

RICE MARKET IN THE CZECH REPUBLIC – CHANNELS OF DISTRIBUTION, KEY PLAYERS AND PRICING

CHANNELS OF DISTRIBUTION

Rice is **imported by sea**, mostly to port of HAMBURG (in some cases also ROTTERDAM is used) and then by road to the Czech Republic.

Czech importers mainly **import rice in 50 kgs PP bags**, arrange packaging in consumer packing by themselves and either have their own distribution network or deliver the product to the wholesalers who arrange distribution to the final customer. The final consumers are households (through chains of supermarkets and hypermarkets) and food service (hotels, restaurants, catering companies, canteens etc.). According to estimate of biggest importers, **60 % of total quantity of imported rice goes to retail, remaining 40 % to food service.**

Concerning the consumer packaging, big importers arrange packaging by themselves and are selling the rice under their own brandname. Some of importers pack the rice under private labels of retailers – for example PODRAVKA - LAGRIS supplies rice to TESCO under “TESCO” label. Otherwise, PODRAVKA - LAGRIS Co. sells rice under unified “LAGRIS” label, VITANA uses either “BASK” brand name or “VITANA” label. The usage of importers own labels helps to build their brand image.

For consumer packaging, either paper boxes, plastic bags or paper bags are used. Most popular among final consumers are packaging of 0,5 kg or 1 kg. On the packaging, suppliers declare the rice as one of the following options: *parboiled rice, long grain rice, jasmine rice, Basmati rice, sticky rice* or *rice* only.

Among the households popular is the parboiled rice packed in small plastic bags (each containing one or two portions) which is only put for 10 - 25 minutes to boiling water. The lower time for cooking is required, the higher usually the price is. Such plastic bags are packed in paper box (usually 4 small sachets in 1 box). Also the Thai Jasmine Rice imported by PODRAVKA – LAGRIS or VITANA is sold in plastic sachets.

As for the method of cooking, rice is mostly cooked in hot water in the Czech Republic, rice – cookers are not commonly used. However, a local producer of home electrical appliances ETA Co. introduced steam/rice cooker (produced in CZ) in the year 2006 as new item. As not many people know the advantages, no promotion was made by the company, consequently the sales were not good, it is no more in the offer

in ETA since the year 2007. Currently, rice cookers are available in specialized home appliances stores (e.g. brands SOLAC, MORPHY RICHARDS, KENWOOD, OBH NORDICA, TEFAL).

The Czech Government does not keep any **strategic stocks/reserves** of rice for security reasons, the stocks of wheat, rye, corn and barley are kept.

LOCAL MARKET – KEY PLAYERS AND PRICES

MARKET SNAPSHOTS AND MAJOR IMPORTERS

JASMINE RICE from LAGRIS
(packed in paper box – 0,4 kg)



PARBOILED RICE from LAGRIS
(packed in paper box, containing 4 plastic sachets – 0,480 kg)



LONG GRAIN RICE from VITANA
(packed in paper box, containing 8 plastic sachets – 0,960 kg)



THAI JASMINE RICE VITANA
(packed in paper box, containing 4 plastic sachets – 0,480 kg)



RETAIL PRICES

Description of item	Czech supplier	Brand name/ Private Label	Country of origin (if stated on the packaging)	Packaging	Price in Czech Crowns (CZK)
					in Dec, 2014
LONG GRAIN RICE (in paper box, containing 4 plastic bags)	PODRAVKA - LAGRIS	LAGRIS	Italy	0,480 KG	21,90
LONG GRAIN RICE (in plastic bag)	MEDIST CZECH	S.O.S.	Spain	1,0 KG	54,90
LONG GRAIN RICE (in paper box, containing 8 plastic bags)	VITANA	VITANA	-	0,960 KG	38,90
PARBOILED RICE (in paper box, containing 4 plastic bags)	PODRAVKA - LAGRIS	LAGRIS	Italy	0,480 KG	27,90
PARBOILED RICE (in paper box, containing 4 plastic bags)	VITANA	VITANA	Italy	0,480 KG	28,90
LONG GRAIN RICE -ready to eat in 10 min	MARS CZECH	UNCLE BEN'S	Belgium	0,5 KG	43,90
JASMINE RICE (in paper box, containing 4 plastic bags)	VITANA	VITANA	Thailand	0,480 KG	52,90
JASMINE RICE (in paper box, containing 4 plastic bags)	PODRAVKA - LAGRIS	LAGRIS	Thailand	0,400 KG	41,90
JASMINE RICE (in paper box, containing 4 plastic bag)	TESCO STORES	TESCO	Thailand, packed in Poland	0,5 KG	29,90
JASMINE	F.W.	SULTAN	Thailand	1 KG	72,90

RICE (in reclosable plastic bag)	TANDOORI				
Description of item	Czech supplier	Brand name/ Private Label	Country of origin (if stated on the packaging)	Packaging	Price in Czech Crowns (CZK)
JASMINE RICE (in plastic bag)	MEDIST CZECH	S.O.S.	Thailand	0,5 KG	49,90
JASMINE RICE (in plastic bag)	MILKPOL	TONG HUA RICE	Thailand	1 KG	94,90
JASMINE RICE (in plastic bag)	A.T. INTERNATIONAL	A.T. INTERNATIONAL	Thailand	1 KG	99,90
BASMATI RICE (in paper box)	PODRAVKA - LAGRIS	LAGRIS	Pakistan	0,5 KG	42,90
LONG GRAIN RICE (in plastic bag)	TESCO STORES	TESCO	Poland	1 KG	19,90
LONG GRAIN RICE (in plastic sack)	TESCO STORES	THE CURRY LEAF	Poland	1 KG	27,90
LONG GRAIN RICE (in plastic sack)	GASTON	GIANA	Romania	1 KG	29,90
LONG GRAIN RICE (in paper sack)	VITANA	BASK	-	1 KG	38,90
LONG GRAIN RICE (in paper box, containing 8 plastic bags)	PODRAVKA - LAGRIS	LAGRIS	Cambodia	0,96	38,90

