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## Poland

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### Direct vs. Indirect Imports of U.S. Agricultural Products to Poland

**Report Categories:**

Trade Policy Monitoring

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**Report Highlights:**

Exports of U.S. food and agricultural products to Poland continue to be significantly undervalued. This undervaluation is evident through comparison of direct and indirect trade data, which show that in 2015, U.S. \$146 million worth of U.S. food and agricultural products entered Poland indirectly through other European points of entry. The data reveals for U.S. firms that market growth opportunities may lay in more earnest attention in Poland and other new member states as Western European markets mature. U.S. food and agricultural exporters and investors, equally, must factor in indirect trade to Poland to properly evaluate its true market potential.

**General Information:**

Polish imports of U.S. food and agricultural products in 2015 represented a much larger value than the direct trade data source Eurostat indicate, due to indirect trade. Indirect trade occurs for various reasons. Bulk shipments for example, make products cheaper to transport, but may exceed the consumption capability of a single market; this is especially true for high value commodities. When a bulk shipment is divided and redistributed across several markets, indirect trade occurs, leading to a distorted valuation of a market if only direct trade data is consulted.

In comparing Eurostat (direct) and Intrastat (indirect plus direct) trade data for 2015, it is evident that the Polish market is undervalued by U.S. \$146 million, as 45 percent of total Polish imports of U.S. food and agricultural products arrived through an intermediary country. In 2015 the total value of direct and indirect imports of agricultural, forestry and wood products was 4 percent higher in comparison to the same period of 2014. However, direct imports from the U.S. increased in 2015 by 6 percent compared to 2014, which indicates that the gap between the direct and indirect imports narrows but in a slow pace.

**Direct vs. indirect imports of U.S. agricultural, fishery  
and forestry products (Jan-Dec 2015)  
(U.S. \$000)**

<b>HS Code</b>	<b>Description</b>	<b>Eurostat* (direct)</b>	<b>Intrastat** (direct+indirect)</b>	<b>Difference (indirect)</b>	<b>Share of indirect in total (%)</b>
	All Agricultural, Fishery and Forestry Products BICO+WTO	174,618	320,205	145,587	45
2401.20	Tobacco	22,596	41,357	18,761	45
2204.21	Wine, Grape	5,737	28,480	22,743	80
2106.90	Food Preparations	18,792	29,057	10,265	35
0802.12	Almonds, Shelled	8,164	21,227	13,063	61
2208.30	Whiskies	20,368	26,773	6,405	24
3302.10	Mix Odoriferous Subs.	24,276	31,151	6,875	22
4301.10	Mink fur skins, raw, whole	915	7,558	6,643	88
2106.10	Protein concentrates	3,171	6,106	2,935	48
0813.20	Prunes dried	4,204	6,168	1,964	32
4407.91	Oak wood, sawn, sliced	1,207	3,175	1,968	62
2008.93	Cranberries	8,557	11,811	3,254	27
0304.75	Alaska Pollock	20,804	23,434	2,630	11

\***Eurostat** - EU-28 import statistics based on country of export dispatch data. Direct trade only.  
(Source: Global Trade Atlas-GTA)

\*\***Intrastat** – EU-28 import statistics based on country of origin customs data. Combined direct and indirect trade. (Source: Global Trade Atlas-GTA/Customs, Polish Statistical Office-GUS).

In 2015 Eurostat data undervalued U.S. wine exports to Poland by U.S. \$22.7 million, when compared to Intrastat data. In 2014 an estimated 70 percent of U.S. wine imported by Poland arrived through Germany, explaining the significant difference between Eurostat and Intrastat data.

In 2015 the value of almonds imported directly from the U.S. amounted to 61 percent of the value of total imports from the U.S. In 2015 the largest individual share of nuts was directly exported to Poland from the U.S., and indirectly through Spanish, Dutch, and German intermediaries.

Whole Sockeye Salmon and filleted Alaskan Pollack account for nearly 80 percent of U.S. exports of frozen fish to the Polish market. In 2015 the Eurostat values for U.S. exports of Alaska Pollock indicated 11 percent of actual exports registered in indirect trade values.

Data for imports of U.S. cranberries in 2015 show that indirect trade via middlemen in Western Europe accounted for 27 percent of total imports.

Trade data for 2015 show a severe undervaluation of Poland as an export market for U.S. food and agricultural products when only direct trade is considered. In 2015 the Polish export market was valued at U.S. \$320 million when indirect trade was included. This is a U.S. \$146 million increase over the value reported with only direct trade. U.S. food and agricultural product exporters should consult both direct and indirect trade data to best understand the dynamics and potential for their products in the Polish marketplace. Please note that according to BICO report in 2015 the value of U.S. exports of agricultural products to Poland amounted to U.S. \$234 million compared to U.S. \$220 million in 2014.

For the first two months of 2016 the value of direct imports from the U.S. amounted to U.S. \$33 million (20 percent lower than in the same period of 2015 due to reduced imports of soybean meal), while the value of combined indirect and direct imports amounted to U.S. \$63 million (10 percent decrease compared to Jan-Feb 2014).

End of the Report