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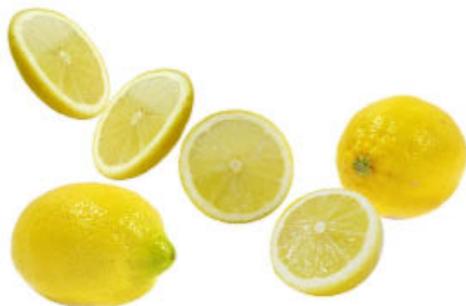
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Grapefruit Oil



The prices of white grapefruit oil have risen approximately 50%. Increases in the price of red oil have been much more modest. We encourage all our customers to consider evaluating the red oil in place of the oil from white fruit.

Lemon Oil



Dry weather has contributed to significantly lower volumes of lemon oil available from Argentina. At present, we estimate that the reduction in oil will be greater than 30%. Lemon production in Spain will be down by 50%. Taken together, this paints a rather dismal picture. We are hopeful that lemon oil from other origins will partially offset the expected shortfall.

Lime Oil



There is a tale of two limes. On the one hand, the production of distilled oil is sufficient to cover the expected demand. On the other hand, a shortfall in the production of cold pressed oil produced from Persian fruit has led to more demand for the cold pressed oil from Key Limes. This has significantly affected both the supply and the pricing. We are hopeful that the winter brings a new supply of cold pressed oil from Persian fruit.

Orange Oil



First the good news. The preliminary estimates from Florida call for a better crop for this coming season. The latest estimates point to an increase in the size of the Florida orange crop from 133 million boxes in 2010 up to 154 million boxes. The USDA official estimate for the 2011 season is scheduled for October 8th. Now the bad news, in Brazil, dry weather has led to a reduction in the size of the crop by approximately 15%. Yields are expected to be lower than normal. This has led to a shortage of Orange Oil from Brazil. Prices are at all-time highs and there is virtually no availability.

Tangerine Oil



Tangerine is tight but not ridiculously so. If you stay ahead you should be safe. Prices are up but to a manageable degree.

Rob's Crystal Ball

Bad weather, a weak USD, double digit rebates in China and a high single digit VAT in India, a lack of supply, robust global demand, elevated seed/fruit prices, farmers holding back for higher prices and port delays have combined to create shortages and products selling at all-time high prices. Needless to say, it is a very difficult time to buy, process essential oils and to manufacture aroma chemicals.



Essential Oils

Citronella Java, Geranium, Eucalyptus and Eucalyptol -This group of essential oils originating from the Yunnan Province of China continues to feel the effects of the severe drought, along with demand that exceeds supply. Prices are high and in extremely limited availability at origin and resellers.

Essential Oils

Ho Wood Oil

Over the past couple of years, poor maintenance of trees has resulted in less production and firmer prices. While new plantings have begun, we believe prices will remain firm for some time.

Lavender Oil

For the third year in a row, the crop is very poor. This, combined with no carryover oil, makes for limited supply and high prices. It is also reported that the oil content is 60% lower than previous years and that this year farm/distillation costs are at last years selling prices which has put added pressure on prices and availability. Please advise us of your requirements over the next 12 months. We suggest that you cover. If you wait you could end up without a sufficient supply.

Mint Oils

In general, the mint harvest is underway but late due to the cool temperatures in the Pacific Northwest. C&A is in an excellent position in all the mint producing states of Washington, Oregon, Montana & Idaho and in daily contact with our many growers – to fill your needs.

Petitgrain Oil

Crop was very slow due to constant rains (Climatic Phenomenon EL NINO) resulting in a dismal production cycle during the traditional high season in December/ January. In addition, the same workers are employed by a few industries. This interruption will shorten the harvest and production season. In a repeat of so many situations, the US dollar is weak and this has increased prices offered in US Dollars.

Spice Oils

Cardamom Oil

Initial crop reports from India & Guatemala predict to be better than last year's dual origin-high price, poorest availability in memory. We hope this past year's seed price frenzy is coming to a close. In the coming months we anticipate more reasonable seed prices which in turn should yield better oil prices. We recommend communicating your volumes to enable us to provide you with advice on when to cover your requirements.

Clove Leaf Oil (Eugenol)

We are told that the majority of distillation has been halted due to the continued rain in the region. This in turn has made the Clove trees too green with no dried leaves to distill. Furthermore, the season is coming to the end. The Monsoon season will officially start from end October to March. Thus, we may see a severe shortage of material this season. We are seeing the problems in both Madagascar and Indonesian origins which only compound the lack of supply.

Coriander Seed Oil

In the past few months, the price stabilized only to strengthen again due to bad weather at harvest and a general lack of interest to produce without contracts. Please come to us with your annual requirements.

Garlic Oil

The Garlic crop that was processed in June/July was extremely poor due to bad weather. In addition, crop plantings were down due to the earlier low prices from growers. It should also be noted that raw garlic is gaining popularity due to reputed health benefits.

Spice Oils

Ginger Oil

According to our many sources, Ginger is another product where the current supply can barely keep up with the demand. Not surprisingly, prices are increasing.

Nutmeg Oil – Nutmeg prices continue to advance due to the weak US dollar versus the Indonesian Rupiah along with the inclement weather in the region. We recommend covering your needs sooner than later.

Pimento Leaf Oil

Pimento leaf oil is stable but the predictions for Gulf hurricanes have the producers nervous. If bad weather does strike, it could easily cut this season's harvest time in half.

Star Anise Oil and Natural Anethole

We have been advised that supplies are in the growers hands and they are holding inventory while waiting for higher prices. In recent months, the prices have stabilized but not softened as we had expected. We recommend covering your needs until December/January and hope to have better news around that same time.

Cornmint Oil (mentha arvensis) & (menthol crystals) - in recent weeks, as the harvest is well underway, it is reported that the crops are down 20% from last year with somewhat less carryover. These events, along with a strong Indian Rupee and an active MCX (Multi Commodity Exchange) have recently pushed up prices. We monitor all the Indian mint products on a daily basis and believe the supply meets demand. We recommend a hand-to-mouth plan over the next few months.

Cassia Oil and Natural Benzaldehyde – These continue to strengthen in price based on strong demand, rumored speculative buying and extremely tight supply. In recent days, there is mounting concern that the newly imposed VAT could increase the price by as much as 17%.

Cinnamon Leaf

Firm prices continue to set the stage due to high demand.

AROMA CHEMICALS

Aroma Chemicals

The Aroma Chemical market is experiencing a resurgence in demand following last year's industry down-turn. There are a number of supply interruptions from China that are causing shortages, which have extended lead times. In addition, we continue to experience shortages of linalool, citral, and a variety of lactones.

For the Oleoresin report please visit

<http://www.trilogyspice.com>