MCX
METAL & ENERGY
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MENTHA OIL

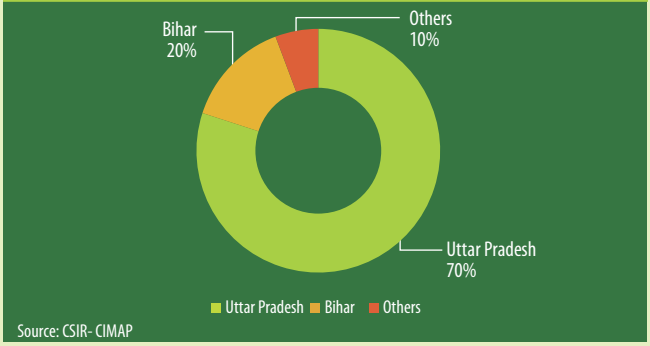


Mentha oil is derived by steam distillation of Mentha arvensis (a Japanese mint) leaves, the basic raw material required for the production of menthol. In India, there are two types of menthol: crystals and flakes. Menthol is available in different shapes and sizes, such as large crystals (bold), medium crystals, small crystals, and flakes as powder. Menthol crystals are the basic ingredients for toothpaste, mouth freshners, pharmaceuticals, ayurvedic and Unani medicines, chewing tobacco, pan masala, pain balm, confectioneries, cosmetics, and fragrance industry.

CROP OVERVIEW

- The sowing season of mentha starts during February–March every year. The crop takes 90 days to mature (vegetative) and produces its first flowers then. This is the best stage to harvest. The crop harvesting is done during May and June.
- Mentha leaf is a commercial part of the plant, including young flower buds, which contain volatile mentha oil. Its leaves are sun-dried for higher oil yields.
- Leaves and flowering tops give the highest yield. Distillation of dried leaves is cheaper than that of fresh leaves.
- Through steam distillation and filtration, a golden yellow volatile oil is obtained. Menthol flakes can be separated in a crystalline form on cooling the oil. The remaining (de-mentholized) oil is used in confectioneries and flavouring.
- The manufacture of menthol flakes is commercially done by a few firms in Delhi, Mumbai, and Gujarat. There are several small distilleries in UP that produce menthol flakes and de-mentholized oil.
- Major mentha oil markets in UP are Chandausi, Sambhal, and Barabanki. Distilled mentha oil is brought into these markets by farmers and producers to commission agents. According to their requirements, mentha processors, crystal manufacturers, and exporters purchase the oil from the market.

STATEWISE SHARE IN TOTAL PRODUCTION



Source: CSIR- CIMAP

INDIA – MENTHA OIL PRODUCTION

YEAR	Production (tonnes)
2019-20	43,400
2020-21	44,500
2021-22	41,000
2022-23	37,500
2023-24	32,000
2024-25	33,500

Source: Transgraph, CIMAP & Trade estimates

MAJOR MENTHA OIL PRODUCING DISTRICTS

State	District
Uttar Pradesh	Barabanki Moradabad, Rampur, Bareilly, Sambhal, Badayun
Bihar	Begusarai Buxar
Punjab	Ludhiana Jalandhar

Source: Trade estimates





DEMAND AND SUPPLY

- The global production of mentha oil stands at around 68,000 metric tonnes (MT). In India, the production of mentha oil was about 33,500 MT, covering an area of around 3.36 lakh hectares during 2024-25.
- India is the largest producer and exporter of mentha oil. At present, the major producers of mint oil in the world are India (80%), China (09%), Brazil (7%), and the U.S. (4%).
- Mentha arvensis is cultivated in semi-temperate regions of the Himalayan hills—UP, Himachal Pradesh, Punjab, and Bihar.
- India cultivates about eight species of mentha, out of which three are exported.
- India exports different types of mint oil to countries including China, the U.S., Singapore, the Netherlands, Germany, the UK, France, Brazil and Japan. The major export varieties include the Japanese mint oil (derived from Mentha arvensis), peppermint oil (Mentha pipertia), de-mentholized Japanese mint oil, spearmint (Mentha spicata), water mint oil (Mentha aquatica), horsemint oil (Mentha sylvestries), and Bergemont oil (Mentha citrate).

