USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network
Template Version 2.08

Required Report - public distribution

Date: 7/12/2006

GAIN Report Number: SR6007

Serbia

Biotechnology

Agriculture Biotechnology Report Annual

2006

Approved by:
Hassan F. Ahmed
U.S. Embassy

Prepared by:
Tatjana Buric-Maslac

Report Highlights:
A new Serbian law on GMO is currently in the drafting and adoption process. The new law would expand the areas and issues covered under the existing law and simplify import procedures of approved biotech products. Monsanto has obtained the Serbian governmental approval to resume its field trials of RR corn for an additional four years. USDA continues its technical assistance program in biotechnology to Serbia, with a workshop on Bio-safety Enforcement and Compliance that is scheduled in July 2006.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Belgrade [YU1]
[SR]

Table of Contents

EXECUTIVE SUMMARY **3**
BIOTECHNOLOGY POLICY **3**
Laws and Regulations 3
Monitoring and Enforcement Authorities 4
BIOTECHNOLOGY PRODUCTION AND TRADE **4**
MARKETING **5**
CAPACITY BUILDING AND OUTREACH **6**
USDA/ICD activities in Serbia 6
Activities in 2006 6
REFERENCE MATERIAL **7**

EXECUTIVE SUMMARY

Serbia is in the process of adopting a new law on GMO that will expand the areas and issues covered under the current law. Under the proposed new GMO law, the process of importing RR soybean meal for commercial feed manufacturing in Serbia will be simplified. A permit for joint scientific research activities conducted by Monsanto with local seed institutes on transgenic corn has been renewed in May 2006 by the Serbian Ministry of Agriculture following last year's interruption of activities. USDA trade capacity building activities in the biotechnology area under ICD technical assistance programs in Serbia continue with a Bio-safety Enforcement and Compliance workshop scheduled to take place in July 2006.

BIOTECHNOLOGY POLICY

Laws and Regulations

The current Serbia law that governs Genetically Modified Organisms (GMO) was adopted in 2001 and followed by implementing regulations in five Rule Books issued in 2002 and 2003. The implementation of the law has been designed to follow the GMO regulations in the European Union (EU) in accordance with EU directives 90/220 and 90/219. These five rulebooks are:

- Rulebook on "Commercial release of 'GMOs' or products derived from same", No.1245/1 issued November 13, 2002
- Rulebook on "Contained use of genetically modified organisms", No.1244/1 issued November 13, 2002
- Rulebook on "Deliberate release of biotech products into the environment", No.1246/1 issued November 13, 2002
- Rulebook on "Regulation on the content and data of products derived from GMOs", No. 1669/1 issued December 15, 2002
- Rulebook on "Labeling of genetically modified products", No.16/18 issued February 27, 2003

The current Serbian law on GMO allows research activities and use of biotech products under the strict control of the state. There is a strict and detailed application process for obtaining GMO event or research permit. The application must provide all the necessary data on the particular biotech event or biotech crop and stipulate parameters for safety procedures and measures. All applications must be submitted to the Serbian Ministry of Agriculture for review and approval. Risk assessments are conducted by the National Biosafety Committee, which is composed of representatives of scientific research institutions in the fields of agriculture, ecological and biological science. Following the risk assessment and the scientific recommendation of the Biosafety Committee, the Ministry of Agriculture, as the administrative authority in charge, must issue a decree on the specific biotech event. Every application is evaluated on a case-by-case basis.

Recently, a committee of Serbian biotech experts has completed its work on a draft of a new GMO law. The legal department of the Agricultural Ministry is currently reviewing the draft of the new law. Following the approval by its legal department, the draft law will be submitted for a 30 day period of public comments, after which the Ministry will send the draft law to the parliament for approval procedures that are expected to take place in the fall of 2006. The new law on GMO will be expanded in its regulations and will cover more issues than the existing law. There will also be a large number of rule books (about 15 being drafted) to explain the regulations of the new law. The new rulebooks will be written in accordance with EU Regulations EC 2001/18, 1829/2003, 1830/2003, 1946/2003.

