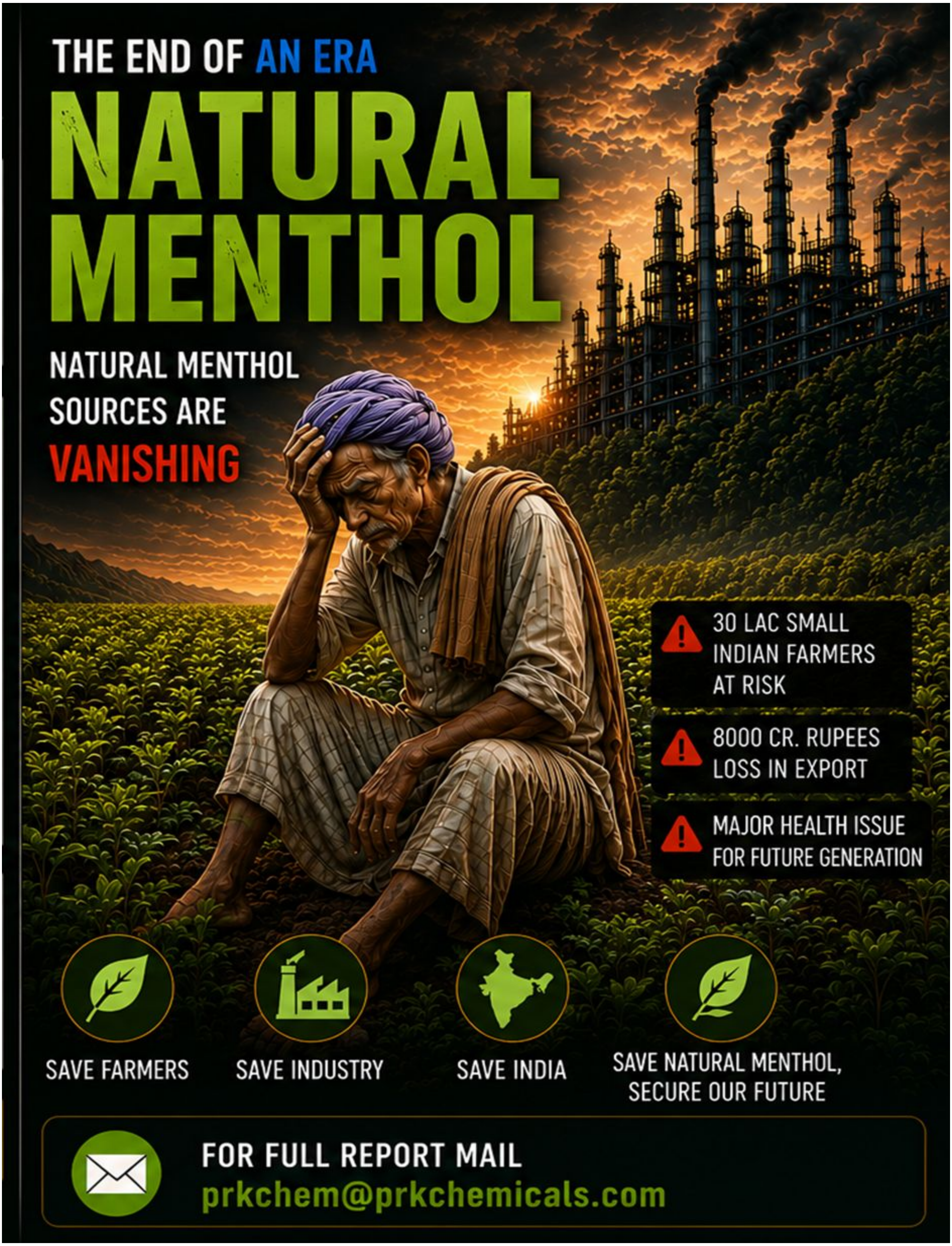
Natural Menthol is Sinking — It's Time to Save the Industry!



Mentha Oil -For many years, Prakash Chemicals has consistently published the *Mint Market Report* under the renowned headline, "**Minting Money with Mint (Mentha Oil).**" However, the relevance of this title is gradually fading as the Indian Mint industry faces a steady decline.

If timely and effective measures are not taken by the Government of India to support and protect the sector, the country -once recognized globally as a leading exporter of Mint and Menthol Oil – may eventually face the risk of becoming a major importer in the years ahead.

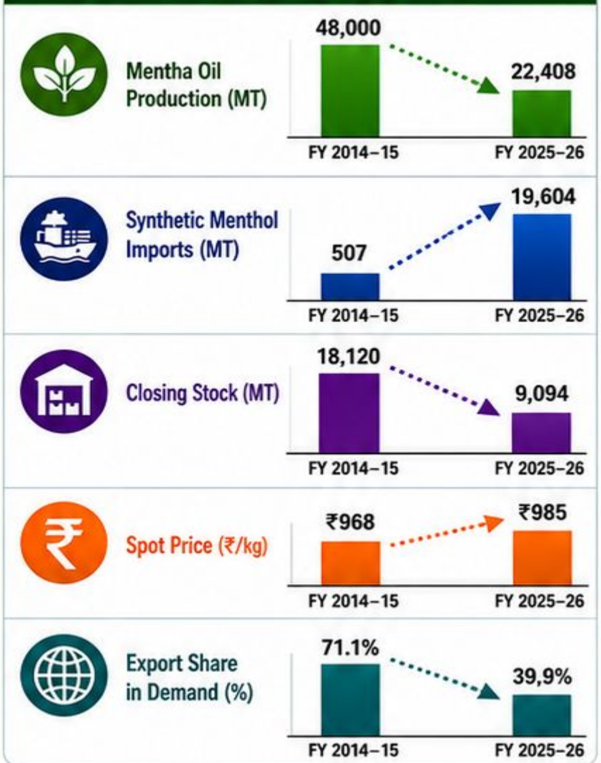
The situation calls for immediate policy attention, industry support, and sustainable market interventions to preserve the future of India's Mint economy

INDIAN MENTHA MARKET REPORT 2026-27

Change in Key Market Indicators Between 2014–15 and 2025–26

Indicator	FY 2014–15	FY 2025–26	Change (%)
Mentha Oil Production (Mint oil production)	48,000 MT	22,408 MT	↓ 53.3% decline
Synthetic Menthol Imports (Synthetic menthol imports)	507 MT	19,604 MT	↑ 3,767% growth
Closing Stock (Closing stock)	18,120 MT	9,094 MT	↓ 49.8% decline
Spot Price (Spot price)	₹968 /kg	₹985 /kg	↑ 1.8% growth
Export Share in Demand (Share of exports in demand)	71.1%	39.9%	↓ 31.2% decline

Trend Visuals (2014–15 vs 2025–26)

