

Scents & Sensibilities



The flavours and fragrance industry (F&F) is a vital industry that supports the food, daily chemicals, tobacco, medicine and other industries. Kamakshi Vyas-Fernandes presents a take on the scent and taste of business this season

Flavours and fragrances are indispensable as raw materials in the lives of modern people. Also known as the perfumery industry this industry is off the books known to be an oligopoly – which means that less than 10 players own about 70 percent of the market share. The fragrance and flavours sector of the food industry

is one of the most popular and lucrative segment of the food ingredients industry. International Flavours & Fragrances Inc. New York, Robertet France, Givaudan Switzerland, Symrise Germany, Takasago Japan are fragrance houses that have offices in India. We Indians have a great deal of scope to work with these fragrance

houses. And the growing breed of “artisan perfumers” have turned boutique owners. So what is the state of the Fragrance and flavours Industry? According to Nivedita Assar, the Secretary General of the FAFAI, a Perfumer at Mohini Agency IFI some of the segments in the F &F sector are doing well, but with the global slow-down effecting most of the supporting industries it would be obvious that the F&F is too effected. She further cites the instability of the dollar that adds to the manufacturers' woes. She says: “ No doubt India has become an important global player. The Mint revolution that happened years ago led us to the path of becoming the largest exporter of mint and allied products in the world. India exports raw material, natural spice oils, oleoresins and some natural floral extracts like tuberose, jasmine among others,” she concludes. Rohit Seth, who is into



the fragrance business with Seth Brothers since 1949 cannot agree more and reiterates the dollar affecting prices of raw materials but not the finished product and adds: the rate at which growth was expected last year was nearly 11-13%. However the current rate is barely 7-8%." He concluded by saying that the production sector is however not affected and working in full swing.

It was about 6 months back that the Ittar Mela at Delhi's Dilli Haat Pitampura provided much awareness about the industry's age

old traditions. It is well known that fragrances have existed in India since time immemorial. Excavations at Harappa and Mohenjodaro revealed distillation equipments which hinted at floral distillations carried out in past. Gods in India are invoked by burning fragrant material like loban, incense. Deities are bathed with sandal wood and rose paste and floral offerings are part of daily rituals. Attars were integral part since Mughals. Floral bath like that of rosewater is associated with Noorjehan. Also cosmetics existed in ancient Indian Ayurveda and grand mom's remedies are still applied in households, reveals

Chinese Market Data

- China has more than 400 spiceberries belonging to 62 families
- China has more than 120 kinds of natural flavours in industrialization production
- China holds the leading position in the production pennyroyal, eucalyptus oil, litsea cubeba oil, cassia oil and fennel oil
- The complete output of China's flavours and fragrances in 2011 was about 400 thousand tons
- The industry of China is growing at an average annual compound growth rate of over 10 percent

flavours with saffron, spices, are well known the world over. Industrialisation and globalisation followed much later."

Like any other traditionally run sector that has an artistically rich past like the jewellery industry, the fragrance and flavours industry too is dominated by family run enterprises. Cites Aasar that most of these family business are more than a century old and situated in Mumbai and Delhi. "Incense industry has a strong presence in Bangalore, Ahmedabad, Nagpur, Indore soon following. Essential oil, attars in Kannauj, spice extractions, oleoresins in Cochin and Southern India" she informs.



A Royal Challenge

But one wonders what the key challenges of the sector are currently? Ittar manufacturers, who were once loved by royalty, are facing tough competition in the market today. "The problem is sustainability, says Asaar in a few words. As is with any other industry, the F&F industry too faces problems with procurement and rates of raw materials especially naturals which is a big challenge says the industry source. Seth argues that it is his personal belief that the working of small and medium enterprises on one same platform can eradicate this problem from the root and prices of raw materials can be controlled.

But with the present scenario the prices of raw materials will remain uncertain for the coming six months as well. A worried Asaar points out that "a lack of technical knowledge, regulations, unfair competition from MNC's at times are eating up small manufacturers. Government policies, for example including mint and products in MCX has led to highly unstable prices of the oil and its products, actually there is no real requirement of the product but sales and purchase on paper because of MCX trading leads to unreasonable prices which deter the real manufacturers to use it. Also globally synthetic production of menthol has been motivated because of these fluctuations.

Career as a Perfumer

You could opt for formal courses or work your way to becoming a perfumery master. In India a specialisation in Chemistry is mandatory, yet one could acquire a sound knowledge of aromatherapy as well as herbal medicine will be adequately appreciated. The Food and Beverage Industry will welcome you with open arms while other career options could be cosmetic chemist, entrepreneur or marketer of perfumed products, and sensory psychologists, etc.. As a personal attribute it is only essential that one possess a creative bent of mind. A beginner can earn as much as Rs 20,000 to 30,000. SN Kelkar, Mumbai, is one of the largest flavours and fragrance houses in India. Kelkar Education Trust's VG Vaze College of Arts, Science and Commerce, Mumbai, offers postgraduate diploma in perfumery and cosmetics management course. Fragrance and Flavour Development Centre, Kannauj, UP, offers courses ranging from three days to one year.

MNC are already out with it. This endangers India's No. 1 rank in export of menthol or mint products." A similar story is related about sandalwood where too much intervention of government and unreasonable laws have led to the non -



cultivation of sandalwood and we are wiped out of our crown of being the largest exporter of sandalwood oil. Australia will soon start supplying "Indian sandalwood oil" reveals the concerned lady. There is also the mention of the structure of import duty that is detrimental to Indian manufacturers of fragrances. Foreign made fragrances are imported at 7.5% duty where as raw materials, naturals and resinoids used as a raw material to manufacture fragrance are imported at 20%. Seth too points out the role of MNC's who have annual turnovers that they can invest – intimidating the local manufacturer.

Varied Scope

It was early in June this year that saw the entrance of International Flavour and Fragrance (IFF) into India. The company recently announced the opening of a new facility

for creating new flavours and fragrances for the business unit, which is located in Gurgaon. It will serve those companies that provide prepared foods, sweets, beverages and dairy products to the Indian Market. Quoting an online press release of the same Doug Tough, Chairman and CEO, IFF, proudly said "Our increased presence in India and the ongoing strategy to expand our geographical reach and to create an infrastructure to serve emerging markets, especially those enjoying the most dynamic growth rate and demographics". He cited the Flavours sector growing at the rate about 14 per cent in the last 10 years. Bharat Shah, who serves a Pharma Company called Kawaral and Comapany as the Director of Marketing seconds the view. He informs that his company that is mainly into pharmaceuticals just as recently as 2 years back got into

the F&F industry. "The scope is immense and the industry is growing rapidly" he reveals excitedly, "it was when Bell Flavours and Fragrances entered into India 2 years back that's when we realized the rationale that led them to set up in India. He reveals that 80% of all demand for flavours arises from pharmaceutical labs to make medicines. Actual food and ice-creams make up only 20% of the overall demand for flavours." He further reported that medicines are made of 100% flavoured syrups! Calling the market "jor daar" he spoke of intricate gradations form FDA, CSCB and having an ENS number. Even Assar reflects similar sentiments when she says: "I feel that there is tremendous scope in the industry and hard work surely pays. United we stand, Indian companies should unite to share technology, support each other and this is the way to combat MNC. And with a message so dear, Assar sums up the whole experience of being with the Fragrance industry. I am a perfumer first, so i cannot think beyond fragrances "The art of perfume is the art of romance; it is an endless affair of heart. This romance for the scent that dates back to Cleopatra and Noorjehan, I sincerely hope that this truly remains eternal!"

