
April 2025 Market Report

ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

Prices have come down slightly recently due to ongoing weak demand. Prior to the introduction of tariffs by the USA there was an expectation that prices would increase. Whether this remains true is uncertain at this stage.

Buchu Oil

Harvesting and processing is complete, with some producers reporting a 30% reduction compared to last year. The crop has been impacted by adverse weather conditions, with two consecutive wet winters. Fewer wildfires have also meant that pest control without the use of insecticides has been more challenging.

Davana Oil

Production was delayed due to poor weather conditions, with many crops sustaining damage from heavy rain at the



nursery stage in November and needing replanting in December. The weather was not optimal during the start of processing in February, with high temperatures and low rainfall negatively affecting both yield and quality. As a result, high davanone material is in short supply. The final figures are expected to be 30% down compared to last year and prices are increasing.

Eucalyptus Oil Globulus

Like aniseed, prices have eased slightly due to weak demand. As with aniseed oil China star, prior to the introduction of tariffs by the USA there was an expectation that prices would increase. Whether this remains true is uncertain at this stage.

Lemon Oil Argentina

The harvest has just started in Argentina and the current forecasts have production down by ~20% on last year (1.459million tonnes vs 1.784million tonnes). This is largely as a result of a reduction in the productive area under planting, with orchards having either been removed or converted to orange.



In Argentina typically ~80% of the total fruit production goes for industrial processing. From this there are two markets for lemon oil: long-term contract buyers and the 'open' market, with the former priced considerably higher and consuming around half the total production volume. Prices in the open market hit an unsustainably low level at the end of 2024 and have since rebounded.

The processing campaign has just started, and it is not clear yet where prices will go; some processors are holding off making offers until they have a clearer idea of projected fruit prices (and there is speculation that prices may double). If production volumes are down, then volumes for long-term contracts will be protected and prices in the open market will need to increase.

Key Lime Oil Distilled

Prices for distilled lime are continuing to slowly decline due to an improvement in availability from Mexico and Peru.

Litsea Cubeba/Citral EU Natural

The market has been stable for a while as supply and demand seem to be in balance. Some cheaper qualities are being offered

below market price which are believed to include a chemical step derived from lemongrass oil. We are also aware of several container loads of lemongrass oil from India arriving in China. As a result, qualities should be checked carefully.

Orange Oil/d-Limonene

The final crop figure for 2024/5 is 230.87 million boxes which represents a 1% increase since the previous report in February. While in general prices have been stable over the past few months, aldehyde levels have been compromised by the challenging climatic conditions, so buyers have had to pay relatively more for lower quality oil. The popularity of WONF products has led to additional pressure on the terpene and isolate market, with the latter needing additional processing due to the low aldehyde levels of the starting material.

Early estimates of the 2025/6 crop are anticipating a more typical crop, closer to 300 million boxes, although the official figure won't be released until 9th May 2025. Higher crop estimates may put pressure on the Brazilian producers to lower their prices for orange oil.



The orange terpenes and d-limonene market situation is in total chaos and material continues to be in very tight supply, with prices threatening to equalise with CPOO. The high prices are being propped up by large industrial users that were not

previously in the market, as many cleaning companies prefer orange and other citrus terpenes over the alternative dipentene/turpentine products that are less consistent in quality. The expectation is that prices will remain high throughout this year.

AROMA CHEMICALS

The rapidly changing US trade policies has led to a feeling of uncertainty in the market, with the 'Trump Tariff' at 145% for Chinese Imports (at time of writing). Chinese producers are exploring ways to continue exports to the USA by completing final processing steps in countries with lower tariff rates.

Cis-3-hexenol and derivatives

The market stabilised in early 2024 after a turbulent few years of supply disruptions, with Zeon and NHU both expanding their production to meet the high demand. The erratic market has had a profound effect on EU natural market and prices have reached a historic low point with producers having accumulated surplus inventory.

With natural pricing being far more attractive, demand may well increase which will inevitably cause the market to turn, particularly as US importers will be forced to move from Chinese to Indian origin considering the high duty date for Chinese imports.

Furaneol

Supply of both synthetic and natural has tightened since Bestally announced that they would be reducing their production capacity for synthetic materials and increasing their pricing for Furaneol EU Natural. As many



large users immediately scrambled to contract material with the remaining factories, availability has tightened significantly (particularly for EU natural).

Vanillin/Ethyl Vanillin

The anti-dumping investigation is still ongoing, however the EU commission is expected to introduce a provisional anti-dumping tariff soon. Companies have until 22nd April to submit written objections. The uncertainty has led to panic-buying and producers have already increased their prices as a consequence. The market is expected to remain unstable over the next few months, with many companies within the EU withdrawing offers until they know more.

Talk to us

Should you have any questions regarding the materials we have discussed in this report, or indeed if you just fancy a chat, we're always pleased to hear from you. You can contact us in the following ways:

United Kingdom

Henry Gill

henry.gill@demonchyaromatics.com
Tel: ++44(0)1202 620888

Ben Dawson

ben.dawson@demonchyaromatics.com
Tel: ++44(0)1202 620888+44(0)1202 620888

Eastern Europe

Marek Bogucki

marek.bogucki@demonchyaromatics.com
Tel: +4+48 883 262 853

Asia

Kris Yao

kris.yao@demonchy.cn :
Tel +86 (0) 21 6289 7588