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Poland

Product Brief

Dried Fruits and Nuts

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Report Highlights:
Overall Polish imports of dried fruits and nuts increased 13 percent in 2002. The U.S. will have more opportunities to enter the market upon Poland's EU accession in May 2004 when tariff rates will decrease. Demand for these products generally increased between January and May, stimulated by the Carnival Season.

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

Section I. Market Overview

Quick snacks and foods are showing continued expansion in the Polish food industry. Polish consumers perceive dried fruit & nuts as a positive, healthful form of food "on the go." As a result, this sector shows overall growth, despite a slowdown in the Polish economy. Total imports of dried fruit & nuts in 2001 were 45,772 MT, an increase of 12 percent from 2000. In 2002, imports increased 13 percent to 53,313 MT. 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. Low tariffs for raw shelled and unshelled peanuts and newly decreased tariffs for almonds may offer U.S. dried fruit and nut suppliers the opportunity to capture a larger market share in Poland. U.S. opportunities will expand further after Poland’s accession May 1, 2004, when relatively high Polish import duties are replaced by lower EU external rates as outlined in "Table III. Dried Fruit and Nut Tariffs."

Market research shows that about 32 percent of the Polish population buys a variety of nuts and dried fruit throughout the year. Nearly 65 percent of the Polish population purchases nuts once a month, 25 percent purchases nuts once a week, and 7 percent purchases 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.

No detailed data on dried fruit consumption are available. The most popular dried fruits on the Polish market are: raisins, prunes, dates, apricots, figs, apples, and pears. Dried cranberries are new to the market, but also gaining popularity.

Demand for these products greatly increases between January and May. This is stimulated by Carnival season, Easter holidays, and a decrease in fresh fruit consumption during this period. Polish consumers, ages 15 to 19, are the biggest consumers of dried fruit and nuts. This age group likes the health food aspect and use of nuts and dried fruit as snacks. In addition, these products are also quite popular with the 20-49 year old age group. Consumption in the age group above 50 years is very marginal. Consumption decreases at this age mainly due to low income levels and no tradition of using nuts and dried fruit as snacks. Market research results show that these products are most popular in medium (population above 500,000 people) and larger cities among consumers with at least high school education and college degrees within the medium and high income levels.

Advantages	Challenges
Polish consumption of dried fruit & nuts is on the rise.	Competition with snack food industry.
Market is opening to new products such as flavored and roasted peanuts and almonds. Further development of alcoholic beverage advertisement could be utilized to promote this new category.	Developing countries enjoy preferential Polish import duties on raw and processed peanuts.
Tariffs on almonds have been significantly reduced: in shell almonds (16%) decreased to 5.6%, while shelled almonds (16%) decreased to 3.5%.	EU member states are allowed duty free market access.
Consumers consider U.S. products to be higher quality.	Getting fresh products to the consumer.

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 & nut importers are tending toward direct distribution to the retail market. Direct distribution reduces overall cost and avoids the loss of product freshness that results in declining sales. Larger firms have also introduced sales representatives in the field to process orders and to disseminate market information back to the firm. The smaller, less capital accessible firms still rely on the wholesaler link 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 of the U.S. Embassy in Warsaw (see Section V).

2) Market Size, Structure, Trends

The retail centers for dried fruit & nut sales are broken into several segments. They include hypermarkets, supermarkets and discount stores, convenience stores, traditional stores, and kiosks. Hypermarkets have been growing in number throughout Poland and offer the largest variety and shelf space of any segment. Supermarkets and discount stores also offer a large variety of dried fruit & nuts and shelf space. 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 next few years and will likely offer the greatest potential for market growth in snack products such as dried fruit & nuts. In addition, Poland's vehicle sales increased sharply in the 1990's. Although this trend does not continue, sales continue to increase slightly, which makes the gas stations with food stores an increasingly attractive retail outlet. Traditional stores and kiosks offer the least amount of variety and shelf space for dried fruit & 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 and billboards to increase their sales of these products. Fresh fruit and vegetables compete with dried fruit and nuts during the months of June through August. Consumption of dried fruit and nuts is the strongest during the months of September through May.

