed Oil
- Geranium Oil
- Marjoram Oil
- Neroli Essential Oil

**SOUTH AFRICA**

*page 59*

- Grapefruit Oil
- Lemon Oil
- Orange Oil
- Oregano Oil

**AUSTRALIA**

*page 6 - 8*

- Buddawood Oil
- Eucalyptus dives Oil
- Eucalyptus olida Oil
- Kanuka Oil
- Lemon Myrtle Oil
- Lemon Scented Tea Tree Oil
- Manuka Oil
- Santalum Album Oil
- Santalum Spicatum Oil
- Tea Tree Oil
- White Cypress Oil



## EXPLORATION AND INNOVATION MARK THE CREATIVE DANCE OF SUMMER

The feel of sand between the toes, the taste of a tempting cocktail on the lips, boom box playing your favourite music, and that marks the arrival of summer. It encourages outdoor sojourns with the cool breeze of the sea. It is flirty and fun with the sun shining bright yellow and the sky blazing blue.

The Ultra Group has joined in the celebrations with a busy sourcing season. Earlier this year Rafael and Miguel participated in the IFEAT lemon study tour in Murcia, Spain to discover new markets, trends, and suppliers.

This was complemented by CPO Gaetan's journey to discover alternate markets for orange oil. Orange essential oil has the astonishing capability to make any blend smell wondrous and accentuate its benefits. Due to its numerous qualities the global demand for the oil remains high. But a variety of factors including environmental challenges and extremely high prices have made obtaining the product from the largest orange producer in the world, Brazil, a major challenge. Gaetan did find some success in Morocco. We explore more in this report.

Our exploration story continued with purchase assistant, Kunal Joshi, making a trip to Madurai in the south of India to learn more about the mesmerising fragrance and market for jasmine. At Ultra, we have always found the original source to be the cradle of information. We regularly make efforts to communicate with our various suppliers in person.

From explorations to achievements, this month Ultra International was a proud participant at SIMPPAR 2023. At the edge of central Paris, The Espace Champerret, hosted SIMPPAR 2023, a confluence of the greatest perfumers in the world. Never settling for the ordinary, we decided to turn this opportunity into an adventure and took a road trip from London to Paris in our 50-year-old VW campervan. Once in Paris our campervan was displayed as part of our booth at the conference venue. We finished things off in style hosting a grand party alongside Parisian master florist, Lachaume. Read on to find out all the details about SIMPPAR 2023.

French adoration continues in this report with a special focus on Grasse. A perfect unison of nature nurtures flowers, to make it the perfume capital of the world. But Grasse didn't set out to be the perfume capital. In this report we bring the story of Grasse's transformation as the perfume capital.

From mesmerising locations to beneficial products, vegetable oils are elixirs that tone, hydrate and add suppleness to the skin. But what makes vegetable oils the best friends for skin and hair care? Flip the pages to find out.

We are also very pleased to announce a special partnership with The British Society of Perfumers. As BSP celebrates six decades of inspiring, supporting, and educating industry professionals we celebrate the occasion by inviting perfumers from across the globe to invent a fragrance that incorporates the unique and captivating scent of patchouli. The idea is to promote sustainable sourcing of patchouli oil by endorsing environmentally conscious and ethical practices within the industry. We look forward to witnessing some magic from creative masterminds.

As flowers bloom beautiful and bold, infusing the summer air with their aroma, we wish it to be an inspiring season for one and all, to have a successfully creative time.

*Priyamvada Sanganeria*

*Director, Ultra International BV*



## LEMON OIL

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

For the new lemon campaign (2022/23), a reduction in production of more than 20% in lemons is expected, compared to the previous year, mainly due to climatic factors. The lemon crop is expected at 1.770 million metric tonnes (MMT). With fewer lemons this season, lemons allocated for processing will also decrease. The eradication of almost 6,000 hectares and limited management due to lack of resources - and, in some cases, direct abandonment, due to the bad results of the previous campaign - would be the main reasons for this reduction. Argentina is facing high inflation rates which is causing many challenges with the currency.

Argentine citrus fruits have been severely affected by changing weather conditions, where high temperatures have generated thermal stress, generating a sharp drop in fruit sizes. And harvest has to be delayed due to some late rains, in order for the fruit to take on a better size.

Argentina allocates 70% of its lemons for processing. In recent years the world lemon industry has had an over-production and this tends to lower prices. This year, as there is less expected production in Argentina and having verified a drop in production in the northern hemisphere, there is expected to be an increase in values.

Meanwhile, mandarin production in Argentina is estimated at 320,000 metric tonnes (MT), which represents a large decline for the nation, as it once produced an average of 430,000 MT each year. This decrease has become considerably noticeable over the last two years due to severe droughts, which are still ongoing in the Northern and Central regions of Argentina. The government has declared a state of emergency in many provinces due to the lack of water.

📈 USD 12.00 /kilo

## PARAMELA OIL

*Adesmia boronioides* 🌐 Argentina

This is a wild harvest of a native plant from Patagonia. Its oil is used for fine fragrances and cosmetics. It's also used for sensitive skin formulations.

📈 USD 6700.00 /kilo

## PICHI PICHI OIL

*Fabiana imbricata* 🌐 Argentina

Some niche perfumers discovered this ingredient and used it as an exotic source for innovation. Two new international perfumes using Fabiana obtained international prizes recently. Harvest season will begin next November

📈 USD 4400.00 /kilo

## PINUS PONDEROSA OIL

*Pinus ponderosa* 🌐 Argentina

Obtained just from needles, production in 2023 will restart next August. Estimated volume of this oil for the rest of 2023 will be around 0.5 tonnes. Used mainly in aromatherapy (Pin de Patagonie in France), the interest in this conifer is growing also for fragrances.

📈 USD 440.00 /kilo





### BUDDAWOOD OIL

*Eremophila mitchellii* 🌐 Australia

With an increase in demand, more timber is being collected with a possibility to ramp up oil production. Current supply is meeting demand

🏠 USD 450.00 /kilo





### EUCALYPTUS DIVES OIL

*Eucalyptus dives* 🌍 Australia

Golden Grove has commenced plantation establishment with greater production volumes to come online in 2024. There is consistent demand for the oil, but production is limited. With depleting stocks, the price of the oil has gone up.

🏠 USD 34.00 /kilo

### EUCALYPTUS OLIDA OIL

*Eucalyptus olida* 🌍 Australia

At present there is small production. Demand is steady but many customers are showing large interest. New plantation areas are being added that will increase production. This is a new product offering with methyl cinnamate concentration of 80 percent.

🏠 USD 125.00 /kilo

### KANUKA OIL

*Kunzea ericoides* 🌍 Australia

There is limited demand for this product. Raw materials are mostly harvested from the wild in remote areas. Production volumes are low. There is no stock available.

🏠 USD 295.00 /kilo





### LEMON MYRTLE OIL

*Backhousia citriodora* 🌍 Australia

New crop has been established and is growing well. Both varieties of organic and conventional are available. Some growers are turning production back to crushed leaf culinary market due to slow demand.

🏠 USD 375.00 /kilo

### MANUKA OIL

*Leptospermum scoparium* 🌍 Australia

Demand for this oil has been stable for some time. Oil production has not increased as a consequence. The quality available is +20% mbk (methyl butyl ketone). The oil price is also stable.

🏠 USD 594.00 /kilo

### SANTALUM SPICATUM OIL

*Santalum spicatum* 🌍 Australia

Since the last quarter a disruption in wood supply has been experienced. While market forecasts predict growth in the future, it may not be possible to sustain competitive prices in the long run. Price fluctuations should be expected. It is advisable to source alternate options. Better relationship dynamics with suppliers can also help limit future challenges.

🏠 USD 1495.00 /kilo

### WHITE CYPRESS OIL

*Callitris intratropica* 🌍 Australia

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

🏠 Price on Request

### LEMON SCENTED TEA TREE OIL

*Leptospermum petersonii* 🌍 Australia

Plantations for this crop have been increasing in the northern NSW region. The coming season will have greater production volume.

🏠 USD 95.00 /kilo

### SANTALUM ALBUM OIL

*Santalum album* 🌍 Australia

There is consistent availability of the product due to a good yield. Oil from matured plantations has been recently auctioned twice. This has led to a favourable market scenario driving growth and stability. To sustain this market dynamic, it is imperative to maintain a strong supply chain and secure the services of consistent and reliable sources.

🏠 USD 2200.00 /kilo

### TEA TREE OIL

*Melaleuca alternifolia* 🌍 Australia

The Australian tea tree industry continues to recover from 2021 major flood events during which a large part of the crop was destroyed. The Industry estimates approximately 50 percent production capacity for 22-23. Demand has dropped and prices are stable. Farmers are unwilling to hold over the cost of production so it is best to re-assess the market situation for Australian tea tree in 12 months time.

🏠 USD 32.00 /kilo





**golden grove**

NATURALS



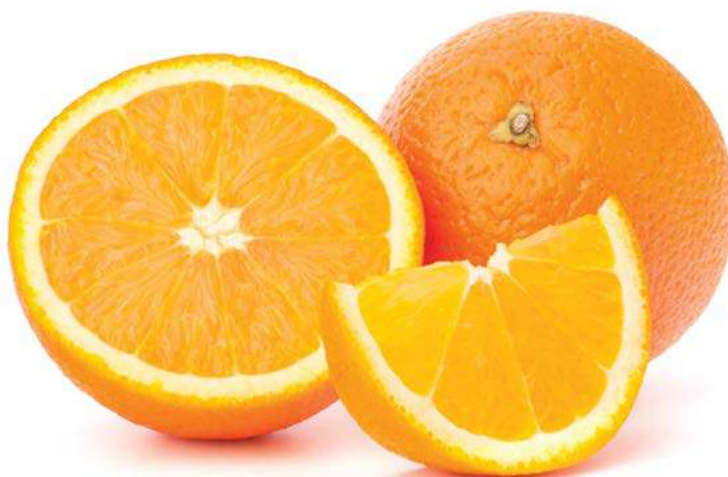
# TEA TREE OIL

The secret ingredient  
from the the Great Southern Land!









## ORANGE OIL CP

*Citrus sinensis* 🌍 Brazil

The most recent Fundecitrus 2023–2024 orange forecast for Brazil's citrus belt estimates a production of 309.34 million boxes (M. boxes) of oranges. The projected volume is 1.55% less than the previous crop, which totalled 314.21 M. boxes due to the alternate bearing phenomenon.

Fundecitrus reported that the weight of oranges has improved this year, as well as the overall rains in the citrus belt, with rains for the 2023–2024 crop being 50% above the historical average. Fundecitrus estimates the crop will start sooner this year due to the good conditions experienced during the flowering period. However, Asian citrus psyllid populations and citrus greening incidence continue to increase in Brazil.

The orange production forecast for 2023–2024 for the state of São Paulo and the western part of Minas Gerais includes:

- 56.11 M. boxes of Hamlin, Westin and Rubi
- 18.22 M. boxes of other precocious varieties
- 98.95 M. boxes of Pera Rio
- 105.23 M. boxes of Valencia and Valencia Folha Murcha
- 30.83 M. boxes of Natal

Average yield this crop season is estimated at 912 boxes per hectare, down slightly from last season's 918 boxes per hectare. Average fruit per tree is down 4.9% this season, dropping from 668 in 2022–2023 to 635 in 2023–2024. An earlier and faster crop is expected this season, which favours fruit drop. The estimated fruit drop rate is 21%, similar to last season. The fruit drop rate is due in large part to the increase in citrus greening.