FACTORS INFLUENCING THE MARKET

International

- Import demand from major importing countries such as China, the U.S., and Singapore.
- USD–INR rate, the commodity being export-oriented.
- Price of synthetic mentha oil in international market.

Domestic

Production related

- Mentha oil price is influenced by an increase or decrease in the mentha crop acreage, which depends on the climate during sowing and the price realization in the previous season.
- Prevailing weather conditions; the incidence of cold wave and heavy rains are harmful during leaf formation.
- Quantum of arrivals during the harvest season.

Consumption

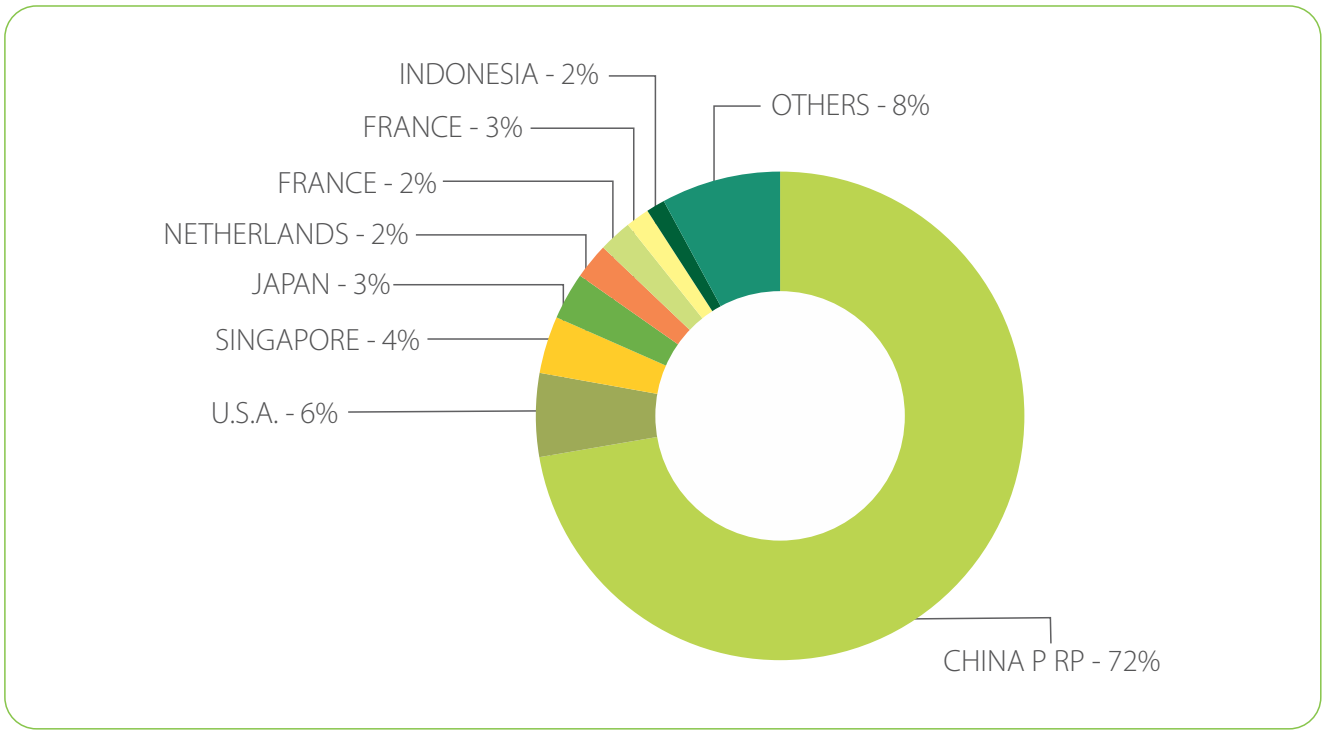
- Domestic demand from pharmaceutical companies which usually increases in winter.
- Export demand from importing countries.

Stocks

- Mentha oil stocks in MCX-accredited warehouses, carry forward stocks, and stocks available with farmers are key indicators of supplies and influence prices.

