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Poland

Product Brief

Dried Fruit and Nuts

2006

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Report Highlights:
Market research shows that about 35 percent of Poles buy a variety of nuts and dried fruit throughout the year. Quick snacks and other easy foods are showing continued expansion in the Polish food industry. As a result, this sector shows overall growth. Total imports of dried fruits and nuts in 2005 increased 14.7 percent from 2004.

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Section I. Market Overview

Quick snacks and foods are showing continued expansion on the Polish food market. Polish consumers perceive dried fruit and nuts as a positive, healthy form of food "on the go". Dried fruit and nuts are also used as traditional baking ingredients. As a result, this sector shows overall growth. Total imports of dried fruit and nuts in 2005 increased 14.7 percent from 2004. This developing market has brought forth a variety of changes, including bulk packaging. While bulk packaging brings in a higher quantity of product, it has proven to decrease overall quality. The lack of a tariff for raw shelled and unshelled peanuts and newly decreased tariffs for walnuts, pistachios, raisins, dried prunes, and mixed nuts due to Poland's EU accession, offers U.S. suppliers the opportunity to capture a larger market share in Poland.

Market research shows that about 35 percent of Poles buy a variety of nuts and dried fruits throughout the year. Nearly 65 percent purchase nuts once a month, 25 percent purchase nuts once a week, and 7 percent purchase nuts more than once a week. Among the nuts available on the Polish market, the following are the most popular: peanuts, walnuts, hazelnuts, almonds, and pistachios. Also, an increasing interest in macadamia and pecans has developed in the Polish market, with their presence on supermarket shelves beginning in 2005 and 2006. Many U.S. suppliers of macadamia nuts and pecans prefer to ship in bulk containers, while Polish distributors and retailers can't afford such shipments, and do not have the sales volume to support bulk shipments. Hence most of the macadamia and pecans that are on the market in Poland have been imported from other E.U. countries.

No detailed data on dried fruit consumption is available. The most popular dried fruits on the Polish market are: raisins, prunes, dates, apricots, figs, apples, and pears. Dried cranberries are gaining interest in the market as well, due to the perceived health benefit. Promotions have taken place recently to promote the health related benefits of eating cranberries, which has consequently driven consumer demand.

Advantages	**Challenges**
Polish consumption of dried fruit and nuts is on the rise.	Competition with the snack food industry.
The market is opening to new products such as flavored and roasted peanuts and almonds.	EU member states are allowed duty free market access.
Tariffs on walnuts, pistachios, raisins, prunes, and mixed nuts have been significantly reduced as of 2004.	Spanish producers currently dominate the market for almonds due to much lower product costs. Market promotions of U.S. products are required in order to convince Polish importers to switch to U.S. products.
Consumers consider U.S. products to be of higher quality.	E.U. countries have a geographical advantage over the U.S. for transportation.

Demand for these products is highest between January and May. This is stimulated by Carnival season, Easter holidays, and a decrease in the availability of fresh fruit during this period. Polish consumers, ages 15-19, are the largest consumers of dried fruit and nuts. This age group likes the health food aspect and uses nuts and dried fruit as snacks. Additionally, these products are popular with 20-49 year olds. Consumption by those over 50 is marginal, mainly due to low-income levels and no convention of eating nuts and dried fruit as a snack. Market research shows that these products are most popular with urban residents who have high school or college degrees and have medium to high-income levels.

Section II. Market Sector Opportunities and Threats

1) Entry Strategy

Larger firms have traditionally distributed products in this sector through wholesalers. However, more dried fruit and nut importers are increasingly using direct distribution to the retail market. Direct distribution reduces overall cost and increases product freshness. Larger firms have also introduced sales representatives in the field to process orders and to collect market information for the firm. Smaller firms, with less access to capital, rely on wholesalers to link them to the market. These firms do not have the capital necessary to distribute their product internally.

Exporters of U.S. dried fruit and nuts may obtain a list of current Polish importers by contacting the Office of Agricultural Affairs at the U.S. Embassy in Warsaw (see Section V).