Besides the three areas of work covered by the existing GMO law (work under contained use, deliberate use of biotech crops and marketing of biotech events) the proposal of the new law will regulate trade on GMO materials. It will stipulate procedures for internal and international trade of biotech events, handling, transportation, packaging, transit, traceability, labeling and processing of GMO materials. It will set up conditions and measures for removal of potential risks from GMO, supervision of the application under the existing law and its regulations through the system of inspection service, definition of responsibilities and fees for illegal use of GMO crops. The new law will also regulate the work of the National Biosafety Committee and work of the National Laboratories responsible for analysis of biotech events.

Serbia ratified the Cartagena Protocol on Biosafety in February 2006. According to its obligations under the protocol it will create a Biosafety Clearing House in Serbia consisting of a national database that will keep record of all biotech trials, production and trade activities in the country. The main objective of this Biosafety Clearing House is to implement a traceability system for all biotech products from production to consumption.

Monitoring and Enforcement Authorities

The Serbian Ministry of Agriculture is the main administrative authority in charge of monitoring biotechnology in Serbia. The contact information at the Ministry of Agriculture is:

Mrs. Vanja Kojic,
Address: Omladinskih brigada 1/1st floor/office #75,
11070 New Belgrade
Serbia
Phone: ++ 381 11 2604 457
Fax: ++ 381 11 3131 971
E-mail: vanja.kojic@minpolj.sr.gov.yu

The Serbian Ministry of Agriculture is authorized to supervise the application of the GMO law and its subsequent regulations through a system of Republic inspectors. These field inspectors control and take samples at the border and inland for materials suspected to be of biotech origin.

BIOTECHNOLOGY PRODUCTION AND TRADE

The law on GMO approved in 2001 is still applied in Serbia and currently allows only for research and field tests of biotechnology crops. It does not allow the commercial use of biotech crops. Permits for research work, contained use and marketing of biotech materials can be obtained by meeting the state's regulatory requirements.

At the present time, the only application approved in Serbia is for commercial import of soybean meal from Roundup Ready (RR) soybeans. RR soybeans for crushing or other commercial purpose are not allowed for import. Due to high demand, Serbia continues to increase area planted with non-GMO soybeans. In spring 2006, soybeans were planted on a record high area of 166,605 HA, or 26,605 HA more than in the previous year. With an expected average yield of 2 MT/HA Serbia could produce about 330,000 MT of soybeans. Despite the significant increase in soybeans production in Serbia in the last few years, it has a constant deficit of soybean meal and needs to import up to 120,000 MT annually, mostly coming from Argentina and Brazil due to their price competitiveness over U.S. soybean meal.

According to the existing law for import of GMO soybean meal into Serbia, the importer must request an approval from the Ministry of Agriculture. Under the new law, however, this import procedure will be simplified and importers will no longer need to request an import permit but will only be obliged to notify the Ministry of Agriculture when the soybean meal shipment is imported into the country. In addition to simplifying the import procedures, importers will no longer be charged import administrative taxes. The Ministry of Agriculture will continue to be the agency to be notified by the importers.

Apart from the RR soybean meal, there are no other biotechnology crops or products that are permitted for import into Serbia. The government inspectors at border posts are instructed to carry out surveillance of possible unauthorized imports or introductions of biotech crops or products, while internal phytosanitary inspectors control what is planted on local fields. In 2005, the Ministry of Agriculture discovered about 2,000 HA (7,800 MT) of GMO soybeans planted to individual plots with soybean planting seeds that were illegally imported and sowed in farms in the Macva region (Eastern Serbia near the Bosnian-Serbian border). Under the current GMO law, these illegally planted areas of soybeans must be destroyed. However, following a number of strong protests by the farmers who planted the GMO soybeans, the Serbian Ministry of Agriculture made an exception to the regulations. Farmers were allowed to harvest and crush the transgenic crop with the conditions that the products were only used for cattle feed under strict supervision from the Ministry's inspection service.

Following last year's publicized GMO soybeans planting incident, the Serbian Government announced that it will not allow this to happen again and will not tolerate any violation of the law on GMO. The government has reiterated that it will use the inspection service to identify and destroy all fields planted with GMO crops. Actions taken by the government against illegal growing of GMO soybeans during December 2005 to March 2006 included the confiscation of about 8,400 kg of GMO soybean seeds by the plant inspection service in the Macva and Srem region. The confiscated GMO soybean seeds were destroyed with highly publicized media coverage event in April 2006. The soybean farmers in the Macva area, who realized how profitable the GMO crop over growing non-GMO conventional seeds, have asked the government to allow them to grow GMO soybeans and formed an Association for GMO soybean producers in Bogatic, Macva to defend their interest. The main goal of the Association is to lobby for changing the Serbian legislations to allow for the production and trade of biotech crops in Serbia.

