



11 March 2022

(22-2221)

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**Committee on Subsidies and Countervailing Measures**

Original: English

## **SUBSIDIES**

### NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

#### SWITZERLAND

The following communication, dated 28 February 2022 and received on 3 March 2022, is being circulated at the request of the delegation of Switzerland.

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## 1 REGIONAL POLICY

### 1. Title of the programme

Tax relief on the basis of the Federal Law on Regional Policy (since 1 January 2008).

### 2. Period covered

2019-2020.

### 3. General goal and/or purpose of the subsidy

Create or maintain jobs in clearly defined, structurally weak areas. These areas show a low level of structural, economic and social development and are mostly located in rural areas covering 10% of the Swiss population. They shall be enabled to engage in value-added activities with the ultimate objective to reduce regional disparities. Since 1 July 2016, spatial planning considerations are taken into account in addition to structural weakness.

### 4. Background and authority

Legal basis:

- Art. 12 of the Federal law of 6 October 2006 on regional policy (status as of 1 January 2008).
- Ordinance of 3 June 2016 on the Granting of Tax Relief within the Scope of Regional Policy (status as of 1 July 2016, replaces the Ordinance of 28 November 2007 on the Granting of Tax Relief within the Scope of Regional Policy).
- Ordinance of the EAER of 3 June 2016 on the Determination of the Municipalities Falling Within the Areas of Application for Tax Relief (status as of 1 July 2016, Replaces the Ordinance of 28 November 2007 on the Determination of the Areas of Application for Tax Relief).
- Ordinance of the EAER of 3 June 2016 on the Granting of Tax Relief within the Scope of Regional Policy (status as of 1 July 2016).

Authority:

State Secretariat for Economic Affairs SECO / Federal Department of Economic Affairs, Education and Research EAER.

### 5. Form of the subsidy

Partial or full tax relief granted in application of the federal law of 6 October 2006 on regional policy for a maximum duration of ten years. Since 1 July 2016, the tax relief is granted as an absolute amount (instead of a percentage).

### 6. How the subsidy is granted and to whom

Tax reliefs are granted to industrial companies. The project has to create or maintain jobs in clearly defined, structurally weak areas (areas of application).

### 7. Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy

The overall volume of foregone tax on the basis of the Federal law of 6 October 2006 on regional policy amounts to approximately CHF 44 million per year (average 2008 – 2018). The overall volume of foregone tax on the basis of decisions issued after the 1 July 2016 amounts to approximately

CHF 0.8 million per year (average 2016 - 2018). According to general tax law, figures are available only after 3 years.

8. Duration of the subsidy and/or any other deadline connected with the subsidy

The Federal law on regional policy of 6 October 2006 is not limited in time.

The tax reliefs are granted for a maximum duration of ten years.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

In the period 2008 to 2021, 148 projects were granted tax relief, i.e. 10.6 projects per year on average.

## 2 ENVIRONMENTAL POLICIES

### 2.1 CO2-TAX REFUND TO SPECIFIC INDUSTRY SECTORS

1. Title of the programme

Refund of the CO2 levy (Art. 31 and Art. 32a of Federal Act on the Reduction of CO2 Emissions (CO2 Act) of 23 December 2011 (status as of 1 January 2020).

2. Period covered

2015 - 2020.

3. General goal and/or purpose of the subsidy

The refund of the CO2 levy aims to avoid an undesirable disadvantage of the competitiveness of companies that are exposed to international competition.

4. Background and authority

Background:

The CO2 levy on heating and process fuels was introduced in January 2008 at an initial rate of CHF 12 per tonne of CO2. It was increased to CHF 36 per tonne CO2 in January 2010, to CHF 60 per tonne of CO2 in January 2014, to CHF 84 per tonne of CO2 in January 2016 and to CHF 96 per tonne CO2 in January 2018. The CO2 Act sets a maximum of the levy at CHF 120 per tonne of CO2

The CO2 Act allows for exemptions (refund of the levy) from the CO2 levy for energy intensive industries either by participation in the Emissions Trading Scheme (ETS) or by commitments to emission reductions (nonETS). Furthermore, since the beginning of 2018, operators of fossil fuel-based combined heat and power plants (CHP plants) can be exempted from the CO2 levy on fossil fuels they use for electricity production.

