



Foreign Agricultural Service

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## Czech Republic

### Product Brief

### Rice

### 2002

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**Report Highlights: The Czech Republic does not produce any rice and the main supplying countries are Viet Nam, Italy and Thailand. Total annual rice consumption is between 50,000 and 60,000 metric tons (MT). According to official statistics, the U.S. share of rice imports last year was only 2.1 percent but unreported transshipments from European brokers likely means that the U.S. share is closer to 10 percent. Rice is a well established food in the Czech Republic and consumption is stable at about 4.5 kilograms per capita. The most popular variety is non parboiled long grain rice. U.S. export opportunities should for rice should grow after the Czech Republic joins the EU, perhaps as early as 2004.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Vienna [AU1], EZ

**MARKET OVERVIEW**

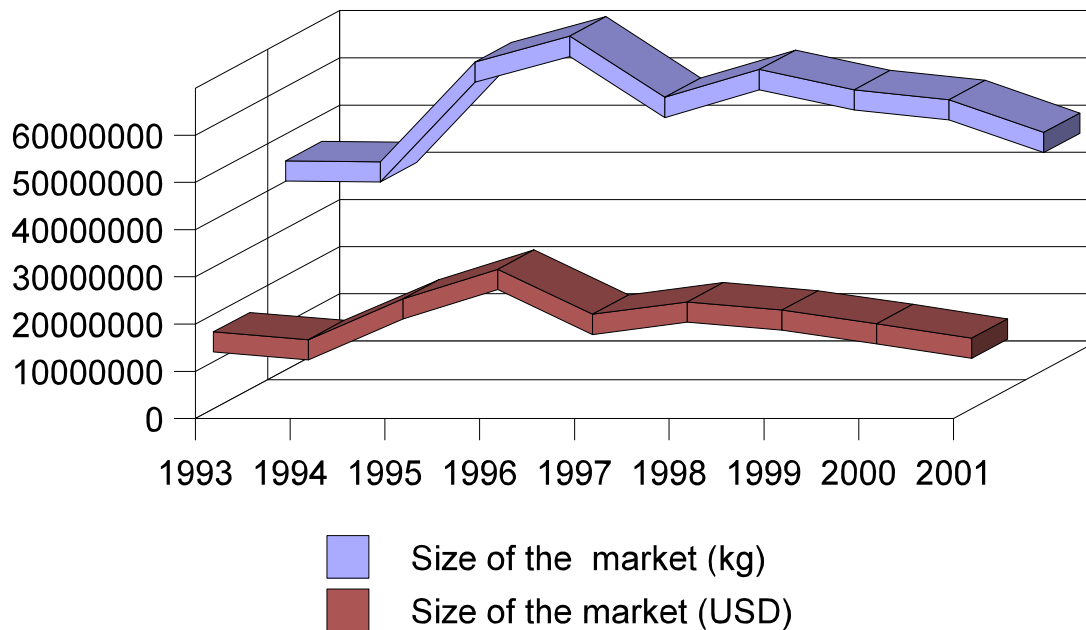
**Advantages and Challenges Facing U.S. Rice Exports**

Advantages	Challenges
Rice has a tradition in Czech cuisine as a side dish	Low priced imports from Asia
The rice from USA is a good quality rice	Subsidized rice from EU producers
There is still not so much dry or frozen ready-to-eat rice meals on the market	Dry ready-to-eat rice meals are not very popular here because they are considered expensive in relation to the perceived value

**MARKET SECTOR**

The size of the Czech rice market has not dramatically changed in last ten years but U.S. exports have been replaced by shipments from Viet Nam and Italy.

**Size of the Rice Market in the Czech Republic**



Sou

rice: Import Statistics, Foreign Trade Overview, Customs Authority

**Structure of Rice Consumption in the Czech Republic in 2000 (by type)**

Volume	Normal	Parboiled	5 Minute	Spiced	N/A
MT	91.5%	5.5%	2.9%	0%	0.4%
USD	88.8%	7.2%	3.9%	0%	0.6%
Volume	Long	Medium	Round	Natural	N/A
MT	97.8%	0.3%	0.4%	0.6%	1%
USD	97.4%	0.4%	0.4%	0.8%	1%

