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GAIN Report

Global Agricultural Information Network

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Report Highlights:

Poland is the largest agri-food industry producer in Central and Eastern Europe and 7th in the European Union. In 2014 over 2600 companies operated in this sector, producing goods valued at over U.S. \$64 billion. This sector is dominated by small and medium size enterprises. The most important enterprises in terms of value of sold production were meat, dairy, beverage, confectionary and baking industries as well as processed fruit and vegetables. Products from the U.S. that have good sales potential on the Polish market include: nuts, fish and seafood products, dry fruit, highly processed and functional ingredients.

General Information:

SECTION I. MARKET SUMMARY

Poland has one of the most dynamic food processing industries in Eastern Europe and is the 7th food industry producer in European Union. In 2014 over 2600 companies operated in this sector, producing goods valued at over U.S. \$64 billion.

Modern enterprises involved in processing of food products and the availability of domestic and imported raw material resulted in rapid development of this sector. Poland is seeing the continuously increasing consumption of processed food products and rising investments that strengthens the food processing business.

The most important sectors of the food processing industry in Poland are meat, dairy, alcohol, followed by confectionery and food concentrates.

Poland's EU accession in 2004 boosted exports from the food processing industry, especially within the meat and dairy sectors, mostly to the EU countries but also to new markets located in Asia. This trend is expected to continue in the coming years.

During 2014 Poland's economy recovered from the slowdown of 2012-13, growing by 3.3 percent thanks to continuously increasing domestic demand. A slight slowdown in real GDP growth to 3.2 percent is expected for 2015. The forecast slowdown in 2016-17 will result from an unexpected deterioration in economic policy, applied by Poland's new Government, sworn in November 2015, as it tries to deliver on its costly populist election declarations.

Table 1. Basic Economic Indicators

	2015 ^a	2016 ^b	2017 ^b	2018 ^b	2019 ^b	2020 ^b
Real GDP growth	3.2	2.8	2.8	3.2	2.9	2.9
Unemployment rate (av)	11.1	10.6	10.1	9.7	9.2	8.7
Consumer price inflation (av. National measure)	-0.9	1.8	2.6	2.3	1.9	2.1
Exports of good fob (U.S. \$)	170.4	176.4	194.2	218	241.9	266.1
Imports of goods fob (U.S. \$)	161.9	173.3	195.5	219.1	245.9	272.1
Exchange rate Zl:U.S. \$ (av)	3.78	4.05	3.89	3.64	3.47	3.4

Source: Economist Intelligence Unit ^a estimates and ^b forecasts.

In 2014 Poland imported agricultural and fish products worth U.S. \$24 billion with imports worth U.S. \$456 million originating from the United States, a 2 percent share.

In 2014 Polish imports of consumer oriented food products amounted to U.S. \$10 billion; with imports worth U.S. \$136 million originating from the United States, up from U.S. \$127 million for 2013. Polish imports of consumer oriented food products in 2015 are forecast to increase by 20 percent.

Poland's import of fish and seafood products also continues to grow and reached U.S. \$2 billion, with U.S. \$49 million (2.3 percent market share) originating from the United States.

Table 2. Poland - Imports of agricultural and fish products 2014, in billion U.S. \$

Agricultural Total, total imports	24
Agricultural Total, imports from U.S.A.	0.4 (2%)
Intermediate Agricultural Products, total imports	5.5
Intermediate Agricultural Products, imports from U.S.A.	0.1 (2%)
Consumer-Oriented Agricultural Products, total imports	10
Consumer-Oriented Agricultural Products, imports from U.S.A.	0.1 (1.3%)
Fish and Seafood Products, total imports	2
Fish and Seafood Products, imports from U.S.A.	0.04 (2.3%)

Source: *Global Trade Atlas*

Poland views the United States positively and U.S. products are considered to be of high quality. Product that has been imported into the EU can be transported to Poland without additional tariffs and without meeting additional regulatory requirements aside from required labeling in Polish language.

Food processing and catering industries in Poland are increasingly interested in importing processed baking ingredients such as: nuts, fish and seafood products, dry fruit as well as flavors and aromas, sweeteners, food additives, food colors and enzymes. The food processing industry is developing rapidly and successfully and there is a high demand for high quality inputs. Poland's 38 million consumers constitute the single largest market for food and beverages within the Central and Eastern Europe region. Annual disposable income in Poland continues to grow, yet constitutes just over 40 percent of that recorded in countries in the western part of the European Union.

Table 3. Consumer expenditures and Annual Disposable income

Poland	2013	2014	2015
Consumer Expenditure (U.S. \$ million)	318	327	334
Annual Gross Income (U.S. \$ million)	428	443	455
Annual Disposable Income (U.S. \$ million)	321	331	340

Source: *Euromonitor 2015*

Over 61 percent of Poland's population lives in urban areas. The median age, 38 years, is rising. A trend towards smaller families is becoming more apparent in Poland's 13 million households, with an average household size of 3 people. The typical Polish family eats together at meal times and households buy food stocks for only a few days at a time. Poland's GDP per capita increased from U.S. \$13,829 in 2013 to U.S. \$14,422 in 2014 according to World Bank data.

