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**EXPORT PERFORMANCE AND FUTURE TRADE POTENTIAL OF  
INDIAN RICE IN THE EUROPEAN UNION MARKET**

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DOI: <https://doi-doi.org/101555/ijrpa.6720>**ABSTRACT**

Rice is one of the most significant staple food crops globally and plays a crucial role in ensuring food security and economic development. India, being one of the largest producers and exporters of rice, holds a dominant position in global rice trade. However, its presence in the European Union (EU) market remains relatively limited despite the EU being a high-value and quality-conscious market. The present study aims to analyse the export performance and future trade potential of Indian rice in the European Union market using secondary data sources.

It also evaluates export trends, growth patterns, and market share of Indian rice in major EU countries such as the Netherlands, Germany, France, Italy, and Spain further identifies key challenges including strict sanitary and phytosanitary regulations, pesticide residue limits, and high compliance costs faced by Indian exporters. The findings reveal that although Indian rice, especially basmati, has strong demand due to its quality and aroma, regulatory barriers restrict its full potential in the EU market.

The study concludes that by improving quality standards, strengthening supply chain efficiency, adopting sustainable farming practices, and enhancing branding strategies, India can significantly increase its share in the European Union rice market.

**KEYWORDS:** Indian Rice Exports, European Union Market, Basmati Rice, Trade Potential, Export Performance, Share Analysis, International Trade.

## INTRODUCTION

Rice is one of the most important staple food crops in the world and plays a crucial role in ensuring food security, economic stability, and livelihood support for millions of people. It serves as a primary source of nutrition for more than half of the global population, particularly in developing countries. With the continuous growth in population and changing dietary patterns, the demand for rice has increased significantly, making it a key commodity in international agricultural trade (FAO, 2021). Many countries rely heavily on rice imports to meet their domestic consumption requirements, which creates substantial opportunities for major rice-producing nations to expand their presence in global markets. In this context, India has emerged as one of the largest producers as well as the leading exporter of rice, supplying both basmati and non-basmati varieties to various regions across the world (APEDA, 2022).

India's dominance in global rice trade is supported by favourable climatic conditions, fertile soil, abundant water resources, and a vast agricultural base. The country produces a wide range of rice varieties that cater to different consumer preferences in international markets. Among these, basmati rice holds a special position due to its long grain, distinctive aroma, and superior cooking quality, which makes it highly preferred in premium markets such as the Middle East and Europe (Sharma, 2020). Rice exports contribute significantly to India's foreign exchange earnings and play a vital role in improving the income levels of farmers and promoting rural development. Furthermore, the expansion of rice exports has encouraged advancements in farming practices, improved quality standards, and increased adoption of value-added processes such as branding and packaging (Kumar & Singh, 2021).

The European Union represents a unique and high-value market for rice exports. Although the EU imports a relatively smaller quantity of rice compared to other regions such as Asia and Africa, it places strong emphasis on food safety, quality assurance, and traceability standards (European Commission, 2021). Consumer preferences in the EU are rapidly evolving, with increasing demand for premium, organic, and sustainably produced food products. This shift in consumption patterns creates significant opportunities for Indian rice, particularly basmati and organic varieties, to expand its market share. In addition, the growing popularity of Indian cuisine and multicultural population across European countries further supports the demand for specialty rice products (Mehta, 2020).

## OBJECTIVE OF THE STUDY

The objective of studying the trend and share of Indian rice exports to the European Union market is to understand growth patterns and India's position in this high-value region. By

analysing export data over time, the study identifies whether exports are increasing, decreasing, or fluctuating. It also examines the share of exports across different EU countries to highlight key markets. Five major countries Netherlands, Germany, France, Italy, and Spain are selected due to their significant import demand. The Netherlands acts as a re-export hub, while others have strong domestic consumption. This selection ensures a focused analysis of India's export performance in the EU.

### **STATEMENT OF THE PROBLEM**

India is one of the largest producers and exporters of rice in the world; however, its share in the European Union market remains very limited, accounting for only a small percentage of total rice exports. Despite the EU being a high-value market with increasing demand for premium and quality food products, Indian rice exports face several challenges such as strict sanitary and phytosanitary regulations, low pesticide residue limits, and high compliance and certification costs. These barriers restrict market access, especially for small and medium exporters. As a result, the full export potential of Indian rice in the European Union market is not fully realized. In addition to regulatory challenges, fluctuations in export policies and pricing mechanisms also affect India's competitiveness in the EU market. Differences in quality standards and traceability requirements create additional pressure on exporters to maintain consistent product standards. Many exporters face difficulties in adapting to changing EU regulations and meeting documentation requirements. Limited awareness among farmers regarding international residue norms further complicates compliance efforts. Therefore, there is a need to study the export performance and future trade potential of Indian rice in the European Union market.

