

# MARKET REPORT



P.T.C  
AGRO (PVT) LTD

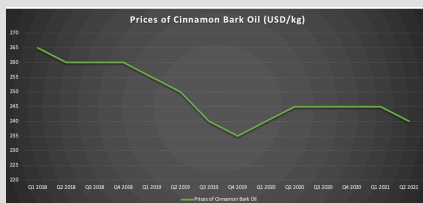
Summer 2021, Issue 02



*Favourable weather with ample rain conducive of crops was observed. De-valuation of Rupee against US dollar continues to support export prices. COVID-19 3<sup>rd</sup> wave negatively impacted the production and export logistics throughout the quarter. Government banned importation of fertilizer and Agro chemicals.*

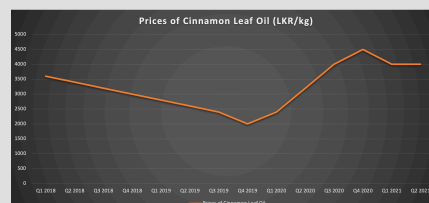
- *The weather has been conducive of crops with ample rain beneficial for all crops.*
- *The Sri Lankan rupee value remains low compared to the USD which is supportive of export industries.*
- *3<sup>rd</sup> wave of COVID-19 has negatively impacted production and export logistics as inter-provincial travel has been restricted.*
- *Sri Lankan government's decision to ban the import of chemical fertilizer and Agro chemicals have created a volatile situation across the industry.*

## Cinnamon Bark Oil



Cinnamon is back in season, although the crop was later than usual this year. Abundance of raw material and depreciation of the Sri Lankan rupee against USD helped to ease the prices over the quarter. However, given the COVID-19 related restrictions, production and export logistic hurdles had a negative impact on the volumes. Fresh raw material will remain available till October, thus no hike in price is expected till end of the year. Cinnamon bark oil trades locally around 245USD/kg in the local market.

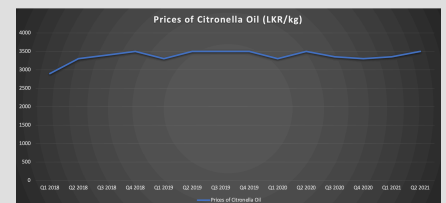
## Cinnamon Leaf Oil



Cinnamon leaf oil prices started to ease from previous quarter. While cinnamon peeling has started leading to more raw materials, uncertainties related to fertilizer and COVID restrictions have subdued the usual drop observed over Q2.

Cinnamon leaf oil trades locally around 21.50 – 22.00USD/kg in the local market. Prices are expected to rise.

## Citronella Oil

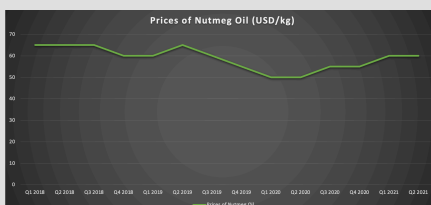


Conductive weather had a positive impact on production of citronella oil.

Over the past 3-4 years the prices have remained stable as per our field experience.

Locally citronella oil trades around 22.00USD/kg and only dips marginally in the first quarter.

## Nutmeg Oil



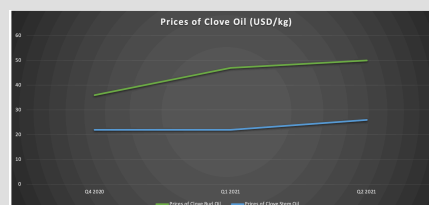
A smaller mid-year crop is available from the end of Q2 to mid Q3. Oil prices locally trade around 55 – 60USD/kg, which has been stable over the past few quarters.

Stiff competition from Indonesia continue to impact the local Nutmeg oil industry.

## Sources:

1. Central Bank of Sri Lanka - <https://www.cbsl.gov.lk/>
2. Department of Meteorology - <http://www.meteo.gov.lk/>

## Clove Bud and Stem Oil



not expected to be too great.

At present clove bud oil trades locally around 50USD/kg and stem oil at around 26USD/kg.

Clove oil prices follow the usual trend of starting to ease in November and rise towards end of Q1. The highest prices are usually observed over Q3 till prices start to ease in late November and December during the harvesting. Every other year a greater crop is received and most recent was December 2020. So, the 2021 crop is not expected to be significant and the impact on pricing is also



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