Brazilian exports of orange juice are on the rise in the current season. Between July 2022 and February 2023 Brazilian exports have been 14% more than during the same period the previous season. Revenue, however, has been 34% higher. The higher increase in the revenue than in the volume exported highlights the higher average price paid for the commodity exported by Brazil. While exports to the European Union have decreased 2% this season, exports to the USA have gone up 82% as compared to last season. USA's high demand for the Brazilian juice is linked to the fact that the 2022-2023 orange season in Florida has been compromised by the high incidence of greening and natural disasters, such as hurricane and frosts.

📈 USD 20.00 /kilo







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## GRASSE: MAKING THE WORLD SMELL GOOD SINCE THE 16<sup>TH</sup> CENTURY

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Up in the hills, west of Nice, above the famous French Riviera city of Cannes, is the town of Grasse. It does not hold the popularity of its neighbouring cities, neither does it have the sea view. However, it has the most glorious fragrances. Thriving fields of flowers fill the air of Grasse with the aroma of jasmine, May rose, tuberose, and lavender. A confluence of soil, sun, and temperature nurture the most delicate of flowers, making it the perfume capital of the world.



### BIRTH OF THE PERFUME CAPITAL

But Grasse didn't set out to be the perfume capital. Its story begins with the foul odours of yesteryear. Till the 16th century Grasse was famous across Europe for its leather. The production process involved tanning, which produced a pungent smell. The nobility of the town did not take it well. To appease them a tanner from Grasse presented the then French Queen, Catherine de Medici, a scented leather glove. That was the spark that led to the birth of the fragrance industry. Slowly, the region started producing iris, hyacinth, and rose-scented soaps. And the town folk began supplying raw materials to Persian scent-makers.



## THE SCENT OF GRASSE

The elements of nature nurtured flowers in this region. Back in the 17th century rose, jasmine, lavender, myrtle, and wild mimosa became the genesis of the French perfume industry. Today Grasse is globally popular for jasmine and May rose, a pale pink flower that blossoms in May. These flowers form the base of numerous popular fragrances across the world, including Chanel's crown jewel, No. 5.

In fact, the town of Grasse vivaciously celebrates the glorious aroma of jasmine and May rose every year. Festivals are held in Grasse to mark the scents that gave it the title of perfume capital. Luxury brands like Dior, Hermès, and Chanel actively contribute to the economy of the town. A while ago Dior also re-established the former residence of Christian Dior, the famous Château de la Colle Noire, in Grasse.





### THE PRECISION OF PERFUME MAKING

Grasse's ecology boasts of specimens dating back three centuries. During the industrialisation in the 19th century, perfumers ventured out and collected scent samples. They brought back fragrances like patchouli from Singapore and pink pepper wood from California, though they did not alter the recipe of popular formulations. Precision is paramount in perfume making. For instance, perfumers in the region still use jasmine grown in Grasse for Chanel No. 5 since it was originally crafted with it. They explain that the same jasmine grown in Egypt or Morocco will be different because of the soil and climatic conditions.

Every year around 27 tonnes of jasmine are harvested in Grasse. The town possesses all the required technology from production to manufacturing extract. Now perfumers from across the globe arrive in Grasse to hone their sensory skills. The perfumeries and institutes here help those with the nose distinguish between over 2,000 scents.







## THE CHARM OF GRASSE

Grasse exudes an old-world charm with a dash of modern brilliance. The city's winding cobblestone streets are complemented by colourful cafes. One cannot walk by the lanes of Grasse without shops luring customers to their windows with scents of pastel soaps and perfumes. Architectural marvels hug the landscape of this medieval town. But the neighbouring areas possess rich soil and are blessed with a warm climate; the town provides the perfect environment for sweet-scented blossoms.

Grasse also satiates the wanderlust of all those who pass through its borders. Grasse's cathedral, Notre-Dame du Puy, marvels in the glory of Romanesque designs. Though modest in comparison to some others, the cathedral houses paintings by Peter Paul Rubens, and Jean-Honoré Fragonard, the man whose name is synonymous with the biggest fragrance house in the city.

For a perfume lover, Grasse is a paradise. A trip to this quaint town can be embellished with the knowledge about the history of perfumes at Musée International de la Parfumerie. For those with a creative nature, perfumeries offer guided tours to go behind the scenes and comprehend the art of perfume making. And for those who have a nose for the process, the Grasse Institute of Perfumery offers a fragrant future.





### A NATURAL COVER

Grasse owes its emergence as a perfume capital to nature's blessing. The town is uniquely located between the mountains and the Mediterranean Sea, creating a balance ideal for cultivating delicate flowers. Its favourable weather with abundant sunshine, mild winters, and well-drained soil aids in the blooming of flowers. Today, the allure of jasmine, rose, mimosa, tuberose, and lavender attracts the fragrance and perfumery industry to this town.

Grasse has been bestowed the status of World Heritage Site by UNESCO. Once you've stepped foot in the town of Grasse, the aroma lingers way after you leave its confines. This holds especially true if you are in the company of a few soaps, body sprays, and eau de toilette from the land of fragrances.

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# Competition



## BSP-ULTRA PERFUME COMPETITION

### *Can you create magic with patchouli?*

The British Society of Perfumers is celebrating six decades of inspiring, supporting, and educating industry professionals. To make this occasion memorable, BSP along with Ultra International is inviting perfumers from across the globe to invent a fragrance that incorporates the unique and captivating scent of patchouli. The idea is to promote sustainable sourcing of patchouli oil by endorsing environmentally conscious and ethical practices within the industry.

The dark, earthy, and woody character of patchouli has been celebrated for centuries by perfumers. Indonesia is a land that revels in the glory of this fragrance. For centuries it has been an integral part of the country's culture and tradition. It has traced the journey from being an ingredient in natural medicines to a popular product in perfumes. For years the cultivation of patchouli has left lands barren. Forests had to be cleared and after three years of rigorous care once the plant was harvested, the soil would be depleted of nutrients and thus abandoned.

As the world realises the cost the planet is paying for naturals, BSP and Ultra are encouraging alternate, sustainable routes. For this quest we are inviting creative minds with a nose to create something magical. All participants are expected to use patchouli as the signature theme and enhance its fundamental personality with novel aromatic relationships in a sustainable manner.

All information pertaining to the contest is available at [www.bsp.org.uk](http://www.bsp.org.uk)





### LAVENDER OIL

*Lavandula angustifolia* 🌍 Bulgaria

A difficult economic dynamic has resulted in a fall in consumption levels. The market is witnessing overproduction of lavender oil. The next harvest cycle is in July, and a good crop is expected due to adequate rainfall. The carryover stock from the previous year is also available in abundance. All this has led to lavender farms being converted to wheat. The oil is being traded in the market at low levels.

📈 EURO 35.00 /kilo



### MELISSA OIL

*Melissa officinalis* 🌍 Bulgaria

The market for the oil is stable.

📈 EURO 1225.00 /kilo



### ROSE OIL

*Rosa damascena* 🌍 Bulgaria

It is too early to predict yield and quality. Heavy rainfall has resulted in low temperatures. This is preventing the roses from blooming. Most companies have brought heavy stocks anticipating a rise in price due to the increasing price of rose petals.

📈 EURO 10000.00 /kilo





### CITRONELLA OIL

*Cymbopogon winterianus* 🌍 China

Oil has started entering the market, but collections are low. Farmers are unwilling to sell large quantities at low price. There is slight fluctuation in the price of the oil.

🏠 USD 12.00 /kilo



### EUCALYPTUS CITRIODORA OIL

*Eucalyptus citriodora* 🌍 China

There are no fluctuations in the market.

🏠 USD 16.00 /kilo



### GARLIC OIL

*Allium sativum* 🌍 China

There are no major fluctuations in the market.

🏠 USD 105.00 /kilo

### EUCALYPTUS GLOBULUS OIL

*Eucalyptus globulus* 🌍 China

Since 2012, 10,000 MT of Chinese eucalyptus oil has been exported every year. Volumes of crude oil available for trade are low. This number was sustained mostly even during the COVID pandemic years. At present, the volumes of crude oil available for trade are significantly lower than previous years. This is because fewer people are distilling the oil due to the low price. People are expecting prices to fall further and are happy to use up the stocks then make fresh purchases.

Demand for the oil is low, and this has seen a gradual decline in price. Farmers are unwilling to sell at this price.

🏠 USD 9.00 /kilo

### GERANIUM OIL

*Pelargonium graveolens* 🌍 China

The Guaidiene content of new oil is approximately 4.7%. The ones produced by farmers is around 5.5%. Currently, the weather is hot and dry, which is not conducive for high content oil. Unlike previous years, high content oil will be available later in the year. Distillation process is on-going, but low output is being received since product content is low. The oil price is high and is expected to rise further.

The market for the oil is stable.

🏠 USD 155.00 /kilo

### GINGER OIL

*Zingiber officinale* 🌍 China

Raw material availability has increased, though the price for the oil remains stable.

🏠 USD 70.00 /kilo



### LITSEA CUBEBA OIL

*Litsea cubeba* 🌍 China

The new season for the oil is about to commence and buyers are waiting for it. Suppliers with old stock looking to sell in the market will encounter losses. The market for the oil is reducing

🏠 USD 49.00 /kilo

### STAR ANISE OIL

*Illicium verum* 🌍 China

Oil dealers do not keep stock of star anise but make purchases based on demand and price. The oil inventory is with farmers who don't sell themselves, but charge a premium.

🏠 USD 33.00 /kilo

### WINTERGREEN OIL

*Gaultheria procumbens* 🌍 China

There is enough stock to meet market demand. The oil output has fallen, and so has the demand.

🏠 USD 65.00 /kilo



### BASIL OIL

*Ocimum basilicum* 🌍 Egypt

The oil is available in limited quantities. This has resulted in a price rise.

🏠 USD 110.00 /kilo



### CHAMOMILE OIL

*Matricaria chamomilla* 🌍 Egypt

Flowers were available in limited supply. The production season has also concluded. A sharp price rise has been witnessed.

🏠 USD 795.00 /kilo



### CUMIN SEED OIL

*Cuminum cyminum* 🌍 Egypt

There is heavy demand from the local and global market. The new production season has commenced, but currently there is limited supply of seeds, which has led to an increase in price. This price is expected to increase further.

🏠 USD 185.00 /kilo



### GERANIUM OIL

*Pelargonium graveolens* 🌍 Egypt

There is a decent and consistent supply of oil in the market. Farmers are not content with the current price levels, so they are expected to increase soon.

🏠 USD 72.00 /kilo



### MARJORAM OIL

*Origanum majorana* 🌍 Egypt

Shortage of the crop, farmers' reluctance to produce oil, and the high price of dried herbs resulted in a price rise.

🏠 USD 89.00 /kilo



### NEROLI ESSENTIAL OIL

*Citrus aurantium* 🌍 Egypt

There is a decent supply of product in the market.

🏠 USD 750.00 /kilo





Haiti is facing challenging times due to fuel shortages, transport delays, increased crime and corruption. Economists are predicting heavy inflation and recession, with companies filing for bankruptcy, and mergers and acquisitions going on.

