

Entering the European market for specialty rice

Last updated:

15 September 2021

The market for specialty rice is relatively small, but includes many suppliers from major rice producing countries such as India, Pakistan and Thailand. Differentiation and quality are key. You need to have a product with unique characteristics and find companies or organisations that can support your market entry.

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1. What requirements must specialty rice comply with to be allowed on the European market?

Specialty rice must comply with the general requirements, which can be found in the [buyer requirements for grains, pulses and oilseeds](#) on the CBI market information platform. You can also use [My Trade Assistant of Access2Markets](#) which provides an overview of market access requirements for rice per country using HS code 1006 and then search for your specific rice product. The requirements for rice include food safety measures, certificates of origin, quality standards, additional certification and, if desired, organic or fair trade certification.

What are the requirements?

Food safety: traceability, hygiene and control

The most important requirement for rice is to make sure it is safe for consumption. Food safety and traceability should be your top priority. Non-compliance can lead to importation being temporarily discontinued or to stricter checks for your country of origin. As a supplier you must make sure you work according to the [guidelines of Hazard Analysis and Critical Control Points \(HACCP\)](#).

To make sure your rice is suitable for the European market you must check the levels of pesticides, contaminants and micro-organisms. For example, contamination with arsenic became a serious concern in the European Union (EU), which led to a stricter regulation in 2016 (see Table 1).

Pesticide residues must not exceed the [Maximum Residue Levels \(MRLs\) allowed under European regulations](#). Europe is one of the strictest single markets in terms of pesticide residues. Over the last few years the limits for residues of several chemicals have been reduced for rice, such as Tricyclazole from 1 mg/kg to 0.01 mg/kg in 2017 and Buprofezin from 0.5 mg/kg to 0.01 mg/kg in 2019. Organic rice should not contain any chemical traces. In some countries such as Germany, buyers are very alert when it comes to (excessive) pesticide residues.

Traceability is compulsory for all food and feed businesses. Food business operators must be able to trace your rice through all stages of production, processing and distribution. New innovative solutions can help with this. For example, the Trade Policy and Strategy Office (TPSO) in Thailand announced that it will [use blockchain technology to ensure the traceability](#) of agricultural products, starting with organic rice.

Table 1: Maximum permitted levels of cadmium and inorganic arsenic in rice products

Contaminant	Foodstuffs	Maximum levels (mg/kg wet weight)
Cadmium	Bran, germ, wheat and rice	0.20
Arsenic (inorganic)	Non-parboiled milled rice (polished or white rice)	0.20
	Parboiled rice and husked rice	0.25
	Rice waffles, rice wafers, rice crackers and rice cakes	0.30
	Rice destined for the production of food for infants and young children	0.10

Sources: [COMMISSION REGULATION \(EC\) No 1881/2006](#) sets forth the maximum levels for certain contaminants in foodstuffs, and the amending [COMMISSION REGULATION \(EU\) 2015/1006](#) sets forth the maximum levels of inorganic arsenic in foodstuffs

Tips:

Check regulatory updates using the web app [Appryza](#) of [The Federation of European Rice Millers \(FERM\)](#), which provides updated regulatory information on European and other export markets. *Appryza* was developed to help countries serving the European market. It is currently intended for India and Pakistan, and will soon also be available in local languages.

Check which MRLs for pesticides and active substances are relevant for rice by [consulting the EU MRL database](#); search for rice (or code number 0500060).

Read about [Pests and diseases management in the Rice Knowledge Bank](#) and reduce the level of pesticides by applying [integrated pest management \(IPM\)](#) in production. IPM is an agricultural pest control strategy that includes growing practices and chemical management.

Pre-test your specialty rice with regard to microbiological criteria and for pesticide residues before shipping to your clients in Europe.

Certificate of authenticity for basmati

In order to take advantage of a preferential import tariff, you will normally need to provide proof of origin. This is usually done with an official origin certificate issued by the exporting country's customs authorities (such as the [Movement certificate EUR.1](#)) or a self-declaration from the [exporter](#) (often referred to as an '[origin declaration](#)' or an '[invoice declaration](#)').

Specific trade agreements such as the [Everything But Arms \(EBA\)](#) scheme for the [least developed countries](#) (LDCs), [CARIFORUM](#) or the EU [Overseas Countries and Territories](#) (OCTs), provide for preferential import duties in respect of non-basmati rice.

Certain basmati varieties from India and Pakistan are exempted from import duties. Special rules for imports of Basmati rice and a transitional control system for determining their origin are laid down in [COMMISSION REGULATION \(EC\) No 972/2006](#).

To export basmati rice to Europe and take advantage of the preferential import tariff, you will need a certificate of authenticity. 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 for duty-free importation are:

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

According to the [UK Basmati Code of Practice 2017](#), basmati rice can only be marked with its country of origin if at least 97% of the grains originate from the country referred to on the package (India or Pakistan). If the product is referred to as “Basmati rice”, the non-Basmati rice content must not exceed 7%.

Tips:

Read the [Quick guide to working with rules of origin on Access2Markets](#) and the three steps that must be taken in order to be allowed to pay lower customs duties when importing rice into Europe.

See the [European Commission’s legal basis for cereals and rice](#) for an overview of legal documents and regulations.

Zero tolerance for GMO

The European Union (EU) has a zero-tolerance policy with regard to genetically modified organisms (GMOs) that have not been approved by the EU. Besides [Golden Rice](#), there are no known genetically modified rice varieties.

