

Exporting specialty rice varieties to Europe

European interest in speciality varieties of rice is growing. Consumers are drawn to Asian aromatic varieties of rice, as well as to varieties that are suitable for traditional dishes such as sushi, risotto or paella. Brown rice has also increased in popularity thanks to its health benefits. In future, growing opportunities can be expected for niche rice varieties such as red and black rice. The better a rice variety relates to food and cooking trends, the greater your chances are as a supplier.

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1. Product description

Rice is one of the most important staples for human consumption.

According to [the Rice Association in the United Kingdom](#), there are over 40 thousand varieties of cultivated rice. The possibilities of differentiation in rice are endless, although marketing can be challenging. As an exporter you have the option to vary in processing, size and quality, type, and variety (see the table below).

Table 1: Rice sizes, types and varieties

Processing	Size and quality	Type	Varieties
Paddy rice (includes the inedible husk) Parboiled rice (partially boiled in the husk) Whole brown rice (dehusked) White or polished rice (milled, without the bran and germ)	Long grain Medium grain Short grain Broken rice	Indica Japonica Glutinous Aromatics	Basmati Jasmine Coloured rice Wild rice

For each variation, there is a market in Europe.

Indica and Japonica rice are the most common rice varieties in Europe. Glutinous and aromatic refer to the characteristics of rice. Aromatic rice is classed as a speciality for its fragrance and aroma. Basmati and jasmine rice are the most common aromatic rice varieties. Glutinous rice includes all rice varieties that become glue-like

or sticky when cooked. There are several Indica and Japonica cultivars that are categorised as glutinous rice.

This study covers speciality rice varieties as well as some of the specific glutinous and aromatic varieties, among which the following are listed in Table 2.

Table 2: Description of rice varieties

Basmati rice	Basmati is an aromatic rice type with a long slender grain. The aroma is accentuated by the ripening of the grain. Basmati rice is mainly cultivated in India and Pakistan. In Indian dishes spices are added to enhance the aromatic properties.
Jasmine rice	Jasmine is also a long-grain aromatic rice variety. Compared to basmati, jasmine rice has a less pronounced fragrance. The grains are slightly sticky after cooking. Jasmine rice is cultivated in Southeast Asia (Thailand, Vietnam, Cambodia, Laos). Most of Europe's import is Thai jasmine rice.
Black rice	Black rice is also known as forbidden rice. It obtains its colour due to a strong antioxidant called anthocyanin. Black varieties can be glutinous or aromatic. They are cultivated in different parts of Asia such as in Thailand, China and Indonesia. It is traditionally used in sweet or dessert-like recipes, but nowadays also encountered in savoury dishes. Black rice is sometimes also called purple rice.
Red rice	Red rice varieties are usually consumed as a whole grain or unhulled rice. The bran layer has a distinctive red colour instead of brown. Red rice has a nutty flavour. Both the Indica and Japonica type have red rice varieties.
Wild rice	Wild rice is not an actual rice variety, but a grass. The grains are long, slender and dark coloured. Wild rice is mainly grown in North America.
Glutinous rice	Glutinous rice is also known as sticky rice. It is popular in sweet dishes, desserts and snacks. Because of its stickiness, the rice is normally steamed instead of cooked. After steaming the white grains become translucent (see-through), which is the reverse effect of other rice varieties that turn from translucent to white when cooked.

'Sushi' rice	For sushi Japanese or Japonica rice is used. This rice is called <i>uruchimai</i> in Japan. It is a short-grain rice that has a sticky texture when cooked. It should not to be confused with glutinous rice. It is a staple food in Japan, while in Europe it is often referred to as 'sushi rice'.
'Risotto' rice	The traditional rice for risotto is Arborio rice. This is a Japonica variety produced in the Po valley in Italy. When cooked the grains become creamy and chewy. Arborio rice is sometimes replaced by cheaper Asian alternatives of short to medium rice with high starch content.
'Paella' rice	The traditional Spanish dish paella uses locally cultivated short-grain rice varieties, such as Bomba rice or Bahia rice. These Spanish varieties that are cultivated in Calasparra and Valencia region are known to absorb liquid very well.
Floating rice	Floating rice is a very specific type of rice from Vietnam. Our study on specialty rice from Vietnam describes the opportunities for this type of rice in Europe.

There is no separate code for different rice varieties. Only the variation in processing has different codes: paddy, husked, milled and broken rice.

Table 3: Combined Nomenclature (CN) Code for rice

Statistical Number	Product
1006	Rice
100610	Rice in the husk
100620	Husked or Brown rice
100630	Semi or wholly milled rice, whether or not polished or glazed
100640	Broken rice

Source: Eurostat (Comext)

2. What makes Europe an interesting market for specialty rice exporters?

Rice import from developing countries rising

Rice is a typical commodity that is sourced in developing countries. Volumes are high and suppliers are large and well organised. Aromatic and coloured rice varieties are generally not produced in Europe and these are imported mainly from Asian countries.

