

The Swiss rice market (EU)

Market overview and access information

for international trading companies



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sippo 
— swiss import —
promotion programme

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Switzerland

Switzerland is a neutral and independent country in the heart of Europe. Although it is not a member of the European Union, the latter is its largest trading partner by far.



Surface area	41,428 km ²
Distances	North-South 220 km
	East-West 348 km
Capital	Berne
Population	7.259 m (2001)
Languages	German 63.9%
	French 19.5%
	Italian 6.6%
	Rhaetian 0.5%
	Other 9.5%
Religion	Rom. Catholic 44.1%
	Protestant 36.6%
	Other 19.3%

Economic aspects:

Gross domestic product

Growth rate

Rate of inflation

Unemployment

CHF 447.8 bn (2001 estimate)

1.3% (2001 estimate)

1.0% (2001 estimate)

2.0% (2000)

Currency:

1 Swiss Franc = 100 centimes

Exchange rate:

(2001, average, figures rounded)

USD	=	1.675 CHF
EUR	=	1.493 CHF
JPY	=	1.372 CHF
GBP	=	2.400 CHF

Switzerland



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1. Overview/Summary

This report was produced within the framework of Sipppo's import promotion programme which consists of marketing and product consulting, import-export promotion based on sourcing and identifying partners, participation in trade fairs, export-marketing training with information events and trade information. Where rice is concerned, the aim of this report is to provide a general introduction and an initial assessment of the situation for foreign suppliers.

In Switzerland, rice is not grown to any significant degree. After corrections for changes in stocks, imports therefore roughly correspond to consumption levels. On an international basis, Switzerland is a small market for rice with a 0.3% share of global trade.

Where rice for human consumption is concerned, consumption is increasing slightly in line with the development of the residential population and amounts to roughly 5½ kilograms per person. More than three quarters of the rice for human consumption is imported by the two major retailers Migros and Coop, who prepare and package it in their own rice mills for sale through their own sales channels. Due to this structure, *cargo rice* is imported for preference. In recent years, it has been noted, however, that export countries are paying export subsidies for *white rice*, with the result that *white rice* is increasingly being imported.

In the retail trade, about 10 rice sorts account for the majority of turnover. Rice qualities with *organic* as well as *fair-trade* quality endorsements are gaining an increasing share of the market. In addition, a wide range of special sorts of rice is available in delicatessens.

Rice for use as animal feed is imported in competition with other types of feed, which are easily interchangeable. In consequence, there are major fluctuations dependent on price parity. Since the year 2000, there has been a sharp increase in rice imports for use as animal feed.

There is a surplus on the global market. In a predatory market of this type, only one supplier has a chance of standing out from previous suppliers on the basis of special services. Where new suppliers are concerned, their best option for success with rice for human consumption probably lies with *parboiled long-grain rice*, possibly from *organic* and/or *fair-trade rice*. Success with the products currently being marketed largely depends on their quality. This refers not only to the product but also to the packaging, to an adherence to deadline and volume agreements as well as to the ability to supply on a continuous basis, etc.

Swiss importers usually attempt to establish long-term relations with their suppliers. New partners are tested cautiously and consistently. It can take a certain amount of time until major orders are placed with a supplier.

In a specific case, however, details must be verified as import conditions can change at any time. We should like to point out that the information in this report has been given to the best of our knowledge. Since it may, however, prove erroneous or incomplete, we cannot be held responsible for any consequences arising from the use of the information provided here or from publication. The author cannot guarantee or accept any responsibility for the content and layout of this report.

2. The rice market

2.1 General aspects

The rice plant is an annual form of grass. Rice provides half the daily energy requirements of at least half the global population. According to FAO estimates, the global production figure of 599 million tons (based on paddy rice) of rice in the year 2000 was a little higher than that of wheat (576 million tons).

As only an insignificant amount of rice is grown in Switzerland, it is necessary to import the volume of rice required by the estimated population of 7.3 million people living in Switzerland. The country is located in the heart of Europe, where it is embedded in a culinary border region between the cuisines of France, Italy, Austria and Germany. Rice is mainly consumed as an accompaniment to meat or vegetarian meals. Per capita consumption is around 5½ kilograms. The country's above-average living standard permits the purchase of top-quality sorts of rice.

With its population of 375 million inhabitants, the European Union (EU) is an incomparably larger market. While no rice or merely an insignificant amount of rice is grown in Northern EU countries, only Italy, where rice has been grown for more than 1'000 years and Spain for cargo rice, too, have a market presence as quantity exporters of rice.

2.2 Rice qualities by processing level

In trade statistics, a difference is usually made on the basis of processing level:

2.2.1 Paddy rice

Rice in a straw husk (*paddy rice* or *raw rice*, product number 100610)

This rice is also called *raw rice* since the grains are threshed and dried after harvesting. The hard spelt is still around the grain. This quality can also be used as seed rice as the grains are still able to germinate.

2.2.2 Cargo rice

Dehusked rice (*Cargo rice* or *brown rice*, product number 100620)

The removal of the spelt from *paddy rice* in the rice mill results in *cargo rice*, which is also called *brown rice* due to its dark colour. This semi-raw rice, which consists of rice starch and germ and is enclosed in a valuable membrane, is mainly known to consumers as *whole rice*.

2.2.3 White rice

Rice, polished or semi-polished, also polished or glazed (product number 100630)

White rice is created when *cargo rice* is cleaned, sorted and polished so that the membrane, the germ and the aleuron layer are removed. If the rice is cleaned, the result is rice that - when treated with the corresponding solutions - produces polished rice.

2.2.4 Broken rice

Broken rice (product number 100640)

As the name says, these are grains of rice that have been broken during processing and transport. In the Western world, this quality is used as animal feed.

2.2.5 Parboiled rice

The parboiling process has a special position. About 25% of the global crop is subsequently parboiled. In this process, *cargo rice* is first soaked in hot water and then pressure-steamed in autoclaves. As a result, the nutrients contained in the husk and in the germ partially move into the endosperm. The rice is cooled again and dried.

If the rice is left at this processing level, it is called *brown parboiled rice*, which is included with *cargo rice* in the import statistics. With this sort, the bran and germ are not removed. It is therefore very nourishing. As a side-effect, the process increases the shelf life of brown rice as it neutralizes certain substances that otherwise make the oil in the germ rancid.

If this *brown parboiled rice* is milled or polished and then imported, these quantities appear in the statistics under *white rice*. Here, too, some of the nutrients stay in the grain with the removal of the aleuron husk. The process also has the effect that the starch already forms a paste and cannot be lost during cooking. As a result, cooking times are reduced during preparation and the rice also appears to be less sticky. *Parboiled rice* is slightly transparent and has a yellowish colour. However, it goes white again during cooking.

2.3 Rice by usage

As well as rice qualities based on processing level, the Swiss customs statistics also differentiate between the following three types of use:

- For the production of brewer's malt or beer (only 4 kilograms were imported into Switzerland between 1997 and 2001; no further mention is therefore made of these in this work)
- For use as animal feed
- Other (mainly rice for human consumption)

2.4 Sorts

Over 10'000 varieties are known today and most of them are registered in the International Rice Research Institute (IRRI) in the Philippines. They can be simply subdivided into the Indica group and the Japonica group.

2.4.1 Indica sorts

These thrive largely in tropical zones (South and South-East Asia, the Southern States of the USA, Madagascar, the Caribbean). Their grains are long and slim and are therefore also known under the designation *long-grain rice*. They are well suited to being used as *dry rice*, for example, for rice salads, fillings, Far Eastern rice dishes, etc.

