

## CBI MARKET SURVEY

# THE FRESH FRUIT AND VEGETABLES MARKET IN POLAND

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### Introduction

This CBI market survey gives exporters in developing countries information on some main developments on the fresh fruit and vegetables market in Poland. The information is complementary to the information provided in the CBI market survey 'The fresh fruit and vegetables market in the EU' which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.nl/marketinfo>.

## 1. Market description: consumption and production

### Consumption

In terms of population, Poland is the sixth largest country in the EU. In 2004, fruit consumption was 1.7 million tonnes, a decrease of 10% compared to 2000 (Polish Central Statistical Office 2005).<sup>1</sup>

Consumption of vegetables (including potatoes) was 5.2 million tonnes. Vegetables consumption also decreased compared to 2000, by 7%.

### Production

In 2005, production of fruits was 2.9 million tonnes, 4% of total EU production (FAOSTAT 2006). Apples were the main product by far, accounting for 71% of total fruit production. Poland is third largest apple producer in the EU, after Italy and France. However, since 2001 apple production has decreased by 16%. Poland is the second largest EU producer of strawberries (180 thousand tonnes in 2005), after Spain, but production has decreased by 26% since 2001.

Production of vegetables in 2005 was very large with 5.3 million tonnes, 9% of total EU production. The main products were cabbages with 26% of total vegetables production, carrots (18%), onions (13%), cucumbers (5%) and tomatoes (4%).

### Trends

The long-term trend in consumption per caput of fruit and vegetables points downward. The total population of Poland also decreased over the last 6 years, resulting in a smaller consumer market for fruit and vegetables. As in many new EU countries, GDP is expected to increase, which should encourage the demand for exotics and off-season fruit.

### Opportunities and threats

Poland is an important producer of fruit and vegetables in the EU and a strong competitor for other major exporters such as Spain and the Netherlands. Poland has several advantages such as low production costs and extensive area available for production. Because of its population size and the growing income levels, the Polish market for exotics and off-season products can become very large.

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<sup>1</sup> These figures may differ from figures in the CBI market survey Fresh fruit and vegetables in the EU. In the CBI market surveys covering individual countries, national sources are preferred for providing the most detailed information, while the general survey uses statistics that are easily comparable between countries.

## 2. Trade: imports and exports

### Imports

In 2005, fruit imports amounted to €547 million and 997 thousand tonnes, 3% of total EU import value (Eurostat 2006). From 2001 to 2005, import value of fruit increased by 11%. In 2005, 79% of total value was imported from other EU countries; 21% from developing countries.

The main imported fruits in 2005 were bananas, grapes, tangerines, lemons and limes. Spain, Italy and the Netherlands were the main supplying countries. The main fruits imported from developing countries were bananas, lemons and limes, grapes, grapefruit and tangerines (Table 2.1). Fruits imported from developing countries are mainly sold in the domestic market, except for bananas: 53% of 2005 banana imports in 2005 were re-exported.

In 2005, total vegetables imports were €143 million and 184 thousand tonnes, 1.5% of total EU import value. From 2001 to 2005, import value of vegetables increased by 35%. In 2005, 95% of total import value in 2005 came from other EU countries; 4% from developing countries.

The main imported vegetables in 2005 were tomatoes, sweet peppers and cucumbers. Spain and the Netherlands were the main suppliers. The main vegetables imported from developing countries were garlic, tomatoes, mushrooms, leeks and sweet peppers (Table 2.1).

**Table 2.1 Polish imports of fresh fruit and vegetables from developing countries and leading supplying countries with their market share, by value in thousand euro (€)**

