Table of Contents

Trip Summary:
   Itinerary, Objectives, Results, Recommendations 3

Hungary: Market Summary 4
FAS Contact Information: Hungary 6
Hungary: Country Profile 7
Hungary Import Statistics (Global Trade Atlas) 9
Hungary: Trade Visit Meetings
   Ambrus Export Import Kft. 11
   PA-Comp Co. Ltd. 13
   Nelan-Food Kft. 15
   Bonduelle Central Europe Kft. 16
   Teller Kft. 17

Poland: Market Summary 18
FAS Contact Information: Poland 19
Poland: Country Profile 20
Poland Import Statistics (Global Trade Atlas) 22
Statistical Information from the Polish Trade 23
Poland: Trade Visit Meetings
   Kupiec Sp. Z.o.o. 25
   Store-check, Tesco hypermarket, Warsaw 27
   Bonduelle Poland 28
   Ziebice 29
   Dawtona 31
   Florpak 33

Report Summary 35
Trip Summary:

Title: USDBC New Markets Trade Visit – Hungary & Poland
Start Date: June 13, 2012
End Date: June 20, 2012
Countries: Hungary and Poland
Locations: Budapest (Hungary), Nagykoros (Hungary), Felsopakony (Hungary)
Locations: Warsaw (Poland), Konin (Poland), Blonie (Poland), Tomianki (Poland)
USDBC Representative: Johanna Stobbs

Itinerary:
June 13 – Paris-Budapest, Air France #1994
June 15 – Budapest-Nagykoros-Budapest, by rented car
June 15 – Budapest-Felsopakony-Budapest, rented car
June 17 – Budapest-Warsaw, LOT Polish Airlines #0536
June 18 – Warsaw-Konin-Warsaw, by train
June 20 – Warsaw-Blonie-Tomianki-Warsaw, by taxi
June 20 – Warsaw-Paris, Air France #1047

Objectives:
• To conduct research in Hungary and Poland in order to examine market conditions and to identify export opportunities for US dry beans.
• To meet with those importers, dry packagers and canners in both countries who indicate an interest in US dry beans and demonstrate an ability to buy US product.

Results:
The Trade Visit resulted in 10 one-on-one meetings with key importers, dry packagers and canners in Hungary and Poland, and a renewed interest in US dry beans on the part of these leading companies.

Recommendations:
Although Hungary and Poland are price-sensitive markets, the rise in cost of Chinese dry beans may encourage importers, dry packagers and canners to take a closer look at US product. US suppliers are urged to respond to trade leads from these markets, while the USDBC representative will continue to reach out to the Hungarian and Polish trade with information regarding the 2012 crop and US new-crop prices.

Having been absent from Hungary and Poland for nearly a decade, it will take US suppliers time to re-establish commercial relationships. However, considering that Hungary and Poland each import over 9,000 MT of dry beans per year, building new bridges within these markets is worthwhile.
Market Summary: Hungary

The USDBC conducted a Trade Visit to Hungary in April 2003. Since then, this market has undergone significant changes:

- The country is still suffering badly from the economic crisis of 2008.
- The government began a far-reaching austerity program in 2010 to try to address its high levels of debt; however, these measures have largely stifled growth.
- Many of the Hungarian companies interviewed in 2003 have now disappeared from the scene; those that are left have proved themselves to be resilient, even in these very difficult economic times.
- Exports of US dry beans to Hungary have more than doubled between 2009 and 2011.
- As a member of the European Union, dry legumes now enter Hungary with no import tariff.
- However, Hungarian VAT (value-added tax) on food products is a hefty 27%. Unscrupulous companies avoid paying this tax, enabling them to sell dry legumes at a lower cost than tax-paying companies; this has distorted the market and penalized law-abiding companies. The government is considering taking measures in an effort to combat VAT tax avoidance. These measures will not affect consumer prices.
- One of the principal financial constraints in the Hungarian food sector is the fact that retail chains tend to delay payment to their suppliers (60 days to 90 days) which causes cash-flow problems for dry bean importers, dry packagers and canners.
- Some of the major retail chains in Hungary include Auchan (French), Tesco (British), Metro (German), Spar (Dutch), Lidl and Aldi (German hard-discount stores) and CBA (Hungarian).
- Hungary is a dry bean-consuming market. The Hungarian consumer historically prefers red speckled beans, a bean class traditionally grown in back lots and private gardens. Dry beans are used in soups, salads and stews.
• The Hungarian market is looking for Great Northern beans, navy beans, dark red kidney beans, and is willing to substitute cranberry-type beans with pinto beans if there is a price advantage.