### AMYRIS OIL

*Amyris balsamifera* 🌍 Haiti

Shortage and high price of fuel, as well as the additional cost of ensuring safe passage of products to Port-au-Prince has resulted in high price levels.

▲ USD 95.00 /kilo

### VETIVER OIL

*Vetiveria zizanioides* 🌍 Haiti

Logistical challenges including increasing fuel costs and safe passage of products to Port-au-Prince has increased the oil price.

▲ USD 320.00 /kilo



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## VEGETABLE OILS **FOOD FOR THE SKIN**

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Vegetable oils are elixirs that tone, hydrate, and add suppleness to the skin. Derived from plants and extracted from nuts and oilseeds, they are natural, and allies of true beauty. Recent studies indicate that customers trust brands that name easily recognisable, food-based ingredients. But what makes vegetable oils the best friends for skin and hair care?





### TOTAL MOISTURISATION

Vegetable oils possess potent moisturising properties that soothe and soften tissue. Oils like avocado, coconut, linseed, and argan kernels are rich and nourishing. Certain oils like sunflower, contain high levels of linoleic acid, which forms a barrier for the skin, locking in the moisture content. On the other hand, there are oils like olive that reduce the skin's barrier capacity, making it possible for other products to penetrate and remedy the skin.

### LADEN WITH ANTIOXIDANTS

Vegetable oils are a great source of antioxidants, which protect the skin from free radicals. But what are free radicals? They are unstable atoms produced among other things by pollution. Free radicals are harmful for the skin. Antioxidants protect the skin from such damage and delay the aging process. Oils like avocado are rich in vitamin E and other antioxidants like squalene and phytosterols. These compounds aren't just great for hydrating skin, but are also known to possess anticancer properties.





### ANTIBACTERIAL IN NATURE

Vegetable oils possess antibacterial and antifungal properties. These help in calming infection, soothing, and improving skin texture.

### VERSATILE

Vegetable oils are versatile in nature, and gel well with numerous cosmetic formulations. They are core ingredients in various creams, lotions, serums, balms, and even hair care products. They also act as carrier oils for essentials.

### A NATURAL AND SUSTAINABLE CHOICE

Natural and sustainable products are the need of the hour, and vegetable oils offer a favourable solution for all things synthetic. These oils are invariably obtained from renewable plant sources through environmentally conscious processes. These oils are highly revered by customers and industry alike for their numerous benefits, versatility, natural origin, and ability to enhance the efficacy of cosmetic formulations.

Vegetable oils are laden with wondrous skin and hair care properties. Thus, sitting on the kitchen shelf isn't their only usage. Add a dash of these vegetable oils to daily skin and hair care products or use them directly as part of a skin care routine. Here's a list of 10 that can leave one shining and glowing.





### OLIVE OIL

A regular in the kitchen, olive oil is the perfect elixir for quick and effective moisturisation. Laden with benefits, olive oil works wonders to remedy dry and chapped skin. The oil nourishes, softens, and protects the skin. It also possesses anti-inflammatory qualities, which make it a valuable addition in oil blends to ease itchiness, skin damage, and irritation.



### ARGAN OIL

An extremely popular product among the French, argan oil aids in skin regeneration and nourishes both skin and hair. Since the oil is rich in the fatty acid gamma-linolenic acid, it helps reduce inflammation in the body by producing prostaglandins.





## JOJOBA OIL

A remedy for almost every ailment, jojoba oil is a popular ingredient in massage oils, face creams and hair packs. Being rich in omega-9, the oil retains moisture and has a protective nature. This makes it a perfect choice for hair and skin products. It also absorbs slowly into the skin and is compatible with most skin types, making it a popular massage oil. The chemical make-up of jojoba oil is comparable to our skin's natural oil, sebum. Thus, it helps soften pores, removes impurities, and is an ideal addition in products for acne prone skin.



## AVOCADO OIL

Eat it or apply it on the skin, avocado is equally beneficial in both cases. A mild oil with an earthy aroma, avocado is rich in vitamin D. Lip balms and body butters aimed at dark skin, ideally use a blend of avocado, organic shea butter or organic cocoa butter.



### PUMPKIN SEED OIL

Rich in vitamins, minerals, antioxidants and omegas, pumpkin seed oil is used in skin care products aimed at lifting and firming skin. It also encourages skin cell regeneration, relieving skin irritation and treating acne scars.



### BORAGE OIL

Tired, aging skin craves a dose of borage oil. The oil contains exceptionally high levels of gamma-linolenic acid, which prevents dryness, reduces inflammation and wrinkling. Suitable for all skin types, borage oil is used in skin products for anti-aging, and anti-acne.





### CASTOR OIL

A thick formulation, castor oil is not absorbed by the skin, instead it floats on the surface to draw out impurities. It is a cleansing oil which leaves the skin incredibly moisturised. Castor oil also strengthens hair follicles and stimulates hair growth. For this reason, it is commonly applied on hair roots, eyebrows, and eyelashes.



### ROSEHIP SEED OIL

A unique oil, rosehip contains retinoic acid, commonly known as vitamin D. It thus makes rosehip seed oil a popular ingredient in anti-aging formulations. The oil is absorbed directly into the skin and doesn't leave any residue. It is effective for all skin types, including the most sensitive skin.



### ALMOND OIL

Almond oil takes its sweet time to absorb into the skin, which makes it just the perfect ingredient for massage oils. It is extremely mild in nature and is also used in baby products in combination with other mild oils like apricot kernel oil and peach kernel oil. Almond oil is a great remedy for itchy skin and works wonders when combined with chickweed or marshmallow root oil.



### SUNFLOWER OIL

A light and non-greasy formulation, sunflower oil is abundantly rich in vitamins, antioxidants, and fatty acids. It is a popular ingredient for products aimed at skin regeneration and moisturisation. When it comes to hair care, sunflower oil hydrates, softens strands, manages frizz, and repairs damage.

Vegetable oil applications are nourishing for the skin. They replenish, restore, and revitalise. They strengthen the natural protective barrier of the skin, and guard it for life.

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<https://aromantic.co.uk/blogs/aromantic-blog/9-organic-carrier-oils-for-skin-care>  
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## BLACK PEPPER OIL

*Piper nigrum* 🌍 India

The yield this year is less than previous seasons. Due to unfavourable weather conditions farmers have moved to other stable crops and the area under pepper cultivation has reduced. Estimates for 2023 stand at 60,000 MT, which is less than last year. Export-led demand has declined, which has led to a reduction in price. If global demand increases, the price will witness an upward trend.

📈 USD 44.00 /kilo

## CARDAMOM CO2

*Elettaria cardamomum* 🌍 India

Pre-monsoon rains have not impacted the crop. The area under cardamom plantations is expected to be the highest in the last 5 years. UAE and Saudi Arabia import almost 63% of India's cardamom. April saw low volumes of cardamom hit the market. The price has remained mostly steady since April with a slight increase.

📈 USD 395.00 /kilo





## CUMIN OIL

*Cuminum cyminum* 🌍 India

Heavy rainfall in Gujarat has resulted in loss of crop. There are limited stocks in the market and the acreage is also less. On the other hand, demand is extremely high. China alone has imported almost 54% of India's cumin. High temperatures are unfavourable for cumin growth. A lot of seeds sown did not germinate due to the weather conditions. The carry forward stock from last year is about 60% less. Volumes produced are also declining. Till mid-April 150,000 bags of crop were received, which fell to 80,000 in the following month. This is because the area under cumin cultivation has reduced 5-10% because of low interest from farmers.

📈 Price on Request

## DAVANA OIL

*Artemisia pallens* 🌍 India

Due to heavy rain and hailstorms the harvest has been delayed by a month. This will impact the health and quantity of production. A loss of 30% crop is estimated with yield in the range of 6 MT per acre. Davana production mostly takes place in Karnataka and Andhra Pradesh in India. At present, the market is holding steady with buyers holding stocks of material. The price is down currently but is expected to rise in the future.

📈 USD 850.00 /kilo



## JASMINE ABSOLUTE

*Jasmine sambac* 🌍 India

The global jasmine extract market is experiencing a significant growth, driven by increasing demand from the personal care, cosmetics, and food & beverage industries.

Jasmine extract has always been a key ingredient for the fine fragrance industry. However in recent times it is also gaining popularity as a natural flavouring agent in various food and beverage products, including tea, coffee, and desserts.

One of the prominent regions contributing to the market growth is south India, particularly known for its Madurai jasmine sambac.

Lower-quality flowers from the final harvest are used for processing. Many processing companies are located in the Dindigul district, 30 km from Madurai. Jasmine flowers are processed to extract oils for perfume production.

The recent jasmine harvest provided a low yield so prices of jasmine oil may increase.

📈 USD 4400.00 /kilo

## GINGER OIL

*Zingiber officinale* 🌍 India

Harvest season is over and the yields this year are 15% lower than last year. Due to the high demand for green ginger, farmers are opting to stay away from dry ginger. This has reduced the supply of oleoresin quality ginger this year. Low carryover stock and yield have together contributed to an increase in price. There is expectation for the price to rise further.

📈 USD 59.00 /kilo

## NUTMEG OIL

*Myristica fragrans* 🌍 India

This season production is higher than the last few seasons. Almost 40-50% more quantities of nutmeg BWP are flooding the market. And this trend is expected to continue till September. While the oil yield from the crops is currently good, it is expected to fall due to heavy rainfall in growing areas. The material arriving in the market now is laden with moisture.

📈 USD 59.00 /kilo





### SANTALUM ALBUM

*Santalum album* 🌍 India

There are challenges in terms of sourcing and reliability due to the grey market. No new auctions have taken place recently and there is a lack of sustainable and transparent sources. This has all led to stagnancy in the Indian market for sandalwood oil. It is advisable to search for alternate sourcing options for sandalwood oil in India and engage in strategic partnerships with reliable suppliers.

📈 USD 2400.00 /kilo



### TURMERIC OIL

*Curcuma longa* 🌍 India

About 130,000 MT of carryover turmeric spice stock from previous seasons is available in the market. Harvesting in most regions has been completed. Telangana received heavy rainfall towards the end of April, but fortunately the crop was not damaged. The southern states of Andhra Pradesh, Telangana, and Karnataka have received lower yields. The crop in Maharashtra has been a bumper one and should be able to compensate for the loss from other areas. After witnessing a downward trend in March and April, prices have started rising and the market is stable.

📈 USD 35.00 /kilo





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## IFEAT FOCUS STUDY TOUR SPANISH LEMONS (FST-SL)

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*Rafael Bourdeau, General Manager Ultra UK*  
*Miguel Angel Doval, Executive Vice President Ultra B.V.*

Citrus oils are a key component of the Ultra Group's trading activities, so two group members participated in IFEAT's first Focus Study Tour on Spanish lemons (FST-SL) from 26<sup>th</sup> February to 1<sup>st</sup> March 2023. The tour was based in Murcia, southern Spain, the centre of the Spanish lemon industry. In comparison with previous IFEAT Study Tours, the FST-SL was a shorter duration, lower cost, centred on one location and was aimed to appeal to younger participants from IFEAT Member companies. There were 32 participants from 23 countries covering a wide range of ages and positions within the F&F sector, including owners, CEOs, managing directors, technical, marketing and research staff. A very mixed group which bonded together very well throughout this short tour.





