




Fragrand
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**NATURAL
ESSENTIAL OILS
MARKET SITUATION**

4th, June. 2020

FRAGRAND AROMAS LTD



Crop Season for our
Chinese Jasmine flower
absolute&concrete

Summary Situation of Our China F&F market

In those two weeks, our China domestic market demands slowly back to normal, but oversea market demands still very weak for many unstable and unpredictable facts, the Covid-19 situation also continuing spreading over the countries, many industries' activities still suspending. Many of our China natural essential oils price is unstable and turn for increasing trend even the markets demands are not strong, for lot of oils are not crop seasons and sell by stocks, supply is tight. In a word for our China F&F markets recently: It's very difficulty to collect raw materials from farmers, it's also very difficulty to sell products to oversea markets.

Products in this report

Eucalyptus Globulus Oil&Eucalyptol
Eucalyptus Citriodora Oil
Citronella Oil Java
Ginger Oil FCC
Natural Garlic Oil
Cassia Oil&Derivatives
Star Anise Oil&Anethole
Tea Tree Oil BP
Michelia Alba Flowers&Leaves Oil
Jamine flower Absolute&Concrete
Chinese Neroli/ Daidai Flower Oil
Valerian Root Oil
Angelica Root Oil

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Fragrand Aromas Ltd are
now a member of Sedex





EUCALYPTUS GLOBULUS OIL & EUCALYPTOL

Although the global market demands in May was weak, but recently with some improvement situation for the Covid-19 in European and North American countries, the demands for Eucalyptus oil and Eucalyptol had some increased compared with April.

In those three weeks, our Chinese Eucalyptus oil market very unstable, price was rebounding and increasing, the supply of raw material also began tight for the following reasons: First, the raining seasons still not come in the main production area, and the moment is in forest fire prevention period, farmers are not permitted go to mountains to distill the crude oil; Second, on April to middle of May, the collect price for crude oil decreased to the lowest level before 7-8 years ago, and all farmers&factories lost the enthusiasm for production, also for the influence of the breakout epidemic and global decreased demands, caused the Spring crop season new oil didn't largely into the market after our Chinese New Year, especially the current increased price caused many farmers and factories that have stocks are waiting and expect the prices can continuing increasing to normal price level.

Considering the current price sill on a very lower side and we doesn't see any chance for further improvement for the collecting price for crude oil, we advise clients have demands in the next two month can cover.

Eucalyptus Citriodora Oil

Influenced by the overseas epidemic situation, overseas clients that purchase Eucalyptus citriodora oil to isolate natural Citronellol, Citronellal and produce natural repellent ingredient-Citriodiol demands had decreased a lot, considering in 2019, our China's total production for this oil was very small, and this new year crop season have to wait another 3 months, the current stocks for farmers and factories are very limited, price is stable at present.

But the current price is still relative on the lower side, if in the next few months the price has no increasing trends, we fear that this year's new crop season could have no new oil into the market, because based on the current price, farmers and factories didn't see any profits.



**Natural Citriodiol (PMD) 65%,80%,98%
are available in Fragrant Aromas Ltd**



China Citronella Oil Java

A little new oil into the market, and the high quality Citronella oil price is stable, in last year farmers decreased the growth of this material for the weak demands and low price in last year (Farmers expect crude oil need above RMB 110/KG can have profits, but last year price below RMB 105/KG), and this year's total production should be decrease.

Considering in those two years other main production countries like Indonesia and Vietnam etc's growth and production costs are increasing, their sell price already lost competitive position compared with our China, and if price is similar, clients more prefer to come to our China for the better fragrance Citronella oil. We estimate if demands active in the next few weeks and months, the price that meet ISO standards have great possible for increase.

CHINESE GINGER OIL

The Ginger oil fcc grade price is continuing slowly increasing and the market only sell the last year's stocks, for the Ginger root price already on lower side that lasted for 3 years, many farmers already given up and turn to other plants. According to the China Agriculture department's calculation, in 2019, our China's total Ginger growth area decreased about 20%, and with too much raining weather condition in last year's June to August in the main production area, caused many Ginger root rotted and the total harvest at the end of last year decreased a lot, those factors brought the Ginger Root price increased about 50% after our Chinese New Year Festival holiday. For the dried Ginger root slice for oil distillation, the price also increased about 30%, therefore, no factories willing to purchase the current high price Ginger slice to distill the new oil based on the current market price and only sell with stock. We advise clients who have demands can consider now.it's still the good time for covering.



NATURAL GARLIC OIL

In those weeks the Natural Garlic Oil price was a little decrease for this year's new fresh Garlic is harvest and the crops seems better than last year, Fresh Garlic price in the Spice market is down-forwarding. For the Natural Garlic oil distillation factories the Garlic price in the spice market decreased price have not greatly influence the production costs, because the raw material price used for distillation oil have to below RMB 1.6/KG can be have profits, but the current lowest quality Garlic material price is RMB 2-2.5/KG, it's very difficult to see the Fresh Garlic price in the Spice market can be further greatly decrease, if so, adding the environment protection costs, the distillation of new Garlic oil in this year is not workable, and will be like Ginger Oil, only sell to the market with stocks, the Natural Garlic oil in the next few weeks should be maintain the current price.