If genetically modified rice varieties were to be adopted in countries exporting rice to the EU, [The Federation of European Rice Millers \(FERM\)](#) warns that the EU's zero tolerance policy would create considerable problems for the rice supply and disrupt the European rice industry.

Quality standards

Rice, including specialty rice, is divided into short, medium and long grain rice, depending on the grain size and length/width ratio (see Table 2).

The FAO Codex Alimentarius has a [Standard for rice](#) (2019) that applies to husked, milled and parboiled rice for

human consumption and describes some of the minimum quality requirements. This standard can be used as guidance for the European market. It states that rice must be safe and suitable for human consumption and free of abnormal flavours, odours, living insects and mites. Table 3 describes specific quality requirements.

Table 2: Definitions concerning the rice sector

Type	Length in mm	Length/width ratio
Long grain rice		
• Type A	>6.0	>2.0 <3.0
• Type B	>6.0	>3.0
Medium grain rice	>5.2	<3.0
Short grain rice	<5.2	<2.0

Source: [Regulation \(EU\) No 1308/2013](#)

Table 3: Specific quality requirements and maximum levels of impurities

	Husked Rice	Milled Rice	Husked parboiled rice	Milled parboiled rice
Moisture content	15%	15%	15%	15%
Impurities of animal origin (including dead insects)	0.1%	0.1%	0.1%	0.1%
Other organic extraneous matter such as foreign seeds, husk, bran, fragments of straw, etc.	1.5%	0.5%	1.5%	0.5%
Inorganic extraneous matter such as stones, sand, dust, etc.	0.1%	0.1%	0.1%	0.1%
Chips (fragments of kernel which pass through a metal sieve with round perforations 1.4 mm in diameter)	0.1%	0.1%	0.1%	0.1%

Heat-damaged kernels	4.0%	3.0%	8.0%	6.0%
Damaged kernels (deterioration due to moisture, pests, diseases, etc.)	4.0%	3.0%	4.0%	3.0%
Immature kernels	12.0%	2.0%	12.0%	2.0%
Chalky kernels (except for glutinous rice)	11.0%	11.0%	N/A	N/A
Red kernels (with red-coloured pericarp)	12.0%	4.0%	12.0%	4.0%
Red-streaked kernels	N/A	8.0%	N/A	8.0%
Pecks (dark brown or black surface)	N/A	N/A	4.0%	2.0%
Maximum recommended levels of other types of rice:				
• Paddy Rice	2.5%	0.3%	2.5%	0.3%
• Husked Rice	N/A	1.0%	N/A	1.0%
• Milled Rice	N/A	N/A	2.0%	2.0%
• Glutinous Rice	1.0%	1.0%	1.0%	1.0%

Source: FAO Codex Alimentarius [Standard for rice](#) (2019)

Milling of rice post-harvest always leads to some grains being broken; a higher proportion of broken grains decreases the price because the quality is considered to be inferior. The integrity of the rice kernel is defined in different terms as set out in Table 4. It is common for rice to have a certain percentage of broken kernels; for example, "Rice 5%" indicates 5% consists of broken kernels.

Table 4: Definitions for rice grain integrity

Whole kernel	not broken
Head rice	>/= 75% of the whole kernel
Large broken rice	50-75% of the whole kernel
Medium broken rice	25-50% of the whole kernel
Small broken rice	<25% of the whole kernel, but >1.4mm

Tip:

Strictly adhere to quality standards and deliver the level of quality agreed with your buyer. Being careless about meeting your own standards will give buyers a reason to make claims regarding quality issues.

Code of practice for Basmati

The United Kingdom has a specific [code of practice on basmati rice](#), drafted by the Rice Association (RA). Other European markets tend to follow the same guidelines.

The code of practice for basmati rice was updated in 2017. The purity level, meaning the percentage of rice that must consist of basmati grains, was set at 93% and the new extra-long variety Pusa 1121 was added. Table 5 summarises the minimum requirements of basmati rice varieties.

Table 5: Minimum requirements of varieties of Basmati rice in the United Kingdom

	Milled, raw basmati
Minimum elongation ratio after cooking	1.7
Minimum average pre-cooked length	6.5 mm
Amylose content	Intermediate 19-26%
Length/breadth ratio	greater than 3.5
Gel Length	60-100 mm
Alkali spreading value	4-5
Typical Basmati Aroma	Present

Source: Rice Association [code of practice on basmati rice](#) (revised version 2017)

Packaging

Different packaging can be used for rice, in different sizes of up to 50 kg. The most common quantities for specialty rice are 25 kg bags for trading or up to 10 kg for wholesale packaging (for food service). Most pre-packaged rice for consumers does not exceed 1 or 2 kg in weight (with a few exceptions such as ethnic rice).

Woven plastic sacks made of PP or HDPE can be used, which are economical and with a suitable PE layer offer good protection at high humidity. The use of multiwall paper sacks is more common for organic rice, sometimes with a PE in-liner as a moisture barrier. Jute bags are the most traditional form of rice packaging, but only are rarely used.

For specialty rice like aromatic rice or brown rice, LDPE packaging can help preserve the aroma and flavour. This

packaging is often used for retail sales.

The packaging of rice must be suitable to protect the product and comply with the [Regulation \(EC\) No 1935/2004 on materials and articles intended to come into contact with food](#).

