

FOCUS

The word "RICE" is written in a bold, orange, sans-serif font, positioned over the right side of the word "FOCUS".A small orange circle with a white dot in the center, located on the right side of the horizontal line.

Trusted.
Independent.
Committed.

The SGS logo, consisting of the letters "SGS" in a bold, white, sans-serif font, followed by a vertical orange line.

SGS



A global staple

Rice is one of the world's most crucial agricultural commodities. As a cheap-to-produce, nutritious foodstuff, rice is grown and consumed in huge quantities across almost all continents, feeding the world's ever-increasing population. Currently valued at USD 287,45 billion, the global rice market is expected to increase at a compound annual growth rate (CAGR) of 2.2% from now until 2028, with an estimated 515 million tons set to be produced throughout 2022.

According to USDA, India, Thailand, and the next largest exporters (Vietnam, Pakistan, the United States, China, Myanmar and Cambodia) account for roughly 90% of the global rice trade.

Regarding imports, Sub-Saharan Africa imports more rice than any other region, accounting for over 31% of all imports worldwide. The Middle East and Southeast Asia are also incredibly important markets. Meanwhile, Europe and North America are importing record levels of rice, though these figures dwindle in comparison to Sub-Saharan Africa and Asia.

SGS, a member of Gafta Superintendent, Analyst and Fumigator registers, plays a vital role in sustaining the global rice sector. We help growers produce higher-quality yields and export them with minimal hassle or risk. Meanwhile, our experts ensure that importers can always trust the quality and safety of their purchases.

This newsletter dives into the state of the global rice market. It examines key trends, the obstacles that countries currently face and highlights how our trusted experts support the industry – whether on the ground or in the laboratory.

Gain valuable insights from the leading player in the global rice market. Continue reading to find out more.



Trusted services from independent experts

We provide a broad range of value-add rice services. Leveraging our state-of-the-art laboratories and rapid in-the-field testing, our professional experts deliver accurate and independent data to verify the quality and safety of your rice.

Our Gafta-approved inspection services guarantee that your goods are stored, loaded and discharged correctly along the supply chain – no matter where they're coming from, or going to. Fumigation and pest management will prevent and mitigate contamination from insects and pests.

Cargo Predictive Modeling enables you to reduce rice transportation risks and anticipate in-transit cargo condition, while **SGS Secured Document**, helps you to manage operational risks by providing you secure access to a document's history, allowing to verify and authenticate its true origin.

We provide a range of customizable stock management solutions, from periodic spot inspections to continuous monitoring of crucial metrics. Relying upon IoT technology and wireless sensor networks, **SGS Smart Warehouse** offers real-time monitoring of commodities to protect your investment and ensure safe storage.

Our audit and certification services cover the entire value chain, from product to process and systems certification. Last, our market intelligence solutions will give you need-to-know insights for effective strategic decision-making.



Testing



Inspection



Fumigation &
Pest Management



Risk
Management



Audit &
Certification



Market
Intelligence



Cambodia

Cambodia is a relative newcomer to the global rice trade, though its continued investment in increasing the quality of its rice – particularly Cambodian jasmine and long grain Phka Malis Phka Rumduol – has been impressive.

That said, the market is in its infancy. There's still no domestic agriculture standard, meaning rice is generally produced according to the requirements of the destination markets.

A full scope of services

SGS in Cambodia supports every aspect of the rice industry to ensure improved quality, reduced risk and better sustainability through an extensive range of inspection and testing services.

Working in partnership with our affiliate laboratories in Thailand and Vietnam, our Cambodian team has analyzed rice to determine its microbiological, nutrients and minerals content – and to identify the presence of food contaminants, heavy metals, mycotoxins and pesticide residues.

Our inspection services span all stages of the supply chain, with our inspectors supervising packing and weighing, loading, pre-sampling and tally and sealing processes. What's more, they check container/hold cleanliness, conduct draft surveys and any necessary physical analysis.

Our Cambodian team works in tandem with their colleagues in Thailand for additional fumigation support, when required.

"SGS's outstanding, reliable and trustworthy services provide our clients with an additional level of confidence in our rice exports. Their expertise is integral to our operations".

Natthapon Wangpanit
General Manager at Apsara Rice



China

China is one of the world's leading exporter of rice, exporting to Egypt, Korea, Turkey and Africa in 2021/22.

