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Report Highlights:

Poland has the largest food processing sector in Central and Eastern Europe and the sixth largest in the European Union (EU). In 2019, the food processing industry accounted for six percent of Poland's total $592 billion gross domestic product (GDP). Strong growth in the Polish food processing sector in 2019 was stimulated by internal demand and export. The most important segments in value terms were meat, dairy, beverage, confectionary, bakery, and horticultural processing. In early 2020, the COVID-19 outbreak and following control measures stunted some important Polish economic sectors. However, the food processing sector continued to function under enhanced hygiene and safety measures. Poland's total 2019 imports of food and agricultural products were valued at over $26 billion, with U.S. imports accounting for $514 million. U.S. ingredients with strong sales potential include fish (salmon and pollock) and seafood, tree nuts, dried fruit, highly processed, and functional ingredients.

Market Fact Sheet: Poland

Executive Summary

Poland is Central and Eastern Europe's largest food and beverage market. With its population of over 38 million people, it is an attractive market for U.S. food and agriculture. Poland's 2019 GDP increased by four percent, driven largely by growing domestic demand and exports. COVID-19 negatively affected the hospitality and restaurant sectors. In 2019, Poland imported upwards of $26 billion in food, agriculture, and related products. U.S. imports of these products were $514 million. U.S. products with strong sales potential include fish and seafood, wine, nuts, dried fruit, highly processed and functional ingredients.

Imports of Consumer-Oriented Products

Total 2019 Polish imports of consumer-oriented food products were $13 billion, with U.S. imports at $181 million. Polish consumers increasingly value more diverse food products. Imports are rising steadily to cater to such demands and compensate for Poland's seasonal production.

Food Processing Industry

Poland has the largest food processing sector in Central and Eastern Europe and sixth in the European Union. In 2019, the total food processing industry accounted for six percent of Poland's $592 billion GDP. The most important sectors in value terms were meat, dairy, beverage, confectionary baking industries and processed fruit and vegetables. Since the early 1990s, many multinationals, including Danone, Heinz, Unilever, Mondelez, and Nestle have expanded into Poland.

Food Retail Industry

The distribution system for consumer-ready food products has evolved rapidly. The retail sector is diverse and ranges from small family-operated shops, to medium-sized stores, to large distribution centers comparable to those found in the United States. Most hypermarkets are foreign owned, while most traditional small-scale stores remain Polish. COVID-19 rapidly developed the retail sector's capacity for on-line delivery platforms.

Quick Facts CY 2019

Imports of Consumer-Oriented Products
$13,769 *million (*U.S. imports $181 million)

List of Top 10 Growth Products in Poland

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

Top 10 Polish Retailers

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

GDP/Population
Population *(millions)*: 38.4
GDP *(billions USD)*: 592
GDP per capita *(USD)*: 34,217

SWOT Analysis

Strengths	Weaknesses
Central Europe's most populous country with domestic consumer market of over 38 million people.	U.S. products face high transportation cost as compared to many European competitors.
Opportunities	**Threats**
Market niches exist in food ingredient categories – dried fruit, nuts, and functional foods.	Foreign investments in Polish food processing industry result in local production of high-quality products.

Data and Information Sources: Polish Central Statistical Office, Trade Data Monitor, World Bank, FAS Warsaw data

Contact: FAS Warsaw, Poland
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I. Market Summary

Poland and its 38 million consumers constitute a large and growing market for U.S. food and agricultural products. In 2019, total food and agricultural imports were valued at $26 billion, with U.S. imports accounting for $514 million. Poland's 2019 real GDP growth reached four percent, driven largely by increasing domestic demand and exports.

Table 1: Basic Economic Indicators

Poland	**2018**	**2019**
Real GDP growth	5.1	4.0
Consumer price inflation	1.6	2.3
Unemployment rate	6.0	5.2
Exchange rate Zl: U.S. $	3.6	3.8

Source: Poland's Central Statistical Office (CSO)

2020 real GDP growth is expected to decline due COVID-19's negative affect on the macroeconomy and weaker external demand. The International Monetary Fund forecasts that Poland's GDP will contract by 3.6 percent and inflation will reach 3.3 percent in 2020.

Polish households spend over 27 percent of disposable income on foods and beverages. There is considerable income dispersity between the richest and poorest Poles; the top 20 percent of the population earns close to five times as much as the lowest 20 percent. In 2020, the Government of Poland (GOP) increased the monthly minimum wage by 15.6 percent to Polish zloty (PLN) 2,600 ($705), which contributed to consumer spending. In addition to economic growth and higher monthly wages, GOP social-safety net initiatives, such as the Family 500+ Program, also supplemented incomes of millions of families.

