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Orange Oil



Prices for cold pressed orange oils from all origins have fallen over the past few months. Unfortunately, the largest producing origin, Brazil, continues to quote prices higher than from other origins.

Prices for Orange Terpenes and D' Limonene have fallen faster than for cold pressed oil. This has led to an imbalance in the "equation" for folding orange. With prices for orange terpenes below the landed cost for orange oil, the cost of folded orange oils has actually risen.

If history is a good teacher, this imbalance will resolve itself by a further decrease in the price of orange oil as processors will be reluctant to book oil when they could easily create a loss by folding it. Of course, the other possibility would be for the price of cold pressed orange oil to increase, but that is less likely. The size of the crop in Florida should be adequate to permit the gentle decline of prices from Florida and Brazil.

Lemon Oil

Lemon Oil prices from origins other than Argentina have fallen below the prices from Argentina. Argentine processors, who together have more oil to offer than other origins, have resisted lowering their prices for top quality lemon oil. Some of the softness in lemon oil is due to reformulation away from pure oil to WONF alternatives. Although the new crop in Argentina, due for processing this summer, is forecasted to be smaller than 2011, we believe there will be an adequate global supply to ensure that prices remain steady. It is anticipated that Spain will have another bumper lemon crop with 20% more fruit than average seasons.



Lime Oil

A surge in demand for distilled lime oil in the late fall and winter was satisfied by substantial production in Michoacan. Considering that Peru was barely a factor, and production in Colima does not begin in earnest until June, the citrus industry got lucky. The high prices of 2011 actually increased slightly due to demand.

The demand for cold pressed lime oils from both Persian and key limes, appears steady at a level similar to 2011 but down from 2010. This has allowed producers to produce more distilled oil, a fortunate thing considering the steady demand. We expect that prices for both lime distilled and lime cold pressed (expressed) will be within 10% of the prices in 2011. At this time it would be impossible to say whether prices will be 10% above or below the 2011 benchmark because weather during the season remains the number one factor.



Grapefruit Oil



Grapefruit oil prices are dependent upon the type fruit processed. Grapefruit Oil from pink and red varieties is priced reasonably and is available. Oil from white fruit is somewhat harder to source and the prices are twice as high. The issue of fungicides and pesticides is an important complication for those who source grapefruit oil. We continue to purchase oil throughout the season and do not believe that an attempt to time purchases makes sense. Buy good quality parcels at reasonable prices and don't look back.

Tangerine Oil

Prices for tangerine oils reflect a dwindling supply in Mexico, China, Brazil and the USA. Our advice to all customers is to cover.



Rob's Crystal Ball

When gazing into my "Crystal Ball" I recognize that conventional wisdom suggests that the overwhelming majority of the price increases experienced during 2011 should reverse, with those that have gone up the highest falling the fastest. The good news is that we have experienced some relief on many essential oils but the prices of pre-2009 are far from the horizon. This is due to so many reasons that we wonder if these recent softer prices represent the new normal? While each essential oil has a different and unique story it seems to be viewed among many producers of natural products that perhaps they have been undervaluing their products for years.

In addition, to all the above the financial challenges of the European Union, the 2nd largest industrialized block, could also create some softness in the near future.



Essential Oil

Anise/Citronella/Eucalyptus/Eucalyptol/ Geranium & Wintergreen

Unfortunately, drought conditions again plague the province of Yunnan, China. However, all oils except for Citronella & Wintergreen oils have softened over the last few months. Geranium sales have slowed due to the competition in Egypt. However, the farmers are concerned with the drought conditions. At present C&A has good positions on all oils except Geranium oil and invite your inquires before the markets firm.

Cananga

Cananga oil from Indonesia is coming off its recent lows and is expected to increase 10% over the next 6 months. If you need to cover we'd suggest you take a position sooner than later.

Davana

September-October is the start of Davana cultivation. While prices remain very competitive it is likely the prices will firm over the course of the year.

Ho Wood

Recently prices have increased and supplies are tight due to the very rainy weather in Guangxi, Fujian, Hunan & Jiangxi provinces of China since the Chinese New Year. Ironically, as noted, drought conditions exist just southwest in the Province of Yunnan. C&A has good positions and welcomes your inquires.

Lavender/Lavandin

2011 had nothing but bad news. The news in 2012 will depend on the weather in Bulgaria & France. Our "crystal ball" reports that inventories at source and here at home are slim. We expect to know more when the harvests at both origins occur in late summer.

Lemongrass

Although the price of lemongrass from Guatemala is slightly higher than last year, we continue to take solid positions on this modest volume essential oil from Central America. It has become necessary to contract lemongrass to assure enough is planted, harvested and processed into oil. We welcome your inquires.

Pimento Leaf

Pimento leaf oil is at the very end of its cycle with new oil production starting in August. We recommend taking product before the hurricane season which can have devastating effects on this crop in the Caribbean. We believe that inventories at source are close to zero. C&A is well positioned to help you.

Mint – Peppermint & Spearmint

In general the market for mint oils in the Pacific Northwest is firm as supply and demand appear to be in balance even taking into account last year's difficult harvest season. At present, no reports of bad weather have been reported. In India, the reports indicate less peppermint & spearmint planting which should result in some price pressure and influence the overall market. However, we recommend that our customers hold-off until the summer to cover when the new Indian crop production will be available. In the US the harvest will begin in mid-August.

Spice Oil

Cassia and Natural Benzaldehyde

These products continue to show firm prices the past 6 months. We continue to recommend hand-to-mouth covering as it is hard to predict which direction, if any, these prices will go.

Cardamom

Cardamom production in Guatemala is over. The prices softened as predicted. It has just been reported that India's crop is going to be down which is already putting some upward pressure on prices at all origins. We welcome your inquiries.

Clove Leaf

Finally some good news! The weather and output in Indonesia was favorable and prices have settled to a level not seen in the past 18 months. C&A is basic in Clove Oil and invites your inquiries and requirements as May-June looks to be the time to cover for the next 6 months.

Coriander

July-August is the next start to the harvest. While prices have softened it is anticipated that prices will rise before the harvest which is contrary to conventional thinking. Our recommendation would be to cover now for the next 6 months and reassess in October when the harvest is well underway.

Cumin

With the war in Syria and the political instability in Egypt we recommend that you cover your needs for 2012. To make matters worse the wheat crop competes with cumin. As a consequence, the production of cumin is diminishing. The situation and prices/availability could get worse.

Ginger

Ginger remains stable in anticipation of the new crop in June/July.



Mandarin Petitgrain (Mandarin Petitgrain Terpeneless)

Egypt experienced a very short crop with prices well above last year. Therefore, with the limited availability and political instability we recommend covering your needs with us. Don't wait!

Nutmeg

Nutmeg oil continues to be one of the most challenging essential oils. Prices continue to inch up every month with no end in sight. Disease, immature trees, new planting regions and overwhelming demand on the ground spice are the main reasons for the very tight availability and firming prices. This is an item where contracting is a must to insure future supply.