During the three days we learnt a great deal about lemons, lemon oil and the F&F industry while meeting up with producers, processors, and exporters in the world's second largest lemon oil producing country. A key feature of IFEAT Study Tours is meeting up with other delegates and sharing knowledge with them. IFEAT organised the tour alongside AILIMPO (The Spanish Lemon and Grapefruit Interprofessional Association) based in Murcia and representing all the major stakeholders in the Spanish lemon and grapefruit industry. The FST-SL illustrated what an important role a trade association can play in bringing an industry together and promoting its activities both nationally and internationally. AILIMPO, along with some of its major lemon producing and processing members, was a key factor in making the FST-SL such a great success.

The tour began with a Welcome Pack on arrival at the hotel, including a backpack made of 100% recycled fabrics and buckles. The attractive backpack was filled with gifts from the hosts as well as briefing materials on the FST-SL. On the Sunday evening there was a Welcome Reception at the Sercotel Amisted Hotel in the centre of Murcia where the participants were staying. Delegates met up over tapas and drinks to get to know each other as well as meet with representatives of the eight companies being visited over the following two days. AILIMPO and its members had created an intensive series of visits that were to provide us with many unique experiences.





## SPANISH LEMON: AN OVERVIEW

Monday began with an excellent presentation by Jose Antonio Garcia, the Director-General of AILIMPO on *Sustainability and Global Strategy of the Spanish Lemon Industry*. The wide-ranging presentation highlighted Spain's role as a key citrus and lemon provider on the global stage. The two major lemon varieties, *Fino* and *Verna*, were discussed including their ability to provide lemons throughout most of the year. Recent plantings point to an expansion of lemon production over the next decade.

Spain has a long tradition in lemon production, predominantly in the provision of lemons for the fresh market with processing a relatively recent phenomenon. Although lemon processing plays a subsidiary role, it is vital in maintaining the sustainability of the sector by facilitating the utilisation of fruit that cannot be sold in the fresh market. As such, processing guarantees the viability of the producer and means a long-term guarantee for processing.

Spanish cold pressed lemon oil production in 2021 was estimated at 1,452 metric tonnes (MT) – some 14% of estimated global production of 10,340 MT. In 2022 Spain had 50,412 hectares of lemon groves (14.4 million lemon trees) of which 10,299 hectares were organic. In recent years organic production has been growing quickly but the recent economic downturn has reduced demand for organic products and it is felt that organic production is unlikely to exceed a quarter of total production.

The presentation highlighted the considerable efforts being made by the industry to facilitate greater sustainability. Successful and sizeable investments are being made into organic production, reduced carbon and water footprints, as well as biodiversity - all leading to considerable improvements in the lemon sector's sustainability. There followed a Q/A in which all the delegates became aware – probably for the first time - of the concept of grey water i.e., the volume of water required to dilute pollutants so they become harmless.



## FARM AND PACKING OPERATION VISITS

Following the presentation, it was onto a large coach to visit the *Finca El Aguilucho* to see conventional lemon growing on 75 hectares. There are 16,700 lemon trees of the *Fino* and *Verna* varieties, planted in 1997. Walking around the farm the traditional production and integrated pest management methods were described in detail. Humidity probes are strategically placed at root level throughout the farm to measure the moisture content of the soil. These data are then used to regulate the amount of irrigated water provided.

Various certification schemes, including GlobalGAP, GRASP and Global Nurture have been adopted to ensure high quality production. The climatic conditions on the farm were described as ideal. However, at the time of the visit, the sun was shining brightly but the unusual strong wind and resultant “wind chill” meant that delegates felt very cold – a situation that continued throughout most of the day. Certainly, the hot coffee and food break overlooking the valley below and the mountains in the distance was very much appreciated!

It was back on the coach to visit *Finca Comarza*, 220 hectares of organic lemon groves, growing the three varieties of *Eureka*, *Fino* and *Verna*. We were greatly impressed by the dedication and levels of investment undertaken to create the farm. One key takeaway from the visit was the vital importance of water conservation and irrigation, which became apparent as a range of topics and issues were discussed. These included:

- The high-tech nature and hence high investment requirements for lemon production.
- The severe shortage and vital importance of water, which accounts for approximately a quarter of lemon production costs.











- A reservoir of 600,000 m<sup>3</sup> of water had been built with photo voltaic panels covering the reservoir. These reduce evaporation in hot weather and provide energy for pumping water to the top of the hill which is then gravity fed down through underground pipes.
- A sophisticated irrigation system, into which nutrients can be added, controls the amount of water needed for the lemon trees.
- For the low yield summer months there are some 22 hectares of greenhouse shading to extend the harvesting period and fruit quality of the *Verna* variety.
- Insect hotels and other initiatives to assist biodiversity.
- An innovative EU-funded project with plant sensors and humidity probes that analyse the lemon orchards and provide the exact amount of water needed. This not only ensures excellent quality fruit but is environmentally friendly by minimising the amount of water and nutrients used.
- To ensure high quality fruit, all the lemons are hand harvested so they can be selected for ripeness and size. Delegates had the opportunity to practise their manual harvesting skills!

Following lunch on the farm, delegates headed off to see the packing operation of *The Natural Fruit Company*, a third-generation family-owned company producing and packing both conventional and organic citrus products. The company cultivates more than 2,500 hectares with 3,500 partner growers and 60% of its own farms are organic. It annually processes some 130,000 MT of lemons, selling large quantities of fresh lemons internationally, many of them in small consumer packs. The operation can annually package 85,000 MT, has 2,000 MT of cold storage capacity and 1,500 MT of de-greening capacity. The operation was described in detail stressing the sustainability aspects, which included water-use control and re-use, the PV installation, the natural gas system, and the use of compressed air.





## TUESDAY 28 FEBRUARY

The day was devoted to visiting five processing operations, all producing citrus juice and oils. Delegates were split into 5 small groups with each group visiting only two of the operations. The four operations we visited were:

*Citromil*, a family-owned company and one of Spain's leading lemon processing companies, exporting 90% of its production. As with the other processing plant visits, delegates followed the fruit's flow through the plant from its arrival through washing and sorting, then processing and packaging of the oil and other products. Finally, visits were made to companies' laboratories, where quality control and testing are undertaken. Some of the equipment seen during the Citromil visit included Exzel and JBT citrus juice and oil extractors, an oil distillation unit, and an essence oil recovery system.

*Citricos de Murcia (Cimusa)* is part of the family-owned Dallant Group, and has over 40 years' experience, now processing over 40,000 MT of citrus fruit each year, mainly lemons. It produces a range of citrus products, mainly lemon juices, orange juices and essential oils, which are available in a wide range of packaging options from jerrycans to bulk containers. *Primaflori* lemons account for 80% and *Verna* lemons 20% of lemons processed. A video was shown of the company's range of operations and alongside its presence in Europe, Dallant has established subsidiaries in emerging markets including Morocco, Egypt, Turkey and Peru.

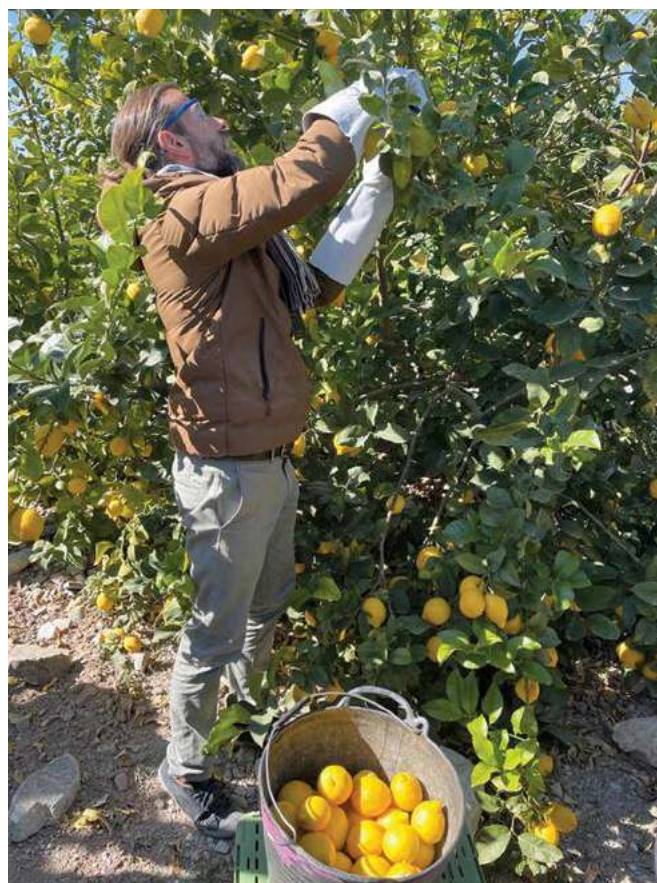


*Fruit Tech Natural (FTN)* is part of the AMC Natural Drinks Group, a third-generation family-owned company with annual turnover more than €1.7 billion that is growing rapidly. The company is the European leader and an international benchmark in innovation, research, development, and production of natural drinks supplying many of Europe's leading supermarkets. FTN is a world leader in fruit and vegetable squeezing and processing and adding value, often using its own unique patented technology. Moreover, it is a fully vertically integrated operation with the highest sustainability and ethical standards, processing more than 300,000 MT each year. It employs 150 scientists and food scientists on developing new natural drinks.

The professionalism of the company was very impressive. Following a short corporate introduction there was a tour of the state-of-the-art factory where fruit was being processed. Equally impressive was the innovation lab where over 50,000 samples are created each year from 600 FTN ingredients (e.g., juices, pulps, oils, macro-antioxidants) for a variety of industries including pharma, drinks, confectionery and dairy. Remarkably some 200 new first-to-market concepts are launched annually.

*Riverbend España* processes conventional and organic citrus fruits producing a wide product range including NFC direct juices, concentrated juices, cells, essential and distilled oils, and other semi-elaborated products for the food and beverage industries. Weekly essential oil production is 6-8 MT, mainly CP oil to which has been added distilled lemon oil.

*Miguel Parra e Hijos* - the Lemon King, was the plant that we did not visit. This is a family company founded 75 years ago and a leader in lemon processing. It produces a wide range of natural products including NFC juices, concentrates, pulps, essential oils, and aromas (e.g., dewaxed lemon oil, essence, d'limonene, comminutes, peel extract concentrates and dried lemon peel. It has its own organic lemon plantation with three lemon varieties.







## ENTERTAINMENT AND CATERING

While the FST-SL focused on the technical aspects of the lemon industry, there was also an excellent introduction to local gastronomy – with lemon playing a key role. Catering and entertainment during the tour were at an extremely high standard, starting with the tapas and drinks at the Welcome Reception. During the farm visits we enjoyed freshly brewed coffee with croissants and other pastries. Monday lunch was a paella show by a well-known chef Sebastián López where delegates enjoyed a range of paellas in the open air with stunning views over the valley below – the only downside being the cold wind.

*Master Chef Experience: Masters of Lemon from Spain.* On Monday evening we visited the Estrella de Levante Tasting Room for an amazing evening with Arnau Paris, who had won the 9<sup>th</sup> edition of the Spanish TV Masterchef series. The delegates were split into 5 teams that competed in the production of a starter, main course, and dessert often with a lemon theme. This was followed by a cocktail and buffet meal created by Rodi Fernandez owner of the Taúlla Restaurant. Tuesday evening saw a superb final dinner at the Michelin starred *Alma Mater Restaurant* by chef Juan Guillamón, who created an ad-hoc menu with a lemon focus.