2.4.2 Japonica sorts

They are native to East Asia as well as to Arab countries, the Mediterranean, South America, California and Australia. The Japonica group has short, oval to round grains. It is particularly suited to rice dishes such as soups, soufflés, rice pudding, risotto, desserts, etc. Thanks to their stickiness, they are easier to eat with chopsticks.

2.4.3 Sorts in the Swiss market (including mixtures)

Of the global total of more than 10'000 sorts of rice, very few are traded at international level. In Switzerland, only around 10 sorts currently have any economic significance.

2.4.3.1 Parboiled long-grain rice (long grain)

Refined, from the USA, this has - like all sorts of rice given the parboiling treatment - almost the same nutritional value as *full grain rice*. When cooked, it turns snow-white and stays grainy.

2.4.3.2 Vialone rice (medium to long grain)

Vialone is the most widely used *risotto rice*.

2.4.3.3 Arborio rice (medium grain)

Arborio is suitable for all Italian rice dishes and is considered the classic risotto rice. Its grain becomes soft and slightly sticky when cooked.

2.4.3.4 Jasmine rice (long grain)

This has nothing to do with jasmine. Its spicy aroma is due to the high mineral content of the soils in Thailand. Suitable as a dry rice for Far Eastern dishes.

2.4.3.5 Camolino/Originario (rice pudding, round grain)

This rice is ideal for soups, soufflés, *rice pudding* and desserts. During cooking, it absorbs a lot of liquid and becomes slightly sticky.

2.4.3.6 Whole rice (medium or long-grain sorts)

This is only dehusked and not yet refined. It contains practically all the valuable nutrients.

2.4.3.7 Basmati rice (long grain)

"The King of Fragrances" is cultivated in the North of India. Fertile soils and water from mineral-rich mountain streams give this rice its regal fragrance. It is not sticky, stays grainy and is ideal for Far Eastern dishes.

2.4.3.8 Parboiled risotto (medium grain)

With its grain, which becomes less sticky thanks to the parboiling process, this is a new alternative to the traditional risotto types.

2.4.3.9 Mixtures

In order to achieve more variety both in terms of flavour and appearance, mixtures such as, for example, *wild rice mix* or *three-colour rice* are available as specialities.

3. Rice trade and consumption

3.1 Global rice production

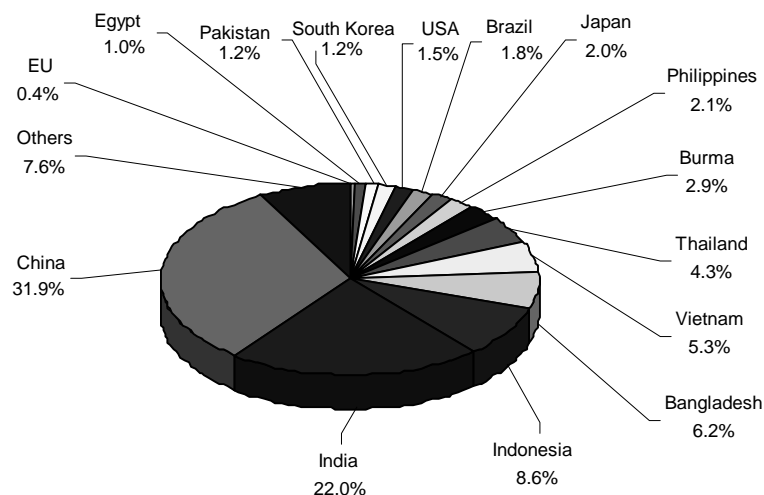
Global rice production (in the local trade year, in 1'000s of tons)

Source: Market News Service ITC

Production	1997/98	1998/99	1999/00	2000/01
EU	2'701	2'694	2'696	2'455
Egypt	5'400	4'198	5'826	6'000
Pakistan	6'500	7'012	7'735	7'051
South Korea	7'365	6'800	7'066	7'197
USA	8'301	8'367	9'345	8'658
Brazil	8'551	11'582	11'424	10'385
Japan	12'532	11'201	11'470	11'863
Philippines	9'982	10'268	11'957	12'515
Myanmar (Burma)	15'345	16'000	17'000	17'000

Thailand	23'500	23'620	25'000	25'500
Vietnam	28'930	30'467	31'706	31'020
Bangladesh	28'296	29'784	34'602	36'547
Indonesia	49'237	50'400	52'919	50'633
India	123'822	129'013	134'233	129'463
China	200'700	198'714	198'480	187'909
Others	43'074	45'520	45'880	45'011
Total	574'236	585'640	607'339	589'207

Global rice production in 2000/01 in percentage



Of the entire global production of rice, only about 3.9% or 22 million tons go for export as most of it is used for local requirements - particularly in Asia.

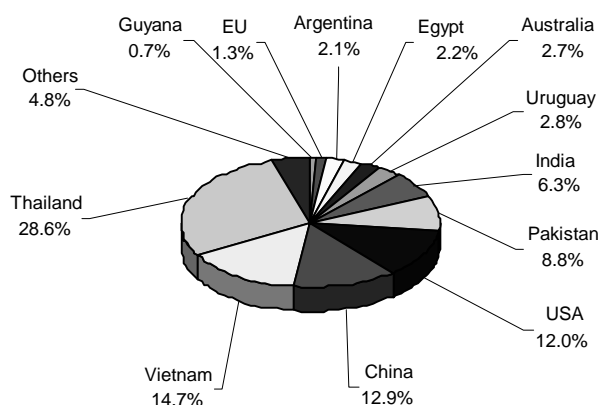
3.2 Global rice exports

Global rice exports (per calendar year, in 1'000s of tons)

Source: Market News Service ITC

Exports	1998	1999	2000
Guyana	249	252	167
EU	346	348	308
Argentina	599	654	473
Egypt	426	320	500
Australia	547	667	617
Uruguay	628	681	642
India	4'666	2'752	1'449
Pakistan	1'994	1'838	2'026
USA	3'156	2'648	2'756
China	3'734	2'708	2'951
Vietnam	3'776	4'555	3'370
Thailand	6'367	6'679	6'549
Others	1'182	823	1'088
Total	27'670	24'925	22'896

Global rice exports in 2000 in percentage



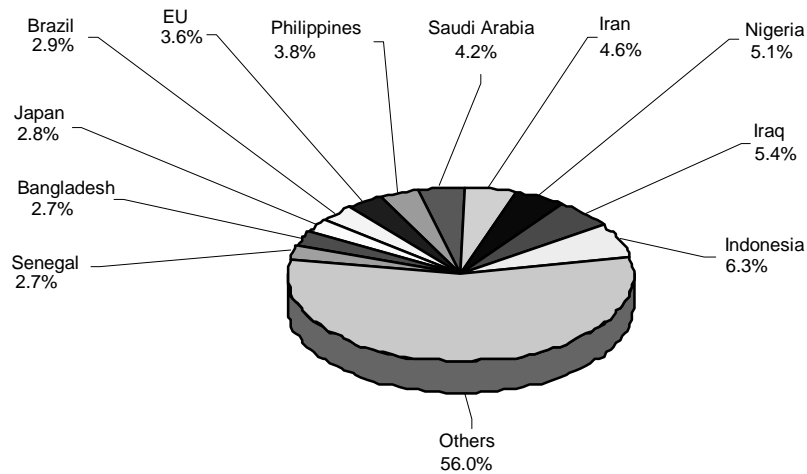
3.3 Global rice imports

Global rice imports (per calendar year, in 1'000s of tons)

Source: Market News Service ITC

Imports	1998	1999	2000
Senegal	600	700	637
Bangladesh	2'520	1'220	638
Japan	468	633	656
Brazil	1'555	781	700
EU	787	784	852
Philippines	2'185	1'000	900
Saudi Arabia	775	750	992
Iran	844	1'313	1'100
Nigeria	900	950	1'200
Iraq	630	779	1'274
Indonesia	5'765	3'729	1'500
Others	11'428	13'070	13'299
Total	27'670	24'925	22'896

Global rice imports in 2000 in percentage



3.4 EU rice exports

The EU is listed in the global statistics both as an exporter as well as an importer. On the one hand, Italy (plus Spain to a lesser degree) is an exporter with a significant production of its own while, on the other hand, countries such as Germany, Belgium and the United Kingdom refine imported paddy or cargo rice, which they then re-export to some degree.

