

A large, overflowing wicker basket filled with a variety of fresh Polish produce. The basket is brimming with different types of tomatoes, including large red ones, cherry tomatoes, and green and yellow varieties. There are also several white mushrooms, dark purple plums, and a cluster of blueberries. The produce is arranged in a way that shows a rich diversity of colors and textures, all set against a dark, neutral background.

POLSKA...

tastes good!

# Agri-Food Exports Successful

Poland has recorded a surplus in its trade in agricultural and food products for years.

Food processing and farming in Poland have changed since the country began making preparations for entry to the European Union and then joined the bloc. A lot of money has been invested to modernize farms and food-processing plants. As a result, the latter are now among the most modern in the EU and beyond. Also, many farms are successfully competing on the single market.

**M**odern crop growing and livestock breeding methods, combined with a focus on preserving natural environmental values and high production quality with the use of well-proven recipes, are the main advantages of Polish farm produce and foodstuffs. Despite the economic crisis in countries which are the largest markets for Polish produce, Poland has managed to keep its exports at a high level.

Poultry, beef, pork, dairy products, chocolate and products containing cocoa, baked goods and confectionery products, such as cookies and waffles, fruit juices, especially apple juice, cigarettes, candy syrups, deep-frozen fish, smoked fish, mainly salmon, sugar and sugar products, and tinned fish have for years been the main Polish food exports. These exports accounts for roughly 50 percent of overall sales of Polish agri-food products on foreign markets.

Poland's main export items have found buyers in the following countries:

- poultry – Germany, Britain, Czech Republic, France;
- dairy products – Germany, Czech Republic, Italy, the Netherlands, Russia,
- beef – Italy, the Netherlands, Turkey, Germany,
- pork – Belarus, Japan, Ukraine, Czech Republic, Italy,
- chocolate and products containing cocoa – Britain, Germany, Russia,
- biscuits, waffles, bread, cakes and cookies – Germany, Czech Republic, Britain, Hungary,
- fruit juices, mainly apple juice, and vegetable juices – Germany, Austria, the Netherlands, Britain,
- deep-frozen fruit, mainly raspberries, strawberries and cherries – Germany, the Netherlands, France, Belgium.

From January to October 2012, the total value of agri-food exports was 14.2 billion euros, an increase of 14 percent over a year earlier. In the full year 2011 the total value of exports was 15.2 billion euros, up by 12.7 percent year on year. To compare, in 2004, Poland sold 5.2 billion euros worth of agri-food products on foreign markets.

Poland's agri-food trade has for years been concentrated on the European market, with EU countries playing the largest, though slowly decreasing, role in Polish exports. One of the reasons behind the decrease is Poland's policy to win markets outside the EU. In the 10 months to the end of October 2012, Poland exported around 11 billion euros worth of goods to the EU, which accounted for 76.4 percent of its overall agri-food exports. The value of exports to the EU went up by 11.2 percent year on year, while the value of exports to EU15 countries rose by 12.9 percent. Exports to the 11 new member states grew by 6.4 percent.

In the full year 2011, exports to the EU were worth 12 billion euros, over three times more than in 2004, when Poland entered the EU. Dairy products, poultry, beef, chocolate and chocolate products, and cigarettes were the main exports on the EU market.

The Commonwealth of Independent States (CIS) is also a major export market for Polish agri-food products. From January to October 2012, exports to these countries were worth around 1.7 billion euros, which represented an increase by a third compared with a year earlier. The main contribution to this increase came from rising exports of apples, pork and dairy products. Exports to CIS countries accounted for 11.6 percent of the overall value of Poland's agri-food exports, compared with 10 percent in the same period of

2011. In the full year 2011, exports to CIS countries were worth over 1.5 billion euros.

Germany has been Poland's main trading partner for years. In January-October 2012, the value of agri-food exports to that country exceeded 3 billion euros, marking an 11-percent increase year on year, with Germany's



share in Poland's overall agri-food exports at around 22 percent. The export items which made the biggest contribution to Poland's overall sales on the German market in terms of value were poultry, worth 220 million euros, fruit juices, mainly apple juice, worth 218 million euros, smoked, processed and canned fish, worth 470 million euros, and biscuits, waffles and similar products, deep-frozen fruit, mainly cherries, strawberries and raspberries, cigarettes, milk and cream, and rapeseed. In 2011, the value of exports to Germany reached 3.5 billion euros and was over 2.5 times higher than in 2004.

