

FOOD AND AGRICULTURE

1.13

Almost three years after epidemiological crisis had started, the economy is facing new challenges, caused by economic and political events in Europe, which affects the difficult procurement of certain raw materials and the increase in prices on the market. There are no significant developments in the functioning of the local food safety system, bearing in mind the fact that official controls take place with the same dynamics.

The exchange of documentation with competent bodies, which is carried out physically, is still a major obstacle to the efficient functioning of the food sector. Also, a transparent and comprehensive system of risk analysis would make the flow of goods more efficient, because with the reorganization and redirection of existing resources, and by focusing on high-risk products, manufacturers and importers, stronger control of those who are high-risk would be ensured, which in such circumstances of multiple importance.

Harmonization of regulations with EU is not proceeding as fast as expected, and implementation in practice is still a big challenge, bearing in mind the unclear responsibilities of the institutions regarding the interpretation of regulations. Part of the regulations is harmonized, but the greater part are national regulations that are unique, so the application in practice is not uniform with the practice in the EU and neighbouring countries. Such circumstances represent

an obstacle to free trade and create certain restrictions for local producers in terms of applying innovative processes and product development. The tendency is to modernize outdated regulations, to eliminate restrictions, however, the transposition of EU regulations is additionally difficult due to the existence of administrative obstacles and methodological rules for drafting regulations in Serbia.

The report on the work of the Expert Council for Risk Assessment, established in June 2017, as well as the Council's activities, are still not known to the interested public.

There is still room for improvement. Improvement of the regulatory framework would ensure high standards in food quality control, and in the application of a uniform approach to the control of all food business operators, for both importers and local producers. It is extremely important to simplify examination procedures, strengthen transparency while enabling predictability of goods retention. Strengthening the capacities of the directorates for veterinary and phytosanitary control and the National Reference Laboratories, as well as the consistent application and improvement of the approach based on risk analysis, are key to further strengthening the food safety management system. Of particular importance for all participants in the chain of food safety management would certainly be enabling the electronic exchange of data and documentation between state institutions and the economy.

1. FOOD SAFETY LAW

1.14

WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Align the Law on Food Safety and all accompanying bylaws with EU regulations (178/2002 / EC and accompanying bylaws).	2017		√	
Establish a transparent and comprehensive risk analysis system (combination of product, country of origin, manufacturer, destination and importer risk) by all inspection services, with the establishment of a functional IT system and digitization of supervision.	2015			√
By adopting the rulebook, establish uniform rules in the procedures of inspection services in terms of costs, deadlines, field work mechanisms, taking the number of samples, determining the type and number of analyzes during official controls.	2014			√

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
To harmonize the criteria of the laboratory during control analyzes, with a clearly defined responsibility of the laboratory regarding the interpretation of regulations.	2020			√
Establish a national Food Safety Agency following the example of EU member states and neighboring countries and create conditions for the National Reference Laboratory to perform all tasks provided by law, in order to strengthen the capacity of the food safety system.	2018			√
Create legal conditions for food business operators to place new foods on the market from the list, according to a simplified procedure, and keep the approval procedure for novel foods that are not on the list in Annex 1, according to the EU model.	2020			√
Enable electronic exchange of data between state institutions and the economy.	2020			√

CURRENT SITUATION

The Law on Food Safety (hereinafter: the Law) adopted in 2009 and amended 2019, has not been fully implemented so far, nor all necessary bylaws have been adopted.

Amendments to the Law reorganized the division of inspection responsibilities between the competent inspections of the Ministry of Agriculture and the Ministry of Health,

The National Reference Laboratory was opened in 2015, 2019 amendments to the Law define its competence and introduce the term Reference Laboratories, which should entrusts part of the work performed by the National Reference Laboratory. It is envisaged that the Ministries will select reference laboratories through a competition, and that the list of reference laboratories will be published in the "Official Gazette of the Republic of Serbia".