While overall imports of dried fruits and nuts have grown 13 percent, new trends in market development have promoted an increase in bulk packaging from grams to kilograms, which has dampened quality. In addition, foreign retail outlets in Poland often demand the same product terms and prices as occur among their Western European outlets. The following tables show a break down of the dried fruit and nuts imported to Poland.

Table I. Dried Fruit & Nuts Import Tables

Almonds, In Shell, Fresh or Dried, 080211						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
United States	67	153	150	399	264	657
Spain	11	40	22	64	9	32
Sweden	0	0	0	0	0.5	2
World Total	104	216	191	521	274	693
Almonds, Fresh or Dried, Shelled, 080212						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Spain	348	1167	609	1935	842	3116
United States	696	2172	1994	693	837	2524
Sweden	36	120	61	181	11	60
World Total	1101	3540	1365	4118	1709	5766
Dates, Fresh or Dried, 080410						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Iran	241	187	333	236	375	285
Tunisia	41	46	72	88	123	164
United States	0	0	0.05	0.026	0	0
World Total	291	250	441	371	536	490
Grapes, Dried, 080620						
	2000		2001		2002	

Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Iran	7032	6145	6578	4374	7210	4690
Greece	4113	4102	3931	3727	3271	3096
United States	990	1480	1180	1277	1071	1067
World Total	13976	13765	14830	11583	14466	11182

Ground Nuts, In Shell, Not Roasted or Cooked, 120210

	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
China	3868	2754	2774	4408	8412	4497
Argentina	37	29	0	0	271	192
United States	0	0	11	28	0.024	0.238
World Total	4082	2894	4466	2831	8816	4756

Ground Nuts, Shelled, Not Roasted or Cooked, 120220

	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
China	10766	7852	10756	7608	11499	7459
Argentina	2242	2027	4794	3908	4554	3319
United States	2581	2299	897	764	3499	2978
World Total	18441	14342	19797	14528	22203	15358

Mixture of Nuts or Dried Fruits, 081350

	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Germany	7	38	17	67	20	104
Austria	0.6	5	1	10	2	12
United States	1	2	1	0.6	0.04	0.02
World Total	70	97	29	108	30	129

Pistachios, Fresh or Dried, 080250

	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
Iran	494	1633	867	2687	951	3011
Turkey	61	206	183	507	31	98

United States	0.2	0.2	0.7	2	0	0
World Total	571	1889	1066	3239	1025	3235

Prunes, Dried, 081320						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
United States	2226	2922	2499	3620	1011	1724
Chile	219	310	423	563	1085	1445
Argentina	0	0	70	100	621	850
World Total	2504	3339	3044	4343	2881	4253

Walnuts in Shell, Fresh or Dried, 080231						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
France	233	172	274	198	230	209
United States	46	27	103	62	95	57
Iceland	0	0	0	0	2	2
World Total	280	201	377	261	327	269

Walnuts, Fresh or Dried, Shelled, 080232						
	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
France	6	53	9	43	32	90
Czech Republic	4	10	17	37	9	20
United States	0.005	0.001	0.016	0.077	0	0
World Total	29	162	46	165	45	138

Section III. Costs & Prices

Costs of dried fruits and nuts vary by the market in which they are sold (upper, middle, lower income), in addition to the brand they carry. However, overall price fluctuation is moderate. The following depicts retail prices for dried fruit and nuts in July 2003.