We boast 60 rice specialists in China working out of our 3 labs and 6 offices spread across the country. Throughout 2021/22 season, our countrywide team inspected 1,5 MMT of rice and conducted over 3,000 rice analyses.

Our labs are ISO/IEC 17025-accredited and we are Gafta Analyst and Superintendent members.

Industry-beating offerings

We provide a full range of services throughout the northern, central and southern regions of China. Our multi-functional state-of-the-art laboratories offer on-site physical analysis, reveal the presence of pesticide residues, mycotoxins, GMOs and heavy metals. Our testing services also include rice's microbiology and nutritional composition analysis.

Our highly experienced inspectors conduct pre-shipment sampling and supervise the loading of rice shipments onto bulk vessels/containers. Moreover, they provide mission-critical tally and sealing, draft and damage surveys and container/hold cleanliness inspections.

"SGS has proved to be an ever-dependable partner in our rice trade supply chain. We know we can always rely on their expert support and first-class services."

Huang Di Xuan

Business Manager at Louis Dreyfus Company



India

Rice is not just a staple of Indian cuisine, but it also plays a vital role in the country's economy. India's rice production reached a record 120,3 MMT in 2021, making it the world's second-largest producer after China. Its rice exports increased by almost 49% in 2020 and a further 46% in 2021, proving rice remains a crucial commodity for the nation's economy.

SGS first established operations in India back in January 1950. Since then, our presence has spread throughout the country. We currently boast agricultural trade offices in 21 locations in India. All of our labs are ISO/IEC 17025-accredited and have been approved by Gafta, EIA and the FSSAI.

Support throughout the supply chain

Having continually invested in our testing services, we're delighted to announce that we've broadened the spectrum of agrochemical residues testing in rice to 600+ molecules covering MRLs for the EU, FSSAI and other country-specific requirements.

This builds upon our existing, wide-ranging capabilities for rice testing. Beyond determining the rice's microbiological profile, offering DNA-based authenticity and varietal identification of basmati rice and revealing the presence of GMOs, heavy metals, mycotoxins, we can also conduct specific tests to identify the amino acid profile, starch, amylose and choline content.

Our range of services encompasses fumigation, quantity and weight determination, packaging and label verification, transport cleanliness, sampling, loading supervision, sealing.

We've also invested in a range of innovative projects, including serialized bag tagging with accurate individual bag weighment and instantaneous or real-time issuance of digital inspection reports.

"We sincerely appreciate working with SGS due to their efficiency, accountability and outstanding customer service. We often receive deliveries earlier than expected and they are quick to resolve any issues that arise. We look forward to continuing this relationship for many more years."

Ajay Tyagi
Assistant General Manager at DD International



Malaysia

Malaysia imported roughly 0,6 MMT of rice in 2022, a significant drop-off from previous years (when this figure was nearer 0,8 MMT). The country generally imports rice from Thailand, Vietnam, Pakistan and Myanmar, as well as smaller quantities from India.

SGS boasts rice specialists throughout Malaysia, with agricultural trade offices in Prai, Port Klang, Kuantan, Pasir Gudang, Kuching, Bintulu, Kota Kinabalu, Sandakan and Lahad Datu. These offices are supported by our labs in Prai, Port Klang, Shah Alam, Miri and Pasir Gudang.

We're proud to announce that our Malaysian rice inspection operations received Gafta approval last year, for only the second time. All our labs hold ISO/IEC 17025 accreditation.

A full suite of services

The SGS team in Malaysia provides high quality testing and inspection services. Our laboratories can determine a rice sample's nutritional composition, identify 255 pesticide residues, test rice on mycotoxins, heavy metals and microorganisms content.

Additionally, we can supervise loading and discharging of rice in bags, assist with tally and inspection of containerized shipments, supervise weighbridges, conduct sampling, and conduct both draft and damage surveys.

SGS has been meeting the needs of Malaysian rice industry since 1971. Our local experts offer prompt, cost efficient solutions and access to global resources, as well as local knowledge.



Myanmar

SGS has a rich history in Myanmar, having first established operations there back in 1948. While the country has traditionally boasted a flourishing rice market, 2022 has not been as successful as previous years – current production is lower than usual due to political instability, rough estimation is that Myanmar will produce 10-20% less rice than last year. What's more, while demand is increasing from the EU, it has decreased from Africa throughout 2022. The instability of the exchange rate has also posed an additional challenge to the rice industry.

