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Orange Oil



The availability of orange oil appears insufficient to meet the normal demand. A dismal crop in Brazil combined with a diminishing crop in Florida due to cold weather has brought prices to historic highs. We are offering orange oil to regular customers and are doing our best to meet their demands.

If you can provide us with forecasts, we would be grateful. Even if the next crop in Brazil goes back to normal levels, we will see pre-shipment samples until the early Fall. The USDA citrus estimate dated January 11th 2011 calls for a reduction in size of the Florida crop to 140 million boxes from the December estimate of 143 million boxes. We anticipate further reductions to this estimate on January 18th when a special post-freeze estimate is published. D'limonene yields in Florida have been quite low. This does not make us optimistic regarding oil yields. Only time will tell.

Lemon Oil



Dry weather has contributed to significantly lower volumes of lemon oil available from Argentina. At present, we estimate that the reduction in oil will be greater than 30%. Lemon production in Spain will be down by 50%. Taken together, this paints a rather unpleasant picture. We are hopeful that lemon oil from other origins

will partially offset the expected shortfall. So far, availability from California is a bright spot. If you have not purchased Lemon Oil from California for a while, it is worth considering. Please call us for samples.

Lime Oil

During 2010, the production of lime distilled was sufficient to cover demand and the production of lime expressed was barely sufficient. Prices started low and slowly increased for both oils. Based on expected fruit availability and expected strong demand, we anticipate higher prices in 2011. Inquiries have been quite active and there appears to be little to no carry over. We plan to open our factory in Mexico the week after Easter. Production will begin slowly and not reach a meaningful amount until mid to late June



Grapefruit Oil



The prices of white grapefruit oil have risen approximately 50%. Increase in the price of red oil have been much more modest. We encourage all our customers to consider evaluating the red oil in place of the oil from white fruit.

The cold weather in Florida will undoubtedly reduce the total box count for grapefruit and negatively impact oil yields. We recommend that our customers cover their needs.

Tangerine Oil

It has been reported that the cold and cloudy weather in China has greatly reduced the amount of fruit this year. Fruit prices have increased significantly and the farmers are selling much less fruit to the processors. If you would like to discuss covering your needs for tangerine, please contact us. We are sourcing this important oil from a variety of regions.



Rob's Crystal Ball

In September we cited bad weather, a weak USD, double digit rebates in China and a high single digit VAT in India, a lack of supply, robust global demand, elevated seed/fruit prices, farmers holding back for higher prices and port delays have combined to create shortages and products selling at all-time high prices. Here again, a few months later nothing has changed except higher crude oil prices, a continued weak dollar and lower yields in essential oil bearing crops. The weather continues to be the number one reason for shortages, some severe, and firmer prices.

Citrus & Allied has visited suppliers in Africa & South America in the past month to discuss the markets and strengthen our generational relationships to keep our customers informed.



Essential Oils

Citronella Java, Geranium, Eucalyptus and Eucalyptol

This group of essential oils and derivatives originating from the Yunnan Province of China continues to be subjected to a demand that exceeds supply. Eucalyptus oil, during its peak harvest time of Nov-Feb, report firmer prices in expectation of the Chinese New Year in February when the distillation stops. The smaller second crop begins production again in March-April with very limited available until July-August. Citronella oil continues to be difficult to obtain offers due to the lack of supply.

Ho Wood Oil

Over the past couple of years, poor maintenance of trees has resulted in less production and firmer prices. While new plantings have begun the prices continue to inch up.

Essential Oils

Lavender Oil

For the third year in a row, the crop is very poor. This, combined with no carryover oil, makes for limited supply and high prices. It is also reported that the oil content is 60% lower than previous years and that this year farm/distillation costs are at last years selling prices which has put added pressure on prices and availability. In September we advised our customers to cover their requirements over the next 12 months or end up without sufficient supply. Recent reports are that all the existing oil from source is sold out.

Peppermint Oils

The harvest is complete in all the growing areas. As reported the cool temperatures in the Pacific Northwest did delay the harvest and hurt the yields in some of the growing regions. Current estimates report that the Yakima quality peppermint oil will be in tight supply until the next harvest in August of 2011. We are in constant contact with many growers in the producing states of Washington, Oregon, Montana & Idaho and welcome your inquiries.

Spice Oils

Cardamom Oil

The supply of both the Indian & Guatemalan crops are better than last year's dual origin, high price, poorest availability crop in memory. We covered oil for our traditional customers during peak production. Contrary to expectations the seed prices for the new crop have now shot up and the majority of the processors have gone off-market. In the coming months there will be supplemental production but we expect the prices to remain firm. As in the past, we recommend communicating your volumes to enable us to provide you with advice on how best to time your purchases. We have excellent relationships with all the processors in Central America & India and are confident that we can provide you with accurate information.

Cinnamon Leaf Oil

The rain in Sri-Lanka has not stopped for 4 weeks. This continuous rain has occurred during a time when it is not supposed to rain, making it impossible for the farmers to collect the leaves. In addition, the farmers are seeing the prices of other spices (cardamom, nutmeg and black pepper) increase in price so they are not willing to sell material and are happy to hold small stocks in expectation of higher prices. This is not only causing the prices to increase, but also creating a shortage. We hope that this situation is temporary.

