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Report Highlights:

Poland is Central and Eastern Europe's largest market for food and beverage products. With a population of nearly 38 million people, Poland is a large and growing market for U.S. food and agricultural products. In 2022, Poland's economy was slowly returning to pre-pandemic levels. When Russia invaded Ukraine in February 2022, it sent shock waves through the Polish economy. The subsequent imposition of sanctions by the European Union (EU) and Poland on Russia and Belarus and the disruption in trade have contributed to sharp increases in energy, fuel, and food prices. Poland's total 2021 imports of food and agricultural products were valued at over $34 billion, with U.S. imports accounting for $566 million. U.S. products with strong sales potential include fish and seafood, distilled spirits, wine, tree nuts, dried fruit, and innovative food ingredient products.

Market Fact Sheet: Poland

Executive Summary

Poland is the largest market for food and beverages in Central and Eastern Europe. With its population of nearly 38 million people, it is an attractive and growing market for U.S. food and agricultural products. Poland's 2021 Gross Domestic Product (GDP) increased by 9.1 percent, recovering from a 2.7 percent GDP contraction in 2020. In 2021, the hospitality and restaurant sectors had positive growth, signaling a recovery from the pandemic. In 2022. Poland's economy was returning to pre-pandemic levels when Russia invaded Ukraine. Sanctions implemented by the European Union (EU) and Poland on Russia and Belarus and the disruption in trade have contributed to sharp increases in energy, fuel, and food prices. In 2021, Poland imported nearly $34 billion in food, agricultural, and fish and seafood products. U.S. imports were valued at $566 million. U.S. products with strong sales potential in Poland include fish and seafood, distilled spirits, wine, tree nuts, dried fruit, and innovative food ingredient products.

Imports of Consumer-Oriented Products

Total 2021 Polish imports of consumer-oriented food products were nearly $18 billion, with U.S. imports accounting for $272 million. Rising incomes and increasingly sophisticated Polish consumers value more diverse food products, with imports steadily catering to such demands.

Food Processing Industry

Poland's food processing industry is one of the largest in the EU. In 2021, the food processing industry accounted for over nine percent of Poland's $596 billion GDP. The most important sectors are meat, dairy, beverage, confectionary baking, and processed fruit and vegetables. Since the early 1990s, many multinational food processors, such as Danone, Heinz, Unilever, Mondelez, and Nestle, have expanded their operations into Poland.

Food Retail Industry

Poland's food retail sector is diverse and ranges from small family-operated stores to medium-sized stores to large distribution centers comparable with those found in the United States. Most hypermarkets and large discount stores are foreign-owned, while small-scale stores are predominantly Polish-owned.

Quick Facts CY 2021

Imports of Consumer-Oriented Products
$18 billion (U.S. imports $272 million)

List of Top 10 Growth Products in Poland

1) Sockeye salmon	6) Pacific salmon
2) Wine	7) Pet food
3) Alaska pollock	8) Vermouth
4) Almonds	9) Fruit
5) Pistachios	10) Prunes

Top 10 Polish Retailers

1) Jeronimo Martins	6) Kaufland
2) Eurocash	7) Zabka
3) Lidl	8) Dino
4) Lewiatan	9) Rossman
5) Auchan	10) Carrefour

GDP/Population

Population (millions): 37.8
GDP (billions USD): 596
GDP per capita: $34,287

SWOT Analysis

Strengths	Weaknesses
Central Europe's most populous country with a domestic consumer market of nearly 38 million people.	U.S. products face high transportation costs compared to many European competitors.
Opportunities	**Threats**
Market niches exist for food ingredients, notably dried fruit, tree nuts, and functional ingredient products.	Foreign investments in food processing result in diverse and high-quality local products which compete with U.S. imports.

Data and Information Sources: Polish Central Statistical Office, data published by Trade Data Monitor

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Executive Summary:
SECTION I. MARKET OVERVIEW

Poland is a modern European country with a population of over 38 million people. Poland's 2020 Gross Domestic Product (GDP) contraction was followed by a 2021 GDP expansion of 9.1 percent. One year after the emergence of the COVID-19 virus, Poland's consumption of U.S.-origin agricultural goods has returned to—or even exceeded—pre-pandemic levels.

In 2021, Poland's economy began to recover from COVID-19 economic contraction, with a real GDP growth reaching 5.9 percent. Due primarily to the fallout from the Russian invasion of Ukraine, real GDP growth is expected to slow down to 3.9 percent in 2022.

