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## Poland

### Livestock and Products

### Semi-Annual

### 2003

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#### **Report Highlights:**

**Poland's red meat output increased an estimated 4 percent in 2002 and is expected to grow another 3 percent in 2003. Output of pork is expected to increase in 2003 while beef production will continue to fall. At the end of 2003, imports of U.S. beef and beef offal will be virtually eliminated due to probable Polish EU accession in May 2004.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Semi-Annual Report  
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## **I. Situation and Outlook**

It is estimated that Poland's red meat output increased 4 percent in 2002 and will grow another 3 percent in 2003. In 2002, the bumper grain harvest was only slightly lower than in 2001 maintaining low feed prices which will spur higher pork production in 2003. In December 2002, Poland finalized negotiations with the European Union (EU) and will probably join the EU in May 2004. EU accession may have strong impact on dairy production and development of beef cattle production due to high level of CAP support. The swine industry and pork production will probably be less affected by EU accession because it is not subject to CAP.

### **BEEF**

Cattle inventories will continue to decrease in 2003. The decrease of dairy cow inventories is expected to be slower in 2003 as dairy farmers try to maintain dairy herd size and produce as much milk as possible to receive higher milk production quotas after EU accession. (See Gain Report PL3004). Exports of young cattle increased an estimated 14 percent in 2002 and are expected to remain at that high level in 2003 due to declining cattle inventories and reduced slaughter. Exports of calves and young slaughter cattle is an additional source of income for small farms maintaining 3 to 5 dairy cows. Most of these farms will probably have to discontinue commercial production of milk after Poland's EU accession, as they will not be able to compete with larger farms and meet milk quality standards. As a result, these farmers may specialize in production of beef cattle and stimulate exports. Polish beef farmers will also receive strong support from the EU's CAP. (See Gain Report #PL 2038 "Polish Agricultural Agreement with the EU").

Beef production will likely decrease by 5 percent in 2003 due to reduced cattle inventories and slaughter. Demand for imported beef also remains low. It is estimated that in 2003, consumption of beef will remain at the 2002 level. Most domestically produced beef is added to pork sausages or canned meat products and consumed locally or exported to FSU markets. Domestic beef consumption slumped in 2002 as the first confirmed BSE case occurred in May 2002; a total of 5 confirmed cases were reported as of the date of this report.

### **Trade Prospects**

#### **Imports**

Since high quality corn-fed beef is not produced in Poland, U.S. choice beef has found a niche in premier Polish restaurants. The market could potentially expand to large supermarkets which currently dominate the Polish food retail sector. Poland remains a major importer of beef offal importing approximately 10,000 -12,000 tons annually. The United States and Australia are the major suppliers of beef offal. Imports of high quality corn-fed beef and beef offal from the United States may discontinue 3 to 6 months prior to Polish EU accession in May 2004. Consequently only hormone-free product from EU inspected plants could enter the market. Poland agreed with the EU that Polish

veterinary authorities will introduce current EU veterinary regulations before actual accession in order to get acquainted with all procedures in advance.

## Exports

In 2002, beef exports doubled compared to 2001, as a result of high beef stocks built up in 2001 due to reduced consumption. The majority of total beef exports were subsidized exports from Polish government stocks and destined for Russia. The Polish government subsidized exports through the Agricultural Market Agency. Exports are expected to drop in 2003 because of lower production and reduced stocks.

## Trade Policy

A tariff rate quota for beef quota for 2003 is 23,195 tons (5,650 MT for HTS 0201 and 17,545 MT for HTS 0202). The tariff on in-quota trade for fresh, chilled and frozen beef remains at 30 percent. The out-of-quota tariff is 45 percent. All meat imported into Poland must be accompanied by a health certificate issued by a government-approved veterinarian from the exporting country. Products also must bear a label in Polish with the date of production clearly stated. There is zero tolerance for the presence of hormones in imported beef, but Polish veterinary authorities do not require that beef originates from cattle which have not been treated with growth promoting hormones. Each imported shipment of beef is tested.

In addition, suppliers should check with importers regarding Polish standards for products sold in Poland and stored in-country for transshipment. Poland has a set of quality standards for storage conditions of meat and meat products and validity of the products depending on conditions and temperature of storage. (See Gain Report #PL1002 on Polish Norms).

On December 30, 2002, the Polish Minister of Agriculture announced a new beef labeling law designed to be consistent with EU practices. According to the law each element or cut of beef has to be marked with labels stating identification number of the animal, birth date of the animal and name of the country where the animal was raised and slaughtered. In addition for beef originating from a non-EU country, on the label should be the following statement: "Meat does not originate from the EU". The new law went into effect on January 1, 2003. However, it appears not yet to be fully enforced, because the EU beef tracking system has not yet been fully implemented in Poland and may not be until close to Polish EU accession in May 2004.

