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Report Highlights:

This report gives an overview of the situation for genetically engineered products with regard to regulation, policy, and the marketing environment in Sweden. For information on the EU level, please be referred to the USEU Agricultural Biotechnology Report, E35091.

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SECTION I. EXECUTIVE SUMMARY

As a member of the European Union (EU), Sweden fully applies EU regulations regarding approvals, traceability and labeling of genetically engineered (GE) products.

In 1998, the breakdown of the EU's approval process for GE products blocked US exports of several agricultural products to Sweden. Since then, the U.S. has lost its share of the Swedish market for soybean oilcake/meal. In 2004, Sweden's imports of soymeal were valued at US\$ 67 million. Over the past five years, these imports were valued at a total of US\$ 368 million.

Sweden continues to import conventional sweet corn from the United States for human consumption. However, U.S. feed corn has been locked out of the market. The value of the opportunity lost in supplying to Sweden a wide range of U.S. processed products containing GE ingredients is impossible to quantify. The farm sector is unwilling to source U.S. soy and feed corn products as animal feed, afraid that they will be unable to find buyers for their meat and dairy products. That said, the feed industry has stated that they may have to abolish their GMO-free policy in the near future as supplies of GM-free feed, particularly from Brazil, become increasingly limited.

The food processing and retail sectors remain concerned over the possibility of negative consumer reaction and the ever-present threat of disruptions from anti-biotech demonstrators. Nevertheless, Kenth beer, a Swedish lager brewed with Bt10 corn grown in Germany, remains available on the market.

This report provides an overview of the situation for genetically engineered products with regard to regulation, policy, and the marketing environment in Sweden. For information on the general EU situation, please refer to the USEU Agricultural Biotechnology Report, E35091.

SECTION II. BIOTECHNOLOGY TRADE AND PRODUCTION

There is no commercial production of biotech crops in Sweden. Several seed companies in Sweden have, however, developed their own GE varieties, including herbicide tolerant rapeseed, herbicide tolerant sugar beet and starch potatoes.

Sweden does not import biotech products or crops. The food processing and retail sectors remain concerned about the possibility of negative consumer reaction and anti-biotech demonstrations.

The Swedish feed industry has recently stated that it will need to abolish its GMO-free policy in the near future as the cost of procuring GM-free feed will eventually become too high, given that supplies of GM-free product, mainly from Brazil, are becoming increasingly limited.

SECTION III. BIOTECHNOLOGY POLICY

Regulatory Framework

As an EU member, Sweden applies EU regulations to biotechnology. For information on EU regulations, please refer to the USEU Agricultural Biotechnology Report, E35091.

Responsibility for the monitoring and enforcement of laws and regulations on biotech in Sweden is divided between the Ministry of Agriculture, Food and Fisheries and the Ministry of the Environment. The Swedish Board of Agriculture is the authority responsible for regulating the contained use, deliberate release and placing on the market of biotech feed and seed. The National Food Administration is the authority responsible for regulating the placement of biotech foods on the market. The Swedish Gene Technology Advisory Board monitors developments in the field of gene technology, including ethical considerations, and provides advice on its use. The National Environmental Protection Agency plays an advisory role, providing input to other authorities on issues including deliberate release and market placement. The Agency also provides advice on the formulation of regulations for activities related to genetic engineering.

The Government of Sweden is positive but cautious towards GE food, feed and crops. At the EU level, Sweden often plays a mediator role in helping Member States come to consensus on GE legislation and approvals. Sweden has voted positively on all applications since the restart of the approval process in 2004. The major issues concerning agricultural biotechnology in Sweden today are related to the environment. The general view within the scientific community is that the health issue is no longer of major concern.

Approved Biotech Crops

Please refer to the USEU Agricultural Biotechnology Report, E35091.

Field Testing of Biotech Crops

Sweden allows field tests of biotech crops. Since 1989, the Swedish government has approved the following 112 applications for field tests of biotech crops: potatoes (42), rapeseed (41), sugar beets (21), thale cress (4), apple rootstock (2), hybrid aspen (1), and flax (1). Currently, there are 14 ongoing field trials in Sweden, including roundup resistant rapeseed and starch potatoes for industrial use.

