

**Voluntary Report** – Voluntary - Public Distribution

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### **Report Highlights:**

Poland is Central and Eastern Europe's largest market for food and beverage products. With a population of nearly 38 million people, Poland is a growing and viable market for U.S. food and agricultural products. Over 373,000 stores operate in Poland. In 2021 Poland's real GDP growth reached 5.9 percent. Due primarily to the fallout from the Russian invasion of Ukraine, real GDP growth is expected to slow down to 3.9 percent in 2022. Sanctions implemented by the EU and Poland on Russia and Belarus contributed to a sharp rise in inflation to 7.4 percent overall driven by energy/fuel and food prices. Poland's total 2021 imports of food and agricultural products were valued at over \$34 billion, with U.S. imports accounting for \$566 million. U.S. products with strong sales potential include fish and seafood, distilled spirits, wine, tree nuts, dried fruit, and innovative food ingredient products.

## Market Fact Sheet: Poland

### Executive Summary

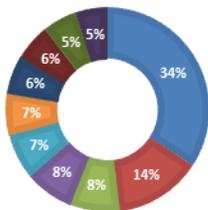
Poland is the largest market for food and beverages in Central and Eastern Europe. With its population of nearly 38 million people, it is an attractive and growing market for U.S. food and agricultural products. Poland's 2021 Gross Domestic Product (GDP) increased by 9.1 percent. In 2021, Poland imported nearly \$34 billion in food, agricultural, and fish and seafood products. U.S. imports of these products were valued at \$566 million. U.S. products with strong sales potential in Poland include fish and seafood, wine, nuts, dried fruit, distilled spirits, highly processed ingredients, and functional ingredients.

### Food Processing Industry

Poland is one of the largest agri-food industry producers in the European Union and the largest in Central and Eastern Europe. In 2020, over 2,700 companies operated in this sector, producing goods valued at \$56.7 billion. This sector is dominated by small and medium size enterprises. The most sectors are meat, dairy, beverage, confectionary baking, processed fruit, and processed vegetables. Products from the United States with good sales potential on the Polish market include nuts, fish and seafood, dry fruit, highly processed and functional ingredients.

### Imports of Consumer-Oriented Products

In 2021, Poland imported consumer-oriented agricultural products valued at \$18 billion; with imports from the U.S. at \$272 million. Over 70% of total imports originated from other EU member states.



### Food Retail Industry

The distribution system for consumer-ready food products has evolved rapidly and is one of the most dynamic areas of the Polish economy. The retail sector is diverse and ranges from small family operated stores to medium-sized stores to large distribution centers comparable with those found in the United States. Most hypermarkets and large discount stores are foreign owned, while small-scale stores are predominantly Polish. The COVID-19 pandemic spurred rapid development of retail sector's online delivery platforms.

### Quick Facts CY 2021

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

### List of Top 10 Growth Products in Poland

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

### GDP/Population

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

### SWOT Analysis

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

**Data and Information Sources:** Trade Data Monitor, Euromonitor

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## SECTION I. MARKET SUMMARY

Poland is a modern European country with a population of over 38 million people. Poland’s 2021 Gross Domestic Product (GDP) increased by 9.1 percent. This increase comes after Poland’s GDP contracted in 2020. Major U.S.-origin imports also saw a decline in 2020. One year after the emergence of the COVID-19 virus, Poland consumption of U.S.-origin agricultural goods has since returned to—or even exceeded—pre-pandemic levels.

According to a report prepared by Dun & Bradstreet, within the period of January-June 2022, the retail market in Poland has shrunk by over 3,000 locations in Poland to 373,000 stores. It is a record number of closures in a retail market that has until now been marked by rapid growth. Sector experts forecast an additional 5,000 closures by the end of the year. Shop closures are due a shift towards e-commerce, restrictions introduced in Poland during the COVID-19 pandemic, and the Sunday trade ban.

Poland’s Dino shops, convenience stores like Zabka and well-financed foreign discounter stores like Lidl and Biedronka are the most successful and despite the negative industry trend, continue to open new stores.

Poland continues to be an increasingly attractive market for U.S. food and agricultural products. In 2021, total food, beverage, and agricultural imports were valued at \$34 billion, with U.S. imports making up \$566 million. 2021 real GDP growth reached 5.9 percent and driven largely by increasing domestic demand. 2023 real GDP growth is expected to decline slightly to 3.8 percent due to the Russian invasion of Ukraine.

