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Poland

Product Brief

Pet Food Sector

2007

Approved by:

Kate Snipes, Agricultural Attache
U S Embassy

Prepared by:

Jolanta Figurska, Piotr Rucinski

Report Highlights:

Poland offers U.S. pet food producers a growing market particularly for high-quality specialty pet foods. The pet food market grew over 8 percent in 2005 to about \$250 million in sales and is expected to grow at least 9 percent annually through 2009. In addition, imports for inputs to the pet food processing sector are booming, growing 70 percent in 2006. Exports of U.S. raw material to the Polish pet food industry tripled to \$7.6 million in 2006, which is an import market share of over 50 percent.

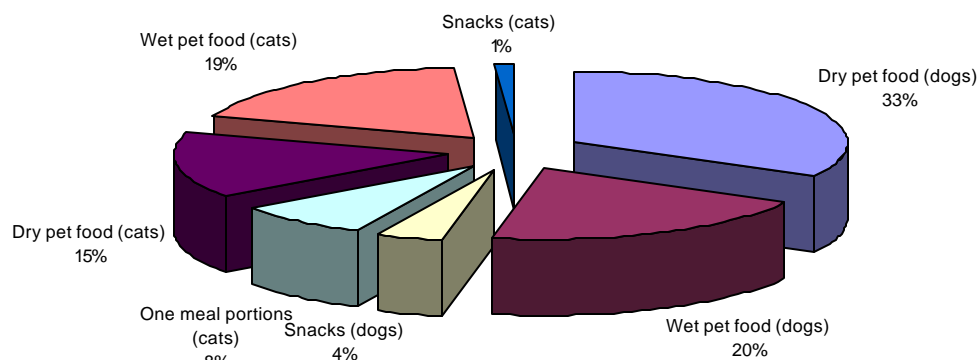
Includes PSD Changes: No
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General

Poland offers good sales potential for high quality pet food. Poles are increasing expenditures on pet food and snacks; it is estimated that Poles own about 6 million cats and 8 million dogs. Polish *per capita* expenditures on pet food are PLN 700 (USD 220).

According to sector experts, the pet food and pet care products market has grown by over 8 percent in value during 2005 and amounts to estimated 800 mln PLN (USD 250 mln). Pet food for dogs is about 57 percent of the market, while pet food for cats is 43 percent.

Sales of pet food products by type recorded during 2005



Source: MEMRB Report, July, 2006

Pet food purchases are expected to go up by 6-7 percent per year through 2009. Besides "wet pet food" in cans, pet owners also purchase dry pet food and teething toys for dogs.

Sector experts estimate that currently as much as 87 percent of the pet meals are prepared, versus only 13 percent that was purchased pet food. The growth in average disposable income, change in peoples lifestyles, and increasing awareness of animal health issues are all contributing to the growth in pet food sales.

Domestic production

Since the early nineties international producers have been interested in setting up their productions plants in Poland. Masterfoods Polska (part of Mars Incorporated) controls about 60 percent of the market according to sector experts. Major brands produced in Poland include Pedigree and Whiskas.

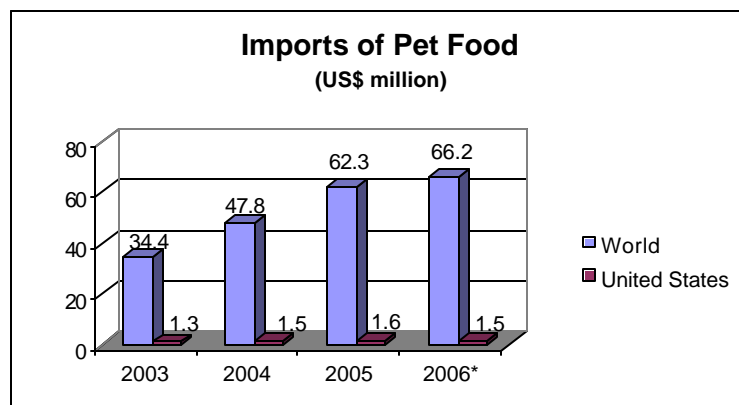
Two other international firms Cargill (Nutrena brand) and The Provini Group (mostly private label) also have pet food production facilities in Poland. Polish companies are also investing in this sector. For example Mispol from Suwalki invested over PLN 10 mln (USD 3 mln) in a production facility due to start production in 2007.

