

A vertical strip on the left side of the page shows a close-up of green eucalyptus leaves and branches. The leaves are elongated and have a slightly serrated edge. The background is a soft-focus green.

Eucalyptus Oil

Market Update 10-18-17

Eucalyptus Citriodora - South Africa

Brazil and China continue to be the dominant players in this market. Demand remains very strong for this oil and availability remains somewhat limited. South Africa has pushed forward with additional plantations, sustainable farming practices, and state of the art farm management techniques which have enabled the South African suppliers to increase their production to approximately 20mt annually.

Eucalyptus Globulus- China

The last major crop, ending in January, was lower than expectations due to the excessive rains. Speculators, trying to take advantage of a volatile situation, entered the market late last year after seeing a decrease in production of around 10%. Current production levels are around 30% lower than those of 2015, which is reflected in the 30%+ increase in price since that same time. New production should be available towards the end of the year which shall hopefully ease market pressure but there is no guarantee prices will decrease.

Eucalyptus Radiata - Australia

The total production from Australia is estimated to be around 7mt annually, with demand potentially 3 times as high. By 2018, several new plantations should begin production but there is nothing to indicate current pressures from the market shall subside. Prices are expected to keep rising as more companies begin to take positions to leverage end-user demand.

Eucalyptus Radiata- South Africa

Global demand for this oil continues to increase at a time when production seems to be decreasing across the board. Most oil produced is in small batch quantities and as such are not able to fill the demand for this oil. Efforts have been made to expand the production of this oil in South Africa, including extensive new plantings which should become available in 2018. Until that time there will be challenges to meet the total demand for this oil.