

ESSENTIAL OILS AND OLEORESINS

MARKET INSIDER



Market Insider

Essential Oils & Oleoresins

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Essential Oils

Market Updated and News

International Federation of Aroma Trade Annual Conference

The IFEAT (International Federation of Aroma Trade) 2014 annual conference will be held in Rome, Italy from 21-25 September. Registration will open at the end of this month (March). The theme of the conference for the technical presentations will be 'The Mediterranean'. Given the diversity of essential oils and aroma industries in the countries of Southern Europe, North African and the Middle East that border this region it should be a fascinating meeting. Non-members can attend. The IFEAT 2014 Study Tour (for Members only) is going to Guangdong and Yunnan provinces of China (31 August to 8 September) – offering a very interesting range of enterprises to visit.

Citrus Oils are in the news

Citrus oils are in the news, with small crops forecast in many key production zones that should see prices rise. The Florida orange crop is predicted to be the smallest in 60 years, although the Mexican crop is good and there are reasonable expectations of a good crop in Brazil. Mexican lime oil production is down, however, and poor weather in Peru is reported to have reduced the Peruvian lime crop by 10-15%. Lime oils are now at record prices and supply is very limited. Lemon oil prices are also rising sharply, with reports that the Argentinian crop will be down by up to 50%, and strong fresh fruit demand for Spanish lemons restricting supply to oil production.

Coriander Seed Update

Coriander seed oil prices have risen strongly as there is little supply available until the new crop comes in April. Current offers are reported to be over US\$100/kg.

New EU proposals on organic farming

The European Commission has published new proposals for a new regulation on organic production and the labeling of organic products in order to better reflect the E.U. organic market, which has quadrupled in size over the last 10 years. The proposal will now be submitted to the European Parliament and to the council. It focuses on three main objectives: maintaining consumer confidence, maintaining producer confidence and making it easier for farmers to switch to organics—including making it easier for small farmers to join organic farming by allowing them to be part of a group certification system and simplifying legislation to reduce administrative costs for farmers and improving transparency. The commission has also approved an action plan on the future of organic production in Europe which aims to inform farmers on rural development and E.U. farm policy initiatives to encourage organic farming, strengthen links between E.U. research and innovation projects and organic production, and encourage the use of organic food.

Proposal for revision to EU organic regulations:

http://ec.europa.eu/agriculture/organic/documents/eu-policy/policy-development/report-and-annexes/proposal_en.pdf

EU action plan on the future of organic farming:

http://ec.europa.eu/agriculture/organic/eu-policy/european-action-plan/index_en.htm

Firmenich in Natural Ingredients JV with Jasmine Concrete Exports

Firmenich (Switzerland) has signed a natural ingredients joint venture with Jasmine Concrete Exports PVT Ltd. (Chennai, India). Jasmine Concrete, which operates two manufacturing facilities in Tamil Nadu, the center of the Indian flower belt in South India, specializes in the extraction of Indian flowers, especially jasmine, sambac and tuberose. Firmenich said the joint venture significantly increases its production capacities in distillation, extraction and production of absolutes. In addition to expansion of the perfumery portfolio, the partnership is also expected to boost key sectors in flavor such as mints, vanilla and tropical fruits.