A working group for milk was formed within the Ministry of Agriculture in 2015, but by the middle of 2022, there was no harmonization of the current legislation in the part related to milk safety. The latest amendment to the legislation from September 2021 extended the application of the maximum permitted content of aflatoxin M1 in raw milk of 0.25 µg/kg. Extending the validity of the provision is helpful for milk producers in the territory of the Republic of Serbia. On the other hand, current measures allow the import of milk from neighboring countries and the EU whose aflatoxin content exceeds the limit of 0.05 µg / kg. Due to all the above, and primarily due to food safety, it is necessary to focus activities on the application of measures to reduce the presence of aflatoxins in animal feed.

The Expert Council for Risk Assessment was officially formed in April 2017.

The new Rulebook on Maximum Concentrations of Certain Contaminants in Food (SG 81/2019) from November 2019 is annually aligned with EU and defines the maximum permitted amounts of contaminants in certain types of food (Annex I), which brings Annex I partially harmonized with EU regulations (1881/2006 / EC), due to the fact that the children's food is under the jurisdiction of the Ministry of Health, so harmonization with (1881/2006/EC) is not carried out at the same speed for all food categories. This Rulebook also transposes the provisions of EU Regulation 2017/2158, which prescribes mitigation measures to reduce the presence of acrylamide in certain food categories.

POSITIVE DEVELOPMENTS

Amendments to the Rulebook on Maximum Concentrations of Certain Contaminants in Food, from the end of 2021, predefined food categories in the part related to acrylamide, in order to align the domestic categorization with the European one, and avoid different interpretations.

REMAINING ISSUES

Inconsistency of the Law on Food Safety and certain bylaws with EU Regulations.

- a. Rulebook on Maximum Concentrations of Certain Contaminants in Food partially contains the provisions of

EC 1881/2006, food for babies and children are still not aligned; The Rulebook on the Coffee Products Quality, in addition to the provisions of Directive 1999/4 / EC, also prescribes requirements for categories of coffee products that are not prescribed at the EU level; The Rulebook on Fruit Juices, in addition to the requirements of Directive 2012/12 / EU, prescribes additional requirements regarding the quality of fruit juices. Thus, domestic entities in the food business are placed in a less favorable position compared to entities operating outside the borders of Serbia.

- b. There is a room for different inspection interpretations.
- c. Slow transposition of the latest amendments to the regulations in the field of food additives into national legislation.

Lack of a comprehensive risk assessment system by inspection services. No improvement and coordination in the application of risk analysis and assessment methods was observed:

- a. With the formation of the Expert Council for Risk Assessment, a progress was expected in performing the risk analysis provided by the Law, but this did not happen. The activities of the council are not known to the interested public even after 5 years from its establishment.
- b. Risk analysis would enable the classification of food business entities into low-risk and high-risk, which would speed up the process of customs clearance and release of low-risk goods. Importers assessed as low-risk could realize savings in money and time by faster receipt of documents and reduced number of sampling at import.
- c. Risk analysis would reduce the scope of inspections and relieve them of limited resources as resources would be focused on testing high-risk products.

- d. The publication of the Rulebook on special elements of risk assessment within the scope of sanitary inspection and within the scope of agricultural inspection at the end of 2018, created a framework for starting the risk assessment process, but there is still no uniformity in terms of application between different inspections

Unpredictable business conditions during the procurement of raw materials for food production:

- a. Uniform rules do not apply in the procedures of inspection services in terms of costs, deadlines, field work mechanisms, number of samples, determination of type and number of analyzes in laboratory processes,
- b. Application of different criteria by laboratories in control analyzes, and vaguely defined responsibility of laboratories in terms of interpretation of regulations.

Unclear procedure for placing novel food on the market:

- a. Irrespective of the fact that the Rulebook on Novel foods (SG 88-2018) takes over the list of novel foods that are freely placed on the EU market, the Rulebook prescribes an additional procedure by which the Ministry of Health issues permits for placing novel foods on the market for the first time.
- b. The Rulebook stipulates that the Ministry gives approval based on the Opinion of the Expert Council. It is still not clear why the Expert Council gives each operator an opinion on food for which there is already a relevant scientific opinion from an internationally recognized institution (EFSA), and which has already been taken over from the list in Annex 1 to this Rulebook.

