MCX witnesses record delivery in Mentha Oil

Mumbai, August 03, 2015: Multi Commodity Exchange of India Ltd. (MCX) has witnessed record delivery of 13.5 lakh kg valued at approximately Rs. 156 crore executed in MCX Mentha Oil June 2015 contract. In terms of both value and quantity this is the highest delivery executed in Mentha Oil on the Exchange platform, since the contract's launch in 2005.

Mentha Oil futures on the Exchange have significant participation from all spectrum of participants, including the entire gamut of physical market participants, such as aggregators, traders, processors, exporters who manage their price risks by trading on MCX platform. The availability of a liquid futures market in Mentha Oil has bestowed a plethora of benefits to all the stakeholders of the commodity value chain and has aided in developing the ecosystem, including the physical marketing infrastructure of the commodity. Significantly, the transparency in pricing, liquidity, better price discovery, international quality standards and ease of delivery mechanism of MCX are well recognised by the market participants across the spectrum.

In India, consumption of Mentha Oil, which is extracted from Mint leaves, is very high considering its extensive usage for a wide range of products within the namely hygiene products, FMCG, Pharmaceutical, perfumery and confectionary.

Mr. P. K. Singhal, Joint Managing Director of MCX said, "We are very happy with this development, further affirming the significant role Mentha oil futures plays in the ecosystem of this commodity. There is no denying the fact that MCX Mentha Oil Futures has made an important contribution towards making Indian markets more transparent and efficient and has been instrumental in placing India at the World No. 1 position in Mentha crystals exports. By promoting exports, MCX is complementing the government's efforts in fructifying the Make in India initiative."

According to a study (2013) jointly undertaken by IIM Calcutta and NISTADS, New Delhi, MCX futures market has created a highly efficient alternative marketing channel in Mentha Oil value chain. The study found that MCX Mentha oil futures facilitated the rise of India as the major exporter of processed Mentha crystals, transitioning from raw material exports, and finally displacing China to become the World's No. 1 in Mentha crystals exports.

India is the largest producer and exporter of Mentha oil in the world. Mentha arvensis is cultivated in India mainly in Uttar pradesh, Bihar, Punjab and Uttarakhand. The all-India area under Mentha in the country is estimated at about 3-3.5 lakh hectares. India at present produces about 40,000 - 45,000 MT of mint oil. Significant part of Indian production is exported in the form of oil and various derivative products of Mentha Oil like menthol, crystals etc. In 2014-15 India exported 25,750 MT of mint oil and products, which earned it foreign exchange worth Rs. 2689.25 crore.

About MCX

Having commenced operations on November 10, 2003, Multi Commodity Exchange of India Limited (MCX) is India's first listed, national level, electronic, commodity futures exchange with permanent recognition from the Government of India. MCX offers the benefits of fair price discovery and price risk management to the Indian commodity market ecosystem. Various commodities across segments are traded on MCX. These include bullion, energy, metals and agri commodities. The exchange has forged strategic alliances with various international exchanges, as well as Indian and International trade associations. For more information about MCX and its products visit www.mcxindia.com.

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