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Record High Value of Polish Agricultural Exports in 2012

Report Categories:

Agricultural Situation

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Report Highlights:

In 2012 Polish exports of food and agricultural products are forecast to set a new record at US\$ 21 billion based on several factors - favorable exchange rate for Polish zloty to Euro in the first half of the year, rising world prices for agricultural products, increasing productivity and competitive pricing by Polish suppliers. Comparing trade over the first six months of 2012 versus 2011, imports from the United States increased 18 percent with the greatest growth registered in soybean meal (30 percent) and unmanufactured tobacco (118 percent).

General Information:

In 2012 the value of Polish exports of food and agricultural products is forecast to reach a historical record of Euro 16.3 billion (US\$ 21 billion). According to the Institute of Rural Economics (IRE) Polish exports of food and agricultural products in 2012 are expected to be one billion Euros (US\$ 1.29 billion) or seven percent higher than in 2011. According to the estimates of Polish Ministry of Agriculture, exports of food and agricultural products in the first half of 2012 increased by 11 percent and amounted to Euro 7.85 billion (US\$ 10.1 billion). Although the increase of the value of Polish exports of agricultural products in the first six months of 2012 is partly attributed to higher than originally expected exchange rate of Polish currency (PLN) to euro, the analyst point at increasing world prices for agricultural products, growing output and competitive prices of Polish food as equally important factors. Although the decrease of exchange rate of PLN to Euro may slow the pace of the increase of exports in the second half of the year the overall value of Polish exports is forecast to reach the record value this year.

European Union is the major market for Polish agricultural products. In the first six months of 2012 exports to the EU accounted for 75 percent of total exports. Within the EU, Germany and Great Britain are the major markets for Polish food. Polish exports to non-EU countries have been growing faster than within the EU. During the first half of 2012, the major non-EU destinations of Polish food and agricultural products included Russia, Belarus, United States, Turkey, China, and South Korea. Exports to Russia increased by an estimated 26 percent. Commodity wise, the largest increase of exports during this period were noted in tobacco products and poultry meat, 15 and 18 percent respectively compared to same period 2011. Polish dairy processing companies report that this year storage space is empty due to higher export demand, whereas usually stocks are high going into the fall.

In the first half of 2012, Polish exports of food products have developed faster than imports. According to the IRE, in 2012, Polish positive balance of trade of food and agricultural products is forecast to increase to Euro 3.3 billion (US\$ 4.3 billion) compared to Euro 2.6 billion (US\$ 3.4 billion) for 2011. Softer demand for more expensive imported food products is one major reason for the lower import value registered in the first half of 2012.

Although overall value of Polish imports of agricultural products decreased three percent in the first half of 2012 compared to 2011, the value of imports from the United States increased by 18 percent with the largest increase noted in purchases of soybean meal (30 percent) and unmanufactured tobacco (118 percent).

Value of Polish Exports of Agricultural Products
(billions of Euro)

