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Serbia

Food and Agricultural Import Regulations and Standards - Narrative

FAIRS Country Report

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Report Highlights:

This report provides information on Serbian regulations and standards concerning food, agriculture, agricultural products and foreign trade. It includes updates on the new Serbian agriculture and food legislations adopted during 2010 in the areas of forests, waters, beer, registration on crop varieties, organic production, veterinary legislation and agriculture extension and expert service. The report also updates contact information of relevant government agencies.

Section I. Food Laws:

AUTHOR DISCLAIMER:

This report was prepared by the Office of Agricultural Affairs of the USDA/Foreign Agricultural Service in Belgrade, Serbia for U.S. exporters of food and agricultural products. While every possible care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

Food Laws

During 2010, Serbian Parliament adopted new legislations in the areas of forests, waters, beer, registration on crop varieties, organic production, veterinary area and agriculture extension and expert service. Those seven laws were adopted in May 2010 and were published in the "Official Gazette 30/10 on May 5th, 2010. It includes: Law on Forests, Law on Waters, Law on Beer, Law on Registration on Crop Varieties, Law on Organic Production, Law on the Amendments to the Veterinary Law and Law on Agriculture Extension and Expert Service. All those laws were proposed to the Parliament by the Serbian Ministry of Agriculture, Forestry and Water Management. After May 2009, when Serbian Parliament adopted fifteen agriculture related laws, this is the second largest legislative activity in agriculture for the last ten years. In addition to further improvement of overall environment for agriculture production, this set of new laws will ensure Serbian compliance to international agriculture rules and will further harmonize Serbian agriculture legislative with the EU laws. They will also improve overall conditions for potential foreign or domestic investments in the agriculture sector in Serbia that represents the most prospective part of the Serbian economy.

The new Law on Forests ("Official Gazette RS" 30/10) will regulate use of forests and forestry land, obligations and constrains of owners and users of forests. Law will also define system of forest protection, managing of forests and obligatory registration of all forests. According to the new law Serbia will set up a forest fund that will be financed from fees from the use of forests and forest land, but also from other sources.

The new Law on Waters ("Official Gazette RS" 30/10) will regulate the legal system of Serbia's waterways and water resources, including mineral and thermal springs. Under this law, Water Management is financed from the state and provincial budgets as well as from concessions and other fee income. The fees, which will be set by the government and will take effect in 2011, include charges to legal entities for water use, release, pollution, and drainage, the use of water supply facilities and systems and sewer water. It also introduces fees that will be used for incentives to build irrigation systems. The law stipulates that companies must pay 0.025 percent of their revenues into an irrigation fund, while agriculture producers are expected to pay a total some EUR 20 million annually into the fund.

According to the new Law on Beer ("Official Gazette RS" 30/10), Serbia will for the first time have

legal framework for regulation beer production and sales, and will seek to make beer industry more competitive on export markets. The law allows only registered breweries to produce beer. Serbian Ministry of Agriculture, Water Management and Forestry will keep a register of breweries, which will be public and will contain data on annual production, consumption of raw materials and production of final products. After successful privatization process of several breweries in Serbia purchases mainly by foreign companies Serbia became a leading beer producer in this part of Europe. It has ten large breweries that increased their production from 500 million liters in 2002 to 650 million liters in 2008. Beer accounts for 20 percent of annual drinks consumption in Serbia.

The new Law on Registration of Crop Varieties (“Official Gazette RS” 30/10) regulates the registration of newly-created varieties of grains, vegetables, fruits, and vine and shortens registration time for varieties of crops and vegetables from 15 to 10 years, seeking to encourage the use of new varieties that would boost the competitiveness of domestic agriculture products. This law also defines a conditions for registration of crop varieties, procedure of crop registration, work of Central Register kept in the Ministry of Agriculture and conditions of maintaining crop varieties.

The newly adopted Law on Organic Production (“Official Gazette RS” 30/10) changed the previously existed Law on Organic Production adopted in 2006. Law will further harmonize Serbian legislation with EU ordinance on organic production and labeling. Law is defining production, processing, labeling, storing, transportation, domestic trade and export and import of organic products (vegetable and animal products). Law regulates production of organic agriculture products, systems and methods of organic farming, as well a system of controlling and certifying the whole chain of organic production.

With new changes and amendments to the Veterinary Law (“Official Gazette RS” 30/10) Serbia is getting closer to the EU standards and will improve conditions for exports of animals and animal products to the EU. Amended law is defining new conditions for establishing Centers for storing and distribution of semen for artificial insemination, defining responsibilities of National Reference Laboratory, system of alert in the case of contagious diseases and defining the measures that will be undertaken, system of identification and registration of animals and as well as other changes and harmonization with EU rules. The Veterinary Law (“Official Gazette” 91/05) from 2005 is still effective in Serbia. This law defines the protection and enhancement of animal health and welfare. It identifies animal diseases that are subject to the measures aimed at their prevention, detection, containment and eradication. The law deals with diseases transmittable to humans, the veterinary sanitary control and the requirements for production and circulation of animals and their products, edible animal products and animal feed, and the requirements for engagement in the practice of veterinary medicine. Following the adoption of this law, in 2009 and 2010 Amendments to Law were adopted as well as number of related rulebooks were re-written to reflect changes with adopted amendments.

The new Law on Agriculture Extension and Expert Service (“Official Gazette RS” 30/10) is improving regulated advisory system aimed at informing farmers about modern standards of products quality, farm management, and environmental protection. Law is defining activities of extension and advisory exports in the area of agriculture with defining exact type of work that those experts can provide to the Serbian farmers. Law is also regulating the system of issuing licenses to the extension experts. Licenses will be issued and registered in the Central Register Office located in the Ministry of Agriculture. According to this law Serbia will form the Expert Committee for extension and advisory work and will define

trainings must be completed by the extension experts, as well the system of funding through Serbian and Vojodina budget.