## PORK

The hog inventories cycle is expected to peak in mid 2003 and start to decline in the second half of the year. Hog slaughter and pork output is expected to increase in 2003.

Pork remains the primary meat produced in Poland. In 2003, pork production is expected to increase due to low feed grain prices, decreasing inventories and higher slaughter. In 2003, pork consumption is

expected to increase by 5 percent because of lower prices as a result of growing output.

## **Trade**

### Imports

Poland's live hog imports are limited to breeding hogs mainly from France. In 2002, Poland increased imports of raw hams from the United States which were processed in Poland and then re-exported to the U.S. In 2003, pork imports are expected to decrease due to higher domestic output. The total import quota for pork in 2003 is 46,480 tons (HTS 0203). The within tariff quota is 30 percent. All meat shipments to Poland must be accompanied by a health certificate issued by a government-approved veterinarian from the exporting country. Products also must bear a label in the Polish language with the date of production clearly stated.

### Exports

Exports of canned hams to the United States are expected to grow in 2003 due to higher pork output. Canned hams and shoulders exported to the United States are produced in USDA-inspected plants and are generally of higher quality than available on the domestic market. It is estimated that exports of pork and pork products in 2003 will increase by 20 percent compared to the 2002 level as a result of higher output and increased government intervention including more export subsidies.

### *Other reports of interest:*

- Gain Report #PL 1002 "Polish Norms"
- Gain Report #PL 2017 "Poultry Annual"
- Gain Report #PL 2030 "Dairy Annual"
- Gain Report #PL 2010 "Annual Grain&Feed"
- Gain Report #PL 3004 "Impact of EU Accession on Poland's Dairy Production"
- Gain Report #PL 2038 "Polish Agricultural Agreement with the EU"
- Gain Report #PL 2012 "Impact of Outbreak of BSE on Beef Consumption and Exports"

## II. Statistical Tables

### Animal Numbers, Cattle

PSD Table						
Country	Poland					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Total Cattle Beg. Stks	5722	5722	5539	5499	5634	5300
Dairy Cows Beg. Stocks	3130	3130	3100	2900	3000	2850
Beef Cows Beg. Stocks	0	0	0	0	0	0
Production (Calf Crop)	2600	2600	2500	2400	2400	2300
Intra EC Imports	0	0	0	0	0	0
Other Imports	1	0	5	8	5	10
TOTAL Imports	1	0	5	8	5	10
TOTAL SUPPLY	8323	8322	8044	7907	8039	7610
Intra EC Exports	0	0	0	0	0	0
Other Exports	382	421	180	480	200	480
TOTAL Exports	382	421	180	480	200	480
Cow Slaughter	200	200	200	200	200	200
Calf Slaughter	750	750	650	650	650	650
Other Slaughter	1350	1350	1270	1200	1250	1100
Total Slaughter	2300	2300	2120	2050	2100	1950
Loss	102	102	110	77	100	80
Ending Inventories	5539	5499	5634	5300	5639	5200
TOTAL DISTRIBUTION	8323	8322	8044	7907	8039	7710
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

## Import Trade Matrix, Live Cattle

Import Trade Matrix			
Country	Poland		
Commodity	Animal Numbers, Cattle		
Time period	Jan-Sep	Units:	Head
Imports for:	2001		2002
U.S.		U.S.	29
Others		Others	
Austria	182	The Netherlands	2226
Czech Republic	92	Germany	1784
Germany	75	France	696
Hungary	65	Sweden	310
Estonia	42	Italy	239
		Austria	129
		Denmark	100
Total for Others	456		5484
Others not Listed	0		162
Grand Total	456		5675

## Export Trade Matrix, Live Cattle

Export Trade Matrix			
Country	Poland		
Commodity	Animal Numbers, Cattle		
Time period	Jan-Sep	Units:	Head
Exports for:	2001		2002
U.S.		U.S.	
Others		Others	
Italy	196726	Italy	200067
Bosnia&Herceg	25703	Bosnia&Herceg	105677
Spain	11315	Spain	42698
Croatia	27004	Croatia	24868
Izrael	39292	Israel	19774
The Netherlands	8513	The Netherlands	17873
Germany	7481	Germany	8975
Hungary	0	Hungary	3543
Russia	2721	Russia	2653
Slovenia	4469	Slovenia	2639
Total for Others	323224		428767
Others not Listed	8119		8184
Grand Total	331343		436951