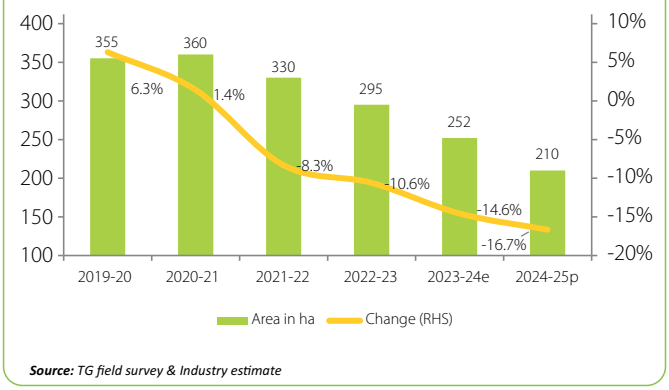


Countrywise mentha exports - 2024–25 (Est)



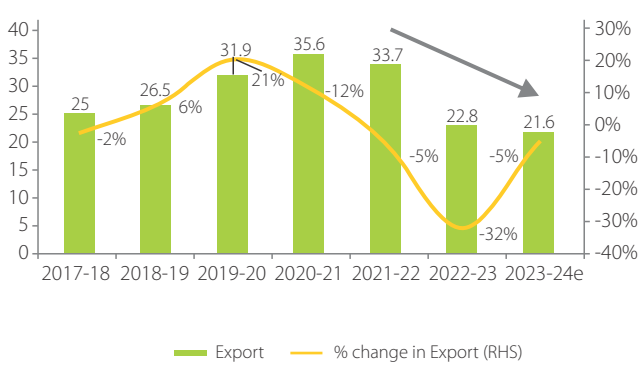
Mentha oil

Indian Mentha Acreage (000 ha)

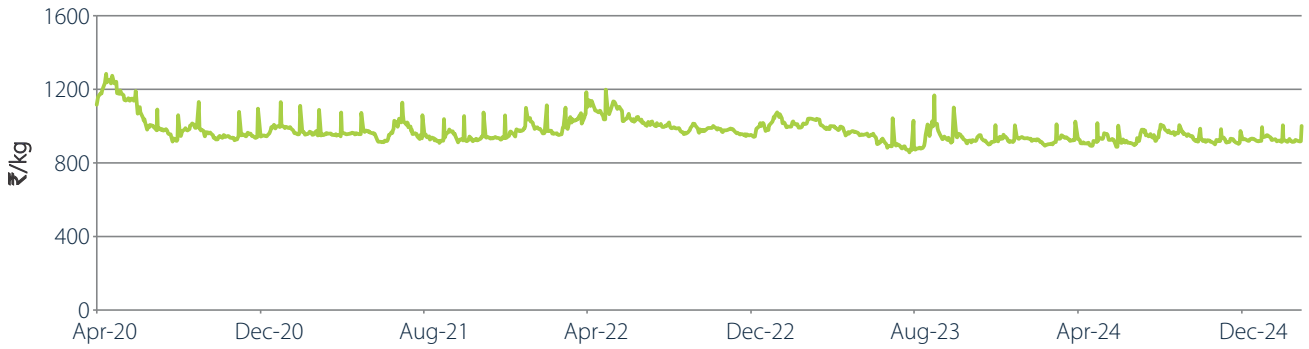


Source: *TG field survey & Industry estimate*

Mentha Products Export - Oil Equivalent ('000 MT)



Mentha Oil - Near Month Future Price



CONTRACTS SPECIFICATIONS OF MENTHA OIL FUTURES (June 2025 onwards)

Symbol	**MENTHAOIL**
Description	MENTHAOILMMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	1st day of contract launch month. If 1st day is a holiday then the following working day.
Last Trading Day	Last calendar day of the contract expiry month. If last calendar day is a holiday then the preceding working day.
Trading Period	Mondays through Fridays
Trading Session	Monday to Friday: 9.00 a.m. to 5.00 p.m.
Trading Unit	360 kg (2 drums)
Quotation/ Base Value	1 kg
Price Quote	Ex – Barabanki (Inclusive of Mandi Tax, but exclusive of all taxes, purchase tax/ sales tax/ GST, if applicable and levies).
Maximum Order Size	18000 kg (100 drums)
Tick Size (Minimum Price Movement)	10 paise
Daily Price Limits	DPL shall have two slabs - Initial and Enhanced Slab. Once the initial slab limit of 4% is reached in any contract, then after a period of 15 minutes, this limit shall be increased further by enhanced slab of 2%, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%.
Initial Margin*	Minimum 12% or based on SPAN whichever is higher
Extreme Loss Margin	Minimum 1%
Additional and/ or Special Margin	In case of additional volatility, an additional margin (on both buy & sell side) and/ or special margin (on either buy or sell side) at such%age, as deemed fit, will be imposed in respect of all outstanding positions.
Maximum Allowable Open Position	For individual clients: 195 MT For a member collectively for all clients: 1950 MT or 15% of the market wide open position, whichever is higher. Near Month Limits For individual clients: 48.75 MT Near month member level position limit shall be equivalent to the one fourth of the overall member level position limit