During 2009 Serbia adopted fifteen very important agriculture and food laws that were published in the "Official Gazette RS" No. 41/09 dated on June 2nd, 2009. It included: Law on Food Safety, Law on Public Warehouses for Agriculture Products, Law on Plant Health, Law on Agriculture and Rural Development, Law on Livestock, Law on Pesticides, Law on Fertilizers, Law on Brandy, Law on Animal Welfare, Law on Ethanol, Law on Wine, Law on Reproductive Material of Forest Trees, Law on Genetically Modified Organisms, Law Amendments to the Law on Agriculture Land and Law on Protection of Plant Breeder's Rights/UPOV.

Law on Food Safety ("Official Gazette RS" No.41/09) adopted in 2009 represents one of the main agricultural laws in Serbia. It governs all aspects of production, circulation, control and consumption of food, general conditions for ensuring safety of food and feed, rights and responsibilities of persons performing food and feed businesses, early warning system, hygiene and quality of food and feed. The purpose of the Law is to ensure high level of protection of life and health of consumers, and interests of consumers while ensuring efficient functioning of food trade. The adoption of the Law was necessary for the purpose of harmonization with EU regulations, in particular Directive 178/2002/EC, and compliance with the Agreement on Application of Sanitary and Phytosanitary Measures of the WTO.

The main new concepts introduced by the law encompass: implementation of the traceability of food; registration of all businesses dealing with food in one unified Central Register; full division of competences between the Ministry of Agriculture and the Ministry of Health that will enable that both quality and safety of food are controlled on the same food sample, and that one facility is controlled by one inspection; performance of controls in accordance with the risk assessment; establishment of the national reference laboratories; introduction of internal controls in accordance with the good manufacturing practice, good hygiene practice or HACCP depending on the type of food businesses. The law regulates the competency of the Ministry of Agriculture as the central authority and Ministry of Health as the responsible for public health and work of the laboratories. With this law, management and organization of official controls are in place and there should not be any overlapping and unclear repartition of competences as it was in the past. Ministry of Agriculture through its veterinary, phytosanitary and agricultural inspection is responsible for the food safety in the primary production stage, processing and wholesome stage, imports and transit stage and in export stage. The Ministry of Agriculture issues import approvals for foods of animal origin, veterinary drugs, seeds, planting materials and pesticides. For other products, permits are not required.

The main difficulties in the implementation of the law for the past year was in the area of division of competences, in particular in the fact that the agricultural inspection may not have sufficient capacities to conduct the food safety controls of non-animal food products in production, processing, wholesale and exports, and introduction of internal controls in businesses (GMP, GHP, HACCP) since it places an extra financial burden on their operations.

Following the Food Safety Law the Ministry of Trade and Services has distinct Market Inspection units that inspect food quality in retail distribution. Agriculture inspection that is under Ministry of Agriculture inspects quality of food up to the moment that food is distributed into the retail shops. Visual checks and for products listed in the above-mentioned laws (almost everything that is considered

as food), additional safety checks are done, using laboratory testing on basic ingredients. Visual checks involve product identification (origin, type, quantity), determining if labeling and packaging requirements have been met, and checking for the necessary statements containing the importer's name and address, the product's general appearance, taste, flavor, presence of residues, color, structure, checking if the transportation requirements have been met, etc. specific ordinances define sampling procedures.

Quality control of imported products can be done after the import procedure has been completed and prior to retail distribution on the market. Inspection can be done also after the retail distribution in the store. The quality of individual groups of products is subject to specific rulebooks (e.g. Rulebook on Quality of Meat and Meat Products, "Official Gazette SCG" No. 33/04; Rulebook on Quality of Milk and Milk Products – "Official Gazette RS" No.69/10 and No.21/09, Rulebook on Quality of Honey and other Bee Products – "Official Gazette SCG" No. 45/03, Rulebook on Quality and other Requirements for Beer, "Official Gazette SCG" No.39/05, Rulebook on Quality of Animal Feed "Official Gazette RS" No.4/19, Rulebook on Quality of Raw Coffee and Coffee Products "Official Gazette SRJ" No. 35/01, Rulebook on Quality of Fish, Crabs, Shellfish, Sea Urchins, Frogs, Snails and their products "Official Gazette SRJ" No. 6/03, SCG 56/03 and SCG 4/04, Rulebook on Quality of Fruits, Vegetables and Mushrooms "Official Gazette SCG" No.12/05).

Law on Plant Health ("Official Gazette" No.41/09), governs protection and improvement of plant health, measures for protection, detection, prevention of spreading, control and eradication of harmful organisms, phytosanitary controls and requirements for production, processing, imports, storage and trade in plants, plant products, requirements for prescribed facilities, as well as conditions to perform activities in the area of protection of plant health. The Law also envisages establishment of the national reference phytosanitary laboratory, and introduces controls based on the assessment of risk. The adoption of the Law was necessary for the purpose of harmonization with EU regulations, in particular Directive 2000/29/EC, International Plant Protection Convention, and the Agreement on Application of Sanitary and Phytosanitary Measures of the WTO.

Adopted Law on GMO ("Official Gazette" No.41/09) restricted production, imports and commercial growing of GMO crops in Serbia. Law regulates only basic conditions for the use of GMO in closed systems and deliberate release into the environment. With this law, Serbian import of soybean meal from biotech Round-Up Ready soybeans for cattle feed is no longer possible. The law is prohibiting all commercial use of GMO crops, which has no scientific basis and has an adverse effect on Serbia's WTO accession negotiations. Law is extremely problematic from the perspective of compliance with WTO rules, since scientific and risk-based system for food, feed and cultivation of biotech products is not included in the law. Serbia still by the end of 2010 failed to amend its current GMO laws that prohibit cultivation of biotech crops and commercialization of biotech crops and products. It is expected that the GOS will submit the new changed Law on GMO to the Parliament probably in the spring session of 2011, after incorporating U.S. and EU comments.