- ETS: Introduced in 2008, enlarged and aligned with the EU-ETS for the period 2013-2020. Large, greenhouse gas-intensive companies are required to participate in ETS, while medium-sized companies may voluntarily participate. The companies participating in the ETS are exempted from the CO2 levy. CO2 levy exemptions of mandatory ETS companies are not included in levy refunds listed below.
- nonETS: Companies of certain sectors that are particularly affected by the CO2 levy, may apply for exemption from the CO2 levy, provided the company commits to emission reductions in return. The eligible sectors of the economy are referred to in Annex 7 of the CO2 Ordinance. For further information see:

[www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/climate-policy/co2-levy/exemption-from-the-co2-levy-for-companies.html](http://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/climate-policy/co2-levy/exemption-from-the-co2-levy-for-companies.html)

- CHP plants: Companies that operate CHP plants can be refunded the CO2 levy on fossil combustible fuels that were used for electricity production. However, while 60% of the refund is granted without further obligations, the remaining 40% is refunded subject to investments of this amount in measures to increase energy efficiency. For further information see:

[www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/climate-policy/co2-levy/exemption-from-the-co2-levy-for-companies.html](http://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/climate-policy/co2-levy/exemption-from-the-co2-levy-for-companies.html) → Exemption from the CO2 levy for CHP plants.

Legal basis:

- Federal Act on the Reduction of CO2 Emissions (CO2 Act) of 23 December 2011 (status as of 1 January 2020):

<https://www.admin.ch/opc/en/classified-compilation/20091310/index.html>.

- Ordinance for the Reduction of CO2 Emissions (CO2 Ordinance) of 30 November 2012 (status as of 1 November 2020):

<https://www.admin.ch/opc/en/classified-compilation/20120090/index.html>.

Authority:

- Federal Office for the Environment FOEN / Federal Department of the Environment, Transport, Energy and Communications DETEC.
- Swiss Custom Administration SCA / Federal Department of Finance FDF.

## 5. Form of the subsidy

Refund of CO2 levy.

## 6. How the subsidy is granted and to whom

nonETS: The refund of the CO2 levy is granted only to companies covering an activity referred to in Annex 7 of the CO2 Ordinance. Eligible companies have to commit to reducing greenhouse gas emissions on the basis of a fixed emissions reduction target. Small companies also have the possibility to set a target solely based on effective emissions reductions measures. If a company fails to fulfil its target, a sanction of CHF 125 for each excess tonne CO2eq emitted has to be paid and an emission reduction certificate for each excess tonne has to be surrendered.

CHP plants: The refund of the CO2 levy is granted only to companies that operate plants with a rated thermal input of 0.5 to 20 MW. When a company does not fulfil its investment requirement on time, the FOEN will order the company to pay back 40 percent of the refunded CO2 levy on fossil combustible fuels that were used for electricity production.

## 7. Unit amount of the subsidy or, where this is not possible, total amount or budgetized annual amount of the subsidy

The CO2 levy that was refunded by the Swiss Customs Administration to exempted companies (without mandatory EHS) was 97 CHF million in 2015 (1.618 mio t CO2 \* 60 CHF / t CO2), 139 CHF million in 2016 (1.655 mio t CO2 \* 84 CHF / t CO2), CHF 141 million in 2017 (1.674 mio t CO2 \* 84 CHF / t CO2), CHF 158 million in 2018 (1.649 mio t CO2 \* 96 CHF / t CO2). CHF 163 million in 2019

(1.695 mio t CO<sub>2</sub> \* 96 CHF / t CO<sub>2</sub>) and CHF 157 million in 2020 (1.638 mio t CO<sub>2</sub> \* 96 CHF / t CO<sub>2</sub>). Data on the amount of refunds in 2021 is not yet available.