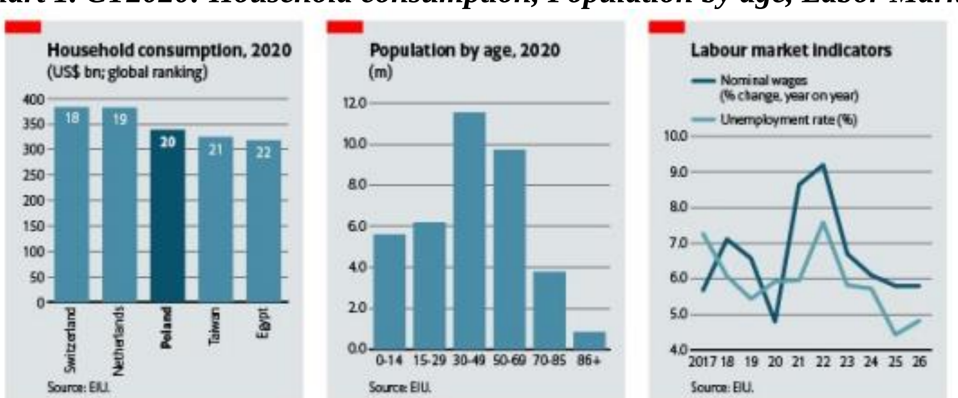
Table 1. Basic Economic Indicators

Poland	2020	2021	2022
Real GDP Growth	-2.2 (a)	5.9 (a)	3.9 (d)
Consumer Price Inflation	3.7 (a)	5.2 (a)	8.9 (c)
Unemployment Rate	3.2 (a)	3.4 (a)	4.6 (c)
Exchange Rate Zl: U.S. $	3.9 (b)	3.9 (b)	4.2 (c)

Source: (a) Eurostat, (b) National Bank of Poland,
(c) Economist *Intelligence Unit (d) World Bank*

Government of Poland (GOP) social safety net initiatives, such as the Family 500+ Program, provide additional income to millions of families. The minimum wage in 2021 was 2,800 PLN and is set to increase to 3,450 PLN by the end of 2023. Polish households spend over 26 percent of disposable household income on food and beverage purchases. There are considerable income disparities between the richest and poorest Poles, with the top 20 percent earning close to five times as much as the lowest 20 percent.

Chart 1. CY2020: Household consumption, Population by age, Labor Market



Source: Economist *Intelligence Unit*

Over 60 percent of Poland's population lives in urban areas and its median age is 42 years. Family sizes have become smaller, with a current three-person average among Poland's 13 million households. The typical Polish family eats meals together and generally buys groceries several times a week. Over the past five years, per capita consumption of processed foods has remained stable.

Table 2: Polish Per Capita Market Basket Consumption

Consumer Goods	Unit of Measure	2005	2010	2015	2018	2019	2020
Cereal grains (as processed Products)	kg	119.0	108.0	103.0	101.0	101.0	101.0
Potatoes	kg	126.0	110.0	100.0	95.0	92.0	93.0
Vegetables	kg	110.0	106.0	105.0	106.0	103.0	103.0
Fruit	kg	54.1	44.0	53.0	54.0	58.0	58.0
Meat and edible offal	kg	71.2	73.7	75.0	80.2	75.9	75.9
Animal edible fats	kg	6.6	6.3	5.8	6.6	6.0	6.0
Butter	kg	4.2	4.3	4.5	4.7	5.4	5.5
Cow's milk	l	173.0	189.0	213.0	221.0	225.0	231.0
Sugar	kg	40.1	39.9	40.5	47.0	42.1	42.7
Vodka, liqueurs, other spirit beverages in terms of 100% alcohol	l	2.5	3.2	3.2	3.3	3.7	3.7
Wine and honey wine	l	8.6	6.9	6.3	6.0	6.2	6.4
Beer from malt	l	80.7	90.2	99.1	100.5	97.1	93.6

Source: Poland's Central Statistical Office (CSO)

Polish consumers generally view the United States positively and consider U.S.-origin products to be of high quality. However, many Polish consumers prefer Polish products over imports, and so chains commonly advertise that they offer Polish products. U.S. products are often shipped initially to third country EU ports of entry and then are re-exported to Poland and except for language labeling are not subject to additional tariffs or regulatory requirements.

COVID-19 impact: Retail and food processing sectors have recovered to near pre-pandemic levels of sales, but according to experts, wholesalers and the Hotels, Restaurants, and Institutions (HRI) may not fully recover until 2024.

