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# ESSENTIAL OIL MARKET OVERVIEW

JULY 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 seed prices were at lower level during end May. New season although have started; arrivals are low. This is attributed to the climate prevailing for the last few months, backed by, increase in domestic demand. There is a continuous upward movement in the market, it is likely that prices would remain firm. It is recommended to go for an annual contract, before the prices move up further.

## CARDAMOM OIL

The Covid uncertainty in many growing/trading destinations seems to be impacting cardamom auctions conducted by Government approved Institutions, as the market has been witnessing a sluggish buying. Auctions have resumed on May 28th, after a short gap due to Covid. The movement was slow, and the upcountry buying was spread out to many local buyers.

There is enough carry over stock & the new season expected by July end - early August is expected to be better, provided the monsoon is normal. It is advisable to cover for short term requirements & wait for the new season before taking positions for major volumes.

## CYPRIOLOIL

As reported earlier, the season is almost over. The availability was poor during June due to early monsoon in growing region; the lockdown also had an impact in slowing down the arrivals. Traders are busy securing stocks till next season, which is almost 7 months away. 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.

## DAVANA OIL

The crop season came to an end by March 2020. This year's crop wasn't as good as it was expected due to change in climate at growing region. In addition, fall in market prices during 2018 and 2019 did not encourage farmers to continue with Davana crop. Limited stocks are available with Farmers/Traders.

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Present market demand for Oil have pushed the market up. Prices are expected to remain firm. It is advisable to cover requirements for the year.

## TURMERIC OIL

The harvesting has been completed in the growing region and the Crop is good as expected. This has helped in maintaining steady prices. Farmers in south India have also started cultivation for the new season. It is good time to cover your annual requirements.

## LEMONGRASS OIL

This is one of the largest essential oil exported out of India. The demand has been quite good for Lemongrass oil for 2 months. The challenge remains is that majority of traders who buy them approach multiple vendors and that creates additional demand in the market and prices moved up.

Sustainability programmes are being run by Kancor to help reduce the involvement of middlemen who takes away all the benefits. Rather we are focussed at farm level activities and empowerment of Women which provides direct benefits to farmers and women workers in the field. The prices after coming to a rock bottom (below the farmers cost) have been moving higher due to the demand.

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The oil is distilled over a gap of 90 to 120 days (again price ruling high; farmers try to distil it in 90 days), and there would be slight delays in July due to the rains and winds prevailing in the growing region that would significantly lower the yield and also the Citral content in the Oil.

## PALMAROSA OIL / GERANIOL

The production is expected to commence after monsoon, which is expected by Oct/Nov. There is an upward trend in market as the availability is poor. Carry over stock is low & is expected to remain low till October. The lower demand in the market kept the prices steady. But now market is showing an upward trend for the oil. It is the right time to buy for annual requirements/even for 2 years. The prices although were lower compared to last 3 years, it is expected to move up, if demand increases. Alternate crops that provides better yield are another reason for farmers to switch the crop.

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## CITRONELLA OIL

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

## GINGER GRASS OIL

The prices are steady, the crop is limited, so is the demand and this helps maintaining the current prices.

## HOLY BASIL OIL

The season is over. Slight increase in demand is seen. Though prices are stable, it is expected to increase. It is an interesting product that we see more interest from our customers.

## GINGER OIL

Although crop that ended in first quarter of the year was very good; Extraction grade ginger availability is limited now. Current prices are good for annual contract if it is left to cover.

## CLOVE BUD OIL

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

## VETIVER OIL

The harvest is almost getting over. The demand is low as availability is good across alternate origins. Odour profile being different; customers are showing higher interest for Indian Vetiver Oil; a growing demand is foreseen in the second half of the year

## CUMIN SEED OIL

The season is over for the crop. Raw material prices are steady now. Unless the demand is high; there is no reason for further increase in price.

## 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.