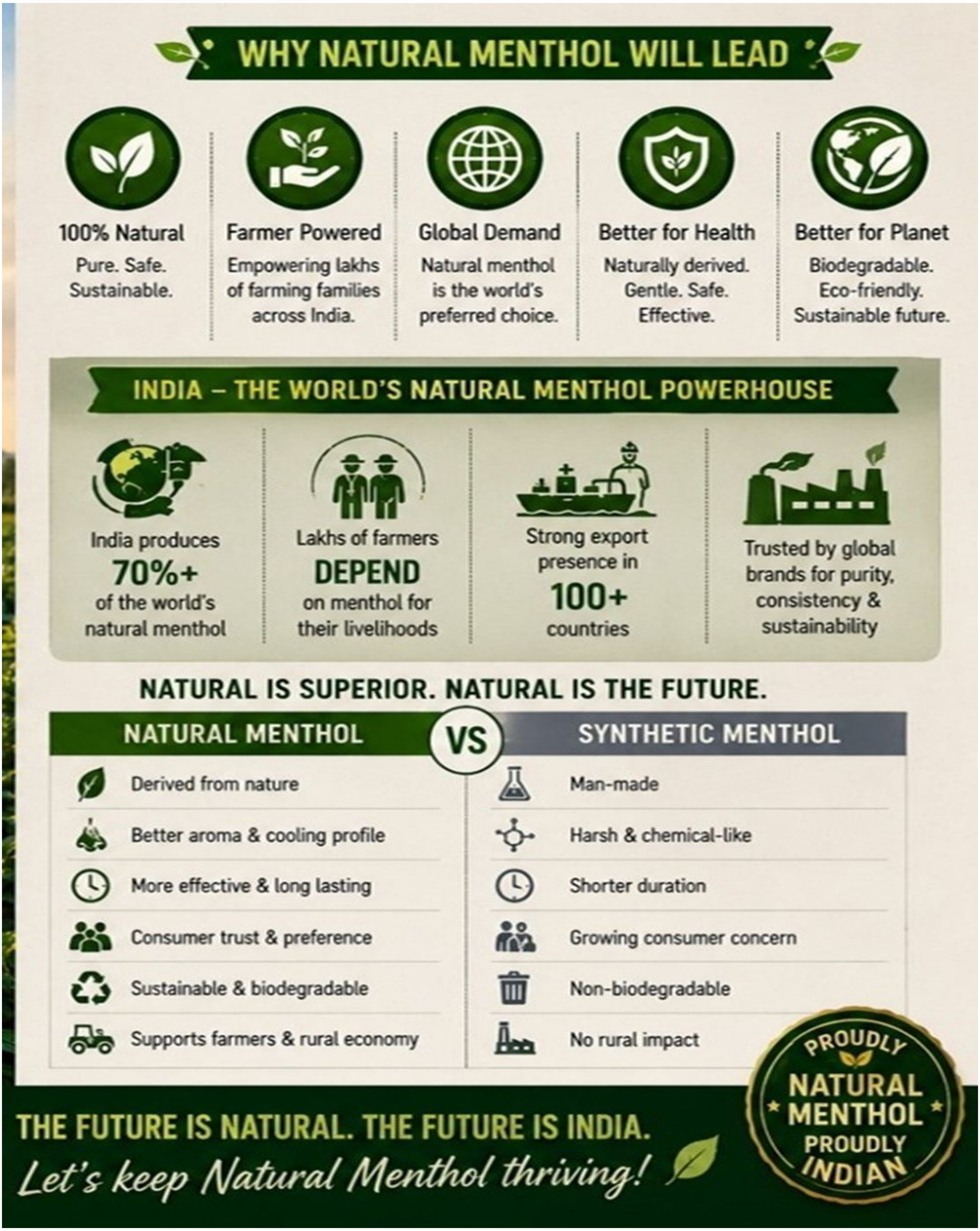


KEY CONCLUSIONS

- Mentha oil production has declined significantly by 53.3%.
- Synthetic menthol imports recorded explosive growth of 3,767%.
- Natural closing stock has nearly halved.
- Spot prices increased only slightly despite market changes.
- Export share declined from 71.1% to 39.9%, indicating weakening of the export-led structure.

The transition from natural to synthetic menthol-based market structure is accelerating rapidly.


WILL INDIA CONTINUE TO REMAIN A
NATURAL MENTHOL
Surplus Nation,
OR WILL IT GRADUALLY TRANSFORM INTO A
SYNTHETIC-SUPPORTED CONSUMPTION MARKET?
YES, INDIA WILL CONTINUE TO REMAIN A
NATURAL MENTHOL SURPLUS NATION
Abundant natural resources
India has the perfect climate, soil and ecosystem for menthol cultivation.
Skilled & dedicated farmers
Generations of expertise and hard work ensure superior natural menthol.
Strong infrastructure & distillation capabilities
Advanced facilities ensure high quality and global competitiveness.
Rising global preference for natural ingredients
Health, sustainability and clean-label trends favor natural menthol.
Sustainable & future-ready
Natural Menthol is renewable, biodegradable and better for people and planet.
WE CHOOSE
NATURAL.
WE CHOOSE
INDIA.
INDIA'S STRENGTH. INDIA'S PRIDE. INDIA'S FUTURE.
Rooted in Nature
Driven by Farmers
Trusted by the World
Growing for Generations


WHY NATURAL MENTHOL WILL LEAD
100% Natural
Pure. Safe. Sustainable.
Farmer Powered
Empowering lakhs of farming families across India.
Global Demand
Natural menthol is the world's preferred choice.
Better for Health
Naturally derived. Gentle. Safe. Effective.
Better for Planet
Biodegradable. Eco-friendly. Sustainable future.
INDIA – THE WORLD'S NATURAL MENTHOL POWERHOUSE
India produces 70%+ of the world's natural menthol
Lakhs of farmers DEPEND on menthol for their livelihoods
Strong export presence in 100+ countries
Trusted by global brands for purity, consistency & sustainability
NATURAL IS SUPERIOR. NATURAL IS THE FUTURE.
NATURAL MENTHOL
VS
SYNTHETIC MENTHOL
Derived from nature
Man-made
Better aroma & cooling profile
Harsh & chemical-like
More effective & long lasting
Shorter duration
Consumer trust & preference
Growing consumer concern
Sustainable & biodegradable
Non-biodegradable
Supports farmers & rural economy
No rural impact
PROUDLY NATURAL MENTHOL PROUDLY INDIAN
THE FUTURE IS NATURAL. THE FUTURE IS INDIA.
Let's keep Natural Menthol thriving!

Indian Mentha Market Report 2026–27 (Estimated)

Natural vs. Synthetic Menthol: An Analysis of the Changing Market Dynamics, Trade Pressures, and Policy Challenges in the Indian Mentha Industry.

The Indian Mentha industry is currently undergoing one of the most significant structural transformations in its history. For decades, the industry evolved as a surplus market primarily driven by Natural Menthol; however, it is now gradually shifting toward a Synthetic-supported balancing market. An analysis of the available data on production, imports, exports, stocks, and price trends reveals the following key indicators:

Between FY 2014–15 and FY 2025–26:

This transformation is not merely a commercial shift, but a historic change in the structure of the Indian Aroma Value Chain.

1. Current Status of the Indian Mentha Market

For many years, India remained the world's largest producer and exporter of Natural Menthol. Mentha cultivation, primarily concentrated in Uttar Pradesh, provided strong support to the rural economy, MSME processing units, and the aroma industry. However, over the past 8–10 years, significant structural changes have emerged in the market:

- Growth in natural production has stagnated
- Synthetic imports have increased rapidly
- Export competitiveness has weakened
- Farmers' profitability has declined
- Stock sustainability has come under pressure

At present, the biggest question before the Indian market is:

Will India continue to remain a Natural Menthol surplus nation, or will it gradually transform into a Synthetic-supported consumption market?

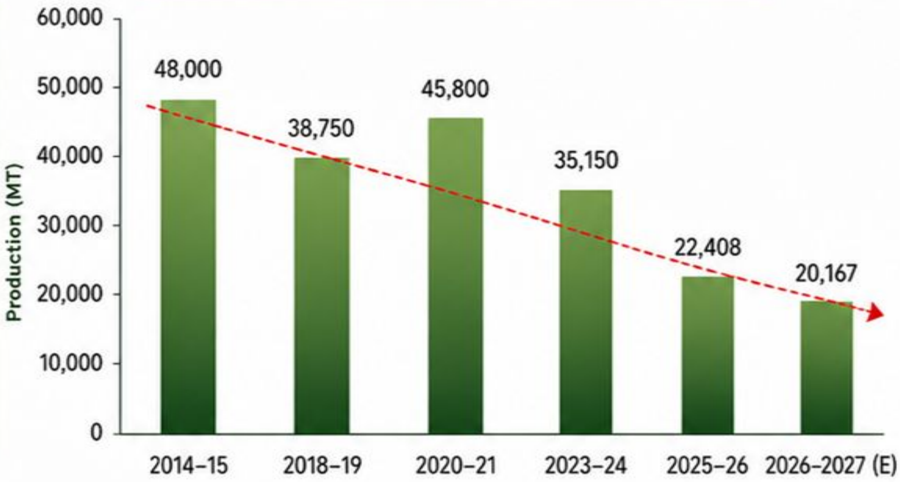
2. Production Trend Analysis: - Mentha Oil Production Trend

2. PRODUCTION TREND ANALYSIS

2.1 MENTHA OIL PRODUCTION TREND

Year	Production (MT)
2014–15	48,000
2018–19	38,750
2020–21	45,800
2023–24	35,150
2025–26	22,408
2026–2027 (E)	20,167