Over the past five years per capita consumption of processed food products remains stable. Products such as wine, animal fats, sugar, fruit and vegetables noted a slight increase in per capita consumption in 2014.

Table 4. Poland - CONSUMPTION OF SELECTED CONSUMER GOODS PER CAPITA

Consumer goods	Unit of measure (kg) kilogram (l) liter	2012	2013	2014
Grain of 4 cereals (in terms of processed products)	Kg	108	108	106
Potatoes	Kg	111	102	101
Vegetables	Kg	103	102	104
Fruit	Kg	46.0	46.0	47.0
Meat and edible offal	Kg	71.0	67.5	73.6
of which meat:	Kg	67.3	63.8	69.5
beef	Kg	1.6	1.5	1.6
pork	Kg	39.2	35.5	39.1
poultry	Kg	26.1	26.5	28.2
Animal edible fats	Kg	6.0	5.1	5.5
Butter	Kg	4.1	4.1	4.2
Cow's milk	L	193	206	205
Chicken eggs	Units	140	148	155
Sugar	Kg	42.5	41.9	44.3
Vodkas, liqueurs, other alcoholic beverages in terms of 100% alcohol	L	3.0	3.6	3.2
Wine and honey wine	L	5.9	5.8	6.3
Beer from malt	L	99.2	97.7	98.9

Source: Euromonitor

Table 5 Poland Production of selected products of the Polish food industry ^a

Goods	Units of measure	Production sold on the Polish market	2013=100
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	000 tons/ 000 hl			
		2013	2014	
Raw meat from animals for slaughter	t	1920	2038	106.2
of which meat:				
Pork	t	1814	1898	104.6
Beef and veal	t	105	140	133.3
Poultry meat	t	1497	1528	102
Variety meat products from poultry	t	235	208	88.5
Meat and variety meat products from animals for slaughter ^b	t	897	869	96.9
Frozen sea fish	t	271	247	91.2
Margarine and spreads ^c (excluding liquid margarine)	t	342	341	99.7
Butter and dairy spreads	t	153	157	103.1
Cheese and curd	t	674	657	97.5
of which:				
Rennet ripening cheese	t	244	243	99.4
Processed (melted) cheese	t	45.2	38.4	85
Wheat flour	t	2207	2222	100.7
Sugar	t	1612	1708	105.9
Chocolate (including white) ^d	t	216	248	114.6
Pasta	t	217	207	95.3
Vodkas, liqueurs, other alcoholic beverages in terms of 100%	hl	1433	1104	77.1
of which pure vodka	hl	1063	810	76.2
Wine and honey wine	hl	2272	2335	102.8
of which grape wine	hl	1224	1256	102.6
Beer from malt	hl	37751	38095	100.9
Mineral waters and soft drinks	hl	59601	61049	102.4
of which natural mineral waters	hl	17810	20829	117

Source: Euromonitor

a Quantity of products produced domestically (data for economic entities employing more than 9 persons), minus their exports and plus their imports corrected by the balance of changes of stocks at producers (data for economic entities employing more than 49 persons).

b Including: canned food, cured meat products and other products.

c Reduced and low fat.

d Including sweet and chocolate goods.

During the last twenty years the Polish food industry has been restructured and privatized to a large extent. Large multinational corporations were active at the very beginning of the privatization process in

Poland: Coca-Cola, Nestle, Heineken, PepsiCo, Mars, Unilever, Danone. Over 70 percent of production of confectionery, over 50 percent of sugar, most beer manufacturing companies, meat processing plants, beverage bottling plants, fruit and vegetable processing plants are currently owned by foreign investors.

Table 6. Advantages and challenges for American products in the Polish market.

Advantages	Challenges
Central and Eastern Europe’s most populous country with a domestic consumer market of nearly 40 million people.	U.S. products face high transportation costs as compared to many European competitors.
A strategic location within a dense, major international market offering re-export potential.	Complicated system of product registration in some cases delaying or even preventing products from entering the Polish market that are new to the EU.
Transshipment from other EU countries of import now possible with Poland’s EU integration.	Poland’s EU Accession puts United States products at a competitive disadvantage versus EU-28 duty-free internally traded products.
A very productive, young and skilled labor force therefore, good potential for finding trading partners and favorable conditions for establishing joint ventures.	Despite rising incomes, Polish consumers indicate that price is still the primary purchasing factor for food and beverage products in at least 75 percent or more of their retail food purchases.
Polish consumers associate United States products with good quality.	Food recalls in the EU have had a negative impact on Polish consumers’ views of imported products, and GMO issues hamper imports of United States products.
Market niches exist in food ingredient categories - i.e. dried fruit, nuts, proteins, and other innovation, functional foods with health benefits and energy function.	Foreign investment in the Polish food processing industry results in 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 the export of some U.S. goods has been encouraged by EU trade regulations, some goods, namely poultry and beef, are limited due to EU sanitary restrictions.

SECTION II. ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

The Polish market offers good opportunities for U.S. exporters of competitive products or food processing industry inputs with innovative characteristics. Except for large food processing companies (multinational operators), most of the food processing companies do not conduct direct imports, so finding the appropriate trading partner (importer) is the key to successful entry into the Polish market. In depth knowledge of the market and personal contact are necessary in order to support new to market products. Appropriate marketing funds should be designated in order to promote new products. All promotional materials should be translated into the Polish language.

