



MINT

MARKET OVERVIEW

SEPTEMBER 2020

A monthly summary of the mint crop market conditions from different growing regions of India where they are at its best.

The mint crop harvesting got over in July, this year crop size was estimated to be around 40000 to 42000 MT of Arvensis Oil. Although the expectations initially were that it should be at least 45000 MT of Mint oil, the climate in certain parts of the growing regions weren't the best during the distillation period and hence had some oil losses. This was mainly on account of the leaves not being properly sun-dried due to the onset of cloudy and rainy spells during the initial few weeks. The crop size of Mentha Piperita Oil is close to 1000 MT whereas the Spearmint Oil is around a couple of hundred MT.



The prices received by farmers this season for the Arvensis Oil isn't that encouraging. For the long-term sustainability of the crop, Mane Kancor had undertaken several studies with farmers on the minimum cost they should earn. The current year's seasonal prices were close to USD 2/Kg, lower than the minimum price of what they should've earned considering the basic living conditions and to maintain their continued interest in cultivating the crop sustainably.



However, having earned higher returns in the last 2 years; this year's lower price alone may not be a deterrent for them to discontinue mint. **We recommend better participation from all Stakeholders mainly customers, as sustainable sourcing is the need of the hour and for the long-term sustainability of natural mint.** We do have sustainable sourcing programmes and we aim to improve these programme year over year for the benefit of farmers and with an aim to improve livelihood of farmers at the same time ensuring Traceability and Sustainability. The programmes undertaken by us includes improved distillation techniques, providing adequate packing materials to farmers, training by internal and external experts on Good Agricultural Practices with emphasis on reducing water used for irrigation and avoiding chemical pesticides, promoting use of organic fertilisers and providing the right planting materials.

Some of the programmes planned in the coming months are:

GOOD AGRICULTURAL PRACTICES (GAP) TRAINING IN SEP TO DEC 2020

With an aim to lower the cost of cultivation and reduce water consumption, 30 of our lead farmers are preparing planting material for next season using EMT (Early Mint Technology). We are planning to conduct training programmes at each of these 30 model farms in groups of 10 farmers, taking all the necessary Covid precautions.

TRAINING FOR PREPARATION OF ORGANIC MANURE IN OCT 2020

We will be conducting training on the fields for preparation of organic manure and it is a demonstration programme for our lead farmers, where they will be provided earthworms to prepare their own organic manure using household wastage and cow dung. The lead farmers would then take it to their region where the learning will be passed on to another 10 to 50 farmers in their group depending upon the region.



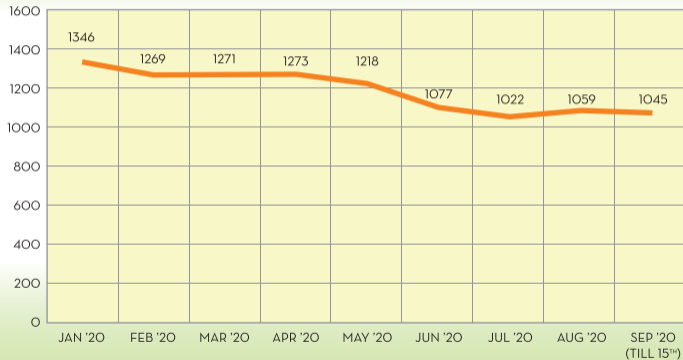
- We are also planning few modifications in the steam distillation units of the farmers; working alongside with various experts to improve the oil yield.
- As part of our recent CSR activity, we have distributed around 10000 masks to our mint farmers.

PRICE CHART OF CRUDE MENTHA ARVENSIS OIL FROM JAN 2020 TO 15TH SEP 2020

The graph illustrates the price of Crude Mint Oil at the farm level; Prices are shown in INR/Kg in Y axis and months in X axis. **The prices have been lower during the season and more importantly the availability have been better.**

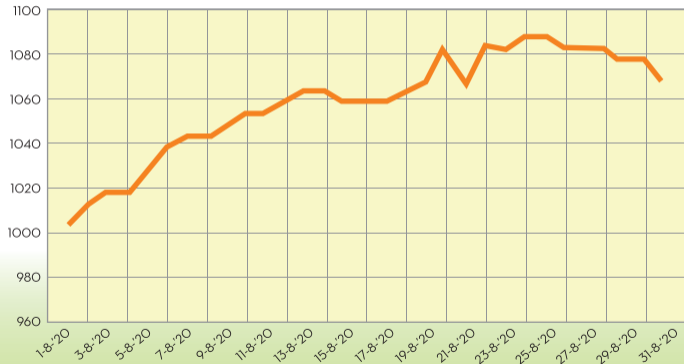
The market has declined in June and has been remaining mostly steady after harvesting. The prices have declined more than 20% from the initial part of the year and the future pricing will be decided based on demand in the coming months. It is to be noted that current inventory levels are low because of the higher demand in last 2 years owing to the lesser availability of synthetic menthol in the past years. The demand vs supply scenario and the availability of synthetic menthol would define the pace at which prices can further move in the coming months.

AVERAGE PRICE MOVEMENTS - MONTHLY



DAILY PRICE MOVEMENTS OF CRUDE MENTHA ARVENSIS OIL - AUG 2020

The price movements within a month are depicted to illustrate the variation of the same on a regular basis.



MENTHA PIPERITA AND SPEARMINT OIL

Quality of these oils are quite varied in the market today that the current market prices may not reflect with respect to the quality that different customers source. The natural Mentha Piperita is priced close to 35 USD/Kg whereas natural Spearmint Oil is at USD 30/Kg at the farm level. However huge variation can be seen in the prices as blended oils are mostly sourced today.

The demand is higher and prices are expected to remain at these levels.

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

Kancor Ingredients Limited is a pioneer in the field of Global Spice Extraction, whose roots in the spice trade can be traced back to 1857, at the spice capital of the world; Cochin. Now a part of the Mane Group, France - one of the largest Flavour and Fragrance companies in the world; Kancor specialises in complete food ingredient solutions, from sourcing of raw materials, extraction, research and formulation, to testing and final delivery. The year 2019 marked the 50th anniversary of the company.

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