USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network
Template Version 2.09

Voluntary Report - public distribution

**Date:** 6/25/2004
**GAIN Report Number:** PL4018

# Poland

# Fishery Products

# Update

# 2004

**Approved by:**
Charles Rush, Agricultural Attachee
U.S. Embassy

**Prepared by:**
Natalia Koniuszewska, Agricultural Specialist, Charlene Kastanek, Agricultural Intern

**Report Highlights:**
The May 1st, 2004, accession of Poland to the European Union eliminated the preferential treatment Norway received due to the European Free Trade Agreement. This coupled with the expected annual increase of seafood retail sales in Poland makes the potential for US companies to enter this market quite high. The majority of imports are used as raw materials or for further processing. The US share of Poland's imports of seafood increased 52.14% from 2002 to 2003, mostly due to imports of frozen fish fillets.

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

**Table of Contents**

**Section I. Executive Summary** ........ 3
**Section II. Market Sector Opportunities and Threats Food Processing** ........ 3
Figure I: Polish Seafood Imports, 2003 ........ 4
Figure II: Processed Seafood Exports, 2003 ........ 5
Figure III: Polish Seafood Exports, 2003 ........ 5
Table I: Polish Seafood Imports, 2001-2003 ........ 6
Table II. Polish Seafood Exports, 2001-2003 ........ 6
Table III: Polish Seafood Exports, 2003 ........ 6
Table IV. Selected Imports by Poland, 2001-2003 ........ 7
**Section III. Costs and Prices** ........ 9
Table V. Current and Previous Tariffs for Selected Seafood Products ........ 10
**Section IV. Market Access** ........ 11
**Section V. Key Contacts and Further Information POLFISH Trade Fair** ........ 12

## Section I. Executive Summary

The Polish seafood industry has undergone major restructuring over the past decade. Three firms continue to control 75 percent of the market for processed seafood products as a result of consolidation over the past few years. Demand continues to outpace local production and the Polish seafood processing industry has become dependent on imports for raw materials. Norway continues to be the leading supplier, contributing 40 percent of all seafood imports to Poland. However, with an expected annual increase in seafood retail sales in Poland and an increase in regulations on the fishing industry in Europe, potential remains for U.S. companies to enter this market.

| Advantages | Disadvantages |
|---|---|
| Polish seafood imports are expected to increase 10% annually. | No tariff within the EU will favor other EU members at the expense of U.S. exporters. |
| The demand for U.S. raw materials (e.g. herring and mackerel) will likely grow due to decreased domestic supply and increased demand potential. | Reductions in processing firms will result in fierce market competition. |
| Value-added products, (i.e. fish sticks) mostly made from herring fillets, could lead to higher growth for U.S. imports. | Poland's per capita consumption rate for seafood is low; less than half the amount of its European counterparts |

## Section II. Market Sector Opportunities and Threats

**Food Processing**

1) Entry Strategy

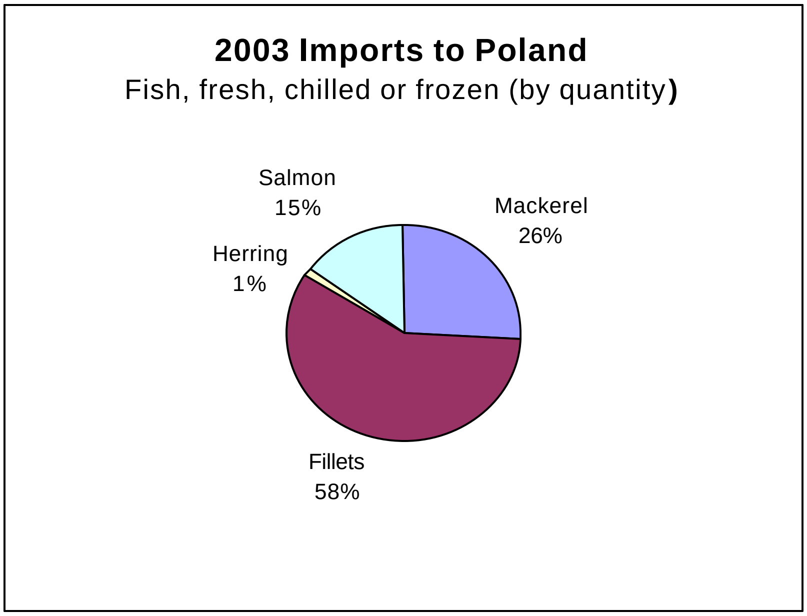
Entering the seafood market is best accomplished through POLFISH Trade Fair, one of the largest seafood exhibitions in Central Europe. Biannually held in Gdansk, the next POLFISH trade show is scheduled for 2005. In addition to participating in POLFISH, exporters of U.S. seafood products may obtain a 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