*Table 1. Basic Economic Indicators*

<b>Poland</b>	<b>2021</b>	<b>2022*</b>
Real GDP Growth	5.9 <sup>(a)</sup>	3.9 <sup>(d)</sup>
Unemployment Rate	3.4 <sup>(a)</sup>	4.6 <sup>(c)</sup>
Consumer Price Inflation	5.2 <sup>(a)</sup>	8.9 <sup>(c)</sup>
Exports of goods fob (U.S.\$ b)	331.2 <sup>(c)</sup>	366.7 <sup>(c)</sup>
Imports of goods fob (U.S.\$ b)	331.6 <sup>(c)</sup>	370.3 <sup>(c)</sup>
Exchange Rate Zl: U.S. \$	3.9 <sup>(b)</sup>	4.2 <sup>(c)</sup>

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

Government of Poland (GOP) social safety net initiatives, such as the Family 500+ Program, also provide additional income to millions of families. The minimum wage in 2021 was 2,800 PLN and is set to increase to 3,450 PLN by the end of 2023. Polish consumers are becoming increasingly sophisticated and value more diverse food products. Although Polish importers often source from other EU countries, they also regularly seek products from outside the EU, including Ukraine, Argentina, and China.

**Table 2. Polish 2020-2021 Agricultural and Related Products Imports (\$ million)**

<b>Poland</b>	<b>2020</b>	<b>2021</b>
Total imports	28890	34060
Imports from United States	506358	566354
Consumer-Oriented Agricultural Products, total imports	15800	18010
Consumer-Oriented Agricultural Products, imports from United States	251	272

*Source: Trade Data Monitor*

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

**Key market drivers and consumption trends:**

- Consumer use of e-commerce has expanded during the pandemic for both essential and nonessential goods and is expected to increase as more consumers become more confident in placing online orders
- Consumers continue to shop locally and have moved away from making bulk purchases in hypermarkets, trends which have benefited both neighborhood convenience stores and discounters
- Hypermarkets and shopping centers were most negatively affected by the COVID-19 as such retailers are located on the outskirts of municipalities and movement was restricted
- The decline of hypermarkets was exacerbated by the pandemic
- Discounters and convenience stores gained the most in terms of offline grocery sales during the last two years of the pandemic
- The number of outlets and independent stores is expected to drop as a result of the financial fallout from the pandemic
- Independent stores have struggled to adopt multiple channels of retail shopping methods for their consumers, which has negatively affected their competitiveness amongst other retail options
- Retailers are likely to respond to growing consumer interest in health trends
- During the pandemic, consumers were encouraged to pay online, and digital payments saw increased use by consumers
- Food delivery companies experienced increased demand and partnership with large grocery chains in delivering groceries directly to consumers' homes

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

The current strife in neighboring Ukraine has brought challenges to the Polish market. The war has disrupted transportation of goods into Poland, affecting not only domestic consumption but also certain processing industries, creating a potential gap between consumer demand and supply in several sectors. The imposition of sanctions by the EU and Poland on Russia and Belarus and the disruption of trade has contributed to a sharp rise in inflation to 7.4 percent overall driven by energy/fuel and food prices climbing 27 percent and 12 percent respectively as of April 2022. It is estimated that the war has contributed around 2.4 percentage points to the inflation index.

*Please refer to [www.fas.usda.gov](http://www.fas.usda.gov) Data and Analysis Section, GAIN reports section for additional information and reports on the Polish market.*

## **SECTION II. ROAD MAP FOR MARKET ENTRY**

### **Hypermarkets, Supermarkets, Discount Stores**

Most retail chains in Poland do not import directly and therefore rely on local importers and wholesalers. Retailers such as Auchan have their own import departments but often continue to rely on independent importers for niche market products. In this segment, the successful introduction of new products depends to large extent on local representatives, importers, and distributors.

- Products may be imported by an importer or a representative office, which may also be a wholesaler and/or distributor;
- Representative offices deal only with products and tend to focus more on promotions, advertising, and marketing activities;
- Importers tend to buy many and often competing products;
- Some hypermarkets/supermarkets are direct importers (e.g. Auchan);
- Importers are separated into dry goods, refrigerated items, fruits and vegetables, alcohol, etc.;
- Importers or representative offices may use nation-wide logistic organizations for the storage and distribution of imported products;
- Importers also have their own distribution networks.