Imports

Imported product constitutes about one fourth of the total pet food market. Over the last three years imports have doubled. Other EU countries have 95 percent of the import market

share, while United States currently holds only two percent import market share. U.S. pet food products sold in Poland constitute the highest value products on the market. the U.S. sold an estimated 1.5 million USD in pet food to Poland in 2006.

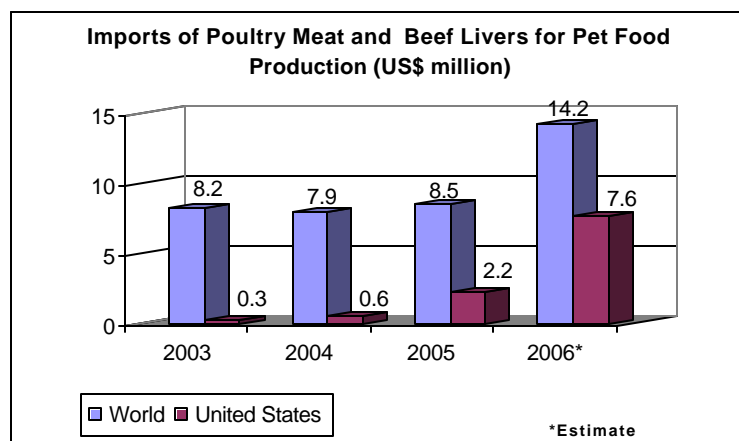
Imported brands present on the Polish market include: ANF, Animonda, Arion, Bento Kronen, Bosch, Eukanuba, Hill's, Iams, Mastery Pro, Nutra Nuggets, Nuta Gold, Nutro Choice, Purina Pro Plan, Purina Dog Chow, Purina Cat Chow, Royal Canin, Sanabelle.



* Estimate

Source: World Trade Atlas

In addition to imports of pet food ready for retail distribution, there is a fast growing market for raw materials used for manufacturing pet food. Poland imports mainly poultry meat and beef livers for manufacturing pet food. Some imported raw materials are re-exported as pet food (primary to Ukraine). In 2006 total imports of raw materials for manufacturing pet food increased by nearly 70 percent, and imports of these products from the U.S. *tripled*. The U.S. import market share in 2006 is estimated at 53 percent, growing from 26 percent in 2005.



*Estimate

Source: World Trade Atlas

Distribution

Pet food sales are conducted through various channels depending on their quality. Standard quality through premium products are available in hypermarkets and food stores. Higher

quality products are distributed through specialized pet food stores. High end products are available through specialized stores, veterinary clinics and through breeders.

Pet food products (imported and locally produced) have been popularized through heavy advertising in all possible media including TV, radio, press, billboards etc.

Regulations

All pet food imported from the U.S. into the European Union has to meet requirements relating to health and labeling. These requirements are generally harmonized throughout the 25 EU member states.

Specific information on importing pet food to the EU/Poland can be found at:

<http://useu.usmission.gov/agri/petfood.html>

As the regulations tend to change it is advisable, prior to exporting pet food to Poland, to inquire with potential importer as well as the U.S. Office of Agricultural Affairs in Warsaw on the current status of requirements.

Key Contacts and Further Information

In order to succeed on the Polish market it is important to contact an appropriate importer who is able to reach out to the targeted consumer. Exporters of U.S. pet food can contact the Office of Agricultural Affairs in Warsaw, Poland in order to obtain a list of Polish importers of pet food.

For all additional information concerning market entry U.S. exporters of pet food can contact:

Embassy of the United States of America
Office of Agricultural Affairs, Warsaw, Poland
e-mail: agwarsaw@usda.gov
tel: 48 22 504 2336
fax: 48 22 504 2320

Additional information on the Polish market can be located on the Internet at www.fas.usda.gov at Attache Reports link.