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Food Processing Ingredients Sector Report

Report Categories:
Food Processing Ingredients

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Report Highlights:
This report contains information about Czech Republic’s food processing industry and food ingredients market. The food industry in the Czech Republic accounts for 2.4% of the total gross domestic production (GDP). The following products have good sales potential on the Czech Republic’s market: beef, fish, dried fruits and nuts, distilled spirits, wine, snack/cereal foods, pulses, prepared food, juice concentrates, baking mixes, cooking oils, branded products, and specialty products. The majority of U.S. food ingredients are imported through European importers/distributors.

General Information:
SECTION I. MARKET SUMMARY

- The processed food industry is among the key industries in the Czech Republic and meets around 95% of domestic food consumption. The meat and dairy industries are among the largest food producers.

- In 2014 there were 7,538 operating units in the food processing industry.

- The sector registered 85,796 employees in 2014.

- The size of Czech Republic's food processing industry is U.S. $13.4 billion and the growth rate is expected around 1% per year.

- Total imports of consumer oriented food products in 2014 reached U.S. $4.7 billion and total exports US $3.9 billion. Most imports come from Germany, Poland, Slovakia and other European Union (EU) countries. Imports from the U.S. were U.S. $23.8 million in 2014.

- A major company in the Czech Food Industry is Agrofert. The founder and major owner is Andrej Babis, currently the Minister of Finance.

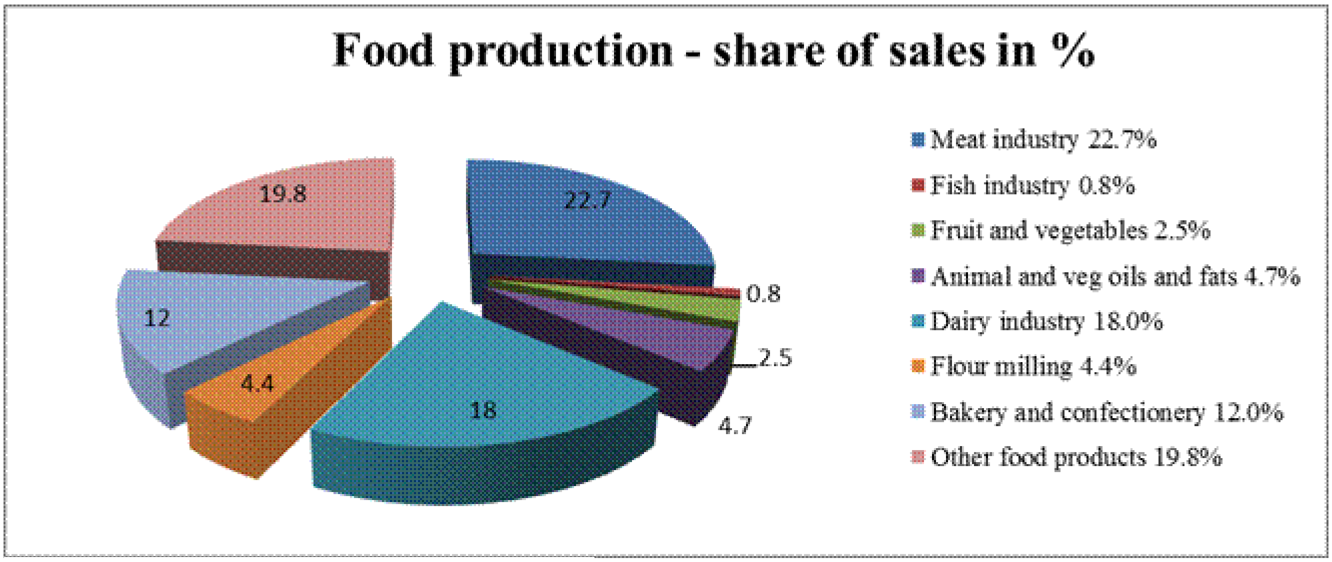
- Agrofert operates 59 food processing companies in these sectors: meat and poultry, eggs, dairy, baking industry with 15,500 employees.
- There are 1,267 producers of beverages including breweries, soft drink producers, wine and spirits producers and mineral water producers.