Tips:

Always discuss specific packaging requirements and preferences with your customers.

Check the specific conditions and guidelines for the transport of rice in the [Cargo Handbook](#) or with the [Transport Information Service \(TIS\) of the German Insurance Association \(GDV\)](#).

Consult the [Buyer requirements for grains, pulses and oilseeds](#) on the CBI Market Information platform for additional requirements such as labelling.

What additional requirements do buyers often have?

Specific buyer preferences

Rice buyers in Europe can have different preferences concerning the specific quality and characteristics of the rice. The quality of rice is mainly related to the shape, colour, milling and cooking quality and integrity of the grain (including fissures or cracks in the grain). For specialty rice the differentiating characteristics such as grain length, stickiness, aroma, texture, and flavour often play an important role. Premium quality traits such as aroma add extra value.

Tip:

Check the [quality factors for rice on Ricepedia](#), the online authority on rice.

Certifications as a guarantee

As food safety is a top priority in all European food sectors, it can be expected that most buyers will ask for extra guarantees in the form of certification. Food management systems and certifications that are recognised by the Global Food Safety Initiative ([GFSI](#)) are widely accepted throughout Europe. For rice millers or processors (hulling, sorting and packaging) wishing to become suppliers for the European market, a recognised food safety management system is essential.

If you are a supplier of rice, you may find one of the following certification schemes useful, depending on the role you play in the supply chain (production, distribution or processing):

- [GLOBALG.A.P.](#) (agricultural production);
- [Food Safety System Certification 22000](#) (FSSC 22000 /ISO 22000);
- [BRCGS for Food Safety](#) (British Retail Consortium);
- [IFS Food Standard](#) (International Featured Standard).

Tips:

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

Read the [CBI Buyer requirements for grains, pulses and oilseeds](#) on the CBI Market Information platform to get more detailed insights on the advantages of certifications.

Organic certification

Specialised buyers of organic grains, as well as larger rice brands or manufacturers of organic healthy snacks may require organic certification to satisfy the growing demand for organic products. Organic basmati and jasmine rice are also available on the European market, but for minor specialty rice varieties or ethnic brands, organic certification is a small niche and less necessary.

In order to market organic products in Europe, you have to use the organic production methods required under [European legislation](#) and apply for an organic certificate with an accredited certifier. Note that the new legislation [Regulation \(EU\) 2018/848](#) has been in force since January 2021.

Tips:

Consider organic certification if your situation and location permit it. Remember that implementing organic production and becoming certified can be expensive. You must be prepared to comply with the whole organic process in order to market organic products. Read about [Organic rice farming in the Tropics and Subtropics](#) by Naturland.

Read more about organic certification in the CBI study on [buyer requirements for grains, pulses and oilseeds in Europe](#) and the [news article "What does the new EU Organic Regulation mean for exporters of grains, pulses and oilseeds?"](#) on the CBI website to obtain further insight on the new organic legislation.

See the [up-to-date list of approved control bodies and authorities](#) for applying equivalent standards and control schemes in non-EU countries.

Sustainability and social compliance

Corporate social responsibility (CSR) and sustainability are growing in importance in the rice sector. The focus on sustainability will become stronger, starting with the largest supply channels and main rice varieties.

Adopting codes of conduct or sustainability policies related to the environmental and social impacts of your company creates trust and can give you a competitive advantage. Buyers will often have you fill in a set of documents and declarations before doing business or ask you to comply with their code of conduct.

Leading rice companies support the [Sustainable Rice Platform \(SRP\)](#) and the [Standard for sustainable rice cultivation](#). Platform members include, among others, Olam International, Ebro Foods (ES), Van Sillevoldt Rijst B.V. (NL), Veetee (UK), Riso Gallo (IT), Reismuehle Brunnen Co Ltd (CH), Mars Food (BE), and supermarket chains Lidl (discount supermarket) and Ahold Delhaize. These companies are committed to improving climate-smart sustainable best practices among smallholders. As an exporter you are part of the supply chain and share this responsibility.

Besides the SRP Standard for sustainable rice cultivation, there are also other standards and certifications that will help you fulfil buyers' expectations. Initiatives or certification schemes that can help improve your CSR performance, are:

- The Business Social Compliance Initiative ([amfori BSCI](#)), implementing the [amfori BSCI code of conduct](#);
- The Ethical Trading Initiative ([ETI](#));
- Sedex Members Ethical Trade Audit ([SMETA](#))
- [GlobalG.A.P.](#) and [GlobalG.A.P. Grasp](#)

Tips:

Check your company's current performance by checking the detailed requirements and point system of the [SRP Standard for sustainable rice cultivation](#), and consider implementing the [amfori BSCI code of conduct](#).

Explore [Standards Map](#) to learn about the different voluntary sustainable and social standards and see which ones are available in your country. Note that every certification system you implement may attract a different type of buyer but continuing to satisfy multiple standards may be costly and make you less price competitive.

Read about the different social programmes and initiatives in the CBI study on [buyer requirements for grains, pulses and oilseeds in Europe](#).

What are the requirements for niche markets?

A consumer label for fair trade practices, such as [Fairtrade International](#), is a niche requirement in the rice sector. However, it can help ensure price stability and be a way to set your product apart as a special rice product from the bulk rice supply. Fair trade is often managed by specialised buyers or brands of fair trade organisations such as [Fairtrade Original](#), [Oxfam Fair Trade](#) and [Claro](#).