Monsanto is the only foreign company involved in biotech experimental research work in Serbia. Last year, Monsanto's biotech research permit for joint field trials on Roundup Ready corn (NK603) with two local seed institutes in Novi Sad and Zemun Polje was suspended by the National Biosafety Committee. In May 2006, the Ministry of Agriculture granted Monsanto the approval to resume its RR corn field trials for another four years.

MARKETING

A negative public attitude towards acceptance of biotech crops or marketing of products derived from GMOs is strongly present in Serbia. When the Ministry of Agriculture in 2005 discovered about 2,000 HA planted with GMO soybeans, a large number of negative articles against biotech crops were published in the Serbian press. Several soybean crushing plants in Serbia have long-term contracts with EU buyers to export non-GMO soybean meal and products. The Serbian Ministry of Agriculture is supporting local crushing plants to promote Serbia as non-biotech crop producers and support the notion that Serbian producers can achieve higher profits through marketing non-biotech crops. The Serbian government generally follows EU's lead in most of the biotech issues, thus any future market for biotech

events will depend, to large extent, on EU decisions on growing and trading of transgenic crops.

CAPACITY BUILDING AND OUTREACH

USDA / ICD activities in Serbia

USDA has been assisting Serbia to develop its capacities in the research and regulations of agricultural biotechnology. Through numerous seminars, workshops and field visits, USDA/ICD has been training participants in Serbia to critically examine technical and economic aspects of biotechnology policies and pursue strategies to optimize their implementation. In addition, ICD biotech activities are assisting the Serbian scientists to design and conduct field trials of genetically modified crops (e.g., insect resistant maize, disease resistant plum) and utilize molecular genetics for food safety assessments.

With increased interest from major research institutions to establish internal biosafety bodies that would provide guidance to their biotech activities, USDA is providing further technical assistance in establishing biosafety councils at key agricultural research institutions in Serbia. This initiative to establish a biosafety council resulted from cooperative work between U.S. experts and the Serbian National Biosafety Council.

During 2005, FAS/ICD biotech activities in Serbia included two major workshops with participation of government officials working on biotechnology and the members of the National Biosafety Committee. In February 2005, a workshop on management and safety procedures for experimental work with genetically engineered crops was organized in Banja Vrujici, Serbia. The workshop included a one-day seminar on management of GMO field trials, application procedures for managing gene flow, Confinement Analysis of Critical Control Points and application of research safety guidelines. In May 2005, FAS/ICD conducted a workshop on systematic approaches to biosafety testing, risk assessment and monitoring that took place in Palic, Serbia. The workshop included training to evaluate risk assessment data through a mock risk assessment exercise, planning of subsequent monitoring, managing of confidential business information and other measures to avoid conflict-of-interest in the assessment process.

Activities in 2006

In June 2006, a group of phytosanitary inspectors and Government officials from Serbia visited the U.S. and attended training in lab, greenhouse and field inspections. The training focused on compliance and enforcement of biosafety regulations and guidelines for field-testing of transgenic crops. In July 2006, USDA will organize a Workshop on Biosafety Enforcement and Compliance in Novi Sad, Serbia, where local scientists and field inspectors will participate in training exercises on mock plots.

These USDA capacity building activities in the area of biotechnology have been instrumental in promoting biotech cooperation between the U.S. and Serbia and helped improve the understanding of the potential role of biotech in increasing productivity and growth of Serbia's agriculture sector.

REFERENCE MATERIAL

Relevant information can be found at the following web pages:

www.minpolj.sr.gov.yu (Ministry of Agriculture, Forestry and Water Management)

www.zelenamreza.org.yu ("Green Network of Vojvodina")

http://www.unep.ch/biosafety/partcountries/YUcountrypage.htm (UN Environment Program - GEF/Biosafety Projects)

The full texts of Law on GMO and relevant Rulebooks in English are available at the FAS Office Belgrade, Serbia: Phone: ++ 381 11 306 4802; Fax: ++ 381 11 3064922; E-mail: tatjana.buric@usda.gov