CBI MARKET SURVEY

The honey and other bee products market in Poland

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the honey and other bee products market in Poland. The information is complementary to the information provided in the CBI market survey 'The honey and other bee products market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.eu/marketinfo.

1 Market description: consumption and production

Consumption

Poland is a medium-sized consumer of honey in the EU, being the seventh largest in 2007. Between 2003 and 2007, consumption fluctuated, resulting in a small net increase. Between 2003 and 2004, consumption decreased, after which it increased until 2006. In 2007, consumption decreased again, by 14%, to an amount of 16 thousand tonnes (Eurostat/FAOSTAT, 2008). The per capita honey consumption amounted to 0.42 kg in 2007, which was far below the EU average of 0.63 kg that year.

The most popular honey in Poland is polyfloral honey with a mild taste, which is the same as in other EU countries. However, Polish honey is often a little darker than in other EU countries. Typical honey varieties on the Polish market are polyfloral, acacia, lime tree, buckwheat, heather and honeydew.

Consumption is expected to increase in the next few years, as the beekeeping sector will continue to develop and promote honey. Moreover, per capita consumption is relatively low compared to other EU countries and there is still much room for growth. Although Polish consumers are becoming more aware of the relation between food and health, the natural health trend is still not as important as in many other West European countries, according to industry sources.

The organic food market in Poland is still in its infancy. Organic sales reached € 20 million in 2006, accounting for approximately 1% of total food sales. The Polish government is actively promoting organic production and consumption. Furthermore, Poland received a substantial financial grant from the EU to promote organic farming in the country. Therefore, an increase in market volume and sales is expected over the next decade. Nevertheless, it is important to note that disposable income is considerably lower in Poland compared to other EU countries (i.e. Germany). This limits the expenditure on food and the accessibility to premium-priced products, such as organic food products. In 2006, the per capita expenditure on organic food products amounted to only € 1 (Research Institute for Organic Agriculture (FiBL), 2008). Besides, the Fair Trade Labelling Organization does not sell any Fair Trade honey in Poland.

There are no data available on the consumption of beeswax in Poland. However, based on import and export figures and the size of the beekeeping sector in Poland, consumption is estimated to be of medium size, compared to other EU countries.

Production

Poland is a medium-sized producer of honey in the EU, accounting for 6.8% of the total EU production. In 2007, Poland produced 14 thousand tonnes of honey. In the review period 2003-2007, Polish honey production increased by 4.0% annually on average (FAOSTAT, 2008). This growth was mainly the result of improved beekeeping. The improvements in beekeeping were the result of training programmes, sponsored by the EU. Some of the main barriers to further growth are the problems with varroasis and American foul brood, which also exist in most other EU countries. In 2008, the honey production increased to 18 thousand tonnes (foodfrompoland.pl, 2009). Production is expected to remain stable or grow slightly in the coming years.

The beekeeping sector in Poland consists of approximately 41 thousand beekeepers, of which around 50% is professional. Note, however, that the minimum number of bee colonies for professional beekeepers is lower than in West European countries. The number of bee colonies is around 1.1 million. A noteworthy trend is the strong growth in the number of young beekeepers, which now account for almost 11% of the beekeeping sector in Poland. Moreover, the Polish production is of an increasingly higher quality (foodfrompoland.pl, 2009).

Beekeepers are organised in the Polish Beekeeping Association (http://www.zwiazek-pszczelarski.pl). Poland has several large honey producers. APIS Apiculture Cooperative is the market leader and principal honey exporter (http://www.apis.pl). Other large producers are CD SA (http://www.cdsa.com.pl), Pszczelarz Kozacki (http://www.pszczelarz-kozacki.pl) and Sadecki Bartnik (http://www.bartnik.pl).

Opportunities and threats

+ The Polish honey market is developing fast. Consumption is increasing at high rates. Therefore, there are opportunities for exporting honey to this growth market.
- However, production is also increasing fast, even faster than consumption, and is becoming of a higher quality, which forms a threat to exporters.
- Another threat to honey from developing countries is the preference of Polish consumers for Polish products, which they favour over foreign products.
- Because of the low disposable income in Poland, the market for organic and Fair Trade products is still very small. Moreover, Polish production of organic food products is increasing strongly, and only a small share is destined for the domestic market.

Please refer to the survey covering the EU market for general opportunities and threats in the EU.

2 Trade channels for market entry

The trade channels, for honey and other bee products from developing countries to Polish consumers, do not differ from other EU countries. Honey exporters supply their products to importers or packers. A trader which might be of interest for developing country exporters is the importer Huzar Sp (http://www.huzar.sacz.pl), which mainly imports from Bulgaria, Romania and Argentina, but might also be interested in honey from other countries, if the quality meets EU requirements and the price is competitive.

