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MARKET NEWS LETTER **September 2017**

Following the most recent IFEAT conference in ATEHNS, GREECE, traditional shippers continue stating that unfavorable weather conditions in some ESSENTIAL OILS producing areas still influence availability and pricing of certain important oils.

ARGENTINE ESSENTIAL OILS

During September, LEMON OIL C.P. prices stabilized in the upper US\$30.00/kilo range on FOB Buenos Aires basis. Offers for small quantities of RED MANDARIN OIL remain, as previously quoted, at US\$15.00/kilo FOB. We remain without offers for ARGENTINE ORANGE OIL.

AMERICAN ESSENTIAL OILS

During September American CITRUS market conditions remained unchanged – and we are still without Californian or Floridian producers' offers for old – OR – new crop CITRUS OILS as well as respective BY-PRODUCTS. The market is awaiting the October 10, 2017 UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) CITRUS crop report. We hope that we can obtain offers and pricing following the indicated date. PEPPERMINT OIL prices firmed and are currently quote in the lower US\$50.00/kilo range. Traditional shipper are recommending not to delay purchases of this oil. The NATIVE SPEARMINT OIL markets continued to firm also. Current quotes are in the upper US\$40.00/kilo range. Our suppliers suggest purchases to be made now, due to the "Far West Spearmint Marketing Order" having made less quantity available than the 3 year average demand. SCOTCH SPEARMINT OIL is currently offered in the lower US\$40.00/kilo range.

BRAZILIAN ESSENTIAL OILS

While the 2017/2018 ORANGE crop was anticipated to be somewhat larger than last season, with buyers reluctant to cover their needs with new crop oil, we are uncertain as to where the market will settle. At present we are without any offers for ORANGE OIL and / or CITRUS TERPENES (D'LIMONENE).

BRAZILIAN ESSENTIAL OILS cont.

All of the major Brazilian processors have withdrawn their offers, awaiting the October 10, 2017 UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) CITRUS CROP REPORT. We expect applicable pricing to be available toward the middle of October. Substantial quantities of GREEN MANDARIN OIL are currently offered, depending on shipper and quantity, with prices around US\$35.00/kilo CFR world ports. BALSAM COPAIBA prices remain soft and current offers, for multi ton quantities per shipment, remain at US\$18.50/kilo FOB Brazilian ports. NATURAL ALPHA BISABOLOL, is on offer, for prompt shipment, in minimum 100 kilo quantities, at US\$95.00/kilo CFR world ports

CANADIAN ESSENTIAL OILS

WHITE and BLACK SPRUCE, and BALSAM FIR OIL are currently available for prompt shipment, as well as HYDROSOLS and CEDARLAF OIL. Our suppliers invite specific inquiries, enabling them to offer, depending on quantity and destination.

CHINESE ESSENTIAL OILS AND AROMATIC CHEMICALS

We continue missing the usual multi product offers from traditional shippers. At the recent IFEAT MEETING traditional shippers continued to state that last winter's unfavorable weather affected production and changing economic conditions, still effect ready supplies. We continue missing the regular multi product offers of the past. Several suppliers continue forewarning us of a shortage of STAR ANISE OIL, as well as WINTERGREEN OIL. We have LITSEA TERPENES available for evaluation upon request.

INDIAN ESSENTIAL OILS

Our traditional shippers advised us of heavy MONSOON rains – but remain still short on OIL LEMONGRASS, now quoted as high as US\$19.80/kilo CFR world ports for October / November shipment. PURE BLACK PEPPER OIL continues to be offered at US\$57.00/kilo CIF and NUTMEG OIL (ca. 2.5% MYRISTICIN) remains on offer at US\$36.00/kilo CFR. PALMAROSA OIL has been on offer at US\$44.00 - 46.00/kilo CFR world ports, although buyers are advised to take advantage of current offers as prices are expected to climb as a result of unfavorable conditions in growing areas. CUMIN SEED OIL at US\$30.50/kilo CIF, with several shippers strongly promoting NATURAL THYMOL at US\$34.50/kilo CIF. We also learned of NATURAL ALPHA PHELLANDRENE (+ rotation) becoming available, prices in drum lots at US\$56.90/kilo CIF world ports, with the potential supplier actively trying to find interested buyers.

INDONESIAN ESSENTIAL OILS AND AROMATIC CHEMICALS

At the moment we are missing the usual multiple offers we receive from traditional Indonesian shippers.

MEXICAN ESSENTIAL OILS

Subject final confirmation MEXICAN ORANGE OIL (ALDEHYDE 1.3%) continues to be offered at US\$11.70/kilo and DISTILLED KEY LIME TERPENES at US\$15.30/kilo FOB Laredo.

TURKISH ESSENTIAL OILS

Small quantities of GUM STYRAX remain in stock at origin, offered at EURO 125.00/kilo. ROSE OIL prices have weakened. This oil is currently on offer at EURO 10,000.00 kilo FOB Istanbul. Various qualities of ORIGANUM OIL ("Vulgare", "Dubium", "Onites") are on offer, with suppliers asking for specific inquiries, for them to make applicable offers.

VIETNAMESE ESSENTIAL OILS

In ATHENS (IFEAT MEETING) traditional shippers continue advising us of the current availability of CASSIA OIL and its derivatives such as NATURAL CINNAMIC ALDEHYDE, NATURAL BENZALDEHYDE, NATURAL CINNAMYL ACETATE, NATURAL COUMARIN, as well as BASIL OIL (Methyl Chavicol), CITRONELLA and CAJEPUT OIL, asking for specific inquiries, enabling them to make respective offers, depending on quantity and destination.