Rice imports from developing countries have increased in recent years since 2012. As a supplier, you can profit

from these higher trade volumes and explore the opportunities for specific rice varieties with different characteristics in nutritious value, aroma or colour.

Tips:

Make sure that you can offer a consistent quality and volume. This is absolutely necessary if you want to compete with established bulk suppliers.

Find more statistical data on the European rice market in the [EU Rice Economic Fact Sheet](#).

Opportunities for milled rice

The import of rice shows an increase in milled rice. According to [European statistics](#) in the first quarter of 2017, 71% of the milled rice is non-aromatic and 22% is aromatic but non-basmati.

European imports of milled rice increased by almost 70% in the past five years. The import duties for milled rice are usually higher than for husked rice, but several countries have been granted duty-free quota or completely duty-free access to the market. In addition, you have a small advantage as to its reduced weight and milled rice is less susceptible to fungus and mould.

Milling, or removing the bran, can be an added value process performed in the country of origin. By offering an added value process, you increase the margin on your product.

The relatively high import of husked rice is partly thanks to the duty-free import from Pakistan and India of husked basmati. An estimated 62% of imported husked rice was basmati rice in the first quarter of 2017.

Broken rice has a smaller but stable import share and is often used for starch or feed. Exporting rice in the husk is not very common due to logistical costs; the husks are usually removed immediately after harvesting. Nevertheless, the import of rice in the husk has increased in recent years. Your buyer's decision of which type of processed rice to purchase is often based on profit and cost-efficiency.

Tips:

Evaluate your costs of production and processing to see whether adding value, such as by milling, is economically interesting.

Maintain good relationships with rice millers and service providers.

Read our information about trade channels and competition below.

Northern Europe is the main destination for imported rice

The majority of the rice imports take place in north-western Europe. Figure 3 shows that the United Kingdom, France and Germany are the largest overall rice importers.

By contrast, France and the Netherlands are the important importers of rice from developing countries. Thanks

to its major maritime ports, the Netherlands forms an important entry point for rice into Europe from various developing countries. A significant import share consists of long-grain Indica rice and aromatic varieties (basmati, jasmine), which are popular varieties in northern Europe. The United Kingdom dominates the import of basmati rice, mainly from India.

Southern Europe traditionally produces its own Japonica varieties. However, Indica varieties have also been successfully introduced to Spain. Southern Europe also exports these varieties to the north, in particular to Belgium.

The strong rice import in north-western Europe also provides opportunities if you are looking to enter the market with new or special varieties. In Spain and Italy, you will encounter competition with local varieties.

Tips:

Start your market entry in north-western Europe, especially for lesser-known varieties. North-western Europe is more accustomed to imported rice varieties, but do not underestimate the potential of other European markets.

Use the Netherlands as a trade hub to supply to other European countries.

Check which rice varieties are available in the United Kingdom at [MySupermarket.co.uk](https://www.mysupermarket.co.uk).

Consumption is highest in Mediterranean Europe

The rice-producing countries in southern Europe consume much more rice per capita than northern European countries. [Ricepedia](#) estimates that Mediterranean countries consume 6 to 18 kilograms annually, while the consumption in the rest of Europe ranges from 3.5 to 5.5 kg. According to [EU Agricultural Outlook](#), the average consumption in Europe increased from 4.7 kg per capita in 2005 to 5.5 kg per capita in 2016. It is assumed that the consumption will further increase because of the diversification of traditional diets.

In the rice-producing countries within Europe, the local Japonica varieties are the most appreciated. Many countries in the north prefer long-grain rice varieties. It is important as a supplier to take into account these regional preferences.

3. Which trends offer opportunities on the European market for speciality rice varieties?

Consumer demand for speciality rice increases

The [International Rice Research Institute](#) suggests that the demand for speciality rice products is increasing, along with the need to improve rice varieties.

In Europe, this increasing demand has resulted in a higher availability of aromatic rice varieties as well as a small, high-value segment of coloured rice. According to [Ricepedia](#), the European demand for long-grain Indica rice and exotic varieties such as basmati or jasmine rice (and organic rice) is growing by 6% annually.

Most speciality rice finds its origin in developing countries. This provides opportunities if you want to supply speciality rice to the European market. However, some varieties are being adopted by European growers as well.

Black rice, for example, is being imported from Thailand. However, growers in Italy have also taken Chinese

black rice into production. In the south of France, a red rice variety is being produced. Consumers are attracted to these rice varieties, because they provide a gourmet experience and are often promoted for their healthy nature.

Tips:

Learn about the presentation and brands of different rice varieties in Europe. Examples of brands that are specialised in aromatic or other speciality rice include [Tilda](#), [Daawat](#), [Riso Gallo](#), [Lassie](#), [Oryza](#) and [Van Sillevoldt Rice](#).

For more information on trends in the overall sector, read the study of [Trends on the European market for grains and pulses](#).

Opportunities for healthy rice varieties

A growing number of consumers in Europe are increasingly aware of the need for a healthy diet. Online media and food specialists promote the benefits of health foods – foods claimed to have outstanding health characteristics. Brown rice is consumed throughout Europe as a healthier alternative to milled rice, since the rice bran contains important minerals, vitamins and fibre. Parboiled rice is also widely offered for its improved preservation of vitamins.