• Like many countries in Eastern Europe, Hungary has relied on Ethiopian navy beans, as well as Chinese cranberry beans and light speckled beans. However, the market is now aware that Chinese production is in gradual decline and that Chinese prices have risen to very high levels. The result is that all of the companies interviewed during this Trade Visit are now interested in receiving samples and quotes from US suppliers.

• Product normally travels to Hungary via the port of Hamburg (Germany) or Koper (Slovenia) and is then trucked or sent by rail to Budapest.

• Two French-international canning companies have invested in Hungary. Bonduelle has three canning facilities. The first is situated in the town of Nagykoros (about 50 miles from Budapest). This plant uses Great Northern beans and dark red kidney beans and was visited during this Trade Visit (see page 16).

   Bonduelle’s second facility, Békéscsaba (formerly owned by Globus Group) concentrates on fresh vegetables. Bonduelle’s third facility, Kelet-Food, is located in Nyiregyhaza, north-east of Budapest. Kelet-Food has a canning capacity of 25,000- 30,000 MT and focuses on fresh vegetables.

   In 2006 the French-international group, CECAB, acquired a Globus Group canning facility in Debrecen (95 miles from Budapest). This canning factory now trades under the name, Deko Food.

• Hungary is a small country (35,000 sq. miles), but strategically placed with borders with Austria, Croatia, Romania, Serbia, Slovakia, Slovenia and Ukraine. Many companies that deal in dry legumes are located in cities that are far from Budapest, making Trade Visits a challenge in terms of the time and expense involved in domestic travel.
FAS Contact Information in Hungary

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Bank Center
Szabadsag Ter 7
1054 Budapest
Hungary
Tel: + 36 1 475 4162
Fax: + 36 1 475 4676
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Email: ferenc.nemes@usda.gov
Contacts:
Paul Spencer, Agricultural Attaché (based in Berlin)
Ferenc Nemes, Agricultural Specialist

Special thanks to Mr. Ferenc Nemes, US Agricultural Specialist, who was invaluable in helping to organize and conduct this Trade Visit.
HUNGARY
Country profile:

- Population: 10 million
- GDP per capita: $19,600
- Population below poverty line: 13.9%
- Unemployment rate: 10.9%
- Agriculture: 3.7% of economic activity
- Agricultural products: wheat, corn, sunflower seeds, potatoes, sugar beets, pigs, cattle, poultry, dairy products
- Imports from Germany (25%), Russia (8%), China 6%, Austria (6%) Poland (5%) Italy (4%), Netherlands (4%)
- Currency: Hungarian Forint (226 Forints to the US $)

Economy:
Hungary has successfully developed into a market economy, with a per capita income nearly two-thirds that of the EU-25 average. The private sector accounts for more than 80% of GDP. Foreign ownership and investment in Hungarian firms is widespread.

However, Hungary was hard hit by the crisis of 2008 and needed an IMF/EU/World Bank bailout of more than $25 billion. The global economic downturn, declining exports and low domestic consumption, exacerbated by government austerity measures, resulted in an economic contraction of 6.8% in 2009.

In 2010 a new government implemented a number of changes including cutting business and personal income taxes. Instead, it imposed "crisis taxes" on financial institutions, energy and telecom companies, and retailers.
The economy began to recover in 2010 with a big boost from exports, especially to Germany, and achieved growth of approximately 1.4% in 2011.

At the end of 2011 the government turned to the IMF and the EU to obtain a new loan for foreign currency debt and bond obligations. Whether Hungary gets the loan will depend on its meeting EU and IMF requirements for ensuring the independence of monetary and judicial institutions. The EU has also demanded that Hungary cut its budget deficit to under 3% of GDP.

Unemployment remains high, at nearly 11%. Ongoing economic weakness in Europe is likely to further constrain growth in 2012.

Source: CIA Factbook
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Source of Data: Eurostat (Global Trade Atlas)
• Global Trade Atlas figures show that the US exported 958 MT of dry beans to Hungary in 2009 for a value of $3.5 million.

• In 2010 this rose to 1,450 MT for a value of $4.4 million.

• In 2011, the upward trend continued: 1984 MT for a value of $6.9.

• US share of Hungarian dry bean imports rose from 13% to nearly 22% in the period (2009-2011). However, China’s share remained consistent, with the US gains coming at the expense of other countries.

• Global Trade Atlas shows that Hungarian imports of dry beans have been steadily increasing during the past three years.