Polish imports of seafood increased in 2003, totaling 209,804 metric tons. The majority of imports are used as raw materials (chilled or frozen) or for further processing (fresh fish and fillets). The main species imported for both categories have consistently been herring and mackerel.

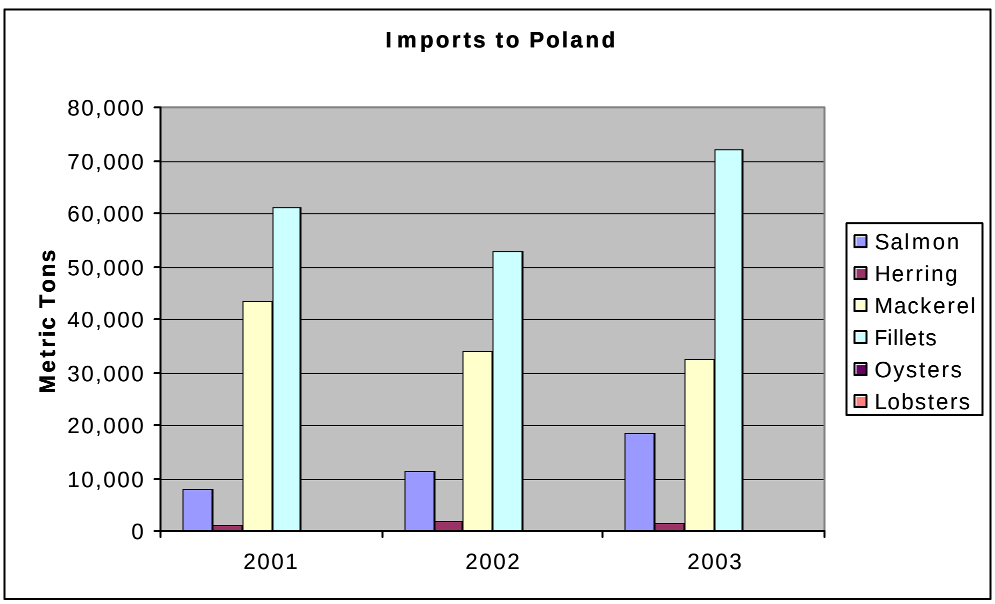
The 900 percent increase of the U.S. share of Poland's imports over the past three years has been most evident in the frozen fish fillet category. Decreased catches of Alaska Pollock, traditionally preferred on Polish markets, has resulted in an increasing substitution of herring and hake fillets for processing. Consumption is expected to increase 0.5-0.75 kg per capita over the next five years, which will equate to 18,000-27,000 tons of additional demand. Imports for 2003 are highlighted in the following charts:

**Figure I: Polish Seafood Imports, 2003**
**A.**



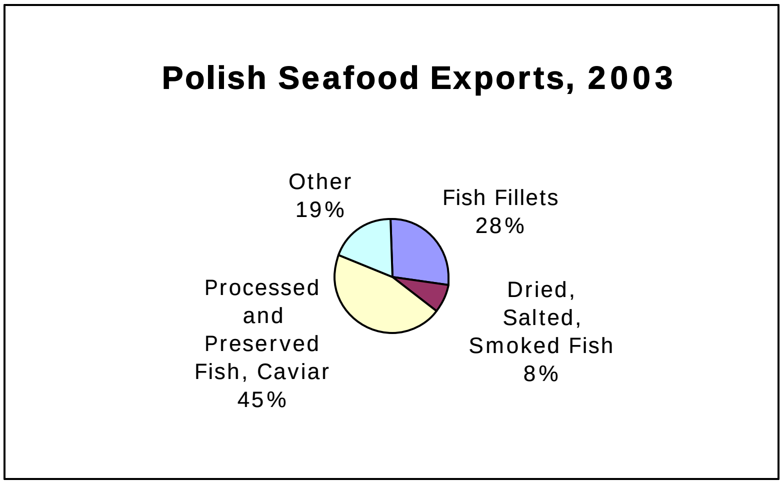

Source: Global Trade Atlas

**B.**



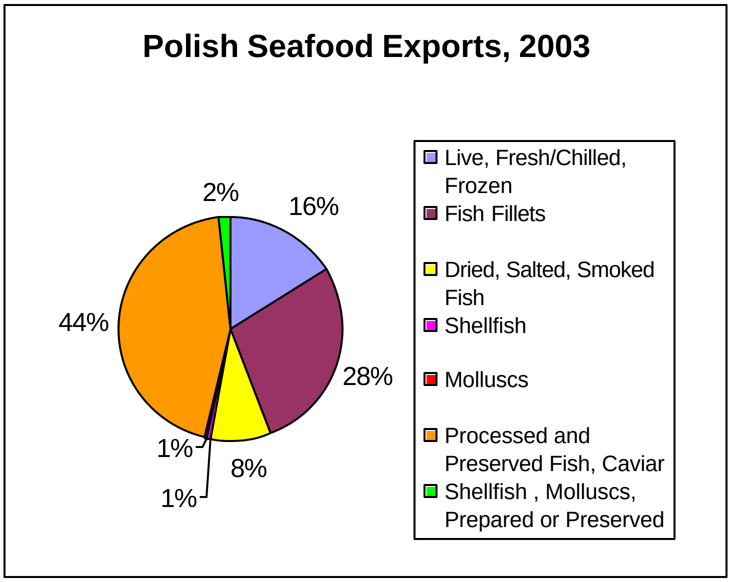

Source: Global Trade Atlas

**Figure II: Processed Seafood Exports, 2003**




Source: Global Trade Atlas

**Figure III: Polish Seafood Exports, 2003**




Source: Global Trade Atlas

**Table I: Polish Seafood Imports, 2001-2003**

| Year | 2001 | 2002 | 2003 |
|---|---|---|---|
| Whole Fish (in tons) | 121,525 | 98,427 | 88,165 |
| Fillets/Fish Meat (in tons) | 112,668 | 96,078 | 116,279 |
| Processed (in tons) | 17,839 | 20,353 | 24,133 |
| Total Imports (in tons) | 239,367 | 199,164 | 209,804 |

Source: Global Trade Atlas

**Table II. Polish Seafood Exports, 2001-2003**

| Year | 2001 | 2002 | 2003 |
|---|---|---|---|
| Whole Fish (in tons) | 21,184 | 16,883 | 15,319 |
| Fillets/Fish Meat (in tons) | 23,604 | 22,299 | 26,222 |
| Processed (in tons) | 44,506 | 40,795 | 42,041 |
| Total Exports (in tons) | 89,294 | 44,155 | 49,976 |

Source: United Nations Statistical Office & Polish Central Statistical Office

**Table III: Polish Seafood Exports, 2003**

| CN Code | Product | Quantity Tons | $1000 |
|---|---|---|---|
| 0301,0302,0303 | Live, Fresh/Chilled, Frozen | 15,391 | 12,260 |
| 0304 | Fish Fillets | 26,222 | 96,926 |
| 0305 | Dried, Salted, Smoked Fish | 7,824 | 57,562 |
| 0306 | Shellfish | 662 | 2,068 |
| 0307 | Molluscs | 560 | 2,631 |
| 1604 | Processed and Preserved Fish, Caviar | 42,041 | 100,129 |
| 1605 | Shellfish, Molluscs, Prepared or Preserved | 1,570 | 17,736 |

Source: Global Trade Atlas

Poland's 2003 catches represented 160,300 tons (21.6 percent lower than in 2002) and consisted mainly of sprat, herring and cod. There were no pollock or hake caught by Polish vessels in 2003. Poland currently derives 89 percent of its catches from the Baltic Sea, with the remaining 11 percent caught in the West Pacific, Antarctic, and East Atlantic waters. The quotas for Baltic Sea catches are projected to remain relatively constant for 2004, the only increase expected appears to be in the total allowable catches for sprat, which is projected to increase about 23%.