8. Duration of the subsidy and/or any other deadline connected with the subsidy

In 2021, the Swiss people rejected the proposed reform of the Federal Act of 23 December 2011 on the Reduction of Greenhouse Gas Emissions (CO<sub>2</sub> Act). Even if the total revision of the CO<sub>2</sub> Act was rejected by the people in the referendum vote on 13 June 2021, nonETS companies will remain exempt from the CO<sub>2</sub> levy (reduction commitment). The legal basis for this is a partial revision of the CO<sub>2</sub> Act based on the initiative parliamentary 21.477 "Extensions of the reduction targets in the current CO<sub>2</sub> Act", which is to enter into force retroactively on 1 January 2022 and regulate the reduction obligation until the end of 2024.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Statistical data indicating trade effects is not available.

### 3 FORESTRY

1. Title of the subsidy programme

New system of fiscal equalization and division of tasks (NFE) between the federal government and the cantons.

2. Period covered

2019 - 2020.

3. Policy objective and/or purpose of the subsidy.

Compensation to forest owners for services rendered to the public. Subsidies are paid in accordance with the Federal Act on Forests (ForA). The principles of this financing system are indicated in Art. 35 ForA.

4. Background and authority for the subsidy

Federal Act on Forests (1991) [SR 921].

[https://www.fedlex.admin.ch/eli/cc/1992/2521\\_2521\\_2521/en](https://www.fedlex.admin.ch/eli/cc/1992/2521_2521_2521/en)

Federal Ordinance on Forests [SR 921.01].

[https://www.fedlex.admin.ch/eli/cc/1992/2538\\_2538\\_2538/en](https://www.fedlex.admin.ch/eli/cc/1992/2538_2538_2538/en)

5. Form of the subsidy

Since 2008 the new system of fiscal equalization and division of tasks (NFE) is in force. This system also concerns the assistance in the field of forestry. Assistance is allocated in the form of indemnities and financial assistance.

6. How the subsidy is granted and to whom

The federal government and the cantons mainly provide comprehensive subsidies that favour the categories Protection Forest, Forest Biodiversity and Forest Management. Generally, the contributions from the cantons are at least as high as those from the federal government. However, the cantons vary greatly in the requirements they have for their forests and what kinds of forest they have. These differences mean that the cantons also vary greatly in how they distribute their contributions across the categories. With the NFE the federal government introduced four-year long programme agreements between the federal government and the cantons. The subsidies paid by the federal government and the cantons are managed by the cantons to achieve the common defined goals within the programme. The programme forest for the period 2020-2024 includes the sub-programmes protection forest, forest biodiversity and forest management.

7. Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy

In 2019, the Confederation was engaged in programs amounting to CHF 160.3 million; in 2020, it was CHF 152.2 million. The components of the federal contributions are: programme forest with the sub-programmes forest protection, forest biodiversity, forest management as well as protection against natural hazards, investment forest credits and diverse.

Budget item	Account 2019 (CHF million)	Account 2020 (CHF million)
Protection Forests	73.1	71.4
Forest Biodiversity	20.0	19.9
Forest Management	19.4	21.3
Natural Hazards Protection	37.5	32.9
Various Components	9.4	5.9
Forestry Investment Loans	0.9	1.0
<b>Total</b>	<b>160.3*</b>	<b>152.2*</b>

\*) Figures are rounded, rounding differences are possible.

8. Duration of the subsidy and/or any other deadline connected with the subsidy

Starting 2008, four-year programmes (2008-2011; 2012-2015; 2016-2019) were introduced. The current period is exceptionally a five-year period (2020-2024).

9. Statistical data enabling the effects of the subsidy on trade to be assessed

The effect of the assistance programme on trade is negligible, if not non-existent.

