

**China Spearmint Oil Market Report**  
**September, 2017**

**Prepared for:**

**Far West Spearmint Oil Administrative Committee**

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*Prepared by Zhang Zhe Consulting Services.*

## **China Spearmint Oil Market Report 2017**

### **I. Overview**

#### **Price for spearmint oil becoming stable.**

Current market price is approximately RMB270,000/MT, similar to that of 2016. Market becomes more mature now after experiencing a downturn that lasted for many years.

#### **National production in 2017 still remains low, less than 100 MT, similar to 2016.**

Decline in production is mainly affected by the withdraw of No. 84 Group of Bole, Xinjiang, a used-to-be key grower for spearmint. No.84 Group no longer grow any spearmint now. But several years ago they contributed approximately 50 tons each year to the market.

SOAC people visited No.84 Group in 2007 summer.

#### **Number of oil dealers continually declined.**

More oil processors prefer sourcing crude oil directly from growers in key production areas. While leading players such as Shanghai Wanxiang Company and Fengle from Anhui, have their own production basis in Henan, Anhui, Shandong and Xinjiang.

**Good quality oil is preferred now. Fake products are kicked out of the market.**

End-users who were quite price- sensitive before, now are more concerned about quality of the oil they purchase. Few growers and/or processors blended crude oil with carvone which allowed them to sell their oil at a much lower price before. Now they know no one wants it.

**Sales taking place all year round.**

**These days** there is no high seasons or low seasons for sales.

According to traditional practice, oil was mostly sold in fall after harvesting and before the Chinese New Year, around February.

And this is not the case now. Growers don't have to either hold oil until before the Chinese New Year or sell them right after the harvesting, as market price and demand are both stable now.

## **II. Estimated Production & Price**

Note: Talking about production, a new phenomenon in Xinjiang was worth noted:

In the past the key production area in Xinjiang is Bole, the area contributed at least 50MT each year before all the roots were cut off several years ago. Now Xinjiang has more places

growing spearmint but total production is quite low since most of them are still at an early stage. It's very possible that in several- years time, Xinjiang may become again a top supplier of spearmint oil to the market.

**Table I. Estimated Spearmint Oil Production in China**

2017

Unit: Metric Ton

National (total) Sept.	Below 100MT
Henan	Close to 40
Shandong	20
Xinjiang	10
Anhui	5
Other places Including Jilin, Shaanxi	15

**Table II. Spearmint Oil Prices**

(2015-2017)

Unit: Kilo

Spearmint oil price	2015	2016	2017
55°-58° crude oil	RMB270/kilo	RMB280/kilo	RMB270/kilo

Stable maybe the right word to describe China's spearmint oil market now, even though there might be risks emerging in the years ahead. Oil dealers believe that the quality of Chinese spearmint oil is better than that of India, it therefore will not be kicked out by Indian oil. However, what will be the motivation for Chinese growers to grow a crop which brings them little profit?

### **III. Local arvensis has little if not zero impact on local market.**

Oil suppliers say it's difficult for them to source local mint oil, it's almost disappeared. Suppliers can only get imported mint oil from India.

We believe that local spearmint may face similar destiny in the future as it's no longer competitive in price. Export has been shrinking as well.

END OF REPORT