

Iraq has raised the quality standards for rice import tenders, making it very difficult for Asian origins to qualify, trading executives said.

In its latest tender, which opens later Wednesday, Iraq has increased the minimum length of grain and reduced the stipulated amount of broken and chalky grain, said a Singapore-based trading executive who offers rice at tenders issued by Iraq's state-run grain board.

The minimum length of the grain has been revised to 6.8 millimeters from 6.0 millimeters. "With stipulation for such long grain, we can only offer the premium basmati grades and not ordinary rice," an exporter in New Delhi said.

Iraq is also seeking cargoes with a maximum broken content of 3% instead of the usual 5% and has reduced the permissible amount of chalky or inferior grain to 2% from 4%.

Even in Thailand and Vietnam, two of the top exporters, chalky grain content is usually more than 5%.

The latest quality norms are aimed at eliminating Asian origins and there is a strong possibility that only rice from the U.S. and South America will qualify, an executive with a global commodities trading company said.

Since end-September, Iraq has purchased around 300,000 metric tons from India and Pakistan in a series of tenders, subject to pre-shipment clearance of samples.

However, it rejected most of the samples on the grounds that the cooked grain wasn't in line with local tastes.

Iraq is one of the top importers, buying around 1.3 million tons annually, mostly from the

Americas and Southeast Asia.

In recent months, India and Pakistan have tried to make inroads into the market with competitive prices. Indian and Pakistani grades are \$100-\$150/ton cheaper than Thailand and Uruguay.

"Indian and Pakistani rice was the cheapest offered in the tenders, so Iraq awarded the contracts but subsequently rejected most samples. And to avoid a repeat of such a situation, it has altered the quality norms," an exporter in Karachi said.

He said Iraq wants to discourage trading companies from offering rice whose taste is unacceptable, even if it is cheaper.

Iraqi grain board officials couldn't be immediately reached for comment.--

Fuente: CME Group