Aquaculture, in Poland, tends to be another large supplier of fish. Fresh water and breeding fish caught in 2003 totaled 54,000 tons, up 3.8 percent from the previous year. Supplies of fish from aquaculture account for 13.5% of the domestic seafood supply consumed in 2003.

Seafood is sold in more than 1,200 stores ranging from specialized stores to supermarkets and hypermarkets. The variety of processed fish products available in Polish hyper or supermarkets is greater than the selection in U.S. stores. The largest hypermarkets include a wide selection of live fish (in tanks) for purchase, resulting in a comparatively vast amount of store square footage dedicated solely to seafood sales. Seafood, especially fish, is sold fresh, frozen, and processed.

There is also a niche market for oysters, which are imported to Poland in small quantities. The total current market is approximately 7 tons per year. There is not an import duty on live flat oysters weighing no more than 40 grams (shell included); however, all other oysters have a 9% conventional duty.

The primary exports from the United States to Poland are herring and mackerel. Recently, Polish companies have begun to import U.S. salmon for further processing and salmon products, at a value of $230,000 annually. The Polish import market for high quality raw materials will remain due to continued decreasing domestic supplies and increasing demand potential in central and eastern European markets. With abundant port access and its central location, Poland is also a favorable transshipment point of raw materials destined for Central and Eastern European fish processing markets.

**Table IV. Selected Imports by Poland, 2001-2003**

| Pacific, Atlantic, and Danube Salmon, Fresh or Chilled, 030212 | | | | | | |
|---|---|---|---|---|---|---|
| | 2001 | | 2002 | | 2003 | |
| Country | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 |
| Norway | 7405 | 19315 | 11005 | 28849 | 18117 | 52804 |
| France | 1 | 4 | 1 | 3 | 1 | 6 |
| Germany | 0 | 0 | 0 | 0 | 1 | 5 |
| Denmark | 6 | 20 | 54 | 158 | 0 | 0 |
| United Kingdom | 5 | 17 | 5 | 19 | 0 | 0 |
| World Total | 7535 | 19770 | 11065 | 29032 | 18119 | 52815 |

| Mackerel, Fresh or Chilled, 030264 | | | | | | |
|---|---|---|---|---|---|---|
| | 2001 | | 2002 | | 2003 | |
| Country | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 |
| Canada | 0 | 0 | 0 | 0 | 20 | 16.615 |
| France | 0.456 | 1 | 0.078 | 0.344 | 2 | 5.126 |
| World Total | 17 | 13 | 0.59 | 2 | 22 | 22.204 |

| Herrings, Fresh or Chilled, 030240 | | | | | | |
|---|---|---|---|---|---|---|
| | 2001 | | 2002 | | 2003 | |
| Country | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 |
| Sweden | 1123 | 400 | 2030 | 851 | 1508 | 698 |
| Netherlands | 0 | 0 | 0.009 | 0.077 | 78 | 106 |
| Denmark | 5 | 4 | 0 | 0 | 43 | 28 |
| Norway | 0 | 0 | 0 | 0 | 20 | 16 |
| World Total | 1291 | 462 | 2065 | 864 | 1667 | 859 |

| Atlantic Salmon, Frozen, 030322 | | | | | | |
|---|---|---|---|---|---|---|
| | 2001 | | 2002 | | 2003 | |
| Country | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 |
| Chile | 20 | 39 | 52 | 110 | 22 | 52 |
| United States | 19 | 23 | 22 | 91 | 20 | 22 |
| World Total | 279 | 681 | 358 | 823 | 345 | 886 |

| Mackerel, Frozen, 030374 | | | | | | |
|---|---|---|---|---|---|---|
| | 2001 | | 2002 | | 2003 | |
| Country | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 |
| Norway | 33044 | 29830 | 21631 | 20794 | 16628 | 16074 |
| Netherlands | 5413 | 4169 | 8633 | 7385 | 8875 | 8246 |
| Ireland | 1153 | 966 | 1079 | 937 | 3581 | 3361 |
| United Kingdom | 2219 | 1734 | 900,282 | 1,121 | 2,305 | 2,162 |
| Lithuania | 0 | 0 | 0 | 0 | 319 | 248 |
| World Total | 43285 | 37766 | 33910 | 31232 | 32251 | 30522 |

