

HERBCLIP

FILE: · Essential oils
· Market statistics¾ oils

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RE: Price Fluctuations in Essential Oils

Floreno, Anthony. Key Essential Oils Experience a Rough 12 Months of Pricing. *Chemical Market Reporter*, July 7, 1997.

Fluctuations in essential oils prices illustrate how the whims of the market can have sobering impacts on the livelihood of many people. Demand for several key essential oils has dropped sharply; citronella, Haitian and Javan vetiver, Chinese cassia and Brazilian and Chinese eucalyptus citriodora are all selling for much less than last year.

Most Haitian vetiver oil factories have closed, the author reports, until demand picks up. An importer of Indonesian vetiver oil explains that "most [manufacturing] consumers have covered themselves for the next six months to a year." Prices have dropped by \$7 to 12 dollars per pound.

Citronella oil failed to experience a traditional seasonal increase in demand this summer. "Sri Lankan distillers note that current prices are below the cost of production." Even eucalyptus oil prices, which historically move in 5 to 10-cent increments, have dropped 75 cents.

"Some oils fall out of favor for awhile," says one trader. "Eventually what happens is that buyers come back and the things go back to normal." —
Betsy Levy

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