U.S. exporters should analyze Polish and EU food law regulations in order to meet all necessary requirements. Detailed information on EU/Polish regulations can be obtained through analyzing Reports: EU 28 Food and Agricultural Import Regulations and Poland Food and Agricultural Import Regulations available via USDA/FAS GAIN reports link [GAIN Reports](#)

U.S. exporters who are already exporting to other European Union countries in most cases meet most of the requirements for exporting to Poland.

The following tools are also available for U.S. food ingredients exporters in order to successfully enter the Polish market:

- read FAS/Warsaw Attaché Reports: Exporter Guide, Retail Report as well as other reports and sector briefs - all reports can be accessed at Foreign Agricultural Service home page (www.fas.usda.gov – Data and Analysis link – GAIN Reports Category);
- Contact FAS/Warsaw to discuss method and market entry strategy via e-mail: agwarsaw@fas.usda.gov;
- Contact State Regional Trade Groups (STRG) and U.S. Cooperators (below please find the link for U.S. Cooperator Market Development Program Participants) to obtain market access support such as trade show exhibition and trade mission participation. The State Regional Trade Groups (SRTG) are non-profit trade development organizations which assist U.S. food producers and processors in selling their products overseas. Funding for their operations originates from USDA's Foreign Agricultural Service (FAS), State Departments of Agriculture, as well as private industry resources. These groups coordinate promotional activities in order to increase exports of U.S. food and agricultural products. For further information, please contact the appropriate state regional trade group:

Food Export USA - Northeast Member states: Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont Email: info@foodexport.org
Website: www.foodexportusa.org

Food Export Association of the Midwest USA Member states: Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin Email: info@foodexport.org Website: www.foodexport.org

Southern United States Trade Association Member states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina,

Tennessee, Texas, Virginia, West Virginia Email: susta@susta.org Website: www.susta.org

Western U.S. Agricultural Trade Association Member states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming Email: export@wusata.org Website: www.wusata.org

- **Contact U.S. Cooperator Market Development Program Participants:**

[Browse the Directory of Cooperator Organizations](#)

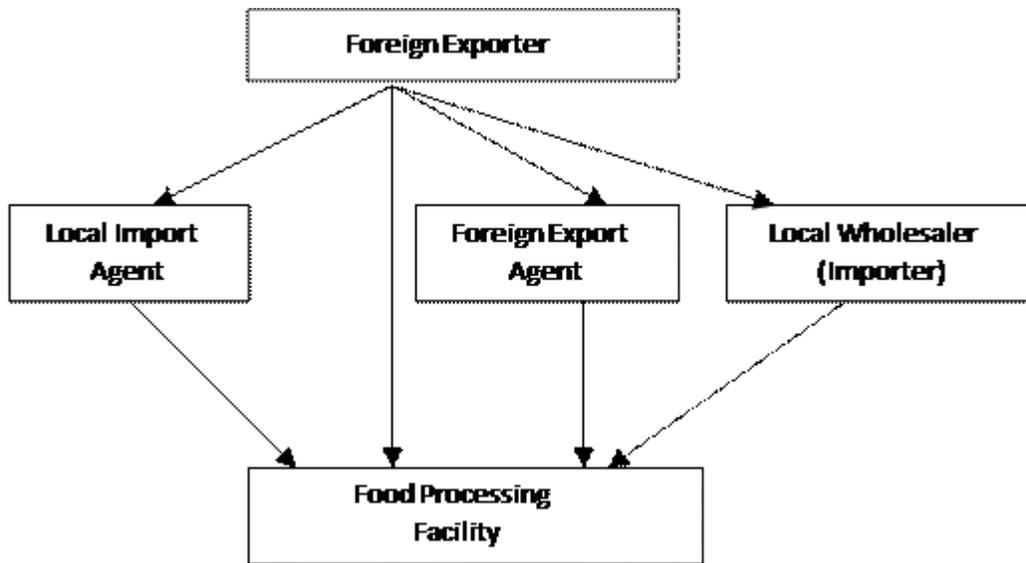
- Find a local import agent, importer/wholesaler or a foreign export agent who can further assist with information on import requirements, phytosanitary and sanitary regulations, labeling requirements and market information for the Polish market. Though appropriate representation, all distribution channels – including wholesale, retail, HRI food service, industrial - can be accessed.
- Attend a trade show to test the products on the EU/Polish market. Poland has only one large agricultural trade fair – [Polagra Food](#) – (please note that during recent years the presence of processed food products has been decreasing versus e.g. packaging machinery or retail shop equipment). Traditionally Polish traders, importers and food processors attend large food products trade shows organized in Germany and France. [ANUGA](#) in Germany alternating with [SIAL](#) in Paris are the most important food trade shows in Europe and the best places for U.S. exporters to establish contacts with potential business partners in Poland. [Europe Food Ingredients Trade Fair](#) (a bi-annual fair held alternatively in Paris, France and Frankfurt, Germany) also offers ideal testing grounds for food processing ingredients. Information about all USDA sponsored trade shows can be accessed at <http://www.fas.usda.gov/topics/trade-shows>

B. Market Structure

Over 2600 companies employing 9 or more persons operate in the Polish food sector. Over 95 percent of these companies produce food products, while 5 percent operate within the beverage sector. Nearly half of the companies employ over 49 people, with the next 40 percent employing between 50 and 249 people. Only about 11 percent of companies report employment of over 250 people.