There are various other [rice varieties](#) that also suit this health trend:

- [wild rice](#) (high in protein, amino acid lysine and dietary fibre)
- [black rice](#) (high in antioxidants, vitamin E and iron)
- [red rice](#) (high in fibre and antioxidants)

Coloured rice is still a niche product, but the demand for brown or whole grain rice has been increasing for several years according to industry sources. In the health food segment, your main point of attention as an exporter is supplying a clean and pesticide-free product, often with higher standards than the legal regulation.

Tips:

Make sure that your product lives up to European expectations of a healthy product. In agricultural production, for example, use [integrated pest management](#) (IPM) and alternative cultivation techniques for your crops. This reduces the risk of unhealthy pesticide levels.

Provide information about the health benefits of your products and promote them. However, you must be careful with making health claims. First check the [EU Register of nutrition and health claims made on foods](#).

Organic is a growing niche

Increased attention to health, environment and social responsibility is leading to a rapid growth of the organic sector.

Many rice varieties are available as organic products. Producing and exporting organic rice can be an opportunity, because the availability is often not sufficient for the growing demand.

Especially when you promote and supply a healthy rice variety, organic production can strengthen your position in the health food segment.

Tips:

For more information on which countries offer the best opportunities for organic products, check our study of [Trends on the European market for grains and pulses](#).

Find importers that specialise in organic products via the [International directory of organic food wholesale & supply companies](#). You can also visit special trade fairs for organic products, such as [Biofach](#) in Germany.

Ethnic food on the rise

Ethnic or migrant populations and local traditional southern European dishes are important drivers for the consumption of several rice varieties.

With the increasing integration of different nationalities, European consumers have become more and more exposed to transnational dishes.

Popular rice varieties are [basmati](#) and jasmine rice for Asian cuisine (curry, sushi, stir-fry, pilaf), glutinous rice for desserts (sweet sticky rice) as well as local short-grain rice for Mediterranean dishes (paella, risotto).

Many European countries, especially in the north, are not traditionally rice oriented. Nowadays, however, you can find many different cultural influences and rice preferences.

Product mixes are popular

Consumer rice is more and more used in combination with other grains and pulses. For rice brands, there is a marketing effort to distinguish themselves from other brands. Examples of these include:

- [white and wild rice](#);
- pre-cooked [brown rice with spelt and lentils](#);
- [basmati rice with quinoa](#);
- [rice with nuts](#).

Convenience in cooking

Although consumers in general attach great importance to good food, time has become a precious asset in the modern lifestyle. Several convenient rice products have been introduced, such as:

- [instant rice](#);
- personal portions in [easy pouches](#);
- [microwave rice](#).

Rice is also a common ingredient for ready-made meals and [product mixes](#).

For the European food industry, it is important to select rice varieties that have the right quality characteristics in order to become part of a convenient product. As a supplier, you have to be able to think in a similar manner. When you anticipate on product development, you have to take into account basic characteristics of cooking time and product behaviour.

Tips:

When marketing a new rice variety, either make it suitable for the existing ethnic cuisine or position it as a convenience product.

Keep up to date with new food trends in Europe by visiting news sites such as [Food Navigator](#), [Organic & Wellness News](#) and [Food Manufacture](#).

Research improves sustainability, health and profitability

A lot of research is being done throughout the world to improve rice varieties. Organisations such as the [International Rice Research Institute](#) (IRRI) and the [Global Rice Science Partnership](#) (GRiSP) play an active role. They look into developing new hybrid rice varieties and techniques that produce a better grain quality, higher yields, better tolerance against adverse climate and diseases, and fewer farm inputs.

Examples of research and development in rice are the following:

- The sustainable production system involved in [aerobic rice](#) reduces water loss.
- The modified variety [golden rice](#) contains a high value of beta carotene (Vitamin A), offering a potential solution to malnutrition. However, Europe has very strict legislation on genetically modified organisms (GMOs) and there is also resistance; see [STOP Golden Rice Alliance](#).
- Rice husks are being [transformed into many non-food applications](#) such as fertiliser, incubation material, paper, hair and skincare products, and even [tyres](#).

Innovation and research programmes can improve your competitive position and keep you aligned with competitive suppliers. If you do not have the means for innovation yourself, existing international programmes and organisations may be able to aid your company.

Tips:

Learn how to compost rice residue at the [Rice Knowledge Bank](#). This way, recycling can contribute to increased profits.

Keep up to date with the developments in the rice sector through informative websites such as [Agritrade](#).

4. Which requirements should speciality rice varieties comply with to be allowed on the European market?

Which legal and non-legal requirements must your product comply with?

Food safety

To export rice to Europe, you have to deal with strict rules and obligations on food safety. The [General Food Law](#), which regulates food safety in the European Union, also applies to all rice varieties. As a supplier, you must ensure that your products are traceable and that safety systems (such as [HACCP](#): hazard analysis and critical control points) are in place.

