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Poland

Product Brief

Grapefruit

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Report Highlights:

Grapefruit sales in Poland increased in 2004 after falling in previous years. In 2004, grapefruit imports increased 15.49 percent from the previous year; nevertheless, the U.S. lost 5 percent of market share from 2003 to 2004. Tariff rates dropped from 5 percent to 1.5 percent November through April, and 2.4 percent May through October as a result of Poland's EU accession.

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Table of Contents

Section I. Market Overview..... 3
Section II. Market Sector Opportunities and Threats 3
 1) Entry Strategy 3
 2) Market Size, Structure, Trends 4
 3) Company Profiles..... 5
Section III. Costs & Prices 5
Section IV. Market Access..... 5
Section V. Key Contacts and Further Information..... 6

Section I. Market Overview

Poland, with a population of nearly 40 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 fruits, such as 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 conscious, 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 grapefruits as higher quality due to outward appearance when compared to U.S. products.
As a result of EU accession, tariffs were reduced on U.S. grapefruits from 5 percent to 1.5 percent in the months of November through April, and 2.4 percent May through October.	European Union members have the advantage of the duty free open market.
Retail space for grapefruit is growing with supermarket and hypermarket expansion.	Polish consumers prefer the least expensive grapefruit available, which often favors Turkish products and hinders U.S. exports

Section II. Market Sector Opportunities and Threats

1) Entry Strategy

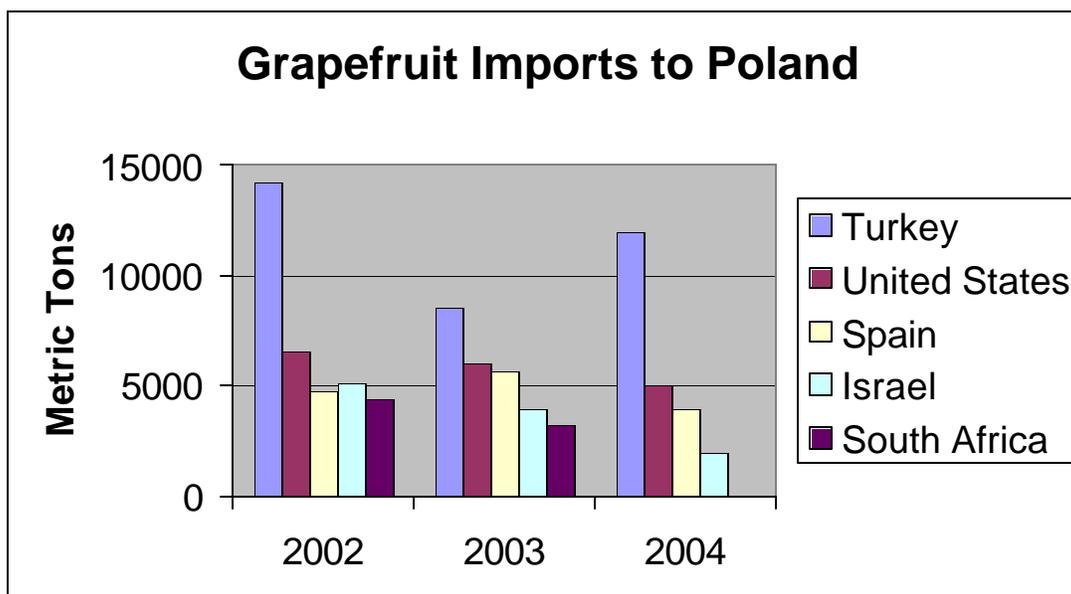
Contacting the right importer will help a business enter the Polish grapefruit market. Most supermarkets, hypermarkets and specialty shops buy a majority of their fresh produce through wholesalers. These wholesalers have contacts with large importers and maintain their own distribution channels and marketing contacts. Exporters of U.S. grapefruits 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 are married women 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 Pole consuming 15 kg of apples versus approximately 7 kg 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 increased in 2004 after falling in previous years. In 2004, grapefruit imports increased 15.49 percent from the previous year; nevertheless, the U.S. lost 5 percent of the market share from 2003 to 2004.



Poland Import Statistics
Grapefruit, Fresh Or Dried, 080540

Partner Country	Unit	2002		2003		2004		% Share		
		USD	Quantity	USD	Quantity	USD	Quantity	2002	2003	2004
World	T	18215559	37999	19964305	30361	23056491	31500	100	100	100
Turkey	T	6039618	14218	4621258	8538	6727213	11623	33.2	23.2	29.2
Netherlands	T	0	0	12624	16	4805144	5088	0	0.06	20.8
United States	T	3169824	6578	4232335	6048	3599999	4778	17.4	21.2	15.6
Spain	T	2752116	4802	3963915	5642	3117425	3787	15.1	19.9	13.5
Israel	T	3081803	5086	2671498	3930	1641767	2376	16.9	13.4	7.12
Germany	T	1630	3	3772	5	1530734	1719	0.01	0.02	6.64
Belgium	T	0	0	0	0	502863	584	0	0	2.18
Cyprus	T	53199	130	251818	430	287574	466	0.29	1.26	1.25

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 (FDOC) 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 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 grapefruit market is price driven. Super and hypermarkets dominating 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 dominates, followed by the United States, Spain, and South Africa. 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.

As a result of Poland's accession to the European Union in May 2004, the import duty for U.S. grapefruits dropped from 5 percent to 1.5 percent from November to April, and 2.4 percent from May to October. This duty reduction is expected to encourage higher exports of grapefruit from the U.S. to Poland.

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 lays 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
e-mail: agwarsaw@usda.gov or agwarsaw@poczta.onet.pl
tel: (48 22) 504 2336, fax: (48 22) 504 2320