2) Market Size, Structure, Trends

The retail centers for dried fruit and nut sales are broken into several segments. They include hypermarkets, supermarkets, discount stores, convenience stores, traditional stores, and kiosks. Hypermarkets have been growing in number throughout Poland and offer the largest variety of and give the most shelf space to dried fruit and nuts. Supermarkets and discount stores also offer a large variety of and dedicate shelf space to these products. Convenience stores are a new and growing distribution channel located at railway, bus, and gas stations throughout Poland. The number of these stores is expected to double over the next few years and will likely offer the greatest potential for market growth in snack products. In addition, automotive sales in Poland continue to increase, although not at the levels seen in the 1990's, thus, gas stations with food stores are an increasingly attractive retail outlet. Traditional stores and kiosks offer the least amount of variety and shelf space for dried fruit and nuts but make up the largest percentage of stores.

In terms of substitutes, the potato chip/snack food industry competes heavily with the dried fruit and nuts sector. Firms involved in this industry advertise heavily through TV, radio and billboards. Fresh fruit and vegetables also compete with dried fruit and nuts during the summer. Consumption of dried fruit and nuts is the highest between September and May when fresh fruits are not as widely available.

While overall imports of dried fruit and nuts have grown 14.7 percent, new trends in market development have promoted an increase in bulk packaging from grams to kilograms, which has decreased quality. Additionally, all international food retail stores such as Auchan, Tesco, and E. Leclerc, require distributors to pay stocking fees, entry fees, and other obligatory fees (grand opening, birthday, and other promotional fees) for placing products on their shelves. These fees are very similar in structure to those paid in the U.S. to place products on shelves in major grocery chains.

The following tables show a break down of dried fruit and nuts imported to Poland.

Dried Fruit & Nuts Import Tables (In Thousands)

Almonds, Fresh or Dried, In Shell, 080211

Year Ending: December 2005							
Partner Country	Unit	2003		2004		2005	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	575358	184	104103	27	445614	49
Slovakia	T	0	0	1354	0	208128	22
Spain	T	5540	1	1744	1	180879	20
Czech Republic	T	0	0	0	0	35846	4
Germany	T	0	0	24176	5	20762	2
Netherlands	T	0	0	54	0	0	0
United States	T	569360	182	76775	21	0	0
China	T	457	0	0	0	0	0

Almonds, Fresh or Dried, Shelled, 080212

Year Ending: December 2005							
Partner Country	Unit	2003		2004		2005	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	8016508	1895	12478874	2271	18709396	2507
Spain	T	3964722	923	4494883	775	7327574	956
United States	T	3666245	893	4608060	960	6554816	979
Germany	T	1842	0	1488308	244	1692425	198
Greece	T	57103	12	633608	96	1106386	131
Chile	T	0	0	0	0	433004	51
Czech Republic	T	0	0	22673	4	403771	49
Latvia	T	0	0	0	0	259506	30
Netherlands	T	0	0	620386	94	211938	24
France	T	0	0	175030	29	185779	22
Estonia	T	0	0	0	0	161301	19
Philippines	T	0	0	0	0	120812	19
Denmark	T	0	0	31718	5	92111	10
Lithuania	T	0	0	85010	14	87369	11
Slovakia	T	0	0	1763	0	35133	5
Austria	T	0	0	3474	1	15239	2
Sweden	T	4334	1	9139	1	14349	2
Italy	T	321542	66	287615	45	6540	0

Raisins, 080620

Year Ending: December 2005							
Partner Country	Unit	2003		2004		2005	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	12846481	13715	16241790	15850	18040355	18519
Iran	T	6953042	8426	8736072	9876	7662684	8831
Italy	T	17411	20	11171	6	3417591	3895
Greece	T	2352041	1831	2269188	1883	2275629	2054