Law on Animal Welfare ("Official Gazette" No.41/09), regulates responsibilities of legal and natural persons and entrepreneurs in terms of animal welfare, protection of animals from torture and mistreatment, care for animal health and life, as well as treatment of animals during killing, keeping, raising, circulation, transport, slaughtering and conducting experiments on animals. In addition, the law is facilitating exports of Serbian animals, and products of animal origin, in particular to the EU since it

will ensure that all requirements in terms of keeping and transportation of animals are fulfilled. The adoption of the Law was necessary for the purpose of harmonization with rules of the OIE, Recommendations of the EU Council Nos. 86/609, 2003/65 and 2003/584 and Commission Decision 90/67.

Law on Livestock (“Official Gazette” No.41/09), regulates for the first time in Serbia in the most comprehensive manner this important agribusiness sector. Prior to adoption of this Law livestock was regulated by the Law on measurements of livestock improvement; Rulebook on quality control of reproductive animals, terms and conditions of production and transport of poultry; and Law on veterinary services. The new legislative brought substantial changes in organization and production methods in the sector by means of enabling formation of breeders’ associations and organizations with special authorizations, thus ensuring direct influence of producers on livestock breeding selection criteria and subsequently increased productivity of farm animals. The Ministry is controlling the activities of such associations and organizations through the Registration Body and at the same time provide information on their number and membership conditions to interested breeders.

The Law on Agriculture and Rural Development (“Official Gazette” No.41/09), is the umbrella law of Serbian agriculture, since it governs goals of the agricultural policy, types of incentives, registry of households, record keeping in agriculture, and integrated agriculture information system. The Law defines main strategy documents that need to be adopted in order to ensure transparency and predictability of the agrarian policy: Agriculture and Rural Development Strategy, National Program for Agriculture, National Program for Rural Development. Also, the Law regulates establishment of the Administration for Agrarian Payments as the single authority that is responsible for administration of agricultural subsidies and a necessary precondition for implementation of future programs through utilization of IPARD funds (EU pre- accession funds).

The Law on Public Warehouses for Agricultural Products (“Official Gazette” No.41/09), enables implementation of the warehouse receipts system which is the alternative solution for commodity producers, processors and traders to access short-term financing for operations, take advantage of price fluctuations, and secure the storage of their produce. The framework for establishment of a WHR system focuses on registration, licensing and inspection of public warehouses; and development of financial instruments for collateralized loans, insurance of commodities and claims and indemnity funds. The Law also enabled creation of a uniform and well regulated system of storing of commodities, protection of depositors, ensuring of the quality and quantity of deposited commodities, and gave the opportunity to agricultural producers to take advantage of higher prices during the off-season periods.

Serbia signed Stabilization and Association Agreement (SAA) with EU in 2008. As of January 30, 2009 only Serbia (not the EU) started to formally implement the trade part of the SA Agreement and EU goods were entering Serbia without paying any customs and/or taxes. After one year implementation of the SAA from Serbian side, as of January 2010, EU also started to fully implement the Agreement (after EU decision that Serbia is fully cooperating with the Hague Tribunal). But, even before full implementation of SAA, Serbian products enjoyed a privileged position on the European market. Since 2000, the EU has implemented a customs-free regime to Serbia for most of the products, so Serbian exporters do not pay customs and other taxes. Application of this agreement and creation of free trade zone between Serbia and EU is of most importance for Serbia, since 44.2 percent of Serbian export is

going to the EU and 42.3 percent of Serbian import comes from the EU countries.

Serbia is a member of Central European Free Trade Agreement (CEFTA) since 1st May, 2007 with seven other countries. CEFTA is a trade agreement between non-EU countries in Central and South-East Europe that includes: Albania, Macedonia, Montenegro, Croatia, Moldavia, Bosnia and Herzegovina and UMNİK-Kosovo. Export of agriculture commodities to CEFTA countries accounts 50 percent of Serbian total agriculture exports and 21.9 percent of Serbian total agriculture imports. CEFTA region is for Serbia of largest importance for export of agriculture and food processing products, since member countries that are still not EU members have lower import requirements for agriculture commodities than EU countries. Due to that Serbia can find more opportunities for export of its agriculture and food products to CEFTA countries.

Serbia is still not a member of the World Trade Organization (WTO) but is moving in that direction with adoption of a series of primary and secondary legislations, including food safety and phytosanitary regulations and with efforts to bring its economy and agriculture in line with WTO standards. After changing problematic GMO Law and completing negotiations on market access, Serbia has a plan to become a member of WTO probably during 2011. Serbia is already a member of the CODEX Alimentarius, the European Plant Protection Organization (EPPO), the Convention of Biodiversity (CBD), the Union of Protection of New Varieties of Plants (UPOV), the World Intellectual Property Organization (WIPO), the European Cooperative Program for Crop Genetic Resources Networks (ECP/GR); and is a signatory of the Aarhus Convention and the International Plant Protection Convention (IPPC).

Section II. Labeling Requirements:

General requirements

The Rulebook on “Declaration and Labeling of Packed Food” (“Official Gazette SCG” No. 4/04, 12/04 and 48/04) regulates labeling requirements for packed foods designated for the consumer or public food consumption in Serbia. According to this regulation, a label must be present in both retail and bulk packaged foods and must indicate the following: expiration date, type and content of food additives, type and content of added vitamins, minerals, and other ingredients added to enrich the product’s nutritional value. All foods are required to have the label in Serbian language.

For each type of food product there is a specific ordinance that spells out labeling requirements. Production specification must contain short description of the technological process, basic quality requirements, report related to the completed quality testing as well as the data regulated in the “Declaration and Labeling Packed Food” by-law. Labels on foods that have been changed nutritionally for special diets must clearly indicate “dietetic food.”

