

**2.12 Senator B.E. Shenton of the Minister for Economic Development regarding public policy exemption under the Competition (Jersey) Law 2005 in respect of the current dairy arrangements:**

Is the Minister of the view that a public policy exemption under the Competition (Jersey) Law 2005 in respect of the current dairy arrangements is not necessary and that open competition and that local dairy industry, the removal of centralised quotas and milk quality checks, and the possible importation of milk is in the best interests of the Island?

**Senator T.A. Le Sueur:**

I believe that the Minister for Economic Development does not normally deal with dairy matters because of a conflict of interest and I suspect that that question may need to be addressed to the Assistant Minister.

**Deputy A.J.H. Maclean of St. Helier (Assistant Minister for Economic Development - Rapporteur)**

In fact the Chief Minister has been dealing with dairy matters himself personally because of the Minister's conflict. However, I will take this question in part. Senator Shenton's question is, to a large degree addressed by the statement that the Chief Minister will present to this Assembly when he returns to the Island tomorrow. In this respect, Members supplementary questions might be better deferred to the Chief Minister tomorrow. However, in the meantime, I can comment as follows on the question put by Senator Shenton. On the question of Public Policy Exemptions, the use of a PPE (Public Policy Exemptions) has never been ruled out. In fact, the Chief Minister has made it clear on several occasions that he would issue a PPE in the short term if it became necessary to allow a new and compliant structure to be put into place. This has not been required and now seems even more unlikely given the J.M.M.B.'s (Jersey Milk Marketing Board) willingness to make arrangements that should satisfy the Competition Regulatory Authority. Regarding open competition in the local dairy industry, the operation of the dairy industry must be compliant with the Competition Law. The degree of competition will be tempered by the fact that a very large majority of dairy farmers wish to work together as a voluntary co-operative. Regarding the possibility of the removal of centralised quotas and milk quality checks, a system of controls that limit all Island milk production will be retained as will checks on milk quality. Finally, on the question of the possible importation of milk, the Chief Minister has stated that every possible route will be explored to resist the importation of liquid milk as it is felt that such a move would not be in the best interests of the Island.

**2.12.1 Senator B.E. Shenton:**

I thank the Assistant Minister for his reply. May I just point out that many members of the dairy industry are extremely concerned at the way that the Economic Development Department is handling this issue and that this is a very, very important matter and we must look after the dairy industry and avoid importation at all costs, and I look forward to the Minister's statement tomorrow.

**2.12.2 Deputy R.G. Le Hérisier:**

Would the rapporteur agree that if the policies proposed within the body of Senator Shenton's question were to be implemented we could find ourselves in a situation comparable to that of England where dairy farmers are being put to the wall by the buying power of supermarkets?

**Deputy A.J.H. Maclean:**

It is clearly a very important issue, as Senator Shenton was alluding to, the dairy matters, and that is the reason that the Chief Minister has taken it upon himself to act personally in this regard. It is also an extremely complex issue and I have to agree with the Deputy that it has to be handled with the greatest of care and consideration and the points he raised are ones that have been taken under close consideration.

**2.12.3 The Deputy of St. Martin:**

Could the Assistant Minister confirm that it is indeed the Economic Development Minister that is able to grant a Public Policy Exemption under the competition law and not the Chief Minister?

**Deputy A.J.H. Maclean:**

It is indeed the Minister of Economic Development who can issue a PPE, that is correct, but in this instance, this particular matter has been deferred to the Chief Minister and so it would ultimately be the Chief Minister's decision to do so. He would have to make the request to the Economic Development Minister to facilitate.