This was another outstanding IFEAT study tour from both an educational and entertainment perspective. Together IFEAT and AILIMPO had organised an excellent programme. Within the space of just three days, we learnt a great deal about the Spanish lemon sector, had lots of fun, and met a great group of people and companies. This first IFEAT Focus Study Tour was thoroughly enjoyable, unforgettable and a great learning experience.





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### CAJEPUT OIL

*Melaleuca cajuputi* 🌍 Indonesia

There are no fluctuations in the market for the product. Production volumes are decent and market price is stable.

📈 USD 25.00 /kilo

### CITRONELLA OIL

*Cymbopogon winterianus* 🌍 Indonesia

Limited demand has resulted in farmers switching to more lucrative options. The last three years have seen a stable price for the oil.

📈 USD 12.00 /kilo

### CLOVE OIL

*Eugenia caryophyllata* 🌍 Indonesia

With leaves failing to dry completely, the quality produced in certain areas is low. This year, production levels are also down. With large exporters reducing prices, leaf oil prices have fallen.

📈 USD 14.00 /kilo







### NUTMEG OIL

*Myristica fragrans* 🌍 Indonesia

Indonesia is the world's leading producer of nutmeg oil. This season the fruits have not dried completely, which will impact the yield. Current harvest is a result of last year's rainfall. Supply is limited, while demand is high. This will result in an increase in the price.

🏠 USD 84.00 /kilo

### PATCHOULI OIL

*Pogostemon cablin* 🌍 Indonesia

Unfavourable weather conditions have led to low crop yields. The quality and quantity of oil supply has decreased. Considering the oil prices are rising, customers are in the market to purchase product.

🏠 USD 50.00 - 55.00 /kilo

### VETIVER OIL

*Vetiveria zizanioides* 🌍 Indonesia

Distillers tend to replace vetiver with seasonal crops providing better economic returns. The production volumes for vetiver are low, and prices are expected to rise.

🏠 USD 255.00 /kilo

### CLOVE OIL

*Eugenia caryophyllata* 🌍 Madagascar

A global shortage is expected with most stock committed to orders. A cyclone has impacted production due to flooding of areas. The crop that survived is also low in quality with blackish and headless cloves. Some suppliers do have stocks of good quality harvest from November-December last year. Clove prices are witnessing an upward trend.

🏠 USD 55.00 /kilo (Bud)



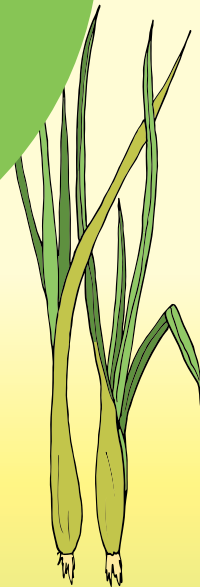




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## LIME OIL

*Citrus aurantifolia* – Key lime 📍 Mexico

*Citrus latifolia* – Persian lime

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%. Total production and processing consist of all three. Mexico lime production in 2022/2023 is forecast down to 2.80 million metric tonnes (MMT). Although the area harvested and the number of bearing lime trees are higher than last year, the crop size is less due to lower yields as higher input costs reduce the use of fertilisers and pesticides. Lower available supplies reduce consumption, exports and fruit for processing.

Despite the fact that the main production season for Key limes has started in Mexico, the price for lime oil continued to increase to record high prices. Inflation only contributes to a smaller percentage of the price increase. Over recent years limes have been gaining popularity which has resulted not only in a huge increase in demand for the fresh fruit, but also contributed to the substantially higher price. 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.

The vast majority of Mexico's fresh fruit exports is shipped to the USA. However, Mexico has been unable to keep up with recent demand for fresh fruit. Mexico is still attempting to fulfil essential oils contracts from the 2021/2022 season, though weather conditions seem optimal for the upcoming Mexican peak season (May - July), which should hopefully bring some relief to the record high prices.

📈 USD 90.00 /kilo

### FRESH MEXICAN LIMES: PRODUCTION, SUPPLY AND DISTRIBUTION ('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



### CABREUVA OIL

*Myrcarpus frondosus* 🌐 Paraguay

There is a decent supply of the oil. Production volumes were good.

📈 Price on Request



### GUAIACWOOD OIL

*Bulnesia sarmientoi* 🌐 Paraguay

The ban on exports to the EU continues, though it is expected to be lifted in July. The oil will only be available after September, when the quota for 2023 is fixed.

📈 Price on Request



### PETITGRAIN OIL

*Citrus aurantium* 🌐 Paraguay

There is decent supply of the oil. A major period of production has concluded, and good volumes were produced. Winter season is about to commence in Paraguay, and production reduces drastically during this season.

📈 EURO 75.00 /kilo



## HYSSOP OIL

*Hyssopus officinalis* 🌍 Spain

The last few years have witnessed a high level of production of hyssop and laurel. Abundant stocks remain, which has led to a drop in the price of the oil.

🏠 Price on Request

## LEMON OIL

*Citrus limon (L.) Burm. F.* 🌍 Spain

The AILIMPO forecast for the 2022/2023 crop season currently estimates 1.011 million metric tonnes (MMT) of production, which is slightly lower from the previous season. This slight reduction is attributed to the excessive rainfall experienced during March and April, which is the vital flowering stage for lemon trees. Overall, the numbers are average for Spain's year-on-year production.

The European lemon market is transitioning smoothly from Fino to Verna. After having extended the Fino campaign to the maximum, the Verna campaign finally begins, a unique variety that is only grown in Spain that allows the European market to be supplied with lemons of European origin from May to July. Due to the historical production deficit (256,000 MT expected, that is, -29% over the 2022 harvest), prices in the production phase show levels +5% above the average of the last four years. However, demand continues to be slow and very demanding with prices, so it is necessary to insist on the idea that the change from Fino to Verna means not only an improvement in the quality of the fruit, but also the possibility of continuing offering European consumers lemon with the guarantees of the European production system, and above all fresh (48 hours from the harvest until it reaches the supermarket).

In 2021, Spain produced an average of 1,453 MT of cold-pressed lemon oil, making it the 2nd largest producer in the world. The nation has over 50,400 hectares of lemon orchards, and 25-30% of all lemons produced in Spain go towards processing. Spanish lemon oil has experienced a small decline in recent months due to ongoing droughts in key producing regions, but the crop is well-positioned to make a recovery. The number of citrus trees increases with each passing year, and AILIMPO estimates that Spanish lemon production will increase by nearly 40% by 2026.

🏠 EURO 12.00 /kilo





### CINNAMON BARK OIL

*Cinnamomum zeylanicum* 🌐 Sri Lanka

There was uninterrupted supply of distillation grade materials throughout the quarter. Due to constant rains, the cinnamon harvest season continued without the need to observe an off-season. Price is expected to hold stable.

📈 USD 195.00 /kilo

### CINNAMON LEAF OIL

*Cinnamomum zeylanicum* 🌐 Sri Lanka

Several distillers have stopped production of the oil, since cost of production is higher than the price the oil is fetching in the market. There is low demand for the oil in key markets. While oil prices started easing in the 4th quarter, they have crashed now.

📈 USD 16.00 /kilo

### CITRONELLA OIL

*Cymbopogon nardus* 🌐 Sri Lanka

The difficult economic situation in Sri Lanka is discouraging local nutraceutical producers from placing significant orders. This has resulted in a reduced interest among producers. Over 100 distilleries were producing the oil in the southern region of Panamura, but this has fallen to less than 10. The supply of citronella is at an all-time low. The spurt in oil price is a result of this reduced supply.

📈 USD 22.00 /kilo

### CLOVE OIL

*Eugenia caryophyllata* 🌐 Sri Lanka

With the arrival of the new crop from the Maha season, raw material prices eased during mid-November 2022 and Q1 of 2023. With the value of local currency appreciating relative to the USD, trade for the oil has strengthened.

📈 USD 62.00 /kg (Clove Bud)

📈 USD 24.00 /kg (Clove Stem)

### NUTMEG OIL

*Myristica fragrans* 🌐 Sri Lanka

Currently, only dried raw material is available in the market. Fresh crop became available mid-December 2022 and was exhausted by mid Q1 2023.

📈 USD 60.00 /kilo





The South African citrus crop has been good, though the vast majority is expected to be used as fresh fruit.

### GRAPEFRUIT OIL

*Citrus paradisi* 🌍 South Africa

There is decent demand for the product in the market. Customers are interested in securing oil and concentrate.

🏠 USD 47.00 /kilo (White)

🏠 USD 32.00 /kilo (Pink)

### LEMON OIL

*Citrus limon* 🌍 South Africa

There is an oversupply of lemon, due to plantings from 5 years ago bearing fruit now.

🏠 USD 8.00 /kilo

### ORANGE OIL

*Citrus sinensis* 🌍 South Africa

There is heavy demand for oil and concentrate in the market.

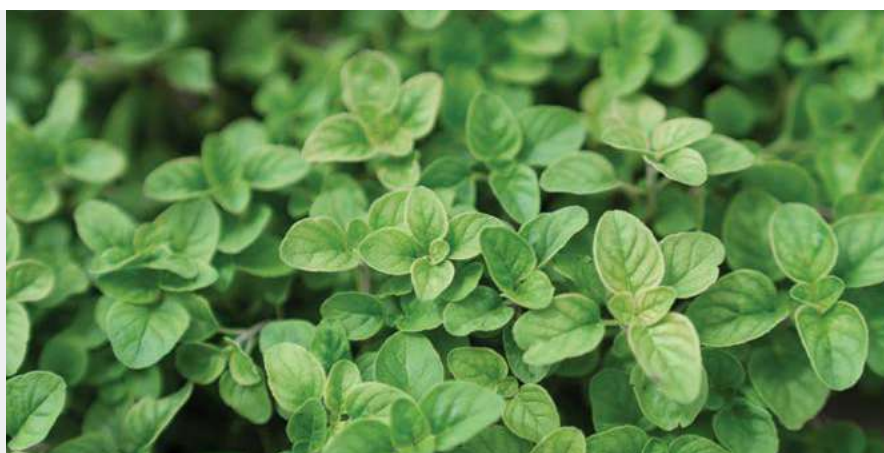
🏠 USD 19.00 /kilo

### OREGANO OIL

*Origanum vulgare* 🌍 Turkey

If favourable weather holds, the upcoming harvest volumes are expected to be in the range of 20,000 to 25,000 metric tonnes. Raw material carried forward from 2022 to 2023 is between 5,000 to 8,000 MT. Out of the 30,000 MT of raw material expected to hit the market, 55% will be pure oregano.

🏠 USD 69.00 /kilo







## GRAPEFRUIT OIL

*Citrus paradisi* 🌐 USA

Latest forecast from USDA in June for all USA grapefruit production is 8.42 M boxes. This forecast consists of 1.82 M boxes for Florida (1.57 M boxes of red grapefruit and 250,000 boxes of white grapefruit), 4.20 M boxes for California, and 2.40 M boxes for Texas. The forecast is down 7% compared to last season's final production mainly due to fruit drop caused by citrus greening and the high winds of Hurricane Ian in late September.

