

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary  Public

**Date:** 7/12/2016

**GAIN Report Number:** RB1606

## Serbia

**Post:** Belgrade

### **CSSF Animal Genetics and Nutrition Workshop in Kraljevo and Novi Sad**

**Report Categories:**

CSSF Activity Report

**Approved By:**

Christine Sloop

**Prepared By:**

Tatjana Maslac

**Report Highlights:**

On June 8 and 9, FAS Belgrade organized using FY2016 CSSF funds two seminars on dairy livestock genetics and feed nutrition in Kraljevo (Central Serbia) and Novi Sad (Vojvodina/North Serbia), which collectively supply over 60 percent of all milk produced in Serbia. Guest experts Dr. Martin Sieber, representative of U.S. Livestock Genetics Export Inc. (USLGE) and Mr. Kirk Miller, representative of the North American Export Grain Association (NAEGA), highlighted the importance of high-quality U.S. genetics and nutrition for improving milk production. FAS Belgrade local partners were the Veterinary Institute Kraljevo and Department of Animal Science, Agriculture Faculty, University of Novi Sad. Audience included more than 100 dairy farmers, dairy industry representatives, cattle feed producers, veterinarians, extension service experts and academia.

**General Information:**

On June 8 and 9, FAS Belgrade organized using FY2016 CSSF through CSSF funds two workshops on livestock genetics and feed nutrition in order to help the local dairy industry. The workshops were held in Kraljevo and Novi Sad and were part of the USDA regional project “Raising milk production through nutrition and high quality U.S. Livestock Genetics” that also included Croatia and Bosnia & Herzegovina. Guest experts Dr. Martin Sieber, representative of U.S. Livestock Genetics Export Inc. (USLGE) and Mr. Kirk Miller, representative of the North American Export Grain Association (NAEGA), highlighted the combined importance of using superior genetics and the best farm management practices as well as adopting trade friendly science based policies to access inputs like high quality U.S. feed at global prices. A brief discussion also was held regarding U.S. food and feed safety controls and the latest National Academy of Science’s favorable conclusions about the use of biotechnology in crops. Local partners were the Veterinary Institute Kraljevo and the Department for Animal Husbandry, Agriculture Faculty, and University of Novi Sad. The audience included approximately 100 dairy farmers, dairy industry representatives, cattle feed producers, veterinarians, extension service experts and academia.

In his presentation “Advantages of U.S. Genetics and Recent Changes in Dairy Cattle Breeding Systems” Dr. Martin Sieber presented the latest developments in the U.S. dairy industry in terms of breeding programs. He explained how a large genetic base and extensive national progeny test program, well-established herd books and high selection intensity, as well as independent valuation by USDA, produce elite bulls and cows that make the U.S. a global leader. In fact, the statistics show that U.S. genetics are recognized and used around the world as “the Source” in many breeding programs. When purchasing genetics from other countries it is most likely traced back to U.S. animals. He explained the benefits farmers can expect if they buy U.S. genetics and discussed the new technologies including, use of sexed semen and genomics. Very pragmatically, he showed how farmers can save money by conducting progeny tests to identify the animals with the lower production characteristics for early removal from the production cycle and focus on the high performers. He was careful to note that genetics represent only about a third of the equation regarding yields stating farm management practices, especially good nutrition, account for the remainder of the equation needed to secure top results.

Kirk Miler, the NAEGA representative, discussed the feed angle in his presentation “U.S. Feed Safety and Quality and an Overview of Global Feed Availability and Pricing.” He noted that meat consumption is increasing and described global trends in supply and demand of wheat, coarse grains and soybeans. He explained that high feed prices in 2007-2009 prompted farmers around the world to respond with larger crops which have rebuilt the global grain inventories generally resulting in lower feedstuff costs, although the soybean stocks may be the exception this year. He underlined how U.S. soybean meal provides a “total value package” that is composed of the most valuable nutrients needed in animal diets. Various research reports have proven that U.S. soybeans and soybean meal contain more nutrients, including amino acids, phosphorus and energy, than soybean meals of other origins. He pointed out that feed manufacturers and farmers should look at the “total value package” of their commodity inputs rather than just the lowest price, especially when they are already paying for transport. He noted that in addition to feed quality, price is affected by perceived risk. Unfriendly regulatory policies on genetically engineered (GE) crops increase the perceived risk and can reduce the access to affordable

feed. He outlined all the U.S. authorities involved in assuring a safe feed supply and stressed that the U.S. and the EU sometimes make different regulatory decisions, but both are based on scientific assessments and provide the same assurances. Collaboration in venues like CODEX can help bridge these differences.