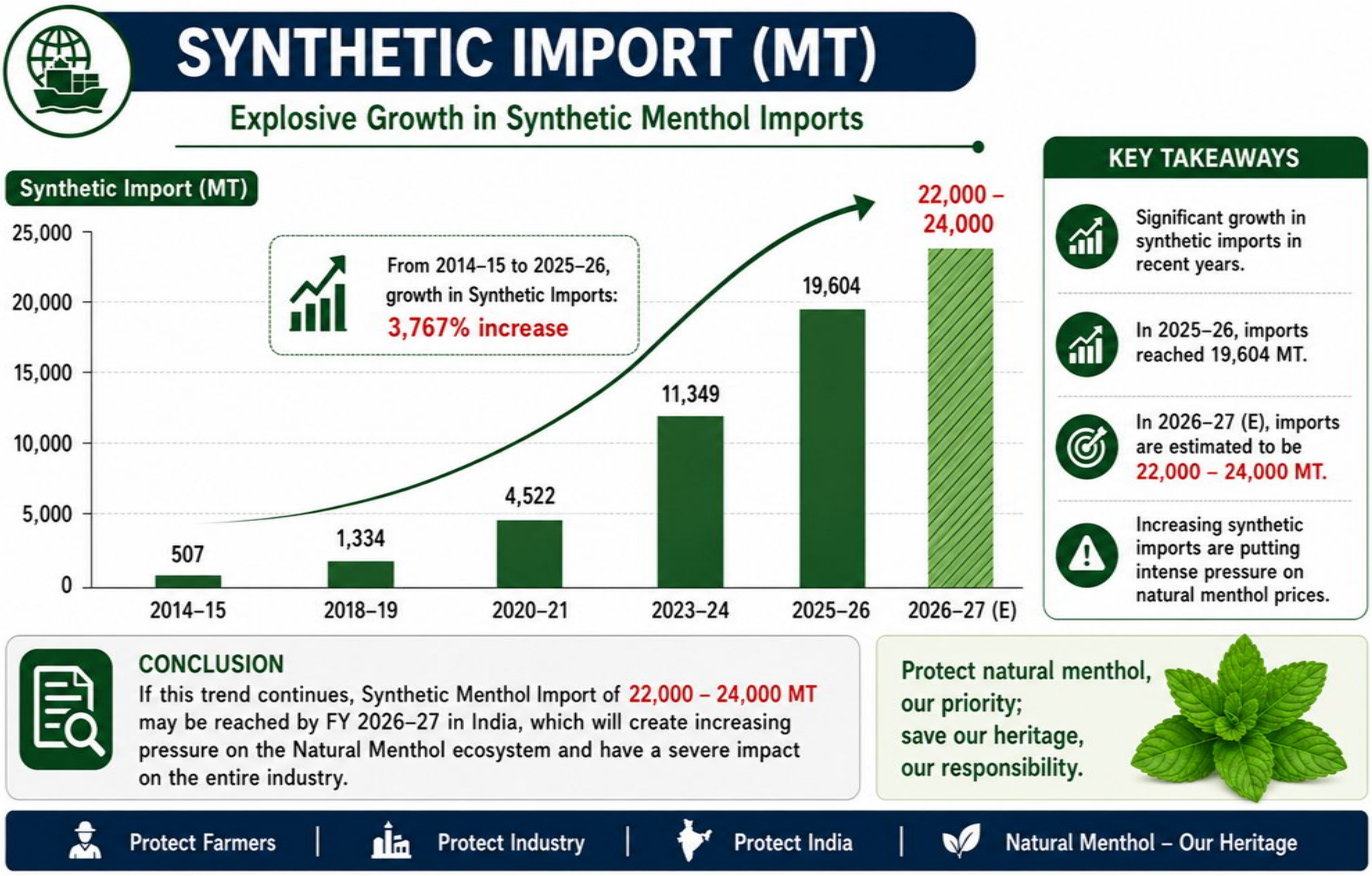
MENTHA OIL PRODUCTION TREND (MT)



KEY OBSERVATIONS

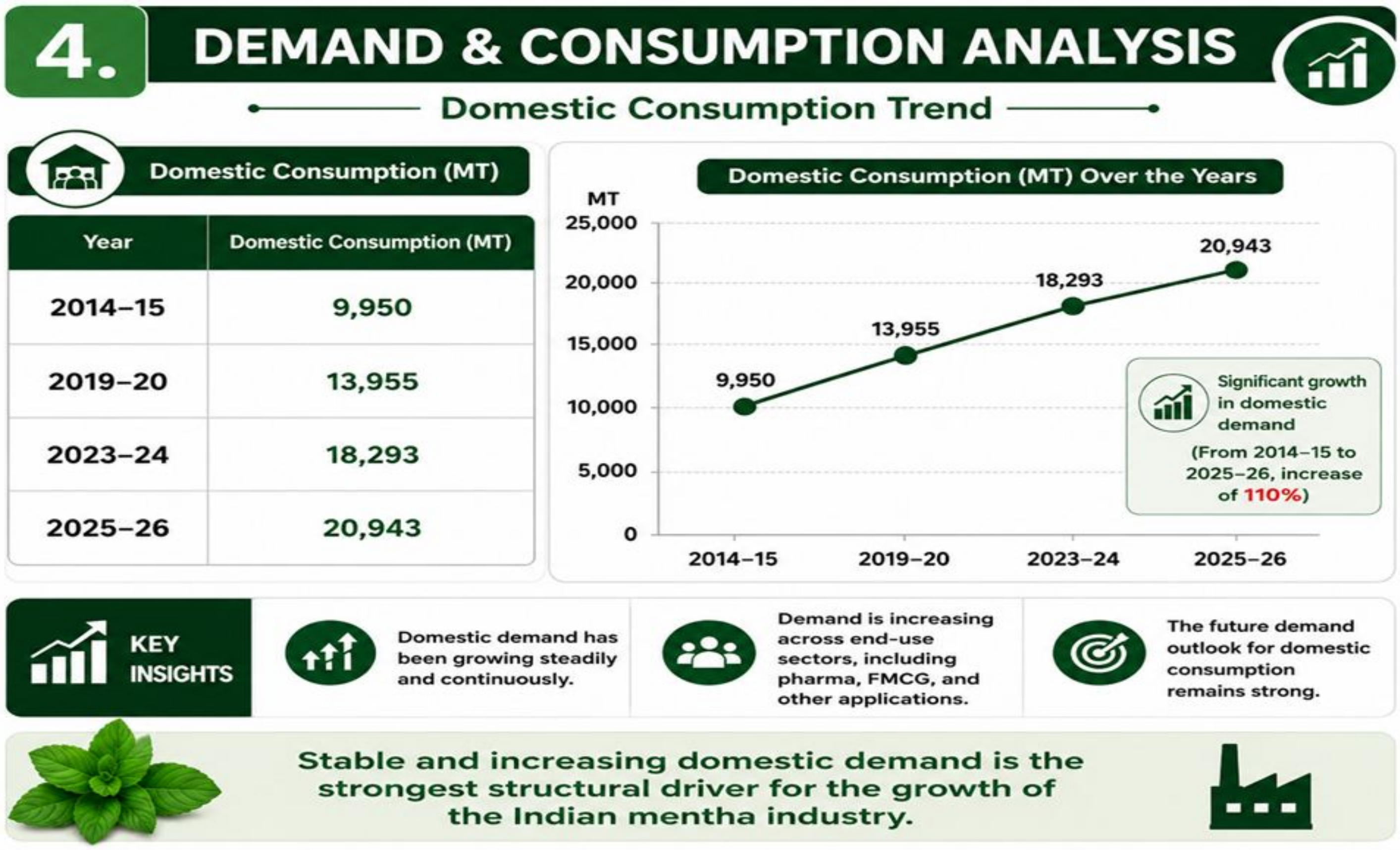
- From FY 2014–15 till FY 2025–26, **production** has **declined** significantly.
- Farmers are shifting towards **crop diversification.**
- **Price instability** has reduced acreage confidence.
- The natural supply ecosystem is **shrinking.**

3. Synthetic Menthol Import Analysis:- 3.1 Import Growth Trend



Strategic Signal: “Synthetic Menthol is no longer merely a supplementary source; it has now emerged as a major balancing factor in the structure of the Indian Menthol market.”