War in Ukraine Impact: The current strife in neighboring Ukraine has brought challenges to the Polish market. Ukraine is Poland's 5th largest trading partner of consumer-oriented agricultural goods; Russia and the U.S. are 15th and 18th respectively. The war has disrupted transportation of goods into Poland, affecting not only domestic consumption but also certain processing industries, creating a potential gap between consumer demand and supply in several sectors, such as processed fruit, pollock, salmon, wood, walnuts, peptones, and vegetable products. One of the most affected industries is Poland's fish processing industry, which is one of the largest in the world.

The imposition of sanctions by the EU and Poland on Russia and Belarus and the disruption of trade has contributed to a sharp rise in inflation to 7.4 percent overall driven by energy/fuel and food prices climbing 27 percent and 12 percent respectively as of April 2022. It is estimated that the war has contributed around 2.4 percentage points to the inflation index. More than two million Ukrainian refugees have arrived in Poland since the start of the conflict, increasing demand for goods, Poland is searching for new suppliers and supply chains to mitigate the externalities brought on by the conflict in Ukraine.

Table 3: Polish Market Advantages and Challenges

Advantages	Challenges
Central Europe's most populous country with a domestic consumer market of nearly 40 million people.	U.S. products face higher transportation costs than many European competitors.
A strategic location offering re-export potential.	The EU's complicated system of product registration can delay or even prevent new-to-market products from entering the Polish market.
Transshipment from other EU countries of import is possible because of Poland's EU membership.	Poland's EU membership puts U.S. products at a competitive disadvantage versus duty-free access for the other 27 EU Member States.
Market niches exist in food ingredient categories, particularly dried fruit, nuts, baking mixes, functional foods, and organic components.	Despite rising incomes, Polish consumers are still price-sensitive when purchasing food and beverage products in at least 75 percent or more of their retail food purchases.
Polish consumers associate U.S. products with good quality.	Foreign investment in the Polish food processing industry results in a local production of many high-quality products that were previously imported.
Economic growth has been rising and the growing Polish middle class is eager to try new products.	While market access for some U.S. products is not affected by EU trade barriers, some goods (e.g. poultry, beef, fresh horticultural products, etc.) are limited due to EU sanitary and phytosanitary Standards barriers

SECTION II – EXPORTER BUSINESS TIPS

The Polish market offers good opportunities for U.S. exporters of consumer-oriented products. U.S. suppliers of consumer-ready foods and beverages interested in accessing the Polish market should make sure that their products meet all Polish/EU food laws, including packaging and labeling requirements.

The best way to understand the Polish market is to visit and speak to importers and distributors to determine a good entry strategy. Trade shows within Poland and the region offer many unique networking opportunities. See the link for a list of USDA-endorsed trade shows.

Personal contact is important when conducting business in Poland, as most purchases are made after in-person meetings with an exporter and/or their representative. English is increasingly common as the language of commerce, but translation services may also be necessary.
Polish business culture can be somewhat conservative and first names are best avoided, at least initially, in a professional context. Address people with Pan (Mr.) and Pani (Ms. or Mrs.) followed by their surname. Relationships often develop to the point when first names can be comfortably used. Business card exchanges are routine and are generally given to each person present at a meeting. Cards printed in Polish are not necessary. Standard business attire is recommended, including jackets and ties for men and suits or dresses for women.

SECTION III - IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

Poland follows EU regulations governing food and agricultural imports specified within General Food Law EC/178/2002. For details on EU regulations, please see the U.S. Mission to the EU's Office of Agricultural Affairs' most recent EU Food and Agricultural Import Regulations and Standards (FAIRS) report. For additional information regarding import food standards and import procedures which are not yet harmonized with the EU legislation please refer to Poland's FAIRS report. The EU is a customs union, and all Member States apply the same import duties on goods imported from outside the EU based on tariff classification of goods and the customs value. Inbound products at ports of entry are generally stored in bonded warehouses or at a freight forwarder's facility. Product storage and removal from storage are conducted under the supervision of a customs officer, who also ensures that all documents accompanying the products comply with EU and Polish requirements. Customs officers will also inspect products, they may take samples to check product ingredients (e.g. sugar, alcohol) to assess correct customs duty, and then issue the import duty invoice. Food safety inspectors at the port of entry storage do not routinely inspect packaged foods. Once imported goods are cleared in one Member State, they are free to move throughout the EU. That means that U.S. products imported into Poland via another EU Member State are not subjected to additional import procedures or customs tariffs at the Polish border.

