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## Poland

### Product Brief

### Value-Added Products

### 2004

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#### **Report Highlights:**

Poland's food retail sector continues to undergo radical transformation as consumer incomes grow. The presence of foreign hypermarkets continues to grow; however, prospects for U.S. sales are hampered by stiff Polish and EU competition. Poland's real GDP demonstrated growth of 3.8 percent in 2003, and domestic demand increased by 2.4 percent in 2003.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Warsaw [PL1]  
[PL]

## Section I. Poland's Demographics

The Republic of Poland is the ninth largest country in Europe, located in Europe's very center, it is bordered by Germany to the West, the Czech and Slovak Republics to the South, Ukraine, Belarus, and Lithuania to the East, and Russia to the North. Poland's northern coastline runs along the Baltic Sea, which supplies its productive seafood industry. The largest rivers include the Vistula, Odra, Warta, and Bug, all of which provide vital transport and water. Poland's well-developed timber industry is supported by forests, which cover 28 percent of the country. (The climate is relatively moderate with 60-75 degree Fahrenheit summer temperatures and winter temperatures of 14-32 degrees Fahrenheit. The average rainfall per year is 24 inches.)

Poland's population of 38.6 million represents 5 percent of the total population of Europe. Sixty-two percent of the population lives in urban areas. The average density is 320 people per square mile. The population is split almost evenly between males and females. Poland's population is rather young with 32.7 percent of the population under the age of 24, and an overall average age of 38 years.

Poland's real GDP has been growing, showing a 3.8 percent increase in 2003. Growth is expected to increase to 5.4 percent in 2004. Domestic demand grew by 2.4 percent in 2003 and is expected to continue to grow rapidly, reaching 4.8 percent in 2005. The inflation rate continues to fall, having dropped one percent from 2002. The unemployment rate appears to have peaked and declined slightly from 2002 to 2003.

## Section II. Foreign Investment and Trade Summaries

Poland's largest western foreign investor is France, investing 13.9 billion dollars in capital, while Russia continues to be Poland's largest eastern foreign investor, investing 1.3 billion dollars in capital. Foreign Direct Investment (FDI) increased from 6.1 billion dollars in CY 2002 to 6.4 billion in CY 2003. Foreign investment is primarily being used to update transportation and food processing, accounting for 18.5 percent of all FDI.

Food and beverage purchases accounted for 39% of total consumer spending according to a recent poll. Real GDP in CY 2003 grew at a rate of 3.8 percent, which is up from CY 2002; consumers still demand a greater variety of products. This guide is designed to assist exporters in identifying and taking advantage of opportunities for U.S. high value products in a changing market, as Poland's markets in several areas have opened due to the May 1, 2004, European Union accession.

**Table I. U.S. Imports of Consumer-Oriented Products by Poland  
(In US \$1000)**

Product	2002	Product	2003
Fresh Fruit	7642	Red Meat & Offals	17698
Spirits & Alcoholic Drinks	4236	Fresh Fruit	9775
Processed Fruit	3567	Fish & Crustaceans	6913
Processed Oils	3303	Spirits & Alcoholic Drinks	5474
Poultry	2306	Fruit Products	3445

**Table II. EU Imports of Consumer-Oriented Products by Poland  
(In US \$1000)**

Product	2002	Product	2003
Fresh Fruit	265752	Confectionery	108193
Processed Oils	146970	Coffee, Cocoa, Tea	178002
Coffee, Cocoa, Tea	130869	Vegetable Fats & Oils	183369
Confectionery	97603	Cakes & Meals	207438
Fresh Vegetables	313626	Fresh Fruit	313626

**Table III. World Imports of Consumer-Oriented Products by Poland  
(In US \$1000)**

Product	2002	Product	2003
Fresh Fruit	479828	Vegetable Fats & Oils	239315
Processed Oils	168417	Fish & Crustaceans	322947
Coffee, Cocoa, Tea	333332	Cakes & Meals	356831
Confectionery	481764	Coffee, Cocoa, Tea	481764
Fresh Fruits	551838	Fresh Fruit	551838

Source: Foundation of Assistance Programs for Agriculture (FAPA)

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, which will be updated to reflect the new EU regulations in August 2004. Most of the newer 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>.