Source: Perfumer & Flavorist

Product Note

Eucalyptus Oil

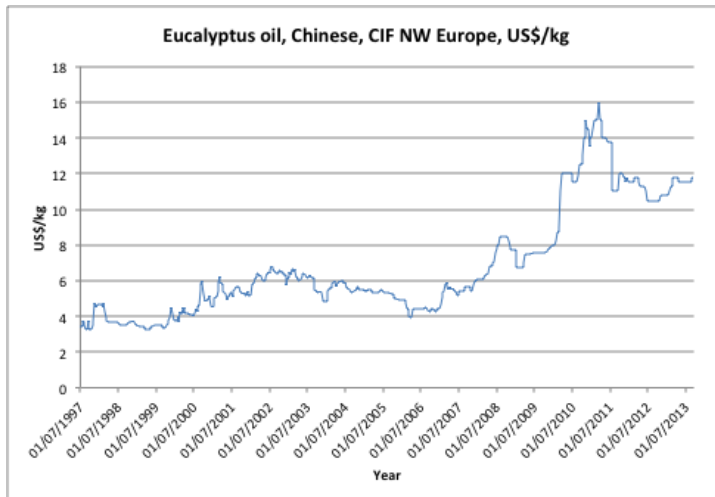
Eucalyptus trees are widely grown in Africa, but outside of South Africa there is little commercial distillation of the essential oil (from the leaves of the tree). Prices have risen steadily since the very low prices of the 1990's as the earlier major sources (particularly China) have cut back on production and exports. There is market demand for both conventional and organic oils, and small scale distillation fits well with operations for the production of timber poles (for example). However, it is essential to select the correct species to be cultivated if distillation is to be undertaken as the characteristics and yield of oil varies widely by species, and specific uses of eucalyptus oil require specific oil types.

There are 3 basic types of eucalyptus oil: the medicinal type (cineole rich); perfumery type (citronellal type); and the industrial type (piperitone type). All oils are primarily used as a source of their principal component compounds (but also find some use as the whole crude oil) and as a result global trade in the oils has reduced over recent years as origins have developed fractionation capacity and moved to the production and export of the chemical isolates.

Global production of the medicinal type oil has been estimated at around 3,500 tonnes, dominated by China (3,000 tonnes), South Africa (250 tonnes) and Australia (100 tonnes). Production of the perfumery type oil is dominated by China and Brazil, but in both origins domestic demand is taking an increasing share of production. Exports from China were in the range 1,000 tonnes but have now fallen well below this. Brazil was exporting around 300 tonnes. South Africa produces around 200 tonnes of the industrial type oil but has also developed fractionation capacity.

Total imports of eucalyptus oils (all types) into the US market have stabilized over the last 5 years at around 700 tonnes, and levels will be similar or higher in the EU. Oil prices have risen steadily over the last 10 years, and are currently around US\$12/kg

Eucalyptus Oil, Chinese, 1997-2013, US\$/kg



Source: Public Ledger

Price Information

EU Markets

PLEASE REMEMBER THAT THESE ARE ONLY PRICE INDICATIONS.

Price indications collected from the markets within the EU are given for a range of essential oils, below. The oils are grouped *for convenience only* into Spice Oils, Seed Oils, Citrus Oils, Herb Oils and Perfumery Oils. Prices are wholesale for quantities of 25kg or more unless otherwise stated.

Spice Oils

| Product | Origin/Grade | Prices per KG |
|---------------|-------------------|-----------------------|
| Clove bud | Indonesian | n/a |
| | Indian | €60/kg 1 kg lots |
| | Madagascan | n/a |
| Clove stem | Indonesian | €22/kg container |
| | India | €36/kg |
| Clove leaf | Indonesian | €15/kg, container |
| | Indonesian | €33/kg |
| Cinnamon bark | Sri Lankan 60/65% | n/a |
| Cinnamon leaf | Sri Lankan | €55/kg |
| Cassia bark | China | €22/kg |
| Black pepper | Sri Lankan | €156/kg 1 kg lots |
| | Indian | €110/kg |
| Nutmeg | Indonesian | €73/kg |
| Ginger | Chinese | €72/kg |
| | Indian | €120/kg 1 kg lots |
| Pimento leaf | Jamaican | €132/kg |
| | Jamaican | €65 container |
| Pimento berry | Jamaican | €170-180/kg 1 kg lots |
| | Jamaican | €110 1 tonne lots |
| Cardamom | Guatemala | €127/kg container |

Spice Seed Oils

| Product | Origin/Grade | Prices per KG |
|----------------|--------------|--------------------------|
| Aniseed | China | €36/kg; €60/kg 1 kg lots |
| Star Anise | India | n/a |
| Coriander seed | Russian | €115/kg |
| Cumin seed | Egypt | €120/kg |