### **Typical conditions for a supplier when entering retail chains operating on the Polish market:**

- Entry fees (amounting to tens of thousands of Polish zlotys) are not refunded if an agreement is canceled;
- 30-60 day terms of payment;
- Considerable price discount - about 10 percent of regular price;
- Obligatory participation in promotional activities, which are held 3-5 times a year and last for 1-3 weeks.
- Obligatory participation in covering the cost of advertising of promoted products;
- Slotting fees (\$250-\$5,000) for placing each type of product on the shelf;
- Fees for the “display area”;

- No opportunity to influence the shelf price;
- Very strict delivery terms (exact date and time frame e.g. March 2, 2016 12:00-14:00);
- Supplier contracts may vary and depend on negotiations of the interested parties.

### Company Profiles

This sector is dominated by multinationals, including [Auchan](#) (France), [Carrefour](#) (France), and discounters [Biedronka](#) (Portugal) and [Lidl](#) (Germany). Major chains face slim margins due to fierce competition. Poland's [Dino](#) is one of the fastest growing retailers, opening 147 stores in 2021 and 255 stores in 2020. Industry experts expect further consolidation this year. In 2022 [Netto](#) continues to take over former Tesco hypermarket locations.

The market is currently undergoing a major change as retail sector experts confirm that the Polish branch of the Carrefour retail chain will be sold.

*Table 3. Top 10 Retailers on the Polish Market in 2021*

No.	Operator's Name	Store Name/Main Product	Country of Origin/Ownership
1	Jeronimo Martins	Biedronka	Portugal
2	Schwarz-Gruppe	Lidl and Kaufland	Germany
3	Eurocash	ABC, IGA, Delikatesy Centrum	Poland
4	Lewiatan	Lewiatan	Poland
5	Zabka	Zabka	CVC Capital Partners
6	Dino	Dino	Poland
7	Auchan	Auchan	France
8	Rossmann	Rossmann	Germany
9	Carrefour	Carrefour	France
10	PSH Nasz Sklep	Nasz Sklep	Poland

*Source: Euromonitor*

### Convenience Stores, Gas Marts, Kiosks

Convenience stores, gas stations, and kiosks tend to be fragmented with different owners due to franchising and licenses. Kiosks/small convenience stores mostly carry newspapers, cigarettes, snacks, drinks and other convenience products. This sector consists of small units which employ up to five people.

Convenience stores in Poland are increasingly popular. Leading players in convenience store and small grocery store sectors include: Żabka, Spar Polska, Chata Polska, Chorten, and PSH Nasz Sklep. Żabka is one of the largest kiosks and has been in the market for over 15 years. It now has over 8,000 stores operating on a franchising basis. Żabka has pursued innovative methods of shopping for its customers

such as allowing to use a mobile app on their phone to order. Cameras are able to identify which products are removed from the store’s shelves, and the customer is appropriately charged. Currently, Eurocash is the largest wholesale distributor in Poland, which allow its stores (ABC, Delikatesy Centrum, and Groszek) to remain competitive. Eurocash’s e-commerce platform, Eurocash.pl, allows for customers to purchase goods online. Convenience stores are gaining customers from hypermarkets, as hypermarkets have been on the decline.

**Traditional Markets: Small, Independent Grocery Stores and Wet Markets**

Exporters should contact importers, wholesalers or company representatives when seeking to enter the market. Wholesalers often service several regional wholesale units, whereas smaller wholesalers and retailers procure from them. Independent ‘mom and pop’ shops are very common in Poland, although they face growing competition from supermarkets that are now opening in smaller cities and towns. Small shops are present throughout the county, in both small towns and large cities. Independent stores often struggle to compete with supermarkets and hypermarket chains.

**SECTION III. COMPETITION**

In 2021, Polish agricultural and related product imports totaled an estimated \$34 billion with \$566 million imported from the U.S. Total 2021 Polish imports of consumer-oriented food products were nearly \$18 billion, with U.S. imports accounting for \$272 million.