Tips:

For the full requirements for food safety, read our study of [Buyer requirements](#) for grains and pulses in Europe.

Read about your [key obligations in Europe as a food and feed business operator](#).

Control of arsenic levels in rice

A review by the European Food Safety Authority (EFSA) showed [high levels of inorganic arsenic](#) in rice. Based on this review, [Regulation 2015/1006](#) has been introduced. It sets the following inorganic arsenic limits, as listed in Table 4.

Table 4: Arsenic limits for rice

Non-parboiled milled rice (polished or white rice)	0.20 mg/kg
Parboiled rice and husked rice (brown rice)	0.25 mg/kg
Rice destined for the production of food for infants and young children	0.10 mg/kg
Rice waffles, rice wafers, rice crackers and rice cakes	0.30 mg/kg

Maximum residue limits

If you want to export speciality rice varieties to Europe, you must take maximum residue limits (MRLs) into account.

You can find the maximum residue limits (MRLs) for pesticides that might be used on rice in the [EU Pesticide Database](#). Using the term “rice” (code number 0500060) or the type of pesticide as search terms will yield the corresponding MRLs for rice.

A recent change, effective from 2017, is the reduced residue limit for Tricyclazole in rice from 1 mg/kg to 0.01 mg/kg. Importers are worried that this change will affect the trade flows from major supplying countries such as Vietnam and Pakistan. The decreased residue limit allowed means that you should avoid using Tricyclazole in rice cultivation.

Remember that the MRL requirements for organic rice (and for rice used in baby food) are much more stringent.

Tips:

Read the [European Union Factsheet on contaminants](#) and the [European Union Factsheet on new rules on pesticide residues in food](#).

Take extra precautions with organically produced rice. You must avoid the use of any chemical pesticide and prevent cross-contamination.

Find out about the general export requirements for rice by consulting the [Export Helpdesk](#). Fill in the

product code for the specific rice (starting with 1006 - see the product description above), the country of origin and the destination to find the information that you need.

Develop traceability in your supply chain and start controlling the presence of pesticide residues in your products. If you manage this process properly, you can become a preferred supplier on the European market.

Quality requirements

If you are planning to export rice to Europe, you will have to meet the right quality standards.

The European Commission has set a standard for paddy rice in [Council Regulation No 1785/2003](#). The standard quality of paddy rice according to European legislation shall:

- be of a sound and fair marketable quality, free of odour;
- contain a moisture content of maximum 13%;
- have a yield of wholly milled rice of 6 % by weight in whole grains (with a tolerance of 3% of clipped grains), of which a percentage by weight of wholly milled rice grains which are not of unimpaired quality:
 - chalky grains of paddy rice: 1.5–2.0%;
 - grains striated with red: 1.0%;
 - spotted grains: 0.50%;
 - stained grains: 0.25%;
 - yellow grains: 0.02%;
 - amber grains: 0.05%.

European regulation distinguishes four size categories, based on grain length (L) and length/width (L/W) ratio.

- Long A: L >6.0 mm, L/W <2.1–3.0
- Long B: L >6.0 mm, L/W =3.0
- Medium: L >5.2 mm, L/W <3.0
- Short: L <5.2 mm, L/W <2.0

There is also an [international standard for rice](#), set by the Food and Agriculture Organization (FAO) in the [Codex Alimentarius](#). This standard applies to husked rice, milled rice and parboiled rice, all for direct human consumption. Rice must have the following features:

- free of abnormal flavours, odours, living insects and mites;
- moisture content max. 15% (or lower, depending on climate, duration of transport and storage);
- impurities of animal origin (including dead insects), max. 0.1%;
- other organic extraneous matter (foreign seeds, husk, bran, fragments of straw), max. 0.5% (milled) or 1.5% (husked);
- inorganic extraneous matter (stones, sand, dust, and so on): max. 0.1%.

Other important components related to quality are:

- shape
- colour
- integrity of the grain
- milling quality
- cooking and processing behaviour
- grain fissuring

Tips:

Make sure to verify the specific quality requirements of your buyer (in terms of size and grain quality).
Read the full [international standard for rice](#) and the [European standard for paddy rice](#).

Labelling requirements

If you want to export to Europe, you must label your product. These labels must comply with European regulation.

The following items should be on the label of pre-packed rice. On rice exported in bulk, part of this information can be provided in the commercial documents:

- official product name;
- physical condition or treatment;
- list of ingredients and allergens;
- class, size (code), number of batches, net weight in metric units;
- statement that the product is destined for human consumption;
- best-before date or use-by date;
- instructions or special conditions for storage or use;
- place of origin or provenance;
- name and address of the importer established in the European Union;
- name and address of exporter;
- lot marking on pre-packaged foodstuffs (to ensure the traceability of individual batches).

In addition, the label should include any certification logo (if applicable) and/or retailer logo (in the case of products marketed under a private label).

English is used on the bulk labels, unless your buyer indicates otherwise.

Multilingual labels are often used on consumer packaging, but the language of the destination country must in any case be included.

Tips:

Read more about [food labelling at the EU Export Helpdesk](#).

