



ALBERT VIEILLE

Essentials. It's in our nature!

The natural Gazette n°8

January 2019

Your Market Report

The Natural Gazette is the quarterly market report from Albert Vieille. The Gazette provides you with updates on specific aromatic raw materials from our 2017 catalogue. These raw materials include both those we produce ourselves and those for which we have established partnerships with reputable growers.

This quarterly report incorporates the various factors that impact production and pricing – economic, geopolitical, climatic – to give you a broader view of price fluctuations and the quantities of raw materials available at the source.

For each raw material, we will also share our current market position, to help you best tailor your needs and ordering plans based on reported conditions. Your Albert Vieille sales representative is also at your complete disposal to advise you further.

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Albert Vieille SAS and Givaudan in exclusive negotiations

This past December 14, Albert Vieille entered into exclusive negotiations with the Givaudan Group on the acquisition of our company, an event that is a tremendous springboard for Albert Vieille's expansion and growth. "This is a superb opportunity for us to nurture our business' long-term health and growth and attain the many objectives we have set in recent years," says Georges Ferrando, CEO of Albert Vieille.



A larger, cutting-edge logistics hub in Mouans-Sartoux

On November 23, 2018, Albert Vieille moved its logistics division to Mouans-Sartoux to keep pace with growth that has shown no signs of slowing for six years. With this complex spanning more than 1,800m² and boasting six times the capacity of the former facility, the company is even more strongly positioned for the sale and production of aromatic raw materials worldwide. This major event is a fitting way to mark Albert Vieille's 50th anniversary, which the company celebrated this year!



Two new REACH dossiers

Albert Vieille has registered REACH dossiers for olibanum essential oil (quantity from 10 to 100 tons) and clove essential oil (1 to 10 tons).

In-Cosmetics Global et SIMPPAR

This year, we will be at several major international trade shows: April 2-4, stand R59 at In-Cosmetics Global, being held this year in Paris; Then, June 5-6, we will again be in Paris at the SIMPPAR on Stand 55.

A new cooperative-governance model

Late last year, Albert Vieille adopted a new form of innovative corporate governance known as Holacracy. Based on the formalized implementation of collective intelligence and cooperation, Holacracy redistributes decision-making mechanisms, assigning a role to each employee and giving staff members the responsibility of managing their workloads. The objective is to grant individuals and teams more freedom to self-manage, loosening constraints that can stifle talent, creating greater harmony in human relations, and making businesses more flexible.



Social responsibility at Albert Vieille

Albert Vieille's Corporate Social Responsibility (CSR) strategy is structured into three main areas: sensitivity to supply-chain sustainability and consumer involvement through reduction of environmental impact; responsible sourcing that integrates social and societal concerns; and ensuring corporate excellence and exemplarity by implementing indicators and monitoring tools. Albert Vieille's new CSR policy was developed in March 2018 with assistance from the consulting firm B & L évolution, specializing in sustainable development.



Product profil: olibanum

Essential oil and resinoid



Harvest calendar



The olibanum trees (*Boswellia carterii* Birdw.) of Somaliland, a self-proclaimed, self-governing republic in northwestern Somalia, grow wild in the region's craggy mountains. The plant is endemic to this land and is not found anywhere else in the world. Cultivation of olibanum trees holds great importance for the local population, as the activity is one of the main sources of income.

In this part of Africa, where the local people are hit hard by drought and the poverty rate is one of the highest known, olibanum cultivation is one of the few ways to earn a livelihood. The men are willing to risk their lives to harvest the olibanum, which often grows on steep cliffs.

Olibanum trees are harvested once a year in summer, from June to August. To extract the resins, incisions are made in the trees using metal hand tools. The sap is a viscous, milky-white liquid that oozes from these cuts in the tree. This precious substance is then collected, dried, sorted by quality, and distilled, to then be applied in many ways to enhance health and wellbeing.

Today, special attention must be accorded the olibanum tree, as this resource is struggling to regenerate on its own. With rising global demand, it is common to see the tree being harvested several times a year. The greater the size or number of incisions, the weaker the tree becomes, and the greater the risk that this natural resource will vanish entirely. This makes the sustainable harvest of Somaliland olibanum all the more critical.

Protecting the olibanum tree starts with educating and raising awareness within local communities about the tree's preservation. Our support of such efforts is done through our supply partner for olibanum gum: This enterprise makes sure its collectors are properly trained, provides medical care, and ensures families are supplied with basic necessities.

Our market position: we process the olibanum gum at our production center in Spain to create two extracts: essential oil and resinoid.



Fruity
Animalic



Blackcurrant buds

Absolute

France



The weather in 2018 was relatively dry for these shrubs. Despite a rainy spring, growers had to occasionally irrigate to compensate for this lack of water, ensuring the blackcurrant bushes could develop properly. The advantage of this dry climate was that the plants were rarely unwell and were able to resist insect attacks. The cold weather, which came early this winter, also favored the development of blackcurrant buds. The harvest therefore began in late 2018. New plots of land were also planted over the course of the year, so as to cope with any potential short-term scarcity. Prices should remain unchanged over last year.