With 1 billion euros worth of produce bought, Britain was the second biggest importer of Polish agri-food

products in the 10 months to the end of October 2012. The value of Poland's agri-food exports to Britain was 19.3 percent higher than a year earlier, giving Britain a 7.3 percent share in Poland's overall agri-food exports. Chocolate and products containing cocoa as well as poultry were the main items exported from Poland to Britain. In the full year 2011, exports to Britain were worth 1 billion euros. The value was 10.8 percent higher than in 2010 and almost 3.5 times higher than in 2004.

Russia ranked third among the biggest importers of Polish agri-food products in the period from January to October 2012, with the value of Polish exports to that market at 867 million euros. This represented a 32-percent increase compared with a year earlier, with Russia accounting for 6.1 percent of Poland's overall agri-food exports. Polish exports to Russia included apples, chocolate and products containing cocoa, cheeses, champignon mushrooms and deep-frozen vegetables. In the full year 2011, Russia imported 805 million euros worth of Polish agri-food products, 7.1 percent more than in 2010 and twice as much as in 2004.

The top importers of Polish agri-food products in January-October 2012 also included the Czech Republic, with 870 million euros worth of goods, France (852 million euros), the Netherlands (790 million euros), and Italy (721 million euros). Cigarettes, poultry and vodka were the main items sold on the French market. The Czech Republic imported mainly poultry, cheeses, cakes and cookies, rapeseed oil and beef. Cigarettes and beef were the chief products exported to the Netherlands and Italy.

Poland is active as an exporter not only in Europe and North America, but also in Asia, the Middle East and the Far East. Terms for the access of Polish food products to Japanese, Chinese, Vietnamese, Singaporean and other Asian markets have been agreed on in the past four years.

In January-October 2012, among its largest trading partners in the region, Poland recorded the highest year-on-year increase in exports to Saudi Arabia – 115.3 percent. This was main-

ly due to a rise in the exports of cheese, wheat, and chocolate and products containing cocoa to that country. Exports to the United Arab Emirates doubled (a rise of 102 percent), mainly because of a sharp increase in the exports of cigarettes, and chocolate and products containing cocoa. Poland also noted a sharp growth in exports to other Arab countries, such as Libya (up by 663 percent), Yemen (267 percent), Syria (91 percent), Lebanon (89 percent), and Jordan (87 percent).

The increasing opening of Asian markets is good news for Polish businesses and exporters. In January-October 2012, Polish exports to Vietnam went up by 72 percent, as a result of increased sales of fish fillets, mainly those of salmon, and powdered milk and whey. Poland's trade balance with Japan has significantly improved thanks to growing exports of Polish pork to that country. And a rise in pork and variety meat exports to China contributed to a 43 percent growth in the value of Poland's overall exports to that country.

Another country where Polish exports almost doubled (a rise of 99 percent) in January-October 2012 is Ireland, because of a high interest from Irish buyers in Polish grains, mainly corn and wheat, and beef. The highest growth in terms of value was recorded in Polish exports to Germany, up by 304,000 euros, Russia, by 209,000 euros, Britain, by 166,000 euros, France, by 144,000 euros, and Ukraine, by 119,000 euros.

Preliminary data show that the value of Polish agri-food exports in January-October 2012 exceeded a record 17 billion euros. The last few months of a year are usually when a sharp slowdown, or decline, is recorded in the pace of month-on-month growth in exports. Meanwhile, October last year saw a more than 9 percent increase over a month earlier, while the average for January-October 2012 was 4 percent.