4. Demand & Consumption Analysis



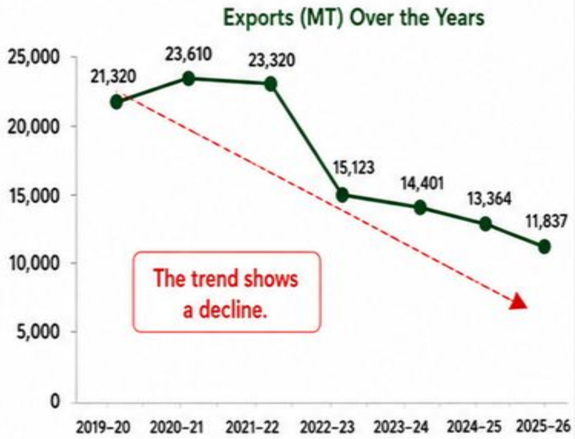
Year	Domestic Consumption (MT)
2014–15	9,950
2019–20	13,955
2023–24	18,293
2025–26	20,943

5. Export Market Analysis:- 5.1. If the current trend continuous, estimated exports in FY 2026-27

5.1 If the current trend continues, EXPORT is estimated in FY 2026–27

India's Menthol EXPORT TREND (MT)

Year	Exports (MT)
2019–20	21,320
2020–21	23,610
2021–22	23,320
2022–23	15,123
2023–24	14,401
2024–25	13,364
2025–26	11,837



EXPORT Estimate for FY 2026–27

CONSERVATIVE ESTIMATE
9,500 – 11,000 MT
If the current circumstances remain the same.

STRESS SCENARIO
8,000 – 9,000 MT
If 22,000+ MT of synthetic imports continue and natural production growth remains slow.

KEY REASONS BEHIND EXPORT DECLINE

1. NATURAL SURPLUS
- Excess export carry-forward stocks are supporting demand.
- High stocks are reducing both export and domestic demand.

2. SYNTHETIC MARKET CAPTURE
- Synthetic menthol in the domestic market is absorbing market share.
- This is reducing demand for natural menthol exports.

3. EXPORT COMPETITIVENESS
- Price pressure continues.
- Inconsistent supply affects reliability.
- Buyer confidence is declining.

4. VALUE CHAIN SHRINKAGE
- Mint acreage is declining.
- Raw material pool is shrinking.
- Exportable surplus is reducing.

STRUCTURAL SIGNAL (Provisional for FY 2025–26)

Natural Production 16,582 MT > Synthetic Imports 19,604 MT > Exports 11,837 MT

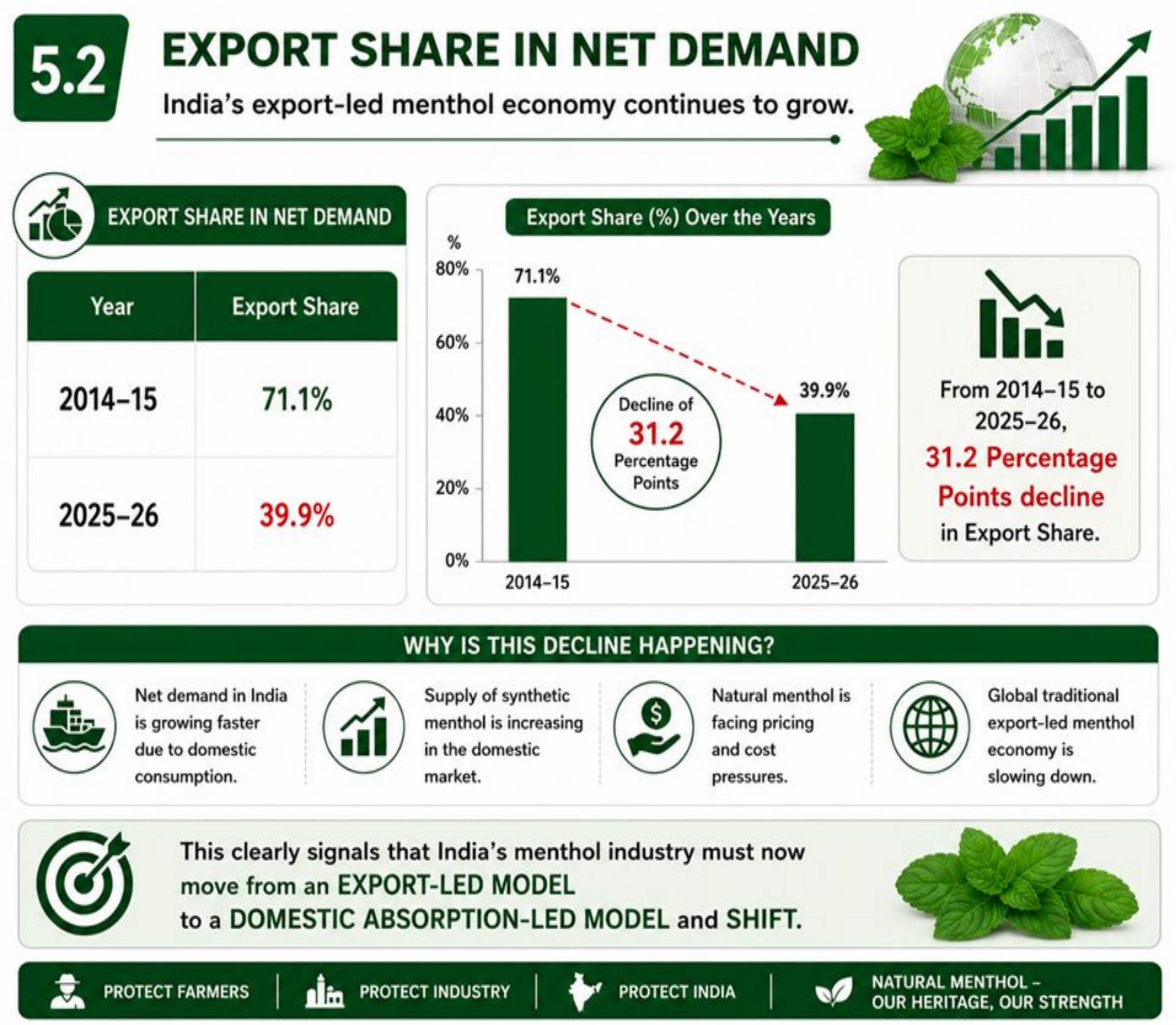
Earlier: Synthetic Imports > Natural Export Surplus Structure

Insight

If the current trend continues, in FY 2026–27 India's Natural Menthol Export is estimated at 10,000 MT or below, which will weaken the traditional export-led menthol economy.

Protect Farmers | Protect Industry | Protect India | Natural Menthol – Our Heritage, Our Strength

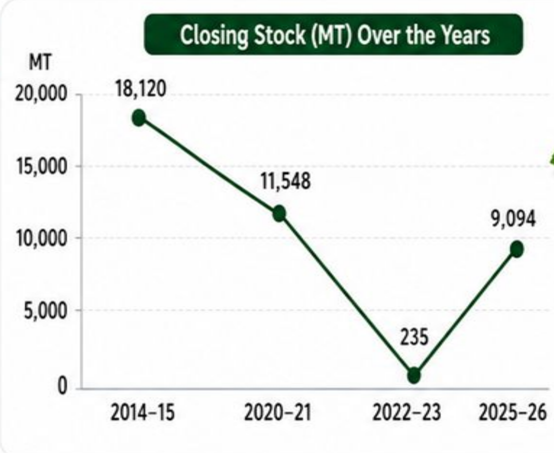
5.2. Export Share in Net Demand: -



5.3. Closing Stock(MT):-

5.3 CLOSING STOCK (MT)

Year	Closing Stock (MT)
2014-15	18,120
2020-21	11,548
2022-23	235
2025-26	9,094

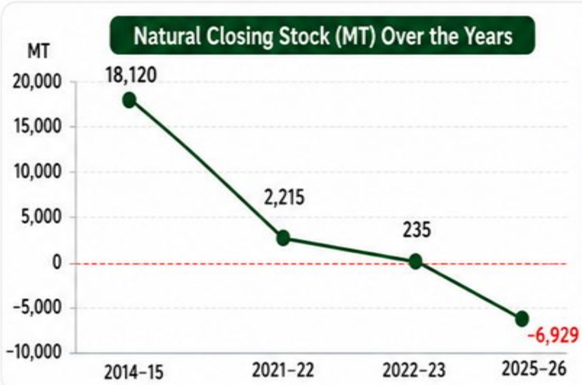


In 2022-23, Closing Stock reached the lowest level, but in 2025-26 it has improved somewhat.

5.4. Natural Closing Stock(MT):-

5.4 NATURAL CLOSING STOCK (MT)

Year	Natural Closing Stock (MT)
2014-15	18,120
2021-22	2,215
2022-23	235
2025-26	-6,929



In 2025-26, Natural Closing Stock is estimated at -6,929 MT, indicating that the natural carry-forward buffer has turned negative.

KEY TAKEAWAYS

01 Natural carry-forward buffer has improved.

02 The industry has a historically low stock structure.

03 Supply sustainability is a concern.

" Natural stocks have declined over the years, but to support future demand, India needs a positive carry-forward buffer.