SECTION IV – MARKET SECTOR STRUCTURE AND TRENDS

Wholesale Sector

Sector structure and trends: Poland's wholesale market structure has five categories: (1) national chains, (2) regional chains, (3) regional wholesalers, (4) local wholesalers, and (5) buyer groups (consisting of regional chains and regional wholesalers). National chains are the least numerous and operate branches throughout Poland with central management.

Regional wholesalers have grown, consolidated, and cover specific areas, usually several provinces. Regional wholesalers have a strong presence in local markets and offer a wide range of products and at times a better service than companies operating on a nationwide scale. Buyer groups operate in several market segments and are increasingly integrated with specific retailers. Regional chains and local wholesalers continue to remain an integral part of the market.

In Poland, the cash-and-carry format has gained popularity quickly, as small, traditional retailers, of which there are many, rely on them as distributors. Most leading cash-and-carry chains target small, traditional retailers and hotel, restaurant, and institution (HRI) outlets. While market consolidation is likely to increase, new market entrants can also be expected in the long term. The main stakeholders in the cash-and-carry segment are Makro Cash and Carry Polska SA, Selgros Cash & Carry Sp. z o.o., and Eurocash SA.

Retail Sector

Sector structure and trends: Large retail chains control of as much as 70 percent of the Polish market. The largest retail chains in Poland include Biedronka, Lidl Polska, Netto Polska, Eurocash (owner of Delikatesy Centrum, Lewiatan, Euro Sklep, ABC, Gama, Groszek), Auchan Polska, Kaufland Polska, and Carrefour Polska. The market is currently undergoing a change as retail sector experts confirm that the Polish branch of the Carrefour retail chain will be sold. Market analysis shows that almost 30 percent of confectionary retail sales occur through small grocery retailers.

Food Processing Sector

Sector structure and trends: The Polish food processing sector includes both domestic and international companies. Many small companies also operate horticultural, meat, and bakery processing plants throughout Poland. The largest food processing sectors are meat, dairy, and alcoholic beverages, followed by confectionery, food concentrates, sugar, fruits and vegetables, juices, and non-alcoholic beverages.

An example of Polish market modernization is the confectionary sector. According to industry reports, about 42 percent of Poles consume at least one chocolate bar per day, and about 35 percent have one or more wafer bars. More Poles, particularly among the expanding middle classes, seek higher-end products. Confectionery has fared well even during the pandemic, as such products are seen as affordable indulgences. Poland attracts foreign companies and foreign investors because of its macroeconomic climate, a developed financial sector, and its well-educated, productive, and wage competitive labor force. Foreign investors have played a significant role in developing and modernizing the Polish food processing industry. Multinationals now account for over 70 percent of confectionery production, and own the largest breweries, meat processing plants, bottling plants, and horticultural processing plants. Coca-Cola, PepsiCo, Nestle, Mondelez, Smithfield, Danone, and Mars have significant production plants in Poland and American companies are among the largest foreign investors in the food processing sector. These stakeholders produce a broad range of high-quality products consumer-ready, which often compete directly with locally available U.S. consumer-ready exports. Polish processors are increasingly interested in sourcing fish and seafood products, bakery ingredients, tree nuts, dried fruit, flavoring agents and aromas, sweeteners, food additives, food coloring agents, and enzymes.

HRI Sector

Sector structure and trends: According to a survey conducted by leading Polish cash-and-carry operators in 2019, 40 percent of Poles do not regularly dine out. This is changing in urban areas where employees work longer hours and dining out is a more common social activity. Despite Poles' preference for homemade meals, they are gradually moving towards ready-made meals, particularly among young urban professionals. Busy personal lives coupled with professional lives provide less free time. International cuisines are also gaining in popularity due to increased demand by well-traveled Poles. Italian, Chinese, Mexican, and Indian restaurants can be found in almost every city. American casual dining and quick-service chains are common in larger cities. International hotel chains such as Marriott, Radisson, Intercontinental, Sheraton, and Hilton are present in Polish cities.

SECTION V. AGRICULTURAL AND FOOD IMPORTS

Poland's total 2021 imports of food and agricultural products were valued at over $34 billion, with U.S. trade accounting for $566 million, a 12 percent increase from 2020. The U.S. products most negatively affected by COVID included sockeye and pacific salmon, and peanuts. However, many products have rebounded from the lackluster demand in 2020. Polish customs data also shows that U.S. origin wine, rum, pistachios, animal feed, and food preparation imports have increased post pandemic.

