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Mint Market Overview

July 2024

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



Mint Overview

Menthol is cultivated in large areas of the Indo-Gangetic plains of Uttar Pradesh, which is the largest mint producing state with 80% share of total production. Madhya Pradesh and Bihar have a combined share of 15% and rest 5% is contributed by Punjab and Haryana.

Indian farmers cultivate mint crops in Zaid season between Rabi and Kharif season. The crop acts as a perfect interim crop in between the major crops (Wheat and Rice) and this has resulted in the concentration of global production of mint in these regions of Northern India. Needless to say, the climatic and soil conditions are the best as it lies in the foothills of the Himalayas and with a humid sub-tropical climate that suites the mint crop.



Climate & Production Expectation

Owing to historically low prices of mentha oil and increasing cost of cultivation, a lot of marginal farmers have shifted to alternate crops like maize, whose market price has gone up considerably. Due to this, from last 2-3 years there has been considerable drop in crop acreage.

But this year crop growth has been good due to a better climatic condition and distribution of good planting material as compared to last year. This has also improved the oil yield compared to last years. Hence, overall production is expected to remain same or marginally less by 5% compared to last year.





Mint Harvesting & Distillation

The mint crop herbage is harvested when the field is dry and weather is bright and sunny. A simple way to judge the maturity is to see whether the lower leaves have started turning yellow or when the plant starts flowering.

The distillation is carried out in vessels with varying sizes based on the regions. The spent after distillation is used as the fuel for distillation unit. Furthermore, this biomass remaining after the distillation can be used as fertilizers as well. This is a lean system to ensure energy efficiency.



There are distillation units in every village and most of them are farmer owned. They form an important part of MANE KANCOR's sustainability program, and we consider them our Lead Farmers. Many of the training programs are passed to the farmers through these Lead Farmers and we have seen its success as it reaches fast and wide. However, constant trainings for these lead farmers are done by our in-house agronomists with the support of scientists and experts from various bodies.

Distillation in many regions started from last week of May'24 owing to favourable weather conditions. Till now, approximately 75% distillation is complete in major regions and distillation is expected to continue till last week of Jul'24. This year yield has been good owing to good plant growth, distribution of good planting materials and favourable climatic conditions.







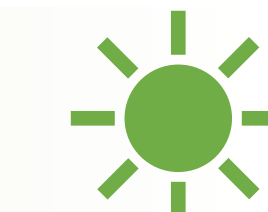
Mint Market Forecast

Till last week of Jun'24, distillation was at its peak leading to good arrival in the market and prices were quite attractive. But for last 1 week, due to early and continuous rains across cultivation region, arrival of oil in the market has dropped drastically which has pushed prices to higher levels. At present, due to the onset of monsoons, arrivals will be a bit slow, and prices are expected to either remain steady at these levels or slightly higher for a couple of weeks going forward.

During the off-season, analysts anticipate good demand from the international market as carryover stocks from previous years are at historically lower levels. Production is expected to remain more or less same as compared to last year, which indicates a bullish trend in the long run. But good availability of synthetic menthol in the market will give resistance to natural menthol prices consistently.



Mint Market Forecast

Price Outlook (Short-term)	
Price Outlook (Long-term)	
Demand Expectation	
Supply Expectation	
Climate Conditions	



Major Challenges

Mint is a highly water intensive crop. It requires 10-12 irrigation cycles to attain maturity stage. Ground water availability is non-uniform and there is erratic supply of electricity which leads to increase in cost of cultivation.

Also, due to increasing price and consumption levels of inorganic fertilizers and high labour wage rates, the cost of cultivation is on a continuous rise over the last couple of years.

However, the market is threatened by the rise of synthetic menthol, which is able to substitute natural menthol in several applications owing to its identical properties. This remains a threat to the growth of the natural menthol market, and if its market penetration continues to grow, may disincentivize farmers from cultivating the crop in the long run. This may also lead to irregularities in the supply vs demand scenario of natural menthol.

Mane Kancor 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. Mane Kancor specialises in complete natural food ingredient solutions right from sustainable sourcing of raw materials, clean extracts, advanced research and formulation.

Mane Kancor has its presence in over 80 countries and has regional distribution centers across the world and multi-locational factories in India.

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