## 4 ENERGY POLICY

### 4.1 GRANTS FOR RENEWABLE ENERGY INVESTMENTS

1. Title of the subsidy programme

Investment grants for photovoltaic, hydropower and biomass plants (Energy Act; [SR 730.0](#)).

2. Period covered

2017 - 2020.

3. Policy objective and/or purpose of the subsidy

Investment grants are an instrument that was developed by the Confederation for the purpose of encouraging renewable energy production.

4. Background and authority for the subsidy

Legal Basis: Articles 25 to 27 of the Energy Act, dated 30 September 2016 ( [SR 730.0](#)).

Authority: Swiss Federal Office of Energy ([www.bfe.admin.ch](http://www.bfe.admin.ch)).

Implementing Agency of grants for photovoltaic systems: Pronovo ([www.pronovo.ch](http://www.pronovo.ch)).

5. Form of the subsidy

The grants are investment subsidies that cover a limited part of the investment costs of eligible projects:

- Photovoltaic systems: max. 30% of the investment costs.
- Large hydro power plants: max. 35% of eligible investment costs for new plants and substantial extensions, max. 20% for substantial refurbishment, max. 40% for new

plants and substantial extensions with thanks to storage increase production of at least 10 GWh.

- Small hydro power plants: max. 60% of eligible investment costs for substantial enlargement, max. 40% for substantial refurbishment.
- Biomass plants: max. 20% of eligible investment costs.

6. How the subsidy is granted and to whom

The grants are provided to operators of new or significantly expanded or upgraded plants upon request and subject to available funds.

7. Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy

Total amount of the subsidy

Photovoltaic systems:

2017: 100 Mio CHF  
 2018: 200 Mio CHF  
 2019: 300 Mio CHF  
 2020: 380 Mio CHF

Hydropower plants:

2017: 0 Mio CHF (grants introduced on 1.01.2018)  
 2018: 15 Mio CHF  
 2019: 170 Mio CHF  
 2020: 15 Mio CHF

Biomass plants:

2017: 0 Mio CHF (grants introduced on 1.01.2018)  
 2018: 2 Mio CHF  
 2019: 0 Mio CHF  
 2020: 10 Mio CHF

8. Duration of the subsidy and/or any other deadline connected with the subsidy

The grant scheme is limited in time and expires at the end of 2030.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

The programme has no or very limited effects on trade. Statistical data assessing such trade effects is not available.

## 4.2 GRANTS FOR GEOTHERMAL EXPLORATION

1. Title of the subsidy programme

Investment grants for geothermal exploration (Energy Act; [SR 730.0](#)).

2. Period covered

2018 - 2020.



3. Policy objective and/or purpose of the subsidy

Increase electricity production from renewable energy sources to reach the goals defined in the Swiss Energy Act. Financial contributions for geothermal exploration activities that result in proving the presence of a geothermal reservoir suitable for power production.

4. Background and authority for the subsidy

Legal Basis: Article 33 of the Energy Act, dated 30 September 2016 (Energy Act; [SR 730.0](#)), and entered into force on 1 January 2018.

Authority: Swiss Federal Office of Energy ([www.bfe.admin.ch](http://www.bfe.admin.ch))

5. Form of the subsidy

Investment grants are defined as a given percentage of the eligible investments. Eligible costs are costs associated with finding and assessing a geothermal resource for subsequent power production, including prospecting expenditures, and expenditures related to construction and reclamation of well pads; drilling, completions, logging and testing of wells; well stimulation and subsurface monitoring.

6. How the subsidy is granted and to whom

Contributions may firstly be granted for surface prospecting activities with the goal of defining surface locations of wells and their paths to subsurface target points.

Second, and after prospecting activities have been successfully completed, contributions may be granted for drilling wells and associated activities that prove that a targeted potential reservoir exists and is suitable for power generation.

The investment grants may amount to at most 60% of the eligible cost and are subject to availability of funds.

7. Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy

Total amount of the subsidy:

2018: 0 Mio CHF

2019: 75 Mio CHF

2020: 25 Mio CHF

8. Duration of the subsidy and/or any other deadline connected with the subsidy

The grant scheme was introduced on 1 January 2018. It is limited in time and expires at the end of 2030.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

The programme has no or very limited effects on trade. Statistical data assessing such trade effects is not available.

#### **4.3 MARKET PREMIUM FOR LARGE HYDRO POWER PLANTS**

1. Title of the subsidy programme

Market premium for electricity from large hydropower plants (Energy Act; [SR 730.0](#)).

2. Period covered

2018 – 2020.

### 3. Policy objective and/or purpose of the subsidy.

The Market Premium is granted for electricity from hydropower plants of more than 10 MW, which is sold at a market price below its production cost. This scheme covers economic losses incurred by operators in order to promote the continuous production of electricity from renewable energy sources.

### 4. Background and authority for the subsidy

Background: Since 2008, numerous hydropower operators have been unable to produce adequate returns on capital that led to a curtailment in maintenance and new investment.

Legal Basis: Energy Act, dated 30 September 2016 and entered into force on 1 January 2018 (Energy Act; [SR 730.0](#)), Article 88(f) of the Ordinance on the Promotion of Energy ([SR 730.03](#)).

Authority: Swiss Federal Office of Energy.

### 5. Form of the subsidy

Hydro power plants that sell electricity below production costs at the wholesale market are entitled to apply for a market premium of maximal 1 Swiss cent/kWh. Sales to captive customers, to which costs can be fully passed on, are excluded from this support scheme (Art. 31 Energy Act).

In order to calculate the profitability of a hydro power plant the Swiss Federal Office of Energy (SFOE) published a guideline on allowable costs of generation and a detailed application form together with other implementation documents.

### 6. How the subsidy is granted and to whom

The potential beneficiary must fill in a detailed application form by May 31. The Swiss Federal Office examines all the applications with a commissioned external inspection body and decides on the amount of the subsidy granted.

The beneficiaries are those who carry the losses, i.e. the plant operator, the plant owner(s), or contractually obligated off-takers (retailers).

### 7. Unit amount of the subsidy or, where this is not possible, total amount or budgeted annual amount of the subsidy

The price premium is capped at maximum 1 Swiss cent/kWh for loss-making power sales if applications do not exceed available funds; otherwise, the price premium per kWh will be lower.

Total amount of the subsidy:

2018: 100 Mio CHF

2019: 65 Mio CHF

2020: 85 Mio CHF

### 8. Duration of the subsidy and/or any other deadline connected with the subsidy

The duration of the instrument lasts from 2018 to 2022. Each year, potential beneficiaries need to apply for the premium until May 31 based on their financial statements of the previous financial year.

### 9. Statistical data enabling the effects of the subsidy on trade to be assessed

Statistical data permitting an assessment of the trade effects is not available.

## 5 PETROLEUM TAX REFUNDS

### 1. Title of the subsidy programme

Mineral oil tax refund for specific intended use.

2. Period covered by the notification

2019-2020.

3. Policy objective and/or purpose of the subsidy

Tax relief for mineral oil tax is granted based on the following objectives among others:

- In the areas of agriculture and forestry, natural stone quarrying and commercial fishing, the objective is to reduce production costs for these sectors.
- The licensed transport companies must provide legally regulated services that are in the public interest. This is why they are exempted from fiscal levies.
- Regarding winter tourism, the objective is to improve the framework conditions by the refunds to operators of slope maintenance vehicles.

4. Background and authority for the subsidy

Mineral oil tax is a special consumption tax, which since 1997 has been levied by the Swiss Confederation on petroleum, other mineral oils, natural gas, their processed products and fuel. In addition to mineral oil tax, a mineral oil surtax is also levied on fuel.