Poland's strong trade performance in 2012 means it is possible to be optimistic about Polish agri-food exports in 2013.

Ministry of Agriculture and Rural Development  
Agricultural Market Department



# Polish Apples Go International

Poland is a top European producer and exporter of apples and one of the world's largest producers of apple juice.

**A**pple trees and apples have always played a key role in fruit growing in Poland. Over the past several years, the annual production of apples has totaled 2.5-3 million metric tons, accounting for around 73 percent of total fruit production in Poland. More than half are industrial apples, used to make apple juice. The other half are table apples, grown for eating raw.

Apples are highly popular with Polish consumers. The average Pole eats 15-16 kilograms of apples a year, which accounts for a third of total fruit consumption in Poland. At over 2.5 million metric tons of apples picked each year, Poland is the number one European producer of the fruit, while its annual yield of 1.3 million tons of table apples puts Poland in third place after Italy and Turkey. Apples from Poland account for 3.5 percent of global apple production and for almost 25 percent of apples grown in the EU. Over 700,000 tons of Polish apples are exported, mostly to post-Soviet countries, Russia included. Exports to markets in the European Union have been low so far and so the EU is now the main target for Polish orchard owners planning to expand their sales abroad.

Apple production has increased remarkably in Poland over the past decade. Between 1980-2000, Poland produced an average of 1.5 million metric tons a year on average and exported between 200,000 and 250,000 tons of table apples. Things changed after 2000 thanks to apples from a new type of orchard with apple tree varieties which had never been grown on a commercial scale before. Such orchards had more than 2,000 trees per hectare.

Before 2009, Poland had a surplus of apples of inferior quality. Industrial apples accounted for around 60 percent of all apples on the domestic market until 2009 and a mere 40 percent of table apples met foreign standards. As a result, Polish producers were not competitive on the global market. Low-quality apples also prevailed in Polish stores, replacing apples of higher quality and driving prices down, both those offered to orchard owners and retail prices. Despite the lower prices, consumption was declining because the apples were of poor quality. Quality radically improved after 2009 and the proportion of table apples of superior quality rose from 40 to 60 percent, which has since clearly strengthened the competitiveness of Polish apples on the European market. Apples sold in Poland are also better now, which is a major success for

Polish producers in the past three years. Poland has also become more competitive by growing varieties which are widely accepted in Europe, especially those called Gala, Golden Delicious, Sampion, Jonagold and Idared.

Polish producers are now also able to quickly get large, uniform shipments of sought-after varieties ready for delivery to remote places in Europe. They can do so thanks to newly established, large producer groups and organizations. There are 15 such large organizations in Poland at present, each with its own cold stores, trucks and sorting and packaging machines. None of that was available just a couple of years ago.

Polish apple orchards have an ever-growing production potential. Experts estimate that, over the past five years, Poland has gained almost 10 hectares of new, high-intensity orchards which can easily yield at least 40 metric tons of quality fruit a hectare. In normal weather, Poland can produce more than 3 million metric tons of apples, including 1.5-1.6 million tons of table apples.

Polish producers could even start to produce more table apples, provided they can find new markets and make sure exports to present buyers, especially those in Eastern Europe, are better organized. Aided by steadily improving fruit quality and a growing number of producer groups and organizations with cold stores and sorting and packaging devices, the exports of table apples could soar above 900,000 metric tons. This is possible thanks to dwindling imports from China and the high costs of shipping apples from overseas to Europe.

A top producer of apples, Poland is also a key player when it comes to apple processing. For many years, Poland has been a top three producer of apple juice internationally. It held the number three spot after the United States and China for many years, but last year it even outperformed the United States and came in second. That is particularly impressive given Poland's size and population.

According to the Polish Association of Juice Producers, Poland produced 300,000 tons of concentrated apple juice last year, of which 250,000 tons went to export, mostly to Germany (95 percent). A.R.