Source: Czech Ministry of Industry and Trade; Global Trade Atlas, FAS

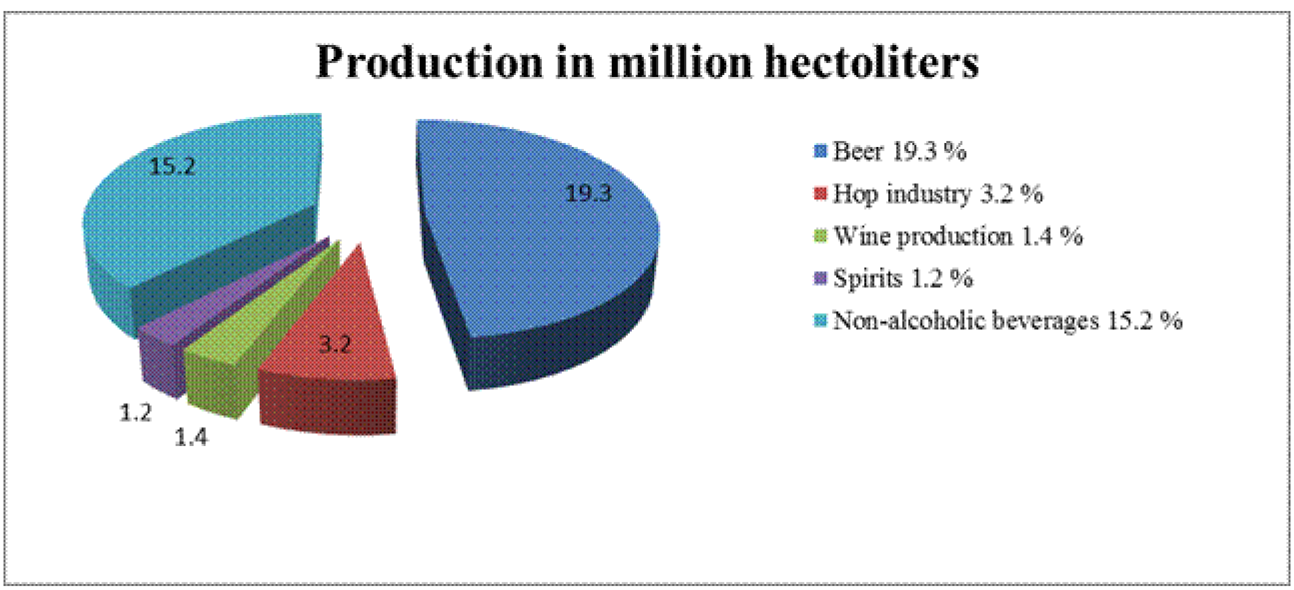
Food Processors in 2014

	Share of sales	Number of employees	Number of plants
Meat industry	22.7	24.4	23.8
Fish industry	0.8	0.8	0.3
Fruit and vegetables	2.5	3.1	1.9
Animal and veg oils and fats	4.7	1.0	0.2
Dairy industry	18.0	9.5	2.5
Flour milling	4.4	3.0	2.7
Bakery and confectionery	12.0	35.3	41.3
Other food products	19.8	17.6	22.1

Source: Czech Ministry of Industry and Trade



Source: Czech Ministry of Industry and Trade



Source: Czech Ministry of Industry and Trade

Food Consumption

Consumers spent 25.3% of total household spending on food and beverages in 2014, which is similar to the neighboring countries of Poland and Slovakia. Total consumer expenditures on food, beverages and tobacco are estimated around U.S. $25 billion in 2014.

Consumption per capita in kg in 2014	
Meat	73.1
Fish	9.5
Fruit	68.6
Vegetable	74.0
Milk	169.0
Coffee	3.6
Tea	0.2

Source: Consumer goods and retail Industry Report, the Economist

Advantages	**Challenges**
Improved economic situation, increased consumption is expected	Higher prices of U.S. products
High quality of U.S. products and growing trend toward eating what is healthier and tastes better; an opportunity for U.S. nuts, dried fruits and meat especially	Higher competitiveness of some EU products due to elimination of tariffs between the EU and Czech Republic
Good infrastructure, importers speak good English	20% depreciation of CZK in the second half of 2014 reduced purchasing power
The number of tourists and Americans living in Czech Republic is increasing and they demand high quality U. S. food products	Relatively small volumes with high transportation costs
Willingness to try new products; innovative products and packaging increase demand	Shelf life – retailers will not list a product with a “use-by-date” shorter than 2/3 of the total shelf life and transportation takes some time
Developed distribution system, highly integrated with Germany	Negative perception of U.S. food in general (GMO, fast food, etc.)

SECTION II. ROAD MAP FOR MARKET ENTRY

A. *ENTRY STRATEGY*

- The food processing sector is distributed in all 14 regions of the Czech Republic. The Capital City of Prague, central Bohemia and southern Moravia are the most important regions in this sector.

- U.S. companies should search for a local partner when attempting to penetrate the Czech market. A local partner is crucial to manage the complex legal framework and navigate local business practices (especially pricing and competition).

