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**China Spearmint Oil Market Report**

**October, 2018**

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**Prepared for:**

**Far West Spearmint Oil Administrative Committee**

**October, 2018**

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## **China Spearmint Oil Market Report 2018**

### **I. Key findings**

- Price for spearmint oil remains stable.

A late harvesting took place this fall due to drought in spring and heavy rain in summer. New oil was not available until late September, according to industry sources.

- Leading oil dealers' purchasing price for new oil is between RMB220,000 and 230,000/Mt, their selling price , by early October, is between RMB260,000 and RMB268,000/MT, a bit lower than that of last year.
- Current inventory level is low as little if not zero oil was kept from last year. Oil dealers say that they have ordered new oil but which has not been delivered by growers. They may have to wait until after National Day Holiday.
- National production still remains low, even though it may exceed 100 tons this fall. The good news is that the number of production areas HAS been increasing.

- Incentives from government may bring a new scenario for mint growers and /or investors in mint oil business.
- Government support has consequently led to an increase in number of production areas.
- Industry sources say that these days specialized farmers' cooperative playing an ever important role in mint growing industry, such projects are being funded partly by local governments for purchasing necessary machinery.
  - However, it is too early to make a conclusion that the new practice will benefit farmers and bring them nice profit on a long term, considering marketing challenges and other factors which may have impact on production and demand.

## II. Estimated Production & Price

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

**2018**

Unit: Metric Ton

<b>National (total)</b>	<b>Over 100MT</b>
<b>Henan</b>	40
<b>Shandong</b>	30
<b>Xinjiang</b>	20
<b>Anhui</b>	15
<b>Other places Including Jilin, Shaanxi</b>	10

Note: Since there are new growing areas emerging in Henan, Hebei, Xinjiang and Shandong, it is expected that production in 2019 may go higher.

**Table II. Spearmint Oil Prices**  
(2015-2018)

Unit: Kilo

Spearmint oil price	2015	2016	2017	2018
55°-58° crude oil	RMB270/kilo	RMB280/kilo	RMB270/kilo	RMB265/kilo

Note: The table indicates that market price remains relatively stable in recent years with only a slight difference in 2016.

III. New players emerging and their oil may come to market in the next future...

We have learnt that some new production areas emerging, including such places as Langfang, a small city bordering Beijing in the north, Tianjian in the east. Turpan Basin, which is located in the east part of Xinjiang, investors already started growing mint in these places and they claim that next fall they will supply oil to local market. Additionally in Henan's Luoyang city, there are also growers claim they can provide 10 tons of locally produced mint

oil next fall after harvesting. Binzhou and Qingyun in Shangdong province are both potentially competitive players as we are told that the land cost is lower in these areas and also more land is available for leasing.

- IV. Industry people say that arvensis is completely replaced by Indian oil even though some oil is labeled “made in China”. Current price for Indian oil is lower than 100yuan per kilo.
- V. Imported peppermint seems going strong in the local market, with a price range from RMB550 to 600/kilo ( retail price), while locally produced peppermint oil is lower in price, RMB400/kilo. However peppermint oil from Xinjiang seems much higher, hitting RMB500/kilo. Frutarom from England, Moellhausen of Italy are familiar imported brands to local buyers.

END OF REPORT