The exchange of documentation with the competent authorities is still mostly done physically, which complicates the work of companies and significantly slows down the flow of goods.

FIC RECOMMENDATIONS

- Align the Law on Food Safety and all accompanying bylaws with EU regulations (178/2002 / EC and accompanying bylaws).
- Establish a transparent and comprehensive risk analysis system (combination of product, country of origin, manufacturer, destination and importer risk) by all inspection services, with the establishment of a functional IT system and digitization of supervision.
- Establish uniform rules in the procedures of inspection services in terms of costs, deadlines, field work mechanisms, taking the number of samples, determining the type and number of analyzes during official controls.
- To harmonize the criteria of the laboratory during control analyzes, with a clearly defined responsibility of the laboratory regarding the interpretation of regulations.
- Establish a national Food Safety Agency following the example of EU member states and neighboring countries and create conditions for the National Reference Laboratory to perform all tasks provided by law, in order to strengthen the capacity of the food safety system.
- Create legal conditions for food business operators to place new foods on the market from the list, according to a simplified procedure, and keep the approval procedure for novel foods that are not on the list in Annex 1, according to the EU model.
- Enable electronic exchange of data between state institutions and the economy.

2. SANITARY AND PHYTOSANITARY INSPECTIONS

1.00

WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Adopt the new Law on Sanitary Supervision and executive regulations on the work of sanitary and phytosanitary inspection harmonized with the Law on Inspection Supervision and EU regulations.	2017			√
Adopt the Law on Official Controls and executive regulations on the manner of conducting official controls which would ensure consistent application of uniform rules in the procedures of inspection services in terms of costs, deadlines, field work mechanisms, sampling, type and number of analyses in laboratory processes.	2018			√

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Prescribe the Law on Republic Administrative Fees to prescribe the costs for the inspection of consignments and additional costs for categories of food that are under the jurisdiction of the sanitary inspection.	2020			√
Modify the Decisions of the competent inspections so as to allow the use of raw materials in production, without the right to release the finished product until obtaining a decision on the release of raw materials.	2017			√
Clearly define the time period required for import procedures for all types of food.	2018			√
Enable electronic data exchange between state institutions and the economy.	2020			√

CURRENT SITUATION

The Law on Food Safety amendments from 2019 reorganized the division of inspection supervision responsibilities between the competent inspections of the Ministry of Agriculture and the Ministry of Health.

The work of inspections is also regulated by the Law on Inspection Supervision, which has been in force since April 2016. Some inspections are developing models for the application of the Law on Inspection Supervision, but the full harmonization of sectoral regulations with this Law has not yet been completed.

Since 2016, the Ministry of Health has been in the process of passing the Law on Sanitary Supervision, which would regulate the affairs of sanitary supervision in more detail.

POSITIVE DEVELOPMENTS

No improvements have been noticed in this area.

REMAINING ISSUES

The Law on Sanitary Supervision and executive regulations on the work of sanitary and phytosanitary inspection in

accordance with the Law on Inspection Supervision and EU regulations have not been adopted yet, even though they have been announced years ago

Regulation on the manner and methods of conducting official controls, the system of approval and certification, the manner of cooperation with the customs authority and competent authorities of EU Member States and third countries, the manner of inspection, sampling, criteria for determining deadlines for official controls, as well as reporting on implemented official controls and the Regulation on methods of sampling and testing of food in the procedure of official control, etc need to be adopted.

The competent inspections do not allow the use of raw materials in production before obtaining the Decision on release for placing on the market, which leads to a loss of time and money.

The time period required for food import procedures is not clearly defined.

The exchange of documentation with the competent bodies is still mostly done physically, which complicates the work of companies and significantly slows down the flow of goods.