Citrus Oils

| Product | Origin/Grade | Prices per KG |
|-----------------|----------------------------|------------------|
| Orange (sweet) | Brazilian | €10/kg |
| | Italy (b/orange c/pressed) | €24/kg |
| Orange (bitter) | Italian (c/pressed) | €33/kg |
| Bergamot oil | Ivory Coast/Italy | €36/kg |
| Lemon | Italian | €45/kg 1 kg lots |
| | Italian (c/pressed) | €25 |

| Product | Origin/Grade | Prices per KG |
|--------------------|--------------|------------------|
| Lime (distilled) | Italian | €33/kg |
| | Mexico/Peru | €50/kg 1 kg lots |
| Mandarin (red) | Italy | €32/kg |
| Grapefruit (pink) | Argentina | €21/kg |
| Grapefruit (white) | France | €36/kg |

Herb Oils

| Product | Origin/Grade | Prices per KG |
|--------------------|------------------------|-------------------|
| Basil | Italy | €30/kg |
| | Egypt | €115/kg 1 kg lots |
| Lavender | Bulgaria | €96/kg |
| | French | €108/kg |
| | English | €144/kg |
| Lavandin | French Grosso | €35/kg |
| Spike Lavender | Spain | €145/kg |
| Mints | Indian piperita | €45/kg |
| | India, mentha arvensis | €40/kg |
| Menthol | Indian, bold crystals | €15/kg |
| Chamomile (German) | Geramny blue | €480/kg |
| | Morocco (wild) | €330/kg |
| Chamomile (Roman) | UK | €400/kg |
| Sage | Croatia | €78/kg |
| Rosemary | Portugal/Spain/Tunisia | €32 |
| | France | €54 |
| Marjoram | Spain | €95/kg |
| Thyme | Spain | €48/kg |

Perfumery Oils

| Product | Origin/Grade | Prices per KG |
|------------------------------------------------|---------------------|-------------------|
| Eucalyptus globulus & other high cineole types | China | €18/kg |
| | Australian | €32/kg |
| | China | €27/kg 1kg lots |
| Eucalyptus citriadora | China | €38/kg |
| Litsea cubeba | Spain | €30/kg |
| Ylang ylang | Comores: Extra S | n/a |
| | Comores : Première | €120/kg |
| | Comores : Deuxième | €108/kg |
| | Comores : Troisième | €78/kg |
| | Comores: Complet | €156/kg 1 kg lots |
| Ylang (cananga) | Indonesia | €37/kg 1 ton lots |
| Patchouli | Indonesia | €50/kg; |
| Geranium | Egypt | €108/kg |
| Rose Geranium | Madagascar/France | €200/kg |
| Sandalwood | India | €2,100/kg |
| | Australian | €1,200/kg |
| Cedarwood | USA | €37/kg |
| | China | €23/kg |
| Frankincense | Somalia/France | €180/kg |
| | India | €85/kg |
| Citronella | Indonesian | €30/kg |
| Lemongrass | Indian | €30/kg |

| Product | Origin/Grade | Prices per KG |
|----------------|--------------------------|----------------------|
| Palmarosa | Indian | €38/kg |
| Vetiver | Indonesian | €145/kg |
| Tea Tree | Australia | €42/kg; |
| | Australia, lemon scented | €100/kg |
| Fennel, bitter | Spain | €60/kg |
| Juniperberry | India | €85/kg |
| Myrrh | India (extract) | €95/kg |
| | India (distilled) | €325/kg |

Suppliers of Equipment

Africa

The distillation and extraction industry in Africa is relatively small and localised outside of the North African centres of Egypt and Morocco, and Southern Africa (South Africa, Swaziland). New entrants to the industry can find it hard to identify suppliers of equipment (stills, condensers, extractor vessels etc) in stainless steel, steam boilers, and other necessary materials (drums, jugs, filter papers etc).

The development of the industry in Africa would benefit greatly if there was greater sharing of information on the location of suppliers. New entrants would find it easier to identify necessary suppliers, and the concentration of orders on particular suppliers would encourage the development of skills and expertise – this is particularly necessary in the areas of fabrication of stainless steel vessels and condensers.