U.S. exporters of food processing ingredients can successfully enter the Polish market through an ingredients importer. As Poland's food processing industry is well developed and has access to various food ingredients in order to successfully enter the Polish market U.S. products need to have a competitive advantage – attractive pricing, high quality or offer innovative characteristics.

Distribution Flow



Poland is a part of the EU single market and customs union. International trade negotiations for all EU members are conducted by the European Commission (EC).

The structure and relative small size of the Polish food processing sector requires only a small number of traders, importers or agents for sourcing products. Only large processors will buy directly from foreign suppliers.

Companies operating within the Polish food processing sector source their products through exporters located in country of product origin e.g. United States or through importers located in other EU Member States, mostly Germany and The Netherlands.

Large importers of food processing ingredients located in Germany, The Netherlands or the United Kingdom often work with Polish importers or wholesalers to distribute products imported by them to different food processing facilities in Poland.

With large number of multinational firms operating on the Polish market a high share of production is exported to other EU countries (over 50 percent of Polish exports are designated for the German market). Hence U.S. food exporters have an excellent opportunity of penetrating other EU markets by attracting food processors in Poland.

Sector trends

- The food processing sector production constitutes over 18 percent of the total industry sales;

- In 2015 packaged food in Poland was dominated by international companies, which sustained their position by conducting promotional campaigns and constantly launching new products. Local companies compete by relying upon brand loyalty and encouraging the support of domestic producers;
- Health awareness continues to increase among Polish consumers. A trend towards purchasing health and wellness products is clearly visible in Poland as the food processing sector continues to introduce new products with a variety of health benefits;
- Processed meat and seafood recorded 2 percent of total current retail value and volume growth and reached U.S. \$2 billion in 2015;
- Foodservice volume sales of packaged food grew by 3 percent in 2015;
- The highest foodservice volume growth in 2015 is recorded by prepared salads – 16 percent;
- A key developing trend in Poland is the increasing number of independent mobile platforms which offer quick service foods such as burgers, salads, fries and pizzas, stimulating sales of packaged ingredients for these products. Mobile food trucks (a medium-sized vehicle with a kitchen in the back) offers mobility that allows it to change location. Mobile food trucks are present at various sports events, music shows and local festivals which allow them to increase sales.

C. Company Profiles

Apart from the leading manufacturers, the sector consists of many small and medium-sized companies, which serve mostly local markets. Poland's accession into the EU in 2004 stimulated further modernization of the food processing industry needed in order to meet higher veterinary, health and environmental protection standards, especially in case of milk, meat, poultry and waste utilization sectors.

With the latest production technology and high quality of production the Polish food sector has large growth potential. This prospect is weakened to some extent by a shortage of domestic capital, unstable raw material base, and the lack of strong processors' groups.

Table 7. Company shares of packaged food % Value 2013-2015; Production locations, End-Use Channels and Procurement Channels

% Retail Value	2013	2014	2015	Production Location	End-use Channels	Procurement Channels
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Unilever Group	3.52	3.46	3.40	The Netherlands, United Kingdom, Poland (4)	Retail and HRI	Importer Direct
Nestlé SA	2.90	2.85	2.82	Germany, Czech Republic, Poland (7)	Retail and HRI	Importer Direct
Danone, Groupe	2.72	2.62	2.57	Multinational Company, Poland (6)	Retail and HRI	Importer Direct
Danish Crown Amba	-	1.55	1.57	Denmark Poland (1)	Retail and HRI	Importer Direct
Lotte Group	1.09	1.06	1.08	South Korea, Japan, Poland (1)	Retail and HRI	Importer Direct
Zott GmbH & Co KG	1.12	1.08	1.07	Germany Poland (3)	Retail and HRI	Importer Direct
PepsiCo Inc	0.94	0.95	0.95	United States, Poland (4)	Retail and HRI	Importer Direct
Storck KG, August	0.74	0.74	0.75	Germany, Denmark, United Kingdom	Retail and HRI	Importer Direct
Lactalis, Groupe	0.43	0.44	0.45	France, United States, Poland (1)	Retail and HRI	Importer Direct
Oetker-Gruppe	0.28	0.30	0.33	Germany, Poland (1)	Retail and HRI	Importer Direct
Bonduelle Groupe SA	0.26	0.26	0.26	France, Hungary, Czech Republic, Russia, Poland (2)	Retail and HRI	Importer Direct
Lantmännen ek för	0.24	0.22	0.21	Sweden	Retail and HRI	Importer Direct
Podravka dd	0.19	0.20	0.21	Croatia, United States, Czech Republic	Retail and HRI	Importer Direct
Hipp GmbH & Co Vertrieb KG	0.19	0.19	0.19	Germany	Retail	Importer Direct