Fair trade rice has entered large retail chains and is also available for specialty rice, organic rice, or mixed with other fair trade cereals such as quinoa. The sale of fair trade rice by regular supermarkets is a positive sign for further expansion of the fair trade niche.

One of the major players in fair trade rice is [Reis Mühle Brunnen \(RMB\)](#), a rice mill and packer that has become part of Coop, one of the biggest supermarkets in Switzerland. [Alter Eco](#) in France and [Davert](#) in Germany have also had success with fair trade rice.

Tips:

Check the [Fairtrade Minimum Price and Premium Table](#) to see fair trade pricing for different rice varieties and origins.

Find different national fair trade organisations on the [List of members of the European Fair Trade Association](#).

2. Through what channels can you get specialty rice on the European market?

The rice market in Europe is generally very concentrated, but specialty rice makes it more diverse with importing wholesalers that supply specific rice varieties and brands to gastronomic and ethnic clients. To find a parties to trade with in the specialty rice market, you must have a unique product and an excellent network.

How is the end market segmented?

Specialty rice is sold by different food outlets, but the gastronomic and ethnic segments are especially important for the more niche specialty rice varieties. Long grain rice, such as basmati, is most popular for imports.

Gastronomic and ethnic segments are relatively important for specialty rice

Supermarkets are the leading sales outlet in the general rice market, particularly in northern Europe where most of the non-European rice is consumed. There is no data on the size of each market segment, but for specialty rice you can expect food services (restaurants) and ethnic shops to have a relatively high market share compared to common rice. The more niche the variety, the more specific the outlet will be.

Specialist shops may also provide better opportunities for sales of rice that is pre-packaged in origin or foreign brands. For example, the online shop [Jamoona](#) of Global Foods Trading GmbH focuses on exotic food products from countries around the world, sourcing rice brands such as TRS, Annam, Aashirvaad, Akash, Daawat, Heer, Laila, Schani and Tilda directly from the manufacturer.

Most of these rice brands and packers are based in Europe, but a few strong foreign brands such as [Aashirvaad](#) and [Daawat](#) have also entered the market. The Pakistani company [Iqbal Rice Mills](#) produces private label brands for Germany, the UK, France and Spain.

Long grain rice dominates imports

In the rice supply from non-European sources, most of the imported rice consists of long grain rice (>3 length-width ratio) and non-parboiled rice. Long grain rice is particularly popular in non-rice-producing countries in Europe and countries with large Asian populations.

The import value of husked and milled rice is similar, although the volume of husked rice is greater due to the lower value per tonne. Husked rice is also preferred for the importation of basmati due to a zero import tariff. Because of this duty-free trade preference, basmati volumes are well registered. The bulk of the specialty rice in Europe is basmati, with sub-varieties such as Pusa basmati, Super basmati or Kernel basmati enjoying popularity. Pusa 1121 is also promoted as a superlong basmati variety.

The exact volumes of other specialty rice are not known. Jasmine rice (Thai Hom Mali) is assumed to have a large market share, similar to basmati. Rice intended for specific food preparations such as risotto, paella or sushi is also widely available – and some coloured rice varieties, as well.

The smallest segment includes typical ethnic rice varieties such as Sona Masuri (see [Asian Supermart](#)), Kalijeera rice (see [Tukwila](#)) or Mottakaruppan Rice (see [GroceryOnline.eu](#)). In this segment you will find varieties that are used for Asian/Indian dishes that are not as widely known in Europe, such as ‘Pulao’ ([pilaf](#)) or ‘[biryani](#)’.

Figure 1: European imports (EU-28 incl. UK) by rice type from non-EU sources in 2019, in millions of euros



Source: Eurostat *Note: Long grain has a length-width ratio of ≥ 3

Figure 2: European market segments of imported rice varieties



Source: Compiled by [ICI Business](#) from various sources

Tips:

Find Indian stores that sell specialty rice in different European countries through the [Indo European Portal](#), for example in the [United Kingdom](#), [the Netherlands](#), [Germany](#) or [France](#).

Check CBI's report on the [European market potential for specialty rice](#) to find more trade data on rice.

Through what channels does a product end up on the end market?

A relatively small number of rice millers, brands and their brokers are responsible for the majority of Europe's rice imports. Major names include [Ebro Foods](#), [Mars](#) and [Euricom](#). In the case of specialty rice, there may be additional channels such as importing wholesalers and more specialised importers such as specialised traders in organic food.

Figure 3: European market channels for specialty rice



Importers or traders

Importing companies play an important role in checking the quality and food safety specifications of rice, as well as in the distribution to smaller users and resellers. Most importers have good contacts in producing countries and may carry out milling and packing activities. Most of the rice market is supplied by a relatively small numbers of traders and importers, but the specialty rice market includes more players than the market for common rice traded in bulk.

The profiles of rice importers are diverse. Several rice millers and brands organise their own importation, sometimes through brokers (see below). But they also include trading companies such as [Ciacam](#) and long-time rice specialist [Van Sillevoldt Rijst](#) (VSR), which has become part of the [Euricom group](#), a leading European rice-growing, trading and processing group. Some trading companies specialise in trading organic food such as [Tradin Organic](#) (Acomo Group), [DO-IT](#), [Autour de Riz](#) and [Ziegler](#). All these companies import the main specialty rice such as aromatic rice (basmati, jasmine) and in some cases coloured rice as well.