📈 USD 49.00 /kilo (White)

📈 USD 34.00 /kilo (Pink)

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

<i>Crop &amp; State</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23 June forecast</i>
Florida-All	4,850	4,100	3,330	1,820
Red	4,060	3,480	2,830	1,570
White	790	620	500	250
California	4,700	4,200	4,100	4,200
Texas	4,400	2,400	1,700	2,400
Total	13,950	10,700	9,130	8,420



## LEMON OIL

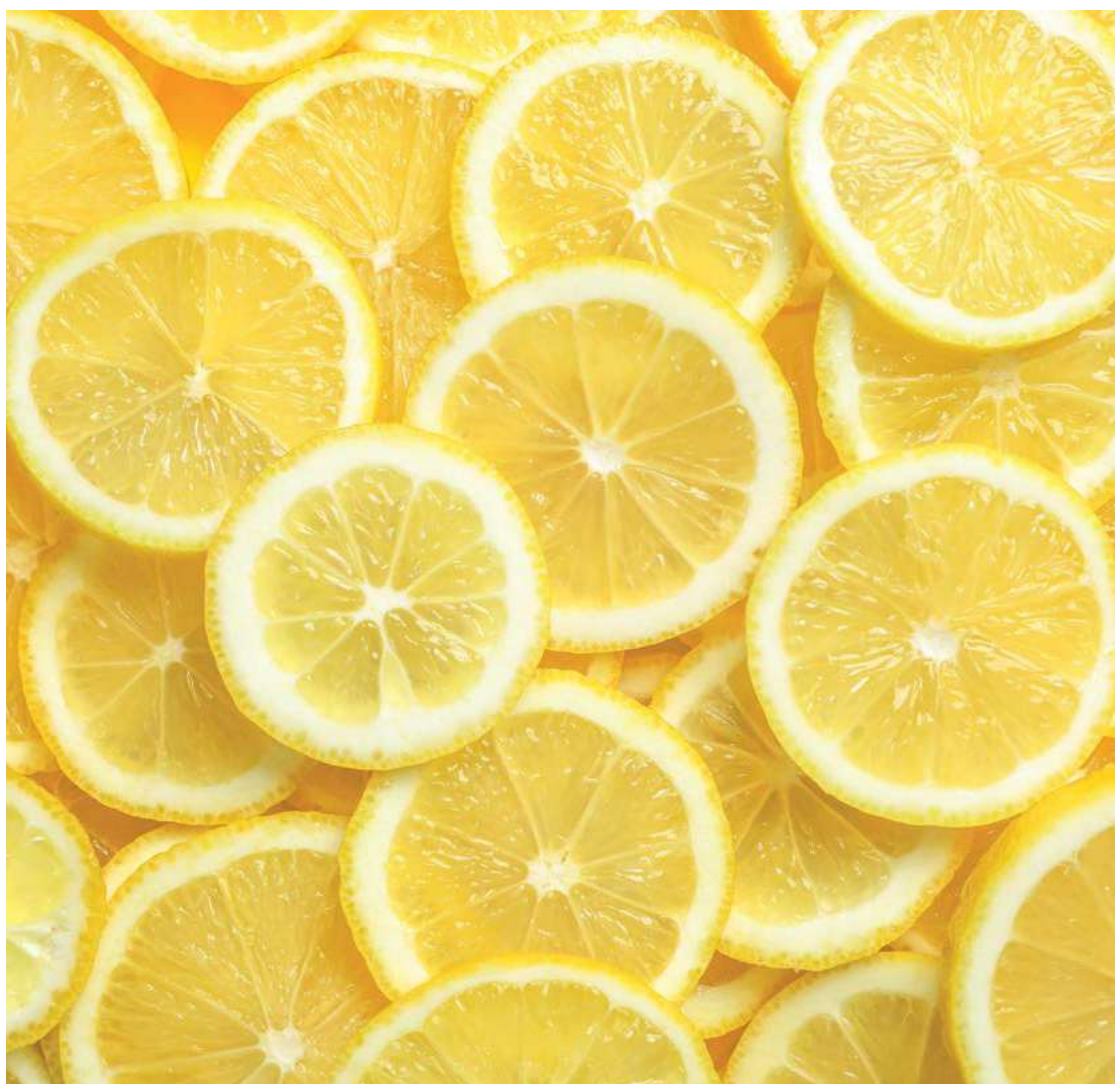
*Citrus limon (L.) Burm. F.* 🌐 USA

The June USDA USA total lemon production forecast for 2022/23 stands at 24.70 M. boxes. Arizona production stands at 1.70 M. boxes while the forecast for California production stands at 22 M. boxes.

📊 USD 25.00 /kilo

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

<i>Crop and State</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23 June forecast</i>
Arizona	1,800	750	1,250	1,700
California	25,300	20,100	25,200	23,000
Total	27,100	20,850	26,450	24,700



## ORANGE OIL

*Citrus sinensis* 🌍 USA

According to the USDA June 2023 forecast, total USA orange 2022-2023 production is estimated at 61.90 million boxes (M. boxes):

- 15.75 M. boxes for Florida, with 6.15 M. boxes of non-Valencia oranges (early, mid-season, and Navel varieties), and 9.60 M boxes of Valencia oranges
- 45.10 M. boxes for California, with 37.00 M. boxes of non-Valencia oranges (early, mid-season, and Navel varieties), and 8.10 M. boxes of Valencia oranges
- 1.05 M. boxes for Texas, with 700,000 boxes of non-Valencia oranges (early, mid-season, and Navel varieties), and 350,000 boxes of Valencia oranges.

USA total production is estimated down 24% compared to last season's final production. Citrus growing region has experienced cold temperatures at the beginning of the bloom period causing widespread freeze damage to leaves, twigs and bloom in many groves. Dry weather followed leading to moderate drought in all areas. These unfavourable weather conditions caused the fruit set to be less and the fruit sizes to be smaller than most seasons.

Until 2015, oranges consistently made up over 70% of citrus production in the United States by volume. Since 2000, total domestic production of oranges has dropped 80%, from 300 M. boxes to a projected 62 M. boxes in 2023. The bulk of oranges, 84%, available for domestic consumption is used in juice, with most of the remainder being consumed fresh.

Particularly, all Florida production is estimated down 62% compared to last season's final production. Many factors contribute to the decrease of orange production in Florida. Apart from severe weather conditions, which affects Florida during the hurricane season, citrus greening represents a huge impact on orange production. Citrus greening was first detected in Florida in 2005. Since 2005, orange production in Florida has dropped 90%, from 150 M. boxes to a mere 16 M. boxes expected in 2023.

Weather and plant diseases are not the only factors driving down citrus production in Florida. Demand for new housing, associated businesses and infrastructure has reduced the percentage of land dedicated to agriculture, rangeland and forestry. Between 2002 and 2017, the number of citrus growers in Florida decreased 62%, and the number of juice processing facilities decreased 66%.

Since Florida processes about 90% of their crop, the lower production volume will affect the global supply of juice and orange oil and other by-products. The orange oil price is on the increase not only due to the imbalance of demand and supply but also due to inflation and the increase of labour and maintenance costs of the groves and trees.

This year is expected to be the first in which California produces more oranges than Florida, with California expected to produce 45 M. boxes or 72% of all domestic oranges. Before 2014 Florida consistently produced over 70% of the nation's oranges. California's commercial citrus crop is geographically immune to the impact of South-eastern hurricanes and has been spared from citrus greening. Drought conditions, and more recently high-precipitation events, have pressured orange yields in California, though production has held steady between 40 million and 65 million boxes since 2000.

📈 USD 20.00 /kilo

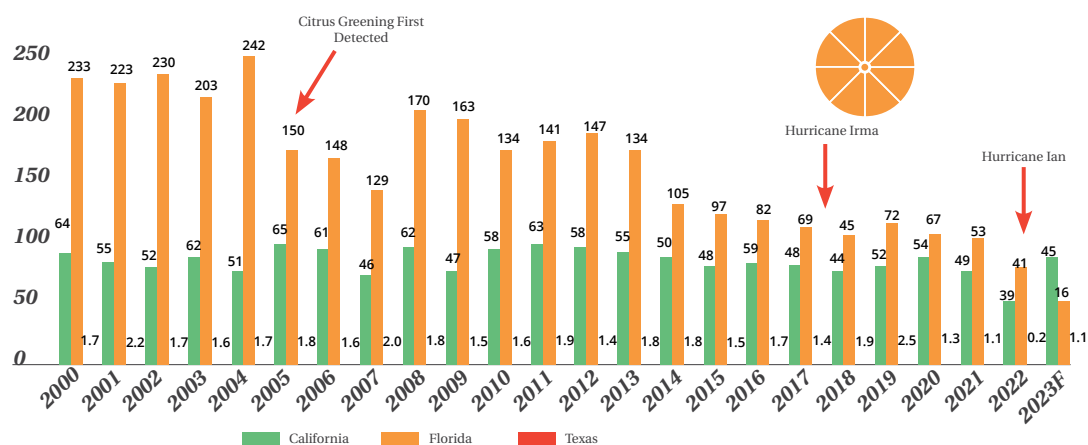


## USA ESTIMATED ORANGE PRODUCTION 2019/2020 TO 2022/2023 FORECAST ('000 BOXES)

For Processing x 1000 Metric Tonnes	2019/20	2020/21	2021/22	2022/23 June forecast
<b>Non-Valencia Oranges</b>				
Florida	29,650	22,700	18,250	6,150
California	43,300	41,300	31,800	37,000
Texas	1,150	1,000	170	700
Total	74,100	65,000	50,220	43,850
<b>Valencia Oranges</b>				
Florida	37,750	30,250	22,800	9,600
California	10,800	7,700	8,600	8,100
Texas	190	50	30	350
Total	48,740	38,000	31,430	18,050
<b>All Oranges</b>				
Florida	67,400	52,950	41,050	15,750
California	54,100	49,000	40,400	45,100
Texas	1,340	1,050	200	1,050
Total	122,840	103,000	81,650	61,900

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 DOMESTIC PRODUCTION OF ORANGES | BY STATE Million Boxes | 2000 to 2023 Forecasted



## SIMPPAR A JOURNEY OF FRAGRANT EXPLORATIONS

Paris with its monument-lined boulevards, classical cafes, and fashion boutiques oscillates between frenzy and romanticism. Great poets, writers, painters, musicians, and actors have found inspiration in the mesmerising beauty of Paris. Seeking inspiration in this artistic city of love is SIMPPAR, a confluence of the greatest perfumers in the world.

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

### A JOURNEY OF EXPLORATION

Ultra International was a proud participant in SIMPPAR 2023. Adventurous in nature and committed to sustainability, we dusted off the cobwebs of our 50-year-old beloved VW Campervan, and embarked on a road trip of fragrant explorations, as we made our way to SIMPPAR 2023. We began this sojourn from the sprawling metropolis of London and travelled 483 kilometres to reach paradisaical Paris. Along the way we made six pit-stops to refuel, recharge, and change those behind the wheel. All through, we were left mesmerised by the beauty of Leeds Castle, Seven Sisters Cliffs, Abbeville, Amiens, Beauvais Cathedral, and Chantilly.