Content of the declaration label must contain the following:

- 1) Product’s name and brand name if any
- 2) Quantity of the ingredients
- 3) Product net weight
- 4) Expiration date

- 5) Storage conditions
- 6) Lot number
- 7) Importers name and complete address, country of origin, and the country where from food is coming from
- 8) Usage instructions
- 9) Amount of alcohol for beverage that contains more than 1.2% v/v
- 10) Quality and class of the product if the food is regulated by the special rules under the categorization and classification
- 11) Other data important for the consumers and in accordance with the special rules for certain kind of food

If an original label is in English (e.g. standard U.S. label) or any other language, the seller is obliged to prepare translated stick-on labels and deliver them together with imported products. It is the importer's obligation to place those translated labels on products prior to retail distribution.

Bulk packaged foods designated for bulk sale or in the public facilities for food consumption, must contain the declaration with the following information: product's name and brand name if any, product net-weight (mass or volume) and expiration date. For imported foods products, declaration need to have importers name and complete address, country of origin, and the country where from food is coming. According to this ordinance, the label must be noticeable, visible, clear and legible. The product's and the manufacturer's names must be printed in larger fonts (the size of font is not specified). Labels for margarine and similar products must include the percentage of individual components. If vitamins are added the label must indicate, "enriched with vitamins." If the manufacturing and packaging companies are not the same, the label must indicate the company that did the packaging. Labels for honey must include its origin and production method (e.g. comb, liquid, strained honey). If it was imported, it must be labeled "imported honey." Labels for roasted coffee must indicate its origin and date of roasting.

Meat products must have declaration in accordance with the same Rulebook on "Declaration and Labeling of the Packed Food". In the declaration, under the name of the meat product, product sub-group must be indicated, and for canned meat products the title indicating the method of thermo-process has to be included as well. Meat products must indicate, "Chilled", "Frozen", "Heat Treated", "Sliced", "Chopped" etc., and must provide instructions for use and storage if necessary.

If products were artificially colored and preserved by preservatives, it must be indicated right below the product's name, e.g. "artificially colored" or "preserved by preservative" as well include an indication as to which chemicals were used. Claims such as "light" and "reduced" are permitted. However, generally labels must not contain words, pictures and drawings and health-related information that could mislead consumers regarding product's origin, quantity and quality.

Additives must be marked on the declaration by its category and name or additive's "E" number (preservers-Sodium Benzoate or preservative E 211), except for the category of "modified starch" which has no denotation of the additive or "E" number. When modified starch may contain gluten, the origin of the starch has to be indicated on the declaration (wheat, barley, rye and oat). For the additives belonging to the acid category and contain word "acid" within the actual name, it is sufficient to quote only denotation of the additive without category.

Description of the nutritive values may contain data about the following component: starch, polyol, monounsaturated fatty acids, polyunsaturated fatty acids, cholesterol, minerals and vitamins.

Food samples shipped to Serbia do not need to be labeled. Samples should be marked clearly on all packaging of shipped products: "Samples - not for sale."

Requirements to Nutritional Labeling

Nutritional declaration, allowed nutritional statements and conditions for their highlight are regulated by the clause 29, 30, 31 and 32 of the Rulebook for "Declaration and Labeling of Packed Food" ("Official Gazette SCG", No.4/04, 12/04 and 48/04). Nutritional declaration is mandatory when declaration contains nutritional statement such as low energy level, low fat content, high content of caffeine (>150 mg/l), low sugar content, enriched with vitamins, otherwise is voluntary. Since this rulebook is not regulating appearance of the nutritional declaration but only its content, the format of the US "nutritional facts" is acceptable. Part of the text of the food product name may contain the following statement: "with sweetener" (if product contains one or more sweeteners); "with sugar and sweetener addition" (if one or more different sugars and sweeteners were added into the product); "contain source of phenylalanine" (if the product contain aspartame-E591); "excessive usage may cause laxative effect" (if the product contain more than 10% additional polyols). These need to be highlighted.

Section III. Packaging and Container Regulations:

Packaging requirements are subject to specific ordinances for each type of food. For example, packaging material for raw coffee packed in ½ kg units must weigh less than 50 g. per square meter. Packaging requirements for fresh seafood products are very comprehensive are regulated by Rulebook on Quality of Fish, Crabs, Shellfish, Sea Urchins, Frogs, Snails and their products ("Official Gazette SRJ" No.6/03, SCG 56/03 and 4/04, clause 3) and Rulebook for "Declaration and Labeling of Packed Food" ("Official Gazette SCG" No.4/04, 12/04, and 48/04, clause 8).

The new Law on Waste Management was adopted in 2009 ("Official Gazette" No.36/09). Law complies with the EU directive on waste material. The law regulates use of a secondary material; manage its collection, conditions of processing and storage, but is not regulating material for food packaging. Collection and recycling of already used packaging materials is regulated by the Law on Waste Material Handling and by the Rulebook on Secondary Material Classification, Packaging and Storage Conditions and Handling ("Official Gazette RS" No.55/01). Communal Waste Management, including food and beverage packaging material, is under the local and municipal supervision.

Section IV. Food Additives Regulations:

Serbian regulations of food additives are specified in the Rulebook for "Quality and conditions for use of additives in foodstuffs and about other requirements for additives and their mixtures" ("Official Gazette SCG" NO.56/03, 4/04, 5/04 and 16/05). According to that ordinance, additives are substances that are not foods (regardless of their nutritive value) but are added to foods during processing because of their effect on the food's organoleptic characteristics. Substances added to enrich nutritive value and salt are not considered additives. Additives can be added to foods if approved and listed in the so-called

“Positive List” provided in the above-mentioned ordinance (approximately 500 additives in total). The quantity used must be in accordance with specific regulations for each group of products. Additives must not affect/decrease a food product’s nutritive value or change significantly the taste and flavor of products, unless this is the intent. They also must not create toxins in products during the processing, storage or use. They must be identifiable, which means that their type and quantity in products can be tested, unless they were removed or destroyed during processing. Additive usage generally must be justified from a technical standpoint.