Table II. Retail Prices

Commodity	Brand	Weight (grams)	Price (in Zloty)*
Salted Peanuts	Chico/Felix	100	2.15
	Aromat/Aromat Snack	150	3.09
	Ahold/Felix	500	5.69
	Aromat/Aromat Snack	1000	11.89
Honey Peanuts	Felix	300	6.85
Papyrika Peanuts	Felix	300	6.85
In Shell Peanuts	Dit/Aromat	250	1.99
Almonds	Premium Uno Quality	250	11.95
Pistachios	Felix	100	6.29
		300	18.35
Walnuts	Premium Uno Quality	200	8.99
Greek Raisins	Premium Uno Quality	300	4.49
California Prunes	BakalLand	100	1.99
Mixed Dried Fruits & Nuts	Premium Uno Quality	300	9.95
In Bulk			***Zlotys/1 Kg***
Almonds			38.99
Peanuts in Shell			6.99
Prunes			19.95
Dried Apricots			33.99
Mixed Dried Fruits & Nuts			27.95
* Exchange Rate: $1=3.93Zl			

Poland's import tariffs on dried fruit and nuts are relatively low, in comparison to other Polish agricultural import duties, reflecting little to no local production. Poland is scheduled to join the EU May 1, 2004. As a result, EU member states will receive duty free market access. As of September 6, 2002, in shell almonds were reduced from 16 percent to 5.6 percent and shelled almonds from 16 percent to 3.5 percent. Poland's accession to the EU will benefit U.S. dried fruit and nut exporters by significantly reducing current tariffs.

Table III. Dried Fruits and Nut Tariffs

CN Code	Name of product	WTO*	EU Accession	EU	DEV	LDC	EFTA	Czech Romania Hungary Lithuania Latvia	Turkey

080211 900	Almonds, in shell	5.6%	5.6%	0	12.8	0		0	
080212	Almonds, shelled	3.5%	3.5%	0	11.2	0		0	
080231	Walnuts, in shell	20	4%	0	14	0		0	
080232	Walnuts, shelled	25	5.1%	0	17.5	0		0	
080250	Pistachios	16	1.6%	0	11.2	0		0	
080410	Dates	9	7.7%	0	0	0		0	
080620 110	Grapes, dried	9	2.4%	0	6.3	0		0	3
081320	Prunes, dried	25	9.6%	25	25			0	
081350	Mixture of nuts	25	4%	0				0	
120210 900	Ground nuts, in shell	0	0%	0	0	0		0	0
120220	Ground nuts, shelled	0	0%	0	0	0		0	0

* WTO applies to products originating from the U.S.

Section IV. Market Access

Shipments of dried fruit and nuts require a phytosanitary certificate. Any shipment containing prohibited organisms (fungi, viruses, bacteria, insects, mites, weeds) will be prohibited from entering Poland. A list of prohibited organisms is available from the Main Inspectorate of Plant Protection and available on the Plant Protection and Seeds Service web page: http://www.iorin.gov.pl. For information regarding aflatoxin levels, please see Section V.

- Registration of a new imported product:

All imported products must be approved for sale or use on the Polish market. In order to test or register a new product or start procedures for receiving approval of a new additive, (not specified in 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.

An appropriate local sanitary station must be supplied with a product sample for testing. The tests can take between 2 weeks and 2 months. The cost is difficult to estimate but may amount to $250.00 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 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).

Please note that product testing in SANEPID can only be ordered by a firm registered in Poland! (eg. potential importer). Each region in Poland has appropriate sanitary stations (a list is available from Warsaw SANEPID)- eg. Only firms registered in Warsaw or neighboring areas can conduct product testing in the Warsaw Sanitary Station).

Effective July 15, 1994 per Journal of Law no. 86 chapter 402, all package/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: name of the product, name and address of the producer, date - to be consumed before - the Polish phrase "nalezy spozyc do XXX" is commonly used, net content (weight/capacity), and 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 dtd. May 19, 2003) on food additives on June 3, 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. The new list is in line with the current EU regulations. **Please note:** 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 in imported products, please contact the National Food and Nutrition Institute.

Section V. Key Contacts and Further Information

Embassy of the United States of America
Office of Agricultural Affairs, Warsaw, Poland
Wayne Molstad
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Mazowiecka Sanitary Station - SANEPID - actual tests & check ups
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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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