| Fish Fillets and Other Meats, Fresh or Chilled, 030410 | | | | | | |
|---|---|---|---|---|---|---|
| | 2001 | | 2002 | | 2003 | |
| Country | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 |
| Denmark | 2824 | 2991 | 2314 | 2182 | 2261 | 1769 |
| Ireland | 214 | 216 | 240 | 231 | 673 | 502 |
| Norway | 114 | 183 | 65 | 108 | 698 | 2768 |
| Germany | 0 | 0 | 49 | 200 | 69 | 125 |
| World Total | 3278 | 3686 | 2747 | 2966 | 3759 | 5478 |

| Fish Fillets, Frozen, 030420 | | | | | | |
|---|---|---|---|---|---|---|
| | 2001 | | 2002 | | 2003 | |
| Country | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 |
| China | 18975 | 36196 | 15635 | 29946 | 22800 | 41828 |
| Norway | 14772 | 20213 | 9816 | 13736 | 13168 | 17010 |
| United States | 371 | 740 | 1999 | 3886 | 3324 | 5744 |
| Argentina | 1519 | 2810 | 6707 | 10767 | 15774 | 26020 |
| Iceland | 1820 | 2583 | 3656 | 4481 | 6143 | 5448 |
| World Total | 58007 | 103110 | 50080 | 85715 | 68301 | 112626 |

| Oysters, In Shell or Not, Live, Fresh, Chilled, Frozen, Dried, Salted, or in Brine, 030710 | | | | | | |
|---|---|---|---|---|---|---|
| | 2001 | | 2002 | | 2003 | |
| Country | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,00 0 |
| France | 3 | 15 | 5 | 21 | 4 | 28 |
| Netherlands | 2 | 15 | 2 | 18 | 3 | 24 |
| World Total | 6 | 34 | 7 | 40 | 7 | 56 |

| Lobsters, Including in Shell, Cooked, Frozen, 030612 | | | | | | |
|---|---|---|---|---|---|---|
| | 2001 | | 2002 | | 2003 | |
| Country | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 | Quantity in Metric Tons | $1,000 |
| Canada | 2 | 23 | 2 | 23 | 1 | 9 |
| Germany | 0 | 0 | 0 | 0 | 1 | 4 |
| World Total | 2 | 30 | 2 | 24 | 2 | 17 |

Source: Global Trade Atlas

## Section III. Costs and Prices

During 2003, one of the factors that played a significant role in competition among Poland's fish imports was the import regime. A large portion of Poland's fish imports originated from Norway, which as a member of EFTA (European Free Trade Area), was given preferential treatment, allowing for duty free importation of seafood products, where the United States was subject to a 5-20 percent duty rate for all fish and fish products.

Due to Poland joining the EU on May 1, 2004, there is greater potential for US exports of seafood. All non-EU developed countries are now subject to the same external tariff rates, allowing US products to become more competitive on the market. The weak US dollar has also allowed for US products to become more attractive to consumers.

As a part of EU negotiations, Poland committed to follow the Common Fishery Policy and withdrew a requested 5-year transition period barring access to Polish coastal zones for large foreign ships (over 30m long). In exchange, the EU confirmed that after 2004, catching limits for Polish fishermen would be increased, and agreed to recognize sprat and Baltic herring as consumption fish and include them in the intervention purchase system.

From 2004-2006, the EU will spend 125 million Euros, of which 25 million Euros are to come from the Polish budget, on subsidies to fishermen to end their activities. In 2004, 43% of all Polish ship owners applied for support from the EU, of these applicants 46% want to sell their vessels for salvage. Unfortunately, due to the lack of legislation, the fishermen can be paid out next year. In the meantime, some of them may go bankrupt, as they have no money to maintain old vessels another year. Funds are expected to be allocated to these fishermen in 2005.

Apart from financial help, Polish fishermen will receive greater access to EU markets. In addition, industry development should be stimulated by the lack of tariffs, quotas, and other barriers.

In 2003, the EU processing sector introduced HACCP, currently only 54 (17 percent) Polish fish processing factories meet EU sanitary requirements.