Our market position: our blackcurrant bud absolute is produced at our production plant in Seville. Its main constituents are delta-3-carene, terpinolene, and beta-caryophyllene.

Harvest calendar

J

F

M

A

M

J

J

A

S

O

N

D

Ribes nigrum L.



Fruity
Floral



Osmanthus

Absolute

China



The 2018 weather conditions were the same as those of the two preceding years. Dry weather affected the growth and bloom of osmanthus flowers. The high temperatures rendered picking more difficult and led to a rise in labor costs to offset the hardship of this work. Production remained steady at last year's level, but demand has increased. This raw material, particularly popular on the perfume and food markets, has seen a drop in stock. Taken together, these various factors have impacted the raw material's purchase price, leading to an increase.

Our market position: the production of osmanthus absolute has been finalized in our production center in Spain.

Harvest calendar

J F M A M J J A S O N D

Osmanthus fragrans (Thunb.) Lour.



Woody
Earthy



Patchouli heart

Indonesia

Essential oil



Overall patchouli production decreased in 2018 on the islands of Sulawesi and Sumatra due to natural disasters, a dry season, and crop conversion. The principal difficulty lies more in the realm of supply than production: Freight transport has been impacted by the cumulative effects of natural disasters, causing market tensions. Production remains uncertain for the next two to three months and a price increase is very likely.

Our market position: At our production center in Spain, we produce a patchouli heart essential oil through rectification of patchouli essential oil, a process that lets us enrich the extract's patchoulol content, the molecule responsible for patchouli's characteristic odor.

Harvest calendar

J	F	M	A	M	J	J	A	S	O	N	D
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Pogostemon cablin (Blanco) Benth.



Woody
Sweet



Sandalwood

Essential oil

New
Caledonia



In New Caledonia, the government has taken drastic measures to protect sandalwood from pillaging. It has ratified a complete ban on the export of unprocessed sandalwood, living or dead. In the provinces, governmental orders have established cutting quotas and reforestation norms to control the exploitation of sandalwood and ensure resource regeneration. Legislation also requires that the raw material be distilled on site to sustain the economic health of the supply chain. The distilleries that we work with are very concerned about the many dimensions of sustainability in cultivating this resource, with standards that sometimes even surpass the criteria imposed by the legislation.

Our market position: Sandalwood is distilled year round. We have quantities of this product available.

Harvest calendar

J F M A M J J A S O N D

Santalum austro-caledonicum Vieill.



Gourmand
Almond like



Tonka bean

Absolute

Brazil



Despite an unstable climate vacillating between rain and sun, the 2018 tonka bean harvest reached a total of 80 tons for all of Brazil. Production is fairly high and prices have dropped.

Our market position: we have tonka bean absolute made from the concrete processed in our production center. It is produced through solvent extraction of the beans, which are then washed with the alcohol of the concrete. It has a maximum coumarin level of 80%.

Harvest calendar

J	F	M	A	M	J	J	A	S	O	N	D
---	---	---	---	---	---	---	---	---	---	---	---

Dipteryx odorata Will.



Woody
Smoky



Vetiver

Essential oil

Haiti



The production of vetiver essential oil is slowly resuming after having stopped for the year-end rainy season. Farmers are increasingly reluctant to work with this raw material because of a low return on investment. Production costs are still high due to the price of a barrel of oil. To reduce their production costs, some farmers are distilling for shorter periods of time, and this has affected the quality of some vetiver essential oils. Furthermore, civil unrest has caused disruption in certain areas of Haiti, interfering with the supply of fuel, equipment, and transportation as a whole. Today, stocks are limited, but demand has slowed.

Our market position: for the past several years, we have been conducting extensive fieldwork with the NRSC on this raw material. To learn more about this supply chain, you can visit the Natural Resources Stewardship Circle website: <http://www.nrsc.fr/nrsc/projects/vetiver?lang=en>

Harvest calendar

J	F	M	A	M	J	J	A	S	O	N	D
---	---	---	---	---	---	---	---	---	---	---	---

Vetiveria zizanioides (L.) Nash.

Our savoir-faire

For nearly a century, Albert Vieille has crafted exceptional savoir-faire in the realm of aromatic raw materials, acting as your partner in the formulation of your creations by offering more than 200 exceptional products that are exclusively 100% pure and natural.

Over the years, we have developed a network of producers in over 40 countries and built reliable, long-lasting relationships with our agricultural partners. Doing so means we can offer raw materials on a consistent basis in terms of quality, availability, and pricing. At our production center in Spain, we have the ability to expertly process fresh and dried aromatic raw materials, gum-resins, and floral concretes using a variety of techniques.

Key



Our integrated farming subsidiaries



Our own production



Market supply trends



Market price fluctuation



Supplies up



Price down



Supplies stable



Price stable



Supplies down



Price up

Domaines d'application des produits



Aromatherapy, wellness



Perfumery



Food



ALBERT VIEILLE

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