Source: Own market research in TESCO Hypermarket, 2014

Note: exchange rate in exchange rate in Nov 2014: 1 USD = 22,1 CZK (Czech Crowns), 1 EUR = 27,6 CZK

VIETNAMESE MARKET

100 % Thai Jasmine Rice

Price in 2014

- 10 kgs - CZK 400,-
- 20 kgs - CZK 700,-
- 5 kgs - CZK 220,-

(Country of origin: Thailand)

PRICES OF F.W.TANDOORI (importer of Asia foodstuffs)

		2014 (Dec)
Jasmine Rice 1 kg	SULTAN brand from Thailand	74,00 CZK
Jasmine Rice 5 kg	SULTAN brand from Thailand	341,00 CZK

SULTAN



SULTAN brand

Major importers of rice to the Czech Republic are the joint stock companies LAGRIS Co. and VITANA Co.

LAGRIS Co. (www.podravka.cz) imports rice mainly from Europe. Main item is the long grain rice. Lagris Co. arranges the packaging and distribution of rice not only in the territory of the Czech Republic, but also exports rice to Slovakia, Poland, Russia. In the year 2002, LAGRIS became part of PODRAVKA GROUP and it even widens the export potential. PODRAVKA is an international food group based in Croatia. Rice is sold under LAGRIS brand name. LAGRIS - PODRAVKA Czech Republic has 145 employees and turnover of 45 mil. USD in 2013.

VITANA Co. (www.vitana.cz) belongs also under international group, RIEBER AND SON, based in Norway. RIEBER AND SON owns 100 % shares of VITANA. According to information of VITANA Co., it imports rice mainly from Italy and Spain, partly from India and Thailand. The long grain and parboiled rice are the main items. The total quantity is estimated as slightly higher than that of LAGRIS Co. Vitana also

covers the territory of neighbouring countries. Jasmine rice from Thailand is sold under Vitana premium brand.

VITANA Co. is one of the biggest food companies in the Czech Republic, number of employees is 677, turnover in the year 2013 reached 100 mil. USD.

Among companies, that import rice from Europe, are:

MEDISTCZECH Co, Ltd. (www.medistczech.cz) - imports rice from Spain, under “SOS” brand for distribution in retail. Importer of other foodstuffs of Southern Europe, such as olive oil, olives, canned tuna, pulses, orange juice etc.

CANO Co. (www.cano.cz) – importer and distributor of durable food from Spain, Italy and Poland including pasta, rice, oils, olives, canned and dried tomatoes, tomato sauces, preserved vegetables and mushrooms. Importing rice from Spain, under “ARROZ” and LA PERDIZ brand names and from Italy under CURTITISO brandname. Newly in their offer is also Thai Jasmine Rice – imported under La Perdiz brand name through the Spanish supplier.

ESSA Co. (www.essa.eu) – trading company, importer of foodstuffs from 17 countries of the world. Main items: canned food, canned fruits, dried fruits and nuts, pulses, rice, pasta, olive oil, olives, spices and their mixtures. As for rice ESSA Co. imports rice mainly from Italy, partly also from India, Pakistan, Thailand and Vietnam.

Several of the Vietnamese-owned companies (such as **TIHA** – www.tiha.cz , **DALAT** www.dalat.cz etc.), **A.T. INTERNATIONAL** – www.at-interco.com, that operate on the Czech market, also import rice from Thailand (mainly good quality rice meant for Vietnamese community in CZ). Such rice is offered in wholesale or in Vietnamese market and is packed in 5, 10 or 20 kgs bags. To obtain detailed information from Vietnamese companies is difficult, as they consider all such data confidential. For example, A.T. INTERNATIONAL is importer of Thai jasmine rice under the ASANEE brand name.

Czech importers of Asia foods (such as F.W.Tandoori, www.fwtandoori.cz) also have the Thai jasmine rice in their offer – for retail and also for hotels and restaurants. They offer packaging of 1 kg and 5 kg. Small packaging is meant for supermarkets, large for hotels, restaurants and catering. Thai jasmine rice is imported through German supplier under SULTAN brand name.

FOODISH - INTER AREAL Co. (www.foodish.eu) is an importer with potential of 1 thous.tons of rice per year (from Thailand). The company owns also packaging factory and uses private label ARAX. The company imported rice mainly from Italy in the past, but due to unreliability of Italian suppliers, started to look for Thai suppliers in the

year 2008. Since visit of ARAX representative to THAIFEX, the company started to import rice from Thailand.

In the year 2012-13 new importer of premium quality jasmine rice from Thailand appeared - **MILKPOL Co., Ltd.** (www.milkpol.cz). MILKPOL Co. was established in 1995 and belongs to leading exporters and importers of dairy products. For many years, MILKPOL has been exporting dried milk to Thailand. In 2012, MILKPOL Co. started new activity – imports of premium quality jasmine rice from Thailand, with estimated quantity of 4 000 tons per year.

Biggest importer of food from Thailand (canned fish and canned fruits) GASTON Co., www.gaston.cz started to import rice from Thailand 2 years ago. Currently, GASTON focuses on cheaper rice from Thailand and Cambodia.

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