CASSIA OIL&DERIVATIVES

It's the spring crop season for Cassia Oil, but this year's situation is not good, for the cassia oil price maintained low price for last two years, farmers and factories are not interesting in cut cassia leaves and twigs and production the new oil, in this month there are too many rains in the production area, from the current situation, this year's new spring crops output will be decreased a lot (estimated the total production in China for this season should be 200 Tons, but in past years it often have 300-400 Tons), price for Cassia oil price already increased in the last two weeks and we also noticed that our neighbor country-Vietnam, their cassia oil output in this season also will be greatly decrease. The current cassia oil price still very near with the production costs, it have great possible for price further upforwarding trend.

For the influence of the Cassia oil price increasing, in those weeks the price for Natural Benzaldehyde, Cinnamaldehyde, Cinnamyl Acetate and Coumarin are follow up, especially the Natural O-Methoxy Cinnamaldehyde price increased too quickly and too much for the very strong market demands.

STAR ANISE OIL & ANETHOL NATURAL

It's the key growth periods for the Star Anise fruit and farmers unwilling to go to mountains to cut the leaves and twigs for distill the star anise leaf oil, recently there is also no any star anise fruit oil into the market, the supply for the Star anise oil and Anethole Natural are continuing tight, prices had a little increased for past two weeks even the over-sea demands were weak.



TEA TREE OIL

The current price is stable after increased on April and May, the supply of 100% pure natural Tea Tree oil that match ISO and BP&EP grade is tight recently for the reason that the first half of this year many oversea clients came to China for covering. New crop season have to wait until Sept. if market demands continuing increasing in the next few weeks, we think the high quality Tea Tree Oil price could be have further increasing possibility.



MAGNOLIA FLOWER&LEAVE OIL (MICHELIA ALBA FLOWER OIL)

This year's new crop season almost will be ended in this week, there are too many rains when it's time for harvest the michelia alba flowers. The Tea factories that producer Jasmine flower tea rushed into this filed to increase collecting price (Good Jasmine flower tea need add Michelia alba flowers to strengthen and in harmony with the fragrance of Jasmine flower), it pushed this year's collecting flower price on a very very higher side(This week the fresh Michelia alba flower sell price at RMB 36-40/KG, but last year only can purchase at RMB 15-20/KG), this means if production new flower oil, the production costs almost double than last year, until now we still doesn't see other factories purchase the new flower oil to distill this year's new oil. Considering the current price on a very lower side and still not quickly increased, we advise clients who have demands consider covering now.

(Our partner factory in Guangxi at present only left 180kgs in stock with the good fragrance and quality meet the ISO 17382:2007 standard, any interesting please contact us)



JASMINE ABSOLUTE&CONCRETE

Jasminum sambac (L.) Ait

At present it's the crop seasons for our Chinese Jasmine absolute and concrete, the planting area for Jasmine flower in Guangxi province almost the same with last year, and this year the Jasmine Tea Factories in China doesn't rush to collect the flowers and also doesn't push the price increasing, the production costs for Jasmine absolute and concrete very similar with last year, prices should be keep steady in the next few weeks and months.



DAI DAI FLOWER OIL (CHINESE NEROLI FLOWER OIL)

This year's new crop season ended, according to our calculation from all producers that our China's total production this year was about 800kgs to 900kgs. In 2019, our Chinese Neroli flower oil sold very well and last year there was some planting increase, but on Feb.2020, there was some frozen cold weather condition influenced the growth of Neroli tree and the blossom flowers in this year decreased. But totally this year's production almost the same with last year. At present the good fragrance 100% pure natural Neroli flower oil still sold very well in the market, afterall the supply is very limited and in this week we see the price is slowly increasing.





VALERIAN ROOT OIL

The price is stable at present, but last year's high quality and good fragrance valerian root oil stocks already very little, this year's April and May was the new Valerian plant growth time, from the main growth area situation in Guizhou province, this year's new Valerian root oil total production will be greatly decrease. Because the Valerian root oil price already decreased for past two years, and the current market price almost the same with last year's production costs, most farmers in this year already given up plant of Valerian too and turn to other profits new plants. The moment price is the lowest level compared with past 5 years, its perfect time for covering now.

Angelica Root Oil

(*Angelica Sinensis* diels
Main content:Ligustilide)

The oversea market had decreased the demands recently for the influence of the epidemic reason, and the Angelica root oil price in those two weeks has a little improvement. But Angelica root as our Chinese Traditional medicine, the sell and demands in the China market is very stable, only a few percentage of Angelica root used to extract the Angelica root oil, we don't think the price for angelica root oil have possibility for further improvement.



**100% Pure Natural
TEA TREE OIL**

Any interesting
please contact us

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