



**Fragrand**  
a r o m a s

**NATURAL  
ESSENTIAL OILS  
MARKET SITUATION**

**End of August 2019**



## Products in this report

Eucalyptus Globulus Oil  
Chinese Geranium Oil  
Citronella Oil  
Litsea Cubeba Oil  
Ginger Oil FCC  
Cassia Oil  
Star Anise Oil  
Valerian Root Oil  
Natural Wintergreen Oil



# Chinese Ginger Oil

## BEST TIME TO COVER

Any inquiry please contact us





# THE END OF CROP SEASON FOR LITSEA CUBEBA OIL & CITRAL



Fragrand  
aromas





## EUCALYPTUS OIL & EUCALYPTOL

Recently for the reason of American and Chinese trade and tariff wars and RMB to USD exchange rates, also the weak global market demands for Eucalyptus oil in August, caused the Eucalyptus crude oil price down-forwarded to the lowest price to the same period of May, 2017, and from the current farmers' selling attitude and factories low stocks, there is very few opportunities for eucalyptus oil price further decrease trend. If market demands in the next few weeks and months become weak, there is a great chance for the market price rebounding and increasing quickly.

At present most of factories collect the crude oil to process only according to the orders, and they decreased the stock to reduce the market price fluctuation losses. We advise clients that have demands recently can consider now.



## CHINESE GERANIUM OIL

This year's plantations for Chinese Geranium increased about 15%-20% compared with last year, but considering at present the market price for Chinese Geranium oil is almost the lowest compared with last year and also in this year, there is very lowly motivated to encourage farmers to collect the raw materials and distill the crude oil, and also this year the main production area had too much of rains during the production period, it greatly influenced the harvest, market supply of new crude oil didn't show great increase.

Currently the market price almost maintain at the lower side and also very steady. The future weeks and months price trend will be highly depends on the market demands strong or not. (But few possibilities for decrease, because from last month to this month even there is very week demands, the price still maintain the same, means the farmers and factories costs didn't any change)







## CITRONELLA OIL CHINA

This year's harvest seems better than last year, but this year's overseas demands not strong than last year and price was decreased a lot since May, at present it's already near the production costs and price keep in stable. Considering recently the RMB to USD was depression, and also it's on a very lower price side, it's very benefits for clients who have demands for covering.



## LITSEA CUBEBA OIL&CITRAL

It's almost finished this year's production for our Chinese Litsea Cubeba Oil, from current production situation, this year's harvest at the main production area in Hunan, Jiangxi, Guangxi and Guizhou province all decreased. Although this year's fruit/berries growth very well. The reasons we think are the following:

The first half of the year the global market demands for Litsea cubeba oil and Citral natural response was not strong and distinct, all main factories shows very little enthusiasm for collecting fruits and production the oil. And at the same time there is a few factories that still have last year's old stock was offer price lower than this year's production costs, in order to quickly sold out to get capital and reduce the risks of citral % decreased losses, this kind of reason caused other factories unwilling to collect fruits from farmers to processing.

The periods of Litsea cubeba fruits is very short, only last less than one month, it already end of the crop season, but many factories waiting and seeing and no any processing action, they missed the best production time and no material can be collected and production, that means they have no oil to delivery if they get orders. This year's collecting fruit labor costs and new added environment protection equipments costs all increased, the moment production costs for 1kgs Crude oil is above 180 RMB/kg.

From past year's experience and this year's bad situation, we advise clients can cover now, the future price for Litsea cubeba oil and Citral natural will be up-forwarding compared with the current price.







## CHINESE GINGER OIL

This year the total China Ginger plantation area was less about 20% compared with last year, and the main production area in Shangdong province have too much of rains in this year, the raining weather conditions caused influence for the growth of Ginger and roots disease. The whole spice market don't look good at this year's Oct. new harvest season, estimated this year's new Ginger material price will be continuing on a very higher side.

In recently two month, our Chinese Ginger root price already increased about 18%, and Ginger oil price also following up increasing.

Considering in the end of this year our Chinese New Year Festival and oversea spice markets will have very strong demands for Ginger, Ginger Oil price we estimated should be have further up-forwarding trends. We continuing insisting our clients it's still the good time for covering the ginger oil now.



## STAR ANISE OIL/ANETHOL

Market price is continuing increasing for the shortage of supply, this material price was up-forwarding since April after the Spring crops season, and at the moment many factories already out of Spring crops oil stock, and can't offer price above 1 Ton, although many clients expect this year's Nov. Autumn crop season can improvement the current tight supply situation, but according to this year's high price star anise fruit price and bad weather condition influence, we don't think there will be a lot of help for the improvement of the market when the Autumn crop season comes on Nov.







## CASSIA OIL

At present our Chinese Cassia Oil price continuing maintain on the lower side for the market demands still not strong, the current situation have great influence for this year's Autumn crop season, because based on this year's production costs and low market price, our Asia's main Cassia oil factories no matter it's in China or in Vietnam, all going to be lose money to maintain the operation of the factory yearly and according to the information we collected from the factories, the Autumn crop season's production will be very few, unless the market price increased and they have some profits to maintain the production operation.

Other isolated products like Benzaldehyde, Cinnamaldehyde, Cinnamyl Acetate, Coumarin and O-Methoxy Cinnamaldehyde prices also have price up-forwarding trends in the next few months.



## VALERIAN ROOT OIL

This year's new harvest season was over, the plant area decreased a lot that influenced by last year's large Valerian plant area and slumped price compared with 2016 and 2017.

This year many Valerian factories shut down for the decreased demands and last year's low price, the total production of Valerian root oil in China for this year estimated less 1700KGS.

From the main production area's visiting and news this year's new Valerian plants area will be grow less, that means in the year of 2020, there will be very few Valerian root can be harvested and supply of Valerian root oil will be in very shortage and price in next year can be on a very higher side.

**Fragrand**  
a r o m a s







## WINTERGREEN OIL NATURAL

There still have some new oil into the market, but this year's total production is less than 2018, price for 100% pure natural wintergreen oil price is continuing increasing, if adding the Tax, packaging and domestic costs, the crude oil price near RMB 305/KG.

At the moment our China market still have a lot of blended wintergreen oil with different price on sale, many factories and companies is very cautious when collecting the crude oil, the supply is in shortage, the price for 100% Pure Natural wintergreen oil still have further increasing opportunity.





# Fragrand

a r o m a s

## **FRAGRAND AROMAS LTD**

405A,4/F,Baoli Building, 14 Jida Jing Le road  
Xiangzhou ,Zhuhai,519015,China

Phone: +86(760)89833876 Fax: +86(760)89833876

E-Mail: [info@fragrandaromas.com](mailto:info@fragrandaromas.com)

[www.fragrandaromas.com](http://www.fragrandaromas.com)