Trusted experts, both in the labs and on the ground

Our operations in Myanmar span testing, inspection and fumigation services. On the testing side, we conduct a range of physical analyses, such as visual checks to identify defects or for the purposes of shape classification. Meanwhile, our chemical analyses determine the rice's moisture, protein, fat/oil content, ash, starch/carbohydrate content, milling degree, age determination of milled rice and germination (for paddy).

We provide a wide scope of inspection services, including supervising the intake and outtake at warehouses and rice mills. Moreover, we can also assist with cargo preparation at suppliers' warehouses and pre-shipment inspection services, such as quality and quantity assessments of cargoes before loading. Our on-the-ground experts can supervise the packing, weighting, tallying and loading of containers and vessels. They will take care of pre-shipment sampling, complete draft surveys, provide hatch, damage cargo and container cleanliness inspections and offer in-field rice grading services.

Work with our pest control and fumigation experts to ensure your rice isn't contaminated with insects or pests, whether in-store or in transit. This includes gas-free treatments and disinfection services.

"We can always rely on SGS to deliver what we need, when we need it. Their specialists are knowledgeable, trustworthy and provide a high level of service. We are very happy with them."

Bich Hoan Lee
Managing Director at Elitrade Limited



Pakistan

SGS first established operations in Pakistan back in 1952, so we have plenty of experience in supporting the country's rice market. Pakistan produces an average of around 8 MMT of rice per year, which is split into basmati and non-basmati rice. However, this year, Pakistan's severe flooding in the Sindh region will have an impact on rice production – estimates suggest the floods will damage around 10-15% of the country's total rice crop.

Basmati traders often face issues when high-quality rice is mixed in with inferior varieties. That's why we offer 24/7 production analysis, performing varietal identification services and DNA testing.

Our more than 300 full-time employees are spread throughout offices in Karachi, Lahore, Faisalabad, Multan, Islamabad and Sialkot, and in our labs in Karachi and Lahore. We're a Gafta approved Superintendent, Analyst and Fumigator. Our team inspected 2,1 MMT of rice throughout the 2021/22 season and analyzed more than 16,000 rice samples.

Support throughout every stage of the rice supply chain

Our range of testing services encompasses visual and chemical analyses, such as variety and mycotoxins identification, heavy metals analysis, GMO testing, basmati rice authentication through DNA analysis, germination testing, microbiological analysis and halal testing.

We have even expanded our services to include COVID-19 testing, performing rice swab sampling and PCR testing on samples before they are exported. We are developing our in-house pesticide residue testing capabilities, in the meantime we work with SGS labs in the neighboring locations to support your rice testing requirements.

Of course, testing is just one small piece of the puzzle. We offer a wide breadth of inspection services: sampling and inspection, tally and weighing supervision, packaging and bag marking verification, container and hold cleanliness checking, loading supervision and draft surveys.

Our experts can also help keep your commodities safe when in storage. We'll disinfect and fumigate containers, apply a pre-shipment treatment of wooden packaging materials, set up and document non-toxic pest management systems and audit your existing approach to identify potential weaknesses.

"Given its global reputation for quality, SGS has always been our company's first choice for inspection services. The SGS team in Pakistan is reliable, accurate and well-trained; provide quick results, and excellent follow-up and after-sales service."

Chela Ram Kewlani
CEO at K.K Rice Mills (PVT) LTD
Chairman - Rice Exporters Association of Pakistan



Philippines

Rice remains the basic staple food of the country's growing population. The Philippines imported an estimated 2,77 MMT of rice in 2021 from Vietnam, Myanmar, Thailand and Pakistan – and this year, rice imports already stand at 2,72 MMT. However, experts suggest that import volumes will slow down later in the year to protect local farmers this harvest season.

We currently boast agricultural trade offices and ISO/IEC 17025-accredited labs in Makati and Cebu. We are Gafta-approved Superintendent and Analyst.

Our testing and inspection services

We provide a complete set of physical testing and analysis services, identifying broken, damaged and yellow/discolored grains, whole, chalky, immature and red kernels, foreign matter, weed seeds and other crop seeds. Furthermore, we can identify the paddy quality, moisture content and age of stocks/crop year. Our inspection services include survey of rice in break bulk and containerized shipments.