To ensure menthol supply, pricing, and industry stability in the coming years, stronger and well-planned measures are essential.

7. Price Trend Analysis

7. PRICE TREND ANALYSIS

MENTHA OIL SPOT PRICE TREND

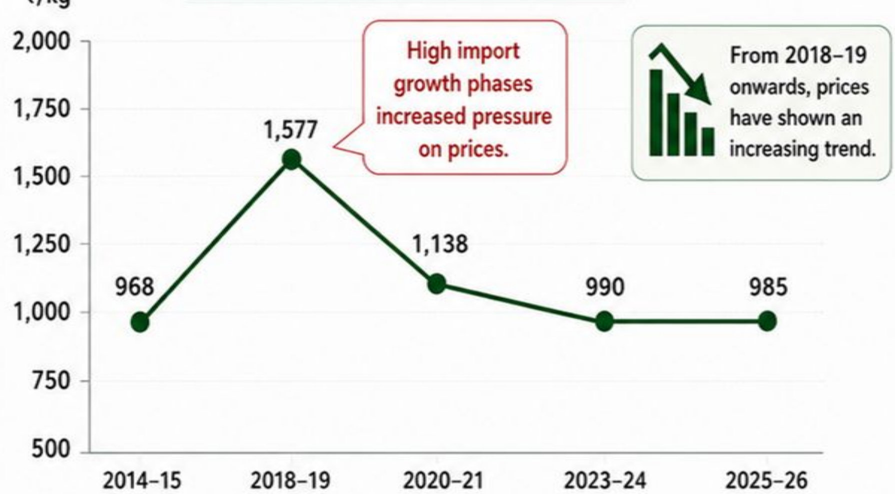
In the Natural Menthol Ecosystem, increasing demand and import pressure have led to a significant impact on prices.

Mentha Oil Spot Price Trend (₹/kg)

Year	Spot Price (₹/kg)
2014–15	968
2018–19	1,577
2020–21	1,138
2023–24	990
2025–26	985

From 2018–19 onwards, the upward trend in prices remained prevalent.

Spot Price (₹/kg) Over the Years



2018–19 Rise in synthetic imports → Impact on domestic prices → Value realization in natural menthol → Improved farmer profitability

KEY TAKEAWAYS

- High import growth phases have put pressure on domestic prices.
- Realization of natural value has improved over time.
- Farmer profitability has increased.

> "The realization of Natural Menthol value chain strengthens both farmers and the agriculture sector.

A balanced ecosystem is essential for sustainable growth—where supply, pricing, market linkages, and farmer welfare move forward together.

8. Market Health Indicators: -

8. MARKET HEALTH INDICATORS

Overview of the current situation of India's menthol market

Indicator	Earlier Situation	Current Situation
Market Structure	Natural surplus	Synthetic-supported
Stock Position	Comfortable	Shrinking
Farmer Confidence	Strong	Weakening
Import Dependency	Low	High
Export Dominance	Strong	Declining
Price Stability	Balanced	Volatile
Dumping Risk	Low	Extreme

KEY TAKEAWAYS

- The market structure has shifted from natural surplus to a synthetic-supported model.
- Carry-forward stocks are reducing; supply buffer has shrunk.
- Farmers' confidence is weakening; new investment and area expansion will decline.
- Dependence on synthetic imports is increasing; the natural surplus is decreasing.
- India's export-dominant position is weakening.
- Prices are becoming more volatile, affecting both industry and farmers.
- Dumping risk is extremely high; close market monitoring is essential.

A balanced menthol market is essential for the sustainability of India's menthol industry as well as the well-being and prosperity of farmers.

9. HSN & GST Transition Impact: Previous Structure VS Current Structure & GST Structure in India

9. HSN & GST TRANSITION IMPACT

Previous Structure VS Current Structure & GST Structure in India

PREVIOUS STRUCTURE

Product	HSN
Menthol	29061100
Menthol Crystal	30039021

VS

CURRENT STRUCTURE

Product	HSN
Synthetic Menthol	29061190
Natural Menthol	29061100 / 29061110
Natural Menthol Crystal	30039021

&

GST STRUCTURE IN INDIA

Product	GST
Natural Menthol	5%
Synthetic Menthol	18%

> “This change indicates that Natural and Synthetic are now recognized as separate forms of the same chemical.

10. Risk Assessment

10. RISK ASSESSMENT

1 Natural Production Collapse Risk
Production is declining continuously.

2 Synthetic Dependency Risk
Imports are increasing rapidly.

3 Farmer Exit Risk
Price instability is causing farmers to shift away from crops.

4 MSME Sustainability Risk
Processing units are facing margin pressure.

5 Export Competitiveness Risk
Traditional export leadership of India is under threat.

WHITE GOLD

This is not just a commodity, it is India's 'Cash Crop', which was once called 'White Gold'.

This is not just a crop, it is the source of livelihood for millions of farmers.

If this continues, this crop will not remain just a crop, but farmers, small industries, MSMEs and India's rural economy will be under serious threat.

11. Policy Recommendations

1. A Quality Control Order (QCO) should be implemented on Synthetic Menthol.
2. A Minimum Import Price (MIP) should be established.
3. Anti-Dumping Duty should be imposed on unfairly priced imports.
4. Mandatory labelling for Natural and Synthetic Menthol should be enforced.
5. A comprehensive traceability system should be developed for the Menthol supply chain.
6. A C-14 Testing Facility should be established in India to verify product authenticity.
7. An MGNREGA support framework should be introduced to support Mentha farmers and rural labour.
8. RoDTEP benefits should be increased to a minimum of 10% to improve export competitiveness.
9. Monitoring mechanisms should be strengthened to prevent misuse of Free Trade Agreements (FTAs).
10. Misuse of Advance License and SION (Standard Input Output Norms) provisions should be strictly controlled.
11. Mandi Fee on Mint products should be reduced to 0.5% to ease the burden on trade and farmers.

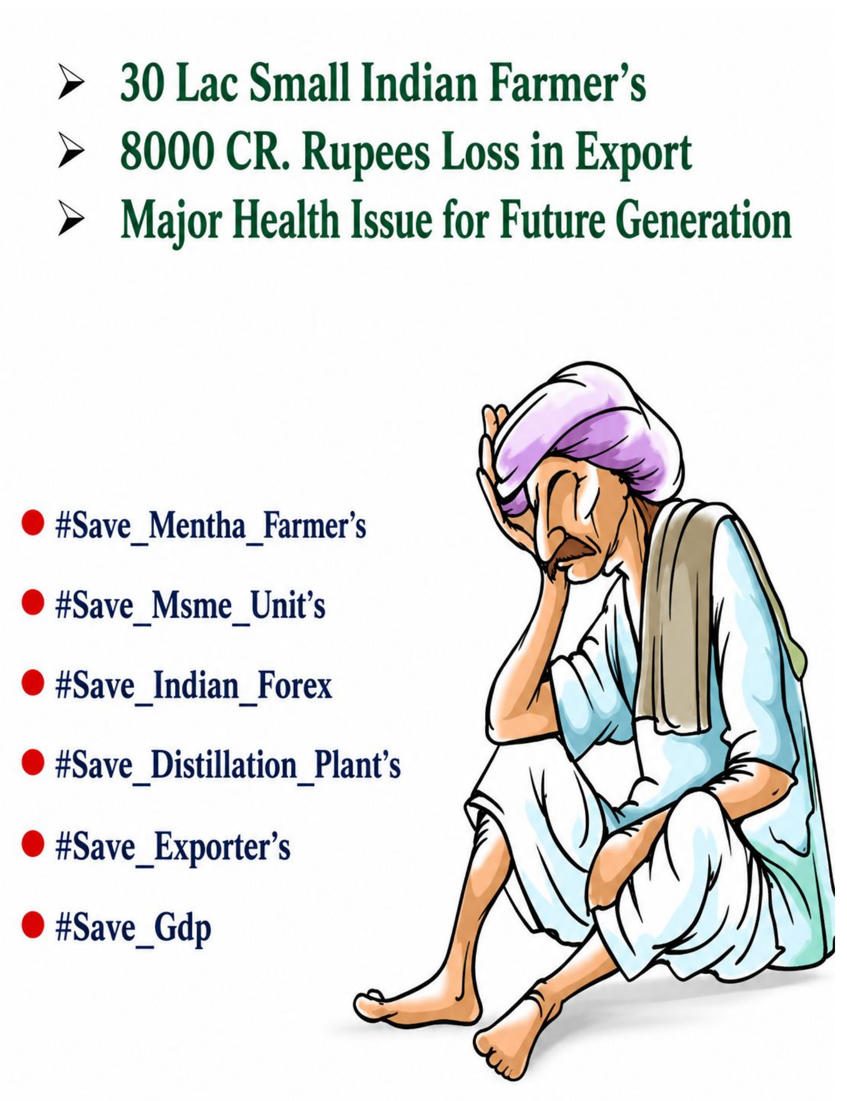
12. Final Market Outlook

If the current trend continues, the Indian Menthol market may gradually transition in the coming years:

- From a Natural surplus structure
- To an Import-supported balancing structure

This shift will not merely represent a trade transition, but a structural transformation impacting:

- Farmers
- MSME units
- The export ecosystem
- And the entire Indian aroma value chain



Final Remark

The future of the Indian Mentha industry will depend on timely policy intervention, market regulation, and strategic support for Natural Menthol production. Without corrective measures, India risks losing its long-standing global leadership in the Natural Menthol sector and becoming increasingly dependent on imported Synthetic alternatives.