Orkla Group	0.16	0.16	0.18	Norway	Retail and HRI	Importer Direct
Chocoladefabriken Lindt & Sprüngli AG	0.16	0.16	0.17	Switzerland	Retail and HRI	Importer Direct
Haribo GmbH & Co KG	0.14	0.15	0.15	Germany, United States, 13 factories in European Union	Retail	Importer Direct
Frosta AG	0.14	0.14	0.14	Germany, Polska (1)	Retail and HRI	Importer Direct
Wytownia Makaronu GOLIARD Sp zoo	0.09	0.09	0.09	Poland (1)	Retail and HRI	Importer Direct
Wilbo SA	0.05	0.04	0.04	Poland (1)	Retail and HRI	Importer Direct
Raisio Oyj	0.03	0.03	0.03	Finland, Poland (1)	Retail	Importer Direct
Heinz Co, HJ	0.84	0.84	N/A*	United States, Poland (3)	Retail and HRI	Importer Direct
Bongrain SA	0.82	0.81	N/A	France, Poland (1)	Retail and HRI	Importer Direct
Irish Dairy Board (An Bord Bainne)	0.13	0.13	N/A	Ireland	Retail and HRI	Importer Direct
Rieber & Søn ASA	N/A	N/A	N/A	Norway, Poland (1)	Retail and HRI	Importer Direct
Novartis AG	N/A	N/A	N/A	Switzerland	Retail and HRI	Importer Direct
Cadbury Schweppes Plc	N/A	N/A	N/A	United Kingdom	Retail and HRI	Importer Direct
Royal Numico NV	N/A	N/A	N/A	The Netherlands/ France, Poland (1)	Retail and HRI	Importer Direct
Jutrzenka SA	N/A	N/A	N/A	Poland (1)	Retail and HRI	Importer Direct
Wrigley Jr Co, William	N/A	N/A	N/A	United States, United Kingdom, Poland (1)	Retail and HRI	Importer Direct
Private Label	16.14	17.07	17.20	Nationwide Poland	Retail and HRI	Importer Direct
Artisanal	12.06	11.80	11.48	Nationwide Poland	Retail and HRI	Obtain imported

						ingredients from local importers or wholesalers
				Nationwide Poland	Retail and HRI	Obtain imported ingredients from local importers or wholesalers
Others	54.62	52.64	54.64			
Total	100.00	100.00	100.00			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

*N/A – Data not available

D. Sector Trends

Investments

Poland ranks among the most attractive business locations within the European Union. Poland attracts companies and foreign investors because of its good macroeconomic climate, a developed financial sector, availability of so well-educated, productive and wage competitive labor force. Some potential investment boundaries in attracting foreign direct investments include heavy administrative burdens. Foreign investments have played a significant role in developing and modernizing the Polish food processing industry. The largest global players such as PepsiCo, Nestle, Mondelez, Coca-Cola, Danone and Mars have their plants in Poland. Within the period of 2004-2014 the Polish Investment Agency reported foreign investments within food processing sector valued at U.S. \$1.7 billion. American companies are the largest foreign investors in this sector.

Foreign companies which have invested in the Polish food processing sector include:

- **Coca Cola Beverages**
- **PepsiCo: production of beverages, snacks, confectionery products**
- **Smithfield: meat processing**
- **Mars Incorporated (Master Foods): production of confectionery products and animal feeds**
- **McDonalds, Burger King: quick service restaurants**
- **Cargill Inc: production of animal feeds**
- **H.J. Heinz Company: Processing and preserving of fruit and vegetables**
- **Wrigley: confectionery**

Chart 1. Location of major food processing companies in Poland



Source: Polish Investment Agency

Further development of the food processing industry in the next 5-10 years will be stimulated by:

- Increased demands of local as well as foreign (E.U., Ukraine and other Eastern European and Central Asian countries) food markets. Poland's relations with an important export market – Russia (driven by political situation – currently resulting in import embargo on EU/Polish products);
- Increased demand for processed fruit, vegetables, milk, fish and meat;
- Increased demand for convenience products (highly processed, easy to cook, ready to eat);
- Increased demand for semi-processed food products for home meal preparation;
- Due to increasing demand food processing industry is increasing production of various food with health benefits;
- Increased demand for organic foods, produced with limited usage of chemicals;
- Further reduction in presence of small local processing, giving way to domination by large plants. Although on many occasions food produced by small plants is generally of higher quality; as its unit costs are higher it continues to have difficulty in finding market share as it competes with larger processing plants. Industry experts predict that foreign investment in the food processing industry will continue for several years, with many medium sized players being eliminated from the market.

SECTION III. COMPETITION

In 2014 Polish imports of consumer oriented food products amounted to U.S. \$10 billion with imports

worth U.S. \$136 million originating from the United States.