**NB – FAS versus Global Trade Atlas**

FAS figures for US exports of dry beans to Hungary show no activity at all. This is because Hungary is a land-locked country. To ship to Hungary, US dry beans are first sent to various European ports such as Hamburg (Germany), Antwerp (Belgium), and Koper (Slovenia).

FAS registers these ports as the final destination. However, the port of arrival is not the end of the story. Product then travels on, usually by truck or by rail. Global Trade Atlas statistics rely on the Customs declarations of the receiving country. The country of origin is declared on the bill of lading and registered as such by Customs.

**NB – Hungarian Feed Peas**

Hungary is a major producer of dry yellow peas. In 2010 it is estimated that Hungary produced over 36,000 MT of dry peas. However, only about 7,000 MT of this was for human consumption. The remaining 29,000 MT was for feed peas.
Ambrus Export Import Kft.
Torokbalinti ut 11/a
H-1121 Budapest
Hungary
Tel.: +36 (1) 249 3092
Fax: +36 (1) 249 3091
Cell: +36 (06) 30 949 2787
Email: szabolcs.ambrus@ambrusexport.hu
Website: www.ambrusexport.hu
Contact: Mr. Szabolcs Ambrus

Ambrus is a family-owned import-export company founded in 1990 and located in Budapest. It has an annual turnover of $7 million.

Its main imported products include rice, dry beans, lentils, dry peas, sesame seeds, raisins, poppy seeds and caraway seeds.

The company sells to the wholesalers, dry packagers and canners which supply the main retail food chains in Hungary.

Ambrus' principal product is rice. The company imports some 3,000 MT per year from Greece and Italy, which represents approximately 10% of total domestic consumption.

Szabolcs Ambrus estimates that Hungary needs more than 10 containers per month of dry beans to meet domestic demand.

The dry legume business for Ambrus fluctuates from year to year, from 500 MT to 800 MT, depending on demand. Ambrus occasionally sells to the two main canners in Hungary, Bonduelle and Globus (Cecab), and these clients often take 200 MT per order.

Ambrus works with navy beans from Ethiopia, light speckled kidney beans from China, dark red kidney beans from China and alubia beans from Argentina. It also buys Laird lentils and Richlea lentils from Canada and split yellow peas from Ukraine.

The company sources product through third-party Dutch importers such as Poortman and Arie Van Schelven.
Szabolcs Ambrus is aware that dry legume production is changing and that prices from Ethiopia and China are on the rise. He is now interested in following the US dry bean harvest of 2012 closely, to see if US prices will settle at more affordable levels.

Mr. Ambrus will attend the SIAL trade show in Paris in October 2012 and would like to meet with US dry bean suppliers at that time.
PA-Comp Co Ltd.  
Szent Istvan str. 144  
4244 Ujfeherto  
Hungary  
Tel.: + 36 (06) 42 290 177  
Fax: + 36 (06) 42 290 681  
Cell: + 36 (06) 30 239 8686  
Email: kpapp@pa-comp.hu  
Website: www.pa-comp.hu  
Contact: Mr. Krisztian Papp

PA-Comp is a family business, founded in 1993. It began as an import-dry packaging company specializing in borlotti beans and yellow split peas. Today, the company processes 10,000 MT per year of product. Its ranges now include extruded corn-based snacks, and ingredients and fillings for the baking industry.

PA-Comp is ISO9001-certified and has won numerous food quality awards in Hungary. It is considered the N°1 dry packaging company in Hungary. Its main competitor in the dry packaged sector is the Czech-based importer-dry packager, Podravka.

The company has its PACO brand in all of the national retail food chains, including CBA, Metro and Cora.

Its range of dry legumes covers Ethiopian navy beans (800 MT/year), Chinese light speckled kidney beans (1,500 MT/year), Chinese dark red kidney beans (100 MT/year), Argentinean alubias (200 MT/year) and Canadian Laird and Richlea lentils (1,500 MT per year).

Krisztian Papp buys Chinese dry beans directly, as well as Canadian lentils. For other products he relies on Poortman in the Netherlands.

Unhappy with Chinese prices and quality, PA-Comp began looking at US dry beans in 2011 but found that the pricing levels were impossibly high. The company is now aware that US production may increase significantly in 2012 and hopes to be in contact with US suppliers to receive quotes for new crop product.

Krisztian and Nicolette Papp will attend the SIAL trade show in Paris in October 2012 and will visit the USDBC booth to see US dry bean samples and make contact with US suppliers with the view to direct buying.
PA-Comp’s sales brochure for its PACO brand of food products.
Nelan-Food Kft.
Kulso Bacsai ut 41
9028 Gyor
Hungary
Tel.: + 36 (06) 96 517 895
Fax: + 36 (06) 96 414 680
Cell: + 36 (06) 30 994 0923
Email: nelan@t-online.hu
Website: www.nelan-food.freeiz.com
Contact: Mr. Laszlo Nemeth

Laszlo Nemeth of Nelan-Food Kft.