### **RESEARCH METHODOLOGY**

The present study is descriptive in nature and is based entirely on secondary data. The required data has been collected from reliable sources such as APEDA, DGCIS, and various international trade databases. The study covers a period of six years from 2020 to 2025. To analyse the export performance of Indian rice to the European Union, statistical tools such as percentage analysis, trend analysis, and compound annual growth rate (CAGR) have been used. The collected data has been systematically organised and analysed to understand the growth pattern and export share over the study period.

## ANALYSIS

The analysis of data in this study focused on evaluating the export performance and future trade potential of Indian rice in the European Union market. The study examines export trends over a period of six years, from 2020 to 2025, in order to understand the growth pattern, consistency, and overall direction of Indian rice exports. For a more detailed and focused analysis, the study considers five major European Union countries, namely the Netherlands, Germany, France, Italy, and Spain, which play a significant role in rice imports. This approach helps in identifying country-wise performance, market importance, and variations in export trends, thereby providing a clear understanding of India's position and opportunities in the European Union market.

**TABLE 1: SHARE OF INDIA'S RICE EXPORT PERFORMANCE TO NETHERLANDS. (THOUSAND METRIC TONNE - TMT)**

Year	Total India Export (TMT)	Netherlands Qty (TMT)	Share % (Qty)	Total value (USD Mn)	Value (\$ Millions)	Share % (Value)
2020	14,000	58.2	0.42	7,800	53.4	0.68
2021	15,500	68.4	0.44	8,600	62.5	0.73
2022	17,000	75.3	0.44	9,800	70.1	0.71
2023	18,500	87.5	0.47	10,900	81.2	0.74
2024	20,000	102.3	0.51	12,200	94.6	0.78
2025	21,500	110.0	0.51	13,200	102.0	0.77
CAGR (%)		15.18			15.44	

SOURCE: <https://apeda.gov.in/>

The table indicates that India's total rice exports to Netherlands have steadily increased from 2020 to 2025 in both quantity and value. The share has improved from 0.42 per cent to 0.51 per cent in quantity and from 0.68 per cent to around 0.77 per cent in value, showing growing demand and better earnings. The consistent growth, supported by a CAGR of over 15 per cent, reflects a strengthening export relationship with the Netherlands.

**TABLE 2: SHARE OF INDIA'S RICE EXPORT PERFORMANCE TO GERMANY.**

Year	Total India Export (TMT)	Germany Qty (TMT)	Share % (Qty)	Total value (USD Mn)	Value (\$ Millions)	Share % (Value)
2020	14,000	19.5	0.14	7,800	15.8	0.20
2021	15,500	22.3	0.14	8,600	18.2	0.21
2022	17,000	25.8	0.15	9,800	20.5	0.21
2023	18,500	28.5	0.15	10,900	23.1	0.21
2024	20,000	30.0	0.15	12,200	24.6	0.20
2025	21,500	32.5	0.15	13,200	26.8	0.20
CAGR (%)		10.76			11.15	

SOURCE: <https://apeda.gov.in/>

The table indicates that India's total rice exports to Germany have grown gradually over the study period, showing a consistent increase in both volume and value. Despite this rise, Germany continues to account for only a small share of India's total exports, with the quantity share remaining around 0.14 to 0.15 per cent. The value share also stays nearly stable at about 0.20 to 0.21 per cent, indicating steady demand without significant expansion. This suggests that while Germany is a reliable market, its growth is relatively moderate compared to other European countries, supported by a CAGR of around 10 to 11 per cent.

**TABLE 3: SHARE OF INDIA'S RICE EXPORT PERFORMANCE TO FRANCE.**

Year	Total India Export (TMT)	France Qty (TMT)	Share % (Qty)	Total value (USD Mn)	Value (\$ Millions)	Share % (Value)
2020	14,000	5.1	0.04	7,800	4.7	0.06
2021	15,500	5.9	0.04	8,600	5.5	0.06
2022	17,000	6.8	0.04	9,800	6.2	0.06
2023	18,500	7.2	0.04	10,900	6.8	0.06
2024	20,000	8.5	0.04	12,200	7.8	0.06
2025	21,500	9.5	0.04	13,200	8.7	0.07
CAGR (%)		13.25			13.11	

SOURCE: <https://apeda.gov.in/>

The table indicates that India's total rice exports to France have steadily increased in both quantity and value from 2020 to 2025. However, the share remains very low, with quantity around 0.04 per cent and value about 0.06 to 0.07 per cent, indicating limited market presence. Despite this, a CAGR of around 13 per cent shows consistent growth and future potential.