The development of tourism, increased employment of women, and annual income increases have resulted in expansion of the Hotel, Restaurant and Institutional (HRI) Food Service Sector (see Table IV). For Poles living in urban areas, eating out is no longer a rarity, as it was in the early 90's. Consumers are also developing an interest in food variety, ranging from Mediterranean to Asian, with a specific demand for fast food.

Processed foods, which account for 27 percent of all Polish agricultural and food imports, represent the most popular import type in this sector.

Poland's food retail sector continues to undergo radical transformation as consumer incomes grow. This change is led by new foreign hypermarkets, which account for 15 percent of all national modern grocery distribution. Prospects for U.S. sales are hampered by stiff Polish and EU competition, comparatively high import duties, stringent food ingredient regulations, and costly terms of business to get products onto large retailers' shelves. Nevertheless, there are select opportunities outlined in section IV, "Best Prospects," in the Post's Retail Food Sector report. (See Table IV). These include, but are not limited to:

- Wine, beer, various non-alcoholic beverages
- Food for the HRI food service sector,
- Processed meat, fish, fruits and vegetables, and spices,
- Highly processed/ready-to-cook products & snacks,
- "Healthy food" produced from natural agricultural products with a low level of pesticides, mineral fertilizers, and other chemicals applied for their cultivation,
- "Luxury" food and drinks, produced from exotic raw materials for people with the highest incomes,

- Food ingredients for special use, e.g. sweeteners replacing sugar, protein or vitamin preparations necessary for production of diet foods.

### Section III. Office of Agricultural Affairs, Warsaw

The Office of Agricultural Affairs, Warsaw represents the United States Department of Agriculture, Foreign Agricultural Service (FAS) in Poland. FAS supports U.S. food and agriculture exporters in the Polish market and can provide lists of Polish companies importing food and agricultural products.

FAS prepares several of the reports mentioned above annually. FAS also generates reports, which contain regulations on preparing goods for shipment, regulations concerning documentation which should accompany goods, and details on border/entry regulations. These include information about restrictions concerning food additives, veterinary procedures/mandates, and sanitary regulations for products.

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For additional information/details on the Polish market, please see the following table of reports. All can be accessed by visiting the FAS web site <[www.fas.usda.gov](http://www.fas.usda.gov)> and clicking on the link, Attaché Reports.

**Table IV. Additional Reports**

Report	Revised Annually on or about:	Latest GAIN Report #
1. Food Processing Sector	January 7	#PL3045
2. Exporter Guide	October 6	#PL3036
3. FAIRS (Country Report)	August 5	#PL3022
4. HRI Food Service Sector	January 7	#PL3001
5. Retail Foods Sector	November 19	#PL3002

Following this report is a table of Polish imports and exports with the world and the United States. These reports are based on information obtained from FAPA. Also, updated BICO reports can be accessed at <[www.fas.usda.gov/scripts/w/bico/bico\\_frm.asp](http://www.fas.usda.gov/scripts/w/bico/bico_frm.asp)> and searching by country for Poland. These report U.S. exports to Poland and imports from Poland.