Additives are divided into 22 categories according to the “Positive List”: color, preservative, antioxidants and synergists of antioxidants, acids, pH regulators, coagulants, stabilizers, emulsifiers, emulsifying salts, substances for gel formation, humectants, substances for dough raising, hardeners, anticoagulants, aroma enhancer, processing accessory substances against foaming, substances for glazing, substances for flour treatment, substances for volume enhancement, propellant, sweeteners, modified starch. As per clause no.14 of the same rulebook related to the additive usage in foodstuff - it is mandatory to declare “genetically modified (GMO)” if the additive is GMO or contains GMO components. As per clause no. 16, etilenoxid cannot be used for the sterilization of additives used for the food production.

For each of the abovementioned groups there are specific requirements for additives’ labels that must clearly indicate the following:

- The additive’s name according to the “positive list”, or mixture name, including its usage and brand name if any;
- The manufacturer’s name and complete address;
- The date of manufacturing (day/month/year) and “best before” date;
- The product’s net-weight (mass or volume) in metric units;
- For additives: The basic ingredient (active component) and its quantity in units or percentage compared to product’s net-weight. An additive’s basic ingredient is its active component;

Additive carriers (e.g. ethanol) must be declared.

- For additive mixtures: List additive names from the “Positive List” in order of their predominance compared to product’s net-weight. If certain additives can be used only in limited quantity, the quantity must be declared;
- Name of the country of origin-if imported;
- Printed indication that additive is GMO;
- Other information important to consumers;

The product’s name and the manufacturer’s name must be printed in larger fonts (size not specified). Labels must indicate the company that did the packaging (name and address) if different from manufacturer. Sodium nitrite, potassium and saltpeter mixtures used for pickling may be sold but only in original packaging and must be marked as “warning – poison” and “keep in dry place.”

Section V. Pesticides and Other Contaminants:

All imported food products into Serbia must comply with domestic rules on pesticides and other

contaminants. Serbia is a member of the Codex Alimentarius Commission, the CODEX; thus maximum residue limits (MRLs) are generally recognized for imported foodstuffs. There is a specific ordinance on residue limits for pesticides and other contaminants, (e.g. hormones, antibiotics and mycotoxins) which can be found in food.

The Law on Plant Protection Products/Law on Pesticides (“Official Gazette” No.41/09) governs control, circulation, imports and application of plant protection products in agriculture and forestry. Law was adopted in May 2009, but portion of the law that covers product registration (articles 11-25) will not be implemented until the end of 2013. Articles that refer to registration of new products and extended current registration of existing products for plant protection are still valid from the old Law on Plant Protection (“Official Gazette SRJ” No.24/98 and No.26/98 and “Official Gazette RS” No.101/05), that for other articles is not longer valid. The lack of full implementation of the new Law on Plant Protection can causes disparity in the treatment between suppliers of generic and original products. Importers of generic products are able to register their products with only limited data regarding content of the products while importers of original products must supply a full dossier on the products to local authorities for product registration.

The law also envisages establishment of the national reference laboratory for residues. The law prescribes unique authority responsible for registration, placing in circulation and post-registration control of pesticides. In addition, the law prescribes that users of the pesticides will have to be trained (educated) in use of pesticides. This means that farmers will have to be trained in the safe use of pesticides.

The new Rulebook on “Maximum allowed quantities of remains of pesticides in food and feed” (“Official Gazette RS” No.25/10), defines maximum level of pesticides remaining in food and feed, as substances used for protection of agricultural products against diseases and pests. A list of food and feed, list of maximum allowed residue limits of the remaining of pesticides and the list of active substances in mg/kg are listed in the attachments to this Rulebook. Lists include different pesticides, their commercial names, chemical names and maximum contents in milligrams per kilogram (mg/kg) of food and type of food.

Food contaminants are listed as lead, cadmium, mercury, zinc, tin, copper, arsenic, iron and other metals and nonmetals. The ordinance provides a table with maximum residue limits for 43 different foods (expressed in mg/kg). Hormones and antibiotics residues are generally not allowed in food products. Maximum residue limits of mycotoxins are also regulated for grains, flour, legumes, beans, nuts, coffee, roasted cocoa and peanuts. These lists are available from the FAS office in Belgrade (see Appendix II).

The Law on Plant Nutrition Products and Soil Enhancers (Law on Fertilizers), (“Official Gazette” 41/09) regulates classification, quality and labeling, phytosanitary control, sampling in circulation, imports, application and testing of plant nutrition products and soil enhancers. The law facilitates exports of Serbian plant nutrition products; introduce labeling in accordance with EU requirements (label EC fertilizer). The adoption of the Law was necessary for the purpose of harmonization with EU regulations, in particular Directive 2003/2003 and 1774/2003, and the TBT Agreement of the WTO.

Serbia has a list of approved pesticides and fertilizers that can be imported and traded. These lists can be obtained from the Phytosanitary Department/Import and Registration of Pesticides at the Ministries of

Agriculture (see Appendix II). In 2010, Serbia adopted the new Rulebook on “Request Forms and Content for Enlisting into Register of Distributors and Importers of Plant Protection Products and Content of this Register” (“Official Gazette RS” No.5/10). In 2010, Serbia also adopted the new Rulebook on “Packaging Manners of Fertilizers” (“Official Gazette RS” No.13/10), that indicates how fertilizers should be packed depending if they are in liquid or in hard formulation.

