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## Poland

### Product Brief

### Grapefruit

### 2004

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**Report Highlights:**

Polish consumers are becoming more health conscious; hence they are eating more fruit. The average Pole consumes almost 7 kilograms of citrus fruit per year. Exports dropped by 20 percent in 2003, however; the U.S. market share of grapefruit increased by 3 percent. A reduction in tariff rates came on May 1, 2004, with the accession of Poland to the European Union. Tariff rates dropped from 5 percent to 1.5 percent in the months of November through April, and 2.4 percent in the months of May through October.

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

## Section I. Market Overview

Poland, with a population of nearly 38.6 million people, is the largest market in Central Europe. The country has been successful at attracting foreign investors in the food processing industry as the wholesale and retail sectors continue to grow. The hypermarkets and supermarkets are prime examples of this rapidly changing industry. The number of hypermarkets is expected to double or even triple over the next several years. With this growth, strong markets for foods, like grapefruit, that were not always accessible before the transformation period (1990's), have now emerged.

The groundwork for grapefruit sales to Poland can be traced to the food deficits of the 1980's. During that time, shortages of food and most other goods were common. As a result, grapefruit was often given as a present for Christmas and other holidays. Grapefruit was considered exotic and healthy. The first grapefruits marketed here were white (white marsh seedless), however pink (ruby red, flames) and red (star ruby) varieties soon became the grapefruit of choice. Today, grapefruit is consumed primarily as a breakfast item or salad ingredient. As Polish consumers become more affluent and health orientated, the future value of grapefruit sales should appreciate.

Advantages	Disadvantages
Polish consumers are becoming more health conscious hence all fruits, including grapefruit, are gaining popularity.	Polish consumers misjudge Turkish and Israeli grapefruits as higher quality due to outward appearance when comparing to U.S. products.
As a result of the May 1, 2004 EU accession, U.S. tariff charges were reduced from 5% to 1.5% in the months of November through April, and 2.4% May through October.	European Union members will still have an advantage at a 0% duty rate.
Retail space for grapefruit is growing with supermarket and hypermarket expansion.	Polish consumers prefer the least expensive grapefruit available, which often favors Turkish or Israeli products and hinders U.S. exports.

## Section II. Market Sector Opportunities and Threats

### 1) Entry Strategy

Contacting the right importer will help a business enter the Polish grapefruit market. Most supermarkets, hypermarkets and specialty shops buy a majority of their fresh produce through wholesalers, set up through large importers, which have their own distribution channels and marketing contacts. Exporters of U.S. grapefruit may obtain a list of current importers by contacting the Office of Agricultural Affairs of the U.S. Embassy in Warsaw (see Section V).

### 2) Market Size, Structure, Trends

The primary consumers of grapefruit thus far have been married women age 30-50 years old. It has been noted that older consumers (55-65 years old), buy smaller amounts of fruit, but on a more regular basis.

With the average Polish customer consuming 15 kg/per capita of apples versus only about 7 kg/per capita of citrus fruits, an increase in consumption, especially that of grapefruit and oranges, is expected in the near future, according to unofficial sources.

Grapefruit sales in Poland have continued to fall. In 2003, the overall grapefruit imports fell by 20 percent from the previous year. The U.S. gained 3 percent of the market share from 2002 to 2003.

Figure 1:

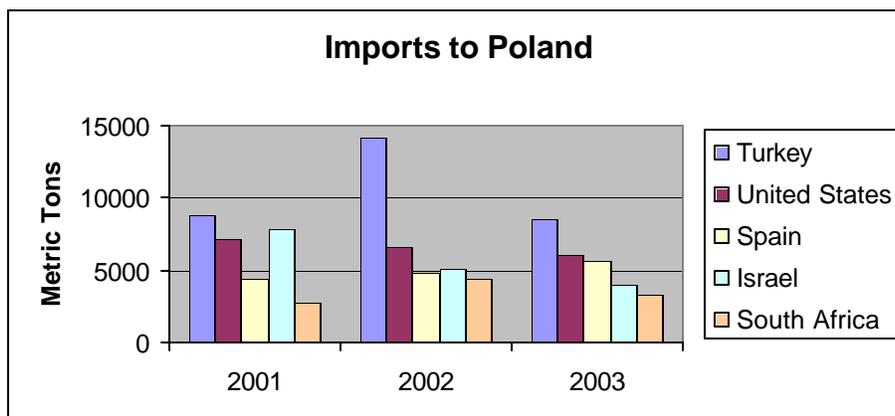


Table 1:

Grapefruit, Fresh or Dried, 080540						
Country	2001		2002		2003	
	Quantity in Metric Tons	\$1,000	Quantity in Metric Tons	\$1,000	Quantity in Metric Tons	\$1,000
Turkey	8752	3328	14218	6019	8538	4621
United States	7164	2873	6578	3195	6048	4232
Spain	4443	2375	4801	2744	5642	3964
Israel	7805	4449	5086	3082	3930	2672
South Africa	2757	1285	4425	1957	3273	2479
World Total	33408	15473	37999	18216	30362	19964

Source: Global Trade Atlas

It is important to note that Poland is an important transshipment point for grapefruit. According to some Polish importers, large shipments, constituting as much as 10 percent of the volume of imports of U.S. grapefruits, are purchased from intermediaries in Europe (mostly through the Netherlands) and may not be listed as a final destination point on U.S. export documentation, thus not appearing on U.S. statistics.

From 1996-2000, the Florida Department of Citrus was very active in the Polish market and marketed its product during the winter months to take advantage of the seasonal market. Using a variety of different promotional techniques (in-store promotions, production of Polish language leaflets, etc.), the FDOC helped stimulate an increase of grapefruit exports to Poland over the past few years.

### 3) Company Profiles

In the early 90's several large importing firms existed on the Polish market. In addition to these market leaders, there were an additional 20-30 smaller, local importers/distributors of grapefruit. This market organization was maintained until the year 2000. During 2000, huge market changes occurred in the area of fresh fruit and vegetable distribution. This change occurred due to the worsening economic situation in Poland at that time. In addition, some of the larger super and hypermarket chains operating in Poland organized their own import/distribution departments. Currently, there are 5-6 large importers of fruits and vegetables on the Polish market.

## Section III. Costs & Prices

Currently, the Polish market is very much price driven. Super and hypermarkets dominating in the fruit trade are forcing Polish importers to concentrate only on the cheapest products, while at the same time requiring high quality. This trend is also evident in the retail sector, where Turkish grapefruit (2.50-3.50 zls/kg) dominates, followed by U.S. (3.80-6.99 zls/kg), Spain (3.70-4.00), then by South Africa (4.39-5.39) products. Once popular Israeli grapefruit is now only available occasionally on the Polish market due to customers' taste preference for Florida grapefruit, which is priced at a similar level. (Exchange rate: \$1.00 = 3.62 zlotys).

As a result of Poland's May 1, 2004, European Union accession, the import duty assessed on U.S. grapefruits dropped from 5 percent to 1.5 percent during the months of November through April, from May through October the rate changed to 2.4 percent. This duty reduction is expected to encourage higher exports of grapefruit from the U.S. to Poland, however preferential treatment will be given to those nations in the European Union.

## Section IV. Market Access

Shipments of fresh fruits require a phytosanitary certificate. Any shipment containing prohibited organisms (fungi, viruses, bacteria, insects, mites, weeds) will be prohibited from entering Poland.

Detailed information on EU standards concerning citrus fruits can be obtained from the following internet address (as prepared by the USDA Foreign Agricultural Service, U.S. Mission to the European Union):

<http://www.useu.be/agri/Fruit-Veg.html>

### **32001R1799**

Commission Regulation (EC) No 1799/2001 of 12 September 2001 laying down the marketing standard for citrus fruit

## Section V. Key Contacts and Further Information

For more information concerning market entry and a current importer list contact:

-Embassy of the United States of America

Office of Agricultural Affairs, Warsaw, Poland

Wayne Molstad, e-mail: [agwarsaw@usda.gov](mailto:agwarsaw@usda.gov) or [agwarsaw@poczta.onet.pl](mailto:agwarsaw@poczta.onet.pl)

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