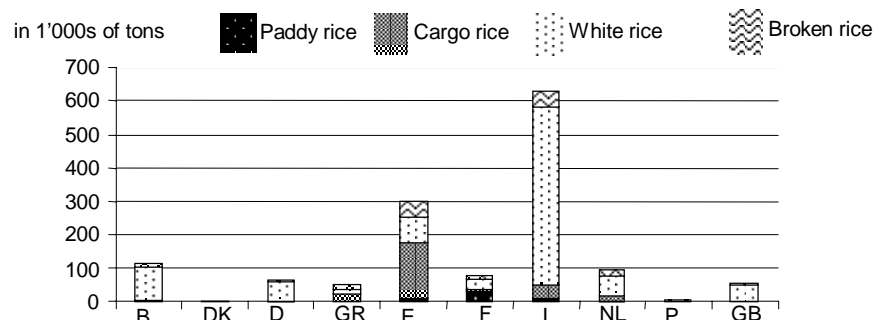
EU rice exports 2000 (in 1'000s of tons)

Source: Market News Service ITC

	Paddy rice	Cargo rice	White rice	Broken rice	Total
Country					
Belgium	0.32	6.89	100.14	8.15	115.50
Denmark	0.04	1.71	0.76	0	2.51
Germany	0.05	2.47	58.11	2.64	63.27
Greece	0.10	24.18	14.87	8.46	47.61
Spain	12.04	165.19	78.40	45.64	301.27
France	32.35	5.83	31.86	8.81	78.85
Ireland	0	0	0	0	0
Italy	11.05	36.67	535.20	44.64	627.56
Netherlands	2.08	16.70	60.64	14.24	93.66
Austria	0.08	0.15	0.06	0.10	0.39

Portugal	0	0.18	0.83	6.59	7.60
Finland	0	0	0.03	0	0.03
Sweden	0	0.03	1.08	0.09	1.20
United Kingdom	0.14	0.96	52.31	5.21	58.62
Total	58.25	260.96	934.29	144.57	1'398.07
Switzerland (for comparative purposes)	0	0	0.33	0	0.33

EU rice exports in 2000 (the 10 most important countries)



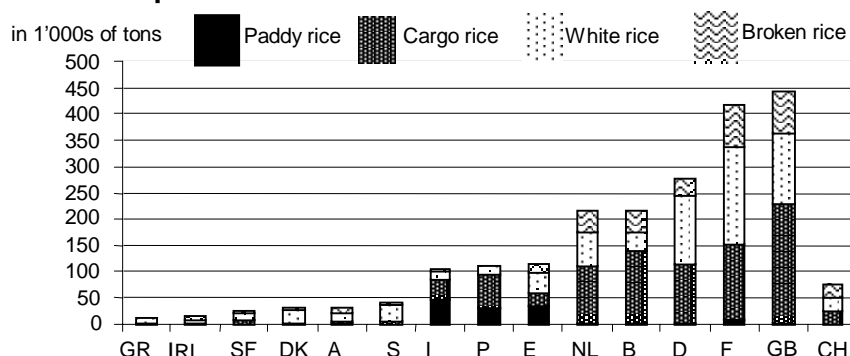
3.5 EU rice imports

EU rice imports in 2000 (in 1'000s of tons)

Source: Market News Service ITC

	Paddy rice	Cargo rice	White rice	Broken rice	Total
Country					
Greece	0.65	1.81	8.35	0	10.81
Ireland	3.06	0.40	3.71	5.22	12.39
Finland	0.08	9.32	13.57	1.52	24.49
Denmark	0.04	2.40	24.62	1.83	28.89
Austria	1.90	3.72	16.42	7.52	29.56
Sweden	0.24	4.90	32.51	2.89	40.54
Italy	47.04	39.26	12.99	4.00	103.29
Portugal	29.42	65.75	15.79	0.90	111.86
Spain	35.50	23.02	39.86	13.97	112.35
Netherlands	2.95	108.61	61.65	42.72	215.93
Belgium	3.32	135.68	34.14	43.78	216.92
Germany	3.74	110.54	130.37	31.91	276.56
France	6.84	144.02	186.81	80.08	417.75
United Kingdom	2.46	226.53	133.96	79.03	441.98
Total	137.24	875.96	714.75	315.37	2'043.32
Switzerland (for comparative purposes)	0.05	23.22	25.53	26.47	75.27

EU rice imports in 2000



3.6 Swiss rice imports

For the purpose of assessing the market, a basic difference must be made between rice for human consumption and rice for use as animal feed. As the cultivation of rice has no significance in Switzerland, imports correspond roughly to consumption.

3.6.1 The development of imports by usage

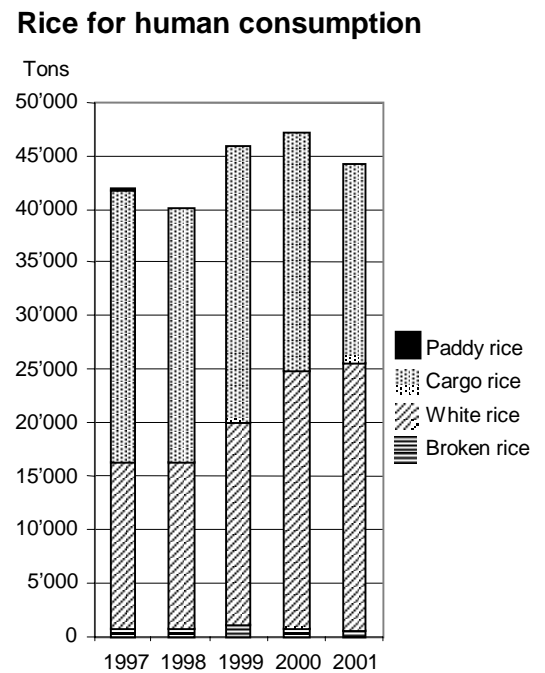
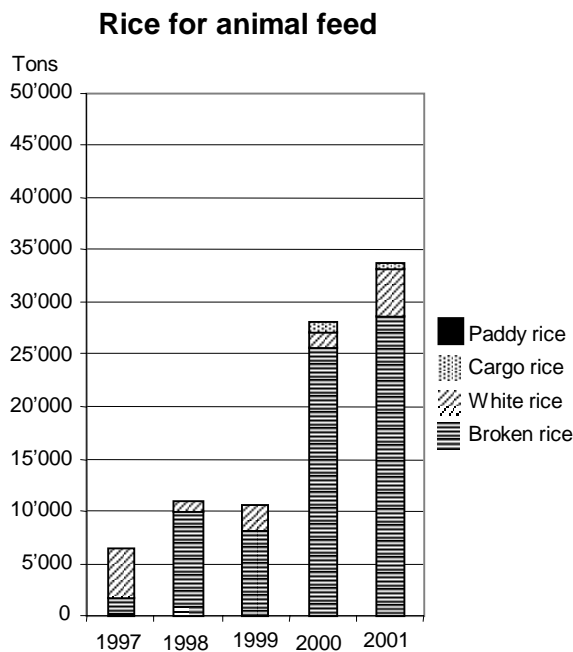
Over several years, the average volumes of rice imported for human consumption indicate a slight increase in parallel to the growth in population.