- The Czech Republic is a potential place for direct investment in the food-processing sector. However, obstacles (slow judicial processes, complex and not fully transparent administration and concerns about corruption) mean that U.S. investors should approach the agricultural section with caution. The food industry is slowly becoming suitable market for franchisees. There are McDonalds's, KFC, Subway, Starbucks on the Czech market, for example.

- Large food processors have their own import/export departments and import products directly. Smaller producers, e.g. bakeries, buy ingredients (e.g. dried fruit and nuts) from specialized importers.

- U.S. companies must comply with EU regulations for distribution of products on the EU market. A lot of information is available at FAS office in Brussels: http://www.usda-eu.org/.

- U.S. companies seeking to export to the Czech Republic should read FAS reports on the market (www.fas.udsa.gov) and contact the FAS Prague office for assistance, e.g. lists of importers and processors. U.S. exporters may visit any of the European food shows, such SIAL in Paris, Anuga in Cologne or smaller exhibitions directly in the Czech Republic.

Salima Food Show, Feb. 17 – 20, 2016, Brno, Czech Republic
http://www.tradefairdates.com/Salima-M4500/Brno.html

- There are other smaller scale fairs and trade shows organized by private companies (e.g.

Alimpex). If a U.S. distributor is interested in the Czech market, it should contact the FAS office in Prague to inquire on the possibilities of exhibiting at any trade show in the Czech Republic or to get a list of importers or other services.

- For U.S. producers there is strong competition from other European countries, especially from neighboring countries. European exporters have the advantages of closer locations and familiarity as they often come for trade missions or food shows.

- U.S. products are usually more highly priced and local importers often need retail promotions in order to introduce new products to the market.

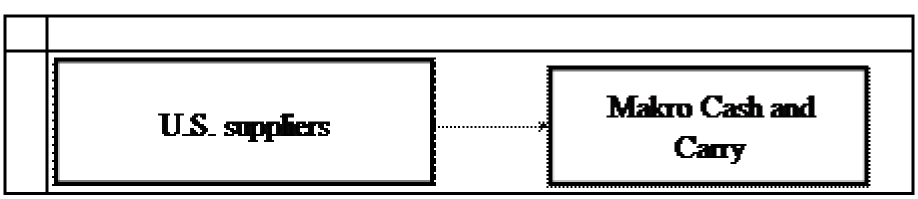
A. *MARKET STRUCTURE*

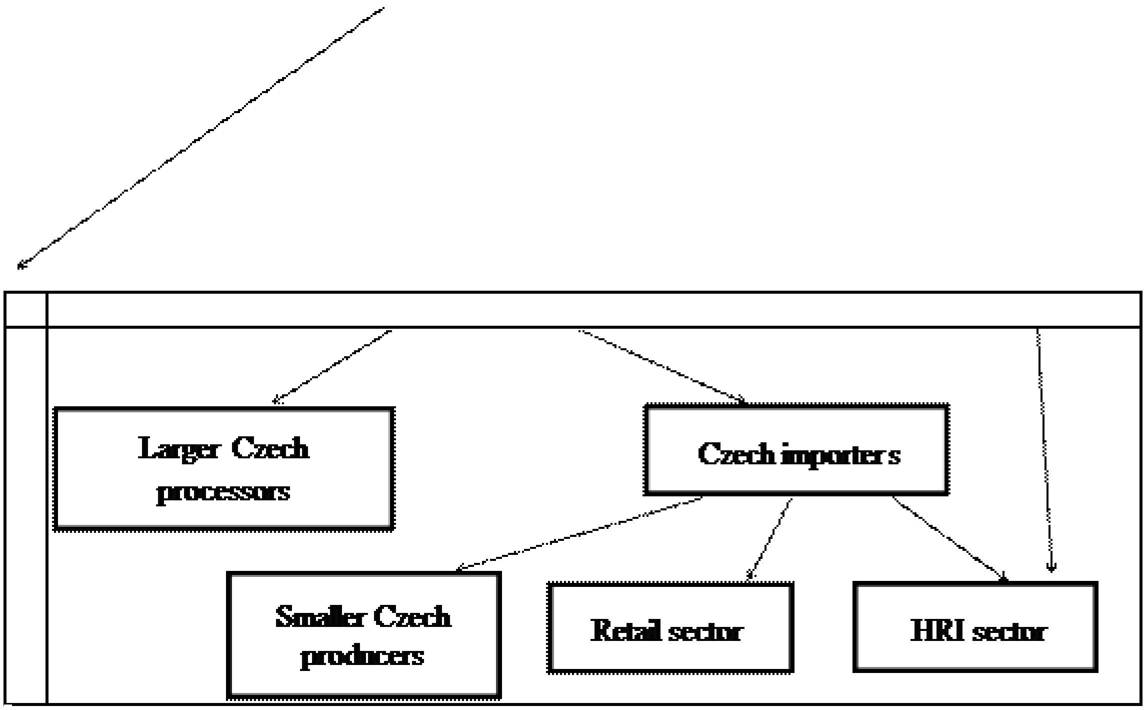
- The majority of U.S. food ingredients are imported through European importers/distributors. Very few products are imported directly due to low volumes with high transportation costs.

