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A faint, light gray world map is visible in the background of the page, showing the outlines of continents and major countries.

Market Brief - Product

Poland: Peanuts

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Warsaw[PL1], PL

Executive Summary

The peanut processing and packaging industry in Poland has rapidly consolidated since 1990, with the Felix firm capturing an estimated 60 percent of the retail peanut market. In 1998, net imports (imports minus re-exports) of raw and processed peanuts amounted to over 26,000 metric tons. As the market has developed, many interesting changes have come forth. Bulk packaging has been introduced which has caused overall product quality to decrease. Recently, Poland's peanut manufacturers have introduced flavored peanuts. The demands from retailers have changed as well. With low tariffs for raw shelled and unshelled peanuts and with the product quality of current suppliers (China) to Poland below that of consumer standards, the market for a quality product may offer U.S. peanut suppliers the opportunity to capture more market share in Poland.

Advantages	Challenges
Low Import Tariff Schedule for Raw Shelled and Unshelled Peanuts.	Getting a Fresh Product(s) to the Market.
Market is opening to new products such as flavored peanuts. Further development of alcoholic beverage advertisement could be utilized to promote this new category.	Developing countries have preferential tariffs on raw and processed peanuts. Shelled and processed U.S. products face additional competition from lower EU tariffs.
Consumers Consider U.S. Products to be Better Quality.	Competition with Industry Leader/Snack Food Industry.

Competition

The Poland peanut industry has undergone some recent changes in the way of consolidations and new ownerships of some brands. The leading brand is the Felix brand which is owned by the May group and is headquartered in Germany with a factory outside Krakow. Entering Poland's market after the fall of communism, Felix has established themselves as a quality supplier. Since 1995, Felix's market share has remained at roughly 60 percent. "Domat," in Bydgoszcz, is a major producer of canned and packaged peanuts. "Aromat," located in Gdynia, is another competitive firm but without the significant market share of Felix. The Atlanta company, located in Gdansk, supplies peanuts to the chocolate and confectionary segment of the industry.

In terms of substitutes, the potato chip/snack food industry competes heavily with the shelled peanut market. Firms involved in this industry advertise heavily through TV and billboards to increase their sales of these products. Fresh fruits and vegetables compete with in-shell peanuts during the months of May through August. Consumption of peanuts is the strongest during the months of September through April.

Consumption Trends

Direct consumption of peanuts in Poland amounted to around 26,000 metric tons in 1998 of which 30 to 40% are consumed out of the shell and 10% in shell. An additional 14,300 tons of peanuts were used in further processed food items in the confectionary industry.

The Polish consumer's traditional preference for shelled peanuts has changed somewhat recently. Over the past several years, the consumption of plain-salted shelled peanuts has decreased 25 to 30 percent. However, increased consumption of the hot/spicy and honey roasted varieties has more than offset the decline in consumption of plain salted peanuts. Industry leaders feel that spiced flavored peanuts have further potential for development but lack the advertising capital needed to spur growth.

With market development, the increase in bulk packaging from grams to kilograms has been introduced which has dampened quality. In addition, foreign retail outlets in Poland have been demanding the same product terms and prices as exemplified by their Western counterparts.

Demand for peanut butter has not developed significantly in Poland. The tariffs on further processed peanuts set by Poland's regulations are very high and make the import market unattractive for U.S. peanut butter imports.

Distribution Channels

Distribution routes among the larger firms have traditionally been through wholesalers. However, more and more peanut importers are tending toward direct distribution to retail markets were to avoid loss of product freshness which resulted in declining sales. The 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.

The retail centers for peanut sales are broken into four 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 peanuts and shelf space. Convenience stores are a new and growing distribution channel located at railway, bus, and petroleum 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 peanuts. In addition, Poland's vehicle sales increased sharply over the last several years which makes the petroleum stations with food stores an attractive market. Traditional stores and kiosks offer the least amount of variety and shelf space for peanuts but make up the largest percentage of stores.

Prices

Retail prices for shelled peanuts increase with volume which leads to a price-competitive market. Below are the price ranges for shelled and non-shelled peanuts either in the package or fresh.

Retail Peanut Prices

Shelled Peanuts	Zloty	U.S. Dollar Equivalent
50 gram	0.80zl-2.20zl	\$0.21-\$0.58
80 gram	0.65zl-2.90zl	\$0.17-\$0.76
150 gram	2.00zl-2.75zl	\$0.53-\$0.72
200 gram	2.25zl-2.75zl	\$0.59-\$0.72
250 gram	1.95zl-2.10zl	\$0.51-\$0.55
500 gram	5.40zl-5.80zl	\$1.42-\$1.53
Shelled Peanuts (Fresh)		
Per Kg	7.00zl-7.60zl	\$1.84-\$2.00
In-Shell Peanuts (Package)		
100 gram	2.20zl-2.40zl	\$0.58-\$0.63
250 gram	2.10zl-2.50zl	\$0.55-\$0.66
Per Kg	7.40zl-8.40zl	\$1.95-\$2.21
In-Shell Peanuts (Fresh)		
Per Kg	7.50zl-8.50zl	\$1.97-\$2.24

(The exchange rate used is \$1US=3.80Polish Zl)

Packaging and Label Requirements

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.