For information about consumer labels, see the new [European legislation on food information to consumers](#). As from December 2016, you are obliged to include nutritional information on consumer packaging.

Packaging and handling requirements

Rice can be packed in different bag sizes of 5, 10, 15, 20, 25 or 50 kilograms. Bags of 20–25 kg are most common. Large bags of 1000 kg are also sometimes used.

The packaging material for bulk packaging is usually woven polypropylene, but multilayer paper bags are also used for specific rice such as organic.

If you want to use other forms of packaging, you should take [EU legislation on food contact materials](#) into account.

Rice should be kept dry, dark, cool and well ventilated during storage, loading and shipment.

Rice is often shipped as bulk cargo. If you export high-value rice, the use of shipping containers is recommended to ensure quality.

Tip:

Read about [loss prevention](#) during transport from insurance specialists.

Certificate of authenticity for basmati

To export basmati rice to Europe, you need a certificate of authenticity.

Basmati is exported from India and Pakistan. In these countries, you can apply for such a certificate with the [Export Inspection Council](#) (India) and the [Trading Corporation of Pakistan](#).

The [approved varieties](#) of basmati rice are:

- Basmati 370
- Basmati 386 (India)
- Type-3 (Dehradun India)
- Taraori Basmati (HBC-19 India)
- Basmati 217 (India)
- Ranbir Basmati (India)
- Kernel (Basmati Pakistan)
- Pusa Basmati
- Super Basmati

The [Commission Regulation \(EC\) No 972/2006](#) has laid down special rules for imports of basmati rice and a transitional control system for determining their origin. This regulation allows basmati with up to 5% impurity from non-basmati varieties.

The certificate of origin is also needed to exempt basmati from import duties.

Tips:

Use the easy-to-read [guidance document about the classification of rice](#) from the United Kingdom government.

Check out the [Code of Practice on Basmati Rice](#) compiled by the Rice Association, the British Rice Millers Association and the British Retail Consortium.

5. Which additional requirements do buyers often have?

Food safety certification

Food safety is a top priority in all European food sectors. You can therefore expect most buyers to request additional guarantees from you in the form of certification. For both the production and the processing of rice (husking, milling and packaging), you need to comply with recognised food safety management systems.

Tips:

Use the [ITC Standards Map](#) or the [GFSI website](#) to learn about the different food safety management systems, hygiene standards and certification schemes.

Check with your buyer to determine which certification scheme is most relevant to your target market.

Read about the different food safety management systems in our study of [Buyer requirements for grains and pulses in Europe](#).

Organic certification

The market for organic rice is growing, but regulation is strict.

To supply organic rice to the European Union, you need to use production methods as laid down in [European Union legislation](#). You have to avoid any pesticide residue or cross-contamination.

Tips:

Read about organic farming and the related European guidelines via the [European Union website on organic farming](#).

Read about organic certification in our study of [Buyer requirements for grains and pulses in Europe](#).

Social compliance and sustainability

European buyers are paying increasing attention to the social and environmental impact of their business. As an exporter, you are part of the supply chain and share this responsibility.

With regard to rice, there are several initiatives that promote a sustainable supply:

- [the rice project](#), aiming to develop a pragmatic and globally acceptable Sustainable Rice Practices Standard;
- [the Sustainable rice platform](#), aiming to develop and test sustainability guidelines, standards and tools;
- [Fairtrade Rice](#), a Fairtrade International initiative that allowed farmers worldwide to export 12,000 tonnes of Fair Trade certified rice in 2013–2014.

Tips:

Check your level of sustainability by using the Standard on Sustainable Rice Cultivation as published on the homepage of the [Sustainable Rice Platform](#). Accordingly make changes in your company to improve your sustainability level.

Check your company's current performance; for example, by performing a self-assessment. Details of

how to do so can be found on the [BSCI website](#).

Read about the different social programmes and initiatives in our study of [Buyer requirements for grains and pulses in Europe](#).

6. What are the requirements for niche markets?

Fair Trade and environmental certification

Fair Trade and sustainable certification are still niche requirements for rice by European buyers. However, certification can help your product to stand out and attract consumers who are more aware of these issues. As a smaller supplier, you can anticipate the future growth of Fairtrade by preparing your company for the certification requirements.

Tips:

If your product complies with a Fairtrade scheme, find a specialised European buyer who is familiar with sustainable and/or Fairtrade products.

Read about Fair Trade and environmental certification in our study of [Buyer requirements for grains and pulses in Europe](#).

7. What competition do you face on the European market for rice varieties?

What are the opportunities and barriers?

Quality

Quality and food safety are important issues to distinguish your company from other suppliers. European buyers are very aware of the potential risks for quality and food safety when purchasing different rice varieties.

As a new supplier, you can be asked to send a sample. Your buyers analyse it in laboratories to ensure that they are receiving the right quality. In trusted relationships, quality control could take place more often in the country of origin and samples are not needed.

You have to know the quality of your product. However, the quality test in your home country is not necessarily conclusive for your buyer. The tests done in European laboratories may differ considerably from tests by laboratories in your country. For example, there might be differences in terms of parameters tested and the residue levels considered permissible.