Germany	T	0	0	1345358	1147	1707701	1681
United States	T	858724	777	718348	548	871415	517
Chile	T	760825	611	1149718	671	801178	380
Turkey	T	1504083	1724	1073711	1002	571619	562
Argentina	T	0	0	220144	158	159866	115
Netherlands	T	0	0	67280	49	107210	60
Belgium	T	0	0	212044	190	103874	95
Czech Republic	T	0	0	120242	103	96671	80
Denmark	T	0	0	0	0	69125	37
Lithuania	T	0	0	17822	23	63667	85
Austria	T	0	0	4417	1	44608	19
Uzbekistan	T	4985	4	0	0	29287	42
Intra EU Stores & Provisions	T	0	0	0	0	16468	10
Sweden	T	1724	1	10722	6	13419	6
Afghanistan	T	51231	36	0	0	8632	6
China	T	6286	6	0	0	8442	40

Peanuts, In Shell, Not Roasted or Cooked, 120210

Year Ending: December 2005							
Partner Country	**Unit**	**2003**		**2004**		**2005**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World	T	3987990	6294	4586340	5179	5692883	7064
China	T	3932136	6189	3136488	3947	3590407	4787
Germany	T	0	0	933938	699	1476462	1202
Netherlands	T	0	0	232286	234	392837	791
Australia	T	0	0	0	0	186897	242
Slovakia	T	0	0	0	0	26873	22
Spain	T	0	0	0	0	19145	20

Peanuts, Shelled, Not Roasted or Cooked, 120220

Year Ending: December 2005							
Partner Country	**Unit**	**2003**		**2004**		**2005**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World	T	19422029	25251	21190020	24226	22943691	27170
Netherlands	T	0	0	6856146	7326	11921895	12832
China	T	11366786	15025	5929337	6801	4813306	6009
Argentina	T	5816573	7351	2429824	2718	2680896	3470
Brazil	T	817459	1180	1560442	1773	2485482	3576
India	T	215097	242	3843188	5016	520824	632
Australia	T	0	0	0	0	189493	236
Spain	T	0	0	0	0	112131	160
Czech Republic	T	0	0	0	0	58472	56
United Kingdom	T	20327	24	0	0	53803	73
Austria	T	78184	100	36613	41	51329	59
Antigua & Barbuda	T	0	0	0	0	16877	18
Ghana	T	36860	43	103835	136	16246	22

Latvia	T	0	0	23512	23	14375	16
Vietnam	T	5534	13	4586	9	4898	9
United States	T	681725	692	326998	296	0	0

Pistachios, Fresh or Dried, 080250

Year Ending: December 2005							
Partner Country	**Unit**	**2003**		**2004**		**2005**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World	T	3733517	1241	5573742	1378	8091199	1389
Germany	T	2726	0	2943915	684	1872559	341
Iran	T	3465076	1147	1428682	421	1337574	208
Netherlands	T	0	0	149575	28	1219135	241
Lithuania	T	0	0	94059	20	927508	166
Luxembourg	T	0	0	190737	33	735288	120
United States	T	73565	31	158620	62	623434	108
Czech Republic	T	0	0	0	0	598708	109
Slovakia	T	0	0	105629	11	485948	46
Spain	T	6970	1	496815	119	147734	26
Belgium	T	0	0	0	0	130302	24

Walnuts, Fresh or Dried, In Shell, 080231

Year Ending: December 2005							
Partner Country	**Unit**	**2003**		**2004**		**2005**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World	T	309239	342	398257	219	1205723	806
Netherlands	T	0	0	220136	95	455369	150
Ukraine	T	58	0	0	0	429250	565
United States	T	79387	90	12	0	151548	60
Germany	T	506	0	64322	21	91089	17
Slovakia	T	0	0	1187	0	55189	10
Austria	T	0	0	4697	1	17875	2
France	T	224897	250	107904	101	5306	1

Sunflower Seeds, Whether or Not Shelled and in Grey and White Striped Shell (Excl. For Sowing), 12060091

Year Ending: December 2005							
Partner Country	**Unit**	**2003**		**2004**		**2005**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World	T	6704119	11318	7345715	10579	7911174	9129
China	T	2224287	2782	2411600	2723	3044961	2992
Hungary	T	3734623	7180	3392136	5309	2729277	3460
Germany	T	0	0	145533	165	519310	534
Slovakia	T	72244	199	249352	523	468051	733

