

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Market Brief – Tree Nuts

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Tree Nuts

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Report Highlights:

In 2013, Croatia imported \$7.2 million in almonds, \$6.9 million in walnuts, \$4.9 million in hazelnuts and \$1.4 million in pistachios. In 2013, Croatia imported a total of \$22.6 million for all tree nuts, which is a 19% increase compared to 2012, making Croatia a lucrative export market for US tree nuts. This report provides marketing, trade, and regulatory information for US exporters.

General Information:

Section I. Market Overview

In 2013, Croatia imported a total of \$22.6 million in tree nuts and \$1.7 billion in consumer foods. During the last few years, Croatia has benefitted from a flourishing tourist industry on the Dalmatian coast and has also seen an increase in the number of supermarkets. However, due to the global economic crisis, local consumer demand for food in rural areas has decreased. U.S. trade export data to Croatia does not fully reflect actual trade due to EU transshipments.

Imported tree nuts are commonly found in all Croatian supermarkets and other major retail channels. Most nuts are imported from Romania, the United States, Turkey, Italy and Germany. In 2013, Croatia imported 3,144 metric tons (MT) of tree nuts valued at \$22.6 million, of which \$5.9 million (mostly almonds), were from the United States. Tree nut import into Croatia increased by 19% compared to 2012. In 2013, Croatia imported \$7.2 million in almonds, \$6.9 million in walnuts, \$4.9 million in hazelnuts and about \$1.4 million in pistachios (see table 2 for 2011-2013 annual data). Croatia's almond production satisfies less than 50% of domestic demand. In 2013, Croatia produced 2,574MT of walnuts, 1,682MT of hazelnuts and about 600 MT of almonds.

The Croatian market offers export potential to U.S. tree nut exporters, however the prolonged recession has had an effect on Croatian consumers who have become quite price sensitive, preferring private label brands and discount supermarkets.

Figure 1. Advantages and Challenges

Advantages	Challenges
The food and beverage sector is well established, offering a modern retailing and distribution network across the country.	High shipping costs and Croatian buyers demand quality but also low prices. Croatia is a very price sensitive market.
The United States has a good reputation for almond quality.	A significant group of consumers prefers private label products. This can be a challenge for U.S. companies to promote a particular brand.
Growth in tourism	Croatia's import tariffs on certain products are high. EU-27 member states benefit from preferential market access with no tariffs.
Urban population growth	Retailers rarely import US products into Croatia; they prefer purchases from central buyers including other member states.
Most importers speak English	Competition from other EU member states
EU membership may make it less expensive to source US products from another member state	

Section II. Market Sector Opportunities and Threats

Entry Strategy

Discount stores usually stock some nuts and the selection is mostly limited to a small number of products, usually one brand or one private label per products. The basic selection includes walnuts, hazelnuts, almonds, pistachios, peanuts and a combination of these as part of a trail mix.

In contrast to discount stores, supermarkets feature macadamia nuts, Brazilian nuts, and pecans. In larger supermarkets these products may be found in the fresh produce aisle (sometimes loose, or in bulk), in the baking aisle, and a wide variety in the snacks aisle. In addition, mueslis and muesli bars with nuts and dried fruits are becoming increasingly popular as a healthy snack and quick breakfast choice. This product segment is growing in supermarket display areas.

It should be noted that most nuts and tree nuts are imported in bulk for packaging and/or processing.

Imports

Table 1. Croatia Tree Nuts, Value of Imports per Country 2011-2013

Croatia Import Statistics							
Commodity: Tree Nuts, Group 20 (2012)							
Year To Date: January - December							
Partner Country	United States Dollars			% Share			% Change
	2011	2012	2013	2011	2012	2013	2013/2012
World	20,370,391	18,997,233	22,625,916	100.00	100.00	100.00	19.10
Romania	4,441,439	4,845,831	6,067,236	21.80	25.51	26.82	25.21
United States	6,694,803	6,512,689	5,856,687	32.87	34.28	25.88	- 10.07
Turkey	3,468,035	2,960,192	2,697,758	17.02	15.58	11.92	- 8.87
Italy	2,900,132	2,164,747	2,003,514	14.24	11.40	8.85	- 7.45
Germany	93,771	160,421	1,372,925	0.46	0.84	6.07	755.83
Czech Republic	881	9,424	743,973	0.00	0.05	3.29	7794.48
Hungary	360,443	124,987	573,046	1.77	0.66	2.53	358.48
Georgia	270,519	154,319	430,365	1.33	0.81	1.90	178.88
Netherlands	47,923	45,668	393,460	0.24	0.24	1.74	761.56
Slovakia	453,780	83,384	349,071	2.23	0.44	1.54	318.63
The rest	1,638,665	1,935,571	2,137,881				