In contrast, the last two years have seen a sharp increase in the import volumes of rice for use as animal feed. As the animal feed industry reacts very sensitively to price developments, feed components are substituted very quickly in mixed feed. The extent of the increase is all the more significant when one takes into account the fact that the consumption of mixed feed has been on a sharp decline in recent years due to the fall in the number of animal kept.

SM Swiss foreign trade (imports according to tariff number and volume in tons)

Source: Swiss Customs Administration, Foreign Trade Statistics Department, 3003 Berne

			1997	1998	1999	2000	2001
Tariff number	Designation	Intended use					
1006.1020	Paddy rice	For use as animal feed	20	20	24	13	17
1006.1090	Paddy rice	For human consumption	137	80	24	39	27
1006.2020	Cargo rice	For use as animal feed	0	1	2	887	630
1006.2090	Cargo rice	For human consumption	25'617	23'609	25'985	22'332	18'507
1006.3020	White rice	For use as animal feed	4'745	960	2'504	1'505	4'522
1006.3090	White rice	For human consumption	15'590	15'667	18'738	24'025	25'249
1006.4020	Broken rice	For use as animal feed	1'714	9'969	8'156	25'694	28'606
1006.4090	Broken rice	For human consumption	690	753	1'172	762	438
Total			48'513	51'060	56'605	75'257	77'996



3.6.2 The development of imports by processing level

3.6.2.1 Paddy rice

The share of the annual import volume of *paddy rice* or *raw rice* is less than one thousandth and is of no significance.

3.6.2.2 Cargo rice

Cargo rice or *brown rice* is mainly imported for processing into rice for human consumption. If one intends to sell *cargo rice* as *white rice*, it must be cleaned, graded and further processed. When *white rice* is imported, these stages of processing have already taken place in the country of production. When both *cargo rice* as well as *white rice* are transported, a fairly large proportion of broken rice results. That means that the *white rice* also has to be graded, cleaned and, to some degree, polished again in Switzerland, too. This is why Swiss importers prefer *cargo rice*. As, for example, Thailand pays market-distorting export subsidies for *white rice*, *cargo rice* imports declined. In 1997, this was 53% of the entire volume of rice imported. In 2001, this proportion only amounted to 24%. When one only examines the share of rice for human consumption, the reduction from 61% for 1997 to 42% in 2001 is still considerable.

3.6.2.3 White rice

In accordance with the decline in *cargo rice*, the import of *white rice* rose from around 15'000 tons in 1997 to 25'000 tons in 2001. Belgium is the fourth or fifth most important country supplying *white rice* for human consumption. This relates to rice that Belgium imports from classic producing countries for processing. This rice is mainly sold in the catering segment.

However, *white rice* also has a certain significance for use as animal feed dependent on price parity. The development is not uniform and fluctuated in the period 1997 to 2001 between about 1'000 tons and 4'000 tons.

3.6.2.4 Broken rice

Broken rice is imported almost exclusively for use as animal feed. Import volumes rose sharply from almost 2'000 tons in 1997 to over 28'000 tons in 2001.

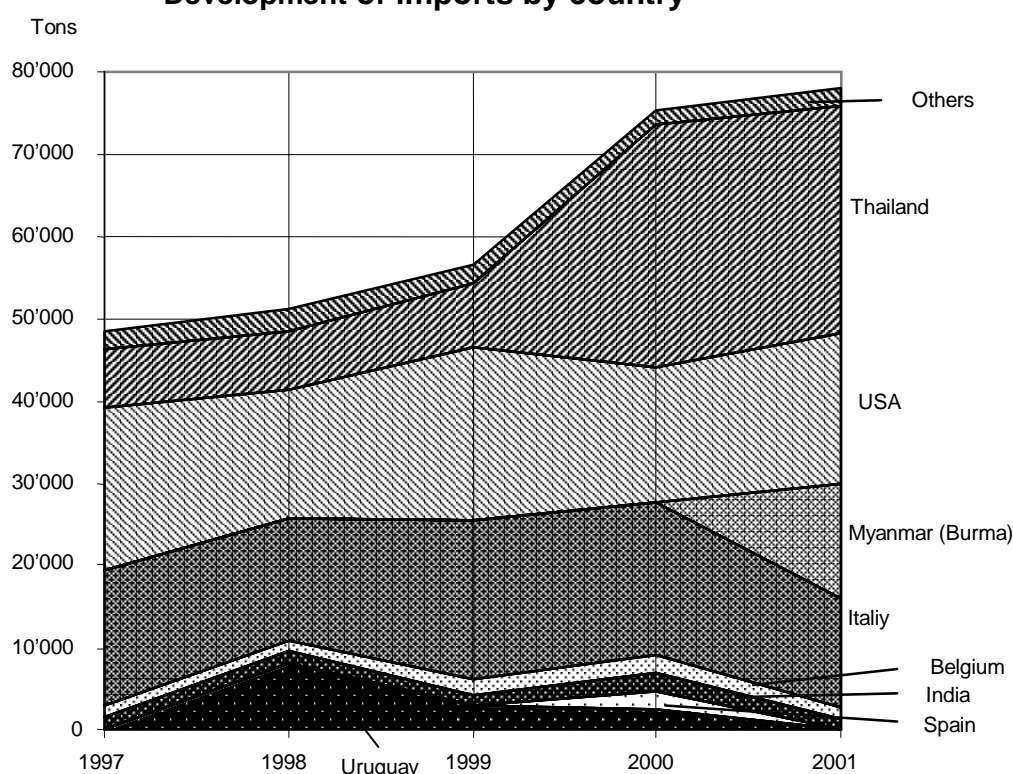
3.6.3 The development of imports by country of origin

Imports (all rice qualities) 1997-2001 (in tons)

Source: Swiss Customs Administration, Foreign Trade Statistics Department, 3003 Berne

	1997	1998	1999	2000	2001
Uruguay	0	7'988	2'864	2'581	0
Spain	99	83	31	2'111	16
India	1'571	1'580	1'409	2'310	1'213
Belgium	1'305	1'180	1'891	2'146	1'446
Italy	16'531	15'107	19'202	18'510	13'327
Myanmar (Burma)	0	0	0	0	13'998
USA	19'674	15'494	21'152	16'350	18'222
Thailand	7'187	7'220	7'743	29'513	27'725
Others	2'146	2'408	2'314	1'737	2'048
Total	48'513	51'060	56'605	75'257	77'996

Development of imports by country



75% to 90% of rice were imported from Thailand, Italy and the USA in 1997 and 2001. With a share of 18%, Myanmar (Burma) was only able to join the most important importers at the expense of Italy and many smaller importers as well as due to the expansion of overall imports in the year 2001. Only the future can tell whether Myanmar (Burma) can hold this position. At any rate, over 11'500 tons were imported from Myanmar (Burma) in the first two months of 2002.