According to official statistics, Serbia has approximately 300,000 dairy cows and annually produces 1.5 billion liters of milk. Average milk production per cow in Serbia is approximately 5,000 liters, which is very low compared to the average in the United States (10,179 liters) and lower compared to the European Union (6,768 liters). The total number of dairy farms in Serbia is approximately 160,000 of which majority has between five and ten cows. Majority of dairy breeds in Serbia are Simmental (75%) and Holstein (25%). Almost 100% reproduction of dairy cattle is done by artificial insemination (AI). Agriculture and the dairy sector are very important to the Serbian economy, food security, but also as a source of employment. According to Serbia's agricultural officials and dairy experts, the main factors limiting Serbia's dairy production are small farms, poor genetics and the absence of a breeding/selection improvement program.

### **Activity Objectives and Impact**

The objective of the activities was to raise awareness about high-quality U.S. genetics and feed among Serbian veterinarians and dairy farmers. Post targeted institutes, veterinarians, feed producers, dairy processors, extension service experts, academia, farmers and government officials to facilitate/initiate discussions on the importance of using quality feed and improving the genetic potential of Serbia's dairy herd. Post hopes these workshops will help focus the attention of Serbia's agriculture officials on the need to implement some of the already existing strategies and to more efficiently deploy their resources to achieve this goal. In the long term, Post hopes to report increased sales of U.S. semen and feed in Serbia. The presentations focused on how good nutrition can boost milk production and how US feed is safe and high quality, but access to this feed requires science-based trade-friendly policies.

Since Serbia is not approving trade, transit or commercial growing of GE crops, Serbian farmers are paying the highest price for soybean meal in Europe. Until 2009, when the restrictive law was adopted, Serbia imported 70-100,000 MT annually of GMO soybean meal. The law effectively shut down a U.S. export market (valued at \$55-75 million annually) and has proven problematic because not only is it more restrictive than EU requirements, but it is also non-compliant with WTO rules, since it does not provide for a scientific risk-based review of biotech products for food or feed use or cultivation.

Through this program speakers and FAS officials also talked to representatives of the Serbian Chamber of Commerce and Serbian Association of Feed Producers who said that Serbian farmers have been suffering for many years by paying the highest price for locally produced non-GM soybean meal. Unlike several EU countries, they are unable to import cheap GM soybean meal. This has reduced the number of cattle in Serbia for the past 7 years by almost 10 percent annually. We hope that representatives of the Serbian Chamber of Commerce and different farmers associations will continue to push the Serbian Government to change current regulations and to accept GE-friendly policies. Most of the feed and dairy experts that were talking to the U.S. speakers in Serbia pointed out that they would very want the government to introduce a system for securing the approval of commercially grown and traded GE crops.

## **Recommendation for Follow-up**

Post would like to continue doing outreach activities in the livestock sector in the coming years, and believes that the very successful Dairy and Beef Genetics Cochran Program held in 2015 in the U.S. and proposed follow-up with Beef Genetics Cochran Program in FY2017 will result in Serbian scientists and agricultural officials being better informed about the advantages of the U.S. genetics, including the availability of more quality and cheaper feed. In order to be able to import and use cheaper and higher quality feed in Serbia they must their restrictive GMO Law that is prohibiting the import of GM soybean meal which is regularly imported and used as feed in the EU. In 2015, Serbia imported over 35,000 MT of different types of meat from the EU (fed with GM soybean meal), valued at over US \$180 million and over 12,4000 MT of milk valued at US \$17.5 produced using GM soybean meal for feed. Imports came mostly from CEFTA and EU countries that are all using GM soybean meal for feed.

Serbia needs to change their very restrictive GMO Law, not only to fulfil one of the conditions to become a WTO member, but also to support local farmers and to make them more competitive in the EU, CEFTA and the world market by using cheaper GM soybean meal for feed.

