

Voluntary - Public

Clearance Office: All - FAS

Date: 6/10/2009

GAIN Report Number: RB9004

Serbia

Post: Belgrade

New Law on GMO is prohibiting trade or commercial growing of GMO

Report Categories:

Biotechnology

Approved By:

Hoa Huynh

Prepared By:

Tatjana Maslac

Report Highlights:

On May 29, 2009 National Parliament of the Republic of Serbia adopted new Law Genetically Modified Organisms (GMO) that fully prohibits the possibility of commercial growing of live modified organisms, or trade with live modified organism and products derived from genetically modified organisms. With the new Law on GMO, Serbian import of soybean meal (from roundup ready soybeans) for cattle feed is no longer possible.

General Information:

The Law on Genetically Modified Organisms (GMO) adopted by the Serbian Parliament on May 29th, 2009, regulates basic conditions for the use of GMO in closed systems (laboratory work, greenhouses) and deliberate release into the environment (experimentally work in the field) of genetically modified organism.

The law fully prohibits the possibility of commercial growing of GMOs, or trade with GMOs and

products derived from GMOs. This practice is considered more restrictive than EU regulations. The law does not deal with local trade, export, import or transportation of the GMOs for commercial purposes.

The previous Law on GMO that was adopted in 2001 was more liberal in the area of trade with GMOs than the new adopted law. Previous law included regulations of conditions for the contained use of GMOs, regulations for deliberate release of GMOs and their trade on the market. According to the previous Law on GMO, it was possible to import roundup ready (RR) soybeans. It was the only GMO product that was allowed for import to Serbia; probably due to the limited local production and constant deficit of soybean meal for cattle feed.

The annual import of soybean meal decreased for the last couple of years from 120,000 MT to around 50,000 MT due to reduced cattle production and increased domestic soybean meal production. Serbia was mainly importing soybean meal from Brazil and Argentina.

For MY2009/10 Serbia planted 160,000 HA of soybeans and will, given an average yield of 2.3 MT/Ha, probably produce around 360,000 MT of soybeans. Local production of soybean meal has increased for the last couple of years due to increased area planted with soybeans and expanded local crushing facilities. For MY09/10 is forecast to reach 220,000 MT. Consumption of soybean meal is estimated at around 250-270,000 MT, with possible deficit of around 30-50,000 MT that can be covered only by imports. Current market price of soybean meal at the Novi Sad Commodity Exchange is 42 dinars/kg (600 USD/MT), which is very high comparing to soybean meal price in Europe. For example at the parity FOB Hamburg, Germany, last week soybean meal was offered at 460 USD/MT.

With the new Law on GMO Serbia will no longer be able to import soybean meal from RR soybeans and local cattle feed producers will be left to buy only soybean meal from the local producers. The leading producer of soybean meal in Serbia, that is covering the majority of the market, is crushing facilities "Sojaprotein" Becej. "Sojaprotein" owned by the local company "Victoria Group", one of the leading company in agriculture production in Serbia. European Bank of Reconstruction and Development (EBRD) recently approved credit of 40 million EUR (54 million USD) for further development of its crushing capacities.