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# GAIN Report

Global Agricultural Information Network

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## **Bosnia and Herzegovina**

**Post:** Sarajevo

### **EU Approves BiH for Export of Heat Treated Milk and Dairy Products**

**Report Categories:**

Dairy and Products

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**Report Highlights:**

On June 19, European Commission's Directorate General for Health and Food Safety informed Bosnia and Herzegovina's State Veterinary Office that the country now qualified to be included on the list of countries eligible to export heat treated milk and dairy products to the European Union. BiH still needs to submit the list of establishments that qualify to export. The Food and Veterinary Office's (FVO) carried out an audit in January 2014 and provided recommendations for improvement which were satisfactorily addressed in the State Veterinary Office's Action Plan. An FVO audit to verify implementation of the Action Plan will be scheduled for 2016.

**General Information:**

Mirko Sarovic, Minister of Foreign Trade and Economic Relations (MOFTER) announced at a press conference on June 23 that the EU's Food and Veterinary Office (FVO) had officially approved BiH to be included in the list of countries eligible to export heat-treated milk and dairy products to the European Union. Before exports can begin, BiH must submit to the European Commission (EC) a list of proposed production facilities that are rated as compliant for export to the EU. Once the EC approves this list, BiH can start exporting to the EU milk and dairy products from those establishments. So far, the SVO has only rated four dairy plants as compliant (Meggler, Mljekoprodukt, Mljekara Livno and Milkos), while two more plants need to implement certain corrective measures to fully comply. The EC noted that all proceedings BiH proposed in its Action Plan to control the production and processing of milk and milk products intended for export to the EU were deemed satisfactory by the FVO, but the State and Entity administrations must in a coordinated manner, fully and without delay, carry out all aspects of the Action Plan throughout all of BiH's territory. An FVO audit to verify the full implementation of the Action Plan will be done in 2016.

The next step required by the EU is that BiH adopt and implement the revised veterinary, food, agriculture and rural development laws, which have been drafted and need to be forwarded to the Parliament for expedited adoption. SVO Director Ljubomir Kalaba pointed out that successful compliance with the EU's dairy conditions could be a model for obtaining the EU's approval to export other animal products such as poultry meat and table eggs.

With Croatia's EU accession on July 1, 2013, BiH lost access for its animal origin exports that did not have prior EU recognition (everything except processed fish, animal skins and honey). Valued at \$34 million (KM 60 million) in 2012, these exports consisted mainly of dairy products which account for approximately one-third of BiH's agro-food exports to Croatia. To compensate for the loss of the Croatian market, BiH increased its dairy exports to neighboring countries. However, BiH remains a net dairy importer. In 2014, BiH's dairy imports were valued at \$85 million (KM 148 million), while BiH's dairy exports were valued at \$37 million (KM 65 million). BiH's main dairy suppliers are Croatia, Serbia, Germany, Switzerland, Italy, Austria and Hungary, while the main destinations for BiH dairy products are Serbia, Montenegro, Macedonia and Kosovo.

**Background**

The EU FVO carried out an inspection visit January 21-31, 2014, in order to evaluate BiH's controls on the production and processing of dairy products intended for export to the European Union. On July 29, 2014, the FVO issued its final report informing the SVO that BiH's improvement Action Plan (submitted following the FVO's January inspection visit) was not sufficient and needed additional documentation. The FVO noted a lack of coordination amongst the veterinary authorities at various levels and a poor chain of command and stressed that BiH's dairy farms needed to improve their milk hygiene practices, keep better records of veterinary medicine use, and improve the animal identification, animal movement control systems, and animal disease tracking. The FVO provided six recommendations for addressing these deficiencies and the SVO responded with an Action Plan for improvement. In May 2015, the SVO submitted the revised Action Plan which was approved by the EU and found to be completely satisfactory.

Over the last several years BiH's veterinary sector and the SVO has received invaluable assistance from the "Fostering Agricultural Markets Activity" - FARMA project co funded by USAID and the Swedish International Development Agency. FARMA provided comprehensive training, assistance, study tours and support to dairy producers in good hygiene practices (GHP) and processors in implementing Hazard Analysis and Critical Control Points (HACCP) system.

Jointly with the Czech Development Agency, FARMA provided training to BiH's veterinary inspectorates on the EU's legislation, the procedures for developing and implementing a National Residue Monitoring Program (NRMP), sampling procedures and handling of samples through completion of the laboratory analyses, supporting documentation, and procedures related to NRMP implementation. Training was also provided for the veterinary laboratories to ensure residue testing can be performed in BiH, as most of the tests have thus far been conducted in accredited laboratories outside of BiH. As a result, eleven laboratory methods have been accredited, while an additional 13 methods have been validated.