Table 4: Polish 2021 Agriculture, Consumer-Oriented ($ million)

Poland	2021
Total imports	338233.30
Imports from United States	10415.87 (3.1%)
Consumer-Oriented Agricultural Products, total imports	34060.71
Consumer-Oriented Agricultural Products, imports from United States	566.35 (1.7%)

Source: Trade Data Monitor

Domestic and EU products, which account for over 50 percent of total food imports, are the main competitors for U.S. exports. The growth of Poland's food processing industry has led to a wider variety of locally made products, including Polish-produced iconic American products. Polish fish and seafood imports continued to grow in 2020 and reached over $2.7 billion, with a $111.9 million (4 percent market share) originating from the United States. Poland is now one of the world largest salmon processors.

Table 5. Examples of Import of Consumer Food Products to Poland in 2021

Product Category Total Poland's Imports	Main suppliers in percentage	Strengths of Key supply countries	Advantages and Disadvantages of Local Suppliers/Market situation
Fish & Seafood **$ 2.9 billion**	1.Norway – 46% 2.Sweden – 7% 3.Russia – 6% **8. United States – 4%**	Norway's proximity as well as intensive promotional efforts create competition for other suppliers. The United States . holds strong position as Alaska pollock, and sockeye salmon suppliers also continued to deliver significant volumes.	Poland is one of the world's largest salmon processors.
Wine	1. Italy – 29% 2. Germany – 13% **3. United States –**	Italy remains the top wine supplier. U.S. wines are becoming	Domestic production is minimal. Poland's dynamic restaurant

$ 473 million	**11%** 4. France – 10%	increasing popular, in part due to successful promotional activities conducted by the industry.	industry is an ideal partner for U.S. suppliers.
Distilled spirits **$ 469 million**	1. United Kingdom – 37% 2. Ireland – 9% 3. Germany – 8% **4. United States – 8%**	Great Britain remains the largest whisky supplier to Poland. U.S. whiskey and rum are becoming increasingly popular.	Poland's restaurants are expected to recover from the impact of COVID-19.
Tree nuts **$ 419 million**	1. Germany – 18% **2. United States – 15%** 3. Italy – 12% 4. Turkey – 11%	Germany is a large re-exporter of nuts. The United States is the leading supplier of almonds and pistachios. Italy leads in hazelnuts.	Poland produces limited quantities of walnuts and hazelnuts.
Dried Prunes **$ 31 million**	1. Chile – 63% **2. United States – 16%** 3. Uzbekistan – 4% 4. Serbia – 3%	Chilean product has a tariff advantage based on EU-Chile Free Trade Agreement. U.S. product is gaining popularity among Polish importers.	Limited local production. Product, mostly smoked, is traditionally used for home cooking as a compote ingredient.
Peanuts **$ 103 million**	1. Argentina – 78% 2. Brazil – 10% 3. Netherlands – 4% **6. United States – 2%**	Argentina and Brazil are Poland's traditional suppliers. U.S. products are gaining popularity when price competitive.	No local availability. Product in high demand from Poland's food processing sector.
Peptones & Derivatives **$ 53 million**	1. Belgium – 17% 2. China – 16% 3. Netherlands – 15% **11. United States – 2%**	Top suppliers enjoy availability and price advantages.	Products are mostly imported. High demand by growing nutritional supplement production sector.

Source: Trade Data Monitor

BEST HIGH-VALUE PRODUCT PROSPECTS

Products present in market which have good sale potential

- Wine and distilled spirits
- Essential oils
- Organic products
- Dried & processed fruit: cranberries and prunes
- Fish and seafood: salmon, pollock, cod, lobster and other miscellaneous fish product
- Nuts: almonds, peanuts, pecans, pistachios, walnuts
- Highly processed ingredients: protein concentrates dextrin, peptones, enzymes, lecithin

Products not present in significant quantities but which have good sales potential

- Vegetable fats
- High quality hormone-free beef
- Ingredients for Natural and Healthy foods industry
- Innovative high-quality sauces, spices, condiments, and confectionary product

Product not present because they face significant barriers

- Poultry (non-tariff barrier)
- Processed food with GMO ingredients (non-tariff barrier)
- Food additives not approved by the European Commission

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

For additional information regarding the Polish market please contact:
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Key Polish Food Processing Associations:

- Polish Federation of Food Producers
- Association of Milk Producers
- Union of Producers of Meat Industry
- Association Polish Meat "POLSKIE MIĘSO"
- The Polish Association of Fish Processors

Attachments:

No Attachments