FIC RECOMMENDATIONS

- Adopt the new Law on Sanitary Supervision and executive regulations on the work of sanitary and phytosanitary

inspection harmonized with the Law on Inspection Supervision and EU regulations, as well as the Law on Official Controls based on Regulation (EU) 2017/625 and executive regulations on the conducting official controls manner. This would ensure the consistent application of uniform rules of the inspection services procedures.

- Modify the Decisions of the competent inspections so as to allow the use of raw materials in production, without the right to release the finished product until obtaining a decision on the release of raw materials.
- Clearly define the time period required for import procedures for all types of food.
- Enable electronic data exchange between state institutions and the economy.

3. QUALITY ASSURANCE, DECLARATIONS ON FOOD PRODUCTS, NUTRITION AND HEALTH CLAIMS 1.25

WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Define the competence of institutions regarding the interpretation of regulations in the field of food safety and ensure the obligation to apply the official positions of the Ministry to all participants in the chain; ensure uniform interpretation and application of the Rulebook and Guidelines adopted by competent Ministry, adopt Rulebook on conditions and manner of production and placing on the market of food for which quality conditions are not prescribed.	2016			√
Adopt executive regulations arising from the Law on Food Safety and harmonize them with EU, as Rulebook on food with modified nutritional composition.	2017		√	
Adopt Amendments to Article 34 of the Law on Trade in terms of clearly defining that the provisions of this Article do not apply to products to which the provisions of the Law on Food Safety apply, and bylaws prescribing the declaration and labelling of food.	2020			√

CURRENT SITUATION

June 15 2018 The Rulebook on Declaring, Labelling and Advertising of Food (Official Gazette of the RS, No. 19/2017; 16/2018; 17/2020, 17/2022, 23/2022 i 30/2022) (hereinafter: the Regulation), which is largely in line with the relevant EU regulations, is in force. In September 2020, amendments were made to the Rulebook, which refer to the labelling of the country of origin

of the main ingredient, as well as information on the absence or reduced amount of gluten in food (harmonization with EU regulations 2018/775 and (EU) 1155/2013). The originally prescribed transition adjustment 18 months period, which refers to the indication of the country of origin of the main ingredient, was extended at the beginning of this year and the implementation was postponed to January 1, 2023. Additional provisions were made at the beginning of 2022, that more closely

prescribe the appearance of graphic symbols "Origin from Serbia" for meat and meat products.

A number of regulations prescribing the quality of certain food categories are not fully harmonized with the EU, are outdated or there are no regulations in the EU that define the quality of these food categories. Such vertical legislation puts food business operators at a disadvantage compared to producers in the countries of the region and the European Union. Due to the obsolescence of regulations, the appropriate raw material is often difficult to find and has a higher price. The situation is similar with finished products that do not fit into the categorization of the mentioned regulations.

The Law on Trade, published in the middle of 2019, prescribed the obligation to obligatorily mark the country of production on the labelling of goods in retail trade. Although it was considered that this requirement does not apply to the labelling of food for which the Law on Food Safety (Lex Specialis) and Rulebook on Declaration, Labelling and Advertising of Food are in force and which Article 26 prescribes mandatory indication of the country of origin only for certain categories of food, due to uneven interpretation by inspection and business entities with food in practice makes business more difficult.

POSITIVE DEVELOPMENTS

Rulebook on the Health Suitability and Salt Quality for Human Consumption and Food Production was issued at the end of 2021 (Official Gazette of the RS, No. 111/2021). In addition to prescribing a higher iodine content than the previous one, which protects the general interest of the population, this Rulebook also prescribes that salt in products intended for export does not have to be iodized. This is a relief for producers, bearing in mind that many countries to which food is exported do not require the use of iodized salt in production.

Rulebook on Food Additives (Official Gazette of the RS, No. 45/2022) was issued in April 2022, which exempted food supplements from the Rulebook on the Healthiness of Dietary Products. This aligns local legislation with regard to product composition with EU legislation in this area.