- Importers are also distributors and sell directly to the retail, HRI and processing sectors.

- There is Makro Cash and Carry in the Czech Republic that supplies the HRI sector.

- Besides Makro, specialized wholesalers distribute products to the hotel and restaurant sector, e. g. Bidvest (frozen products), CIPA (frozen products), Fany Gastro, Ceroz (fresh produce), Hortim (fresh produce), etc. Importers are highly specialized and focus on particular product groups.





A. ***COMPANY PROFILES***

- Large mostly international companies exist side-by-side with local smaller-size processors especially bakeries and breweries

	Sales in 2014 (U.S. $million)	Ownership	End-Use Channels	Production Location
Plzensky Prazdroj (beer)	458	The Netherlands, South Africa	Retail, HRI	Pilsen
Nestle CR (confectionery)	446	Swithzerland	Retail, HRI, Food Processing	Olomouc
Unilever CR (oils, ice cream, dried products)	355	The Netherlands	Retail, HRI, Food Processing	Nelahozeves
Setuza (vegetable oils)	312	Czech	Retail, HRI, Food Processing	Usti nad Labem, Olomouc

- Other major companies include Madeta (Czech – diary products), Bidvest (Denmark - frozen products), Opavia – LU (France - confectionary), Schreiber (U.S. – dairy products), Vitana (Norway - spices and instant food), and Delta Pekarny (Czech - bakeries).

Source: FAS Prague

A. ***SECTOR TRENDS***

U.S. investments in the Czech Republic

- U.S. company Mondelez, formerly Kraft Foods, plans to spend 2 billion CZK to enlarge its operations in Opava. It will be its largest investment since Kraft was renamed. Two new production facilities for Milka, Oreos and other brands should be ready in 2015. The company chose the Czech Republic over many other countries because of the quality of its infrastructure and good logistics to all of Europe. There has also been an enormous surge in the sales of the Oreo and BeBe brands, and the new facility will allow the company to meet this growing demand.

- U.S. Schreiber Foods' acquired French dairy production Danone near Prague in February 2014.

- U.S. company General Bottlers produces soft drinks (pepsi cola, 7up and others) and chips

(Lay's) in Prague, Czech Republic.

- U.S. company Archer Daniels Midland began its operations in the Czech Republic in 2009 with the acquisition of an oilseeds crushing and refining facility in Olomouc. ADM's facility in Olomouc is one of the largest processing plants in the Czech Republic. ADM is one the largest suppliers of edible vegetable oils in the Czech Republic. ADM's products are used by a variety of consumers, from restaurateurs to the snack food industry.

- Staropramen Brewery, theb second largest in the Czech Republic, is owned by North American Molson Coors Brewing Company.

Sweet and savory snacks

The health and wellness trend continues to influence the sweet and savory snack market in the Czech Republic. Healthier ingredients (wholegrains etc.), no artificial coloring nor preservatives, less salt and sugar are the current trends. Similarly, more consumers prefer oven-baked products over fried alternatives in categories such as chips/crisps and extruded snacks.

Smaller pack sizes are gaining popularity at the expense of larger 150-200g formats in the chips category. Among chips the most popular are salt (sea salt), paprika, ham, bacon and cheese. This category still remains among the most popular sweet and savory snacks in the Czech Republic, even though extruded snacks are on the rise as a healthier alternative.

Tortilla/corn chips are the fastest growing sub-sector, supported by the growing popularity of Mexican cuisine in the Czech Republic.

U.S. $ million	**2012**	**2013**	**2014**	**2015**
Fruit Snacks	8.91	9.24	9.54	9.88
Nuts	18.21	18.25	19.14	20.37
Chips	58.59	60.00	64.59	67.54
Extruded Snacks	28.89	29.51	30.55	32.04
Popcorn	12.36	12.83	13.22	13.87
Pretzels	17.93	18.07	18.45	19.00
Tortilla Chips	4.55	4.50	4.26	4.22
Other Sweet and Savoury Snacks	16.11	16.58	17.55	18.71
Sweet and Savoury Snacks	165.55	168.99	177.30	185.63

Source: Euromonitor

Drink concentrates

Czech households continue to drink liquid concentrates mixed with tap water. It is a relatively cheap drink and is perceived to be healthy. Producers encouraged this consumption in 2014 by offering interesting flavor brand extensions and by surprising consumers with variants containing more fruit and with no artificial colors and preservatives.