Poland's food processing industry is the largest in Central and Eastern Europe and sixth largest in the EU. In 2019, the combined food processing industries accounted for six percent of Poland's $592 billion GDP. The most important enterprises in value terms were meat, dairy, beverage, confectionary, bakery products, and processed horticultural products. Consumer demand for products perceived as healthful, international trends, and increased incomes are significant drivers of Poland's food processing industry.

Table 2: Polish Per Capita Market Basket Consumption 2005-2019

Consumer goods	Unit of measure	2005	2010	2015	2017	2018	2019
Cereal grains of 4 c (in terms of processed products)	kg	119	108	103	102	101	101
Potatoes	kg	126	110	100	96.0	95.0	92.0
Vegetables	kg	110	106	105	105	106	103
Fruit	kg	54.1	44.0	53.0	53.0	54.0	58.0

Meat and edible offal	kg	71.2	73.7	75.0	74.6	80.2	75,9
of which meat:	kg	66.8	69.9	70.9	70.1	76.1	71,4
Beef	kg	3.9	2.4	1.2	3.2	3.0	2,7
Pork	kg	39.0	42.2	41.4	38.2	42.6	40.3
Poultry	kg	23.4	24.6	27.1	27.6	29.6	28.3
Animal edible fats	kg	6.6	6.3	5.8	6.5	6.6	6.0
Butter	kg	4.2	4.3	4.5	4.5	4.7	5.4
Cow milk	l	173	189	213	218	221	225
Chicken eggs	units	215	202	144	139	162	156
Sugar	kg	40.1	39.9	40.5	42.9	47.0	42.1
Vodkas, liqueurs, other spirit beverages in terms of 100% alcohol	l	2.5	3.2	3.2	3.3	3.3	3.7
Wine and honey wine	l	8.6	6.9	6.3	6.2	6.0	6.2
Beer from malt	l	80.7	90.2	99.1	98.5	100.5	97.1

Source: CSO data

Polish consumers tend to view the United States positively and U.S.-origin products are considered high quality. U.S. products are often shipped to third-country EU ports of entry where they are re-exported to Poland without additional tariffs or regulatory requirements, besides language labeling.

Table 3: Polish Food Processing Sector Deliveries 2018-2019

Deliveries Thousand Metric Tons		
Goods	2018	2019
Raw meat from animals for slaughter	2365	2296
of which meat:		
Pork	2086	1994
beef and veal	282	303
Poultry meat	1841	1747
Variety meat products from poultry	129	128

Meat and variety meat products from animals for slaughter[b]	855	862
Frozen sea fish	282	289
Margarine and spreads (excluding liquid margarine)	209	188
Butter and dairy spreads	174	198
Cheese and curd	758	792
of which:		
ripening cheese	296	336
processed (melted) cheese	35.3	32.5
Wheat flour	2415	2423
Sugar	1804	1621
Chocolate (including white)	249	241
Pasta	212	224
Vodkas, liqueurs, other spirit beverages in terms of 100% alcohol	1295	1467
of which pure vodka	863	962
Wine and honey wine	2346	2423
of which grape wine	1517	1586
Beer from malt	38665	37187
Mineral waters and soft drinks	77217	73401
of which natural mineral waters	29020	28501

Source: CSO data

Since the early 1990s, multinationals like Coca-Cola, PepsiCo, Mars, Heinz, Danone, Unilever, Mondelez, and Nestle have invested in Poland. Multinationals now account for over 70 percent of confectionery production, over 50 percent of sugar, and own the largest breweries, meat processing plants, bottling plants, and horticultural processing plants. These stakeholders produce a broad range of high-quality products and compete directly with locally-available U.S. exports.

For additional country profile information please refer to FAS Warsaw's Exporter Guide.

Chart 1: Leading Food Processors in Poland

Graphics: Polish Investment and Trade Agency

Sector Trends: The development of the food processing industry over the next 5-10 years will be driven by:

- Increased demands of domestic as well as foreign food markets
- Increased demand for processed fruit, vegetables, milk, fish, and meat
- Increased demand for convenience products (highly processed, ready to eat)
- Increased demand for semi-processed food products for home meal preparation
- Increased demand for processed organic foods and beverages
- Fewer small and local food processors, giving way to large plants.

