

A close-up photograph of several lavender flower spikes. The flowers are a vibrant purple color and are in various stages of bloom. The background is a soft, out-of-focus green and purple, suggesting a garden setting. The lighting is natural, creating a gentle glow around the flowers.

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## **MARKET SITUATION**

June 26th, 2019

## Products in this month

Eucalyptus Globulus Oil  
Litsea Cubeba Oil  
Ginger Oil FCC  
Natural Garlic Oil  
Star Anise Oil  
Cassia Oil  
Natural Wintergreen Oil

**Delivering  
100% Pure&Natural Neroli Flower oil**





Our contract farmers distilling  
the Eucalyptus Globulus  
crude oil in the forest



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## EUCALYPTUS OIL

At present the crude oil price maintain at RMB 102-103/kg, and the current market price stable after some decreased in the last few weeks. The Spring crop season was ended, for the reason of low oil ratio out at present and also the government forest fire prevention period, there is very few new oil into the market, also the current low purchase price for crude oil making farmers that have stocks unwilling to sell, even though the present global demand markets is not strong.

It's the very lower side period for the Eucalyptus oil compared with last few months and the total China market seems is waiting for the price rebounding to higher price, after all, many companies and factories still have some stocks of last year's much higher price of Eucalyptus oil.



## LITSEA CUBEBA OIL&CITRAL

A little litsea cubeba berries are ripe, and this year's berries seem to grow very well, at the end of July we'll be collecting some fruit berries to process and check the oil ratio and this year's production costs. But from the current berries growth situation, if everything goes on very well, this year's total production costs will be lower than last year. Considering on July to August it's often a lot of raining weather condition in the main production area, especially this year there are too much of rains in China, if the weather condition goes bad when collecting the berries, then it will have some influence for this year's crops.

We'll be keeping our clients updated for the latest news for this material and if there is an annual long-term purchasing contract with fixed price and batch delivery we'll be also welcome. (This year we plan to produce 30-50 tons Litsea cubeba oil)

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## GINGER OIL FCC



The Ginger Oil price currently is increasing followed by the increasing price of dried Ginger material. This year's new Ginger root was planted on April, and from the total China plantation area situation, this year's Ginger plants area decreased a lot, this obviously show the next half of this year will be very shortage of Ginger(not only for Spice market, but also the Ginger Oil market). Currently the stocks dried ginger supply was very tight, many factories also panic buying the raw materials, and only less 10 days caused the Ginger root material price increased 15%.

And we estimate the price for Ginger material and also Ginger Root Oil should be further up-forwarding in the next few weeks and months. We advise clients have demands in the next few months can cover now. (At present we only left less 8 Tons in stock that produced from March to early of June, and considering the current higher price of raw materials and further increasing price, we could not purchase any raw materials to process again in the next half year of 2019 in order to keep us and our clients in good and stable price condition)





# GARLIC OIL NATURAL

The Natural Garlic oil price in those days also is increasing as same as the garlic material. The situation and reasons like Ginger oil. But for the Natural Garlic Oil, after Chinese New Year Festival (Feb.) until now, mostly China factories still didn't processed any raw materials and produce any new garlic oil, for the end of last year's quickly decreased price and government strictly environment protection policy.

With the current garlic raw material price, even use the lowest quality of garlic to processing, the net production costs is above RMB 1000/kg, too low profits to production for all factories based on the current market price.



# STAR ANISE OIL/ANETHOL

In those two weeks the Star Anise Oil price continuing up-forwarding for the shortage of raw materials and very limited stock supply. This year's Star Anise fruit price is very high and farmers almost all sold to the Spice market, there is no any star anise fruit oil into the market for the extremely high production costs.

And farmers also will not collect leaves and twigs to distill the oil for fear of the influence of new fruit growth, we trust in the next few months the Star anise oil and Anethol natural price should be further increasing.

We advise clients have demands in the next few months should be considering now, it's still the good time to purchase.