Table V: Value

Polish Agri-Food Trade with the World						
Group/Commodities	Export (\$ thousands)			Import (\$ thousands)		
	2001	2002	2003	2001	2002	2003
<b>I. Animal Products</b>						
<b>A. Live Animals (1-4)</b>	119792	138626	169755	39347	44359	43484
1. Horses	38057	32039	41953	4487	2477	4109
2. Cattle	70613	94480	107763	768	10338	9118
3. Sheep	5735	4887	5681	0	33	186
4. Other	5387	7218	14358	34092	31511	3007
<b>B. Processed Products (5-11)</b>	721299	682351	1043571	135741	166305	182558
5. Red Meat & Offals	138885	166645	306707	38413	75237	86455
6. Poultry Meat & Offals	106381	128295	243756	23308	21870	19459
7. Meat Products	88053	94078	110456	8188	10187	10178
8. Animal Fats	9045	8155	12921	8406	8639	9365
9. Milk, Cream, & Ice-Cream	265833	181109	215638	36506	27429	26031
10. Butter	25426	17444	21312	5377	6568	10345
11. Cheeses & Curds	87677	89625	132782	15544	16376	20726
12. Other Animal Products	53885	75076	137733	102374	111916	151681
<b>C. Other</b>	214508	226032	296682	355130	321151	369090
13. Fish & Crustaceans	133128	124478	179324	323035	281656	322947
14. Fish Products	81380	101553	117358	32096	39495	46143
<b>Total I (1-14)</b>	1109484	1122085	1647741	632592	643731	746813
<b>II. Crop Products</b>						
<b>D. Raw Materials</b>	287777	353357	507260	886791	844936	948501
15. Cereals	2215	65044	70322	173452	114047	120395
16. Oilseeds	67030	9587	3584	47354	52070	64656
17. Fresh Potatoes	2680	4309	12527	9024	12868	7578
18. Fresh Fruits	79116	107941	150981	482897	479828	551838
19. Fresh Vegetables	96172	120885	205216	95873	97621	99871
20. Flowers	40564	45590	64630	78190	88501	104165
<b>E. Processed Products (21-29)</b>	1039103	1135773	1470074	905419	949411	1087840
21. Vegetable Fats & Oils	24301	17867	19015	168417	193396	239315
22. Cereal Milling Products	6122	7861	12384	29006	28574	35344
23. Cakes & Meals	29015	23504	21815	316387	323237	356831
24. Starch, Croups, Malt	32336	37440	49337	66638	53872	62513
25. White Sugar	81571	50374	98619	18324	26191	21396
26. Molasses	24379	25191	24739	18	9	35
27. Confectionery	200178	220016	270215	112211	126880	147277
28. Fruit Products	379838	475579	631051	123497	127162	147417
29. Vegetable Products	261363	277940	342900	70920	70090	77712
30. Other Crop Products	278463	365043	499751	340956	376668	434936
<b>Total II (15-30)</b>	1605343	1854173	2477084	2133165	2171015	2471278
<b>III. Other Products</b>						
31. Coffee, Cocoa, Tea	120702	117599	142616	333332	365385	481764
32. Tobacco & Preparations	80709	49051	83037	119935	195428	67241
33. Spirits & Alcoholic Drinks	49429	57793	68832	94753	104706	129590
34. Water & Non-Alcoholic Drinks	11736	21865	28068	18293	12965	22127

35. Other	52679	62503	71255	73925	82427	94083
<b>Total III (31-35)</b>	<b>315255</b>	<b>308811</b>	<b>393808</b>	<b>640238</b>	<b>760911</b>	<b>794805</b>
<b>Total (I+II+III)</b>	<b>3030082</b>	<b>3285069</b>	<b>4518633</b>	<b>3405995</b>	<b>3575657</b>	<b>4012896</b>

Table VI: Quantity

Polish Agri-Food Trade with the World						
Group/Commodities	Export (Tons)			Import (Tons)		
	2001	2002	2003	2001	2002	2003
<b>I. Animal Products</b>						
<b>A. Live Animals (1-4)</b>						
1. Horses	20212	16419	21407	3576	1745	1815
2. Cattle	46213	67277	66235	431	5130	4206
3. Sheep	3189	2713	2641	0	19	60
4. Other	1053	1607	5145	3073	2381	1614
<b>B. Processed Products (5-11)</b>						
5. Red Meat & Offals	82829	119344	270485	30553	53822	57300
6. Poultry Meat & Offals	38048	51660	100691	23549	25548	20335
7. Meat Products	46900	42449	35718	4131	5704	4134
8. Animal Fats	20501	21513	32103	14501	12248	6456
9. Milk, Cream, & Ice-Cream	174630	178853	176347	36183	30023	20584
10. Butter	18606	11849	9179	3495	4615	5345
11. Cheeses & Curds	45388	41765	51965	4815	4818	5655
12. Other Animal Products	40957	55082	69099	85135	100954	100184
<b>C. Other</b>						
13. Fish & Crustaceans	50343	44155	49976	239367	199164	209804
14. Fish Products	39681	42087	43634	18402	21129	24973
<b>Total I (1-14)</b>	<b>628550</b>	<b>696773</b>	<b>934625</b>	<b>467211</b>	<b>467300</b>	<b>462465</b>
<b>II. Crop Products</b>						
<b>D. Raw Materials</b>						
15. Cereals	8972	566654	574958	1163052	617386	591939
16. Oilseeds	297629	37285	8927	89910	98731	108526
17. Fresh Potatoes	49460	57544	153066	39702	66302	28249
18. Fresh Fruits	351825	428501	459691	997756	950610	918009
19. Fresh Vegetables	327147	256547	458916	186679	176993	181451
20. Flowers	37308	43980	49161	53718	54723	75114
<b>E. Processed Products (21-29)</b>						
21. Vegetable Fats & Oils	41946	33456	28185	360693	358115	352513
22. Cereal Milling Products	11652	21955	23878	206891	207467	234467
23. Cakes & Meals	226473	202482	157523	1498602	1572700	1605462
24. Starch, Croups, Malt	160112	166334	183929	205829	181686	197280
25. White Sugar	295135	207793	425598	63984	89046	75096
26. Molasses	279115	251819	292817	32	5	15
27. Confectionery	88853	89164	102863	68409	69525	68025
28. Fruit Products	503347	552734	557292	164684	137763	141824
29. Vegetable Products	4712212	411719	493048	98763	87309	89824
30. Other Crop Products	167065	198842	246280	169903	180709	169813
<b>Total II (15-30)</b>	<b>7558251</b>	<b>3526809</b>	<b>4216132</b>	<b>5368607</b>	<b>4849070</b>	<b>4837607</b>
31. Coffee, Cocoa, Tea	49766	48597	52273	254617	236488	248365