Table 8. Poland Import of consumer oriented food products (U.S. \$ Thousands)

Poland (Customs) Import Statistics							
Commodity: Consumer Oriented Agric. Total, Group 32 (2012)							
Year To Date: January – December							
Partner Country	Million United States Dollars			% Share			% Change
	2012	2013	2014	2012	2013	2014	2014/2013
World	8,768	9,969	10,438	100.00	100.00	100.00	4.71
United States	105	127	136	1.21	1.28	1.30	6.45

Source: Global Trade Atlas

Table 9. Poland Export of consumer oriented food products (U.S. \$ Thousands)

Poland (Customs) Export Statistics							
Commodity: Consumer Oriented Agric. Total, Group 32 (2012)							
Year To Date: January - December							
Partner Country	Million United States Dollars			% Share			% Change
	2012	2013	2014	2012	2013	2014	2014/2013
World	15,749	18,241	19,281	100.00	100.00	100.00	5.70
United States	214	208	271	1.36	1.15	1.41	30.08

Source: Global Trade Atlas

Domestic producers and exporters from the European Union (mainly Germany, France, Italy, Great Britain, Spain, Finland, and the Netherlands, which make up 50 percent of total Polish food imports) are the main competitors for American food exporters. Dynamic development of Polish producers and foreign investors in the Polish food industry resulted in an increased variety of high quality product being produced locally. Even classic American products like chewing gum, Coca-Cola and Pepsi are produced in Poland. It should also be noted that Polish customers prefer Polish products over imported ones. Many chains advertise the fact that they offer Polish vegetables or other products to increase sales.

Table 10. Examples of import of consumer food products and ingredients to Poland in 2014.

Product Category	HS code	Total imports of agri-food products by Poland (U.S. \$ million)	Direct imports from the USA (U.S. \$ million)	Share of US imports in total imports (%)	Main Foreign competitors	Strengths of Key Supply Countries	Advantages and disadvantages of Local Suppliers
Frozen	0303	241	4	1.71	1.Norway,	1-4.Distance,	Developed

Fish					2.Denmark, 3.United Kingdom, 4.Netherlands, 5.Russia,	availability and regional products. 5.Price/quality.	fish processing industry.
Fish Fillets	0304	653	45	6.93	1.China, 2.Germany, 3.Iceland, 4.Russia, 5.Norway, 6.Vietnam, 7.Denmark	1.4.6.Price/quality. 2,3,5,7. Distance, availability and regional products.	Developed fish processing industry.
Almonds	08021 2	54	18	33.87	1.Spain, 2.Germany, 3.Australia	1.Distance, availability and regional products. 2.Traditional re-exporter. 3. Flexibility of suppliers – aiming to gain new market.	No local production due to unfavorable climate conditions.
Dried Grapes, Raisins	08062 0	33	3	9.90	1.Iran, 2.Germany, 3.China, 4.Chile, 5.Turkey	1.2.4.5. Price/quality. 2.Traditional re-exporter.	No local production due to unfavorable climate conditions.
Prunes	08132 0	26	4	19	1.Chile, 2.France, 3.Slovakia, 4.Serbia, 5.Argentina, 6.Germany	1.5.Price/quality. 2.3.4.Distance, availability and regional products. 6. Traditional re-exporter.	Local production of different type of prune – not competing with imported varieties.
Peanuts	1202	65	7	1.17	1.Argentina, 2.Brazil, 3.China	1.2.3.Price/quality.	No local production due to unfavorable climate conditions.
Mucilage &	13023 9	29	2	8.17	1.China, 2.Philippine	1.2. Price/quality.	Developed food

Thickeners					s, 3.Germany, 4.Denmark, 5.Belgium, 6.Spain	3.4.5.6. Distance, availability and regional products.	processing industry.
Cranberries	20089 3	17	12	70	1.Canada, 2.Germany, 3.Chile	1.3. Price/quality. 2. Traditional re-exporter.	Local production of different type of cranberry – not competing with imported varieties.
Food Preparation	21069 0	506	26	5.14	1.Germany, 2.France, 3.Netherlands, 4.Italy, 5.Austria	Distance, availability and regional products.	Developed food processing industry.
Wine	2204	269	35	13.35	1.Germany, 2.Italy, 3.France, 4.Spain	Distance, availability and regional products.	Limited local production due to unfavorable climate conditions.
Alcohol Beverages	2208	201	29	14.72	1.Finland, 2.UK, 3.Germany	Distance, availability and regional products.	Developed local production industry – e.g. vodka production.
Mixtures of Odoriferous Substances	3302	477	61	13	1.Germany 2. Ireland	Most of the product is imported through Germany.	Increasing production of high quality Polish components .
Synthetic Organic Coloring Matter	3204	147	3	2	1.Germany 2.Italy 3.India	U.S. product is considered to be expensive. Active competition	Increasing production of high quality Polish

						exists from Hungary and China.	components
Peptones and Derivatives	350400	46	3	7.22	1.Belgium 2.China 3.Denmark	Belgian and Chinese producers are actively promoting their product on the Polish market.	Polish food processing industry as well as producers of supplies for body building are increasingly interested in the U.S. products.
Food enzymes	3507	77	2	2	1.Denmark 2.France 3.The Netherlands	U.S. product is considered to be expensive. Active competition exists from Iran.	Polish food processing industry is becoming increasingly interested in using high quality product from the U.S.