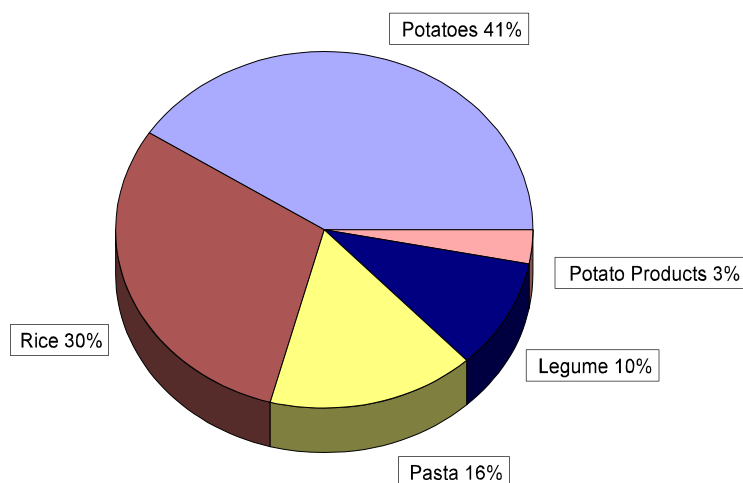
Source: Vitana

**Trends**

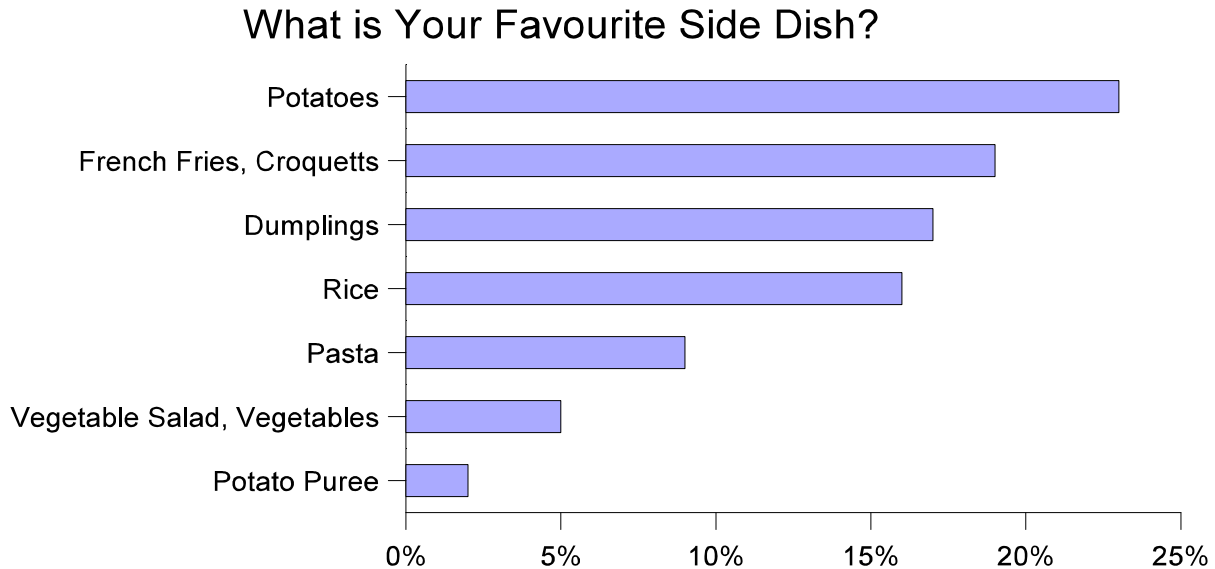
There are about ten large firms that distribute rice in the Czech Republic - three of these are also importers. All of the companies offer very similar varieties.

These companies have in the past tried producing or importing dry ready-to-eat rice meals but have so far been unsuccessful. For example an imported rice pilaf mix by Uncle Ben's sold in Tesco stores and cost about \$2 per package. The general view is that this product was overpriced for the market. Several Czech companies also tried producing dried rice meals with imported bulk rice. Even though the prices of these products were lower they were not as successful as ready to eat pasta and other similar products in the 'ready to eat' category.

Rice in the Czech Republic is not usually eaten as a main dish but it is a popular side dish.