Functional concentrates generated strong interest supported by the developing health and wellness trend. Czech consumers continued to seek added value in concentrates either in terms of vitamin C, multivitamins or functional ingredients such as herbal extracts or ginseng.

The average unit price of liquid concentrates increased by 5% during 2014 with wider consumption of premium products. Nevertheless most premium liquid concentrates were purchased at promotional prices and that prevented a steeper growth in price.

U.S. $ million	**2012**	**2013**	**2014**
Liquid Concentrates	72.47	76.41	81.05
Powder Concentrates	4.52	1.96	1.51
Concentrates	76.99	78.37	82.56

Source: Euromonitor

Sauces, dressings and condiments

Czech consumers prefer sauces, dressings and condiments made from fresh and natural ingredients, free from glutamate and artificial flavor enhancers, low in salt, sugar and fat and rich in healthy ingredients. This healthy trend is especially visible in the category of ketchup, pasta sauces, wet/cooking sauces and horse radish and other sauces. Also, more exotic and international cuisine types such as Asian, Italian and North American dishes are popular. Products in this category include soy sauces, chili sauces, barbecue sauces and other sauces as well as herbs and spices.

Ketchup and mustard have long been among the most popular types of sauces in the Czech Republic. However, sales of ketchup and mustard have been declining due to increased sales of barbecue and other sauces. Low-fat products generated stronger interest in mayonnaise and salad dressings in 2015. Nevertheless, Czech consumers still demonstrate a strong taste for full fat variants.

In other table sauces, tartare sauces and horse radish constituted the largest retail volume sales in 2015, however they've also been declining as Worcester and other exotic sauces (such as curry paste, mango sauces and sweet plum sauces) are on the rise.

U.S. $ million	**2012**	**2013**	**2014**	**2015**
Cooking Sauces	103.11	107.35	111.40	115.94
- Bouillon	13.26	13.91	14.37	14.73
- Dry Sauces	26.99	28.12	29.01	29.96
- Herbs and Spices	48.75	50.40	52.56	55.19
- Monosodium Glutamate	-	-	-	-
- Pasta Sauces	8.58	9.01	9.30	9.67
- Wet/Cooking Sauces	5.52	5.90	6.16	6.39
Dips	0.81	0.79	0.76	0.77
Pickled Products	37.13	37.91	38.39	38.57
Table Sauces	134.18	139.08	141.33	144.12
- Barbecue Sauces	5.82	6.64	7.04	7.33
- Fish Sauces	-	-	-	-

- Ketchup	30.27	32.14	32.53	32.95
- Mayonnaise	22.28	22.54	22.50	22.83
- Mustard	20.81	20.96	21.15	21.35
- Oyster Sauces	-	-	-	-
- Salad Dressings	6.97	7.04	7.05	7.18
- Soy Sauces	1.94	2.08	2.20	2.32
- Chili Sauces	0.78	0.81	0.82	0.83
- Other Table Sauces	45.31	46.88	48.03	49.34
Tomato Pastes and Purées	7.58	8.09	8.36	8.66
Other Sauces, Dressings and Condiments	-	-	-	-
Sauces, Dressings and Condiments	282.80	293.22	300.25	308.05

Source: Euromonitor

% Retail Value of Brand	**Company – Importer of Sauces, Dressings, and Condiments**	**2012**	**2013**	**2014**	**2015**
Vitana	Vitana	10.70	10.73	10.80	10.85
Hellmann's	Unilever CR	10.47	10.44	10.33	10.20
Maggi	Nestlé CR	5.16	5.13	5.04	4.94
Hamé	Hamé	5.11	5.12	5.04	4.86
Boneco	Boneco	4.80	4.71	4.69	4.72
Spak	Spak Foods	4.41	4.52	4.60	4.71
Otma	Hamé	3.55	3.61	3.61	3.65
Other Private Label	Other Private Label	4.13	4.07	3.69	3.61
Avokado	Pekny-Unimex	3.28	3.24	3.23	3.23
Knorr	Unilever CR	2.98	2.99	3.00	3.03
Tesco	Tesco Stores CR	2.93	2.89	2.87	2.85
Kaufland	Kaufland Ceska Republika	2.75	2.71	2.68	2.67
Albert Quality	Ahold Czech Republic	1.82	1.80	2.34	2.53
Kotanyi	Johann Kotanyi	1.71	1.72	1.75	1.79
Znojmia	Hamé	1.71	1.72	1.73	1.69
Podravka	Podravka-Lagris	1.49	1.47	1.46	1.50
Agricol Policanka	Agricol	1.22	1.25	1.34	1.43
Heinz	Maresi Foodbroker	-	-	2.22	1.35
Uncle Ben's	Mars Czech	1.16	1.16	1.15	1.13
Orient	Johann Kotanyi	1.10	1.09	1.10	1.13
Clever	Billa	1.04	1.00	0.96	0.92

