Release No. 0048.04Office of Communications (Voluntary Report - public distributionDate: 7/16/2004GAIN Report Number: PL4022PL2004PolandProduct BriefDried Fruits and Nuts2004Approved by:Charles Rush, Acting Agricultural Couns202) 720-elorU.S. EmbassyPrepared by:Jolanta Figurska, Marketing SpecialistCharlene Kastanek, Agricultural InternReport Highlights:Overall Polish imports of dried fruits and nuts increased 4623

**BSE Update – Wednesday, January 28, 2004**

Depopulation Activities

On Tuesday, Jan. 27, 2004, 15 animals of interest were euthanized and sampled from the Moxee, WA, facility. In addition to th6.5 percent in 2003. US exporters have more opportunities to enter the market due to the May 1, 2004, accession of Poland to the EU. Demand for these products generally increased bis facility, USDA has previously conducted selective depopulation activities at these facilities:

Sunnyside, WA (bull calf premises) - a total of 449 aetween January and May, stimulated by the Carnival SeasonIncludes PSD Changes: NoIncludes Trade Matrix: NoUnscheduled ReportWarsaw [PL1][PL]Section I. Market OverviewQuick snacks nimals depopulatedand foods are showing continued expansion in the Polish food industry. Polish consumers perceive dried fruit & nuts as a positive, healthy form of food "on the go." As a result

Mabton, WA (index premises) - a total of 131 animals depopulated

Mattawa, WA - a total of 39 animals depopulated

Connell, WA - a t, this sector shows overall growth. Total imports of dried fruit & nuts in 2003 were 77,286 MT, a 6.5 percent increase from 2002. This developing market has brought forth a varotal of 15 animals depopulated

Boardman, OR - a total of 20 animals depopulated

Quincy, WA – a total of 18 animaiety of changes, including bulk packaging. While bulk packaging brings in a higher quantity of product, it has proven to decrease overall quality. The lack of a tariff for raw ls depopulated

Tenshelled and unshelled peanuts and newly decreased tariffs for walnuts, pistachios, raisins, dried prunes, and mixed nuts due to the May 1, 2004, EU accession, may offer U.S. dried ino, WA – a total of 4 animals depopulated

Samples taken from the 15 animals depopulated in Connell, WA hafruit and nut suppliers the opportunity to capture a larger market share in Poland.Market research shows that about 32 percent of the Polish population buys a variety of nuts and dve tested negative. All 170 samples from the index herd and the Mattawa herd have completed testing; results wried fruits throughout the year. Nearly 65 percent of the Polish population purchases nuts once a month, 25 percent purchases nuts once a week, and 7 percent purchases nuts more ere negative for BSE. The final test results for the samples taken at Boardman, ORthan once a week. Among the nuts available on the Polish market, the following are the most popular: peanuts, walnuts, hazelnuts, almonds, and pistachios. No detailed data on ; Quincy, WA; Tenino, WA; and Moxedried fruit consumption is available. The most popular dried fruits on the Polish market are: raisins, prunes, dates, apricots, figs, apples, and pears. Dried cranberries are e, WA are not yet available.

Investigation Activities

At this tioccasionally offered on the market, however; due to the implementation of an ad valorem tariff which is being applied to certain US products in retaliation for unfair trade activitme, 28 of the 81 animals that came from Canada have been located:

1 of the 81 is the BSE-positive cow and was locatedies by the US; the potential for expansion in this area has been limited. Demand for these products greatly increases between January and May. This is stimulated by Carniva in the Indel season, Easter holidays, and a decrease in fresh fruit consumption during this period. Polish consumers, ages 15 to 19, are the biggest consumers of dried fruit and nuts. Thisx herd in Mabton, W age group likes the health food aspect and use of nuts and dried fruit as snacks. In addition, these products are also quite popular with the 20-49 year old age group. Consumptashington.

9 of the 81 were located in the Index herd in Mabton, Washington.

3 were located at a facility in Tenino, Washington.

6 were located at a facility in Connellion in the age group above 50 years is very marginal. Consumption decreases at this age mainly due to low-income levels and no tradition of using nuts and dried fruit as snacks. , Washington.

1 was located at a facility in Quincy, Washington.

3 were located at a facility in Mattawa, Washington.

1 was located at a facility in Moxee, Washington.

3 are located at a facility in Burley, Idaho.

1 is located at a faciliMarket research results show that these products are most popular in medium (population above 500,000 people) and larger cities among consumers with at least high school education ty in Othello, Washingtonand college degrees within the medium and high-income levels.
Section II. Market Sector Opportunities and Threats1) Entry StrategyLarger firms have traditionally distributed pr.

Guidelines on bovine spongiform encephalopathy (BSE) issued by the World Organization for Animal Health (OIE), the internationaoducts in this sector through wholesalers. However, more dried fruit & nut importers are tending toward direct distribution to the retail market. Direct distribution reduces ovl animal heath standard setting organization, state that animals borerall cost and avoids the loss of product freshness that results in declining sales. Larger firms have also introduced sales representatives in the field to process orders and ton on a premises within one ye 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 ar (before or after) of a BSE-affected animal can be considered of significant interest to the country reporting the Bnecessary to distribute their product internally.Exporters of U.S. dried fruit and nuts may obtain a list of current Polish importers by contacting the Office of Agricultural AffaiSE detection. As such, USDA is focurs at the U.S. Embassy in Warsaw (see Section V).2) Market Size, Structure, TrendsThe retail centers for dried fruit & nut sales are broken into several segments. They include hysing on 25 of the 81 animals also born into the birth herd of the index animal. Based permarkets, supermarkets and discount stores, convenience stores, traditional stores, and kiosks. Hypermarkets have been growing in number throughout Poland and offer the largest on normal culling practices of local dairies, USDA’s Animal and Planvariety and shelf space of any segment. Supermarkets and discount stores also offer a large variety of dried fruit & nuts and shelf space. Convenience stores are a new and growint Health Inspection Service estimated that the Agency would be able to locate approximately 11 of these animals. APHIS has definitively located 14 of these animals.

Trade Issues

Specific trade information can be found at httpg distribution channel located at railway, bus, and gas stations throughout Poland. The number of these stores is expected to double over next few years and will likely offer the ://www.aphis.usda.gov/lpa/issues/bse/bse\_trade\_greatest potential for market growth in snack products such as dried fruit & nuts. In addition, Poland’s vehicle sales increased sharply in the 1990's. Although this trend does nban\_status.html.

Other Issues

Additional information on ot continue, sales continue to increase slightly, which makes the gas stations with food stores an increasingly attractive retail outlet. Traditional stores and kiosks offer the lBSE can be obtained by visiteast amount of variety and shelf space for dried fruit & nuts but make up the largest percentage of stores.In terms of substitutes, the potato chip/snack food industry competes heaing the USDA website at http:/vily with the dried fruit and nuts sector. Firms involved in this industry advertise heavily through TV and billboards to increase their sales of these products. Fresh fruit and /www.usda.gov. Past BSE updates can also be found at http://www.aphis.usda.gov.

vegetables compete with dried fruit and nuts during the months of June through August. Consumption of dried fruit and nuts is the strongest during the months of September through May.While overall imports o

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