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**NEWS RELEASE**

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**LAZAR DAIRY SIGNS CONTRACT IN THE AMOUNT OF \$1.5 MILLION FOR THE CONSTRUCTION OF BIOGAS DIGESTER FOR WASTE WATER MANAGEMENT AND POWER GENERATION**

BELGRADE – The representatives of Lazar Dairy and GHD Inc. from Wisconsin, USA, signed today a contract for the construction of a biogas digester on a dairy farm in Blace, South Serbia. The total investment is in the amount of \$1.5 million, while the majority of the cost of the biogas digester pertains to associated infrastructure investments at the farm.

It is expected that the digester will be fully operational by September 2011 and as such, it will represent one of the most significant technology transfers in the spheres of agriculture and renewable sources of energy. This will also be one of the largest local level investments in the South of Serbia region, providing potential for further development of the livestock and dairy sectors as well as the region.

With the use of the new technology, Lazar Dairy will solve issues relating to biodegradable waste from the farm and the dairy production line, while using the waste for generating energy for the production of biogas and electricity. The expected return on investment is approximately three years.

**Ms. Susan Fritz**, USAID Serbia Mission Director pointed out that the application of appropriate technology in the treatment of waste is of great importance for agriculture because it not only represents environmentally sound best practice but also provides considerable savings, thus increasing profits.

*"Lazar Dairy has recognized the potential of using green technologies. Of course, the energy laws provide us with substantial subsidy incentives for producing energy thus allowing us to increase our competitiveness..... Taking into consideration that our investment is in many ways ground breaking, we expect the relevant government institutions to provide us with the necessary assistance is obtaining the appropriate permits and subsequently provide the necessary linkages to Serbia's energy system." - Milan Vidojević, Director of Lazar Dairy.*

This activity was initiated by the United States Department for Agriculture (USDA) through a project aimed at promoting renewable energy resources in Serbian agriculture, while the USAID Agribusiness Project played an instrumental role in introducing this technology to the dairy and livestock sectors in Serbia.

Lazar Dairy started operating in 1994 with two employees. Today, the company employs 160 people and has a production capacity of 80,000 liters a day. Over 2,500 households from the region supply the company.

The USAID Agribusiness Project is financed by the United States Agency for International Development and its principal goals relate to increasing the export of Serbian agricultural produce and the creation of employment in the sector. Project activities are focused on increasing competitiveness of companies operating within the six agricultural sectors.

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