CONTRACTS SPECIFICATIONS OF MENTHA OIL FUTURES (May 2023 expiry onwards)

Delivery Unit	360 kg / 2 drums (with a tolerance limit of 1% per drum) and direct multiples thereof, though he will get the value only for the actually quantity delivered by him.
Delivery Period Margin**	Delivery period margins shall be higher of: **a.** 3% + 5 day 99% VaR of spot price volatility Or **b.** 25%
Delivery Centre(s)	At Exchange designated warehouse at Barabanki
Additional Delivery Centre (s)	None
Quality Specifications	Natural Crude Mentha Oil (Arvensis) confirming to the following quality specifications:

Appearance	:	Clear liquid	Colour	:	Pale yellow
Odor	:	Characteristics of Mentha arvensis			
Optical Rotation (°)	:	-32 to -36	Specific Gravity at 25°C	:	0.80 to 0.91
Refractive Index at 25°C	:	1.42 – 1.48			
Solubility in 70% Ethanol at 25°C	:	Soluble (1 : 3.5 volumes of Ethanol)			
L-Menthol	:	68% as per GLC test – Capillary column Acceptable upto 67% with 1:1 discount, Above 68% with 1:0.5 Premium till 70%.			
Terpene	:	Max 8%			
Menthyl Acetate	:	1.8% to 3.5%	Total Menthol Content	:	Minimum 73%
Neo Menthol	:	1.8% to 3.0%	Total Menthones	:	9 to 13%
Pulegone	:	Max 1.6%	High Boilers	:	Max 2.0%
Water and Solid Sediments	:	0.65%	DL - Menthol	:	NIL

It should be free from adulteration or any admixture such as edible oil, petroleum, mineral oil etc.

In order to check adulteration, water test, pH paper test, alkali test or any other necessary test will also be conducted, which should confirm to be negative.

Packing	Mentha oil for delivery would be accepted in brand new galvanized iron container with minimum drum weight of 21 kg containing 180 kg of Mentha oil of specified quality. The cost of container, as fixed by the Exchange, will be payable by the buyer.
Due Date Rate (Final Settlement Price) ***	For contracts where Final Settlement Price (FSP) is determined by polling, unless specifically approved otherwise, the FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz.,E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E-1 and E-2 is not available; the simple average of the last polled spot price of E0,E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under:

Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:
	E-0	E-1	E-2	E-3	
1	Yes	Yes	Yes	Yes/No	E-0, E-1, E-2
2	Yes	Yes	No	Yes	E-0, E-1, E-3
3	Yes	No	Yes	Yes	E-0, E-2, E-3
4	Yes	No	No	Yes	E-0, E-3
5	Yes	Yes	No	No	E-0, E-1
6	Yes	No	Yes	No	E-0, E-2
7	Yes	No	No	No	E-0

In case of non-availability of polled spot price on expiry day (E0) due to sudden closure of physical market under any emergency situations noticed at the basis centre, Exchanges shall decide further course of action for determining FSP in consultation with SEBI.*

Delivery Logic	Compulsory

Note: Effective from June 2025 contract | *The Margin Period of Risk (MPOR) shall be in accordance with SEBI Circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020. For applicable minimum MPOR, refer latest circulars issued by MCXCCL from time to time. | **As per SEBI directive SEBI/HO/CDMRD/DRMP/CIR/P/2016/77 dated Sep 01, 2016 | ***As per SEBI directive SEBI/HO/CDMRD/DRMP/CIR/P/2016/90 dated Sep 21, 2016. | For all the applicable margins, refer the latest circulars issued by the Exchange or Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) from time to time.

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