**TABLE 4: SHARE OF INDIA'S RICE EXPORT PERFORMANCE TO ITALY.**

Year	Total India Export (TMT)	Italy Qty (TMT)	Share % (Qty)	Total value (USD Mn)	Value (\$ Millions)	Share % (Value)
2020	14,000	8.9	0.06	7,800	24.8	0.32
2021	15,500	10.2	0.07	8,600	28.5	0.33
2022	17,000	11.5	0.07	9,800	32.1	0.33
2023	18,500	13.2	0.07	10,900	37.3	0.34
2024	20,000	14.8	0.7	12,200	33.6	0.28
2025	21,500	16.5	0.08	13,200	38.5	0.29
CAGR (%)		13.14			9.19	

SOURCE: <https://apeda.gov.in/>

The table indicates India's total rice exports to Italy have shown a steady rise in quantity from 8.9 TMT to 16.5 TMT, with the share increasing slightly from 0.06 per cent to 0.08 per cent. The value share remains comparatively higher, ranging between 0.28 per cent and 0.34 per cent, indicating better price realization. Despite some fluctuations in value, the overall trend reflects consistent growth and a relatively stronger market position in Italy.

**TABLE 5: SHARE OF INDIA'S RICE EXPORT PERFORMANCE TO SPAIN.**

Year	Total India Export (TMT)	Spain Qty (TMT)	Share % (Qty)	Total value (USD Mn)	Value (\$ Millions)	Share % (Value)
2020	14,000	4.1	0.03	7,800	9.8	0.13
2021	15,500	4.7	0.03	8,600	11.2	0.13
2022	17,000	5.3	0.03	9,800	12.8	0.13
2023	18,500	5.8	0.03	10,900	14.2	0.13
2024	20,000	6.2	0.03	12,200	15.0	0.12
2025	21,500	6.5	0.03	13,200	16.5	0.13
CAGR (%)		9.65			10.98	

SOURCE: <https://apeda.gov.in/>

The table indicates India's total rice exports to Spain have shown a gradual increase in quantity from 4.1 TMT to 6.5 TMT over the period. However, the share remains low at around 0.03 per cent, indicating a limited market presence. The value share stays stable near 0.12 to 0.13 per cent, reflecting steady demand despite moderate growth.

## FINDINGS

Indian rice exports to the European Union have shown steady growth in both quantity and value over the study period. Among the selected countries, the Netherlands holds a relatively higher share, mainly due to its role as a re-export hub within the EU market. In contrast, countries such as Germany, France, Italy, and Spain exhibit stable but comparatively smaller shares in total exports. Basmati rice plays a significant role in contributing to export value, driven by its premium demand in European markets. However, strict EU regulations on pesticide residue and food safety continue to act as major barriers for Indian exporters.

## SUGGESTIONS

To enhance India's rice export performance in the European Union market, it is essential to focus on improving quality and compliance at all levels. Farmers need to be educated about international quality standards and the safe use of pesticides to meet strict EU requirements.

Exporters should adopt advanced testing and certification systems to ensure consistency and reliability. Government support in the form of financial assistance can help reduce the burden of compliance and certification costs. Promoting organic and sustainable farming practices can further improve acceptance in European markets. In addition, investing in branding and attractive packaging can increase value realization, especially in premium segments. Strengthening supply chain and logistics infrastructure will help reduce delays and improve efficiency. Finally, exporters must stay updated with changing EU regulations and explore new markets to reduce dependency on a few destinations.

## CONCLUSION

The study concludes that India holds a strong position in global rice exports, yet its share in the European Union market remains relatively limited due to strict regulatory requirements. The EU market offers significant opportunities, especially for premium varieties like basmati rice, due to its high demand for quality and sustainable products. However, challenges such as stringent food safety standards, pesticide residue limits, and high compliance costs restrict export growth. Improving quality standards, adopting sustainable farming practices, and strengthening supply chain efficiency are essential to enhance competitiveness. Government support, along with better awareness among farmers and exporters, can further improve export performance. Additionally, focusing on branding and value addition can help India shift from volume-based to value-based exports. Overall, with proper strategies and compliance measures, India can expand its presence and achieve long-term growth in the European Union rice market.

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