Spice Oils

Clove Leaf Oil (Eugenol)

The rains in Indonesia during the harvest time halted production. For this reason, producers were unable to fulfill their contracts. Consequently, prices have surged upwards. We could see some limited relief in the Spring but it is doubtful that any significant increase in supply will become apparent until the August-October harvest. We consider this oil and its derivatives to be in crisis. The weather bulletins from Indonesia warn that the La Nina atmospheric phenomenon will continue well into 2011 resulting in heavy rains which could bring more natural disasters. We will continue to monitor the crops in both Madagascar and Indonesian and advise our traditional customers.

Coriander Seed Oil

In the past few months, the price stabilized only to strengthen again due to bad weather at harvest and a general lack of interest to produce without contracts. Please come to us with your annual requirements.

Garlic Oil

The prices continued to increase after the poor crop in the summer as we expected. In recent weeks the prices have stabilized, but it is a long time until the next crop in June-July.

Nutmeg Oil

Nutmeg prices continue to advance due to the weak US Dollar versus the Indonesian Rupiah along with the inclement weather in the region. We recommend covering your needs as prices are expected to increase at a steady pace during 2011.

Pimento Leaf Oil

Jamaica reports a poor harvest July-December due to the excessive rains which not only effect the distillation but the transportation to and from the processors. We recommend covering your needs promptly. Do not wait.

Star Anise oil and Natural Anethole

We have been advised that the supplies are in the growers hands and they are holding inventory waiting for higher prices. In recent months, the prices have risen contrary to our expectations. We recommend covering your needs until the summer when we anticipate better news.

Spice Oils

Cornmint Oil (Mentha Arvensis) & (Laevo Menthol Crystals)

The harvest is now complete and reported to be 20 % down with less carryover. These events, along with a strong Indian Rupee and an active MCX (Multi Commodity Exchange) with speculators have doubled prices. We continue to recommend hand to mouth buying for this difficult-to-predict family of products.

Cassia Oil and Natural Benzaldehyde

These items continue to dramatically strengthen in the price on strong demand, rumored speculative buying and extremely limited supply.

Oleoresins

Black Pepper Oil/Oleoresin



Global pepper markets will remain firm as prolonged rains continue to fall in India & Sri Lanka. This situation is further exacerbated due to disease and low carryover stocks. Currently the unseasonal rain is causing harvest delays in India. The International Pepper Community (IPC) expects world output at 310,000 tons compared to 316,000 tons in 2010. Some of this reduction has been caused by a shift of cultivated areas and unfavorable climate. This tight supply combined with an expected increase in demand, has put upward pressure on prices in India.

The harvest of Indonesian pepper is over and is expected to be 20-30% lower than last year. In Vietnam, the largest producer and exporter, has exhausted 90% their stock from this year's harvest. These figures alone will support the firm prices until next year demand.

Capsicum Oleoresin

The harvest is just underway and the main producing areas are experiencing heavy rainfall. A few facts: The planting areas are reduced by 15%-20% and the crop is delayed due to the monsoon rain. Both low heat and high heat qualities are trading to higher levels. It is also predicted that a reduced crop and poor yields could reduce the crop by 30%. As is the case with almost all spice related products, global demand is on the rise.



Oleoresins

Celery Seed Oleoresin



It is reported that 70% of the market is sold with little to no carryover. Sowing of Celery Seed is in December-January. At present the financial return is not attractive and farmers are looking to diversify to wheat and vegetables as they look for better returns. It will be interesting to see how this market develops in the months to come. The new crop is in June.

Ginger Oleoresin

While the tribal strife in Nigeria is improving, the political climate is still uncertain. A diminished crop of ginger due to rains has kept the prices firm. However, we hear reports that better production is expected and that prices should level out over the next couple of months.



Paprika Oleoresin



Both India & China expect to produce less paprika in 2011. India's cultivation alone is 10-15% less. While the crops at both origins are down we anticipate the most competitive prices during the peak arrivals in February. We are in touch with all the major suppliers from the important regions. Domestic demand in India, China and other neighboring countries, continues to increase. This will impact pricing. It has also been reported, that prolonged rains could potentially yield a crop 40% shorter than last year.

Turmeric Oleoresin

Turmeric – In recent weeks, availability and prices have firmed even for the low curcumin variety. Next year's harvest is under substantial cultivation and anticipated to increase. For this reason, we advise that you cover your requirements until March 2011.



Oleoresins



Oleoresin Nutmeg / Mace

Nutmeg prices will continue to increase and Mace may not be available at any price, until May. Therefore, we strongly suggest you cover your needs until May 2011. Nutmeg and Mace continue to feel the effects of an acute short supply due to rains which will further support higher prices.

Aroma Chemicals

Aroma Chemicals

In general this market has been experiencing price pressure since the second quarter 2010. We expect as a result of the current weak dollar and higher petroleum costs that this trend will continue. All agriculture based raw materials are also under price pressure as La Nina has been a disruptive condition globally. One in particular is Natural Citral. Litsea pricing have increased since the harvest of 2010 as a result of a poor harvest. Historically the harvest occurs during July until then we expect higher than normal pricing.. We produce both qualities 95% & 96% qualities at our state of the art manufacturing facility located in Belcamp, Maryland. Please contact your customer service representative for the latest pricing and availability.

We offer over 250 Natural and Synthetic chemicals to the Flavor and Fragrance industries. The majority of which are produced at our Maryland facility. Please contact your customer service representative for the latest product listing. We would welcome your inquiries for Gamma Lactone and Cis 3 Hexenol derivatives.