



**DAVANA OIL
MARKET
INSIGHTS**

**DECEMBER
2021**

Davana oil supply chain had been adversely affected by climate change in the last 2 years. As against the global demand of 6 MT, the production of davana oil stood at 4 – 4.5 MT in the last 2 years. The carry forward stocks have been exhausted at source.



from file, 2020



Sowing of davana seeds for 2022 season started in October – November. It has to be noted that, the growing regions received unseasonal heavy rainfall in the month of November and 75% of the standing crop has been damaged. Currently, replanting of davana seeds is ongoing, which essentially implies that, harvest and distillation will shift to late March – April 2022. Late distillation will have a serious impact on davanone content of davana oil in 2022 season.



from file, 2020



The current price of Davana oil is USD 600 per kg, which is higher than its usual trading price, USD 350-400 per kg. As we are expecting shortage of the crop due to the factors mentioned above, it is likely that the prices will remain firm.



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