Co-existence

In order to avoid the unintended presence of GMOs in conventional and organic products, the European Commission has published guidelines on co-existence for different types of farming. EU member states shall, based on the Commission's guidelines, develop national strategies and best practices for co-existence. The Swedish government is currently working on its national strategy.

Labeling

Please refer to the USEU Agricultural Biotechnology Report, E35091.

Biosafety Protocol

Please refer to the USEU Agricultural Biotechnology Report, E35091.

Biotech-related Trade Barriers

Please refer to the USEU Agricultural Biotechnology Report, E35091.

SECTION IV. MARKETING ISSUES

Generally speaking, Swedish importers regard the United States as a reliable trading partner with high safety and control standards. However, since U.S. field crops such as corn and soy are now mostly genetically engineered, U.S. sourcing has been disrupted. U.S. feed corn imports are particularly problematic as many GE corn varieties approved in the United States have not yet been approved and/or risk assessed by the EU.

Swedish customers are hesitant to accept GE ingredients in food. Consequently, the Swedish food industry will only utilize ingredients from conventional corn and soybean crops as retailers refuse to place processed products containing GMOs on grocery shelves. That said, Kenth beer, a Swedish lager brewed with Bt10 corn grown in Germany, remains available on the market.

Sweden is at a crossroads today and provides an interesting environment for a possible breakthrough in the GE debate within the EU based on the follow:

- Sweden has a high reputation for food quality and food safety.
- Swedes have confidence in their regulatory systems and respect the opinions of their scientists.
- The population is generally well informed and is science-oriented.
- The Swedish government is positive towards GE when risks have adequately been assessed. It bases approval decisions on science.
- The Swedish market adopts U.S. food trends.
- Sweden would like to keep its agriculture and food processing industry competitive without dependence on trade barriers or subsidies.
- Food trends adopted in Sweden are quickly transferred to other countries in the region.

According to consumer surveys, it is likely that the majority of Swedish consumers would not be averse to purchasing GE foods. This is based on the acceptance of Kenth beer and the introduction of traceability and labelling requirement to appease the Swedish consumer's demand to be informed.

However, until there is a breakthrough at the retail level, including a willingness to weather the rather predictable Greenpeace demonstrations, Swedish food processors will likely be unwilling to incorporate GE ingredients and Swedish farmers will be reluctant to utilize GE feeds or plant GE food and feed crops.

SECTION V. CAPACITY BUILDING AND OUTREACH

Biotech Outreach Activities

In 2004, post organized two major agricultural biotechnology outreach activities. In September 2004, post organized a media training workshop for Swedish scientists in the field of agricultural biotechnology. Feedback from all of the participants was very positive and the event generated increased interest among the participants to be more active in the Swedish media debate on agricultural biotechnology.

In November and December of 2004, Dr. Eliot M. Herman of USDA/ARS participated in a regional Embassy Science Fellows Program in Sweden, Finland, Estonia and Latvia. The program was coordinated by the American Embassy in Stockholm and developed in cooperation with the American Embassies in Helsinki, Tallinn and Riga. The goal of the four-week program was to develop communications and linkages with scientists, educators, policy makers, regulators and the general public concerned with biotechnology in Sweden, Finland, Estonia and Latvia.

Related Reports from FAS Stockholm 2004-2005

Report Number	Title	Date Released
SW5005	Science Fellow Program Helps Improve Attitudes towards Biotechnology	05/31/05
SW4018	Media Training for Swedish Agricultural Biotechnology Scientists	12/08/04
SW4013	The Situation for Agricultural Biotechnology in Sweden	9/10/04
SW4005	Sweden Approves First Genetically Engineered Product for Commercial Planting	4/14/04
SW4002	The First Test of Consumer Choice: Biotech Beer Launched in Sweden	2/26/04