
American Botanical Council

HerbClip

FILE: Essential Oils

Date: January 22, 1996

HC 1-22-6-1

TO: General Distribution

Re: Price Reductions in Essential Oils

Floreno, Anthony. Essential Oil Market Coming Down to Earth. *Chemical Marketing Reporter*, September 4, 1995.

Essential oil prices began to drop in the last quarter of 1995, after a year of increases due primarily to problematic climate conditions and political unrest in the supply countries, as well as increased demand. The movement of multinationals into parts of Asia and South America also decreased the availability of raw materials. Some attributed the downswing in part to the instability of the US dollar and to the weak economies of some of the supply countries. Although the downswing was considered normal given the unusually high levels the prices had reached, essential oil marketers were split over whether the prices would level out or continue falling.

Essential oils whose prices slipped included: citronella, clove, menthol, eucalyptus, and nutmeg. Lemongrass, cassia, cinnamon leaf and bark, and petitgrain experienced smaller price decreases. The citrus oils, on the other hand, have continually risen in price, and the demand for them does not appear to be waning.

Bin #77