

The Grocer

Focus On: Rice and noodles

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The Story

Rice is known as an affordable staple. And price wars between the big brands – as well as supermarket own-label lines – have kept it that way. Over the past year, average prices have fallen across added-value pouched lines, as well as bulk plain rice, despite market pressures. Yet that all looks set to change. In January, Mintec warned commodity prices had increased substantially due to logistics bottlenecks limiting rice exports from India. Now, as inflation hits record highs, the market will face yet more pressure. So what effect will this have on the category? By how much will prices rise, and which areas of the market will be most affected? And to what extent will the squeeze on prices impact on shopper behaviour?

Pouched rice: This has been an area of hot competition in pricing, with brands frequently running promotions to compete with own-label lines. Many pouches are continuing to sell around the £1 mark. How long can this continue? Are any price rises on the horizon?

Bulk rice: The lower margins of bulk rice will make it hard to keep shelf prices down. At the same time, it's a far cheaper option than pouched rice. So to what extent are bulk rice prices rising, and will this section of the market gain price-conscious shoppers?

Added value rice: To what extent can innovative flavours and formats justify a higher price point?

Noodles: To what extent have noodle prices risen? What factors are driving prices in this market?

Pulses: To what extent are pulses keeping prices stable? Can they gain an advantage over rice/noodles in this area?