Some contacts of companies involved in the manufacture of distillation/extraction equipment or the capability to do so (primarily the capability to work with stainless steel) or supply of materials based in East Africa are given below.

The Newsletter would welcome information from Readers on other suppliers of relevant equipment and materials from all regions of Africa, so that the listing can be expanded. Please send any information to marketinsider@intracen.org

The contacts are provided as a service only. NO RECOMMENDATION IS IMPLIED.

1. MANUFACTURE OF STAINLESS STEEL DISTILLATION EQUIPMENT:

KENYA:

ASL – Heavy Fabrication Division
Ramco Industrial Park
Mombassa Road
PO Box 18639-00500
Nairobi. Kenya
Tel: +254 20 821567/820296/820394
Fax: +254 20 820169/651893
bm@heavyfab.co.ke
Attn: Mr Ve Balamurali, General Manager

Warren Enterprises Ltd
PO Box 8251
Nairobi. Kenya
Tel: +254 20 8561 932/3/4
Fax: +254 20 8561 013
Attn: Mr S Ramaswamy, Managing Director

Morris Steel & Company
Mogadishu Road
PO Box 18310
Nairobi. Kenya
Tel: +254 20 533 627
Attn: General Manager

UGANDA:

Specialised Welding Services (previously Kasise Kleinsmedie Uganda Ltd)

Jinja Road, Plot 96
PO Box 40115
Nakawa Vocational Training Center
Kampala
Uganda
Tel: +256 (776) 405060/405070/405080
+256 (772) 227 003 (Samantha Moray)
sam.moray@sws.co.ug
Attn: Samantha Moray, General Manager
www.sws.co.ug

MADAGASCAR:

Societe Aris Trading
Lot VB 81X Ambatoroka
101-Antananarivo. Madagascar
Tel: +261 20 24 264 96
Fax: +261 20 22 290 24
aristrading@freenet.mg
Attn: Mr James Davidson

ATICOM

Lot IT 91A Itaosy
102 Antananarivo – Atsimondrano. Madagascar
Tel: +261 32 07 744 34
orasatajosa@yahoo.fr
Attn: Josoa Andriamorasata

SOUTH AFRICA:

EDESA
PO Box 123
Riebeeck Kasteel 7306
Western Cape. South Africa
Tel: +27 (82) 334 3324
info@edesa.co.za
Attn: Werner Bester
Manufacture of distillation equipment and sales of used equipment.

BENCO PLANT & ENGINEERING (PTY) Ltd
159 Van Eeden Crescent, Rosslyn, Karin Park
P O Box 59. Pretoria, Gauteng. South Africa
Tel: +27 (12) 541-0398
Fax: +27 (12) 541-0399
Attn: Sloam Durbach
Manufacturer of distillation equipment and steam boilers

POWERSAVE
PO Box 699
Hilton 3245. South Africa
Tel (cell): +27 82 493 8670
Fax: +27 33 34 33 755
Attn: Greg Rowe
gregrowe@telcomsa.net
Manufacture of steam distillation plants

Henry S Komar & Associates CC
2 Hebel Road, Roodepoort, Gauteng, South Africa
Postal address: PO Box 994, Honeydew 2040, South Africa
Tel: +27 11 760 2718
Fax: +27 11 760 1079
Attn: Stan Kumar, CEO
info@komar.co.za; sales@komar.co.za
www.komar.co.za

Manufacture of stainless steel distillation and processing equipment. Also sales of secondhand equipment.

THE PROCESS TEAM CC
37 Nelson Road, Amanzimtoti
Kwa-Zulu Natal 4126. South Africa
Attn: Peter Myburg

Design and manufacture of stainless steel distillation equipment.

2. SUPPLIERS OF STEAM BOILERS

MADAGASCAR

ARTICOM
Lot IT 91A Itaosy
102 Antananarivo – Atsimondrano. Madagascar
Tel: +261 32 07 744 34
orasatajosa@yahoo.fr
Attn: Josoa Andriamorasata

ARTICOM make a simple, low pressure, wood fired steam boiler.