Nelan-Food is a wholesaler-importer of dry legumes, but also deals in ice cream and frozen foods.

The company is the official distributor of Nestle ice cream in Hungary. In addition, Nelan-Food supplies the retail sector with frozen vegetables, fruits, and frozen meat products. Nelan-Food has extensive cold-storage warehouses and a fleet of refrigerated trucks to transport frozen goods.

The company is a strong importer of dry legumes, some of which are sold to other wholesale companies and dry packagers. It imports include Ethiopian navy beans (600 MT/year), Chinese light speckled beans (1,000 MT/year), Argentinean alubias (1,000 MT/year), Chinese cranberry beans (600 MT/year), Chinese dark red kidney beans (600 MT/year) and Canadian Laird lentils (2,000 MT/year).

Nelan-Food also markets domestically-grown yellow split peas (1,000 MT/year), which are split by Hungarian millers. Laszlo Nemeth estimates that Hungarian production of yellow peas may be as much as 30,000 MT per year.

With regard to Chinese light speckled beans, prices have now risen to nearly $1,500/MT, delivered to Budapest, an unaffordable level. Consequently, consumption of this class of bean has fallen, and lentil consumption has increased.

Laszlo Nemeth purchased US cranberry beans from Michigan several years ago and has visited Canada to see the dry legume growing regions. He would now like to travel to the US and is looking forward to hearing more about the 2012 US dry bean crop and new-crop pricing.
Bonduelle Central Europe Kft.
Cegledi ut 25
2750 Nagykoros
Hungary
Tel.: + 36 (06) 53 554 300
Fax: + 36 (06) 53 355 233
Cell: + 36 (06) 30 645 0120
Email: aorisek@bonduelle.com
Website: www.bonduelle.hu
Contacts: Mr. Andras Orisek
Purchasing & Logistics Manager
Ms. Irma Csikos
Deputy Purchasing & Logistics

Bonduelle Hungary has three facilities. Békéscsaba and Kelet-Food focus on fresh vegetables, while Nagykoros handles dry beans. Bonduelle purchases approximately 2,400 MT/ year of dry beans. The classes used are Great Northern types and dark red kidney beans. Approximately 1,200 MT of the beans processed by Bonduelle Hungary are grown domestically. The remainder is sourced through third-party suppliers such as Poortman (Netherlands), ACOS (Italy), CAXA (Italy) and CIACAM (France). All foreign purchases are discussed and approved by the Bonduelle central office in France and its purchasing division in Canada.

Two-thirds of dry bean canning takes place during the months of November and December, with the remaining canning done in May. Bonduelle Hungary is launching a new dry bean program in which the company will be buying speckled beans and, perhaps, black beans.

Andras Orisek is looking forward to considering US dry beans, purchased directly for the first time. Orders could start in February 2013. To this end, he would like to be kept informed regarding the US dry bean crop of September 2012 and will be asking for samples and quotes from US suppliers.

Samples from the range of canned dry beans offered by Bonduelle Hungary.
**Teller Kft.**  
Felsopakony (Gyal PF 5)  
Gyal 2360  
Hungary  
Tel.: +36 (06) 29 517 230  
Fax: +36 (06) 29 517 232  
Cell: +36 (06) 30 944 1299  
Email: teller@teller.hu  
Website: www.teller.hu  
Contact: Mr. Antal Teller  

*Tellers* Peter and Antal of Teller Kft.  

Teller is a wholesale and dry packaging company, founded in 1990. In addition to fruits and vegetables, Teller deals in dry beans, lentils and split yellow peas. The Teller brand of dry packaged legumes can be found in all of the major retail chains in Hungary, including Tesco, Auchan, Coop and CBA. Run by two brothers, the wholesale side is handled by Peter Teller, while Antal Teller deals with dry packaging and purchasing. During the Trade Visit the Tellers commented that Hungary was once a producer of traditional (speckled) dry beans and green lentils, but that today 90% of product is imported from Ethiopia, China, Argentina and Canada.

Each year the company buys approximately 500 MT of Chinese light speckled beans, 200 MT of Chinese cranberry beans, 80 MT of Chinese dark red kidney beans, 120 MT of Argentinean albulias, 100 MT of Ethiopian navy beans, 500 MT of Canadian green lentils and 300 MT of Ukrainian split yellow peas.