- name of the product
- name and address of the producer
- date best before - the Polish phrase “najlepiej spozyc przed. terminem XXX” is not commonly used.
- net content (weight/capacity)
- 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 boarder until appropriate labels are applied.

Poland's Ministry of Health and Social Welfare published new regulations (Monitor Polski no. 22 pos. 233) on allowable food additives on March 31, 1993. Poland uses a positive list, which identifies additives that are permitted for use in foodstuffs. Please note that a new list on positive additives was published earlier this year.

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:

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Trade Data and Regulations

According to The Main Statistical Office (GUS), Poland imported 24476 metric tons of raw shelled and unshelled peanuts in 1998 with 9091 metric tons imported from India. The second leading supplier of raw shelled and unshelled peanuts was China with 6051 metric tons. The United States supplied 2362 metric tons (660 metric tons less than the 1997 level).

For processed peanuts (HTS 200811), Great Britain was the leading supplier with 1781 metric tons. The second leading supplier was Germany with 858 metric tons. The United States exported only 38 metric tons of processed peanuts in 1998 (276 metric tons from 1997 levels).

Poland's import tariffs on peanuts (HTS 120210 - in-shell & HTS 120220 - shelled) are relatively low reflecting no local peanut production. Poland's import tariff for U.S. raw shelled and unshelled peanuts is 2.5 percent. China and India, as "developing" countries, have import tariffs of 1.7 percent. The import tariff for European Union is zero.

The tariff for processed peanuts (HTS 200811) is much higher and includes additional tax on sugar content in the processed peanuts. The EU and EFTA countries have a tariff of 15 percent and are not subject to the additional tariff on sugar content contributing to Great Britain and Germany's position as the leading supplier of processed peanuts to Poland. EU countries also have preferential tariffs on processed peanuts (other than peanut butter) but are limited by package size (1 kilogram or less). Many other European countries are exempt from tariffs on processed peanuts. The tariff for the U.S. is the lower of either:

35% of the value of the shipment, or

33.3% (of the value of the shipment) + maximum of 0.1 ECU/kg + DCC*

DCC*: .0049ECU/10g of product or each 1% of sugar/1kg of product

Peanut Imports To Poland (1997 & 1998)**Processed Peanuts (Kg) (HTS 200811)**

Country	1997	1998
USA	314260	38366
China	925587	451269
Argentina	425243	N/A
Great Britain	897894	1781350
Netherlands	954189	638201
Greece	221017	667700
Germany	248200	858431
TOTAL IMPORTS	4184875	4091296

Raw In-Shell Peanuts (Kg)**Raw Shelled Peanuts (Kg)**

Country	1997	1998	1997	1998
USA	263089	197065	2759583	2165847
China	5830107	4178753	6795318	1873120
India	720627	643332	4000023	8448505
Argentina	67860	23504	2960795	5783088
Great Britain	N/A	N/A	31775	N/A
Netherlands	14801	N/A	22427	2023
Greece	N/A	N/A	N/A	N/A
Germany	N/A	24083	39348	404
S. Africa	N/A	N/A	536187	532318
TOTAL IMPORTS	7012665	5092066	18031490	1938447

(HTS 120210 in-shell) (HTS 120220 shelled)

Poland's Peanut Exports (1997 & 1998)**Processed Peanuts (Kg)**

Country	1997	1998
Ukraine	1045018	1231372
Hungry	275428	369134
Russia	257057	175867
Czech Rep	199354	182013
Romania	100110	28000
Total	2080360	2257980

(HTS 200811)

Raw In-Shell Peanuts (Kg)**Raw Shelled Peanuts (Kg)**

Country	1997	1998		1997	1998
Russia	41306	2499		1063	2837
Slovakia	16000	N/A		N/A	16000
Ukraine	12002	3424		62751	72449
Belarus	1688	15000		2298	5764
Hungry	N/A	14010		22000	N/A
Germany	240	14010		N/A	N/A
Romania	N/A	N/A		19000	10000
Latvia	N/A	N/A		5000	N/A
Czech Rep.	N/A	N/A		N/A	16000
Total	71823	49510		174870	173316

(HTS 120210 in-shell) (HTS 120220 shelled)

Key Contacts

For addition information please contact:

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