32. Tobacco & Preparations	19072	11547	16052	34973	54405	22316
33. Spirits & Alcoholic Drinks	40288	42300	47127	118202	122862	104545
34. Water & Non-Alcoholic Drinks	47606	106056	112663	55667	3606871	3485654
35. Other	75143	77531	83342	99389	99090	102724
<b>Total III (31-35)</b>	<b>231875</b>	<b>286031</b>	<b>311457</b>	<b>562848</b>	<b>4119716</b>	<b>3963604</b>
<b>Total (I+II+III)</b>	<b>8418676</b>	<b>4509613</b>	<b>5462214</b>	<b>6398666</b>	<b>9436086</b>	<b>9263676</b>

Table VII: Value

Polish Agri-Food Trade with the US						
Group/Commodities	Export (\$ thousands)			Import (\$ thousands)		
	2001	2002	2003	2001	2002	2003
<b>I. Animal Products</b>						
<b>A. Live Animals (1-4)</b>	622	643	611	419	109	362
1. Horses	617	620	596	63	16	200
2. Cattle				13	22	
3. Sheep						
4. Other	5	23	15	343	70	162
<b>B. Processed Products (5-11)</b>	41243	43666	47625	10254	9671	19814
5. Red Meat & Offals	26	68	53	2012	6606	17698
6. Poultry Meat & Offals	0			7449	2306	798
7. Meat Products	29223	31903	32553	115	1	5
8. Animal Fats	35	6	1	292	702	1276
9. Milk, Cream, & Ice-Cream	964	496	982	382	55	26
10. Butter	1820	284	304			
11. Cheeses & Curds	9174	10909	13731	4	1	11
12. Other Animal Products	2853	2907	3075	5785	7430	5141
<b>C. Other</b>	8658	15084	10168	1229	4573	6917
13. Fish & Crustaceans	5521	6815	4276	1219	4563	6913
14. Fish Products	3137	8269	5892	11	11	4
<b>Total I (1-14)</b>	<b>53376</b>	<b>62299</b>	<b>61480</b>	<b>17687</b>	<b>21783</b>	<b>32234</b>
<b>II. Crop Products</b>						
<b>D. Raw Materials</b>	328	824	865	10758	15265	12851
15. Cereals	11	18	34	1575	2253	1218
16. Oilseeds	10	23	25	1693	4540	1343
17. Fresh Potatoes	0				0	1
18. Fresh Fruits	27	18	9	6801	7642	9775
19. Fresh Vegetables	11	104	238	134	133	67
20. Flowers	270	661	559	556	696	445
<b>E. Processed Products (21-29)</b>	28408	45516	55727	13172	9143	9198
21. Vegetable Fats & Oils	268	357	572	4715	3303	1740
22. Cereal Milling Products	405	380	703	31	17	21
23. Cakes & Meals		0	7	567	121	82
24. Starch, Croups, Malt	4324	10542	18865	715	310	76
25. White Sugar	42	40	60	2	5	22
26. Molasses	3535	2588	3303	0	0	2
27. Confectionery	6993	10364	11039	784	1157	3128
28. Fruit Products	7566	15337	11940	5497	3567	3445
29. Vegetable Products	5276	5908	9239	861	663	682