### THE BOOTH

Once we reached Paris the playful campervan parked outside the conference venue drew a lot of attention. It was set up by the exemplary team of Cedric, Béatrice, Gaetan, Laura, Rafael, Miguel, Ravi, Priya, and Lavanya. The van was laden with samples and brochures. As intrigued visitors made their way to the van we greeted them with cold water, and offered picnic chairs to lounge and enjoy the show. Every visitor who came to the booth was awestruck by our global collection of oils.

- **Orange Oil – Brazil**

An uplifting oil priced for its invigorating aroma.

- **Kumquat Oil – Brazil**

Adding a freshness to numerous perfume blends, the rich scent of kumquat comes from the peel of the fruit.

- **Cedarleaf Oil – Canada**

A woody fragrance from the wilds of Canada that offers a soothing touch.

- **Chamomile Oil – UK**

Calming with its sweet and fruity aroma, chamomile is one of the most sought-after products by the perfumery industry.





- **Patchouli Oil – UK**

One of the biggest success stories of our vertical farming project, Ultra Natura.

- **Cardamom CO2 – India**

A popular flavour and fragrance product, the warm and spicy aroma of cardamom CO2 is indigenous to India.

- **Vetiver Oil Pondicherry – India**

Fragrances are attracted towards rich, smoky, earthy aromas. The grasslands of Pondicherry in southern India produce one such fragrance, vetiver.

- **Nutmeg Oil – Indonesia**

The seed of *Myristica Fragrans* produces nutmeg, which is then used to extract the warm and spicy notes of nutmeg oil.

- **Patchouli Coeur – Indonesia**

A hint of sweet oriental musky incense, with the rich notes of winter fruits, patchouli coeur is a full-bodied fragrance.

- **Vetiver Oil Java – Indonesia**

Popular for its calming, grounding, and stabilising properties, the vetiver from Indonesia possesses a woody, smoky, herbaceous scent.

- **Strawberry Gum Oil – Australia**

It's a rare find growing in small pockets in Australia. Strawberry gum or *Eucalyptus olida* has strong fruity notes with a fresh, minty aroma.

- **Kunzea Oil – Australia**

A therapeutic oil, kunzea has a fresh, spicy aroma.

## THE AFTER PARTY

Staying true to its grand appeal, we celebrated the success of SIMPPAR with a grand party. Ultra partnered with Parisian master florist since the 19th century, Lachaume, to host this event. A tradition started by Venetian grandmother, Giuseppina Callegari, Lachaume is a passionate enterprise, where every creation is composed to express deep emotions.

Attended by major industry veterans and perfumers, we didn't leave any stone unturned to make this celebration a memorable affair. A mesmerising flower market, a live band from the beautiful city of Cannes, flowing cocktails and champagne, and a delectable selection of food items. Guests were left impressed by our Ultra Natura facility. We displayed successful plantations of patchouli, vanilla, ginger, and turmeric.

As a token of our appreciation, and a memory to cherish, we gifted each guest a gorgeous Lachaume bouquet to take home.



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## IN SEARCH OF ORANGE OIL

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*Gaetan Bourdeau, CPO Ultra Group*

Orange oil is by far the world's largest essential oil - if turpentine is excluded. Tens of thousands of tonnes of orange oil and various orange derivatives including d'limonene are produced each year as a by-product of processing oranges for orange juice - the world's most popular fruit juice. Brazil dominates world production of oranges, orange juice, orange oil and d'limonene. Because of the large volumes produced, orange oil has been a relatively low-priced oil but for several reasons prices are now at an all-time high.

The Ultra Group is an important supplier of citrus oils and many other essential oils for the flavour, fragrance, and aromatherapy markets. It sources from many origins and is constantly searching for new oils and new sources. This is a key role for Gaetan Bourdeau, Ultra's Chief Procurement Officer, who travels extensively to seek out supply sources. In the past three years he has visited Brazil, Italy, India, Israel, Mexico, Morocco, Spain, South Africa, and the USA in his quest for new sources and suppliers, including orange oil. This article reviews the global orange oil situation and includes some of Gaetan's insights on his travels.





## ORANGE - COMPONENTS AND VARIETIES

After planting, an orange tree takes 3 to 4 years before the first fruit harvest. Fruit yields decline after approximately 12 years and invariably trees are replaced after approximately 18 years. The dominant income source for most orange producers is from fresh fruit sales. However, the orange fruit provides other products including various essential oils and essences. An average orange is made up of pellets/peel (49.25%), juice (43%), frozen cells (2.70%), essential oil (1.79%), pulp wash (1.75%), d'limonene (0.92%), water phase (0.46%) and oil phase (0.11%). The components and product yields vary between species, countries, volumes processed, equipment used and their efficiencies. One guesstimate suggests that 1 MT of oranges can provide revenue from citrus pellets, pectin, and cattle feed, but more importantly approximately 100 kg of FCOJ 65 brix (frozen concentrated orange juice), 3-4 kg of orange oil, 1-1.5 kg of limonene, 0.1kg of oil phase essence and 1 kg of water phase essence.

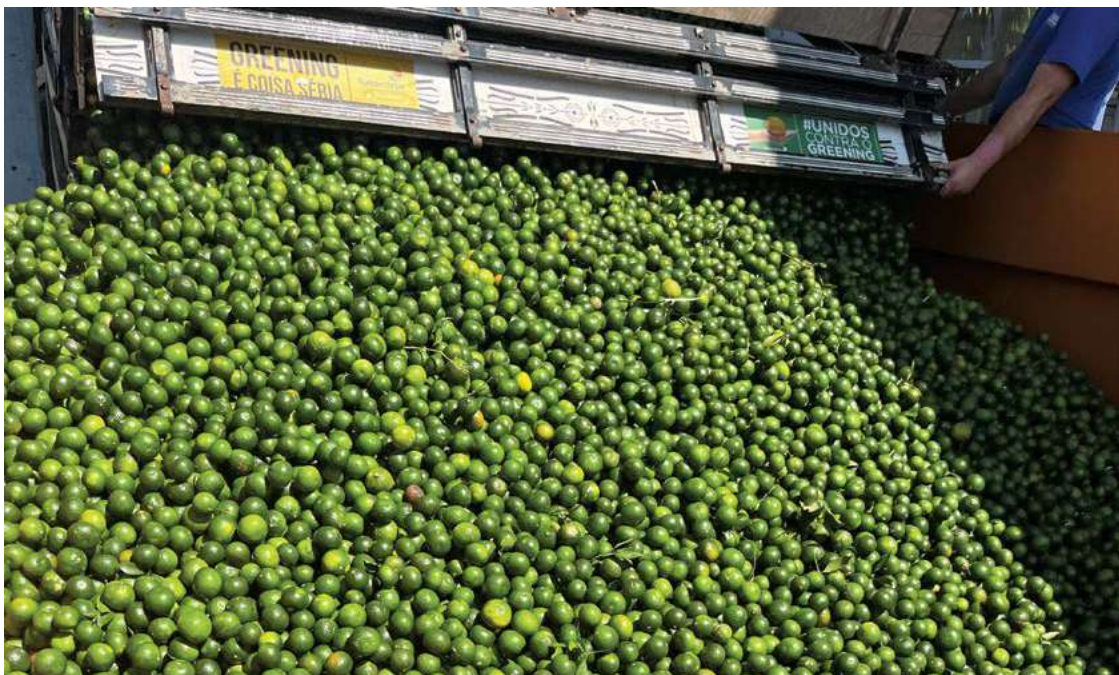
Most essential oils are extracted by steam distillation but citrus oils including orange, are extracted as a by-product of juice extraction by centrifugation, which produces a cold pressed oil (CPO). The oil is extracted, without heat, from orange peel, usually using either Brown or JBT (FMC) extractors to express the oil from the fruit, although there are other extractors. The oil is captured in water and this oil and water emulsion can be separated using centrifuges to separate the oil and water.

The main component of orange oil is limonene (91-92%) but it can also be recovered from waste peel in the feed mill during the juice making process. Whereas orange oil is extracted using a mechanical process, d'limonene is produced by distilling orange peel. Thus, d'limonene can be obtained in several ways:

- After cold press extraction, the water and oil can be separated and the wastewater is fractionated to obtain d'limonene food grade.
- The peels can be further pressed using charcoal and solvent to extract cold d'limonene technical grade.
- Obtained from folding orange oil to produce orange terpenes food grade.
- Obtained from orange phase oil folding.

The volume of d'limonene produced is difficult to quantify but an industry source suggested between 120,000 and 150,000 MT per year as well as 70,000 to 80,000 MT of orange oil.

The oil phase and water phase are referred to as "essences" and obtained by concentration of the juice. There is a shortage of these two products because of decreased demand for concentrated juice, and rising consumer preference for not from concentrate (NFC) orange juice. NFC dominates US production and Brazil produces over 95% of orange essences available globally.







## USES

Massive supplies of orange oil over the past few decades have enabled it to penetrate many markets but higher prices have led to significant changes. Orange oil and orange terpenes (d'limonene) are important ingredients in the food, oral care, flavour, fragrances, and aromatherapy industries. D'limonene has diverse and growing applications as a solvent, cleaning agent, fragrance additive, and is used by the resins industry and the chemical industry to synthesise l'carvone, an important flavour ingredient in confectionery and oral care. It is also used in the electronics industry as a de-greaser. Moreover, it is a natural product, non-toxic and has zero net global warming potential since it does not release any harmful chemicals into the environment. Terpenes are marketed as both nature friendly and human friendly. There are synthetic substitutes but they are too expensive and not readily available and are not acceptable for use in F&F.

## ORANGE OIL PRICES

There is considerable orange oil price volatility ranging from US\$ 0.5 /kg to US\$ 19.00/kg. Many factors can be cited: drought, frosts, hurricanes, global recession, reduced production and processing, disease, stock levels, increased production costs. Brazil and until recently the USA (Florida) dominate processing – normally accounting for more than 80% of global orange oil and d'limonene production. Thus, a major variation in either country's output can have a serious impact on prices. In contrast, production trends in China, the world's second largest orange producer, do not have a major impact since it processes well below 5% of output. Ultimately prices will vary based on the supply-demand dynamics and stock levels.

## OVERVIEW

Over 100 countries mainly in tropical and sub-tropical locations produce oranges. Approximately 50 million metric tonnes (MMT) of oranges are produced annually, of which approximately 40% are processed i.e., 20 MMT. The tables provide estimates of world orange production and processing.

## ORANGE PRODUCTION FOR SELECTED COUNTRIES 2018 - 2023 ('000 MT)

<i>Marketing Years</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>Forecast from Jan 2022/23</i>
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
USA	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
<b>Total</b>	<b>54,302</b>	<b>46,112</b>	<b>48,197</b>	<b>50,002</b>	<b>47,528</b>

Source: USDA



## ORANGE PROCESSING FOR SELECTED COUNTRIES 2018 - 2023 ('000 MT)

Marketing Years	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
USA	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	84
Other	197	182	196	219	193
<b>Total</b>	<b>23,392</b>	<b>16,304</b>	<b>17,458</b>	<b>18,960</b>	<b>17,020</b>

Source: USDA

Global orange production for 2022/23 is expected to be less as compared to the last crop owing to lower production in the European Union, and in the USA because of unfavourable weather conditions and diseases. Therefore, fruits allocated to processing will be reduced, resulting in less orange oil production. The actual amount of processing will be dependent on the value the processor can derive from the juice and orange oil produced. Brazil dominates orange processing but the dramatic fall in recent US orange production means that for the first time in history, Mexico is the second largest orange processor, followed by the USA.