Brokers

A large volume of rice is sold through brokers. Acting as intermediaries between exporters and importers, they play an important role in the trading of rice as a commodity.

Unlike importers, they do not become owners of the product; instead, they take a commission from their clients on the sale of rice to a customer. The advantage for European buyers is that they can purchase efficiently despite of the variations in production volumes and available qualities. It also helps to conceal their identity as rice buyers.

Brokers are often individuals or small companies, such as [Schepens & Co](#), [Jacksons Son & Company](#) or [HBI](#). They help sell surpluses on the market and facilitate the supply of trading companies, millers and food processors. Despite the small size of their companies, brokers can move significant volumes of rice. They focus mainly on bulk demand and specialty rice in high demand, but with an extensive enough network, they can trade more specific varieties or fair trade and organic rice, as well.

An alternative you can use now or in future to find markets and facilitate the rice trade are platforms such as [Rice Exchange](#), a global digital marketplace that concluded its first trades at the end of 2020. Rice Exchange aims to create an atmosphere of trust, reduce risk and lower costs for buyers and sellers through blockchain

technology.

Rice millers and brands

Rice millers are often also rice brand owners, and vice versa. In general, rice millers and brands need a reliable supply chain and stability, therefore they usually work with medium- or long-term contracts. The sourcing of rice is not the core-business for some of these companies so they use the services of importing companies or brokers.

The leading rice brand companies in Europe are [Mars](#) (with the [Ben's Original](#) brand) and [Ebro Foods](#). Ebro Foods is a global market leader in rice, with several rice mills throughout Europe and brands such as [Tilda](#), [Oryza](#), and [Lassie](#). It launched 384 new rice and pasta products between 2017 and 2019 through its subsidiaries and food brands, most of which in Europe. [Davert](#), a brand with focus on organic and fair trade rice, is an example of one of the more specialised brands you can find.

The rice milling industry in Europe has consolidated through several acquisitions and mergers, but it remains an important channel. The milling industry is protected by the higher import tariffs for milled and polished rice. When the foreign supply declines, tariffs may drop and make it more attractive for foreign rice producers to offer milling services.

Spain and Italy are important rice milling countries due to their local production, with market leaders such as the [Euricom group](#). But rice millers in northern Europe are known to process mostly indica and specialty rice imported from Asia. Companies such as [S&B Herba](#) (part of Ebro Foods), [Müller's Mühle](#), [Rickmers Reismühle](#), [Nouvelle Rizerie Du Nord S.A.](#) and [Reis Mühle Brunnen \(RMB\)](#) source and mill different rice varieties. Reis Mühle Brunnen specialises in fair trade rice.

Some of the companies have a stronger link with the ethnic food segment, focusing on more specific rice varieties trying to fill in a demand for traditional flavours. For example, S&B Herba has introduced specialty rice brands for the ethnic foodservice sector. [Surya Foods](#) is one of the largest suppliers of authentic world foods with three of the top ten rice brands in the UK ([Laila](#), [Salaam](#) and [Apna](#)), supplying major supermarkets such as Tesco, Asda, Aldi, Sainsbury's and Morrisons.

Wholesalers and rice brand importers

The food service channel and ethnic shops are strong segments for specialty rice and are often supplied by wholesale companies. Several wholesale companies import and resell different rice brands, which makes them a relevant channel for foreign suppliers of pre-packaged rice. One of the large foreign brands that is distributed by many of the oriental wholesalers, is [Daawat](#), introduced by the Indian company [LT Foods](#).

Wholesalers that sell several premium oriental rice brands (Asian, Indian or Afro-Caribbean), as well as their own rice brands, include [Haudecoeur](#) in France, [Global Foods Trading GmbH](#) and [Transfood Wholesale](#) in Germany, [Westmill Foods](#) and [JK Foods](#) in the United Kingdom, and [D.C. Van Geest B.V.](#) and [Unidex Holland](#) in the Netherlands.

Tips:

Invest sufficient time in your market entry. Check the profile of your potential buyers and compare their demand with your product and company's strength to see if there is a match.

Use a broker to facilitate your market entry if you have difficulty finding reliable clients. They can help you find and connect you with the most suitable buyers.

Make sure you have adequate quality control systems if you are able to supply directly to food processors in terms of volume and consistent quality.

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

What is the most interesting channel for you?

For suppliers of specialty rice, it is best to establish solid partnerships and avoid the bulk rice trade. Importers, rice millers and brokers may be helpful when it comes to larger volumes, but selling your specialty rice requires a good network.

In general, the market for specialty rice is small and introducing a new rice product takes time. To set your product apart from the competition or to achieve stability with a real niche product, you need to find the right partners to represent your product.

Consistent quality is key. If you produce rice with a specific grain size, aroma or other characteristic, you must have a reliable and well-managed production process to guarantee a consistent level of quality. If your rice variety and characteristics are not easily (re-)produced somewhere else due to specific soil and climate conditions, you can use your origin as a unique selling point when introducing your product.

Pre-packaged rice and foreign rice brands can be sold through wholesalers. However, to market your own brand, it is best to have a presence in the EU or the UK. Otherwise, it is a good idea to find someone who is willing to help promote your product.

