

## News Details

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### Change of direction in Swiss dairy policy



400 women who demonstrated in Poitiers

European Milk Board welcomes the decision of the Swiss National Council to put milk producers in charge to ensure generally binding provisions

*Hamm, October 6<sup>th</sup>, 2010:* „The National Council has put on the brakes. A majority its members voted in favour of a motion that will enable milk producers to decide whether and how generally binding provisions will come into force” says Romuald Schaber, president of the European Milk Board (EMB). He welcomes this important political decision in Switzerland. If all milk producers have to abide by generally binding rules for the dairy production excess production that pulls the price downwards can be prevented. If the second chamber of the parliament -the Council of Swiss States- approves this decision as well, milk producers in Switzerland are able to decide in what way all Swiss producers are bound to a milk volume control. Romuald Schaber says: “This would be the first step towards adjusting the milk volume to the actual demand and thus a milk price that covers the production costs of producers in Switzerland.”

So far policy-makers in Switzerland have left the question of generally binding provisions to the discretion of the interbranch organisation “Milk” (Branchenorganisation Milch, BOM). Representatives of the retail sector, dairy industry as well as producers are members of the BOM. “The BOM failed miserably and the National Council could no longer justify the severe repercussions that this failure has on milk producers” adds Romuald Schaber. According to Romuald Schaber the situation is particularly difficult. In order to implement generally binding provisions not only the producers have to agree, but the retail and the processing sector as well.

These sectors are, however, not interested in a volume control, as they would have to take into account an increased milk price for producers. Even though they endorsed the decisions of the BOM the industry and the retail sector did not implement them. That is why excess production occurs that pulls the price downwards so that it no longer covers the production costs.

This U-turn shows that policy-makers in Switzerland are no longer support liberalisation of the market. The EU will probably make the same experience, even though its policy-makers are currently planning to abolish milk quotas in 2015.

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