The continued growth of U.S. market share is largely attributed to higher disposable incomes. Domestic and EU member state products states are the main U.S. competitors. Domestic food producers are consistently evolving, innovating, and producing high-quality products. Many Polish consumers prefer Polish products over imports, and so chains commonly advertise that they offer Polish products. Polish fish and seafood imports continue to grow and reached \$2.7 billion in 2021 with \$111.9 million (a four percent market share) originating from the United States. Poland is one of the largest salmon processors in the world. Even iconic American brands such as Coca-Cola, PepsiCo, Mondelez, Smithfield, and Mars are now produced in Poland.

*Table 4. Polish Imports of Agricultural and Related Products (U.S. \$ Millions)*

	Calendar Year (Value: USD)				January – March		
	2018	2019	2020	2021	2021	2022	%Δ 2022/21
World	27105.8	27125.4	28890.3	34060.7	8075.03	9406.69	16.49
<b>United States</b>	478.56	513.64	506.35	566.35	121.22	145.32	19.87

*Source: Trade Data Monitor*

*Table 5. Consumer Food Products Exports to Poland in 2021*

<b>Product Category and Total Poland's Imports</b>	<b>Main suppliers in percentage</b>	<b>Strengths of Key supply countries</b>	<b>Advantages and Disadvantages of Local Suppliers/Market situation</b>
<b>Fish &amp; Seafood</b>  <b>\$ 2.9 billion</b>	1. Norway – 46% 2. Sweden – 7% 3. Russia – 6% <b>8. United States – 4%</b>	Norway's proximity as well as intensive promotional efforts create competition for other suppliers. The United States holds strong position as Alaska pollock, and sockeye salmon suppliers also continued to deliver significant volumes.	Poland is one of the world's largest salmon processors.
<b>Wine</b>  <b>\$ 473 million</b>	1. Italy – 29% 2. Germany – 13% <b>3. United States – 11%</b> 4. France – 10%	Although Italy remains a traditional wine supplier to Polish market, U.S. wines are becoming increasing popular, in part due to successful promotional activities conducted by the industry.	Domestic production is minimal. Poland's dynamic restaurant industry is an ideal partner for U.S. suppliers.
<b>Distilled spirits</b>  <b>\$ 469 million</b>	1. United Kingdom – 37% 2. Ireland – 9% 3. Germany – 8% <b>4. United States – 8%</b>	Great Britain remains the largest whisky supplier to Poland. U.S. whiskey and rum are becoming increasingly popular.	Poland's restaurant industry is recovering from the impact of COVID-19.
<b>Tree nuts</b>  <b>\$ 419 million</b>	1. Germany – 18% <b>2. United States – 15%</b> 3. Italy – 12% 4. Turkey – 11%	Germany is a large re-exporter of nuts. The United States is the leading supplier of almonds and pistachios. Italy leads in hazelnuts.	Domestic production is minimal. Poland produces limited quantities of walnuts and hazelnuts.
<b>Dried Prunes</b>	1. Chile – 63% <b>2. United States –</b>	Chilean product has tariff advantage based	Limited local production. Product,

<b>\$ 31 million</b>	<b>16%</b> 3. Uzbekistan – 4% 4. Serbia – 3%	on EU-Chile Free Trade Agreement. U.S. product is gaining popularity among Polish importers.	mostly smoked, is traditionally used for home cooking as a compote ingredient.
<b>Peanuts</b>  <b>\$ 103 million</b>	1. Argentina – 78% 2. Brazil – 10% 3. Netherlands – 4% <b>6. United States – 2%</b>	Argentina and Brazil are Poland’s traditional suppliers. U.S. products are gaining popularity when price competitive.	No local availability. Product in high demand from Poland’s food processing sector.
<b>Peptones &amp; Derivatives</b>  <b>\$ 53 million</b>	1. Belgium – 17% 2. China – 16% 3. Netherlands – 15% <b>11. United States – 2%</b>	Top suppliers enjoy availability, and price advantages.	Products are mostly imported. High demand by growing nutritional supplement production sector.

*Source: Trade Data Monitor*

#### **SECTION IV. BEST PRODUCT PROSPECT CATEGORIES**

##### **Products present in market which have good sale potential (tentative)**

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

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

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

##### **Product not present because they face significant barriers**

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

## **SECTION V. KEY CONTACTS AND FURTHER INFORMATION**

For additional information regarding the Polish market please contact:

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### **Attachments:**

No Attachments.