Source: Euromonitor

Ice cream

Consumption of ice cream is highly seasonal with the peak in summer. Czech consumers are willing to pay extra money for the quality and for ice cream with higher fruit and cottage cheese content and water ice cream. In both ice cream and frozen desserts, premium private label products are gaining more attention.

The most popular flavors of ice cream remains vanilla, strawberry, chocolate, cottage cheese and cottage cheese combined with fruit. Cottage cheese is a specialty of the Czech Republic and has a long tradition. Also fruit flavors, such as blackberry, raspberry and exotic fruit, are popular.

% Retail Value of Brand	**Company – Importer of Ice Cream**	**2012**	**2013**	**2014**	**2015**
Prima	Bidvest Czech Republic	21.93	21.92	21.66	21.55
Algida	Unilever CR	8.33	8.25	8.10	8.22
Misa	Unilever CR	7.55	7.78	7.85	7.88
Mroz	Bidvest Czech Republic	6.84	6.90	7.39	7.57
Nestlé	Alimpex Food	-	-	-	4.13
Lidl	Lidl Ceska republika	3.56	3.66	3.73	3.79
Carte d'Or	Unilever CR	3.43	3.46	3.51	3.53
Other Private Label	Other Private Label	3.44	3.45	3.61	3.32
Albert Quality	Ahold Czech Republic	2.88	2.90	2.92	3.30
Kaufland	Kaufland Ceska Republika	3.17	3.19	3.19	3.18
Tesco	Tesco Stores CR	3.10	3.12	3.13	3.16
Pinko	Pinko	2.42	2.59	2.92	2.98
Magnum	Unilever CR	2.87	2.82	2.82	2.81
Eismann	Eismann Spol	-	2.61	2.54	2.45
Manhattan	Alimpex Food	-	-	-	2.26
Twister	Unilever CR	2.15	2.12	2.13	2.13
Tipafrost	Tipafrost	0.96	1.33	1.86	1.89
Viennetta	Unilever CR	1.39	1.41	1.50	1.59
Cornetto	Unilever CR	1.43	1.37	1.33	1.28
Mövenpick	Alimpex Food	-	-	-	1.18
Eskymo	Unilever CR	1.21	1.18	1.17	1.14
Coppenrath & Wiese	Bidvest Czech Republic	0.88	0.75	0.60	0.50
Nowaco Dobroty babicky Klary	Bidvest Czech Republic	0.11	0.22	0.37	0.46
Coop	Association of Czech and Moravian Cooperatives	0.47	0.47	0.46	0.46
Billa	Billa	0.36	0.38	0.39	0.39
Häagen-Dazs	General Mills Eastern Europe	0.35	0.32	0.31	0.31
Ben & Jerry's	Unilever CR	0.25	0.26	0.30	0.30
Manhattan	Noris Czech Republic	2.30	2.24	-	-
Mövenpick	Noris Czech Republic	1.30	1.24	-	-
Family Frost	Family Frost	2.78	-	-	-
Others	Others	14.56	14.04	16.23	8.23
Total	Total	100.00	100.00	100.00	100.00

Source: Euromonitor

Breakfast cereal

A health and wellness trend has increased consumption of breakfast cereals. Muesli represents the largest group in breakfast cereals with a 42% in this category, followed by children's breakfast cereals and flakes. Gluten-free breakfast cereals are gaining popularity.

U.S. $ million	**2012**	**2013**	**2014**	**2015**
Hot Cereals	1.71	1.85	1.99	2.14
RTE Cereals	55.90	59.46	62.02	64.71
- Children's Breakfast Cereals	21.25	22.89	24.13	25.45
- Family Breakfast Cereals	34.65	36.57	37.89	39.27
-- Flakes	13.15	13.16	12.86	12.78
-- Muesli	19.66	21.06	22.14	23.12
-- Other RTE Cereals	1.84	2.35	2.89	3.36
Breakfast Cereals	57.60	61.31	64.01	66.86