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# Food Exports Set Record



by **Stanisław Kalemba**,  
Minister of Agriculture and Rural Development

**2013** is the final year in the European Union's financial perspective for 2007-2013. Unfortunately, the EU budget for 2014-2020 has yet to be set. Neither do we have any final decisions on reforming the Common Agricultural Policy. The proposals put forward by the European Commission drew comments from practically all countries. The discussions continue, both bilateral and multilateral.

In mid-December 2012 I played host to France's minister of agriculture, Stéphane Le Foll. Those were very good talks. We have a similar outlook on many issues as regards the main problems. Both Poland and France are in favor of increasing the amount of funding for both direct payments and the development of agriculture, the agri-food industry and rural areas. We believe that, on one hand, consumers have to be given a guarantee that European food is healthy and safe, that it meets the highest standards. On the other hand, farmers are required to fulfill requirements related to environmental protection and concern for the climate, and all this requires appropriate financial outlays.

We also agreed we would begin working jointly on our position regarding issues including the dairy sector in view of plans to abolish milk quotas, designating agriculturally disadvantaged areas (Less Favored Areas, LFAs) and support for protein-plant growing. This activity is motivated by our belief that common, uniform market requirements should also be reflected in a comparable level of payments.

A time of economic crisis cannot be an excuse for withdrawing from bolder reform of the CAP. Positive data on the condition of the U.S. economy that has been coming in since the start of the year could suggest the beginning to the end of the problems. Meanwhile, the reform of the CAP will define the rules according to which European agriculture will operate until 2020. And it is exactly this perspective we need to have when approaching the problem, and not the perspective of the coming year.

At the end of 2012 and start of 2013 Poland implemented EU regulations on genetically modified organisms (GMOs). Under these regulations and on the basis of the law on seed production passed by the Sejm, Poland's lower house of parliament, trading is now allowed in MON 810 corn and Amflora potato seeds, i.e. material that has been approved by the EU.

At the same time, I would like to point out that based on the same law, two government orders have been issued that

ban GMO cultivation in Poland. This means Poland will be free of such crops.

We have excellent conditions for developing organic farming and we use them to advantage. The growth rate for such farms is very high. In addition, agriculture in Poland, which is dominated by family farms, is conducive to sustainable farming. As a result, our agrifood products are very popular with consumers not only in Europe but more often now in other countries as well.

Last year was a record-breaking one in this respect. It is worth noting that food exports have grown by 300 percent over the past eight years. Data shows that the positive balance of international trade in agrifood products for the first 10 months of last year is already higher than for the whole of 2011, at more than 3.2 billion euros. At the same time, changes in the direction of exports were observed. The share of EU countries decreased slightly, meaning that Polish products are enjoying growing appreciation among consumers worldwide, particularly in Asia and the Far and Middle East.

Diversification of export directions also means that Polish producers and exporters have gotten much better at using available promotion methods. It is no secret that, to be successful, even the best product has to be introduced to the mass consumer. The fact that we have raw materials of very high quality, advanced processing plants and well-tested recipes—sometimes unchanged for centuries—does not necessarily guarantee success in new markets. Consumers have to be given the opportunity to taste and smell a product to be able to form an opinion of it.

I have no doubt that the next step will be a more open attitude toward Polish cuisine. Due to its geographical location and traditions of freedom and tolerance, our cuisine is full of many different influences from both East and West. The culinary traditions and diversity of Polish cuisine have yet to be discovered to the extent they deserve. Nevertheless, some change is visible already. Freedom of travel within the EU and Polish people's extensive traveling means that not only our products but also our rich cuisine is following suit. I have often seen this personally during various meetings in Poland and elsewhere. I am convinced that a fashion for Polish cuisine will develop soon.

Meanwhile, today I encourage everyone to discover its richness and diversity of flavors. I invite you to enjoy traditional dishes and discover new, intriguing flavors, to respect and appreciate food of the highest quality.