Section VI. Other Regulations and Requirements:

Importers of live animals and products of animal origin must request import approval from the Serbian Ministry of Agriculture (see Appendix I for contact). Serbian import requirements are in accordance with the Office of International des Epizooties (OIE) requirements. Serbia is a member of the OIE since May 2003. Following the outbreaks of FMD, BSE, AH1N1 and Avian Influenza in recent years, Serbia banned imports and transportation of live domestic and wild animals and their products as well as feed containing proteins of animal origin from a number of countries. As per a decree issued in March 2007, Serbia allows the import of livestock, milking cows and embryos, milk, meat and meat products from selected countries, divided into four categories per a risk assessment analysis.

Food products must be tested for microbe levels at laboratories of the Institutes for Public Health. The Rulebook on “Microbiological Wholesomeness of Food” was published in the “Official Gazette SRJ” No. 46/02 and “Official Gazette RS” No. 72/10 and provides maximum content of different microorganisms in food products.

Certification and documentation: live animals, meat and dairy products require veterinary certification, while seeds, fruits and vegetables require a phytosanitary certificate issued by the exporting country’s relevant authorities (e.g. USDA/APHIS). Special certification is needed for veterinary drugs, demonstrating the drugs have been approved and used in the country of origin. Information can be obtained from the Serbian Ministry of Agriculture (Appendix I).

Foods that are subject to veterinary and phytosanitary inspections can enter on all border crossings where veterinary and phytosanitary border inspection posts exist. Importers should always inform the Ministry of Agriculture in order to send the import permits to the relevant border inspection post at the point of entry. Inspection services are charged as per a published, official price list. Inspections will cost more if they are performed after regular working hours and/or on weekends and holidays.

Foreign Trade and Customs Policies

In 2009 Serbia adopted the new Law on Foreign Trade (“Official Gazette RS” No.36/09). The law regulates foreign trade in accordance with the EU and WTO rules and regulates the work of the National Agency for Export and Import Promotion. The Law is in principle designed to promote free trade of goods and services. Restrictions and imports bans, however, are applied to protect public health and guard the domestic market against subsidized or dumped products.

The Law on Customs Tariff (“Official Gazette RS” No.62/05, 61/07, 112/07, 9/08, 10/09, 100/09 and 66/10) with Amendments and Decree on Harmonization of Customs Tariff Nomenclature for 2010 (“Official Gazette RS” No.100/09 and 66/10) regulate issues regarding customs tariffs. The Law on Customs Tariffs adopted changes in a number of tariff lines that are now in accordance with the EU tariff schedules. Customs tariffs for some agriculture commodities have been changed.

Serbia is applying the Harmonized System (HS) of commodity that provides description and coding. Customs tariffs for agricultural products range from zero to 30 percent of imported values, with additional levies and seasonal taxes for some agricultural products based on unit weight, in dinar/kg for product specific tariff information. Serbia continues to protect its domestic agriculture production with high customs tariffs due to the huge importance that agriculture and food processing has in the Serbian economy. Agriculture and food production currently accounts for 26 percent of GDP in Serbia and 23 percent of the total Serbian exports.

The harmonization of Serbian customs tariffs was necessary to facilitate customs clearance with EU countries that are among the main Serbian trade partners and to assist future WTO negotiations. As per the Decree on Harmonization of the Customs Tariff Nomenclature (“Official Gazette RS” No.100/09 and 66/10), the number of tariff lines is 9,706 and the tariff lines are harmonized with the EU customs tariff nomenclature. As of October 1, 2010 customs tariff rates are separated in six groups: standard tariff rates, tariff rates for the EU, tariff rates for countries in CEFTA, that includes Albania, Macedonia, Montenegro, Croatia, Moldavia, Bosnia and Herzegovina and UMNİK-Kosovo and custom tariffs for Russia, Belorussia and Turkey (as per signed Free Trade Agreements). Tariff lines for agriculture commodities are in chapter 1 to chapter 24. In 2007, Serbia ratified the Central European Free Trade Agreement (CEFTA). The Chambers of Commerce of CEFTA members established three working groups to help eliminate trade barriers, with CEFTA’s implementation slated to begin by the end of the year and full trade liberalization is expected by the end of 2010.

Customs and Taxation

With the new Customs law and law on Customs tariffs Serbia passed a number of implementing legislative acts. The legislation has been amended to be aligned to the EU *acquis* and some simplified procedures have been set up (summary declaration procedure and simplified declaration). Serbia has adopted a new law on free trade zones offering tax breaks and simplified procedures, while enabling foreign owned companies to establish and manage free trade zones in Serbia.

Overall, Serbia has reached a relatively good level of alignment with the EU customs *acquis*. In particular, significant improvements have been noted in the field of control and management of the preferential trade measures (origin). This results from not only the existence of a satisfactory management of customs procedures through computerized systems, but also an intensified training of customs officers. Concerning taxation, taxes are applied at the same rates for locally produced and imported goods. As of January 2005, Serbia is applying value-added tax (VAT) of 18%, though for most agricultural goods the VAT was reduced to 8%.

Section VII. Other Specific Standards:

Alcoholic beverages, wine, nonalcoholic beverages and tobacco products are subject to specific taxation rules issued by the Ministry of Finance. The Ministry of Finance issues control excise stamps, which are to be included in the packaging prior to import to Serbia. Import of alcoholic beverages, wine and nonalcoholic beverages is free, it requires only quality control before importing. Serbia recently adopted the new Law on Brandy, the new Law on Wine and the new Law on Ethanol.

The Law on Brandy (“Official Gazette” No.41/09) regulates alcohol beverage sector in line with EU standards and regulations. There are more than 2000 registered fruit- based brandy producers in Serbia along with a significant number of non-registered producers; however production is on the low technological level and products are not efficiently controlled due to lack of systematic approach. Quality control mechanisms are not in compliance with the EU standards. The Law envisions mandatory registration of brandy and other alcohol beverage producers to prevent illegal production and marketing. Controlling mechanisms are prescribed for the entire process of production along the value chain, to finally include mandatory labeling of all products for commercial purposes.