Source: Euromonitor

% Retail Value of Brand	**Company – Importer of Breakfast Cereal**	**2012**	**2013**	**2014**	**2015**
Emco	Emco	29.35	29.17	29.77	29.28
Bonavita	Bonavita	-	-	18.13	19.05
Nestlé	Cereal Partners Czech Republic	23.07	22.44	18.97	17.48
Other Private Label	Other Private Label	4.81	4.94	4.99	4.69
Tesco	Tesco Stores CR	3.08	3.26	3.42	3.49
Kaufland	Kaufland CR	2.92	2.98	3.05	3.10
Family Davo	Family Davo	0.82	1.71	2.53	2.77
Albert Quality	Ahold Czech Republic	2.21	2.23	2.31	2.64
Kellogg's	Orbico	-	-	2.10	1.98
Lidl	Lidl CR	1.34	1.31	1.29	1.29
Opavia	Mondelez Czech Republic	-	0.69	0.93	1.07
Poex	Poex Velke Mezirici	1.03	1.02	1.03	1.04
Racio	Racio	0.33	0.37	0.42	0.47
Penny	Penny Market	0.43	0.46	0.47	0.46
Knuspi	Extrudo Becice	0.22	0.23	0.26	0.29
Clever	Billa	0.27	0.27	0.28	0.28
Vitalis	Dr Oetker	0.24	0.21	0.22	0.22
Alnatura	Alnatura Produktions- & Handels	0.20	0.20	0.19	0.19

Source: Euromonitor

Beer

Czech beer is one of the best-known and most requested beers worldwide. The biggest Czech breweries include Pilsen Prazdroj, Staropramen, Budvar, Bernard, Union and Starobrno.

Pilsen Prazdroj (Pilsner Urquell) is the leading brewery in Central and Eastern Europe. It has the highest annual beer production in the Czech Republic and is the biggest Czech beer exporter to nearly 50 countries worldwide. The brewery is among the best known companies in the Czech Republic and has for more than 160 years been making beer, which has become symbolic of the Czech brewer's art.

The direct predecessor of Budvar of Budejovice (Budweiser Budvar) was the Czech Joint-Stock Brewery, founded in 1895 by Czech licensed brewers, who continued the historical tradition of beer brewing in Ceske Budejovice. The beer range consists of Budweiser Budvar Premium Lager, Budweiser Budvar Light Draft Beer, Bud Super Strong, Budweiser Budvar Free non-alcoholic beer and Budweiser Budvar Dark Lager.

Spirits

Becherovka, liquor made from herbs in Karlovy Vary, is the most famous Czech alcoholic drink (besides beer). It is drunk as an appetizer or a digestive, as it has a positive effect on digestion. Jan Becher started producing this drink according to a traditional secret recipe, without adding any chemical preservatives, artificial colors or emulsifiers. The old-fashioned formula is quite simply - it only contains quality water from Karlovy Vary, high-quality ethanol, natural sugar, and a very specific and harmonious mix of herbs and spices. Becherovka is known as the 13th spring at the spas at Karlovy Vary.

SECTION III. COMPETITION

- There is a strong trend towards consumption of domestic products. Labels “Regional”, “Grandmother’s” and other such labels attract consumers for less preservatives, artificial coloring, shorter shelf life, which reflects the trend toward healthier eating.

- In the category of imported products, major competitors for U.S. suppliers include producers from the European Union (EU) for all categories, especially the neighboring countries of Poland, Slovakia, Germany, and Austria.

- The Czech Republic imports products from the third countries (besides the EU) mainly from South America, Australia, and Asia. The biggest competing factor for the U.S. products is the lower prices of products from these other countries.

Major competitors for U.S. exporters in different product categories

Product Category	**Major U.S. Competitors**	**Market Summary**
Dried fruit and nuts	Spain, Italy, Germany, Turkey, Ecuador, Iran	U.S. competitors sell nuts for lower prices. Most Czech customers are not willing to pay high prices for nuts, as they grow walnuts in their gardens.
Beef	Germany, Poland, Spain, the Netherlands, Austria, France, Argentina, Australia, Chile	U.S. beef is more expensive than from competing countries, but it is "trendy" to have U.S. beef on the menu, so high-end restaurants customers are willing to pay higher price. They also appreciate very good taste of U.S. beef.
Fish and seafood	Norway, Poland, Germany, Vietnam, Denmark, the Netherlands	Consumption of fish is still relatively low, about 5 kg/year. Czech consumers eat traditional carp at Christmas and only some consumers regularly buy sea fish and seafood. The older generation traditional prefers meat over fish.
Dried legumes (peas, lentils, and beans)	Canada, Ethiopia, Slovakia, China, Poland, the Netherlands, Turkey	The Czech Republic grows peas and imports some dried legumes that is not grown here (beans, red peas, chickpeas etc.) from other countries. U.S. competing countries offer lower prices.
Sauces, dressings and spices	EU countries, Chile, Brazil	Lower prices of domestic and European sauces. However, there is a niche demand for specialty U.S. products (mustard, sauces, dressings – especially if it is a well-known brand).
Fruit juices	Germany, Poland, Slovakia, Italy, Spain	The most popular juice is the apple juice or cider. The Czech Republic has a few juice producers that producer good quality juice from concentrate at reasonable prices. Frozen juice from Florida has been imported to the Czech Republic, but would need more market support and promotion in order to make consumers pay higher price in retail. It doesn't sell well in the HRI sector.
Wine	Italy, France, Spain, Germany, Hungary, Slovakia, Chile, South Africa, Australia, Portugal, Agrentina, Austria, New Zealand	Most of competitors offer cheaper mid-range to upper range quality wine. U.S. low cost wines were sold in retail, but this segment is not growing much. U.S. higher price high-end wines sold in top restaurants and to private customers are growing.