United States	T	453092	664	758477	1091	353038	377
Turkey	T	0	0	0	0	194407	192
Argentina	T	36033	41	46913	57	190551	204
Czech Republic	T	152239	373	186219	415	157276	290
India	T	0	0	30632	36	87451	93
Lithuania	T	0	0	0	0	58398	59
Ukraine	T	15471	60	25935	61	55327	112
Spain	T	0	0	0	0	19013	23
Netherlands	T	0	0	44381	96	14041	23
Romania	T	0	0	0	0	12257	17
Bulgaria	T	0	0	44186	80	7792	20

Macadamia 08029060

Year Ending: December 2005							
Partner Country	Unit	2003		2004		2005	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	1165	0	993	0	44553	3
Netherlands	T	0	0	0	0	44228	3
Germany	T	143	0	0	0	325	0
Australia	T	989	0	0	0	0	0
South Africa	T	0	0	993	0	0	0
United States	T	32	0	0	0	0	0

Pecans 08029020

Year Ending: December 2005							
Partner Country	Unit	2003		2004		2005	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	247566	38	305413	39	310451	32
United States	T	235171	32	230827	28	226466	18
Netherlands	T	0	0	21785	3	58122	5
Germany	T	0	0	15374	5	20306	6
Denmark	T	0	0	36936	4	3523	0
Nigeria	T	0	0	0	0	2035	2
Australia	T	491	0	490	0	0	0
Cote d Ivoire	T	11904	6	0	0	0	0

Source: Global Trade Atlas

3) Market Preferences

Flavored peanuts, almonds, and hazelnuts have recently become popular among Polish consumers. Spicy flavors, as well as chocolate coatings tend to be the most appealing. Coated peanuts, referred to as double crunch peanuts, are also popular and are available in salted or flavored varieties. Energy bars produced from grains, nuts, and dried fruits are becoming more visible on the market as society becomes more health conscious. Products from foreign companies that produce products in Poland, dominate the energy bar market;

however, Polish companies are starting to produce these bars themselves. Chocolate manufacturers are also starting to look for high quality ingredients to ensure longer shelf life for their products. This has led to an increased demand for high quality nuts as raw materials. Due to increased local demand, Polish importers have become more interested in larger orders, increasing the demand for direct shipments from the United States.

III. Costs & Prices

Costs of dried fruits and nuts depend on the brand and the market in which they are sold (upper, middle, lower income). However, overall price fluctuation is moderate. The following depicts retail prices for dried fruit and nuts in June 2006.

Retail Prices

Product	Price	Quantity	Brand
Double Crunch Peanuts, Flavors:			
Chili, BBQ, and Paprika	7.20	260g	Felix
Double Crunch Peanuts, Plain	4.19	150g	Felix
In-Shell Salted Peanuts	3.49	300g	
In-Shell Peanuts	9.80/kg		
Shelled Peanuts	13.35/kg		
Picante Peanuts	5.35	300g	Felix
Paprika (Picante) Peanuts	4.19	150g	Felix
Lightly Salted Peanuts	10.80	500g	Felix
Salted Peanuts	3.20	100g	Felix
Salted Peanuts	13.99	1000g	Aromat
Unsalted Peanuts	4.29	150g	Felix
Unsalted Peanuts	7.25	500g	Felix
Pistachios	17.11	1000g	Gurillas
Almonds	6.26	300g	Bakal
Walnuts	2.49	100g	Uno Quality
Dried Bananas	15.20/kg		
Dried Pineapple	20.30/kg		
Dried Apples	6.99	200g	
Dates	1.25	150g	Uno Quality
Dried Apricots	4.54	100g	Uno Quality
Pecans	14.99	300g	
Prunes	3.44	500g	Uno Quality
Macadamia	17.99	300g	
Raisins	2.19	100g	Uno Quality

Source: FAS Warsaw Field Research

Poland's import tariffs on dried fruit and nuts were drastically reduced when Poland joined the EU in May 2004.