## Prices Table, Live Cattle

Prices Table			
Country	Poland		
Commodity	Animal Numbers, Cattle		
Prices in	zlotys	per uom	kilogram of live weight
Year	2001	2002	% Change
Jan	2.89	2.91	0.69%
Feb	2.66	2.91	9.40%
Mar	2.53	2.89	14.23%
Apr	2.89	2.87	-0.69%
May	2.92	2.75	-5.82%
Jun	2.87	2.69	-6.27%
Jul	2.87	2.69	-6.27%
Aug	2.96	2.69	-9.12%
Sep	2.97	2.68	-9.76%
Oct	2.95	2.62	-11.19%
Nov	2.86	2.62	-8.39%
Dec	2.91		-100.00%
Exchange Rate	3.85	Local currency/US \$	

## Meat, Beef and Veal

PSD Table						
Country	Poland					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Slaughter (Reference)	2300	2300	2120	2050	2100	1950
Beginning Stocks	20	20	45	45	64	25
Production	305	305	280	280	275	265
Intra EC Imports	0	0	0	0	0	0
Other Imports	3	0	4	0	2	0
TOTAL Imports	3	0	4	0	2	0
TOTAL SUPPLY	328	325	329	325	341	290
Intra EC Exports	0	0	0	0	0	0
Other Exports	38	30	26	60	26	30
TOTAL Exports	38	30	26	60	26	30
Human Dom. Consumption	245	250	239	240	242	240
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	245	250	239	240	242	240
Ending Stocks	45	45	64	25	73	20
TOTAL DISTRIBUTION	328	325	329	325	341	290
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

## Import Trade Matrix, Meat, Beef and Veal

Import Trade Matrix			
Country	Poland		
Commodity	Meat, Beef and Veal		
Time period	Jan-Sep	Units:	Tons
Imports for:	2001		2002
U.S.	3	U.S.	11
Others		Others	
Sweden	26	Germany	30
		Hungary	8
		Uruguay	4
Total for Others	26		42
Others not Listed	32		10
Grand Total	61		63

## Export Trade Matrix, Meat, Beef and Veal

Export Trade Matrix			
Country	Poland		
Commodity	Meat, Beef and Veal		
Time period	Jan-Sep	Units:	Tons
Exports for:	2001		2002
U.S.		U.S.	
Others		Others	
Russia	4035	Russia	27871
Italy	4637	Italy	4884
Macedonia	817	Macedonia	3829
Romania	1489	Romania	2172
Sweden	1285	Sweden	1476
Bosnia&Herceg	73	Bosnia&Herceg	1373
Ukraine	877	Lithuania	1183
Germany	799	Germany	1165
Bulgaria	417	Greece	1090
Estonia	314	Great Britain	685
Total for Others	14743		45728
Others not Listed	3778		3607
Grand Total	18521		49335

## Prices Table, Beef

Prices Table			
Country	Poland		
Commodity	Meat, Beef and Veal		
Prices in	zlotys	per uom	kilogram of roast beef - bone in
Year	2001	2002	% Change
Jan	10.72	10.74	0.19%
Feb	10.67	10.77	0.94%
Mar	10.56	10.78	2.08%
Apr	10.44	10.79	3.35%
May	10.42	10.75	3.17%
Jun	10.4	10.7	2.88%
Jul	10.47	10.67	1.91%
Aug	10.55	10.7	1.42%
Sep	10.67	10.69	0.19%
Oct	10.7	10.69	-0.09%
Nov	10.74	10.65	-0.84%
Dec	10.75		-100.00%

Exchange Rate	3.85	Local currency/US \$	
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## Animal Numbers, Swine

PSD Table						
Country	Poland					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
TOTAL Beginning Stocks	16988	16988	17494	17494	18500	19000
Sow Beginning Stocks	1650	16500	1725	1750	1775	1850
Production (Pig Crop)	23250	23250	24000	25000	24650	24500
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	1	0	1
TOTAL Imports	0	0	0	1	0	1
TOTAL SUPPLY	40238	40238	41494	42495	43150	43501
Intra EC Exports	0	0	0	0	0	0
Other Exports	5	5	6	4	6	4
TOTAL Exports	5	5	6	4	6	4
Sow Slaughter	350	350	300	300	300	350

OTHER SLAUGHTER	20600	20600	21500	22000	22200	23000
Total Slaughter	20950	20950	21800	22300	22500	23350
Loss	1789	1789	1188	1191	1644	1647
Ending Inventories	17494	17494	18500	19000	19000	18500
TOTAL DISTRIBUTION	40238	40238	41494	42495	43150	43501
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix, Live Hogs

Import Trade Matrix			
Country	Poland		
Commodity	Animal Numbers, Swine		
Time period	Jan-Sep	Units:	Head
Imports for:	2001		2002
U.S.	55	U.S.	
Others		Others	
France	220	France	549
Canada	80	Denmark	68