3.6.4 The import of cargo rice for human consumption

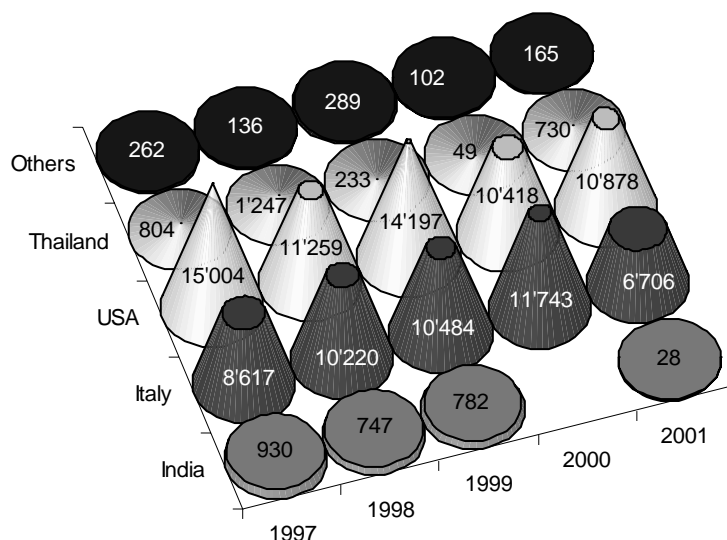
The import of cargo rice for human consumption in the period 1997-2001 (in tons)

Source: Swiss Customs Administration, Foreign Trade Statistics Department, 3003 Berne

	1997	1998	1999	2000	2001
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Tariff no. 1006.2090					
India	930	747	782	0	28
Italy	8'617	10'220	10'484	11'743	6'706
USA	15'004	11'259	14'197	10'418	10'878
Thailand	804	1'247	233	49	730
Others	262	136	289	102	165
Total	25'617	23'609	25'985	22'312	18'507

The import of cargo rice for human consumption



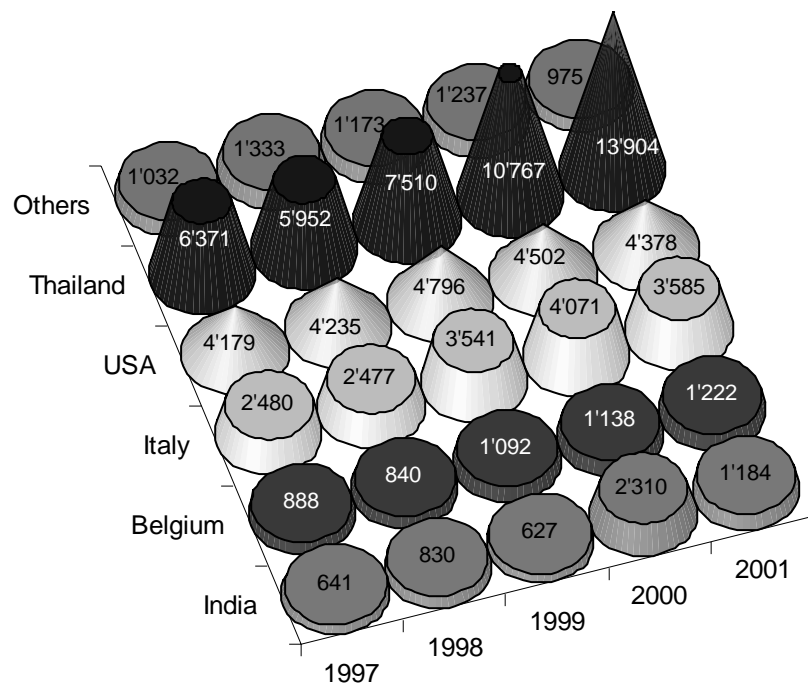
3.6.5 The import of white rice for human consumption

The import of white rice for human consumption in the period 1997-2001 (in tons)

Source: Swiss Customs Administration, Foreign Trade Statistics Department, 3003 Berne

	1997	1998	1999	2000	2001
Tariff no. 1006.3090					
India	641	830	627	2'310	1'184
Belgium	888	840	1'092	1'138	1'222
Italy	2'480	2'477	3'541	4'071	3'585
USA	4'179	4'235	4'796	4'502	4'378
Thailand	6'371	5'952	7'510	10'767	13'904
Others	1'032	1'333	1'173	1'237	975
Total	15'590	15'667	18'738	24'025	25'249

The import of white rice for human consumption



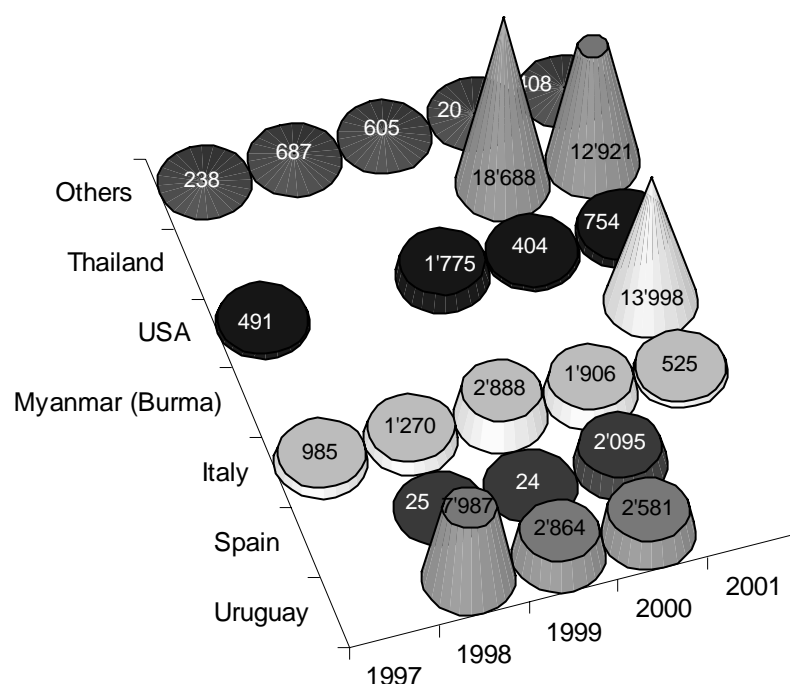
3.6.6 The import of broken rice for use as animal feed

The import of broken rice for use as animal feed in the period 1997–2001 (in tons)

Source: Swiss Customs Administration, Foreign Trade Statistics Department, 3003 Berne

	1997	1998	1999	2000	2001
Tariff no. 1006.4020					
Uruguay	0	7'987	2'864	2'581	0
Spain	0	25	24	2'095	0
Italy	985	1'270	2'888	1'906	525
Myanmar (Burma)	0	0	0	0	13'998
USA	491	0	1'775	404	754
Thailand	0	0	0	18'688	12'921
Others	238	687	605	20	408
Total	1'714	9'969	8'156	25'694	28'606

The import of broken rice for use as animal feed



3.6.7 Import prices

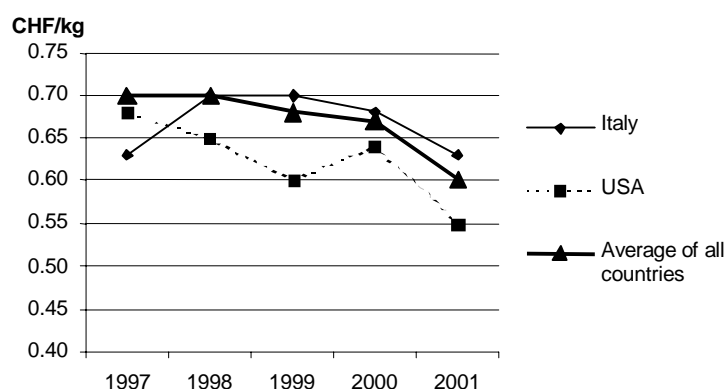
Prices have shown a downward trend in the last five years. Other price levels can basically be affirmed dependent on the level of processing. While the price of *cargo rice* for human consumption is CHF 0.60/kg, the average import price of *white rice* for human consumption is CHF 0.92/kg. *Broken rice* for use as animal feed got the lowest price (CHF 0.30/kg).