Source: Global Trade Atlas Data

SECTION IV. BEST PRODUCT PROSPECTS

A. Products in the market that have good sales potential

- Fish and Seafood: salmon, lobster and other miscellaneous fish products
- Nuts: almonds, peanuts, pecans, pistachios, walnuts
- Highly processed food ingredients
- Dried & Processed Fruit: cranberries, prunes
- Organic products

Table 11. Products in the market that have good sales potential

Category	2014 Market Size (Volume) in mln	2014 Imports (Sales) In U.S. \$	5-Yr. Avg. Annual Import Growth	Import Tariff Rate *	Key Constraints Over Market Development	Market Attractiveness for USA
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	MT	Million				
Fish And Seafood Products (HS 03 and 1604-05)	0.50	\$2	Growth of 4% per annum	Rages from 2-26% import duty	Competition from established suppliers. Norway and China are price competitive while United States caters to the high end food service sector. A large proportion of imports are destined for the food processing and HRI sector.	Demand for fish and seafood products in Poland is continuously rising. Current per capita consumption is less than 1/3 of that noted in Western Europe. As incomes rise and the development of the food processing and food service continue this will provide opportunities for U.S. suppliers able to compete on both price and quality.
Tree Nuts: almonds, pistachios, walnuts (HS 0801-0802)	35	\$1,630	Growth of 10% per annum	Ranges 0-21% import duty	Suppliers from Spain, India and Iran are price competitive while United States caters to the high end food processing and food service sector.	Demand for nuts continues to rise. Current per capita consumption is less than 1/4 of that noted in Western Europe. As Polish food processing sector develops and baking and snacking segments grow Poland will provide opportunities for U.S. suppliers able to compete on both price

						and quality.
Dried Fruit: including Prunes, Raisins (HS0813,0806)	0.2	\$273	Growth of 4% per annum	2.4-9.6% import duty	Traditional suppliers from France and Iran are price competitive while United States exporters cater to the high end food processing and food service sector.	Demand for dried fruit in Poland is continuously rising. As Polish food processing sector develops and baking and snacking segments grow Poland should prove to be an attractive sales market for U.S. suppliers.
Dried Fruit: Sweetened Cranberries (HS200893)	0.5	\$18	Growth of 6% per annum	17.6-25.6% import duty	United States is the key supplier holding over 60 percent of the market share. Canadian product is the key competitor, followed by Chilean supplies, which attract price oriented importers.	Demand for cranberries in Poland is dynamically rising. As Polish food processing (especially chocolate processors) sector develops and baking and snacking segments grow Poland will provide opportunities for U.S. suppliers.
Tanning or dyeing extracts and synthetic Organic Coloring Matters and Preparations (HS32)	0.6	\$1,761	Growth 10 % per annum	Ranges from 0-6.5% import duty	Germany is the key supplier with most iof the product transhipped, followed by Italy, United Kingdom, Spain. United States exports note continues	Demand for tanning, dyeing extracts and synthetic, organic, cranberries in Poland is increasing driven by rapidly developing processing

					increase having a share of 2 percent.	industry.
Essential Oils (HS33)	0.30	\$2,100	Growth 8% per annum	Ranges from 0-17.3% import duty	Germany is the key supplier followed by France, Italy and United Kingdom. United States exports increase each year currently having a share of 2 percent.	All traditional suppliers within this category offer high quality products. United States products in order to be competitive need to have attractive pricing or offer innovative characteristics.
Albuminoidal Substances, Modified Starches (HS35)	0.25	\$694	Growth 4% per annum	Ranges from 0-17.7 % import duty	Germany is the key supplier followed by Belgium, The Netherlands, France and Italy. United States exports note continues increase having a share of nearly 2 percent.	All traditional suppliers within this category offer high quality products. United States products in order to be competitive need to have attractive pricing or offer innovative characteristics.

**PLEASE refer to EU's Custom Tariff site at http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp in order to obtain details pertaining to individual HS custom codes.*

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

- High quality spices and barbeque sauces
- Beef: Hormone-free beef
- Fruit juice concentrates: Cranberry, prune

B. Table 12. Products not present in significant quantities, which have good sales potential

Category	2014 Market Size (Volume) in mln MT	2014 Imports (Sales) In U.S. \$ Million	5-Yr. Avg. Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
Coffee, Tea, Mate and Spices 09	0.2	\$627	Growth of 1.5% per annum	Ranges from 0-12.5% import duty	While tea and coffee products have established Asia and Africa based suppliers; high quality spices offer niche, yet growing market potential.	Demand for high quality spices will continue to rise with improving incomes and further development of the food service sector. This will provide opportunities for U.S. suppliers able to compete on both price and quality.
Beef: Hormone-free HS0201-0204	0.4	\$22	25% (imports from the US recorded a 40 percent drop as compared to 2013. Higher prices for US beef in 2014 made it uncompetitive compared to beef from Argentina, Brazil and Uruguay)	Ranges from 12.8%+176.8 Euro/kg/net to 12.8%+304.1 Euro 100/kg/net	US products face tough competition from European Union beef produces (including growing Polish industry), as well as Brazil, Argentina and New Zealand suppliers.	US hormone free beef eligible for sale in the EU is considered to be of exceptionally good quality. Growing market of high-end restaurants and hotels offers good sales potential for this product.
Fruit juice	0.2	\$209	Growth of	Ranges	US products	US products

concentrate s: including prune, and cranberry (HS2009)			1% per annum	from 10.5% to 33.6%+20.6 Euro 100/kg/net	face tough competition from European Union suppliers – mostly France as well as Canada (cranberry juice concentrates).	are considered to be of superior quality and with proven health benefits. Growing demand within health food sector offers excellent sales opportunities.
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**PLEASE refer to EU's Custom Tariff site at
http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp
in order to obtain details pertaining to individual HS custom codes.*

A. Products not present because they face significant boundaries

- Food additives not approved for import by the European Commission.
- Poultry and Beef (production using hormone growth) – not approved for import by the European Commission facing SPS barriers.