"India is no longer facing merely a trade challenge; it is now at a decisive stage where the future Menthol ecosystem will depend on whether it continues to be built on a farmer-driven natural economy or shifts toward an import-driven synthetic balancing model."

13. Natural VS Synthetic menthol- Current Scenario Analysis

NATURAL vs SYNTHETIC MENTHOL – CURRENT SCENARIO ANALYSIS

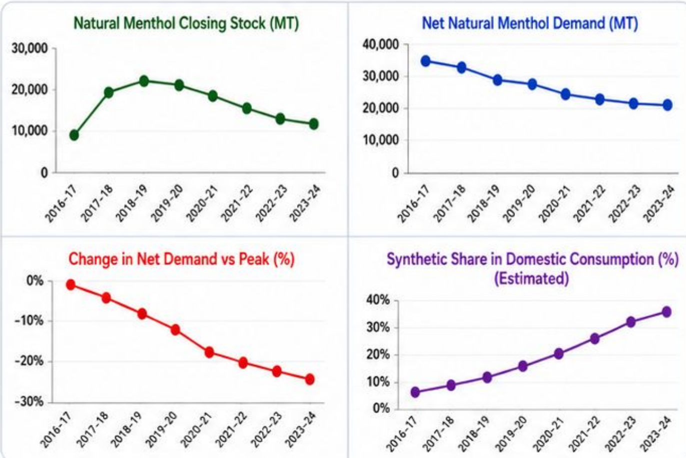
Data-based insights on the status, trends and future outlook of the Menthol industry

1. OVERVIEW (2016-17 to 2023-24)

YEAR	NATURAL MENTHOL CLOSING STOCK (MT)	NET NATURAL MENTHOL DEMAND (MT)	CHANGE IN NET DEMAND VS PEAK (%)	EXPORT SHARE (%)	SYNTHETIC SHARE IN DOMESTIC CONSUMPTION (%)
2016-17	9,094	35,450	-5%	47%	5–8%
2017-18	18,299	34,550	-8%	48%	8–10%
2018-19	20,269	33,080	-12%	50%	10–12%
2019-20	20,239	30,235	-18%	53%	12–15%
2020-21	18,325	29,115	-20%	56%	15–18%
2021-22	16,751	28,542	-22%	60%	18–22%
2022-23	15,485	28,450	-26%	61%	22–28%
2023-24	15,316	28,500	-27%	66%	25–30%+

Note: Peak demand is considered in the base years (2016-17).

2. TRENDS (VISUAL INSIGHTS)



3. STATUS OF NATURAL MENTHOL

- Demand has declined ~27% from the peak.
- Stock has remained high in several years (up to 18,000–20,000 MT).
- Export is supporting the industry.
- Domestic market share is shrinking due to synthetic substitution.
- Industry is not on demand destruction, but on demand dilution (66% export share).

4. ROLE OF SYNTHETIC MENTHOL

- Synthetic share in domestic consumption has increased from ~5–8% to 25–30%+.

Why is it growing?

- ✓ Price stability
- ✓ Consistent quality
- ✓ Control over supply
- ✓ Blending & reconstituted systems boost adoption

5. NEW MARKET STRUCTURE

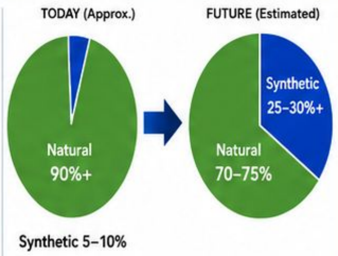
1. **Pure Natural Segment** (Pharma, premium oral care, therapeutic, export quality)
2. **Blended Segment** (Fastest growing) (Cost optimization + profile engineering)
3. **Full Synthetic Segment** (Cost sensitive, low authenticity requirement applications)

Blending/Re-constituted systems are becoming the future of the market.

6. BIGGEST TAKEAWAY

It is not demand destruction, it is demand dilution.

The market is not stopping menthol usage, but reducing the share of natural menthol.



7. IMPACT & WHAT HAPPENS IF TREND CONTINUES

For Natural Menthol Industry
From a volume driven product, it will move towards a niche premium product.

For Farmers
Acreage will continue to reduce, income and returns under pressure.

For Traders
Volatility will increase in prices and stock management will become critical.

For Synthetic Segment
Can reach 30–40% in domestic market, especially in oral care, confectionery, cost-sensitive & low-tier FMCG.

8. KEY CONCLUSIONS

- Synthetic menthol is no longer a side player; it is a structural competitor.
- Natural menthol demand is stagnant; domestic share is declining.
- Blended/re-constituted solutions are the fastest growing segment
- Export is the backbone of the natural menthol industry.
- The premium, pharma, therapeutic & authenticity-based applications will keep natural menthol relevant.
- Long term – Natural menthol will become a niche premium category, not a mass volume player.

OUTLOOK:
The market is changing, and the evolution is inevitable.
Adaptation will decide the future.

Health Indicators Table (Calculated Model)

Annexure–V | Filled Market Heat

SLIDE 1 OF 2

Year	Natural Menthol Closing Stock (MT)	Net Natural Menthol Demand (MT)	Combined Closing Stock (MT)	Stock-to-Use (%)	Synthetic Share in Net Demand (%)	Net Demand YoY Change (%)
2014–15	18,070	27,950	18,070	65	2	–
2015–16	20,465	22,469	20,465	91	4	-19.6
2016–17	16,635	26,208	16,635	63	5.8	16.6
2017–18	11,299	28,275	11,299	40	4.5	7.9
2018–19	11,032	28,942	11,032	38	4.6	2.4
2019–20	11,318	32,289	11,318	35	9.5	11.6

