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5
YEARS

ESSENTIAL OIL MARKET OVERVIEW

AUGUST 2020

A monthly summary of the crop conditions and precipitation during the growing seasons of all the spices we offer from different parts of the world where they are at its best.



NUTMEG OIL

Nutmeg oil market is firm and upward. As the season is continuing the lockdown due to Covid spread at growing regions in southern states of India, it has affected the arrival of crop. There is an acute shortage for better quality raw material in the market, which has increased the delivery lead time. Prevailing uncertainty may lead to further **increase in oil price.** The continuing rains is also a deterrent.

CARDAMOM OIL

New season have started and market is stable now. Better crop is expected in coming months if the weather is favourable. The concern is on the upcoming heavy rains that had affected the growing region for the past 2 years around the month of August. Rising trend in exports has turned out to be a saviour for cardamom. Lockdown in growing regions outside India is also expected to turn in favour of Indian Cardamom. It is advisable to **cover short to medium term requirements during the next couple of months.**

CYPRIOL OIL

Crop season is over & market remains firm. The availability was poor during July due to early monsoon in growing region; the lockdown also had an impact in slowing down the arrivals. The product being a small crop; smaller changes in demand is creating an increased price trend. **Expectations are that prices will rule firm for the year** as the next season is another 5 months away.

DAVANA OIL

Crop season ended by March 2020. Carry over oil available in the market is held back expecting better prices from market. Oil is expected to get released into the market only if demand decreases by the time farmers prepare for the new crop around November. Shortage for high Davanone material continues.

TURMERIC OIL

Despite a delay caused by the Covid-19 lockdown measures, harvest was completed on time. Major markets opened in the 1st week of June. Arrivals increased across major markets. Prices were supported at lower levels due to renewed buying interest from both export & domestic segments. **Prices moved up by almost 7 - 8% in the last couple of days.** Farmers are not showing much interest in releasing their stock at lower price levels. Monsoon has entered on time across growing regions. The spice powder is getting a lot of attention as an immune booster during the current pandemic.

LEMONGRASS OIL

With the outset of Covid-19, there was a sharp fall in exports from China for natural Citral rich oils. This has resulted in an increase in market for Indian Lemongrass oil. Due to sudden demand in market there was a sharp increase in price during past few months. Production has picked up in growing regions across south India. This has helped balance the demand and supply, **resulting in a stable market for Lemongrass oil during the month.**

PALMAROSA OIL /GERANIOL

Covid and subsequent lockdown have affected this crop too. There is a slight upward trend in market as the availability is poor. The production is expected to commence after monsoon, which is expected by October/November. Carry over stock is low & is expected to remain low till October. The lower demand in the market kept the prices to be unstable; but now market is showing an upward trend for the oil. It is the right time to buy requirements for 2 years. **The prices although were lower compared to last 3 years and it is expected to move up, if demand increases.**

CITRONELLA OIL

The prices are steady now due to very low demand. India is a small producer of Citronella oil unlike other origins.

GINGER GRASS OIL

The prices are slightly upward with recent demand for the oil in market. The crop is constrained and if demand increases the prices may move up.

HOLY BASIL OIL

The season is over. Slight increase in demand is visible. Though prices are stable, it is expected to increase in the near future.

GINGER OIL

The demand in oil is sharply increasing due to poor arrivals of raw material. Although crop that ended in first quarter of the year was very good; extraction grade ginger availability continues to be limited. Current prices are good for annual contract if it is still left to cover.

CLOVE BUD OIL

There is good availability in the new season, and this has helped to lower the prices. It is a good **time to cover for the year.**

VETIVER OIL

The demand is low as availability is good across alternate origins. Odour profile being different; customers are showing higher interest for Indian Vetiver oil. Prices have been lowering this season.

CUMIN SEED OIL

Season is almost over. Arrivals are better compared to last year. Market is **expected to be stable** during the month.

FENNEL OIL

The harvest has been completed. The crop is better; the raw material prices are steady. Unless the demand is high; there is no reason for further increase in price

AJOWAN SEED OIL

The harvest that was completed last quarter has been good; the raw material prices are steady. Unless the demand is high; there is no reason for further increase in price

DILL SEED OIL

The season is over; the new raw materials have arrived into the market. The demand is limited, and the prices are steady.

Disclaimer : Please note some of the information and images used have been taken from other sources.