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Portugal

Biotechnology—Coexistence Update

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Report Highlights:

The Government of Portugal promulgated a co-existence decree (Decree) on September 26, 2005. The Decree is not especially biotechnology friendly and will have a chilling effect on farmers as they make the biotechnology decision, but ultimately its use will likely continue and expand here in Portugal. (LR4SH2).

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Madrid [SP1]
[PO]

The Decree

The Decree, 160/2005, was published in the Official Journal 182, I Series-A, dated September 21, the terms of which have not been altered from those we previously reported in PO5007 and PO5017. As we noted, some of the Decree requirements will create problems for farmers wishing to grow biotechnology corn, because of the 300-meter buffer zone requirements. This is a particular problem for the north of Portugal where farms are small, making it more difficult for producers, unless they come together to form biotechnology areas that could then reduce the buffer-zone burdens. On the larger farms in the south, the Decree requirements will be less daunting.

Current Stat of Play

Industry sources report that farmers planted 760 hectares of biotechnology corn in 2005. This certainly can only be characterized as an "experiment," given that farmers planted just over one hundred thousand hectares of corn over all, according to the national statistics office (INE). The "experimenters" were modern, high technology farmers in the southern region, afflicted by the corn borer problem.

According to our producer sources, the "experiment" was quite successful. All corn areas have been harvested by now, and the biotechnology corn crop reportedly was of good quality. More detailed information will be available later on when farmers have notified the authorities, as required by the Decree, of their plantings and results.

Biotechnology Growth

Biotechnology corn production has some potential for future growth in Portugal. The implementation of the subsidy decoupling under Common Agriculture Policy reform will encourage farmers to use better production technologies. Producer sources report to us though, that currently, biotechnology corn is economically feasible for farmers producing at least 13 metric tons per hectare. Without this type of yield, it is more likely that farmers will switch for soft wheat production, and apply for the Agro-Environmental Measures, in addition to their de-coupled subsidy entitlements.