Method Notes

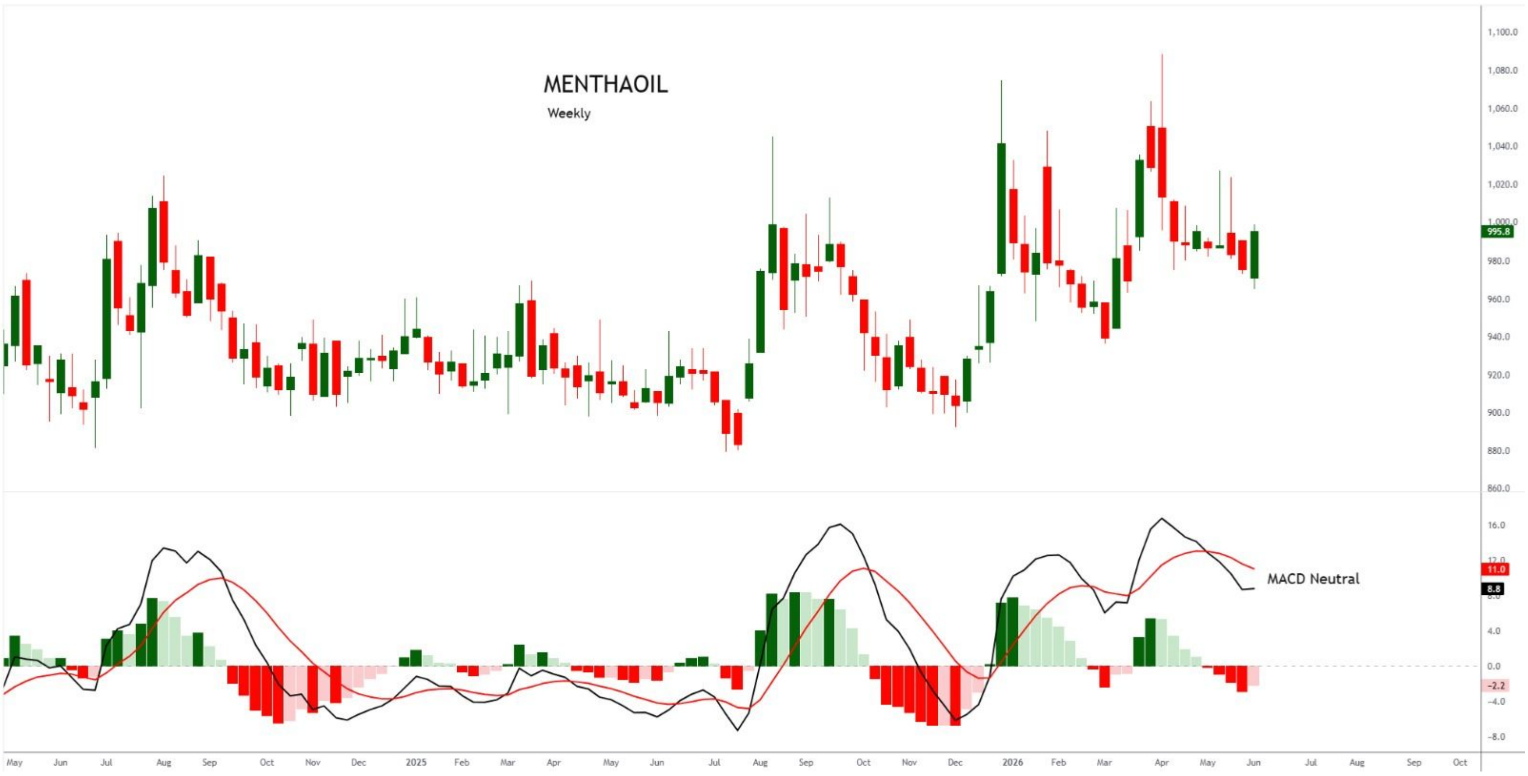
- Peak Net Natural Demand Reference = 38,617 MT (FY 2020–21)
- Synthetic Share in Domestic Consumption = Synthetic Used ÷ Domestic Consumption × 100
- Net Natural Demand = Total Demand – Synthetic Used
- Combined Closing Stock = Natural Closing ÷ Synthetic Remaining
- All values are industry estimates derived from integrated supply–demand balancing model.

Mentha Oil RSI Chart

Mentha Oil Volatility Chart

Mentha Oil ULCER Chart

Mentha Oil MACD Chart



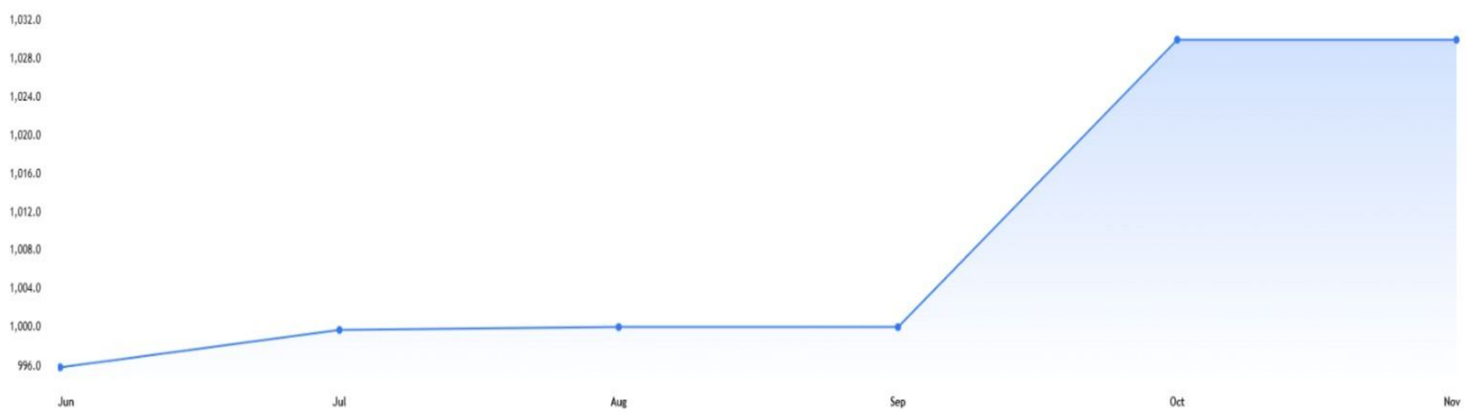
Mentha Oil Open Interest Analysis

MENTHA OIL OPEN INTEREST ANALYSIS								
Date	Open	High	Low	Close	% Change	Cumulative OI	% OI Change	OI Status
May-26	990.10	1027.80	973.10	976.80	-1.98	298	-25.13	Long Liquidation
Apr-26	1050.00	1089.00	975.00	996.50	-4.41	398	-5.01	Long Liquidation
Mar-26	957.90	1063.90	936.20	1042.50	8.61	419	-29.93	Short Covering
Feb-26	985.00	1006.90	952.00	959.90	-2.89	598	22.79	Fresh Selling
Jan-26	1020.00	1048.50	948.00	988.50	-3.08	487	-23.55	Long Liquidation
Dec-25	909.00	1074.90	892.30	1019.90	12.00	637	12.15	Fresh Buying
Nov-25	939.90	949.00	899.00	910.60	-0.95	568	-9.70	Long Liquidation
Oct-25	965.50	974.90	902.50	919.30	-4.02	629	-9.24	Long Liquidation
Sep-25	972.00	1013.50	950.50	957.80	0.13	693	5.80	Fresh Buying
Aug-25	929.80	1045.50	922.50	956.60	3.30	655	45.88	Fresh Buying
Jul-25	927.00	939.00	879.30	926.00	0.41	449	9.51	Fresh Buying
Jun-25	911.20	943.00	898.20	922.20	1.03	410	70.12	Fresh Buying
May-25	913.70	927.70	874.70	912.80	-0.10	241	-3.98	Long Liquidation
Apr-25	941.90	949.00	898.00	913.70	-2.32	251	10.09	Fresh Selling