Source: GTA

Table 2. Croatia Tree Nuts Imports per Product 2011-2013

Croatia Import Statistics From World								
Commodity: Tree Nuts, Group 20 (2012)								
Year To Date: January - December								
Commodity	Description	United States Dollars			% Share			% Change 2013/2012
		2011	2012	2013	2011	2012	2013	
Tree Nuts	Group 20 (2012)	20,370,391	18,997,233	22,625,916	100	100	100	19.1
080212	Almonds, Fresh Or Dried, Shelled	6,450,168	6,594,690	7,156,598	31.66	34.71	31.63	8.52
080232	Walnuts, Fresh Or Dried, Shelled	5,297,871	5,092,146	6,901,182	26.01	26.8	30.5	35.53
080222	Hazelnuts Or Filberts, Fresh Or Dried, Shelled	6,063,381	4,650,658	4,899,426	29.77	24.48	21.65	5.35
080251	Pistachios, In Shell, Fresh Or Dried	0	973,325	1,416,775	0	5.12	6.26	45.56
080132	Cashew Nuts, Fresh Or Dried, Shelled	468,218	514,701	628,906	2.3	2.71	2.78	22.19
080111	Coconuts, Dessicated	171,473	219,447	508,251	0.84	1.16	2.25	131.61
080241	Chestnuts, In Shell, Fresh Or Dried	0	403,373	387,580	0	2.12	1.71	-3.92
080290	Nuts Nesoi, Fresh Or Dried, Shelled Or Not	62,352	121,737	296,947	0.31	0.64	1.31	143.92
080122	Brazil Nuts, Fresh Or Dried, Shelled	131,948	160,300	169,214	0.65	0.84	0.75	5.56
080242	Chestnuts, Shelled, Fresh Or Dried	0	67,035	70,745	0	0.35	0.31	5.53
080252	Pistachios, Shelled, Fresh Or Dried	0	116,998	64,810	0	0.62	0.29	-44.61
080119	Coconuts, Other Than Dessicated	36,156	38,227	54,420	0.18	0.2	0.24	42.36
080231	Walnuts, Fresh Or Dried, In Shell	173,305	35,603	38,093	0.85	0.19	0.17	6.99
080211	Almonds, Fresh Or Dried, In Shell	6,232	1,969	23,654	0.03	0.01	0.1	1101.11
080262	Macadamia Nuts, Shelled, Fresh Or Dried	0	2,139	5,790	0	0.01	0.03	170.76
080112	Coconuts, In The Inner Shell, Fresh Or Dried	0	1,306	3,049	0	0.01	0.01	133.53
080221	Hazelnuts Or Filberts, Fresh Or Dried, In Shell	6,694	768	422	0.03	0	0	-45
080261	Macadamia Nuts, In Shell, Fresh Or Dried	0	13	55	0	0	0	322.8
080250	Pistachios, Fresh Or Dried, Shelled Or Not	1,080,100	0	0	5.3	0	0	n/a
080240	Chestnuts, Frsh Or Dried, W/Nt Shelled Or Peeled	421,242	0	0	2.07	0	0	n/a
080121	Brazil Nuts, Fresh Or Dried, In Shell	143	211	0	0	0	0	-100
080131	Cashew Nuts, Fresh Or Dried, In Shell	1,108	2,588	0	0.01	0.01	0	-100

Source: GTA

Section III. Market Access

Import Procedures

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

Requirements for Import

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

and exports are subject to EU regulations.

In October 2010, Croatia published special import conditions for mandatory testing of almonds.

However, as of January 1, 2012, US almond shipments accompanied with a Croatian Health Certificate (in accordance with the Regulation on Special Conditions for Import of Specific Food from Third Countries Due to the Risk of Contamination with Aflatoxins NN120/2010, NN63/2011 in compliance with EU1152/2009) are only subject to random testing. USDA and the California almond industry have developed a “Voluntary Aflatoxin Sampling Plan (VASP)”. The following controls are conducted in Croatia if:

- the exporting company provides a Croatian Import Health Certificate or VASP (VASP must be signed and stamped by the USDA and the importing company must provide official VASP translation into Croatian language) then 5% of all almond shipments will be randomly tested for aflatoxin
- the exporting company does not provide a VASP or a Croatian Import Health Certificate then the almond shipment will be tested for aflatoxins

Therefore, almonds not controlled under VASP continue to be subject to 100% border controls. This regulation also introduces the use of a Common Entry Document (CED). Importers have to provide prior notification to the competent authorities at the designated port of entry for the goods covered by this regulation.

As of September 3, 2014, the Regulation lifting the special measures for almonds will be effective, following the publication of Commission Implementing Regulation (EU) No 884/2014 of 13 August 2014 imposing special conditions governing the import of certain feed and food from certain third countries due to contamination risk by aflatoxins and repealing Regulation (EC) No 1152/2009. With the removal of special import conditions for U.S. almonds, the presence of a VASP certificate will no longer be a pre-condition for import into the EU. However, the Almond Board of California will strongly advise its members to continue to use the VASP certificate in order not jeopardize the program. The lifting of special measures will have no effect on testing levels as those had already been lowered to random levels in January 2010. With the complete removal of special import conditions, the use of the Common Entry Document and the prior notification of goods to the competent authorities at the designated port of entry will no longer be mandatory. U.S. almonds are the first commodity ever to be removed from special measures set by the EU. We anticipate that this may create confusion among the trade and the border inspection posts (BIPs) including on the requirement of VASP certificate as a precondition for trade. USEU and the Almond Board of California have addressed this concern with the Commission and as a result, the Commission plans on providing some clarification to the new situation through the Rapid Alert for Food and Feed (RASFF) system.

Tariffs 2014

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

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

Section IV. Key Contacts and Further Information

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

U.S. Embassy

Office of Agricultural Affairs

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10 010 Zagreb, Croatia

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