"We're delighted at how smoothly our inspection operations have gone since we partnered with SGS, and we hope this continues long into the future."

Cary Din
Pacific Rim Harvester Inc



Singapore

Connecting clients with experts, both local and international, our team in Singapore supports customers active in the South East Asia Pacific (SEAP) regional rice markets. The team, which is based at our regional desk in Singapore, ensures the seamless delivery of services across the region.

Value-add support services

You can rely on our expertise to coordinate all activities, including:

- Operations
- Sales
- Customer care

We have been operating in the country since 1971 and look forward to supporting your business operations.

We work for you to protect your interests and reduce your risk, ensuring your commodities meet global standards for quality and excellence.



Thailand

We first opened our doors in Thailand back in 1951. Today, we provide a host of customized service solutions to support Thailand's rice sector. We have become a leading service provider for Thai rice farmers and traders, as well as becoming a key supporter of Thailand's rice industry. Our local experts' extensive knowledge, global network and resources allow us to provide clients with prompt, cost-effective and efficient solutions.

It is estimated that Thailand will export roughly 7,5 MMT of rice this year, up from a previous target of 7 MMT. This is both due to increased output as well as a weak baht amid global food insecurity. Paddy rice output should reach 26,92 MMT 2022/23 crop year, a 2.09% increase from 2021/22.

Our experienced team in Thailand includes 85 inspectors, 400 chemists and 25 officers working in ISO/IEC 17025-accredited and Gafta-approved labs and conducting Gafta-approved sampling and inspections. Our offices are located in Bangkok, Korat, Sriracha and Hatyai, and labs in Bangkok and Sriracha.

Expertise throughout every stage of the rice supply chain

Drawing on local expertise, our rice industry services – whether it is standalone or a part of bespoke service bundles – include testing, inspection, fumigation and certification.

Our range of industry-leading testing services will confirm your rice's microbiological, nutritional, minerals and vitamin content, as well as reveal the presence of contaminants, heavy metals, mycotoxins, GMOs and pesticide residues. We also offer rice DNA testing services and aromatic testing.

Our inspection services include packing, weighing and loading supervision, pre-sampling, tally and sealing services, checking the container/hold cleanliness and conducting draft surveys.

We offer a complete set of fumigation services – we use a J-system to fumigate bulk cargo with recirculation, fumigate containers, vessels and cargoes in warehouses/siloes, conduct CO₂ fumigation for organic rice, and fumigate wood packaging materials according to ISPM 15. We comply with the Australian Fumigation Accreditation Scheme (AFAS) and can provide degassing and sleeve removal and offer integrated pest management services.

Our unique mix of local knowledge and global intelligence helps to improve efficiency, reduce risk and deliver competitive advantage to you.



Vietnam

Vietnam will export an estimated 6,5 MMT of rice throughout 2022, exporting roughly 45-50% to the Philippines, with the rest mostly going to China, Malaysia and Africa.

We provide Gafta-approved inspection and sampling services throughout Vietnam, boasting ISO/IEC 17025-accredited labs in Ho Chi Minh city and Can Tho, on top of the offices in Ho Chi Minh city and Mekong Delta. Throughout 2021/22 season, our 220 experienced specialists inspected 1,34 MMT of rice and analyzed more than 2,500 samples.

Trustworthy support from independent experts

Whether you need testing, inspection or fumigation support, we've got you covered. Our testing services include physical analysis, pesticide residue analysis according to EU, US FDA, Codex and Vietnamese regulations, amongst others. We can identify the presence of mycotoxins and microorganisms, conduct GMO and heavy metals testing and determine your rice's nutritional composition.

Our highly experienced inspectors provide loading supervision of quality/packing, sampling, tally, draft, hold/hatch, damage surveys and check imported cargoes for quantity/quality. We also provide reliable fumigation services with J-system, fumigating containers (including Kraft and desiccants supply), vessels and cargoes in warehouses/silos. Additionally, we fumigate wood packaging materials according to ISPM 15, conduct gas-free tests and pest control services.

"We greatly appreciate SGS's e-certification services, as these help us save significant time compared to issuing and transporting hard-copy certificates."