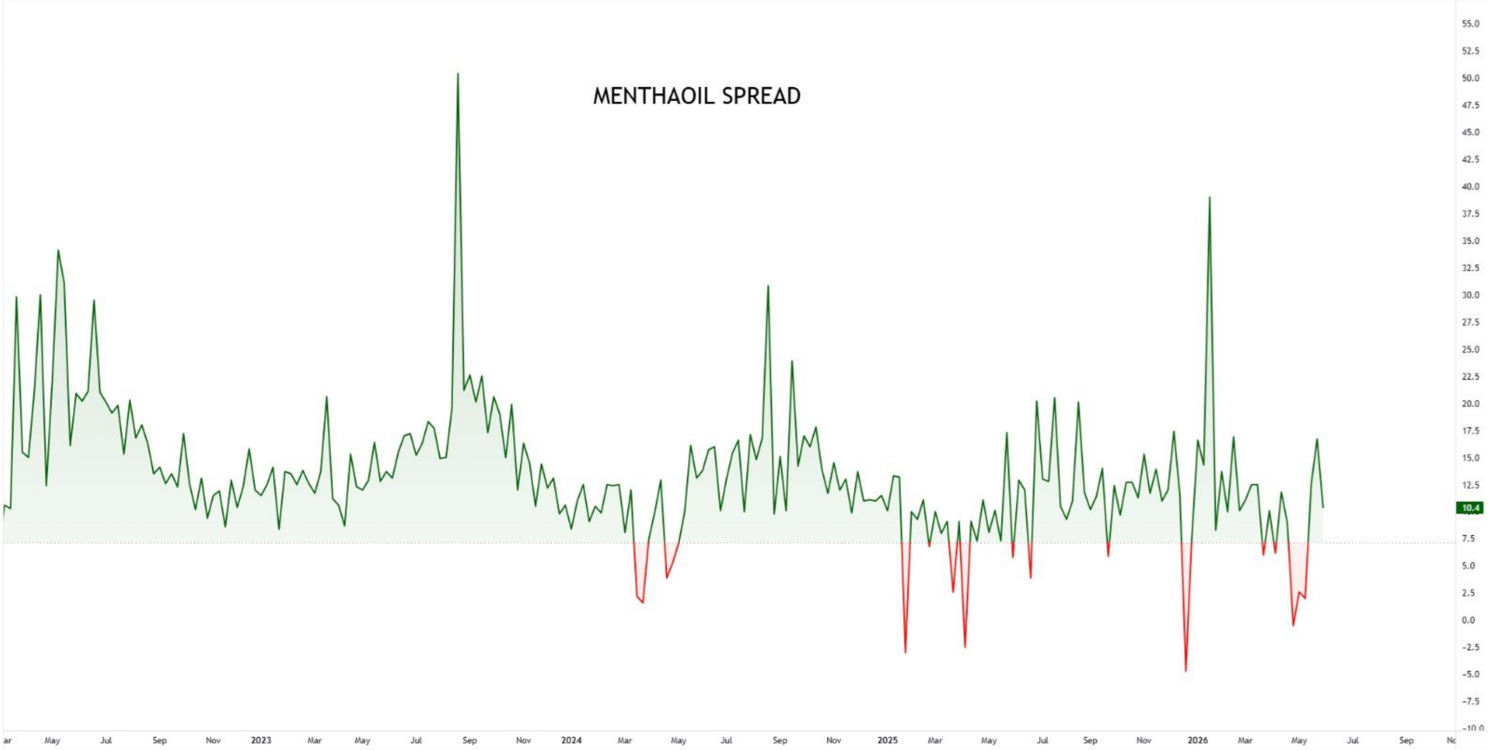
Mentha Oil Forward Curve Chart

Market expectations of prices

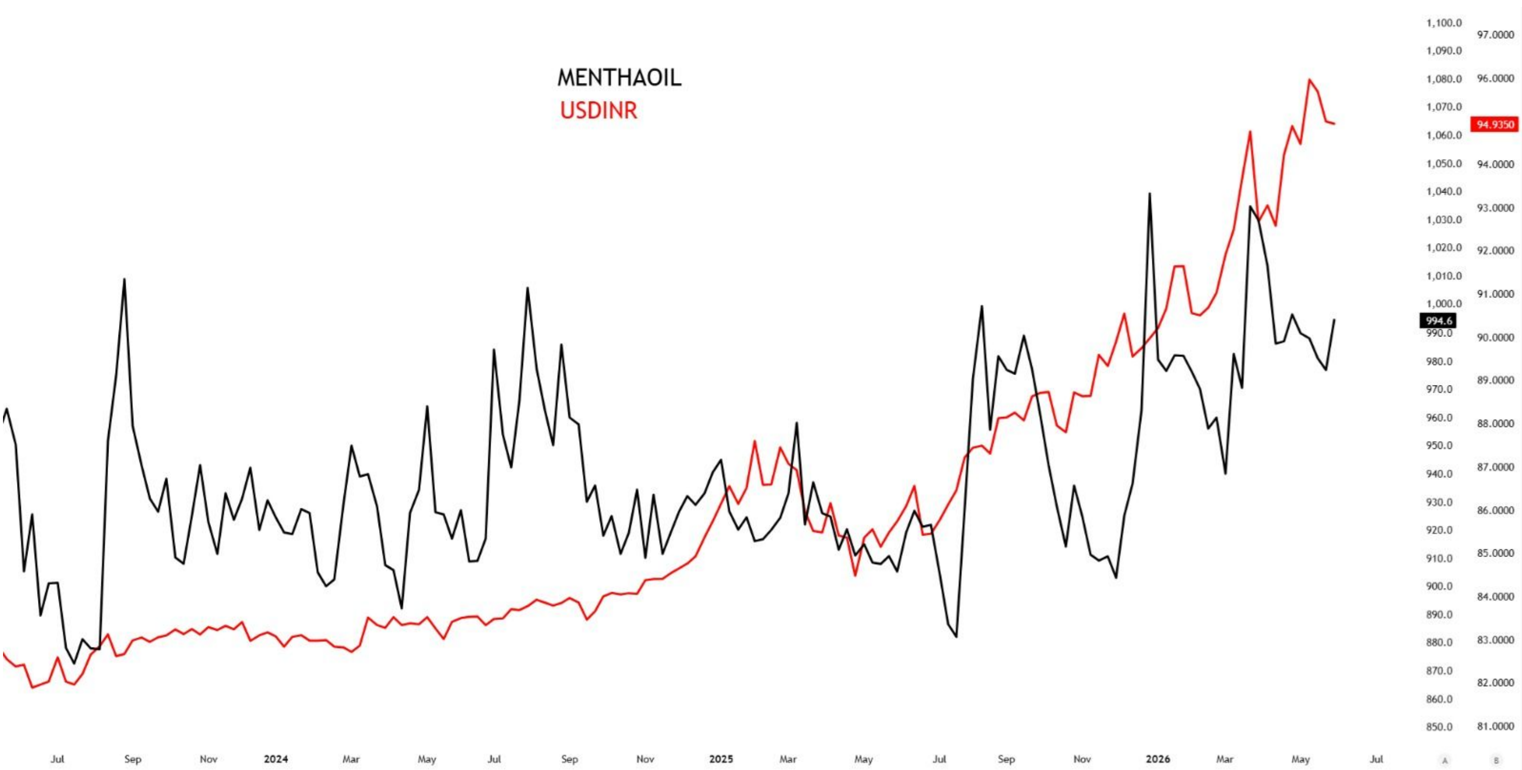
This chart shows how contract prices change across maturities, helping you gauge market expectations, potential future prices, and related risks – making it easier to decide whether buying now is reasonable.



Mentha Oil Spread Chart



Mentha Oil / USDINR Price Comparison Chart



Technical Chart

Outlook

Mentha oil's weekly structure remains sideways to positive, with repeated support near ₹900 and a key protective zone at ₹935–936. Prices are currently trading around ₹994, while MACD remains above the zero line and RSI holds above 50, indicating a mildly constructive trend despite slowing momentum. Supply concerns, improving summer demand, higher natural mentha consumption, and a weaker rupee making synthetic mentha costlier may support prices. Immediate upside targets are placed at ₹1,030–1,040, followed by ₹1,070.

Method Notes

- **Peak Net Natural Demand Reference = 38,617 MT (FY 2020–21)**
- **Synthetic Share in Domestic Consumption = Synthetic Used ÷ Domestic Consumption × 100**
- **Net Natural Demand = Total Demand – Synthetic Used**
- **Combined Closing Stock = Natural Closing + Synthetic Remaining**
- **All values are industry estimates derived from integrated supply–demand balancing model.**

- **Natural Menthol is not just a product.**
- **It is a rural economic ecosystem.**

"Protecting Natural Menthol means protecting farmers, MSMEs and India's aroma leadership."

Conclusion

The Indian Menthol industry today stands at a critical crossroads. This is a modern-day "David vs. Goliath" battle, where Natural Menthol — supported by quality, sustainability, and the livelihoods of millions of rural families — is struggling against the rapidly expanding Synthetic Menthol market.

However, the future of Natural Menthol can only be secured through collective action by farmers, industry stakeholders, policymakers, and the government. Strategic policy support, fair trade practices, and sustainability-focused initiatives will play a decisive role in preserving India's leadership in the global Menthol market.

And when it comes to pricing, the situation has become extremely sensitive. Even a small disruption in synthetic menthol supply could ignite a massive price shock in the Indian menthol market — one that may become very difficult to control. Today, price control is gradually shifting into the hands of synthetic suppliers and foreign companies. The global industry increasingly sees India as a large consumption market, whereas India was once known as the world's leading exporter of Natural Menthol. Slowly but steadily, the country is moving toward becoming a major importing nation.

Even today, while writing this report, I remember how mentha cultivation — once proudly called "White Gold" — transformed rural India. It turned mud houses into concrete homes, provided better education for children, strengthened village economies, and created dignity for millions of farmers. The blue drums of synthetic products can never replace that contribution, because Natural Menthol is not just a commodity; it is deeply connected to the soul of rural India and the hard work of its farmers.

This struggle is not merely about Menthol; it is about protecting a sustainable, farmer-driven, and environmentally responsible future for the entire aroma industry ecosystem.

CAN YOU GUESS WHAT IT IS?

YFi

Your First Impression

Not every luxury shines in gold,
Some arrive quietly… yet take control.
No voice, no touch, no visible art,
Still powerful enough to leave a mark.
Before introductions, before conversations begin,
It creates a presence no one can dim.
A feeling remembered, long after goodbye,
A mystery so rare… people wonder why.
Soon, the unforgettable will arrive.
YFI — Your First Impression

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