

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 8/30/2014

GAIN Report Number: HR1405

Croatia

Post: Zagreb

Dried Beans

Report Categories:

Product Brief

Approved By:

Christine Sloop

Prepared By:

Andreja Misir

Report Highlights:

Croatia imports more than half of its dried bean consumption. In 2013, Croatia imported 5,782 MT of dried beans valued at \$9.8 million, mostly from China and Canada. US dry bean exporters have an opportunity to compete for cranberry bean market share, as well as to present the US pinto bean as a supplement or substitute product. Croatia is now a member of the EU, which means that there are no more custom duties for dried beans coming from the US.

General Information:

Section I. Market Overview

In 2013, Croatia produced 3,416 metric tons (MT) of beans, of which only 1,386 MT was produced commercially. The remainder was produced in backyard gardens for home consumption. The lack of significant commercial production is due to small field size and the inability to realize economies of scale that would ensure farmers a good return from bean production. In addition, bean production has not been subsidized for a number of years.

Croatia is a very price sensitive market. Consumers tend to buy what they know, and red speckled beans are part of the traditional cuisine. Up until World War II households grew their own red speckled beans. This practice is now a part of the past, but the love of this class of bean continues. Consumers purchase based on color, size and price. However, price is the over-riding factor. Croatia is a market that consumes just one class of dry bean: the cranberry. Other classes are available, both in cans and dry packages, but in very small quantities. The cranberry is the traditional bean and is still grown domestically in private gardens and commercially on a limited basis. Cranberry beans are used in stews in the fall-winter season and in salads in the spring-summer season. Other dry bean classes found on the market include alubia-type white beans and dark red kidney beans, but in quantities too small to be interesting for US exporters.

Figure 1. Advantages and Challenges

Advantages	Challenges
The food and beverage sector is well established, offering a modern retailing and distribution network across the country.	High shipping costs and Croatian buyers demand quality but also low prices. Croatia is a very price sensitive market.
Most importers speak English.	Retailers rarely import US products into Croatia; they prefer to purchases from central buyers including other EU member states.
The United States has a good reputation for pinto bean quality.	EU-27 member states benefit from preferential market access.
Urban population growth	Consumers focus mainly on red speckled beans.
EU membership may make it less expensive to source US products from another member state.	Dried beans can be shipped from the US duty free.

Section II. Market Sector Opportunities and Threats

Entry Strategy

In contrast to other European markets, the major buyers of dry beans in Croatia are the retail chains themselves. Supermarkets and cash & carry outlets have their own purchasing departments and import product directly. Dry packaging and canning operations are sub-contracted.

Croatia does not have a domestic canning industry when it comes to beans. Instead, product is canned in Italy by Italian canners that have contracts with Croatian supermarket chains. The chains, therefore,

do not control the class of bean that is canned for their customers, only the number of cans ordered. Canned product usually consists of “borlotti” beans (which may mean real borlottis, cranberries or pintos), white beans (Argentinean alubias) and dark red kidney beans.

The dry packaged sector is larger than the canned sector. Housewives in Croatia have pressure-cookers, so preparing dry beans from dry packages is effective both in terms of cost and time.

Imports and Exports

In 2013 Croatia imported 5,782 MT of dried beans valued at \$9.8 million, mostly from China and Canada. Regardless of the recession, dried bean imports grew 16% compared to 2012. Croatia is a market that imports cranberry-type dry beans mainly from: China, Canada Italy and Argentina.

However, the US dry bean exporters have an opportunity to compete for cranberry bean market share, as well as to present the US pinto bean as a supplement or substitute product. The dry bean import market is estimated at 5,000 MT for Croatia (population 4.5 million).

Table 1. Croatia Dried Bean Imports per Country 2011-2013 (source GTA)

Croatia Import Statistics							
Commodity: 071333, Kidney Beans, Including White Pea Beans (Phaseolus Vulgaris), Dried Shelled, Including Seed							
Year To Date: January - December							
Partner Country	United States Dollars			% Share			% Change
	2011	2012	2013	2011	2012	2013	2013/2012
World	7,246,709	8,407,039	9,759,682	100.00	100.00	100.00	16.09
China	4,233,452	5,209,759	6,996,537	58.42	61.97	71.69	34.30
Canada	1,465,139	1,552,287	1,566,040	20.22	18.46	16.05	0.89
Italy	479,640	386,116	383,286	6.62	4.59	3.93	- 0.73
Argentina	456,477	840,497	277,246	6.30	10.00	2.84	- 67.01
Kyrgyzstan	139,281	61,682	129,794	1.92	0.73	1.33	110.43
Peru	55,757	86,581	87,553	0.77	1.03	0.90	1.12
Czech Republic	0	0	85,230	0.00	0.00	0.87	0.00
Uruguay	18,456	0	71,742	0.25	0.00	0.74	0.00
United States	263,583	51,609	50,158	3.64	0.61	0.51	- 2.81
Slovenia	63,448	84,992	29,751	0.88	1.01	0.30	- 65.00
Macedonia	0	0	28,138	0.00	0.00	0.29	0.00
Tanzania	34,918	37,242	12,519	0.48	0.44	0.13	- 66.38
Germany	0	0	9,355	0.00	0.00	0.10	0.00
Egypt	202	62,816	9,331	0.00	0.75	0.10	- 85.14
Hungary	18,260	13,344	8,119	0.25	0.16	0.08	- 39.16
Netherlands	9,710	9,661	4,705	0.13	0.11	0.05	- 51.30
Slovakia	0	160	4,306	0.00	0.00	0.04	2597.90
Chile	750	4,334	3,745	0.01	0.05	0.04	- 13.60
India	0	0	947	0.00	0.00	0.01	0.00
Ethiopia	5,380	2,119	566	0.07	0.03	0.01	- 73.30
Turkey	0	0	402	0.00	0.00	0.00	0.00
Bosnia & Herzegovina	0	0	214	0.00	0.00	0.00	0.00
Iran	0	26	0	0.00	0.00	0.00	- 100.00
Myanmar	2,257	1,117	0	0.03	0.01	0.00	- 100.00
Serbia	0	2,698	0	0.00	0.03	0.00	- 100.00

Section III. Market Access

Import Procedures

Incoming goods must go through customs storage at transport terminals or airports. After the goods arrive at the customs storage, the importer or freight forwarder should start procedures for checking and clearing goods after filing import customs declaration with Croatian customs authorities. The procedure starts at the Sanitary Inspection, which checks the goods. From time to time samples are taken for food safety testing. If products are of suspicious quality and health standards their sales will be banned until an analysis is conducted. Customs clearance and removal from storage is carried out under the supervision of a customs officer who compares the documents with the commodities after they were checked by sanitary inspector. For the import procedure it is of outmost importance for the exporter to have a reliable freight forwarder and/or a friendly and trustworthy trade partner.

Requirements for Import

Croatia is part of the EU, which is a common market and customs union. Therefore, Croatian imports

and exports are subject to EU regulations.

Tariffs 2014

Dried beans can be shipped from the US duty free.

The latest applied custom rates can be found at the following web page:

http://ec.europa.eu/taxation_customs/customs/customs_duties/index_en.htm

Section IV. Key Contacts and Further Information

A list of Croatian nuts and dried fruits importers is available to US exporters and can be obtained by contacting:

U.S. Embassy

Office of Agricultural Affairs

Thomas Jefferson Street 2

10 010 Zagreb, Croatia

Telephone: (385-1) 661-2467

Fax: (385-1) 665-8950

E-mail: AgZagreb@fas.usda.gov

Web: <http://zagreb.usembassy.gov/business/doing-business-in-croatia-agro-food-products.html>