**Side Dish Market**

The 'side dish' market is as follows:



Source: IBRS and Lagris

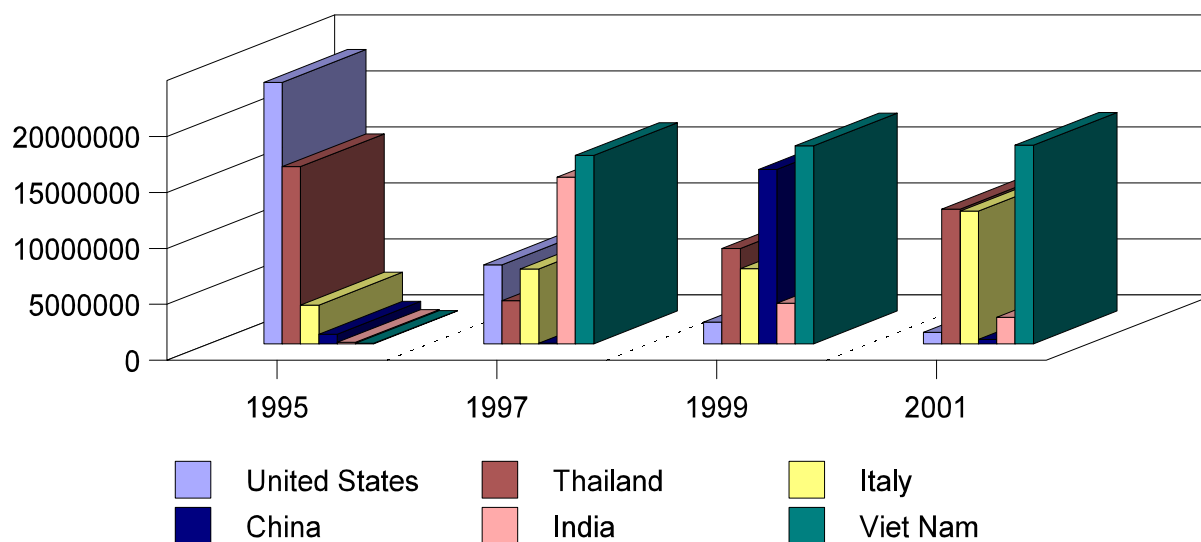
### Import Statistics

The United States has lost market share since 1995. This is due to low priced competition from south east Asian suppliers (Viet Nam) and from subsidized EU exports (mostly Italy). In the future, when the Czech Republic is an EU member, there may be more opportunities for U.S. suppliers. The current EU tariff system favors higher priced rice imports and EU export subsidies will no longer be an issue.

Due to difference in the U.S. and Czech HTS categories, trade statistics for basmati and long/medium/short grain rice is not available.

## 1006 Rice, total

## Imports of Rice (kg)



## Total Rice Imports by Country

Year	Country	1,000 MT	mil. USD
1998	Vietnam	21	6
	Thailand	13	5
	India	7	2
	China	5	1.5
	Italy	4	1.6
	U.S.	3	1
	<b>Total</b>	<b>62</b>	<b>21</b>
1999	Vietnam	18	5
	China	16	5
	Thailand	9	3
	Italy	7	2
	India	4	1
	U.S.	2	1
	<b>Total</b>	<b>57</b>	<b>19</b>

<b>2000</b>	Vietnam	35	9
	Italy	10	3
	Thailand	6	3
	China	2	0.5
	U.S.	0.5	0.1
	<b>Total</b>	<b>55</b>	<b>16</b>

**Rice Imports by Type****1006 10 Rice in the husk (paddy or rough)**

<b>Year</b>	<b>Country</b>	<b>MT</b>	<b>1,000 USD</b>
<b>1998</b>	Vietnam	122	43
	Thailand	13	5
	India	7	2
	China	5	1.5
	Italy	4	1.6
	U.S.	3	1
	<b>Total</b>	<b>62</b>	<b>21</b>
<b>1999</b>	Vietnam	18	5
	China	16	5
	Thailand	9	3
	Italy	7	2
	India	4	1
	U.S.	2	1
	<b>Total</b>	<b>57</b>	<b>19</b>
<b>2000</b>	Vietnam	35	9
	Italy	10	3
	Thailand	6	3
	China	2	0.5

	U.S.	0.5	0.1
	<b>Total</b>	<b>55</b>	<b>16</b>

**1006 20 Husked (brown) rice**

Year	Country	1,000 MT	mil. USD
<b>1998</b>	Vietnam	21	6
	Thailand	13	5
	India	7	2
	China	5	1.5
	Italy	4	1.6
	U.S.	3	1
	<b>Total</b>	<b>62</b>	<b>21</b>
<b>1999</b>	Vietnam	18	5
	China	16	5
	Thailand	9	3
	Italy	7	2
	India	4	1
	U.S.	2	1
	<b>Total</b>	<b>57</b>	<b>19</b>
<b>2000</b>	Vietnam	35	9
	Italy	10	3
	Thailand	6	3
	China	2	0.5
	U.S.	0.5	0.1
	<b>Total</b>	<b>55</b>	<b>16</b>