However, Chinese prices are currently at $1,430/MT for light speckled beans and close to $1,700 for Chinese cranberries. Confronted with these levels, Teller would like to be kept informed of US pinto bean prices and hopes to receive quotes and samples of US new-crop pintos.

*Samples of the Teller brand of dry beans.*
POLAND

Market Summary: Poland

Since the USDBC’s last visit to Poland in 2003, some aspects of this market have remained the same, and some have changed:

- Like Hungary, Poland joined the European Union in 2004.
- Dry packagers use large white beans only, produced locally, or imported from China and Argentina.
- Canners offer dark red kidney beans and garbanzos, as well as white beans.
- Poland uses three classes of dry beans: dark red kidney beans, Great Northern-alubia-type beans and large white beans, similar to US large lima beans.
- Poland is a complex, fragmented market – a country with major players, plus many very small companies scattered around the country.
- Poland grows its own dry beans; the trade estimates that local production can reach 35,000 MT per year, of which only 2,500 MT are dark red kidney beans; the remaining beans are Polish large white beans: “Gestichny” (very large) “Piekny Jas” (medium large) and alubia-type beans.
- Supermarkets offer dry packaged products, cans and glass jars.
- The major retail food chains in Poland are: Tesco (UK), Carrefour (France), Biedronka (Portuguese-owned), Auchan (France) Kaufland (Germany), Real (Germany), Leclerc (France), Intermarché (France) Lidl (Germany).
- Three major international canning groups operate in Poland: Bonduelle, D’aucy (Pinguin Lutosa Food Group) and H.J. Heinz.
- Poland remains a price-driven market.
- The Polish trade believes that US dry beans are always too expensive and are not in contact with US suppliers.
- High prices from China may begin to push the Polish trade towards developing commercial relationships with US suppliers.
FAS Contact Information in Poland

Foreign Agricultural Service, Warsaw

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US Embassy
Al. Ujazdowskie 29/31
00-540 Warsaw
Poland
Tel.: + 48 22 504 2336
Fax: + 48 22 504 2320
Contacts:
Michael T. Henney
Agricultural Attaché
Cell: + 48 795 161 558
Email: michael.henney@fas.usda.gov
Jolanta Figurska
Senior Marketing Specialist
Email: jolanta.figurska@fas.usda.gov
Mira Kobuszynska
Agricultural Specialist
Email: mira.kobusznska@fas.usda.gov

My thanks to Michael Henney for the briefing meeting conducted in his offices in Warsaw on June 18.

Special thanks to Jolanta Figurska and Mira Kobuszynska for their invaluable help in organizing and conducting this Trade Visit, as well as providing market information.
POLAND
Country profile:
- Population: 38.5 million
- GDP per capita: $20,100
- Population below poverty line: 17%
- Unemployment rate: 12%
- Agriculture: 3.4% of economic activity
- Agricultural products: potatoes, fruits, vegetables, wheat, poultry, eggs, pork, dairy
- Imports from Germany (29%), Russia (9%), Netherlands (6%), Italy (6%), China 6%, France (5%), Czech Republic (4%)
- Currency: Polish Zloty (PLN) (3.44 Zloty to the US $)

Economy
Poland has pursued a policy of economic liberalization since 1990. Today the country stands out as a success story among Europe’s transition economies. It was the only country in the European Union to avoid a recession through the 2008-2009 economic downturn, although GDP per capita is somewhat below the EU average.

Since 2004, EU membership and access to EU structural funds have provided a major boost to the economy. However, unemployment has been 2% more than the EU average. Inflation reached a low of about 2.6% in 2010 due to the global economic slowdown, but climbed to 4.3% in 2011.

Poland’s economic performance could improve over the longer term if the country addresses some of the remaining deficiencies in its road and rail infrastructure and its business environment. An inefficient commercial court system, a rigid labor code, bureaucratic red tape, burdensome tax system, and persistent low-level corruption keep the private sector from performing up to its full potential.
Weak revenues, together with rising demands for healthcare, education, and the state pension system caused the public sector budget deficit to rise to 7.8% of GDP in 2010. The coalition government, which came to power in November 2007, took measures to shore up public finances, including increasing contributions to the public pension scheme at the expense of private pension funds. The deficit was reduced to 2.9% of GDP in 2011. For 2012, the coalition government has proposed further deficit-reducing reforms and has promised to enact business-friendly reforms.