KENYA:

Industrial Boiler Products Co. Ltd.
Kampala Road, Industrial Area
Nairobi, Kenya.
+254 733 700175
mail@industrialboilerproducts.co.ke
peter.fernandes@industrialboilerproducts.co.ke
Peter Fernandes
www.ibp.co.ke
Indian manufactured steam boilers; biomass fired.

Boiler Consortium Africa (BCA) Ltd
PO Box 60780. Nairobi. Kenya
Tel: +254 20 557837/ 536793/ 4349310
Tel: +254 722 750131/ 703511/
Fax: +254 20 735 331177
Barry Corlines
info@boilersafrica.com
www.boilersafrica.com

BCA design, manufacture and commission boilers, included wood fired steam boilers, and are agents for Riello in East Africa.

SOUTH AFRICA:

Combustion Technology South Africa
PO Box 30047. Tokai, 7966 Cape Town, South Africa
Tel: +27 21 715 3171
Fax: +27 21 715 6297
www.combustiontechnology.co.za

Combustion Technology are the exclusive Southern African distributors of Riello burners and Garioni Naval Boilers.

BENCO PLANT & ENGINEERING (PTY) Ltd
159 Van Eeden Crescent, Rosslyn, Karin Park
P O Box 59. Pretoria, Gauteng. South Africa
Tel: +27 (12) 541-0398
Fax: +27 (12) 541-0399
Attn: Sloam Durbach
Manufacturer of distillation equipment and steam boilers

CAPE BOILER
16 Natal Street, Parden Island, Cape Town, South Africa
Tel: +27 21 511 6652
Fax: +27 511 4415
Attn: Mr Nic Kellerman

INDIA:

Firetech Boilers Pvt Ltd
FIRETECH HOUSE, No.211, 2nd Cross, 38th Main,
B.T.M Layout, 2nd Stage, Bangalore 560 068. India
Tel: +91-80-6683686; Fax: +91-80-6683921
Email: firetech@vsnl.net
Manufacture of wood fired steam boilers. Indian manufacturer, but has supplied boilers to Africa.

AUSTRIA:

Binder GMBH
Mitterdorferstr. 5
8572 Barnbach
Austria
Email: office@binder-gmbh.at
Tel: +43 3142 22544-0
Fax: +43 3142 22544-16
www.binder-gmbh.at

Binder Agents in UK:
Wood Energy Ltd, Severn House, 1-4 Fountain Court, Bradley Stoke, Bristol. BS32 4LA
www.woodenergyltd.co.uk

USA:

Hurst Boiler & Welding Company, Inc.
100 Boilermaker Lane
Coolidge, GA 31738-0530
USA
Phone: +1 229-346-3545
Fax: +1 229-346-3874
Email: info@hurstboiler.com
www.hurstboiler.com

3. SUPPLIERS OF MATERIALS AND EQUIPMENT

(a) Forklift trucks/pallet trucks

Forktruck Solutions
16 Kiewiet Close, Okavango Park, Brackenfel 7560, Cape Town. South Africa
Postal address: PO Box 3221, Durbanville 7551. South Africa
Tel: +27 21 982 1142 and +27 21 981 2649;
Cell: +27 83 2848 557
Fax: +27 21 982 1141
Attn: Dirk van der Westhuizen
dirk@forktrucksolutions.co.za
www.forktrucksolutions.co.za

Sales and rental of new and used forklift trucks. Also pallet jacks/stackers and range of other warehouse equipment.

(b) Hoists and lifting equipment

Blue Cranes,
Crane House, 10 Mansell Road, Killarney Gardens, Minerton, Cape Town, South Africa
Postal address: PO Box 702, Melkbosstrand 7437. South Africa
Tel: +27 21 556 0498/9
Fax: +27 21 556 0486
Attn: Mr Kobus Steyn
joseph@bluecranes.co.za
www.bluecranes.co.za

Manufactures full range of hoists, beam girder cranes and lifting equipment. Sole supplier of Liftket electric chain hoists and wire rope hoist units. Repairs and spare parts supply service. Supply of associated slings, chains, blocks etc.