Tips:

Visit international trade fairs to find potential buyers, for example one of the main food fairs in Europe such as [SIAL](#), [Anuga](#) or [Biofach](#). In addition to rice brands presenting themselves, importers and brokers also attend these fairs. You can also join the [European Rice Convention](#) to learn more about the European market.

Find rice millers through the [list of members of the North European Rice Millers Association](#) and [organic rice traders on Organic-bio.org](#)

Read our [tips for finding buyers on the European grain, pulses and oilseeds market](#) on the CBI market Information platform for more tips on how to find buyers.

3. What competition do you face on the European specialty rice market?

Specialty rice is a small market with strong competitors from India, Thailand and Pakistan. To compete in this market, you need to have a unique product and the financial resources to promote it.

Which countries are you competing with?

The main competitors in specialty rice are India, Pakistan and Thailand, due to their aromatic and other rice varieties. Countries such as Cambodia and Myanmar, as well as Bangladesh and Guyana benefit from favourable import tariffs.

India

India is one of the main suppliers of rice to Europe and has a particular interest in the specialty rice market. Husked basmati rice is exempt from import duties in Europe, but at the same time India struggles with the increasing requirements.

India remained competitive throughout 2020 despite logistical problems due to the COVID-19 pandemic. Europe imported 217,000 tonnes of husked rice from India, and 139,000 tonnes of milled rice. A significant portion consisted of basmati rice, mostly husked, which accounted for 121,000 tonnes in the period between September 2019 (September) and 2020 (June). India has notified [32 basmati varieties](#), and is the world's leading exporter of basmati rice according to the [Agricultural & Processed Food Products Export Development Authority \(ADEPA\)](#).

Nevertheless, a lot less Indian husked rice and basmati have been imported to Europe than before 2018. Indian producers were not able to adapt quickly to the new EU maximum residue limit (MRL) for Tricyclazole, which was introduced by the European Commission in 2017 for basmati rice. Because of this strict EU standard, the [basmati trade shifted from India to Pakistan](#). Thanks to the efforts of India's Ministry of Agriculture and improving agricultural practices, India is expected to regain its basmati market in Europe. India has also applied for a Protected Geographical Indication (PGI) for basmati in Europe, claiming the exclusivity of the basmati tag in Europe. The claim has been contested by Pakistan, the other large producer of basmati rice.

India's main strength in the rice market is its large production capacity and the [many varieties](#) it is able to produce. The long-term [cooperation between India and the International Rice Research Institute \(IRRI\)](#) has resulted in improved rice varieties and high-yielding rice production, ensuring India's food security as well as making it a competitive producer. But with the indigenous rice diversity currently at risk, organisations such as [Sahaja Samrudha](#), an organic farmers' association, have taken the initiative to preserve the traditional rice varieties. Their "[Save Our Rice](#)" campaign includes 2000 rice farmers and breeders, working to preserve over 400 varieties of aromatic, medicinal, flood tolerant, salt water and dryland rice.

Figure 6: Rice production in Palacode, Tamil Nadu, India



Photo by [Deepak kumar](#) on [Unsplash](#)

Pakistan

Pakistan has taken a big step forward in supplying the European market. Pakistan currently supplies approximately twice the volume of basmati to Europe compared to India. Just like India, Pakistan's basmati benefits from a zero duty import policy in Europe.

While India lost part of its market share in Europe, Pakistan's exports to Europe have nearly tripled since 2017. Husked rice reached 338,000 tonnes in 2020 (including more than 250,000 tonnes of basmati), and milled rice another 125,000 tonnes. Tricyclazole is not used on Pakistan's crop of 'Super basmati', which has given it an advantage over Indian basmati suppliers when it comes to exports to Europe.

Super basmati is an extra-long-grain aromatic rice evolved from a cross between basmati 370 and basmati 320, that has almost double the yield potential of basmati 370. The Rice Exporters Association of Pakistan (REAP) provides an overview of the [types of rice produced in Pakistan](#). According to the [World Trade Organization \(WTO\)](#) 'super basmati' remains Pakistan's key export commodity.

Table 6: European basmati imports (EU & UK), in tonnes

	PAKISTAN	INDIA
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2020/21*	232,575	105,286
2019/20	249,970	121,102
2018/19	212,711	112,791

Source: European Commission [Rice export and import licences](#)

*Note: Data for 2020/2021 is incomplete because the UK was not included in 2021

Thailand

Thailand is a major player in the quality rice trade, although in recent years it has lost a lot of competitiveness. But Thailand is also a key supplier of aromatic rice, especially jasmine rice (Thai Hom Mali). This specialty has kept exports of rice from Thailand strong in Europe.

The Thai rice industry is relatively well organised, enabling large-scale rice production. There are also different rice standards in place. Some of the bigger transnational companies such as [Olam](#) have become key traders in Thailand.

According to the [Thai Rice Exporters Association \(TREA\)](#) the aromatic [Hom Mali rice accounted for nearly 21% of Thailand's total rice exports in 2020](#), which totalled 5.7 million tonnes. In 2016 and 2017 Thai Hom Mali was awarded first place in the World's Best Rice contest during the [World Rice Conference](#). Milled rice and parboiled rice accounted for 39% and 25%, respectively, of the rice. Thailand exported nearly 200,000 tonnes of milled rice to Europe in 2020, but only 50,000 tonnes of husked rice. Milled and aromatic rice, whether or not parboiled, are the main export products to Europe.