Source: CIA Factbook
### Poland Import Statistics

**Commodity:** All Dry Beans, 071331, 071332, 071320, 071333, 071339  
**Partner Country**  
**Unit**  
**Year Ending:** December  

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**Source of Data:** Eurostat
Statistical information from the Polish trade

Domestic production of dry beans is estimated at 35,000 MT per year, with the vast majority devoted to the cultivation of Polish classes of large white beans. Only 2,500 MT of dark red kidney beans are produced. When domestic production is added to world imports (see Global Trade Atlas chart, page 22), Poland can be regarded as a market of nearly 40,000 MT.

Today, dry bean cultivation is considered a niche market in Poland, although the trend is towards slow, steady growth. During the 1980s and 1990s Poland was a more robust producer and exporter of dry legumes. However, after the entry of Chinese pulses into the European market, Poland lost its competitiveness.

The trade estimates that production is broken down as:
47% - beans
38% - peas
7% - broad beans
8% - others (garbanzos, lentils)

<table>
<thead>
<tr>
<th>Area, Yield, Crops – all edible dry legumes in Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (acres)</td>
</tr>
<tr>
<td>Yield (MT per acre)</td>
</tr>
<tr>
<td>Production (MT)</td>
</tr>
</tbody>
</table>

Source: Polish Office of Statistics, 2012

Pulse cultivation in Poland is very changeable. Production depends on weather conditions as well as on export market prices and foreign and domestic demand. Poland’s 2012 bean production is expected to increase slightly, compared with 2011, according to the trade. This is due to high prices of Chinese product and slightly higher demand from Mediterranean markets.

The trade also commented that Polish agricultural practices are poor and inefficient. The infrastructure of the country, i.e. road and rail, need to be improved as well.
### Polish Dry Bean Production - 2011

<table>
<thead>
<tr>
<th>Area</th>
<th>43,225 acres</th>
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<tr>
<td>Yield</td>
<td>0.81 MT per acre</td>
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<td>Production</td>
<td>35,000 MT</td>
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### Polish Dry Pea Production - 2011

<table>
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<tr>
<th>Area</th>
<th>35,320 acres</th>
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<tr>
<td>Yield</td>
<td>1.01 MT per acre</td>
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<tr>
<td>Production</td>
<td>35,700 MT</td>
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### Polish Lentil Production - 2011

<table>
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<tr>
<th>Area</th>
<th>7,900 acres</th>
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<td>Yield</td>
<td>0.75 MT per acre</td>
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<tr>
<td>Production</td>
<td>5,925 MT</td>
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</table>

Source: Polish Office of Statistics, 2012
Kupiec Sp. Z.o.o.
Paprotnia, ul. Kupiecka 17
62-513 Krzymow
Poland
Tel.: + 48 63 241 3737
Cell: + 48 60 269 0410
Contacts: Tomasz Pilarski
Head of the Rice Division
Ms. Katarzyna Dalz
Head of Purchasing
Ms. Agnieszka Konstanciak
Purchasing Specialist
Email: tpilarski@kupiec.pl
Email: kdakz@kupiec.pl
Email: akonstanciak@kupiec.pl
Website: www.kupiec.pl

Kupiec is the third largest dry packaging company in Poland. A family-owned business, founded in 1987, Kupiec deals in rice, groats, breakfast cereals, crisp-breads, gluten-free products and dry beans. The company uses approximately 800 MT of dry beans per year.

The company handles the three typical white beans which are preferred by the Polish consumer:

1) Large white beans (55 to 100 grains per 100 grams). These are called “Gesticzny” in Polish and resemble the US large lima bean. Gesticzny are traditionally used in dishes with tomato sauce and sausages. Kupiec takes about 5 containers of this type of bean per year, using both Polish local production and product imported from China.

2) “Piekny Jas”, which means “handsome Johnny” in Polish. This is a large white bean (80 to 110 grains per 100 grams) again similar to the US lima bean. Kupiec takes approximately 400 MT per year of Piekny Jas, using both local production and Chinese imports.
3) A third popular white bean in Poland is a smaller alubia-type bean (250 to 320 grains per 100 grams). Alubias are produced locally, as well as imported from China and Argentina. This bean most resembles the US Great Northern. Kupiec takes approximately 5 containers per year of this class of dry bean.

Kupiec is well aware of the rise in Chinese dry bean prices. Gestichny-type beans (large lima-type beans) are currently selling at $1,700/MT, CIF Gdansk. Alubia-type beans from China are at $1,300, CIF Gdansk.

This level of pricing is not sustainable in the Polish market and Kupiec would like to be kept informed regarding US prices for large lima beans and Great Northern beans. The company has requested samples of each.