COVID-19’s Impact: Many Polish food processing facilities continue to work in shifts to minimize human contact while guaranteeing supplies. Post contacts among Poland’s food industry report that during the initial weeks of self-isolation in spring 2020, the Polish food processing sector adapted quickly to keep sanitary measures high within production plants. Sufficient stocks allowed companies to adapt quickly and to rapid jumps in demand for nonperishable food items.

Table 4: Advantages and Challenges for American Products in the Polish Market

Advantages	Challenges
Central Europe's most populous country with a consumer market of over 38 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.	The EU's complicated system of product registration can delay or even prevent products from entering the Polish market.
Transshipment from other EU countries occurs commonly due to Poland's EU membership.	Many U.S. products face a competitive disadvantage versus duty-free EU-27 products.
Market niches exist for U.S.-origin fish and seafood, tree nuts, dried fruit, highly processed, and functional ingredients.	Significant foreign investment results in high-quality locally produced valued-added food products that compete with imported products.

II. Road Map for Market Entry

Entry Strategy

The Polish market can be price sensitive and therefore pose challenges to some U.S. ingredient exporters. Imported products are typically used when low-cost domestic or regional products are unavailable.

I. Some food processors purchase imported products directly from Polish importers, but most buy from local wholesalers or suppliers.

II. The largest food processors have internal procurement operations and can directly import.

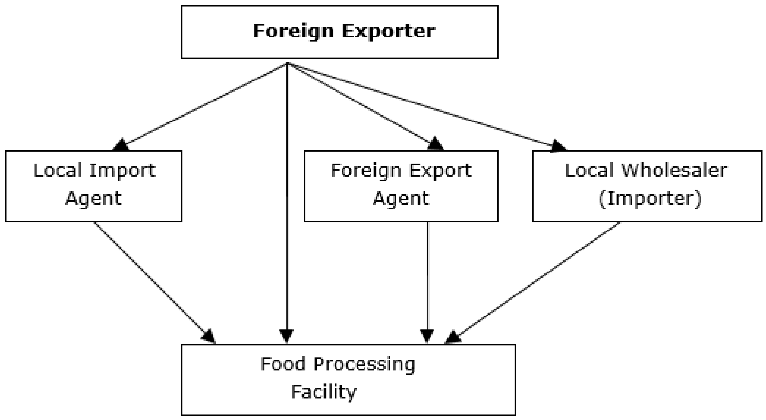
II. Local agents or representatives should develop personal relationships with clients. Exporters must understand current laws, cultural norms, and tax/customs regulations.

U.S. companies seeking to export goods to Poland are advised to conduct research to gain an understanding of the market. Attaché Reports constitute a good source for country specific information. Information regarding regulations pertaining to exporting U.S. products to the EU is also available at the USDA's EU website.

Attending one of Europe's USDA endorsed trade shows and/or other trade shows in Europe, such as the Health Ingredients show and the Food Ingredients show, is a good way of entering the market. Most leading Polish importers visit these shows.

Market Structure:

Chart 2: Product Entry



Company Profiles
The Polish food industry consists of about 30,000 enterprises, although most (over 25,000) are small firms that employ fewer than nine workers.

Leading food processing companies in Poland include:
ARYZTA POLSKA Sp. z o.o.
COCA COLA HBC Sp. z o.o.
COCA COLA POLAND SERVICES Sp. z o.o.
CARGILL POLAND Sp. z o.o.
DANONE POLSKA Sp. z o.o.
DEVELEY
FARM FRITES POLAND S.A.
FERRERO POLSKA Sp. z o.o.
PEPSICO Polska
GRUPA MASPEX Sp. z o.o.. S.K.A.
HOOP POLSKA Sp. z o.o.
JACOBS DOUWE EGBERTS PL Sp. z o.o.
MONDELEZ POLSKA S.A.
NESTLE POLSKA S. A.
NUTRICIA POLSKA Sp. z o.o.
ORANGINA SCHWEPPES POLSKA
PEPSI GENERAL BOTTLERS POLAND Sp. z o.o.
SM GOSTYŃ
SŰDZUCKER POLSKA S.A.
UNILEVER POLSKA S.A.
MARS
Z.T. BIELMAR Sp. z o.o.

Z.T. KRUSZWICA S.A.
ŻYWIEC ZDRÓJ S.A.

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

III. Competition

The Polish food processing industry is increasingly interested in sourcing tree nuts, fish and seafood, dried fruit, flavors and aromas, sweeteners, food additives, colors, and enzymes. In 2019, Polish consumer-oriented imports totaled about $13 billion, with $181 million shipped from the United States. Increasing U.S. market share is largely attributed to higher disposable incomes. Domestic products and products from other EU members are the main U.S. competitors. Domestic food producers are consistently evolving, innovating, and producing high-quality products. It should also be noted that many Poles prefer Polish products over imports.