Source: FAS Prague

Import of Consumer Oriented Products to the Czech Republic:

Country	**U.S. million**

	2013	2014
World	4,633.45	4,789.28
Germany	1,204.28	1,184.72
Poland	666.26	799.51
Netherlands	536.51	541.83
Slovakia	467.39	431.82
Spain	311.50	312.82
Italy	226.83	211.06
Belgium	178.54	194.21
France	177.49	185.88
Austria	169.94	176.49
Hungary	121.23	123.22
Denmark	79.86	87.85
United Kingdom	39.97	52.20
Other Intra EU Trade	40.58	45.88
China	41.19	43.83
Greece	28.43	29.11
Turkey	26.78	28.26
Ireland	19.71	28.00
United States	25.65	23.85
Romania	16.08	21.65
Georgia	13.10	17.04
Vietnam	16.45	16.57
Brazil	17.00	15.90
Lithuania	11.99	15.65
Latvia	19.97	12.97

Source: Global Trade Atlas

SECTION IV. BEST PRODUCT PROSPECTS

The best product prospects include U.S. fresh beef, some fish and seafood, specialty products (branded products, craft beer, mustard, hot sauces, baking mixes etc.), and dried fruit and nuts.

- Beef Meat

U.S. beef enjoys an increasing popularity at high-end restaurants especially in larger cities.
FAS office has held several promotions of U.S. beef with key importers (Makro, Fany Gastro)
U.S. beef exports to the Czech Republic increased between 2010 and 2014 from U.S. $300,000 to over U.S. $3 million. This is mainly for HRI sector.

- Fish, fresh and frozen

The Czech Republic as a land-locked country, imports all its seafood. U.S. fresh and frozen fish imports increased between 2012 and 2014 from U.S. $5.3 million to over U.S. $9.2 million. It is both for HRI and retail sectors. Live lobster, scallops and fresh salmon during the season are for the high-end restaurants, while cheaper kinds of fish such as frozen salmon and frozen Pollock are sold in retail.

- Dried fruit and nuts, raisins

Between 2010 and 2014 U.S. exports to the Czech Republic increased from U.S. $17.2 million to U.S. $25.6 million. The highest demand is for U.S. almonds followed by U.S. pistachios and U.S. peanuts. U.S. pecans are also increasingly popular. All nuts are sold in retail in small packs or loose. Some nuts are used in the bakery industry for pastries (U.S. pecans). The U.S. Embassy in Prague recently held a baking contest for the best pecan pie to celebrate the U.S. Thanksgiving holiday. Over twenty bakers from hotel schools throughout the country participated in the event. The Ambassador presented awards to the winners; the highest prize included a day with a famous Czech chef.

Raisins increased in the same time period from U.S. $2.4 million to U.S. $4.1 million. Raisins are sold in retail in small packs and loose. The baking industry uses U.S. raisins in some pastry products.

- Wine

Import of U.S. wine has declined between 2010 and 2014 from U.S. $2 million to less than U.S. $1 million, due to heavy competition of cheaper wines from South American, Australia and Europe. However, there is a growing niche market for high quality higher price U.S. wines. FAS Prague organizes wine promotions with the California Wine Institute regularly. The last promotion was held in March 2015, at the Ambassador's Residence, showcasing over 100 California wineries and 500 labels. The event was attended by over 250 guests, including wine traders, importers, restaurants, sommeliers and media.

- Spirits

Import of spirits (mainly bourbon) from the U.S. increased from U.S. $8 million in 2010 to U.S. $14 million in 2014. The market is stable and U.S. products are increasing popular in this product category.

Source: Czech Statistical Office and FAS

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End of Report.