The company does not purchase dry beans from China or Argentina directly, but rather uses third-party importers/brokers in Europe such as Casi Beans (Belgium), ACOS (Italy), CAXA (Italy) and Poortman (Netherlands). Imported product goes through either the port of Gdansk or Hamburg.

Kupiec also offers yellow split peas, but has switched to using Polish peas, split in Poland, because Ukrainian quality is too poor.

The company is not interested in dark red kidney beans or garbanzos despite the fact that both are sold in the Polish market by canners, including Bonduelle.

Kupiec typically follows the Polish dry bean harvest which takes place between August and September, and then awaits the Chinese harvest in October to compare pricing levels and product quality and availability. The company will now be watching the US harvest in September with great interest.

Two types of Kupiec’s Piekny Jas (“Handsome Johnny”) beans.
June 19 – store-check, TESCO hypermarket, Warsaw

Display of canned white beans from the Polish canning company, Dawtona.

Canned garbanzos, from Bonduelle, Poland.

Bonduelle Poland and H.J. Heinz go head-to-head with baked beans in tomato sauce.

Display of dry packaged beans. Polish brands (e.g. Kupiec, Cenos, Lestello (Makro), etc.) fight for shelf space.
Bonduelle Poland
ul. Pulawska 303
02-715 Warsaw
Poland
Tel.: + 48 52 354 3317
Fax: + 48 52 354 3333
Cell: + 48 60 159 5592
Contact: Wieslaw Dabek
Director of Purchasing
Email: wdabek@bonduelle.com
Website: www.bonduelle.com
Website: www.bonduelki.com

Address for dry bean canning facility:
Bonduelle Polska
ul. Kilińskiego 11
88-140 Gniewkowo
Poland

Bonduelle entered the Polish market in 1992 and purchased the Gniewkowo plant in 1994. Today, this facility produces 35,000 MT of product per year and employs 120 people. In 2010, Bonduelle invested in a plant in Rochocice, near Poznan. This facility, which specializes in mushrooms, has a capacity of 20,000 MT of product per year. Bonduelle Poland’s frozen food division produces some 25,000 MT of product per year, 70% of which is exported to France, Spain, southern Europe and Russia.

Bonduelle Poland continues to expand despite the economic crisis. The company believes that the private label segment is growing and is currently looking at opportunities in this area.

In terms of dry beans, Bonduelle Poland uses around 200 MT per year of dark red kidney beans, but only small amounts of Great Northerns. Wieslaw Dabek, the Purchasing Director, buys independently of the Bonduelle head office in France. He typically needs 3-4 containers of dark red kidney beans in December and 3-4 containers in May. He has been buying DRK from China, Canada and Argentina, but is now interested in US product for 2012, if prices are competitive.

For Great Northern-type beans, W. Dabek buys local Polish production, specifically a smaller white bean called “igolomska”. Poland produces generally 2,000 MT of this class of bean per year.
Ziebice is a canning company that is part of the Pamapol Capital Group. Pamapol is a leader in the Polish processed meat and vegetable sector. Pamapol S.A., the parent company in the Group, specializes in prepared meals. The company’s range includes over 80 products, mainly prepared meals, but also canned goods, pâtés and soups.

At the end of 2005, Pamapol Group took control of Kwidzyn, a leading domestic producer of peas and beans, thereby extending its product range to include canned and frozen vegetables. In 2007, Ziebice was added to the Pamapol Group. The acquisition of Ziebice strengthened its frozen and canned vegetable segment and made it possible to enter export markets in southern Europe. Other brands within the Group include Rusiecki (meat pâtés), Sorella (fruits) Cenos (rice, cereals, groats and dry beans) and O’Sole (sea salt).

Ziebice has been using locally-produced dark red kidney beans and white beans (Great Northern-type), both Polish and Chinese, for its range of canned products. The company uses Canadian brokers when buying Chinese beans. The company is involved in private label production for several retail food chains (e.g. Intermarché hypermarkets).

Ziebice has recently embarked on a joint venture with TetraPak (Sweden) and is poised to enter the Russian and South African markets with a TetraPak dry bean product: beans in tomato sauce. To meet the challenge of this export program, Ziebice needs 500 MT of red beans and 500 MT of white beans for Russia and South Africa, as well as 100 MT of dry beans for the canning market in Poland. The purchasing period for the Russian market is the whole year, but for Poland, December through April are the critical buying months.
Research shows that TetraPaks do not work in Poland but, surprisingly, they are successful in Russia (including Belarus and Ukraine) and South Africa.