**Table V. Current and Previous Tariffs for Selected Seafood Products**

| Food Product | Former Polish Tariff | EU Tariff |
|---|---|---|
| Caviar | 55% | 20% |
| Cod | 5% & 15% | 12% |
| Halibut | 10% & 15% | 15% |
| Mackerel | 10%-20% | 20% |
| Mullet | 10% & 15% | ----- |
| Pollock | 15% | 7.5% & 15% |
| Salmon (not canned) | 10% | 2% & 8% |
| Scallops | 30% | 8% |
| Shark | 10% | 6%, 12%, & 18% |
| Shrimp | 45% | 12% & 18% |
| Tuna | 5% & 25% | 20% & 22% |
| Whiting/hake | 15% | 15% |
| Others | 5%-35% | ----- |

An ad valorem tariff was put into place by the European Union on March 1, 2004, which applies to several different commodities. As of June of 2004, the ad valorem tariff was 8%, increasing one percent each month until it reaches its peak of 17% on March 1, 2005, when the tariff comes up for review. Seafood products, which this applies to are: prepared or preserved tunas and skipjack, whole or in pieces, in vegetable oil (Excl. Minced); shrimps and prawns, prepared or preserved, in airtight containers; shrimps and prawns, prepared or preserved, in immediate packaging; crustaceans, prepared or preserved (Excl. Crabs, Shrimps, Prawns, and Lobster); Mussels, Snails and Other Molluscs, Prepared or Preserved (Excl. Mussels of the species *Mytilus* and the species *Perna*). The ad valorem tariff is applied in addition to any other tariffs previously in place.

Although, there is an import tariff applied to salmon imported to the EU from all suppliers, including the biggest U.S. competitor – Norway, the retail price on Norwegian salmon in Poland did not change since May 1, 2004 (before the EU accession, the Norwegian salmon enjoyed a preferential 0 percent tariff).

**Table VI. Current Quotas for Seafood Products**

| TARIC Number | Food Product | Quota | EU Tariff Rate | Stipulations |
|---|---|---|---|---|
| 0302 31 10 to 0302 39 90 | Tuna and fish of the genus *Euthunnus* | 17250 Tons | 0% | The fish shall be for the canning industry. Qualification for the quota is subject to conditions laid down in the relevant Community provisions and to compliance with the reference price. |
| | | | | |
| 0302 40 00<br>0303 50 00<br>0304 10 97<br>0304 10 98<br>0304 90 22 | Herrings | 34000 Tons | 0% | Subject to compliance with the reference price. |
| | | | | |
| 0302 69 68<br>0303 78 19 | Silver Hake | 2000 Tons | 8% | |
| | | | | |
| 0303 29 00 | Lake Herring | 1000 Tons | 5.50% | |
| | | | | |
| 0304 20 94 | Fish of the genus *Allocyttus* and of the species *Pseudocyttus maculates* | 200 Tons | 0% | |
| | | | | |
| 0305 51 10<br>0305 51 90<br>0305 62 00<br>0305 59 11<br>0305 59 19<br>0305 69 10 | Cod of the species *Gadus morhua* and *Gadus ogac* Fish of the species *Boreogadus saida* | 25000 Tons | 0% | |

## Section IV. Market Access

A health certificate issued by a government-approved veterinarian from the exporting country must accompany all fish shipments, to Poland. Packed for retail products also must bear a label in the Polish language with the date of production clearly stated. Suppliers should check with Polish importers regarding standards.

Poland has a set of quality standards published as Polish Norms. Each norm designated by a number and is available in the Central Library of Norms in Warsaw. The same norms are set for storage conditions of fish and fish products and validity of the products depending on conditions and temperature of storage.

For a current list of guidelines regarding seafood exports to Poland, contact the USDA, FDA, and Department of Commerce.

## Section V. Key Contacts and Further Information

POLFISH Trade Fair
Ms. Maria Makus-Leszman or Anna Lasocinska
International Gdansk Fair
ul. Beniowskiego 5
80-382 Gdansk
Ph: 4858-554-9200
Fax: 4858-552-2168 e-mail: sekretariat@mtgsa.com.pl

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 or agwarsaw@poczta.onet.pl
Tel: 48 22 504 2336 Fax: 48 22 504 2320

Previous reports on fish and seafood:
GAIN Report # PL 8032- Poland: Fish Market
GAIN Report # PL 1027- Poland: Seafood Products
GAIN Report # PL 2032- Poland: Seafood
GAIN Report # PL 3024 – Poland: Seafood