(c) Essential oil drums:

Greif supply a range of steel and coated drums, and are present in 45 countries around the world.

Greif Kenya Ltd
Box9036 - Unga Street
Shimanzi – Mombasa. Kenya
Tel: +254 41 2495591
Fax: +254 41 2494038
pascal.wanyonyi@greif.co.ke
Attn: Pascal Wanyonyi

Greif Nigeria Ltd
Apapa, Nigeria
Phone +234 (01) 587 0866
Fax +234 (01) 587 3084
vanleer@linkserve.com.ng
Attn: Olukunle Obadina,

Greif South Africa Ltd
Vanderbijlpark, South Africa
Phone +27 (0) 16 930 1100
Fax +27 (0) 16 930 1106
carl.williams@grief.com
Attn: Carl Williams
Website: www.greif.co.za

Greif Mozambique

Maputo. Mozambique
Phone +258 21 720153
Fax +258 21 720724
vanleer@vironn.com

Greif Egypt
Cairo, Egypt
Phone +20 2588 1110
Fax +20 2593 3889
E-mail: koracons@link.com.eg
Attn: Ayman Korra

Greif Algeria
Arzew, Algeria
Phone + 213 41473723 / + 213 41473724
Fax + 213 41473730
Mohamed.Gherbi@Greif.com
Attn: Mohamed Gherbi

(d) Secondhand/used equipment

Secondhand equipment, particularly stills and condensers, can represent very good value. Details are given for 2 companies which have experience of shipping worldwide, and sometimes have distillation equipment in stock.

Perry Process Equipment Ltd
Station Road
Aycliffe Business Park
Newton Aycliffe
County Durham. DL5 6EQ. UK
Phone: +44 1325 315111
Fax: +44 1325 301496
info@perryprocess.co.uk
Website: www.perryprocess.co.uk

Perry Process Equipment is the European headquarters of the Perry Group of companies, which has operations around the world and is one of the worlds largest dealers in secondhand process equipment.

Centriplant Ltd
Littlemead Industrial Estate
Alfold Road
Cranleigh
Surrey. GU6 8ND
UK
Phone: +44 (01483) 271507
Fax: +44 (01483) 278183
Contact: Mark Williams markw@centriplant.co.uk
Website: www.centriplant.co.uk

Centriplant has distillation plants on an occasional basis, but always have a range of stainless steel tanks, and bottling/packing lines that could also be of interest to producers.

Events Calendar

Natural and Organic Products Europe, 2014.

April 13-14, 2014. London, UK

www.naturalproducts.co.uk

4th China International Flavour & Fragrance Summit, and Asian Fragrance Awards 2014

24-25 April 2014. Shanghai, China

www.duxes-events.com/fnf4nafa

North American Sustainable Cosmetics Summit

15-17 May 2014. New York, USA

www.sustainablecosmeticssummit.com

Supplieside Marketplace

3 June 2014. New York, USA

<http://marketplace.suppliesideshow.com>

2014 World Perfumery Congress

10-12 June 2014. Deauville, France

<http://wpc.perfumerflavorist.com>

Fi Hi & Ni Asia-China 2014

26-28 June 2014. Shanghai, China

www.foodingredientsglobal.com/asia-china/home

IFEAT 2014 Study Tour: Yunnan and Guandong, China

31 Aug-8 September 2014. Yunnan and Guangdong, China

www.ifeat.org/study/book-study-tour/

WorldFood Moscow

15-18 September 2014. Moscow, Russia

www.world-food.ru/en-GB

IFEAT 2014

21-25 September 2014. Rome, Italy

www.ifeat.org

Cosme Tokyo

20-22 October 2014. Tokyo, Japan

www.cosmetokyo.jp

Fi Europe & Ni

1-3 December 2014. Paris, France

www.foodingredientsglobal.com/en/europe/home