Honey and bee products need to pass through various intermediaries (e.g. freight company, importer, packer, retailer, etc.) from the moment of export to the moment that the final consumer purchases the product. All of the intermediaries add value to the product and the prices paid for the product are thus different at every stage. Generally speaking, retail prices are around 2.5-3 times higher than producer prices. Please refer to the survey covering the EU market for more specific information on margins.

Finding a trade partner in Poland should not deviate from the general EU method. The following sources can also be used for finding a trading partner through a business-to-business database such as:

- Agronetwork.com - http://www.agronetwork.com/global
- Europages - http://www.europages.com
- Alibaba – http://www.alibaba.com
- Poland Food - http://www.poland-food.com/

3 Trade: imports and exports

Imports

Poland is a small-sized EU importer, accounting for 1.8% of total EU imports. Polish imports of honey and beeswax amounted to € 7.1 million / 3.5 thousand tonnes in 2007. Between 2003 and 2007, the imports increased on average by 15% annually in terms of value, while imported volumes fluctuated. The net decrease in volume coincides with the stable demand, while production increased during the review period.

Average prices of the imported honey and beeswax increased, caused by the strong increase in more expensive honey imports from intra-EU countries, at the expense of lower-priced imports from developing countries. Developing countries accounted for 22% of Polish honey and beeswax imports in 2007, far below the EU average of 42%. Moreover, imports from developing countries decreased by 20% annually in terms of value, while imports from intra-EU countries increased by 120% annually in the review period. Emerging suppliers are Germany and several East-European countries such as the Czech Republic, Hungary and Bulgaria, but also Ukraine. Imports from China decreased by 37% annually during the review period. Imports from India and Brazil also decreased, while imports from Argentina increased by 8.6% annually during the review period.

Total Polish imports of honey and beeswax consisted for 94% of honey and for 6% of beeswax.

Exports

Polish exports of honey and beeswax are small, amounting to € 1.6 million / 335 tonnes, or 0.6% of total EU exports in 2007. Between 2003 and 2007, the exports increased on average by 7.9% per year in terms of value, and by 3.1% in terms of volume. The main countries of destination were Germany and Austria. According to several Polish honey producers, they mostly export multifloral, linden and honeydew honey to Western Europe. The UK prefers Polish light-coloured honey (multifloral, linden or acacia), while Germany and Austria appreciate coniferous fir honeydew honey (Foodfrompoland.pl, 2009). Considering the limited imports from developing countries, re-exports of honey from developing countries are of little importance.

Opportunities and threats

- Poland is a small EU importer of honey. Moreover, imports from developing countries decreased considerably during the review period, while imports from intra-EU countries increased strongly. Especially the emerging exporters in Eastern Europe could pose a threat to developing country suppliers.
+ Some developing countries still see an increase in their supplies to Poland, for instance Ukraine and Argentina.

Please refer to Chapter 4 of the CBI market survey covering the EU for more information on opportunities and threats.

Useful sources

- EU Expanding Exports Helpdesk - http://exporthelp.europa.eu/
- Eurostat – official statistical office of the EU - http://epp.eurostat.ec.europa.eu

4 Price developments

Prices for consumer products in Poland have historically been low compared to other EU countries. Moreover, honey production is considerable and honey is not a scarce product. It is thus expected to have a relatively low price, considering that prices of honey produced in Northwest European countries are high. Currently, the honey market in Poland is growing fast. This is thought to make the beekeeping sector more competitive and lead to professionalization, which will result in even lower prices.

For more information on price developments, please refer to Chapter 5 of the CBI market survey 'The honey and other bee products market in the EU'.

5 Market access requirements

As a manufacturer in a developing country preparing to access Poland, you should be aware of the market access requirements of your trading partners and the Polish government.
For information on legislative and non-legislative requirements, go to 'Search CBI database' at http://www.cbi.eu/marketinfo, select your market sector and target country in the category search, click on the search button and click on market access requirements.

Detailed information on packaging can be found at the website of ITC on export packaging: http://www.intracen.org/ep/packaging/packit.htm

Information on tariffs and quota can be found at http://exporthelp.europa.eu/

6 Doing business

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from http://www.cbi.eu/marketinfo - go to search publications. For more information on doing business in Poland, visit the following websites:

Trade Associations
- PFPZ - http://www.pfpz.pl/index - Polish Federation of Food Industry
- Polish Beekeeping Association – http://www.zwiazek-pszczelarski.pl (in Polish only)

Trade press
- Poradnik Handlowca - http://www.poradnikhandlowca.com.pl – Magazine on food retail
- Przeglad Piekarski i Cukierniczy - http://www.ppic.pl – Magazine on baker's yeast and sweeteners (in Polish only)

Trade fairs
- Polagra-food - http://www.polagra-food.pl/en - The largest food processing fair in Central and Eastern Europe, from 14 to 17 September 2009.
- For a list of all trade fairs see Agricultural Market Agency Poland - http://www.arr.gov.pl/data/00321/targi_2009_ang.pdf

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