In 2009, FAS Belgrade assisted APHIS in negotiations with the Serbian Veterinary Directorate of export certificates for U.S. bulls' semen and embryos in order to facilitate market access for these products.

## **Media Coverage**

The event in Kraljevo was covered by the local Kraljevo Radio-Television ([www.katv.rs](http://www.katv.rs)). The news was picked up and published by a number of web portals.

In Novi Sad, the media coverage was done by two specialized agriculture monthly magazines AgroBiznis ([www.AgroBiznis.biz](http://www.AgroBiznis.biz)) and Poljoprivrednik ([www.poljoprivrednik.net](http://www.poljoprivrednik.net)). Both magazines had interviews with the U.S. speakers which will be published in July 2016. Also the event was announced by the University of Novi Sad on the web link <http://stocarstvo.edu.rs/strucni-skup-povecanje-proizvodnje-mleka-kroz-adekvatnu-ishranu-i-koriscenja-visoko-kvalitetne-genetike>.

## **Financial report**

This was a regional project that included FAS Croatia and Bosnia and Herzegovina, but the costs and administrative work was performed by FAS Belgrade. The total amount approved for the Serbian part of the CSSF program was US\$15,000. The Veterinary Institute in Kraljevo and Department of Animal Science, Agriculture Faculty, University of Novi Sad provided free conference rooms, as well as beverages for the breaks after the events.

## **Events Photos**



*Opening remarks by Miso Kolarevic, Director of the Veterinary Institute Kraljevo*



*Opening remarks by Christine Sloop, Regional Agriculture Counselor, at the Veterinary Institute Kraljevo*



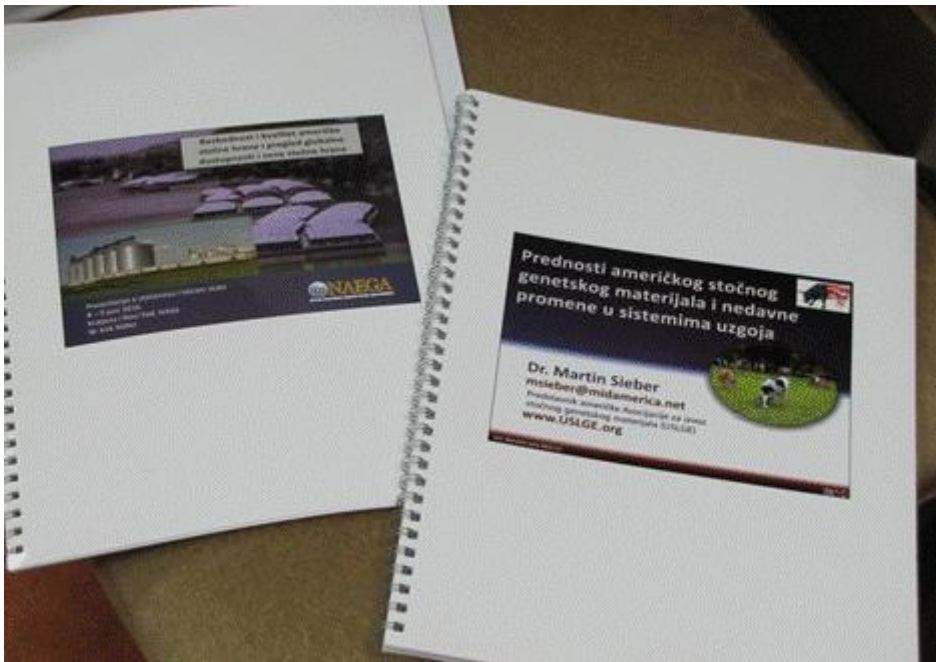
*Opening remarks by Branko Cupina, Vice Dean for International Cooperation  
Agriculture Faculty Novi Sad*



*Dr. Martin Sieber/USLGE presentation at the Agriculture Faculty Novi Sad*



*Mr. Kirk Miller/NAEGA presentation at the Agriculture Faculty Novi Sad*



*Hand-outs of the presentations of Dr. Sieber/USLGE and Mr. Miller/NAEGA*

