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Panama

Biotechnology

Biotechnology Report

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Report Highlights:

Panama signed and ratified the Cartagena Protocol in 2001 and in addition, enacted a Law in 2002 to complete the legal work to handle Genetically Modified Organisms. This law is based on the assumption that genetically modifies products are dangerous to humans, plants and animals and need to be controlled and regulated. Advocacy and education are needed in order to update the legal framework based on good science and recognition of the benefits of this modern technology.

Includes PSD Changes: No
Includes Trade Matrix: No
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Table of Contents

Section I. Executive Summary 3

Section II. Biotechnology Trade and Production..... 3

Section III. Biotechnology Policy..... 3

Section IV. Marketing Issues..... 4

Section V. Capacity Building and Outreach..... 4

Section I. Executive Summary

Panama is a net food importer and the U.S. by far, is its main supplier. During Calendar Year 2006, exports of U.S. agricultural, fish & forestry products to Panama exceeded \$215 million, with a 4% growth as compared to previous year. The most important products and their value of export for that year were:

Yellow corn for feeds	\$34 Million
Soybean meal for feeds	\$28 "
Wheat	\$23 "
Rice	\$15 "
Processed fruits and vegetables	\$15 "
Snack foods	\$13 "
Turkey meat	\$ 8 "
Fresh fruit	\$ 8 "

The future looks bright for exports of U.S. food products due to forecast extraordinary growth of the Panamanian economy, which based on the service sector, promotes higher demand for food products that local agriculture cannot supply. U.S. food products are already well positioned in consumers' preference. In addition, the Trade Promotion Agreement signed between the two countries was recently ratified by Panama with a high degree of approval at both the government and citizen levels. The treaty is awaiting consideration by the U.S. Congress. If approved, U.S. food products will have increased access to the Panamanian market at zero duties once tariffs phase onto periods have run their course.

Section II. Biotechnology Trade and Production

According to Government of Panama records, there's no trade in GMO's. So far, Panama has not analyzed imported food products in search of GMO's. There's no local production of GMO's.

Section III. Biotechnology Policy

The legal framework for GMO's is based on two Laws:

- 1- Law 72 of 26 December 2001, by which Panama approved the Cartagena Protocol agreed in Montreal on 29 January 2000.
- 2- Law 48 of August 8, 2002 that creates the Bio-Safety Commission for Genetically Modified Organisms and dictates other dispositions.

Law 72, being an international agreement, is in force but non-functional since no foreign country has notified exports of GMO's to Panama so far.

Law 48 was never implemented. Its requirement to organize a Bio-Safety commission formed by eleven members representing different government agencies and private organizations has never been complied with. In addition, it also calls for the organization of a Technical Secretariat, and a number of Sector Committees in different government entities related to the handling of GMO's, including Agriculture, Commerce, Environment, Health and Foreign Relations.

Increased trade has many local officials thinking of the need to update and modify this Law, or to replace it with a more practical regulation that can be implemented and applied in the

field. Notably, the Ministry of Agricultural Development is the authority that controls GMO's, but, this Ministry no longer supervises imports of food products. Instead, under Law Decree 11 of 2006, the Panamanian Food Safety Authority (AUPSA) is responsible for regulating imported foods and feed products. AUPSA, because it did not exist at time of Law 48's passage, does not have a role in biotechnology regulation. To date, the government has not approved nor intercepted a GMO in Panama.

Section IV. Marketing Issues

From time to time, local newspapers publish articles (that appear to come from foreign sources) advising of the alleged dangers to humans posed by foods prepared with GMO's, and also of the supposedly catastrophic impact on the environment if GMO's are produced in the country. With less regularity articles that talk about benefits and advantages of GMO's and their products also appear. So far, consumers have shown a high degree of confidence in the ability of local authorities to handle in an appropriate manner this category of food products. Many know that imported yellow corn is a GMO, and also that corn and soybean products are prepared from GMO's but so far, no public concern about this has been expressed.

There have been no market studies in Panama to assess consumer acceptance of GMO's. Research at local Universities centers upon tissue culture of some species of economic importance, for their reproduction in disease free environments. Resources have not been devoted to manipulating genes or sections of the DNA molecule as a means to produce new GMO's.

Section V. Capacity Building and Outreach

Since most agriculture professionals graduate from local universities, there's a lack of proper training in modern developments in biotechnology. This may hurt perceptions of GMO's by many, including those who tend to distrust big industries and new methods of mass production of food products. There are two private Consumers' Associations that are expressing concern about lack of protection that authorities are giving to consumers of medicines and of some imported food products, mainly from Asia. They could reject or embrace GMO's, depending on the information they'll receive in the future.

Education and Outreach present themselves as best alternatives to promote accurate information about GMO's in a market that clearly understands the benefits of trade and friendly relations with the U.S. Through the Cochran Fellowship Program, a University Professor received training in Biotechnology at Texas A & M University. Recently, a Ministry of Agriculture official specializing in environmental Issues was selected as a candidate for training in Biotechnology. FAS/Panama will bring a Biotechnology speaker to Panama in August to make a series of presentations to both government officials and food importers. Post may promote the Borlaug Fellowship Program as a means to strengthen academic capacity in biotechnology at a local university.