Tips:

Make sure that your product is absolutely clean. If you send a sample, make sure that it is representative of and corresponds to the shipment which you have planned.

Prove yourself to be a reliable supplier in order to establish a long-term trade relationship. Ensuring efficient communication and meeting agreements are essential to build trust.

See our [Tips for doing business with European buyers](#) of grains and pulses.

Import license

The import of rice is regulated to balance the market and enhance the competitiveness of European producers. European rice traders often need import licenses that allow them to import a quantity of goods within a set period. The details are documented in the [European Regulation \(EC\) No 1342/2003](#).

The import duties on rice are variable and subject to change. There are also [tariff-rate quotas](#) (TRQ) that allow supplying countries to export a certain quantity of rice to Europe without duties.

Table 5: Import duties in € per tonne (February 2015)

Paddy	211
Husked	30 / 42.5 / 65
Milled / semi-milled	145 / 175
Broken	65

You are exempt from import duties and quotas when you export:

- from a country that is one of the least developed countries (LDCs), according to the EU's [Everything But Arms arrangement](#) (EBA). Important EBA suppliers are Cambodia and Myanmar. The European import from EBA countries is expected to reach 50% of the total European import by 2026, according to the [EU Agricultural Outlook](#);
- from a country that is part of the [ACP States](#) or [Caribbean Forum](#) (Cariforum), a subgroup of the African, Caribbean and Pacific Group of States;
- husked basmati rice from either India or Pakistan.

A certificate of origin is required (see the section on buyer requirements above).

Tips:

Learn about import duties and export quota in the [Rice Regulatory Regime](#) of the European Commission.

Visit the European Commission website for [Tariff quota consultation](#).

8. What are substitute products?

European consumers easily switch between different types or varieties of rice. Often, consumers simply purchase the product with which they are the most familiar. For typical dishes, their preference for a certain type of rice is more determined.

Cooking traditions in Europe include many different grain products. Instead of rice, consumers can choose for an alternative grain or grain product such as couscous, [quinoa](#), bulgur or freekeh.

However, rice consumption also has to compete with other major products that are common in the European diet, such as potatoes, pastas and bread.

You can convince consumers to try something different by introducing new varieties of rice with a functional advantage (fast-cooking) or a unique taste. See also the trends described above.

Tip:

Make sure to have an attractive assortment of products and try to stand out in terms of quality, taste or convenience.

9. Who are your rivals?

Asia dominates foreign rice supply to Europe

Most of the milled rice in Europe is imported from:

- Cambodia (306,000 tonnes in 2016)
- Thailand (168,000 tonnes)

Brown rice is mainly imported from:

- India (290,000 tonnes)
- Pakistan (171,000 tonnes)

In 2016, the largest suppliers of broken rice to Europe were:

- Myanmar (117,000 tonnes)
- Egypt (59,000 tonnes)

Basmati from India and Pakistan

Genuine basmati varieties are exported from India and Pakistan. In 2014-2015, [India exported 3.7 million tonnes](#) of basmati rice out of a total 8.2 million tonnes of rice exports from India.

In Pakistan, [basmati rice covers 52%](#) of the total cultivated area of rice. In 2014-2015, Pakistan exported 677,000 tonnes of basmati.

Jasmine from south-east Asia

South-east Asia also produces aromatic varieties such as jasmine rice. Thailand and Cambodia are typical suppliers of jasmine rice to Europe.

Thailand exported 1.5 million tonnes of Thai Hom Mali (or jasmine) rice worldwide in 2016. The total Thai rice exports amounted to 9.8 million tonnes.

Around one third of [Cambodia's rice crop](#) comprises varieties of jasmine rice. Cambodia also opened its first parboiling facility in 2013 with the intention to fulfil a growing demand in Europe and Africa.

Tips:

Browse the website of [Ricepedia](#) to learn the specific situation of rice-producing countries.

Keep up to date with the information provided by rice associations; for example, those in [Thailand](#), [Cambodia](#), [India](#) and [Pakistan](#). Judge your competitive position.

Niche varieties

Every rice-producing country has its own specific varieties:

- glutinous black rice from Thailand;
- black rice from China, as well as Italy;
- wild rice from North America;
- red rice varieties from France, Thailand and Bhutan.

Each variety has its own benefits in use or taste, offering numerous opportunities for marketing in Europe.

It is easier to be unique through your product offering than through processing or adding value in another way. With regard to processing such as husking, parboiling and milling, quality and price matter the most.

By exploiting a unique rice variety in your region, your proposition can be much more unique. To export a niche or new rice variety to Europe, you need to explore the market potential first and convince your buyers to adopt your product.

Tip:

Maintain your focus on quality and taste when supplying a special variety of rice. Price is less an issue if you have a unique product.

Japonica is the dominant variety in European production

Rice production in Europe consists for over 70% of the Japonica variety; the rest is Indica. After milling, the total estimated production amounts to 1.8 million tonnes. Since 2014, the Japonica varieties has shown a clear increase in European production, while the volume of Indica varieties has decreased.