The Law on Wine (“Official Gazette” No.41/09) regulates various aspects of production and sales of wine. The aspects regulated fall mainly into the categories winemaking practices, classification and labeling, wine-production potential, documentation of wine industry activities and duties of enforcement agencies/inspections. The purpose of the Law on Wine includes combating wine fraud, by means of regulated protected designations of origin, labeling practices and classification of wine, as well as regulating allowed additives and procedures in winemaking and viticulture.

The Law on Ethanol (“Official Gazette” No.41/09) is regulating production, marketing, export and import of ethanol. The law introduced EU standards and regulatory frame which is expected to result in increasing export of ethanol both on EU and regional market. Serbia has significant raw material base for producing ethanol. Regulation will contribute to quality control, thus enabling usage of ethanol in various industries (food processing, alcohol beverages production, medical, pharmaceutical cosmetics etc), as well as attracting of new investment in ethanol production and trade, once the area is adequately regulated. The law prescribes methods of registering production, packaging, marketing, quality controls and responsibilities of controlling agencies/ inspections. Several by-laws should be adopted in order to more precisely regulate technical aspects of ethanol production, evidence of trade and market conditions.

Section VIII. Copyright and/or Trademark Laws:

The “Law on Special Authorization of the Efficient Protection of the Intellectual Properties” (“Official Gazette RS” No.46/06 and 104/09) protects trademark, service and brand names. Trade or service marks receive protection for a 10-year term from the date of filing, with the term being extendable. Serbia also applies the Law on Trademarks (“Official Gazette SCG” No.61/04 and “Official Gazette RS” No.104/09) governing the manner of acquisition and the protection of rights with respect to marks used in trade of goods and/or services. The Law on Patents (“Official Gazette SCG” No. 32/04, 35/04 and “Official Gazette RS” No. 115/06) protects and regulates patents, while the Law on Copyrights (“Official Gazette SCG” No.61/04 and “Official Gazette RS” No.104/09) regulates copyright matters.

Domestic and foreign applications must be submitted to the Intellectual Property Office (see Appendix II). Serbia is a member of the World Intellectual Property Organization (WIPO) and signatory to a large number of conventions such as the Paris Convention Treaty on Patent Cooperation and the Madrid Agreement on International Registration of Marks.

As a part of harmonization legislation with the EU and WTO requests, in May 2009 Serbia adopted the new Law on Protection of Plant Breeder’s Rights/UPOV (“Official Gazette RS” No.41/09) that

regulates protection of intellectual property rights of plant variety breeders, conditions for domestic breeders to register new plant varieties, conditions for safe circulation of foreign protected varieties in the domestic market. The Law will improve availability of new domestic and foreign plant varieties of a better quality that will consequently result in the positive effects on the production volumes and improvement of the quality of agricultural products. The adoption of the Law was necessary for the purpose of harmonization with the Convention of the Union for Protection of New Varieties of Plants from 1991, and represents a precondition for membership of Serbia in UPOV. This Law is also important for the purpose of harmonization with the EU legislation, and with the TRIPS Agreement of the WTO.

Section IX. Import Procedures:

Foreign suppliers can export food products to Serbia using a locally registered office or a local company, shipping agency or forwarding agent registered for import activities. It is common for agents to help with food import regulations. Import approvals for agriculture commodities should be obtained from the Ministries of Agriculture. Import approvals are required for import of live animals and all products of animal origin with more than 2 percent of animal component, genetics, veterinary drugs, seeds and planting materials or pesticides. Prior approval is not required for other food products.

All food products must be accompanied by standard documents that follow each shipment and by health certificates issued by relevant authorities of exporting countries (e.g. veterinary certificate for meat and meat products, phytosanitary certificates for fruits, vegetables, seeds, planting material etc) and are subject to veterinary and phytosanitary inspections at border crossings customs points.

Foods of animal origin and veterinary drugs: Import approvals are processed at the Veterinary Departments of the Serbian Ministries of Agriculture. Import forms are available online at the Ministry of Agriculture's Website but can be obtained from the Ministry's Veterinary Department or from the Department for International Trade and Collaboration.

Imports of seeds and planting materials into Serbia are regulated by the Law on Seeds ("Official Gazette RS" No.45/05 and 30/10), the Law on Planting Material of Fruits, Vine and Hops ("Official Gazette RS" No.18/05 and 30/10) and the Law on Reproductive Material of Forest Trees ("Official Gazette RS" No.28/00, 101/05 and 41/09).

Under current Law on Seeds imports of seeds must be accompanied by bill of lading, phytosanitary certificate, variety of seed certificate (OECD) and seed quality certificate (ISTA). Imported seeds must have a declaration issued by the relevant institution in the country of origin when they enter the Serbian market.

Appendix I. Government Regulatory Agency Contacts:

1. Serbian Ministry of Agriculture

Nemanjina 22-26,
11000 Belgrade, Serbia

Phone: ++ 381 11 3065 038
Fax: ++ 381 11 3616 272
E-mail: office@minpolj.gov.rs
Web page: www.minpolj.gov.rs

2. Import of live animals and products of animal origin, veterinary drugs:

Serbian Ministry of Agriculture and Water Management
Veterinary Department (International Trade)
Omladinskih brigada 1,
11000 Belgrade, Serbia
Contact person: Mr. Sinisa Kotur
Phone: ++ 381 11 2602 634
Fax: ++ 381 11 2602 498
Sinisa.Kotur@minpolj.gov.rs

3. Import of seeds and planting material:

Serbian Ministry of Agriculture and Water Management
Phytosanitary Department
Omladinskih Brigada 1,
11070 New Belgrade, Serbia
Contact person: Mr. Vlade Djokovic
Phone: ++ 381 11 311 7371
E-mail: vlade.djokovic@minpolj.gov.rs

