
July 2025 Market Report

ESSENTIAL OILS AND EXTRACTS

Aniseed Oil China Star

Pricing remains stable due to ongoing weak demand.

Davana Oil

Prices are at a high point after poor weather conditions led to a significant reduction in this year's crop volumes. The material being offered has a lower davanone content compared to what was available immediately after processing.

Eucalyptus Oil Globulus

The market is stable, farmers are losing interest in the crop due to poor profitability, no major changes are anticipated over the next few months.

Lemon Oil Argentina

Production is expected to be down around 20% compared to last year, largely due to a reduction in productive area under planting. This has been an ongoing initiative



to correct the market dynamics seen over the past few years where the market was in a state of oversupply and prices reached unsustainably low levels. There has been healthy demand recently and prices are trending steadily upwards; considering where prices have been historically, we expect this to continue.

High production costs and inflation have also put additional costs on lemon oil derivatives, such as terpenes and washed oil with the former having been used as an alternative to orange terpenes during the most difficult period of shortage.

Key Lime Oil Distilled

Prices have come down considerably since the very high levels seen in 2024 and appear stable in the short-term.

There is an expectation that some larger users who reformulated when prices were at their peak will re-enter the market now that prices are more favourable, so this may put additional pressure on supplies in the coming months.





Lavender Oil Bulgarian

The lavender campaign has finished very disappointingly, as adverse weather conditions have led to very low yields. Temperature highs of 35-38°C have impacted bee activity, as pollination does not occur when temperatures exceed 28°C. Labour availability has also been an issue due to the extreme heat. Pricing for this year's production has already increased significantly as the market was at a historic low point for some time, despite this some resellers are still 'product dumping' older oil of inferior quality below market value so buyers should be wary of this.

Litsea Cubeba/Citral EU Natural

Harvesting is expected to begin end of July; early reports are that volumes are declining but we do not yet have clear visibility on where prices are likely to move to.

Orange Oil/d-Limonene

The first Fundecitrus crop forecast released 9th May estimates 314.6 million boxes for the 2025/6 crop, representing a 36.27% increase compared to the previous crop and a return to the previous average. After a period of drought conditions, October-December saw rainfall 25% above the historical average

which vastly improved the soil moisture levels, triggering a robust second bloom and increase in number of producing trees and number of fruits per tree.

The majority (70%) of the harvest is expected to come from the second bloom which will reach the market August/September, however we have already seen prices start to ease slightly, particularly for d-limonene/orange terpenes although levels are still historically high. There is a large price disparity between high and low aldehyde CPOO, with the cheapest oil on the market as low as 0.5%.

Rose Oil Bulgarian

Before April the crop was looking healthy, however a severe frost in early April (-12 to -10°C) caused substantial damage to the leaves, causing a reduction of 20-30% due to frostbite. The cold weather continued into the start of harvesting, then temperatures accelerated to 30-35°C which dried out the rose petals. Yields started out at around 4 mT petals:1 kg oil to ultimately finish at 6 mT:1 kg oil.

Like with the Lavender, the extreme heat made harvesting problematic. Prices have increased due to reduced availability; however, the oil is of good quality.



Tea Tree Oil

Industry bodies including EFEO and ATTIA are continuing to submit evidence against the reclassification of Tea tree as a cat 1B reproductive toxicant based on lack of human relevance, but so far this has been dismissed. On 28th May 2025 the SCCS issued a preliminary opinion confirming the safe use of Tea Tree Oil as an anti-seborrheic

and anti-microbial agent under strict limits for certain personal care products. The oil composition must comply with ISO standard 4730:2017 and not be used in aerosolised spray product. The ATP is expected to be published by late 2025, however the SCCSs opinion will mean that not all products containing tea tree will need to be withdrawn from the market after the transitional period.



AROMA CHEMICALS

Cis-3-hexenol and derivatives

Synthetic prices have slowly declined throughout this year as supplies continue to normalise, whether we will see pricing back to pre-shortage levels is unclear.

Natural pricing ex-mint has continued to fall to historic low levels due to surplus stock on the market and dwindling demand.

Furaneol

The market has stabilised since the rush seen at the start of this year following Bestally's announcement that they would be reducing their production of synthetic materials and increasing their price for Furaneol EU Natural.

Production naturally reduces during the summer months as the production yields are typically lower while temperatures are at their peak, usually until late August. Prices are

expected to stay roughly at the current level but lead times may be longer than usual.

Vanillin/Ethyl Vanillin

The EU commission implemented an Anti-dumping duty (ADD) of 131% on 12th June 2025 for Vanillin (synthetic and natural) and ethyl vanillin imported from P.R. China, with vanillin imports also facing an additional 5.5% of general import duties. The market has been in a state of chaos since, with EU traders and end users scrambling to find stock that was cleared into the EU before the deadline.

Predictably, non-Chinese produced material has been in high demand and current prices reflect that. It seems likely that the market will take a long time to settle. There is no sign currently that the UK is likely to follow the EU in terms of imposing additional duties.

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:

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