Import prices for cargo rice for human consumption (CHF/kg free Swiss border)

Source: Swiss Customs Administration, Foreign Trade Statistics Department, 3003 Berne

	1997	1998	1999	2000	2001
Country					
Italy	0.63	0.70	0.70	0.68	0.63
USA	0.68	0.65	0.60	0.64	0.55
Average of all countries	0.70	0.70	0.68	0.67	0.60

Import prices for cargo rice for human consumption



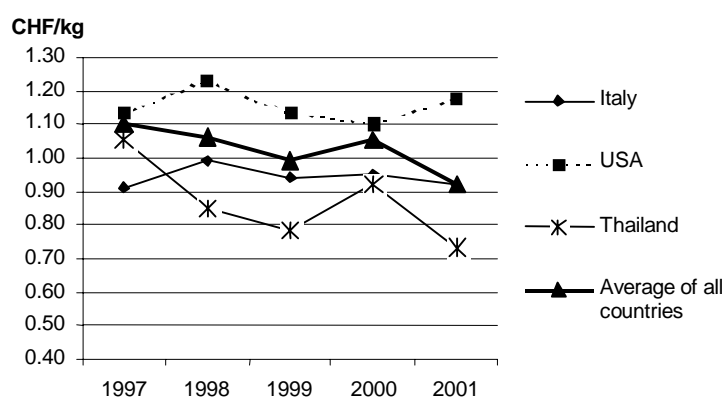
As Italy largely imports *risotto rice* and the USA imports *long grain rice* into Switzerland, the substitution of the other country would not appear to be simple despite considerable price fluctuations.

Import prices for white rice for human consumption (CHF/kg free Swiss border)

Source: Swiss Customs Administration, Foreign Trade Statistics Department, 3003 Berne

	1997	1998	1999	2000	2001
Country					
Italy	0.91	0.99	0.94	0.95	0.92
USA	1.13	1.23	1.13	1.10	1.18
Thailand	1.05	0.85	0.78	0.92	0.73
Average of all countries	1.10	1.06	0.99	1.05	0.92

Import prices for white rice for human consumption



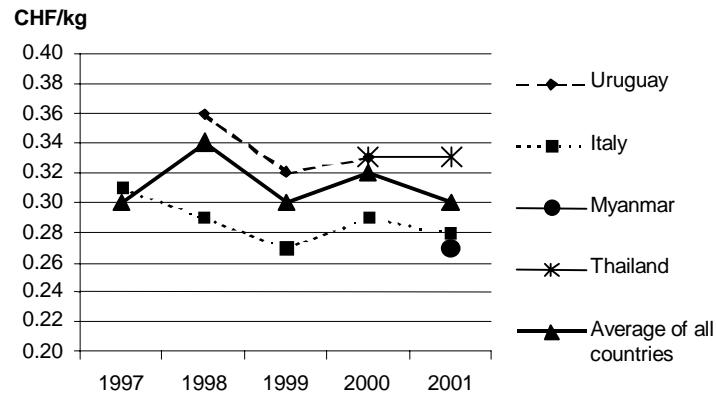
Not only for reasons of price, Thailand appears to have become the most important *white rice* supplier with over 55% (2001).

Import prices for broken rice for animal feed (CHF/kg free Swiss border)

Source: Swiss Customs Administration, Foreign Trade Statistics Department, 3003 Berne

	1997	1998	1999	2000	2001
Country					
Uruguay		0.36	0.32	0.33	
Italy	0.31	0.29	0.27	0.29	0.28
Myanmar (Burma)					0.27
Thailand				0.33	0.33
Average of all countries	0.30	0.34	0.30	0.32	0.30

Import prices for broken rice for animal feed



What is striking is that Myanmar supplied *broken rice* to Switzerland for the first time in 2001. Undoubtedly on account of good prices as well, this country immediately became the largest supplier with 49%. It thus succeeded Uruguay, which no longer supplied any *broken rice* for animal feed purposes in 2001.

4. Import conditions/legal regulations

4.1 Border duties

Basically, a difference must be made between rice used as animal feed and rice used as food for human consumption.

4.1.1 Preferential customs tariffs (Generalised System of Preferences [GSP])

Preferential treatment in terms of customs duties enables developing countries to increase and diversify their exports to Switzerland. Switzerland grants customs reductions (customs preference scheme) for most agricultural produce. Often, no customs duties are charged on imports from least developed countries [LDC = PMA = pays les moins avancés].

4.1.2 Value-added tax [VAT]

Foodstuffs and animal feed are subject to a reduced rate of VAT (currently 2.4%) independent of their source.

4.1.3 Customs rates

Customs rates for rice

Status: June 1, 2002

Tariff number	Description	Customs rate per 100 kilograms, gross				Permits
		General EC/EFTA	DC	PMA	FTA	
1006.1010	Paddy rice for making malt or beer	--.95*)	--.35*)	NT less --.60	NT less --.60	BLW
1006.1020	Paddy rice for animal feed	10.--*)	9.40*)	NT less --.60	NT less --.60	TSG
1006.1090	Paddy rice, other	Free	NT	Free	Free	TSL
1006.2010	Cargo rice for making malt or beer	--.95*)	--.35*)	NT less --.60	NT less --.60	BLW
1006.2020	Cargo rice for animal feed	11.--*)	10.40*)	NT less --.60	NT less --.60	TSG
1006.2090	Cargo rice, other	Free	Free	Free	Free	TSL
1006.3010	White rice for making malt or beer	3.35*)	--.35*)	NT less 3.--	NT less 3.--	BLW
1006.3020	White rice for animal feed	13.--*)	10.--*)	NT less 3.--	NT less 3.--	TSG
1006.3090	White rice, other	--.75	Free	Free	Free	TSL
1006.4010	Broken rice for making malt or beer	3.35*)	--.35*)	NT less 3.--	NT less 3.--	BLW
1006.4020	Broken rice for animal feed	16.--*)	Not denaturized 9.--*), others NT	NT less 3.--	NT less 3.--	TSG
1006.4090	Broken rice, other	--.75				TSL

NT Normal tariff

DC Developing countries, q.v. initial remarks of Swiss customs tariff list 1 V/18-21

PMA Pays les moins avancés, q.v. initial remarks of Swiss customs tariff list 1 V/22-2

FTA Free trade agreement

TR/IL (For MK only 1006.3090) Special: Free trade agreements customs rates (preferential customs rate) q.v. red sheets, A/14

*) Rates valid from June 1, 2001, subject to very short-term changes

**) Not denaturized goods

As well as customs and VAT, guarantee fund contributions are charged for the financing of compulsory stocks. The compulsory stocks are stocks that importers must keep on behalf of the government and which serve to safeguard demand in times when supplies are interrupted.

4.1.4 Guarantee fund and other charges (valid from October 1, 2001)

A business-branch contribution, the RISO contribution, is charged for rice for human consumption.