You can compete with European producers of Japonica rice if your product is well priced and suitable for local dishes. The traditional risotto (Arborio rice) is increasingly being replaced by cheaper varieties from Asia. For authentic Spanish paella, a rounded short-grain rice with good absorbing qualities is essential. Competing with the European production of Indica rice will be easier, as local production is decreasing.

Concentration of rice production in Europe

According to the [EU Rice Economic Fact Sheet](#), Italy was responsible for 51% of the European production in 2014–2015, followed by Spain (29%), Greece (8%), Portugal (6%) and France (3%). Italy and Spain have traditional dishes (respectively risotto and paella) for which their production is primarily destined. Minor production volumes are visible in Romania, Hungary and Bulgaria.

In [Europe](#), the number of rice farms is decreasing, while their size and level of mechanisation is increasing. The

production of rice in Europe is more expensive than in Asia or the United States due to the high costs of input. This situation could give you an advantage when exporting to Europe.

Tips:

Investigate which varieties in your country are sufficiently similar to be substitutes in traditional European cuisines.

See [Ricepedia](#) for more information on the rice production in Europe.

Italy is Europe's largest exporter of rice

With a production share of 51% in Europe, Italy is automatically the largest exporter of rice as well. Spain is also a producing exporter, while Belgium is the third-largest exporter of rice. Belgium imports and mills brown rice from mainly Spain before re-exporting it, but also trades a large amount of broken rice from Myanmar.

10. How much power do you have as a supplier when negotiating with buyers?

Large food retailers have a strong position in Europe. They therefore also have strong buying power. The same applies to the large millers and brands that supply to them. Unless you are supplying a niche type of rice or offering a superior quality-price ratio, you will have limited room for negotiation.

Negotiating with buyers of organic rice may be easier, although quality compliance will be more challenging.

Tips:

Improve your competitive position. Convince your buyer that you are a valuable trading partner; for example, by obtaining additional certification, introducing basic processing of your product or combining it with complementary products (such as other types of rice or special grains).

Read about [doing business with European buyers of grains and pulses](#) on the CBI market intelligence platform.

Evaluate the possibility of integrating your supply chain with that of a strong partner in Europe. This facilitates the supply to the major retail channels or large food processors. Make sure that your company is ready for such a commitment in terms of constant quality and reliable supply.

11. Through which channels can you get speciality rice varieties on the European market?

Well-developed trade channels

The trade channels for rice are well developed. This means that businesses are mature and experienced.

Most rice, including basmati and jasmine rice, arrives in Europe in bulk through importers or traders that are

specialised in sourcing, milling, trading and/or managing local brands. These are the companies that you should aim for as a supplier from a developing country.

Basic processing such as dehusking and sometimes milling is performed in the country of origin. To supply parboiled, brown or milled rice, you need to have access to a quality processing plant. The trade channels for milled rice and brown rice are similar, while preferences in purchasing are buyer-specific.

Tip:

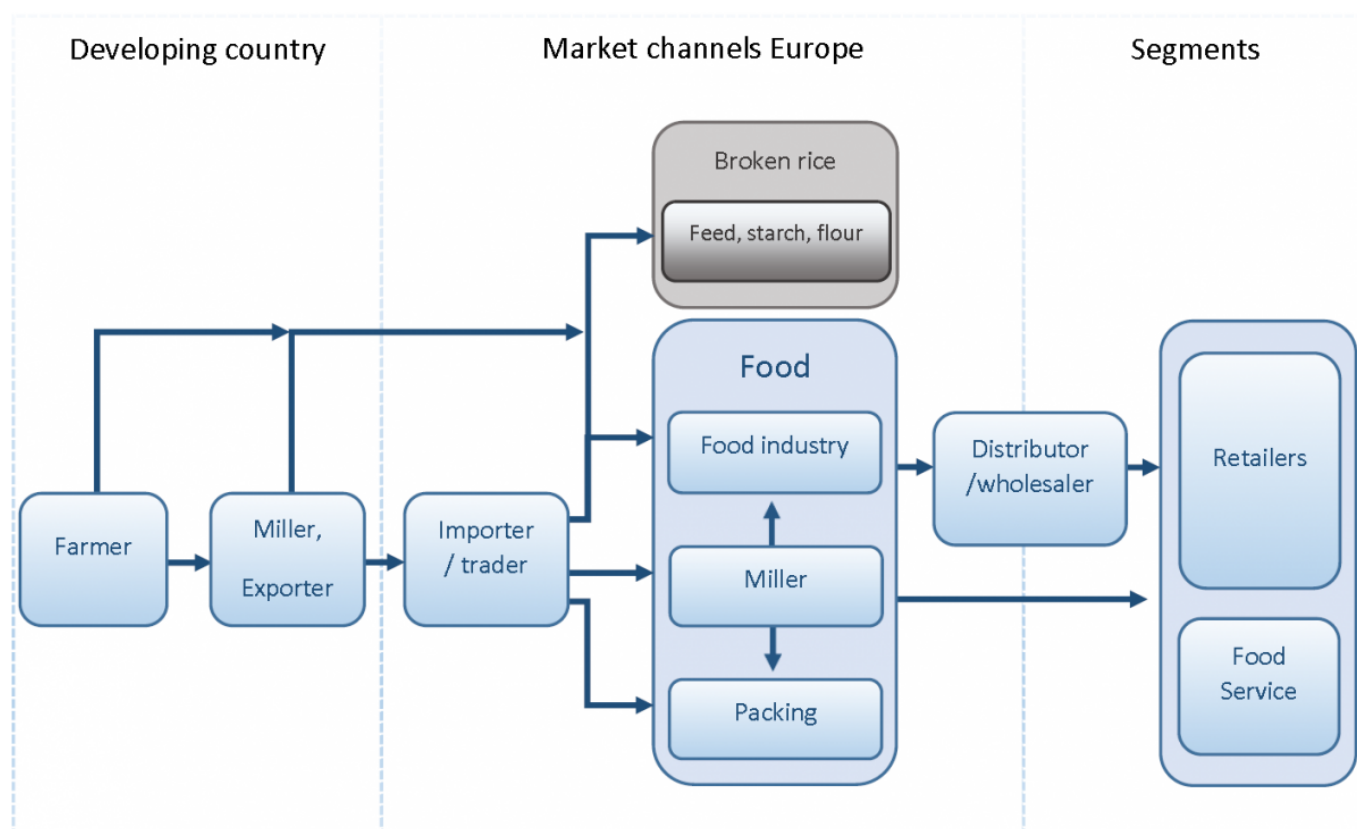
Make sure that your milling process results in an excellent product. Read the [guidelines for milling at the Rice Knowledge Bank](#).

