



ROB'S CRYSTAL BALL

AN ESSENTIAL OILS MARKET UPDATE

FEATURED
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MARCH 2022: PART 1





With regards to orange, lemon, lime, and tangerine, the problem of logistics has overshadowed the traditional challenges caused by weather, and normal concerns relating to supply and demand.

When you superimpose on top of the appalling supply situation, a new ban on chlorpyrifos, there is no question that the challenges increase.

SELECT PRODUCTS



ORANGE

Simply put, there does not appear to be enough orange oil to satisfy normal demand. This is mostly due to a small crop in Brazil, a very small crop in Florida, combined with just average crops in many other producing regions. For companies whose inventory philosophy is "just in time", the consequence of the lack of supply, is being felt most acutely.

C&A keeps high levels of inventory of those items that are basic to our product line and that certainly includes orange. But the low volumes at source, combined with frequent delays in



steamer shipments are not helping the situation.

Consequently, prices for orange oil are at historical highs. We advise our customers to stay ahead.



LEMON

Lemon is a bright spot in the world of citrus. There is sufficient lemon oil being produced of high quality to meet demand. Prices are above their 2020 lows, but nowhere near as high as they were five years ago. Any delays are due to shipping, but we are managing this by increasing the amount of oil and number of shipments.



LIME

There is no one alive who is old enough to remember circumstances like what has occurred over the past few months in Michoacan Mexico. Terrible rains in the fall knocked the blooms off so many lime trees that the "second surge" production season that always takes place in the winter did not supply enough fruit to enable commercial production of lime oil. A few processors opened their factories and initially processed at only 20% of capacity, before shutting down. They plan to resume production during the next fruit cycle in May, or maybe even remain closed until July.

Production in Peru met expectation but is not large enough to make up more than just a small percentage of the loss of production in Michoacan. In addition, we know there are several containers of lime oil, in Peru, awaiting shipment. Boats are being scheduled and are delayed or cancelled.

Early estimates from Colima, Mexico, are favorable in terms of expected fruit receipts.

All together, we believe that the production of lime oil distilled will be reduced from the already low levels of 2021. Prices are high. Depending on demand and the ability of customers to live off existing inventory, prices may go higher. There is no way to predict what is going to happen until we see how much lime oil distilled is produced in Colima.

In terms of cold pressed lime oil, there is availability of lime expressed Persian and almost no availability of Type A oil. There is some Type B oil available.



TANGERINE

Tangerine Oil production is low. Because the fruit often comes from many small groves with little to no central coordination, we expect that tangerine will present challenges with regards to quality. We advise customers to stay ahead.



GRAPEFRUIT

The lack of supply of grapefruit oil is almost matched by anemic demand. This year, the challenge will be to find high quality oil. So far, our purchasing department has risen to the challenge.



BERGAMOT

The 2021/2022 crop was down due to a 25-30% reduction in the amount of fruit available. High temperatures and drought in the spring/summer along with heavy rains in the fall postponed production. Prices have firmed since 2020 however we are well positioned to supply and invite your inquiries.



MANDARIN

The same adverse weather conditions which affected Bergamot had a strong negative impact on the flowering trees and production was down 30 to 40%. This coupled with rising costs for electricity, gas, and packaging has increased the price. We recommend covering your requirements early as we expect availability may be a problem during second half 2022.

QUESTIONS? WE'D LOVE TO HEAR FROM YOU!

[CONTACT US](#)