Hieu Nguyen
Director at Hiep Loi JSC

Meet the team

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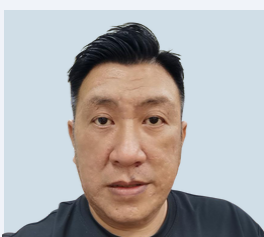


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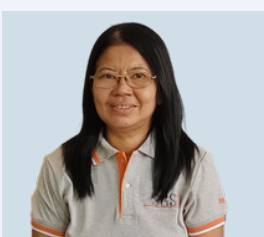


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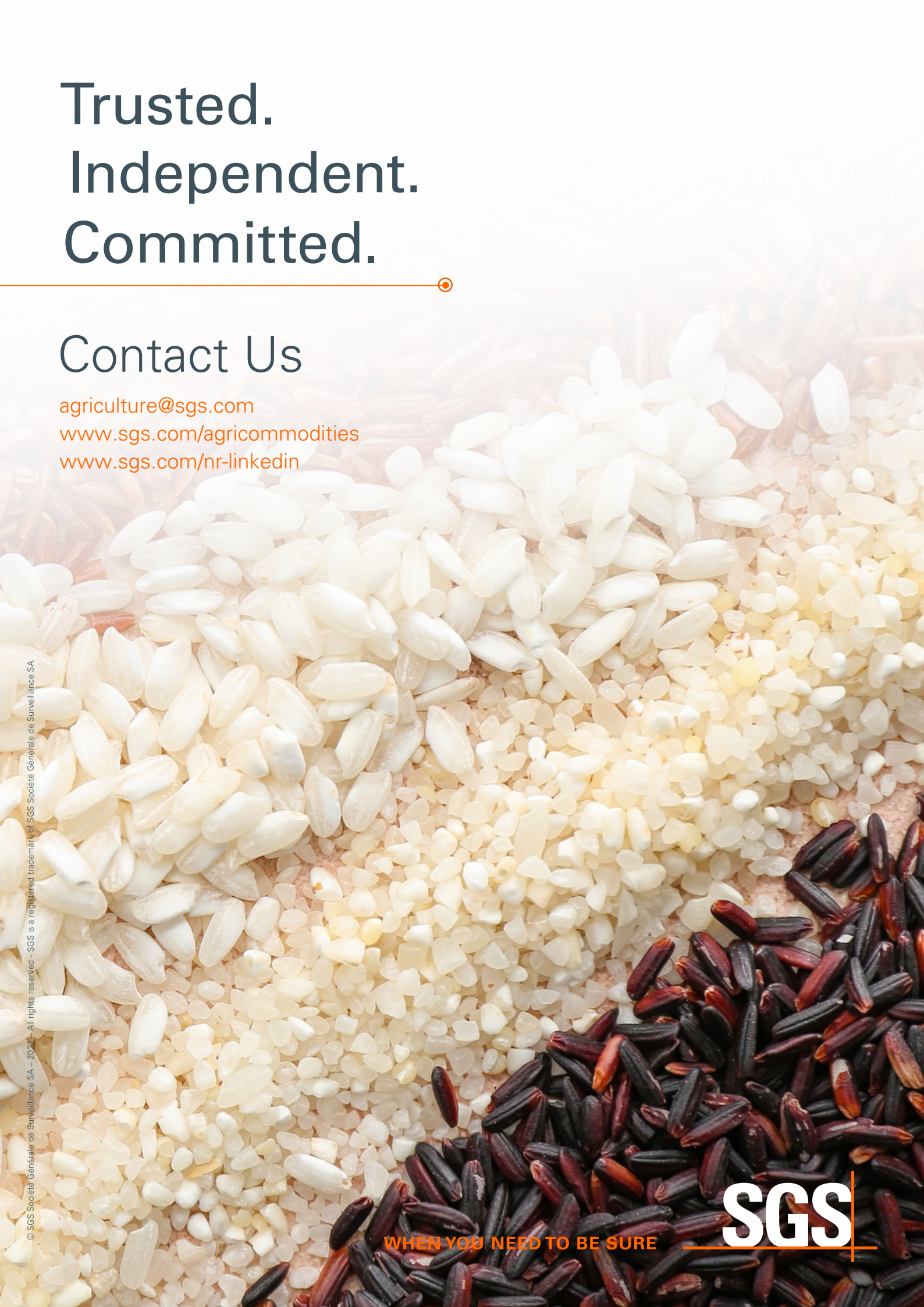


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