Thai rice prices have been rising considerably over the past few years due to a tight supply and a highly valued currency. This has left Thailand in a less competitive position. [USDA reports](#) that between January and September 2020, the price of Thai rice was on average USD 40-50 per tonne higher than Vietnamese white rice and USD 135 per tonne higher than Indian parboiled rice.

However, exports of milled rice from Thailand to the European market are still going strong, likely thanks to exports of specialty rice. The country has maintained a better position in the speciality rice market than in the market for common rice, because buyers have limited options to source niche brands or similar aromatic rice varieties from other countries. Besides jasmine rice, Thailand is also supplier of red rice and Thai black rice. Some of the rice varieties are also sold in Europe as 'Thai rice'.

In addition to high quality and specialty rice segments, there are also several initiatives to produce fair trade and organic rice. This has given Thailand another way to differentiate rice crops.

Cambodia

Cambodia has a lot of potential when it comes to premium and aromatic rice. Cambodia can meet the demand for both specialties and premium graded rice.

In the last decade, [Cambodia has developed its rice industry](#) considerably, with everything from improved seed selection to highly automated mills. In 2020 82% of the exports consisted of jasmine or fragrant rice. Cambodia is known for its premium jasmine rice grown during the rainy season, such as "Phka Rumduol", but also for its competitive supply of common white rice. This has turned Cambodia into an attractive source for European buyers and in 2016 the imports to Europe from Cambodia hit a record of more than 300,000 tonnes.

What has hampered the growth in the last few years are the unpredictable weather conditions (drought), price competition with neighbouring countries and the limited storage capacity as well as the changing trade preference with Europe. When exporting to Europe, the country benefits from the [Everything But Arms \(EBA\)](#) trade scheme, which removes tariffs and quotas for all imported goods except arms and ammunition. But Cambodian rice producers also started to compete with European producers who then complained. As a result the EU imposed temporary [safeguard duties on selected classes of milled rice imported from Cambodia](#) and Myanmar: €175 per tonne in 2019, €150 per tonne in 2020 and €125 per tonne in 2021 for milled Indica rice falling within CN codes 1006 30 27, 1006 30 48, 1006 30 67 and 1006 30 98.

Myanmar

The European market has opened up for Burmese rice. Similar to Cambodia, Myanmar has started to grow as a supplier to Europe, but at a lower price level. There is potential to increase trade in specialty rice, although it is a segment that is still underdeveloped.

One of the highly prized specialty rice varieties in Myanmar is Paw San ('Paw hsan hmwe'), an aromatic rice variety that is offered by companies such as [Rice Myanmar Limited](#). Its fragrance has a similar intensity to Jasmine rice and it has a similar fluffiness and elongation after cooking to basmati rice. However, due to its low yield it has not had much success on the international market. Instead, Myanmar has focused on a price competitive rice supply, making it the second largest supplier of milled rice to Europe in 2020.

In the recent years (2018-2020) the supply to Europe stagnated, but also changed. After the safeguard measures were imposed by the EU on indica rice (See Cambodia), Myanmar started to drive exports of the Japonica rice variety to Europe, which is still duty free. The Japonica rice supply from Myanmar increased from 30,773 tonnes in 2018 to 110,783 tonnes in 2019. This led to [European parliamentary questions](#) in early 2020 but so far, no action has been taken.

In recent times, the main challenges for Myanmar have been the limitation in logistics due to the COVID-19 pandemic and the military coup in 2021. The political situation may also be a reason for buyers to avoid Myanmar. But if Myanmar continues to develop a quality supply with more specialty rice varieties, it can become a strong competitor for other producing countries in the region.

Vietnam

Vietnam is a much smaller supplier of rice to Europe than the previously mentioned countries. But it can compete with its surrounding countries in aromatic rice, and it is recognised more and more as a competitor to Thailand.

Vietnam still has to build its reputation in Europe. Vietnam benefits from lower import tariffs for a limited import volume and for rice at different stages of processing during specific periods of the year. European imports of milled rice from Vietnam increased from 14,000 tonnes in 2018 to 53,000 tonnes in 2020, but this volume is still low compared to the leading countries. Husked rice imports remained under 16,000 tonnes.

Besides its jasmine rice, the Vietnamese registered ST25 variety was named the World's Best Rice in 2019. In the Vietnam Investment Review, the breeder Mr Ho Quang Cua stated that [the success of the ST25 variety is down to the aroma of pandan leaves and the scent of early sticky rice](#). Commercially, the ST25 is not yet widely available, but its success shows that Vietnam has the capability to compete with Thailand and Cambodia in the aromatic premium rice segment.

Tips:

Check the European import tariff for your rice in the [Taric database](#) or via [My Trade Assistant on Access2Markets](#). You can also find specific trade agreements in the [EU Trade Policy per country or region](#).

Check if your location has particular advantages for producing aromatic or specialty rice, such as climate or soil. The local conditions may set your product apart as a specialty, such as basmati rice that is officially only sourced from the foothills of the Himalaya.

Browse [data and analyses of different rice producing countries](#) on the website of the USDA Foreign Agricultural Service (select commodities: rice).

Which companies are you competing with?

A specialty rice will set your company apart from the general rice trade. But it takes good organisation, an excellent product and production practices, and sufficient financial resources to promote and sell your product on the international markets.

Organic and sustainable production are additional ways to differentiate your product from those of your competitors. Examples of companies that have done this successfully are LT Foods in India and Urmatt in Thailand.