Polish fish and seafood imports continue to grow and reached over $2.5 billion in 2019, with a record $100 million (3.6 percent market share) originating from the United States. Poland is the number one salmon processor in the world.

Table 5: Polish CY 2019 Food, Agricultural and Fish Imports ($ million)

Agricultural Total, total imports	26,698
Agricultural Total, imports from U.S.	514 (2%)
Intermediate Agricultural Products, total imports	54
Intermediate Agricultural Products, imports from U.S.	0.08 (2%)
Consumer-Oriented Agricultural Products, total imports	13,769
Consumer-Oriented Agricultural Products, imports from U.S.	181 (1.3%)
Fish and Seafood Products, total imports	2,719
Fish and Seafood Products, imports from U.S.	100 (3.6%)

Source: CSO trade data published by Trade Data Monitor (TDM)

Table 6: Sample Polish CY2019 Food, Agricultural and Fish Imports

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 (HS 03 + HS 16)	1. Norway – 43.35% 2. Sweden – 6.76% 3. Germany – 6.73% **7. United States – 3.68%**	Norway's proximity as well as intensive promotional campaigns create competition for other suppliers; U.S.	Poland is world's number one salmon processor.

$2.7 billion		holds strong position as a supplier of Alaska pollock and sockeye salmon.	
Tree Nuts (HS 0801 +0802 +200819) **$305 million**	1. Germany – 18.77% 2. **United States – 16.37%** 3. Turkey – 13.51% 4. Vietnam – 11.27%	Germany is a large re-exporter of nuts. U.S. is the leading supplier of almonds and pistachios. Turkey leads in supply of hazelnuts.	Domestic production is minimal. Poland produces limited quantities of walnuts and hazelnuts.
Enzymes (HS 350790) **$98 million**	1. Denmark – 33% 2. Finland – 28.89% 3. France – 9.3% **7. United States – 2.88%**	Denmark's' proximity as well as intensive outreach to Polish food processors create strong competition for other suppliers.	Dynamic development of Polish food processing industry will stimulate increased demand for this category.
Mixtures of Odoriferous substances (HS 3302) **$591 million**	1. Germany – 23% 2. Ireland - 19% 3. **United States – 16%**	Germany's' proximity as well as intensive outreach to Polish food processors create strong competition for other suppliers.	Dynamic development of Polish food processing industry will stimulate increased demand for this category.
Peanuts (HS 1202) **$100 million**	1. Argentina – 60% 2. Brazil – 26% **3. United States – 5.96%**	Argentina and Brazil are Poland's traditional suppliers; U.S. product is gaining in popularity when price competitive.	No local availability. Product in high demand from Poland's food processing sector.
Dried Prunes (HS 081320) **$21 million**	1. Chile – 63.56% **2. United States – 23%** 3. Argentina – 2.37%	Chilean product has tariff advantage based on EU-Chile FTA. 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.
Raisins (HS 080620) **$32 million**	1. Turkey – 33% 2. Iran – 15% 3. Germany – 12% **14. United States – 1%**	1-3 Price advantage.	No local availability. Polish snacking sector is developing dynamically.
Peptones & Derivatives (HS 350400) **$37 million**	1. Belgium – 30% 2. China – 12.84% 3. Germany – 7.9% **5. United States – 5.27%**	1-2 Proximity and availability advantage. 3 Price advantage.	Products mostly imported; in high demand by growing supplement production sector.

Source: CSO data published by TDM

IV. Best Product Prospects

Products in the market that have good sales potential

- Fish and Seafood: salmon, cod, pollock, lobster and other miscellaneous fish products
- Nuts: almonds, peanuts, pecans, pistachios, walnuts
- Distilled spirits and wine
- Highly processed ingredients: protein concentrates dextrin, peptones, enzymes, lecithin
- Dried & processed fruit: cranberries, prunes
- Fruit juice concentrates: cranberry, prune
- Organic products

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

- High quality spices and mixes (Tex-Mex)
- Hormone-free beef
- Ingredients for the natural and healthy foods industry
- Vegetable fats for bakery industry

Products not present because they face significant boundaries

- Food additives not approved by the European Commission

V. Key Contacts and Further Information

For additional information regarding the Polish market please contact:

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Attachments:

No Attachments.