

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Croatia

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Consumer Oriented Agricultural Products

Report Categories:

Market Development Reports

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Report Highlights:

Demand for medium to high quality consumer foods will continue to rise along with Croatia's standard of living and the volume of US products currently being transshipped from EU ports is likely to increase with the removal of the Croatian duty rates on commerce coming from other Member States.

General Information:

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Miscellaneous Consumer Foods

Croatia's total imports in miscellaneous consumer foods vary around \$1.5 billion. In the last few years, flourishing tourism on the Dalmatian coast and rebounding consumer demand in urban areas have fueled a growing demand for consumer foods. Retail distribution channels have also multiplied with a growth spurt in the number of supermarket outlets. However, a slight softening in consumer demand for high value foods has also been noticed as a result of the global economic crisis. Trade statistics on American exports to Croatia in this category are severely understated due to transshipment via the EU.

Croatia Import Statistics			
Commodity: Consumer Oriented Agric. Total, Group 32 (2012)			
Calendar Year: 2010 - 2012			
Partner Country	United States Dollars		
	2010	2011	2012
World	1,373,629,255	1,562,390,011	1,504,869,414
Germany	229,426,814	272,991,688	267,920,749
Italy	195,287,916	212,522,634	206,489,134
Netherlands	111,235,808	129,730,857	124,801,429
Poland	75,010,971	96,195,020	92,862,980
Bosnia & Herzegovina	85,473,240	99,824,762	89,673,422
Hungary	67,299,902	82,698,525	83,682,793
Austria	78,346,245	87,232,775	78,856,836
Slovenia	52,509,418	65,129,551	67,049,296
Spain	44,174,658	61,698,199	63,561,773
Macedonia	37,272,357	37,697,770	37,587,005
Serbia	29,852,993	32,568,832	35,710,969
Ecuador	34,119,840	35,924,869	34,535,671
Brazil	31,397,482	31,660,225	33,448,642
Belgium	27,207,954	33,849,876	29,476,819
France	28,622,255	33,628,029	27,174,764
Czech Republic	21,072,792	22,576,971	21,790,081
United States	22,402,226	22,629,251	21,410,488
The rest	202,916,384	203,830,177	188,836,563

Source of Data: Croatian Bureau of Statistics from GTA

Interesting Sub-Sector Prospects that are not constricted with SPS/TBT issues:

World imports of fresh fruit and vegetables together with processed fruits and vegetables totaled \$322 million in 2012. However, US processed fruit and vegetable exports to Croatia were valued at only \$2.3 million. This is a good sector because Croatia is not self sufficient in fruit production and will always import exotic fruits. Moreover, this is a sector more or less free from issues related to technical barriers to trade.

Another interesting sector is tree nuts. Croatia imported 2,962 metric tons (MT) of tree nuts in 2012, valued at \$19 million. Over \$6.5 million, mostly almonds, came from the United States. Croatia's almond production is only able to satisfy about half of its domestic demand, so there remains good market potential for U.S. almond producers and exporters.

Another potential area of interest is for pork meat. Pork is an important staple in Croatia, a country that is not self sufficient in pork. Croatian pork producers are losing their competitiveness to imported pork due to high feed and fuel prices. Moreover, Croatia is a large pork importer that in 2012 imported \$161 million in pork, mostly from the EU (Germany, Netherlands, Spain, Austria, Italy, Hungary and Denmark). Currently, the U.S. is only a minor supplier to the Croatian market which used to be constrained by trichina testing, but with the adoption of EU standards is no longer a problem.

While Croatia does not have a domestic pet food manufacturing industry, it has seen a growth in imports. In 2012, imports of dog and cat food were valued at over \$48 million. Although direct exports from the United States currently only account for a small portion of the pet food market, this sector is expected to grow along with Croatia's GDP and standard of living. U.S. exporters are advised to keep a keen eye on Croatia's economic growth and the niche market for premium pet foods.

Croatia's accession which is expected to provide an economic impetus for imports of higher value products should also benefit U.S. wine exporters. In 2012, Croatia imported over \$ 19 million in wine. U.S. wine exporters should focus their market entry efforts on Zagreb, the nation's capital, where niches exist for medium and higher quality wines.

Some other interesting sectors that are not burdened with SPS or TBT issues are as follows:

Although Croatia is a net-exporter of fish and seafood products, it imports a significant quantity as well. Annually, Croatia imports over \$100 million in fish and seafood. In

2012, Croatia imported fish mostly from Spain, the Falkland Islands, Norway, Italy, Argentina, U.K. and Sweden. Promising areas for U.S. exporters include fish feed for tuna production, fish for the local fish processing industry, sardines, and mackerel. While the small blue fish is the most consumed fish on the national market, consumer demand and changing nutritional habits are prompting an interest other products such as salted fish production (i.e. anchovies), frozen fish, smoked fish (i.e. smoked sea bass, eel, and freshwater fish), fish pâté, and marinated fish.

Finally, Croatia is a net importer of pulses. In 2012, Croatia's pulse imports reached \$9.9 million, mostly from China and Canada. Regardless of the global economic crisis, imports of pulses remain stable (inelastic). For the past three years, the import value of pulses ranged from \$7.2-9.9 million. The most interesting sub-sector of the Croatian pulse market is dried beans. The following products are of particular interest: cranberry beans (which could be substituted by pinto beans, if the price were competitive), dark red kidney beans, and white beans.