<b>Total fruit</b>	<b>21% of total import value 2005</b>	
<b>Product</b>	<b>DC imports</b>	<b>Leading DC suppliers</b>
Bananas	73,492	Ecuador (60%), Costa Rica (19%), Colombia (15%), Panama (4.4%)
Lemons and limes	19,881	Argentina (50%), Turkey (47%), Uruguay (3%)
Grapes	4,944	Chile (53%), Turkey (44%), South Africa (2%)
Grapefruit	4,216	Turkey (97%), Argentina (2%), Uruguay (0.7%)
Tangerines	3,884	Morocco (41%), Turkey (41%), Uruguay (16%)
<b>Total vegetables</b>	<b>4% of total import value 2005</b>	
<b>Product</b>	<b>DC imports</b>	<b>Leading DC suppliers</b>
Garlic	2,760	Thailand (53%), China (26%), Turkey (20%)
Tomatoes	1,694	Turkey (94%), Jordan (3.8%), FJR Macedonia (1.3%)
Mushrooms	700	Ukraine (91%), Belarus (9%)
Leeks	485	Turkey (99%), China (0.7%)
Sweet peppers	244	Ukraine (91%), FJR Macedonia (5%), Thailand (2.5%)

Source: Eurostat 2006

### Exports

Fruit exports amounted to €230 million and 635 thousand tonnes in 2005, 1.9% of total EU export value of fruit (Eurostat 2006). From 2001 to 2005, fruit exports increased by an impressive 161%. The main exported were apples and bananas.

In 2005, exports of vegetables were €298 million and 598 thousand tonnes, 3.3% of total EU export value. From 2001 to 2005, exports of vegetables increased by an equally impressive 179%. The main exported products were mushrooms, and onions and shallots.

### Opportunities and threats

Although Poland has a large potential market for fruit and vegetables from developing countries, imports from developing countries decreased between 2001 and 2005. Poland is a re-exporter of exotic and off-season fruit to especially Germany, and has the potential to grow as a supplier of these fruits to other EU countries.

### Useful sources

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int/>
- Eurostat – official statistical office of the EU - <http://epp.eurostat.cec.eu.int>
- Ministry of Economy, Republic of Poland – <http://www.mgip.gov.pl/English>

### 3. Trade structure

The retail sector consists of many different retail outlets. The five largest retailers have less than 25% of total market share (Fruchthandel 2005). With 38 million people and a growing economy and disposable income, the market potential for retailing is very high. The largest retailers in Poland are foreign owned companies:

- Tesco (UK) – <http://www.tesco.com>.
- Ahold (the Netherlands) – <http://www.ahold.com>.
- Jerónimo Martins and Biedronka (Portugal) – <http://www.jeronimomartins.pt>.

One of the most important wholesale markets for fresh fruit and vegetables from developing countries is GRSO S.A. located in Poznań - <http://www.wgro.com.pl>. Other wholesale markets are located in Zabki (Warsaw Wholesale Grocery Market), Katowice, Gdansk and Ciecierzyn.

The port of Gdansk is the main entry point for imports from developing countries - <http://www.portgdansk.pl>.

### 4. Prices

From 2003 to 2005, the average import price of fruit increased by 9%, to €0.55 per kg. The average price of fruit imported from developing countries increased by 12%, to €0.48. The price levels of selected products from developing countries in 2005 were: bananas €0.45; lemons and limes €0.60; grapes €0.91; grapefruit €0.61; tangerines €0.61.

Over the same period, the average import price of vegetables increased by 57% to €0.78 per kg. The average price of vegetables imported from developing countries increased by 58% to €0.69. Price levels of selected products from developing countries in 2005 were: garlic €0.65; tomatoes €0.77; mushrooms €3.21; leeks €0.37; sweet peppers €0.40.

For information on prices, please try Today Market European markets - [http://www.todaymarket.com/eu\\_pric.htm](http://www.todaymarket.com/eu_pric.htm). Alternatively, importers and agents can also give up-to-date information on prices.

For information on importers or agents in Poland, please refer to the Polish Chamber of Commerce – <http://www.kig.pl>.

### 5. Market access requirements

Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are defined through legislation, labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. For more information go to 'Search CBI database' at <http://www.cbi.nl/marketinfo>

For fresh fruit and vegetables, the reduced value-added tax (VAT) rate of 3% is applicable.

### 6. Business practices

For information on doing business in Poland, please refer to the Polish Chamber of Commerce – <http://www.kig.pl>

The major trade fair for fruits and vegetables is Polagra, which is held in Poznań – <http://www.polagra-food.pl>

## 7. References

Eurostat. 2006. Statistical Office of the European Communities, COMEXT database on external trade, available at <http://fd.comext.eurostat.ec.eu.int/xtweb/>.

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