LT Foods (India)

[LT Foods](#) has successfully introduced the specialty rice brand [Daawat](#) in Europe, offering different pre-packaged basmati rice varieties. Worldwide LT Foods sells over 460,000 tonnes of packaged basmati rice per year.

This shows that there are opportunities for foreign rice companies to introduce specialty rice brands in Europe. However, there are only a few such examples as most brands are made in Europe and by multinational brand companies. You will need effective marketing and preferably an overseas office in Europe, similar to LT Foods.

Size and selling power, as well as differentiation, are important factors when introducing a specialty rice brand in Europe. Social responsibility and health are additional ways in which LT Foods seeks to set itself apart. LT Foods is a member of the Sustainable Rice Platform (SRP) and with their subsidiary [Nature Bio Foods](#) they combine healthy organic food with the socio-economic development of farmers. Through this subsidiary they supply organic basmati rice and other organic specialty rice such as organic black rice, red rice (Bao-Dhan variety), and Sona Masoori rice (an aromatic variety from southern India).

Urmatt (Thailand)

The company [Urmatt Ltd.](#) in Thailand prides itself on being the largest producer of organic jasmine rice. The company offers organic jasmine rice (husked or milled), as well as organic black rice, red rice, glutinous rice (white and black) and long grain rice. Most of the rice is sold to the USA, Denmark, and Germany. Besides selling these organic rice varieties, it also produces rice flour, and consumer products such as rice crackers and cakes.

With [trade finance from Triodos Sustainable Trade Fund](#), Urmatt is able to increase its organic rice activities and expand its product line while paying farmers a fair and immediate wage upon delivery. A loan from Hivos-Triodos Fund is being used to expand Urmatt's processing capacity.

The focus on organic specialty rice helps Urmatt differentiate itself from other rice exporters, as it works directly with a large group of farmers and has the financial assistance of social investors to help it to grow the business.

Tips:

Try to create a unique range of products, combining a unique rice variety with organic and sustainable

production methods and socio-economic impact. At the same time be aware that the market for such specialty rice is very niche and requires a lot of effort.

Find financial assistance to promote your product and expand into the European market, for example through NGOs that work with communities to produce a fair trade brand, or via social impact investors such as [Okio Credit](#), [Triodos](#) or [Truvalu](#).

Which products are you competing with?

In Europe rice has to compete with other popular foods such as potatoes and pasta. But the range of grains used in meals is also becoming more diverse and now includes bulgur, couscous and quinoa, to name a few, which compete with rice. Specialty rice that has a better flavour or results in a better consumer experience can make that particular option more appealing to consumers. Most importantly, you should be able to communicate the characteristics of a specialty rice.

In terms of production, rice varieties compete based on their production costs and yields. The marketing of specialty rice must strike a balance between highlighting superior characteristics (flavour, aroma, cooking quality) and acceptable pricing.

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) are playing an active role in this. They are looking into developing new hybrid rice varieties and techniques that result in better grain quality, higher yields, better resistance to adverse weather conditions and diseases, and fewer farm inputs. However, there is often little research done about minor speciality rice varieties, which means that the price competitiveness of common white rice hybrids could increase compared to the specialties.

Tips:

Make sure your product has differentiating characteristics such as a unique or superior aroma, taste or cooking quality, so that it can compete with other specialty rice. Do different field experiments and compare your rice varieties with rice that is already available on the European market.

Improve the competitiveness of your product by using your residual products efficiently, for example by [composting rice residue](#) as described in the Rice Knowledge Bank.

4. What are the prices for specialty rice?

Rice prices are less homogeneous than the prices for many other crops due to the wide range of rice varieties, qualities and finishes (husked, milled, parboiled, etc). In addition, rice prices, including for specialty rice, depend mainly on the global production outlook and availability, while trade policies influence the final price of rice at the destination.

The price of specialty rice is normally higher than that of common white rice. The market price for basmati rice can be two or three times higher than for a high yielding hybrid rice, and the price of a quality jasmine rice is often twice that of other varieties (see Figure 6). For example, a hybrid bulk rice is sold at around €350 per tonne while basmati is marketed at over €900 per tonne in the international market. That does not automatically mean the farmer will earn a higher profit, because the yield of basmati rice is lower and there is more manual labour involved. But a specialty rice helps you get into a premium or niche market in which

countries which produce less can compete.

The costs and margins in the rice trade differ by country, variety and quality. In the European retail market, a small package of specialty rice (up to 1 kg) can be sold at anywhere from €2/kg for private label basmati in a supermarket to €6/kg for a niche brand of aromatic rice in an ethnic store to €8 for organic black rice in a specialist organic food shop. Common long-grain white rice starts at around €1 per kilogram in supermarkets.

Beware of adulteration in the rice trade, as there have been accounts of normal rice being sold as basmati, which creates confusion about the actual prices for these varieties. Moreover, it is important to realise that trade prices and retail prices are not directly linked and behave in their own way.

Tips:

Compare insights and price information with your buyers or other exporters for additional insight.


Check the [FAO Rice Price Update](#) and [FAO Rice Market Monitor \(RMM\)](#) for international price development of indica, japonica, aromatic and glutinous rice.

Use the commercial rice index to stay up-to-date on rice prices on a daily basis, such as [Rice Online](#), [Live Rice Index](#) or [Oryza](#).


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