

**2.6 Deputy A. Breckon of St. Saviour of the Chief Minister regarding the current position with the Jersey Milk Marketing Board and milk producers following the publication of the Economic Affairs Scrutiny Sub-Panel's review of the dairy industry:**

Could the Chief Minister inform the Assembly of the current position and report any meaningful progress with the Jersey Milk Marketing Board, its commercial arm, the Jersey Dairy, and milk producers following the publication of the Economic Affairs Scrutiny Sub-Panel review of the dairy industry (S.R.4/2007) presented on 25th January 2007?

**Senator F.H. Walker (The Chief Minister):**

I am pleased to report that there has been significant progress since the dairy industry was reviewed by both Promar International and the Economic Affairs Scrutiny Sub-Panel. There has been an ongoing series of talks and negotiations between the Jersey Milk Marketing Board, the States and other parties who are working to help the dairy industry move forward. This has been facilitated by external mediation. The J.M.M.B. (Jersey Milk Marketing Board) have been working hard on many different areas to finalise their forward plan which involves elements such as the set-up of the new dairy; how the new co-operative is structured and run. There has been a cascade of progress on the elements needed to achieve a successful outcome. But to summarise some of the more recent points of progress, Classic Herd are now processing their own milk which has led to some internal competition and choice for the consumer. Jersey Dairy is now actively seeking to adjust milk intake to better match supply and demand for the new dairy and has engaged producers on this topic. It is also working on the contractual arrangements it will have with producers who supply it. The J.M.M.B. is also nearing completion on agreeing details of a lease for the new dairy at Trinity and drafts have been exchanged between the parties. Jersey Dairy is successfully achieving significantly higher prices for both butter and skim milk powder due to world price increases in dairy products, and this is favourably impacting on its financial performance. The dairy is actively pursuing the development of an export market for added value Jersey dairy products and is running trials in a major U.K. supermarket. While at the start of the year there seemed to be some potential for serious division in the dairy industry, it is clear that the parties are now actively talking to each other and I am confident that there is a consensus to work together to a common future which is looking very promising.

**2.6.1 Deputy A. Breckon:**

I wonder, bearing in mind that Members were asked to debate this matter with some urgency, if the Chief Minister could give some indication of any timeframe that the excellent things that he has outlined there would fit into, and if there is a target indeed for this?

**Senator F.H. Walker:**

It is difficult to give a precise timeframe at this moment because it is, largely speaking, in the hands of the board of the J.M.M.B. and other producers. I do know that there is a shared wish to come up with an agreed structure and to reach agreement on the new dairy at the earliest possible time, but these are important and complex issues and they have to be got right and I applaud the very detailed work and the leadership that the board of the J.M.M.B. are now putting into this project.

**2.6.2 Deputy R.G. Le Hérissier:**

I wonder, Sir, if the Chief Minister could be more specific. Are there any major issues outstanding where agreement has not been reached, and if there are not, has a deadline been set for the actual move to the Howard Davis Dairy?

**Senator F.H. Walker:**

The one major issue yet to be resolved that I am aware of is that of the importation of semen where we have encountered legal problems, but I hope that those will be overcome. Other than that, I am not aware of any serious obstruction to progress, but at the same time - as I have said in response to

Deputy Breckon - these things cannot be rushed and the board of the dairy are doing a thorough job in a proper timescale and I know they share my wish that it should all be completed and they should be able to reach agreement on the dairy as quickly as possible. But it is necessary for them to get... we are looking at the entire future structure of the dairy industry in Jersey here and it is absolutely essential that we and they get it right.