Jacek Tomczuk, Ziebice’s Vice President, commented during the meeting that the two dry bean products that are doing well in Poland are canned dark red kidney beans and canned white beans in tomato sauce. The company expects an increase of 15% in sales this year.

Ziebice is interested in receiving samples of US dark red kidney beans and would like to be kept informed regarding US new-crop prices.

The Pamapol Group of companies and brands.
Dawtona is a family-owned business that began as a simple onion processing operation for the Polish herring industry. Today it is one of the largest canners in Poland, offering a full range of vegetables, with product also exported to other European countries, Canada and the US.

Tomato paste is Dawtona’s n° 1 product; other products include jams, fruit juices and marmalades.

The company currently has 5 processing plants located in Blonie, Leszno, Lublin (specializing in mushrooms), Gouzon (frozen foods) and Lipno. Dry beans, which are only a small part of the business, are canned in Lipno, some 85 miles from Warsaw.

Dawtona is interested in dark red kidney beans and needs approximately 3,000 MT per year. The company is one of the suppliers of canned dry beans for the Polish military.

In the past Dawtona has used locally-grown dark red kidney beans, as well as beans imported from China and Argentina. Product is sent to the port of Gdansk.

Considering the high prices of Chinese dark red kidney beans, Mr. Nosarzewski would like to receive FOB and CIF quotes from US suppliers for both old crop and new crop. He is keen to start trade with US companies and hopes to build a close buying relationship this year.
The Dawtona sales brochure and range of canned white and red beans.
The Florpak company is engaged in three different activities: plants and flowers (roses in particular), garden centers/garden equipment, and dry packaged legumes. Florpak raises approximately 1 million roses per year, many of which are exported to Denmark, Sweden, France and Germany.

With regard to dry legumes, the Florpak brand is found throughout the retail food outlets in Poland (e.g. Carrefour, Auchan, Real, Leclerc, Bomi and Alma).

The company offers a wide range of pulse products:

- dark red kidney beans
- alubia white beans
- large white beans
- eston lentils
- laird lentils
- garbanzo beans
- split yellow peas
- split red lentils
- pulse mixes for soups
Because the Florpak range is extensive, but its total volume is small, the company depends on third-party importers and brokers to source and deliver product. This way Florpak can remain flexible and meet the ever-changing demands and last-minute purchase orders of retail chains. Florpak buys pulses through such intermediaries as Casi Beans (Belgium), Poortman (Netherlands) and GE-CA Legumi (Italy).

As well as buying for its own Florpak brand, the company purchases product for Polish canners such as H.J. Heinz Poland (Pudliszki) and D’aucy Polska.

Florpak purchases pulse products in October, following the Polish and Chinese harvests, in order to see how prices compare. The company prefers to use Polish product, but prices for domestic dry beans have risen in recent years.

Florpak would like to be kept informed regarding US prices, in particular for dark red kidney beans and garbanzo beans (9-10 mm) and would like to receive a sample of Richlea lentils.
Report Summary

Hungary and Poland are similar yet distinct markets. They both joined the European Union in 2004 and both have a tradition of dry bean consumption.

The Hungarian consumer prefers cranberry-type speckled beans, but is willing to try pinto beans. Hungarians are also familiar with Great Northern-type beans, navy beans and dark red kidney beans.

Although Poland was once a large-white-bean only market, the Polish consumer now also enjoys canned dark red kidney beans and white beans in tomato sauce. However, large white beans remain the most familiar product in Poland and the Polish trade is interested in receiving information from US exporters regarding large lima beans.

Bonduelle, the French/international canning and frozen vegetable group, has invested in both countries. Bonduelle Group has an annual turnover of more than $2 billion. The Group employs some 9,500 people and is present in 18 countries, with 47 production sites. Always expanding, Bonduelle is now active in North America, where it markets product under the Arctic Gardens brand.

Other international canners are also present. D’aucy Cecab has canning operations in both Hungary and Poland, while H.J. Heinz operates the Pudliszki site in Poland.

Both Hungary and Poland have long relied on Chinese dry beans to meet domestic need. As Chinese prices rise, the picture is beginning to change. Established traders who have not been in contact with US suppliers in many years are now interested in knowing more about the American market. Every company interviewed during this Trade Visit expressed an interest in being kept informed about the US crop and US prices as we enter the fall of 2012.

A shift towards US product and away from Chinese product will take time and patience, and will be entirely price-driven. It remains to be seen how the decrease in Chinese production and the rise in Chinese prices will affect US exports to Hungary and Poland in the medium to long term, but both markets are worth watching and developing for US exports.