## MAJOR CHALLENGES

The Brazilian, Mexican and US orange sectors have faced at least three major challenges in recent years.

*Climatic variations* - frosts, droughts, hurricanes have all severely impacted production.

*Disease and pesticides* - oranges are susceptible to a range of diseases usually borne by insects that can substantially lower output. These include CTV (citrus tristeza virus), CVC (citrus chlorosis variegated), sudden death virus (SDV) and citrus canker. The dominant threat is greening (HLB), a bacterium spread by the psyllid insect, which reduces yields, kills trees, and impacts quality. Last year, greening affected 20% of the Brazilian crop and could rise to 25% - 30% this year. Substantial research is being undertaken to control the disease which includes removing infected trees, planting resistant rootstock, and using pesticides.

Some smaller to medium Brazilian farmers still use pesticides banned by the EU and USA but not by Brazil, in part because they have multiple crops and the pesticides are only restricted to specific crops. Agricultural residue (AR) issues are an on-going challenge and new EU regulations are impacting global trade. Two markets are developing, good AR and poor AR oils.



*Competition for land usage* - in Florida the population and urbanisation have increased intensifying competition from the real estate sector. In Brazil land use competition comes from alternative crops particularly sugar cane, used for making biofuel. Moreover, sugar cane can provide a return within a year, whereas oranges not only have a gestation period of 3-4 years but also have added risks of greening and greater price volatility. Even though prices are at an all-time high, smaller and medium sized Brazilian farmers have been reluctant to invest, and orange production is increasingly concentrated in three companies: Citrusuco, Cutrale and Louis Dreyfus accounting for over 75% of orange processing/ production. Moreover, in the past year this market concentration has led to lawsuits alleging a cartel and price-fixing scheme.

### ORANGE OIL PRODUCTION

Brazil's orange oil production varies from an estimated 30,000 to 40,000 MT from some 344,389 hectares (ha) of orchards in the Citrus Belt which is concentrated in the states of São Paulo and Minas Gerais. The latter has a better juice because of the sweetness but the oil has generally less aldehyde and is lighter in colour. São Paulo is less good for juice because less sweet but the aldehyde is higher and the colour darker. There is no geographical area with high aldehyde material and light colour.

Brazil's annual orange oil exports have remained relatively stable over the past two decades ranging between 25,000 and 31,000 MT with a peak of 34,765 MT in 2020 valued at US\$ 159 m. In 2022 exports were 27,141 MT valued at US\$ 231m. No detailed data are available on other producers although estimates can be made based on assumptions regarding processing levels and yield estimate. Another source made an estimate of 60,000 MT of orange oil - equivalent to more than 4,000 full container loads (fcl) to which could be added at least another 2,500 fcl of limonene!



## BRAZIL

Brazil has three main orange varieties

- Early varieties (Hamlin, Westin and Rubi) with less yield and lower aldehyde - fruits 9 months after blooming.
- Middle variety (Pera) better yield and higher aldehyde, stronger fruit, 12 months after blooming.
- Late variety (Natal and Valencia) blooming comes later and fruit comes 12 months after blooming.

The different varieties help to keep factories running for a longer time than simply relying on one variety. All varieties are blended to standardise production and nature. Single variety oils like Valencia are usually only available from small processors in the south of Brazil.

To start blooming the tree can be stressed in two ways, either by water or temperature. A tree may have up to 4 different bloomings at 4 different times. A picker will do their best to pick the best fruits for processing. Because of the multiple blooming there is no mechanical harvesting, only hand harvesting. If the tree is shaken it could be damaged and all the fruit could fall. The dates of the blooms are 1<sup>st</sup> usually in June/July 2<sup>nd</sup> in August/September 3<sup>rd</sup> in October/November and 4<sup>th</sup> in December/January. The dates can vary between tree and orchards. Regarding the last crop's production 27.5% was in the 1<sup>st</sup> bloom, 58.3% in the 2<sup>nd</sup> bloom, 12.4% in the 3<sup>rd</sup> bloom and 1.8% in the 4<sup>th</sup> bloom.

### BRAZIL ORANGE PRODUCTION (MILLION BOXES OF 40.8 KG)

<i>U.S. Marketing Year</i> <i>Brazil Marketing Year</i>	<i>US 2020/21</i> <i>2021/22</i>	<i>US 2021/22</i> <i>2022/23</i>	<i>US 2022/23</i> <i>Estimates</i> <i>2023/24</i>
Total Production	359.7	415.0	409.34
São Paulo	263.0	314.0	309.34
Other Regions	96.7	101.0	100.0
Delivered to processors	248.0	301.0	292.0

Source: USDA

The table contains recent Brazilian orange crop estimates. The 2023/2024 crop for the main growing regions showing a slight decrease compared to the last crop, partly because of the alternate bearing phenomenon. Prices have not fallen as much as expected because of the high demand from the processing industry, who are still filling contract requirements from the last two years because there is no carryover inventory. Supply remains lower than demand because of lower than expected global output. Demand and prices are still firm. Moreover, input costs are rising, particularly fertilisers, energy, transport, and labour. Greening remains a major issue, while quality is lower and failing to meet specifications for aldehyde content.

## USA

In recent years, US orange production in Florida, which used to dominate production, has shown a dramatic downward trend unlike California. The data and various causes e.g., climatic conditions, greening, real estate development - were discussed above and on pages 62-63 of this report. Since Florida processes about 90% of its orange crop, the substantially lower production volumes have affected global juice, oil, and by-product supplies.

## MEXICO

Mexico is now the second largest orange producer in the world but very far from the volumes available in Brazil. The main challenges are weather conditions, the arrival of greening and the operation of criminal gangs. High temperatures and severe drought have impacted production in recent years. Also, aldehyde levels in CP orange oil have struggled to get close to 1.1%.



## EUROPEAN UNION

Spain and Italy are at the forefront of European Union orange producing countries. Recent declines in production are due to adverse weather conditions, particularly record-breaking temperatures in Spain and drought conditions in Italy. Another problem for processors is that fresh fruit prices have remained strong in the EU, making it difficult for processors to compete and raising costs.

## SOUTH AFRICA

The past decade has seen a growth in orange production driven by expanding exports of fresh fruit, leading to a decline in processing levels. However, problems with AR levels have negatively impacted exports and could facilitate an expansion of processing.

## EGYPT

Egypt is a major producer and exporter of fresh oranges. Processing has been relatively stable in recent years, but the rise in product prices could facilitate increased processing.

## MOROCCO

The cultivation of citrus fruits, including oranges, dates back several centuries in Morocco and it is best known for its bitter orange oils, especially neroli. However, it has a rich history of producing orange oil, derived from the peels of oranges. Moroccan oranges are known for their exceptional flavour and aroma, making them highly sought after in both domestic and international markets. Morocco has developed a reputation for producing high-quality orange oil. The main variety is Navel, and Salustiana and Maroc late (also called Valencia Late season type). Annual orange oil production is approximately 60 MT.

## SOME CONCLUSIONS

The most lucrative part of the orange market is the sale of fresh oranges rather than orange juice or by-products generated from processing orange peel. The market for orange by-products including orange oil and limonene is both a global one and a volatile one with price levels similar throughout the world.

Prices have increased significantly in the last few years. The combination of citrus greening, climatic factors, labour availability, competitive land usage, limited natural substitutes, rising production costs, lower aldehyde levels often below 1.1%, rising demand, reduced stock levels all signal a paradigm shift in the market.

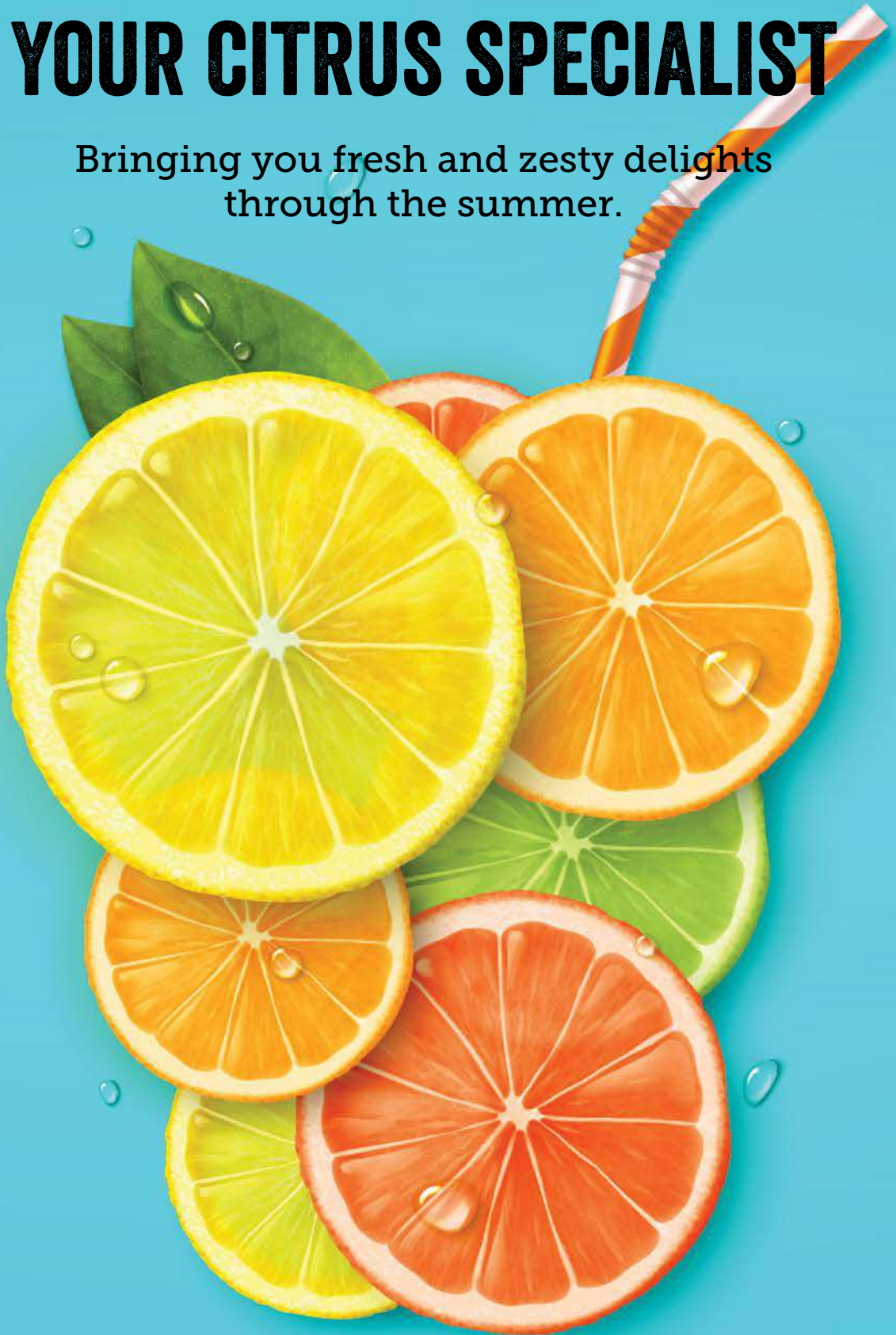




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