Customs tariff number	Goods designation	Duty per 100 kg gross	
		Guarantee fund contribution	RISO contribution
	Rice for human consumption	CHF	CHF
1006.1090	-Paddy rice		
	--For further processing	3.15	0.45
	--For direct consumption	5.25	0.75
1006.2090	-Cargo rice		
	--For processing into ready-to-use rice	4.20	0.60
	--For direct consumption	5.25	0.75
1006.3090	-White rice		
	--For processing into ready-to-use rice	4.45	0.65
	--Finished rice for direct consumption	5.25	0.75
1006.4090	-Broken rice	5.25	0.75
	Rice for use as animal feed		
1006.1020	-Paddy rice	4.50	
1006.2020	-Cargo rice	4.50	
1006.3020	-White rice	4.50	
1006.4020	-Broken rice	4.50	

4.2 Imports for use as animal feed

In order to maintain a certain amount of production in Switzerland, the Federal Council lays down import reference values for animal feed:

1006.1020	Paddy rice	CHF/100kg	47.00
1006.2020	Cargo rice	CHF/100kg	48.00
1006.3020	White rice	CHF/100kg	50.00
1006.4020	Broken rice	CHF/100kg	50.00

The customs rate for animal feed cereals is periodically set based on this import reference value.

Example based on 100 kilograms of broken rice:

Import reference value	CHF	50.00
less global market price free Swiss border	CHF	29.50
less guarantee fund contribution to compulsory stock	CHF	4.50
equals the customs rate	CHF	16.00

4.3 Import possibilities

Wording of Swiss laws are to be found with the SR numbers written in brackets under www.admin.ch/ch/d/sr/sr.html (german), www.admin.ch/ch/f/rs/rs.html (french), www.admin.ch/ch/i/rs/rs.html (italian).

4.3.1 The most important legal principles

- Agricultural law [LwG] (SR 910.1), §3: Imports
- Agricultural import regulation [AEV] (SR 916.01)
- Import regulation for cereals and animal feed (SR 916.112.211)
- Regulation governing customs reductions for animal feed and oil seeds (SR 916.112.231)
- Regulation governing the compulsory stocking of rice for human consumption (SR 531.215.12)
- Compulsory cereal stock regulation (SR 531.215.17)
- Customs law [ZG], (SR 631.1)

For imports designated as organic produce:

- Regulation dated September 22, 1997 governing organic agriculture and the marking of organic produce and foodstuffs (Organic regulation)(SR 910.18)

4.3.2 General import permit

The import of rice for animal feed purposes as well as for human consumption requires a general import permit.

Applications for the issue of a general import permit for rice for human consumption must be submitted to the fiduciary office of the Swiss Food Importers [TSL]. q.v. form n annex 1.

Applications for the issue of a general import permit for rice for use as animal feed must be submitted to the fiduciary office of the Swiss Holders of Compulsory Cereal Stocks [TSG]. q.v. form in annex 2.

4.4 Organic rice/fair-trade rice

Organic produce is subject to the same import conditions as agricultural produce from conventional cultivation methods. There are no separate import contingents. In terms of customs legislation, no difference is made between methods of cultivation. However, if the products are marked as being organic produce, they must satisfy the principles set forth in the organic regulation in terms of production and preparation. In addition, production must be subject to the control procedures prescribed in the organic regulation.

Although rice is basically considered to be healthy, the market share of *organic rice* in Switzerland is estimated at 5 percent.

Fair-trade rice, however, is not being put on the market by the major distributors until 2002.

As the products described as being "*organic*" or as "*fair-trade*" have to be marked with a quality seal that customers trust, the "*bud*" label of "Bio-Swiss" or the "*claro fair trade*" or the "*Max Havelaar*" label are usually requested.

5. Importers

5.1 Basic aspects

A small number of major importers share around 90% of rice imports for use as animal feed or for human consumption. The addresses of the most important importers are listed under §6. There is also a large number of small importers that import specialities in particular.

Together, the two major distributors Migros and Coop, which operate a national sales outlet network, sell an estimated 80% of the total volume of rice for human consumption.

In the *fair trade* and *organic* field, the company *claro fair trade AG* has also made a name for itself alongside the major distributors. It operates a network through which it also imports for EU-countries.

The importers of rice for use as animal feed are the agricultural cooperative associations, major feed mills and some dealers in cereals.

5.2 General requirements and expectations

5.2.1 Product and market skills

In general Importers only import top-quality goods. Producers are expected to grow the best sorts for the Swiss market. The production methods must be chosen in such a way as to ensure that consistent volumes of the highest quality can be put on the market over a long period of time if possible. Quality in terms of colour and form must meet consumers' high demands.

Requirements specific to each importer must be negotiated. These agreements are binding in principle. Swiss trading customs will apply if no corresponding agreements have been reached. If these are also missing, EU standards will apply.

5.2.2 Legal conditions

Foodstuffs are subject to Swiss laws and regulations irrespective of whether they are domestic or imported products.

Wording of Swiss laws are to be found with the SR numbers written in brackets under www.admin.ch/ch/d/sr/sr.html (german), www.admin.ch/ch/f/rs/rs.html (french), www.admin.ch/ch/i/rs/rs.html (italian).

- **Law governing foodstuffs** (SR 817.0): The basis for foodstuff legislation
- **Foodstuff regulation** (SR 817.02): The basis for foodstuff legislation
- **Contaminant and ingredient regulation** (SR 817.021.23) *Regulation governing contaminants and ingredients in foodstuffs*: Lays down the permissible maximum concentrations for pesticides and growth regulators, heavy metals, pharmacological active ingredients, microbial toxins, radionuclides, nitrates and nitrites.
- **Additive regulation** (SR 817.021.22) *Regulation governing the additives permitted in foodstuffs*: Positive list of permissible substances and preparations, application list of different additives with the maximum amounts permissible, regulates the declaration of additives.
- **Hygiene regulation** (SR 817.051) *Regulation governing the hygienic-microbiological demands on foodstuffs, objects for use, rooms and staff*: Lays

down the tolerance values for microorganisms in foodstuffs and drinking water.

- **Nutritional value regulation** (SR 817.021.55): Regulates the nutritional value marking (information on energy values and the content of nutrients) of foodstuffs.
- **Raw material declaration regulation** (SR 817.021.51) *Regulation governing information on the country in which raw materials in foodstuffs as well as meat on open sale are produced*: Lays down that the country in which the individual raw materials are produced must be named as well as the country in which the foodstuff is produced.
- **Declaration regulation** (SR 941.281) *Regulation concerning the measurement and the quantity declaration of goods in trade and in use*: Regulates details of the foodstuff quantities (weight, volume, etc.) and the corresponding declaration for open sale and ready-to-use packaging forms.

5.3 What the importers specifically expect

There is a surplus of almost all sorts of rice and specialities in Switzerland. In a predatory market of this type, only one supplier has a chance of standing out from previous suppliers on the basis of special services. Importers set enormous store on the reliability of their suppliers.

5.3.1 Adherence to deadlines

Adherence to deadlines is very important. The processing level and the packaging as well as sales promotion measures are often planned well in advance. Major losses will result if the products are not in the shop in time and on a continuous basis as well as in the desired quality.

5.3.2 Logistics

Cooperation with professional logistics partners is essential when dealing with long transport operations. In the final analysis, what is important is the result in Switzerland. Excessively expensive transporters, delays in transport and damage during transport can destroy producers' good work.

