

ESSENTIAL OIL MARKET OVERVIEW

SEPTEMBER 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 continues to be firm and going upwards. It is now the end of season; crop arrivals have still not picked up due to pandemic issues in various growing clusters in South India. Being a household farm grown crop, the regular supply chain from the farm to collection centres have been severely affected. There is an acute shortage for better quality raw material in the market and longer delivery lead times too. Prevailing **uncertainty may lead to further increase in oil price.**



CARDAMOM OIL

Better crop is expected in coming months as the weather is favourable. Increase in arrivals were anticipated from the month of August. Cardamom-growing regions of South India are facing an acute shortage of labour, which is hindering smooth harvest of the crop that has started. The current scenario has kept the market stable.



CYPRIOL OIL

Crop season ended during July; Market continues to be upward. The availability was poor last month 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 four months away.



DAVANA OIL

Farmers have started accumulating seeds for the upcoming crop sowing/nursery starting from the month of October-November. **Price continues to be stable during the month.** Shortage for high Davanone material continues. Partial quantity of carry over oil, held back by farmers are expected to get released in the market in next couple of months. It would be the right time to start covering for requirement till early next year, only by when the new crop season will start. Being a sensitive crop, uncertainties remains for the new crop.



TURMERIC OIL

High carry over stock and poor demand has held back prices from moving upward as expected. Arrivals increased across major markets. Turmeric prices are expected to decrease. Further decrease in price may reduce crop area this year by 8 - 10%. The spice powder is getting a lot of attention as an Immune booster during the current pandemic. It is advisable to watch and cover current requirements.



LEMONGRASS OIL

Demand for Indian Lemongrass oil continues to be strong, due to its quality and same time as an affordable ingredient. Due to sudden demand in market there was a sharp increase in price during last few months. Production has picked up in growing regions across India due to a favourable monsoon. Though distillation had stopped in between due to rains; Production is expected to pick up, to meet the continuous demand generated in the market. This would be the right time to take medium term positions.



PALMAROSA OIL/ GERANIOL

Market remains stable; The production is expected to resume after monsoon, rains are expected till October/November. Carry over stock is low and is expected to remain low till October. The lower demand in the market kept the prices to be not firm; But now market is showing an upward trend for the oil. As indicated, 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.



CITRONELLA OIL

India is a small producer of Citronella oil unlike other origins. Prices were at all time low till early this month, but demand have picked up now and **the prices have started moving up every week.**

GINGER GRASS OIL

Crop is small and slight increase in demand pushes the market up. **The prices are slightly upward with recent demand** for the oil in market.



HOLY BASIL OIL

The season is over. Carry over stock is low. **There is an upward trend in price due to demand.**

It remains as. an interesting product that we see, due to more demand from our customers.

GINGER OIL

The recent heavy rains have delayed crop sowing and is expected to finish by end of August, germination of early sown crop was also affected. The demand in oil is sharply increasing due to poor arrivals of raw material. Extraction grade ginger availability continues to be limited. **Current prices are stable at a slightly higher level.**



CLOVE BUD OIL

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

VETIVER OIL

There is a growing interest towards Indian Vetiver oil, due to its unique aroma, highly preferred by perfumers. Kancor have been successful in extracting the finest aroma for its oil from roots.

It is the right time to cover as **prices have been lower till now.**



CUMIN SEED OIL

Season is almost over. Arrivals were better compared to last year. Rainfall during last harvest season, has partially affected the seed quality. This influences the oil yield. **Market is expected to be stable.**

FENNEL OIL

Crop harvest is over. The crop is better and **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 is complete, and the crop 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 arrivals at the market is complete. **The demand is limited and the prices continues to be steady.**



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

Kancor Ingredients Limited is a pioneer in the field of Global Spice Extraction, whose roots in the spice trade can be traced back to 1857, at the spice capital of the world; Cochin. Now a part of the Mane Group, France - one of the largest Flavour and Fragrance companies in the world; Kancor specialises in complete food ingredient solutions, from sourcing of raw materials, extraction, research and formulation, to testing and final delivery. The year 2019 marked the 50th anniversary of the company.

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