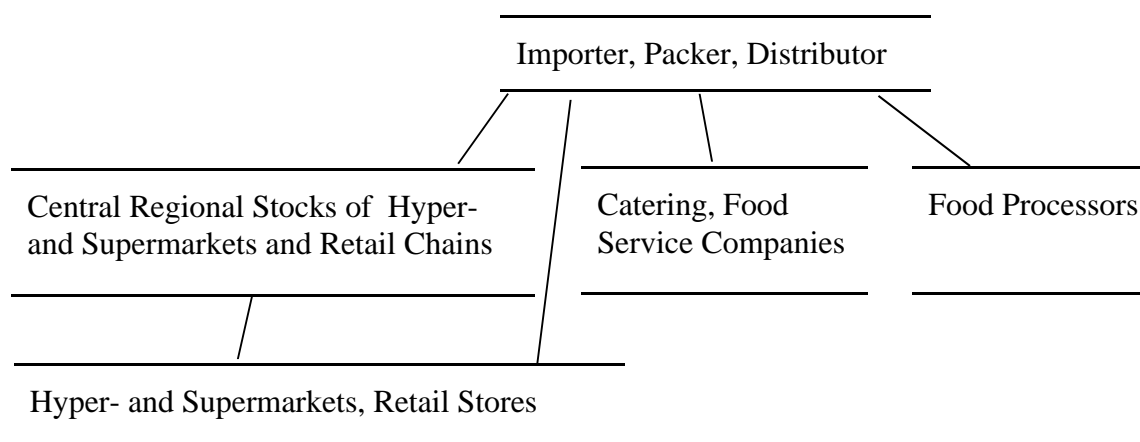
**1006 30 Se-milled or wholly milled rice, whether or not polished or glazed**

<b>Year</b>	<b>Country</b>	<b>1,000 MT</b>	<b>mil. USD</b>
<b>1998</b>	Vietnam	21	6
	Thailand	13	5
	India	7	2
	China	5	1.5
	Italy	4	1.6
	U.S.	3	1
	<b>Total</b>	<b>62</b>	<b>21</b>
<b>1999</b>	Vietnam	18	5
	China	16	5
	Thailand	9	3
	Italy	7	2
	India	4	1
	U.S.	2	1
	<b>Total</b>	<b>57</b>	<b>19</b>
<b>2000</b>	Vietnam	35	9
	Italy	10	3
	Thailand	6	3
	China	2	0.5
	U.S.	0.5	0.1
	<b>Total</b>	<b>55</b>	<b>16</b>



## Entry Strategy

Most of imported rice is packaged within the country and is usually done by the importer. From the importer the rice goes directly for sale in hypermarkets or to regional central distribution hubs for food retail chains. The whole structure of distribution channel may be drawn as follows:



## Pricing

The wholesale prices of rice are approximately following (VAT 5 percent not included):

Long grain rice	1 kg	0.5 USD
Long grain rice - boiling bags	1 kg	0.6 USD
Long grain rice - parboiled	1 kg	0.65 USD
Round grain rice	1 kg	0.68 USD
Long grain brown rice	0.5 kg	0.4 USD
Long grain instant rice (5 min.)	0.25 kg	0.82 USD
Long grain mixed rice	0.5 kg	0.93 USD
Wild rice	0.1 kg	1.2 USD
Basmati rice	0.5 kg	1.35 USD
Fragrant rice	0.5 kg	0.7 USD

Retailers usually add a 20 to 25 percent margin to the wholesale price.

1 USD = 31.8 CZK

## MARKET ACCESS

### Import barriers, Taxes, Duties

There are no duties or quotas on rice imported to the Czech Republic and there are no known non tariff barriers. There is 5 percent VAT on rice. U.S. suppliers do face price competition from subsidized EU suppliers of rice.

**Labeling, Packaging, Certification**

- no special import certificates are needed
- there are no special packaging requirements
- labeling should provide following information according to the § 6 Food law no. 110 (1997) regulation no. 333:
  - T name of producer/processor/importer/distributor
  - T name of product, kind, grade
  - T quantity or net weight
  - T expiration date
  - T nutrition facts
  - T cooking instructions/instructions of use
  - T storage conditions

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