Dried Fruits and Nut Tariffs

CN Code	Name of Product	EU Tariff
08021110	Almonds, in shell, bitter	0%
08021190	Almonds, in shell, other	5.6%*
08021210	Almonds, shelled, bitter	0%
08021290	Almonds, shelled, other	3.5%*
080231	Walnuts, in shell	4%
080232	Walnuts, shelled	5.1%
080250	Pistachios	1.6%
08029020	Pecans	0%
08029060	Macadamia	2%
080620	Raisins	2.4%
081320	Prunes, dried	9.6%
08134095	Cranberries, dried	2.4%
08135031	Mixture of nuts	4%
120210	Peanuts, in shell	0%
120220	Peanuts, shelled	0%
12060091	Sunflower Seeds	0%

*Other Almonds, in shell and shelled, have a quota of 900,000 tons, with a tariff quota of 2%.

For more information on EU tariffs please refer to:
http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm

Section IV. Market Access

The Polish government works to ensure the safety and quality of food for Polish consumers through a number of regulatory means. Information specifically pertaining to Poland may be obtained from FAS's Food and Agricultural Import Regulations and Standards (FAIRS) report for Poland. Most measures are the same as those observed in the European Union. The most important EU regulations can be found in FAS's FAIRS report for the European Union, which can be found at the following address http://www.useu.be/agri/usda.html.

- Registration of a new imported product:

All imported products must be approved for sale or use on the Polish market. Registration and approval of imported products is much simpler if the product has already received approval for sale in another EU country. In order to test or register a new product or start procedures for receiving approval of a new additive (not specified on the approved additives list) the following procedure should be followed:

Appropriate Voivod Sanitary Station should be contacted. In Warsaw - the Wojewodzka Stacja Sanitarna (SANEPID) is the appropriate contact. Please note that only firms registered in Poland (e.g. the potential importer) can order product testing. Additionally, each region has its own sanitary station (a list is available from Warsaw SANEPID) and only firms registered in Warsaw or neighboring areas can conduct product testing in the Warsaw Sanitary Station.

A local sanitary station must be supplied with a product sample for testing. The tests can take between two weeks and two months. The cost is difficult to estimate but may amount to US$250 per product. An estimate of the cost can be obtained from the SANEPID station when it is presented with product details. The lab tests for product ingredients to determine whether they are permitted on the Polish market.

If it is determined that all the ingredients are allowed on the Polish market, SANEPID test results are sufficient for the product to be sold in Poland. However, should some ingredients be questioned, additional requests must be submitted to State Hygiene Office (Panstwowy Zaklad Higieny).

All packaged/canned food products are required to have Polish language labels. Multi-language labels are acceptable as long as they include Polish. The label must contain:

- The name of the product,
- The name and address of the producer,
- The date to be consumed before - the Polish phrase "nalezy spozyc do XXX" is commonly used,
- The net content (weight/capacity), and
- The content of the product (ingredients, chemical additives, etc.).

Labeling must be applied in the form of a whole label or a permanent sticker before the product can enter Poland. Products arriving in Poland without appropriate labels will be detained at the border until appropriate labels are applied.

Poland's Ministry of Health and Social Welfare published a new regulation (Journal of Law no. 87 dated May 19, 2003) on food additives in June 2003. Poland uses a positive-additives list, which identifies additives that are permitted for use in foodstuffs. This particular regulation has been one of the most difficult obstacles facing imported products. As each EU member state has a different list of allowable food additives it is vital for all U.S. exporters to check with the potential Polish importers about whether the product intended for the Polish market meets all the ingredient requirements.

If you would like to contact authorities directly involved in preparing regulations on food additives and inspection of additive levels for imported products, please contact the National Food and Nutrition Institute (see section V for contact information).

V. Key Contacts and Further Information

Embassy of the United States of America
Office of Agricultural Affairs, Warsaw, Poland
e-mail: agwarsaw@usda.gov or agwarsaw@poczta.onet.pl
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For aflatoxin information please contact:
State Hygiene Office- (Panstwowy Zaklad Higieny)
PZH Prof. Jan Krzysztof Ludwicki, Director, ph: 4822-8497084
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