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## Farmers distillation Star Anise leaves Oil in the mountain







OUR CASSIA OIL

WE FOCUS ON CUSTOMER CARE

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## CASSIA OIL

Spring harvested dried Cassia leaves and twigs already ended in last week. And from all the factories that collected leaves quantity to estimate that this year's Spring season oil in China will be about 200-250 tons, decreased about 2/3 compared with last year. (600-650 Tons Cassia Oil in 2018 Spring season in whole China), And the reasons for this year's largely decrease we think is the following:

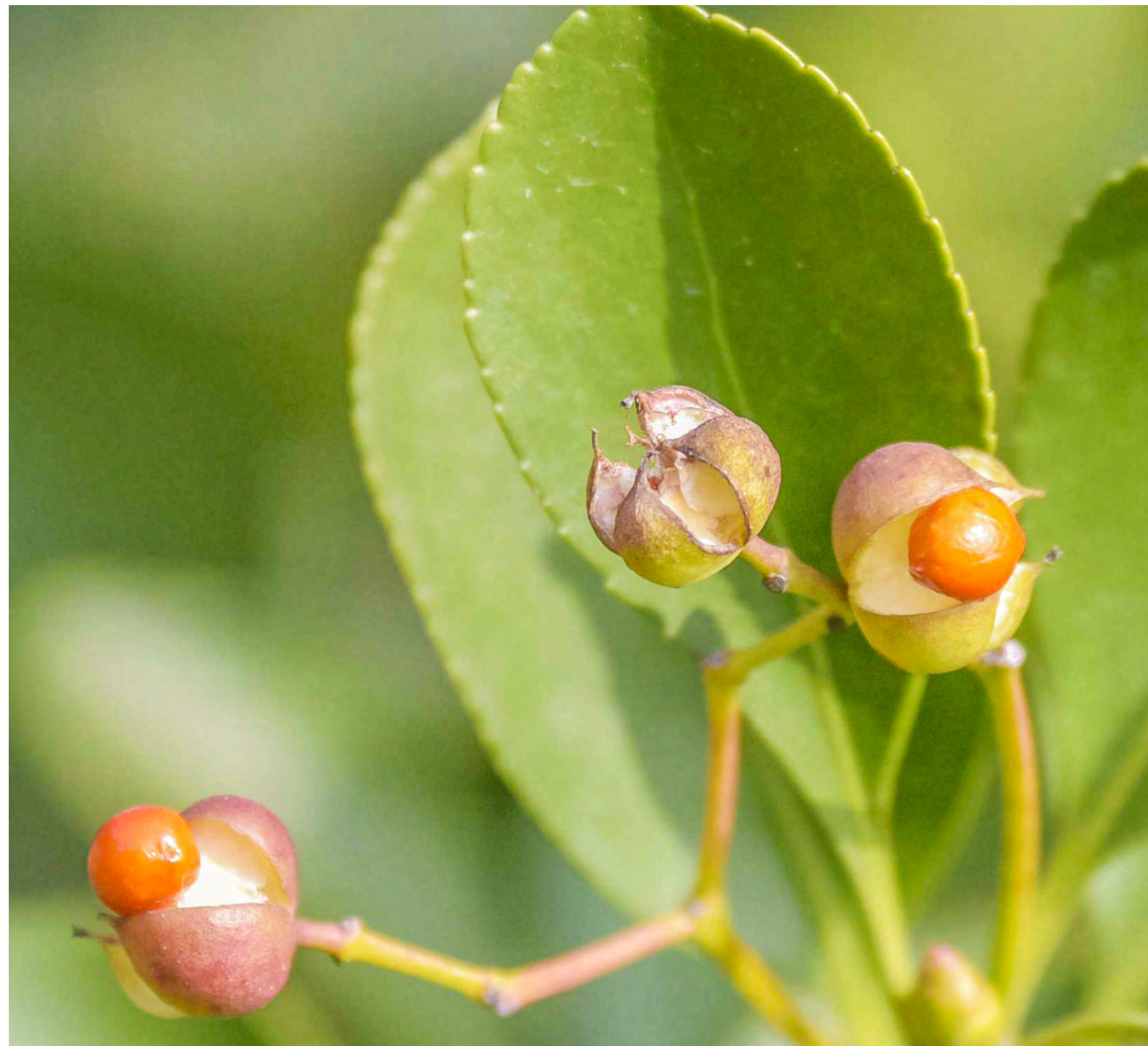
- 1) From last year the Chinese Cassia Oil price was maintained on a very lower position, All factories lacks motivation in this year and also did their best to press down the purchasing price for the dried leaves from farmers, and It's the same the other way round for the farmers, very few farmers willing go to mountains to collect Cassia leaves.
- 2) This Spring season there are too much of raining weather conditions, and greatly influence for the drying of cassia leaves and twigs.



## WINTERGREEN OIL NATURAL

New oil into the market now, and this year's crude oil price is much higher than last year, with RMB 290-300/KG(not including 13% VAT and delivery costs), the crop season will be end on July, from this year's plants area, this year's total production will be much less than last year.

This year's great challenge for all clients is that at present there are too many blended or adulterated wintergreen oil in the market, and prices was too many difference. Currently we only get 8 drums 100% Pure&Natural Wintergreen Oil.





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