Total for Others	300		617
Others not Listed	0		0
Grand Total	355		617

Export Trade Matrix, Live Hogs

Export Trade Matrix			
Country	Poland		
Commodity	Animal Numbers, Swine		
Time period	Jan-Sep	Units:	Head
Exports for:	2001		2002
U.S.		U.S.	
Others		Others	
Russia	829	Russia	2398
Croatia	640	Lithuania	478
Ukraine	312	Ukraine	348
Bosnia&Herceg	270	Bosnia&Herceg	53

Thailand	114	Croatia	52
Belarus	39	Bulgaria	1
Total for Others	2204		3330
Others not Listed			16
Grand Total	2204		3346

## Prices Table, Live Hogs

Prices Table			
Country	Poland		
Commodity	Animal Numbers, Swine		
Prices in	zlotys	per uom	kilogram of live weight
Year	2001	2002	% Change
Jan	4.04	4.08	0.99%
Feb	4	3.94	-1.50%

Mar	4.34	4	-7.83%
Apr	4.51	3.79	-15.96%
May	4.2	3.53	-15.95%
Jun	4.29	3.4	-20.75%
Jul	4.43	3.67	-17.16%
Aug	4.63	3.63	-21.60%
Sep	4.73	3.46	-26.85%
Oct	4.74	3.3	-30.38%
Nov	4.56	3.23	-29.17%
Dec	4.51		-100.00%
Exchange Rate	3.85	Local currency/US \$	

Meat, Swine

PSD Table						
Country	Poland					
Commodity	Meat, Swine				(1000 MT CWE)(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Slaughter (Reference)	20950	20950	21800	22300	22500	23350

Beginning Stocks	36	36	30	30	35	50
Production	1547	1550	1585	1640	1640	1720
Intra EC Imports	0	0	0	0	0	0
Other Imports	23	19	50	40	50	20
TOTAL Imports	23	19	50	40	50	20
TOTAL SUPPLY	1606	1605	1665	1710	1725	1790
Intra EC Exports	0	0	0	0	0	0
Other Exports	100	88	80	80	85	100
TOTAL Exports	100	88	80	80	85	100
Human Dom. Consumption	1476	1487	1550	1580	1607	1660
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	1476	1487	1550	1580	1607	1660
Ending Stocks	30	30	35	50	33	30
TOTAL DISTRIBUTION	1606	1605	1665	1710	1725	1790
Calendar Yr. Imp. from U.S.	2	0	0	2	0	2
Calendar Yr. Exp. to U.S.	8	7	7	7	0	8

## Import Trade Matrix, Meat, Swine

Import Trade Matrix			
Country	Poland		
Commodity	Meat, Swine		
Time period	Jan-Sep	Units:	Tons
Imports for:	2001		2002

U.S.	436	U.S.	2189
Others		Others	
Denmark	5166	Denmark	17487
Canada	2906	The Netherlands	3362
Germany	470	Belgium	3134
France	172	France	2077
Hungary	766	Hungary	1411
Ireland	228	Canada	953
		Ireland	848
		Germany	737
		Italy	517
		Great Britain	276
Total for Others	9708		30802
Others not Listed	641		597
Grand Total	10785		33588

Export Trade Matrix, Meat, Swine

Export Trade Matrix			
Country	Poland		

Commodity	Meat, Swine		
Time period	Jan-Sep	Units:	Tons
Exports for:	2001		2002
U.S.	5098	U.S.	5267
Others		Others	
Russia	35297	Russia	15677
Moldova	2407	Moldova	1675
Lithuania	1373	Lithuania	1536
Belarus	3035	Belarus	1486
Great Britain	1178	Great Britain	1408
Azerbaijan	703	Azerbaijan	1199
Estonia	1743	Italy	1043
Ukraine	2000	Korea Republic	1005
Romania	2859	Romania	991
Latvia	1671	Germany	918
Total for Others	52266		26938
Others not Listed	4577		5172
Grand Total	61941		37377

Prices Table, Pork

Prices Table			
Country	Poland		
Commodity	Meat, Swine		
Prices in	zlotys	per uom	kilogram of pork chops
Year	2001	2002	% Change
Jan	14.35	14.46	0.77%
Feb	14.18	14.11	-0.49%
Mar	14.2	13.93	-1.90%
Apr	14.67	13.87	-5.45%
May	14.71	13.63	-7.34%
Jun	14.57	13.49	-7.41%
Jul	14.67	13.35	-9.00%
Aug	14.7	13.36	-9.12%
Sep	14.73	13.28	-9.84%
Oct	14.72	13.01	-11.62%
Nov	14.54	12.72	-12.52%
Dec	14.44		-100.00%
Exchange Rate	3.85	Local currency/US \$	