ROB'S CRYSTAL BALL

AN ESSENTIAL OILS MARKET UPDATE

SUMMER 2024

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As the summer begins, we are pleased to provide the following market report on the state of citrus and spice oils.

SELECT PRODUCTS

BITTER ORANGE

The weather has been sub-optimal in growing regions of Bitter Orange both in the northern and southern hemispheres. Because Bitter Orange is gaining popularity in the fresh fruit market, there may be less fruit available for processing. This would negatively impact the availability of oil.

CARDAMOM

Cardamom is cultivated in Sri Lanka, India, Guatemala, and El Salvador. Primarily known for enhancing warm beverages like tea, cardamom is increasingly finding its way into desserts and bakery creations, imparting a mature and nuanced flavor profile.

The cardamom industry took a hard hit in 2023 due to extreme heat, especially felt in Guatemala, a key production area. The prolonged summer caused some plants to wither completely while others yielded seedless or late flowers, resulting in poor seed quality overall. As a result, the 2023/2024 harvest is anticipated to drop by 30% to 50% compared to previous years. Meteorologists foresee another dry spell for 2024, implying scant rainfall in the plantations. We recommend reviewing your stock and projections for 2024 and guarantee your needs as soon as possible.

CLOVE

Though the weather report in Indonesia was forecasting a dry summer, recent reports are predicting this may not be the case. Without a dry summer, we can expect clove prices to rise.

DAVANA

Davana oil is primarily cultivated in South India. It is predominantly used in fragrance applications, lending a balanced blend of woody and fruity notes. In flavoring, it is often used in apricot and peach flavors.

After the Davana nurseries planted in October 2023 were destroyed, replacements were swiftly established the next month. However, this delay resulted in diminished herbage yields and unsatisfactory quality. Compounding the issue, wilt ravaged a significant portion of standing crops. Additionally, drought-like conditions near Bangalore, a key Davana cultivation area, have emerged, accompanied by a sudden spike in temperatures. Recent reports indicate that oil production is only at 60% of the previous season's level.

LEMON
Argentina

The government in the state of Tucuman proposed a law to move the lemon industry under the umbrella of the government to manage the oversupply of oil. However, the proposal faced resistance from industry stakeholders. The law is currently under examination. We will keep you informed as this situation develops.

ORANGE
Brazil

The orange crop in Brazil has a new estimate. Compared to last year (which wasn't a big crop), it will be even smaller. The latest report forecasts an approximate yield of 232 million boxes, significantly down from the 307 million boxes produced the previous season.
Given these numbers, firmer pricing is likely in our future.

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