SECTION V. POST CONTACT AND FURTHER INFORMATION

One of the goals of the Foreign Agricultural Service (FAS) office in Warsaw is to assist in market development and promotion of U.S. food and agricultural products in Poland. There are a wide variety of ways in which to approach this market and many key contacts such as importers, distributors and retailers. Suppliers of U.S. food products and ingredients can contact FAS Warsaw if additional information regarding selling U.S. food and beverage products to Poland is required.

There are several U.S. commodity groups, called cooperators/regional groups, who partner with FAS to promote U.S. agricultural products in Poland. Those cooperators who are particularly active in Poland include: Wine Institute (California), Cranberry Marketing Committee, California Prune Board, California Walnut Commission and Food Export USA Northeast. The California Wine Institute, Cranberry Marketing Committee, California Walnut Commission and California Prune Board have representatives based in Warsaw.

For additional information regarding the Polish market please contact:

American Embassy

Foreign Agricultural Service
Al. Ujazdowskie 29/31
00-540 Warsaw, Poland
Phone number: +48 22 504 23 36
E-mail: AgWarsaw@fas.usda.gov
Website: <http://polish.poland.usembassy.gov/Poland-pl/agric.html>

Please also visit the Foreign Agricultural Service home page (www.fas.usda.gov – *Data and Analysis* link – *GAIN Reports Category*) for more information about exporting U.S. food products to Poland, including “The Exporter Guide”, “The HRI Food Service Sector Report”, product briefs on the market potential for the U.S. wine, dried fruit, nuts and other agricultural products.

For information on exporting U.S agricultural products to other countries please visit the Foreign Agricultural Service home page: <http://www.fas.usda.gov> – *Countries and regions* link.

Appendix A. Additional contacts in Poland:

Polish Food Processing Associations

- [Polish Federation of Food Producers](#)
- [Association of Milk Producers](#)
- [Union of Producers of Meat Industry](#)
- [Association Polish Meat "POLSKIE MIĘSO"](#)

Leading food processing companies in Poland include:

- [ARYZTA POLSKA Sp. z o.o.](#)
- [Cedrob SA](#)
- [COCA COLA HBC Sp. z o.o.](#)
- [Danone Spolka z o.o.](#)
- [DEVELEY POLSKA](#)
- [FARM FRITES POLAND S.A.](#)
- [Ferrero Polska Sp z o.o. Warszawa](#)
- [FRITO LAY POLAND Sp. z o.o.](#)
- [„GRANA” Sp. z o.o.](#)
- [GRUPA ANIMEX WARSZAWA](#)
- [Grupa Cargill Poland](#)
- [Grupa Kofola SA Kutno](#)
- [Grupa Maspex](#)
- [GK Grupy Zywiec SA, Zywiec](#)
- [GK Kompania Piwowarska SA, Poznan](#)
- [GK Polski Koncern Miesny Duda SA](#)
- [GK Sokolow SA](#)
- [Grupa Firm Farmutil](#)
- [Grupa Mlekowita](#)
- [HOOP POLSKA Sp. z o.o.](#)
- [HERBAPOL LUBLIN S.A.](#)
- [JACOBS DOUWE EGBERTS PL Sp. z o.o.](#)
- [Kraft Food Polska SA/Mondelez SA](#)
- [LORENZ BAHLSEN SNACK-WORLD Sp. z o.o.](#)

- [Mars Polska Spolka z o.o.](#)
- [MEAD JOHNSON NUTRITION POLAND Sp. z o.o.](#)
- [MONDELEZ POLSKA S.A.](#)
- [Nestle Polska SA](#)
- [NUTRICIA POLSKA Sp. z o.o.](#)
- [ORANGINA SCHWEPES POLSKA](#)
- [PEPSI-COLA GENERAL BOTTLERS POLAND Sp. z o.o.](#)
- [Pini Polonia Spolka z o.o.](#)
- [RED BULL Sp. z o.o.](#)
- [SM GOSTYŃ](#)
- [SM Mlekoop](#)
- [Sobieski Spolka Z.o.o Warszawa](#)
- [SÚDZUCKER POLSKA S.A.](#)
- [TORUŃ PACIFIC Sp. z o.o.](#)
- [UNILEVER POLSKA S.A.](#)
- [WRIGLEY POLAND Sp. z o.o.](#)
- [Z.T. BIELMAR Sp. z o.o.](#)
- [Z.T. KRUSZWICA S.A.](#)
- [ŻYWIEC ZDRÓJ S.A.](#)

End of the Report.