Check the [Federation of European Rice Millers](#) for all 17 member companies. They represent 90% of the milling capacity in Europe.

Find other companies involved in the rice business at the [Rice Association](#) in the United Kingdom, [food-companies.com](#), [Kompas](#) and [Europages](#).

Read the [Tips for finding buyers in the European grains and pulses sector](#).

Figure 8: Trade channels and segments for rice



Large brands dominate the supermarkets

Most rice is sold through supermarkets. This channel includes most special varieties such as basmati, jasmine, risotto and sushi rice. Large rice brand companies dominate in the European retail. Examples are:

- [Ebro Foods](#)

- [Westmill](#)
- [Tilda](#)
- [Marbour](#)

Many brands also offer rice mixed with other grains such as quinoa, bulgur or spelt.

Food industry is important as a channel

The food industry is an important channel for rice destined for ready-made meals, easy-to-cook meal packs or baby food. The food industry is often supplied by rice millers and traders. Rice can also be processed into starch for various purposes in food preparation or for use as feed. Expect broken rice or feed-grade rice to have a much lower value than the rice used in food products.

Different segments for ethnic or speciality rice

Organic and health shops, catering establishments (such as restaurants), ethnic stores and street markets are a smaller segment. However, this segment can be more interesting for the lesser-known varieties.

Do you want to export varieties such as black, red or glutinous rice in bulk or as consumer products? You will find opportunities with smaller specialised buyers that can connect you to these more specific segments.

Tips:

Look for potential buyers at major food trade fairs such as [SIAL](#), [Anuga](#) and [Biofach](#) (for organic products), or have a look at the annual business event of the [European Commodity Exchange](#). For very specific rice varieties, trade fairs can be a good place to investigate and find trade contacts.

12. What are the end-market prices for speciality rice varieties?

Costs and margins in the rice trade differ per country, variety and quality. Figure 9 provides an example or rough indication of how the price structure can work out.

Retail prices for speciality rice differ

Retail prices for rice vary a lot, depending not only on variety but also brand, package size and quality:

- Common white rice starts at around € 1 per kilogram in supermarkets.
- Specific varieties that are widely available include basmati, jasmine, parboiled and brown rice. Their prices normally range between € 2–4 per kg.
- Locally produced varieties such as Bomba “paella” rice (Spain) and Arborio “risotto” rice (Italy) have prices around € 3–5 per kg due to higher production costs.
- Organic prices can also be expected to be up to 50% higher than the conventional variety, for the same reason of higher production costs.
- Smaller varieties such as black rice, red rice and glutinous rice are not widely available. Prices are higher than the common varieties and comparable with the local European specialities. Wild rice has an exceptional value in retail of € 10–20 per kg. Therefore, you can often find it mixed with another rice product.

For exporters, it is important to realise that trade prices and retail prices are not directly linked and behave in their own way. The trade prices of rice produced in Europe have stabilised at around € 300 per tonne. In 2017, Europe will be well stocked with increased imports and a strong local production.


Tips:

Find information on consumer prices in online shops or on the websites of supermarket chains such as [Tesco](#), [Albert Heijn](#), [Edeka](#), [Hipercor](#), [Carrefour](#) or [Ekoplaza](#) (organic).


For trade prices of European rice varieties, see the [update of the European Commission on the Rice Market](#).

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