30. Other Crop Products	6916	9047	12260	17257	21596	21440
<b>Total II (15-30)</b>	<b>35652</b>	<b>55387</b>	<b>68852</b>	<b>41187</b>	<b>46004</b>	<b>43490</b>
<b>III. Other Products</b>						
31. Coffee, Cocoa, Tea	1526	1743	1597	747	864	748
32. Tobacco & Preparations	24	10	0	14596	22521	5049
33. Spirits & Alcoholic Drinks	23976	28258	35007	3420	4236	5474
34. Water & Non-Alcoholic Drinks	1682	2365	3471	321	178	209
35. Other	10	13	30	3175	3495	4395
<b>Total III (31-35)</b>	<b>27217</b>	<b>32390</b>	<b>40106</b>	<b>22260</b>	<b>31294</b>	<b>15875</b>
<b>Total (I+II+III)</b>	<b>116245</b>	<b>150075</b>	<b>170438</b>	<b>81134</b>	<b>99081</b>	<b>91599</b>

Table VIII: Quantity

Polish Agri-Food Trade with the US						
Group/Commodities	Export (Tons)			Import (Tons)		
	2001	2002	2003	2001	2002	2003
<b>I. Animal Products</b>						
<b>A. Live Animals (1-4)</b>						
1. Horses	4	2	6	4	3	1
2. Cattle				6	11	
3. Sheep						
4. Other	1	3	1	6	1	3
<b>B. Processed Products (5-11)</b>						
5. Red Meat & Offals	20	46	59	1597	4248	8440
6. Poultry Meat & Offals	0			7533	2376	732
7. Meat Products	7020	7748	6871	26	0	5
8. Animal Fats	27	2	0	5	12	44
9. Milk, Cream, & Ice-Cream	590	353	661	237	60	20
10. Butter	1908	190	112			
11. Cheeses & Curds	2947	3685	4748	1	0	3
12. Other Animal Products	311	300	374	7060	8806	6047
<b>C. Other</b>						
13. Fish & Crustaceans	1348	1684	1060	521	2316	4057
14. Fish Products	1144	2887	1952	1	0	1
<b>Total I (1-14)</b>	<b>15320</b>	<b>16900</b>	<b>15844</b>	<b>16997</b>	<b>17833</b>	<b>19353</b>
<b>II. Crop Products</b>						
<b>D. Raw Materials</b>						
15. Cereals	17	26	38	2550	5622	1914
16. Oilseeds	4	10	13	2728	5683	1673
17. Fresh Potatoes	0					
18. Fresh Fruits	43	14	12	9701	9178	8198
19. Fresh Vegetables	5	145	294	218	147	64
20. Flowers	16	33	12	211	205	140
<b>E. Processed Products (21-29)</b>						
21. Vegetable Fats & Oils	211	262	404	40602	6498	2394
22. Cereal Milling Products	706	659	1014	32	23	22
23. Cakes & Meals		0	5	1726	104	188
24. Starch, Croups, Malt	4936	13482	21289	2058	520	67
25. White Sugar	116	105	165	0	1	21



26. Molasses	42015	26578	37049	0	0	4
27. Confectionery	2101	3669	3350	1066	933	1416
28. Fruit Products	9184	18290	12911	3713	2142	2198
29. Vegetable Products	5716	6779	10903	745	603	408
30. Other Crop Products	3170	3892	4887	1644	2155	1422
<b>Total II (15-30)</b>	<b>68240</b>	<b>44983</b>	<b>23081</b>	<b>59826</b>	<b>33814</b>	<b>20129</b>
<b>III. Other Products</b>						
31. Coffee, Cocoa, Tea	715	769	545	295	689	599
32. Tobacco & Preparations	16	48	0	2142	3504	1593
33. Spirits & Alcoholic Drinks	14161	15733	19626	1696	1755	2042
34. Water & Non-Alcoholic Drinks	7646	10083	13654	116	65	81
35. Other	7646	10083	13654	116	65	81
<b>Total III (31-35)</b>	<b>20</b>	<b>2</b>	<b>50</b>	<b>2088</b>	<b>3032</b>	<b>2869</b>
<b>Total (I +II +III)</b>	<b>83580</b>	<b>61885</b>	<b>38975</b>	<b>78911</b>	<b>54679</b>	<b>42351</b>