4. Import of pesticides and fertilizers:

Ministry of Agriculture and Water Management
Phytosanitary Department/Import and registration of pesticides
Omladinskih Brigada 1,
11070 New Belgrade, Serbia
Contact person: Ms. Snezana Petric-Savcic
Phone: ++ 381 11 2600 081
E-mail: snezana.savcicpetric@minpolj.gov.rs

5. GMO approvals and registrations:

Serbian Ministry of Agriculture and Water Management
1, Omladinskih Brigada St.
11070 New Belgrade, Serbia
Contact person: Mrs. Vanja Kojic
Phone: ++ 381 11 311 7591
Fax: ++ 381 11 311 7591
E-mail: Vanja.Kojic@minpolj.gov.rs

6. Inspection on sanitary conformity:

Serbian Ministry of Health

Department for Sanitary Inspection
Nemanjina 22-26
11000 Belgrade, Serbia
Phone: ++ 381 11 361 62 64
Fax: ++ 381 11 361 47 00
E-mail: sanitarnainspekcija@zdravlje.gov.rs
Web page: www.zdravlje.gov.rs

7. Market inspection:

Serbian Ministry of Trade
Department for Market Inspection
Nemanjina 22-26
11000 Belgrade, Serbia
Phone: ++ 381 11 3631 136
Fax: ++ 381 11 3610 258
Web page: www.mtu.gov.rs

8. Imports of Wine

Serbian Ministry of Agriculture
Nemanjina 22-26,
11000 Belgrade, Serbia
Contact person: Mr. Darko Jaksic
Phone: ++ 381 11 3617 595
Fax: ++ 381 11 3621 505
E-mail: djaksic@minpolj.gov.rs

9. Imports of brandy, alcohol and nonalcoholic beverages

Serbian Ministry of Agriculture
Nemanjina 22-26,
11000 Belgrade, Serbia
Contact person: Ms. Milica Stanojevic
Phone: ++ 381 11 3617 701
E-mail: m.stanojevic@minpolj.gov.rs

10. Customs clearance:

Serbian Custom Administration
Bul. AVNOJ-a 155
11070 New Belgrade, Serbia
Phone: ++ 381 11 2690 822
Web page: www.fcs.yu

11. Institute for trademarks, patents and intellectual property

Federal Intellectual Property Office
Zmaj Jovina 21, 11000 Belgrade

Phone: ++ 381 11 2630 499

Fax: ++ 381 11 311 23 77

E-mail: zis@zis.gov.rs

Web page: www.zis.gov.rs

12. Serbian Ministry of Finance

Kneza Milosa 20,

11000 Belgrade

Phone: ++381 11 3613245

Fax: ++ 381 11 364 2600

Web page: http://www.mfin.gov.rs/?change_lang=en

13. Serbian Government Official

Web page: www.serbia.gov.rs

Appendix II. Other Import Specialist Contacts:

1. Office of Agricultural Affair (Foreign Agricultural Service (FAS))

U.S. Embassy Belgrade

Kneza Milosa 50,

11000 Belgrade, Serbia

Phone: ++381 11 306 4802

Fax: ++ 381 11 306 4922

Contact person: Agriculture Specialist, Mrs. Tatjana Maslac

E-mail: tatjana.maslac@fas.usda.gov

Web page: <http://serbia.usembassy.gov/>

2. University of Belgrade, Veterinary Faculty

Bul. JNA18,

11000 Belgrade, Serbia

Phone: ++ 381 11 361 5436

Fax: ++ 381 11 2685 936

Web page: <http://www.vet.bg.ac.rs/>

3. Institute of Meat Hygiene and Meat Technology

Kacanskog 13,

11000 Belgrade, Serbia

Phone: ++ 381 11 2650 655

Fax: ++ 381 11 2651 825

E-mail: institute@inmesbgd.com

Web page: www.inmesbgd.com

4. National Laboratory for Seed Testing

Maksima Gorkog 30,
21000 Novi Sad, Serbia
Phone: ++ 381 21 4898 100
Fax: ++ 381 21 6621 212
E-mail: institut@ifvcns.ns.ac.rs
Web page: <http://www.nsseme.com/en/>

5. Institute for Public Health “Dr. Milan Jovanovic Batut”

Dr. Subotica 5,
11000 Belgrade, Serbia
Phone: + 381 11 2684 566
Fax: +381 11 2685 735
Web page: www.batut.org.rs

6. Agriculture Faculty Belgrade

Nemanjina 6,
11080 Zemun, Serbia
Phone: ++ 381 11 2615 315
Fax: ++ 381 11 2193 659
Web page: www.agrifaculty.bg.ac.rs

7. Agriculture Faculty Novi Sad

Trg D.Obradovica 8,
21000 Novi Sad, Serbia
Phone: ++ 381 21 450 355
Fax: ++ 381 21 459 761
Web page: <http://polj.uns.ac.rs/>

8. Institute for Molecular Genetics and Genetics Engineering

Vojvode Stepe 444a
11001 Belgrade, Serbia
Phone: ++ 381 11 3975 744
Fax: ++ 381 11 3975 808
Web page: <http://www.ibiss.bg.ac.rs/>

9. Serbian Chamber of Commerce

Resavska 13-15
11000 Belgrade, Serbia
Phone: ++ 381 11 3241 328
Fax: ++ 381 11 3230 949
Web page: <http://www.pks.rs/Default.aspx?alias=www.pks.rs/en>

10. The Intellectual Property Office

11 000 Beograd, Kneginje Ljubice 5

Republic of Serbia

Phone: +381 11 20 25 800;

Fax: +381 11 311 23 77; +381 11 26 29 483

Web page: http://www.zis.gov.rs/en/home/elektronsko_izdanje.html