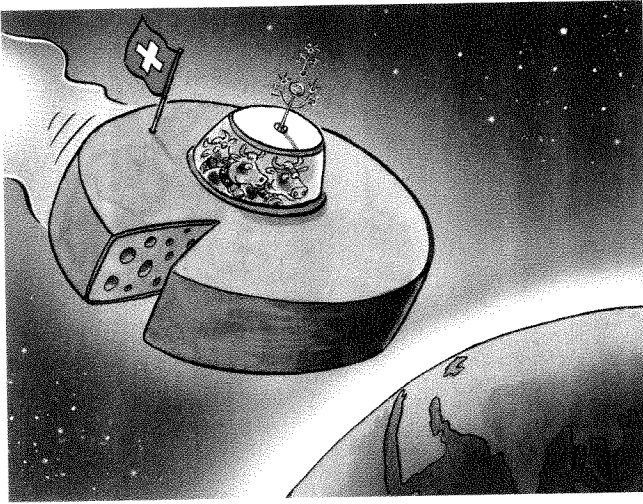


Charlemagne | A cheesy tale

Swiss cheese offers a surprising model for European agricultural reform



AMONG European reactionaries, on left and right, it is a cherished tenet that globalisation is the enemy of decent cheese. Not for nothing was the slogan “McDonald’s out, let’s keep the Roquefort” chanted when José Bové, a media-savvy French farmer, achieved worldwide fame for “dismantling” a half-built branch of the hamburger chain in 1999. Local traditions, small-scale production by hand, the use of tasty raw milk: all these good things are said to be at threat from the homogenising, cost-cutting impulses of global capitalism.

So it is striking to discover that Switzerland, home not just of serious cheese, but also of one of the world’s most protected farm sectors (worse even than the European Union) is taking a big bet that the future of Gruyère and Emmental is best secured by embracing international competition. Unnoticed by the wider world, this summer saw the near-total liberalisation of Swiss-EU cheese trade. This ended years of import barriers that doubled the cost of some EU cheese on Swiss shelves, as well as export subsidies that dumped half-priced Emmental in places like Italy (thus, in a final lunacy, luring thrifty Swiss housewives to cross the border to buy their cheese).

Reduced to its essence, the Swiss bet is this: if your country is a (very) expensive place to make cheese, it is better to head up-market and seek out new, rich customers than to deploy subsidies and tariffs to compete artificially on price. What this amounts to is a hope that a focus on choosy foreign buyers may turn out to be the best way to safeguard traditional producers.

This Swiss experiment matters to the rest of Europe. For it foreshadows, in microcosm, a bigger bet on globalisation that reformers would like to make for most European agriculture. Swiss officials say it took ten years to swing their cheese industry behind the idea of open borders. Mariann Fischer Boel, the agriculture commissioner, does not have that long: in the next few months a new battle will start over reform of the much-improved, but still disgracefully lavish, common agricultural policy (CAP), which accounts for almost half of the EU budget. In recent speeches, Mrs Fischer Boel has urged food producers to focus on quality, heritage and new markets. This summer, she told exporters that import tariffs will move in only one direction in the coming years: “downwards”.

Anton Brügger, a second-generation Gruyère-maker from the

Sense valley, near Bern, has not forgotten a visit to Australia, when he saw hunks of Swiss Gruyère on sale for four times the price he gets from his producers’ association. This example of globalisation did not anger him. Instead he bought some to taste (it was pretty good), and rejoiced at the power of Swiss exports. China is a new opportunity, he thinks. “The Chinese will start eating cheese, that’s for sure.” At that point, naturally, China will start making lots of cheap cheese: it already has a growing dairy industry, making pots of money from yoghurt.

Mr Brügger’s home village of Wiler vor Holz is not a cheap place to farm. Its dark wooden houses and barns, balconies brightened by masses of geraniums, would not shame a ski resort. The cows wandering past his dairy, bells tonkling prettily, are fed on the purest grass and hay (cows whose milk is destined for Gruyère or other protected Swiss cheese may not eat silage or cattle feed). As a result, even the permanent whiff of cow dung that hangs in the air has an oddly pleasant, yeasty scent.

This is also the smell of Swiss taxpayers’ money at work. State aid for maintaining the (lovely) landscape is everywhere. There are subsidies for feeding cows only grass and hay, and subsidies for letting them graze outdoors in the summer (Swiss voters are big on animal welfare, and tourists like animals). Wildflower meadows, wooded riverbanks and steep fields all attract cash. Officials insist these are payments for public goods that do not distort the market. Their views are nowadays echoed in the EU, where cash is shifting from subsidising production to direct payments for looking after the countryside.

The whiff of free competition

The Swiss bet on globalisation does not affect trade with the EU alone. Switzerland still slaps big tariffs on New Zealand dairy products. But more competition will stir things up. Aberrations like Swiss mozzarella or brie may struggle against the real thing from Italy and France. Authenticity will come to matter more.

For years, Swiss dairymen had little incentive to improve their Appenzell or Tête de Moine, as all cheese for export was bought for a fixed price by a state-run monopoly. It was a “very comfortable” life for those who were not “champion cheesemakers”, says one official, delicately. More go-ahead types seethed with frustration.

The industry’s self-regulation continues for the biggest cheese varieties. Producers’ associations, such as the one that buys Gruyère from Mr Brügger, still set production quotas for each cheesemaker. At a regional fair, Charlemagne met an authentic free-market hero, Walter Zaugg, who escaped the “very regulated” Emmental market five years ago by inventing his own cheese, Flösserkäse, or “rafter’s cheese”. He gave the cheese a fictitious history (his marketing talks vaguely of cheese hidden in barrels and smuggled to market on log rafts centuries ago). Inventing your own cheese is “hard work”, says Mr Zaugg, “but it means freedom.” He now makes 200 tonnes a year, much of it exported to Germany.

Mrs Fischer Boel likes to point out to EU farmers that the Indian middle class is growing by 35m people, “the population of a medium-sized European country”, every year. The new rich in India are hungry for exotic forms of European food and drink, she says. India’s middle classes have already embraced McDonald’s. Will some now take to authentic Roquefort and Gruyère as well? If Europeans take care to export only decent, well-crafted cheese, it seems a fair bet. ■