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MOVES



KANCOR

50
YEARS

MINT MARKET OVERVIEW JUNE 2020

A monthly summary of the crop conditions and precipitation during the growing seasons of all the spices we offer from different parts of the world where they are at its best.

MINT HARVESTING

The distillations have started in all the mint growing regions in India towards end of May. The largest growing region is Uttar Pradesh in North India which contributes to more than 80% of the Crop in India and rest 20% is contributed by its neighbouring states that includes Punjab, Bihar and Madhya Pradesh.



Mentha Arvensis is produced commercially only in India and therefore the global demand of Natural Menthol and its derivatives are concentrated in these regions. The crop acts as a perfect interim crop in between the major crops and this has resulted in the concentration of global production of Mint to this region of North India. Needless to say the climatic and soil conditions are the best as it lies in the foothills of the Himalayas and with humid Sub tropical climate that suites the mint crop.

CLIMATE AND PRODUCTION EXPECTATIONS

The unexpected rains and the overcast conditions have dampened the initial few days of distillation. The weather is expected to be cloudy for a couple of days more. Dry and warm weather is not present due to which oil content would be lower in these days of distillation. Due to this, farmers are still hesitating in distilling their mint crop and hence there is a slowness. We hope from next week the harvesting should be in full swing and the next 3 to 6 weeks would be the peak distillation periods.

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As informed in the April Report; the expectation of a higher crop in comparison to the last 2 years of 2018 and 2019 still remains. Although weather has slightly dampened in terms of yield, the majority of distillation is pending for the coming weeks. Unless weather continues to create challenge, we don't foresee a drop in volume and based on current estimates it is more likely that crop is better than previous years.



Harvesting of the Crop on the Fields



Transportation to distillation units

DISTILLATIONS

The distillation is carried out in vessels with varying sizes based on the regions. The spent after distillation is used as the fuel for the distillation unit. This biomass remaining after the distillation from these units can be used as fertilisers. This helps in complete use of the biomass. There are distillation units in every village and most of them are owned by farmers too. In fact they form an important part of Kancor's sustainability Programme and we consider them as our Lead Farmers. Many of the training programmes are passed to the farmers through these Lead farmers and we have seen its success as it reaches fast and wide. However constant training to these lead farmers is done by our agriculturists with the support of scientists and experts from the various bodies.



Distillation of mint oil underway

MINT MARKET FORECAST

The prices which started declining in Mid-May continued its decline till end May and then had moved up in first week of June due to poor climate. However the price is further moving down as in the second week of June. There is a Government Notification by which MANDI TAX (Tax levied by the state Government) for the Mint oil of 1.5% is removed in June 2020 and this directly helps reduce the prices.

The following factors now hold good for the movement of the prices

- Climate and the resultant yield of the Crop – Mild Impact
- Demand – Normal and it should not have an impact
- Supply in to the market – No impact as it is expected to be better

If the climate is good till completion of distillation, then we are expecting favourable prices for Mint oil as supply will be much higher than demand.

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Disclaimer : Please note some of the information and images used have been taken from other sources.