5.3.3 Residues/contamination

Under no circumstances may foodstuffs contain forbidden substances or exceed the maximum values permitted. An enormous amount of harm is caused if any such products are nevertheless put on sale and the substances are identified. Apart from fines and the destruction of the products, boycotts of the products concerned and of the retail chains are also possible. As a result of the increased degree of responsibility where product liability is concerned in recent years, it should be possible to identify the route from production to sales outlet. For this reason, importers tend to cooperate with a small number of efficient partners.

5.3.4 Packaging/product designation

To some degree, importers want the rice to be refined to the extent that it can be put straight onto shop shelves without any further processing. These detailed requirements must be discussed with the customer in such cases.

With regard to imports to Switzerland, it must not be forgotten that Switzerland also imposes a tax on total weight (gross weight). This means that the same duty must be paid for the packaging as for the main product.

5.3.5 Prices

Price will only become a decisive criterion if several suppliers meet the desired quality and adhere to deadlines on a long-term basis. A low price cannot, in general, compensate for poor quality or missed deadlines.

5.3.6 Refusal to accept/rejection

If the agreements are not adhered to, the importers can refuse acceptance. Independent of whether the damage has been caused during transport or as early as the production stage, it can lead to rejections. In particular, when the quality or the deadline is not fulfilled or when the products contain residues: a situation that is unpleasant for all concerned.

6. Addresses

Trade and market information

Sippo Swiss Import Promotion Programme, Stampfenbachstrasse 85, P.O. Box 4358
492, CH-8035 Zurich, Tel. +41 1 365 52 00; Fax. +41 1 365 52 02; E-mail: info@sippo.ch;
Internet: <http://www.sippo.ch>

Food news GmbH, editorial office and publisher, Christoph Merian-Ring 11, P.O. Box
955, CH-4153 Reinach BL
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Internet: <http://www.foodnews.ch>

Market News Service ITC, 54 – 56, rue de Montbrillant, CH-1202 Geneva
Tel. +41 22 730 01 11, Fax. +41 22 730 05 72/730 09 06, E-mail: mns@intracen.org,
Internet: <http://www.intracen.org/mns>

RISO, Schwanengasse 5 + 7, CH-3001 Bern, Internet: <http://www.riso.ch>

Schweiz. Vereinigung für Ernährung (SVE), Effingerstrasse 2, CH-3011 Berne BE
Tel. +41 31 385 00 00, Fax. +41 31 385 00 05, E-mail: info@sve.org

USA Rice Federation, Hamburg, Germany, Tel. +49 40 45 03 86 60,
Internet: <http://www.usarice.com>

Importers

Bertolli International, a division of Unilever Raw Materials AG, Grafenau 12, CH-6301
Zug ZG
Tel. +41 41 729 22 22/729 28 28, Fax. +41 41 729 22 14/729 28 88

Claro fair trade AG, Byfangstrasse 19, CH-2552 Orpund
Tel. +41 32 356 07 00, Fax. +41 32 356 07 01, , E-mail: mail@claro.ch,
Internet: <http://www.claroweltladen.ch>

Coop, Hauptsitz, Thiersteinallee 12, P.O. Box, CH-4002 Basle
Tel. +41 61 336 66 66, Internet: <http://www.coop.ch>

Fenaco, Erlachstr. 5, P.O. Box, CH-3001 Bern
Tel. +41 31 308 91 11, Fax. +41 31 308 93 05, E-mail: regional.mittelland@fenaco.com,
Internet: <http://www.fenaco.com>

Fuga AG Lucerne, Rohstoffhandel, Sempacherstr. 5, P.O. Box, CH-5 Lucerne
Tel. +41 41 227 04 04, Fax. +41 41 227 04 40

Gefag Getreidehandels- und Finanzgesellschaft AG, Stampfenbachstr. 38, P.O. Box,
CH-8023 Zurich
Tel. +41 01 366 51 60

Getreide AG, Getreide- u. Futtermittelimport. Hauptstr. 34, CH-9400 Rorschach SG
Tel. +41 71 841 67 67

HACO AG, Worbstr. 262, CH-3073 Gümligen BE
Tel. +41 31 950 11 11, Fax for purchasing: +41 31 950 16 16,
Internet: <http://www.haco.ch>

Haefliger AG, Mühleweg 2-4, CH-3360 Herzogenbuchsee
Tel. +41 62 956 75 75, Fax: +41 62 956 75 80, Internet: <http://www.melior.ch>

Karr AG, Baarerstr. 69, CH-6300 Zug ZG
Tel. +41 41 710 93 23, Fax. +41 41 710 32 82, E-mail: postmaster@karr.ch

Masterfoods AG, Baarermattstr. 6, P.O. Box, CH-6302 Zug
Tel. +41 41 769 14 14, Fax. +41 41 769 15 15

Migros-Genossenschafts- Bund, Limmatstr. 152, P.O. Box, CH-8031 Zurich
Tel. +41 1 277 21 11, Fax. +41 1 277 25 25, Internet: <http://www.migros.ch>

Reismühle Brunnen AG, Industriestr. 1, CH-6440 Brunnen SZ
Tel. +41 41 820 27 27, Fax. +41 41 820 46 62

Riseria Taverne SA, via Ponte Vecchio, CH-6807 Taverne TI
Tel +41 91 935 73 00, Fax to the administration: +41 91 935 73 03

SPAR Handels AG, Schlachthofstr. 12, P.O. Box, CH-9015 St. Gallen
Tel. +41 71 313 77 11, Fax. +41 71 313 76 66, Fax for purchasing: +41 71 313 77 77

Torrione & Cie S.A., 14, chemin des Prés Magnin, case postale 875, CH-1920 Martigny
Tel. +41 27 722 20 56, Fax: +41 27 722 65 23

Authorities

Bundesamt für Aussenwirtschaft, Bundeshaus Ost, CH-3003 Berne
Tel. +41 31 324 09 15; Fax. +41 31 324 09 58

Swiss Customs Administration, Monbijoustrasse 40, CH-3003 Berne
Tel. +41 31 322 65 11; Fax. +41 31 322 78 72, Internet: <http://www.zoll.admin.ch>

Bundesamt für Landwirtschaft Sektion Ein- und Ausfuhr, Mattenhofstrasse 5, CH-3003 Berne
Tel. +41 31 322 25 11; Fax. +41 31 371 54 20; Internet: <http://www.blw.admin.ch>

Organizations

Food and Agriculture Organization of the United Nations (FAO), Rome, Italy
Internet: <http://www.fao.org>

International Rice Research Institute, DAPO Box 4358 7777, Metro Manila, Philippines
Tel. +63 2 845 05 63/845 05 69, Fax. +63 2 845 06 06, E-mail: irri@cgiar.org,
Internet: <http://www.irri.org>

MAX Havelaar Foundation Switzerland, Malzgasse 25, CH-4052 Basle
Tel. +41 61 271 75 00, Fax. +41 61 271 75 62, E-mail: postmaster@maxhavelaar.ch,
Internet: <http://www.maxhavelaar.ch>

Treuhandstelle der Schweizerischen Getreidepflichtlagerhalter, P.O. Box 8523, CH-3001 Berne
Tel. +41 31 328 72 72, Fax. +41 31 328 72 73, E-mail: tsg@tsl-tsg.ch,

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Internet addresses

Systematic collection of Swiss Federal Legislature

Internet: <http://www.admin.ch/ch/d/sr/sr.html> (german)

<http://www.admin.ch/ch/f/rs/rs.html> (french)

<http://www.admin.ch/ch/i/rs/rs.html> (italian)