REMAINING ISSUES

The current legal framework does not define the competence and responsibility for the interpretation of regula-

tions in the field of food safety, and over time the practice has been created on the market for laboratories to interpret regulations:

- a. Regardless of the fact that the legal assessment, ie. Determining certain illegalities in business in the exclusive competence of the inspector in accordance with Article 37 of the Law on Inspection Supervision, the inspector, as the competent body, is exclusively guided by the conclusion made by the laboratory, which is often not in line with the official position of the Ministry. This is especially reflected in the interpretation of regulations in the field of labelling, where, despite the existence of the Guide, there are different approaches and interpretations of its provisions.
- b. The official position of the competent Ministry is not a binding act for inspection services.
- c. This practice contributes to the difficult functioning of food business operators, and to the great limitations of long-term planning.
- d. A bylaw has not yet been adopted by Minister of Health, in accordance with the division of competencies referred to in Article 12 of the Law. This bylaw should prescribe in more detail the conditions and manner of production and marketing of food for which quality requirements are not prescribed, which is provided by Article 55 of the Law.

Nonharmonised regulations prescribing product quality with EU regulations:

- a. Most of the national regulations, which prescribe the certain categories of food quality, date back to the 80s and 90s of the last century. Some of the regulations, such as the Rulebook on the Fruit and Vegetable Products Quality and the Rulebook on the Quality of Raw Coffee, Coffee Products, Coffee Substitutes, as well as Related Products, although more recent, are entirely national in nature, and are therefore not subject to harmonization with the EU legislation, nor are there requirements for them at the EU level, except for instant coffee products and instant coffee substitutes. With the latest amendment to the Rulebook on the Fruit and Vegetable Products Quality, from the end of 2021, no progress in harmonization was made. By adopting such national regulations, the

Quality Group of the Ministry of Agriculture shows a sense of the needs of domestic producers, to define quality parameters for certain product categories, as well as traditional products and reduce the possibility of abuse. On the one hand, the way of doing business in the internal market is harmonized in the case of products that are clearly categorized, on the other hand, food business subjects are limited, because it further complicates the way of working in the case of no categorized products within Rulebook, especially with related products, there is room for different interpretations.

- b. The Rulebook on Fruit Juices, although harmonized with EC Regulation 2012/12, still has additional requirements regarding the quality of fruit juices, taken from the standards of the European Association of Fruit Juice Producers, which as such in the EU countries have vol-

untary and not legally binding application, which puts domestic entities in the food business in a less favourable position in relation to entities that operate outside the borders of Serbia.

- c. The Rulebook on Dietary Supplements retains the process of registering products in the Ministry's database, as it existed in the Rulebook on the Healthiness of Dietary Products, which, unlike the notification process in EU countries, involves the procedure of obtaining confirmation from several institutions before entering the Ministry of Health's database

Inconsistency of the requirements of the Law on Trade and the Rulebook on Labelling, in case of stating the country of origin on the product declaration, prescribe the obligation to state the country of origin of the main ingredient, create a framework for additional problems in practice.

FIC RECOMMENDATIONS

- Define the competence of institutions regarding the interpretation of regulations in the field of food safety and ensure the obligation to apply the official positions of the Ministry to all participants in the chain; ensure uniform interpretation and application of the Rulebook and Guidelines adopted by competent Ministry, adopt Rulebook on conditions and manner of production and placing on the market of food for which quality conditions are not prescribed.
- Enact the Rulebook on the Conditions and Manner of Production and Placing the Food on the Market for which Quality Conditions are Not Prescribed.
- Adopt executive regulations arising from the Law on Food Safety and harmonize them with EU.
- Adopt Amendments to Article 34 of the Law on Trade in terms of clearly defining that the provisions of this Article do not apply to products to which the provisions of the Law on Food Safety apply, and bylaws prescribing the declaration and labelling of food.