Goods may, depending on their use, be subject to differing tax rates. On the one hand, the tax tariff in Annex 1 to the Mineral Oil Tax Act (SR 641.61) makes the distinction between goods which are used as fuels and goods which are used in other applications. On the other hand, the tariff of the tax reductions in the Annex to the Federal Department of Finance (FDF) Ordinance on Tax Reductions for Mineral Oil Tax (SR 641.612) contains reduced tax rates for certain uses.

The Federal Office for Customs and Border Security is responsible for the enforcement of mineral oil tax legislation and thereby the granting of tax relief.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Tax relief which is granted in the form of refunds of the difference between the normal and reduced tax rate.

6. To whom and how the subsidy is provided

If fuels (petrol, diesel, natural gas, etc.) are used for one of the tax-privileged purposes listed below, after they have been consumed, the refund of the difference between the normal and reduced tax rate can be claimed.

- Journeys of public transport companies;
- Operation of slope maintenance vehicles;
- Agriculture and Forestry;
- Natural stone quarrying;
- Commercial fisheries;
- Certain stationary applications (among others powering of stationary electricity generation installations).

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Tax relief amounting to CHF 163.0 million in 2019 and CHF 160.2 million in 2020 was granted by the Federal Office for Customs and Border Security.

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement.

With the exception of the refund of the mineral oil tax to natural stone quarrying (since 2007) and to operators of slope maintenance vehicles (since 2016), tax relief has been in existence since mineral oil tax was introduced in 1997. It is not limited in time.

9. Statistical data permitting an assessment of the trade effects of the subsidy.

Statistical data permitting an assessment of the trade effects is not available.

## **6 AGRICULTURE**

### **6.1 AGRICULTURAL POLICY 2014 – 2021**

1. Title of the subsidy programme

Agricultural policy 2014 – 2021 (AP 14-21) – direct payments

2. Period covered

2019-2020.

3. General goal and/or purpose of the subsidy

The policy objective aims at:

- the reliable provision of the population with foodstuffs
- the conservation of natural resources and the upkeep of the countryside
- decentralised population settlement of the country

4. Background and authority

- a) Federal Law on Agriculture of 29 April 1998 (SR 910.1)
- b) Federal Ordinance of 23 October 2013 concerning direct payments (SR 910.13 direct payments ordinance)

5. Form of the subsidy

The new direct payment system comprises seven categories of payments, each targeted to a specific policy objective, with a total of 24 measures (2020). The payments are distributed in the form of grants.

6. How the subsidy is granted and to whom

Payments are granted to agricultural producers.

7. Amount of the subsidy per head**General Summary of expenditure under the direct payment scheme<sup>1</sup>**

	2019 (mio. CHF)	2020 (mio. CHF)
Payments for ensuring food security	1,077.3	1,076.8
Farmland payments	526.0	524.0
Payments for production systems	487.4	492.2
Biodiversity payments	415.8	424.8
Payments for landscape quality	145.6	146.3
Resource efficiency payments	58.4	67.5
Transitional payments	104.1	79.7

8. Duration of the subsidy

Payments will be in place until a new Agricultural Policy comes into force.

**6.2 DAIRY PRODUCTS**1. Title of the subsidy programme

Three types of supplements are in place: supplement for milk converted into cheese, supplement for non-silage feed and supplement for marketed milk.

2. Period covered

2019-2020.

3. General goal and/or purpose of the subsidy

The purpose of the supplement for milk converted into cheese is to encourage milk farmers to give added-value to the milk. Similarly, the supplement for marketed milk is to increase the added value by encouraging the milk supply to the food industry. The purpose of the supplement for non-silage feed is to encourage the use of grass as a more ecological and more expensive fodder in milk production.

4. Background and authority

Federal Act on Agriculture dated 29 April 1998 (RS 910.1), Article 38, Article 39 and Article 40.

5. Form of the subsidy

Allowances (grants).

6. How the subsidy is granted and to whom

Supplements per kilo milk converted into cheese, per kilo milk of cows fed without silage and per kilo marketed milk.

7. Amount of the subsidy per headSupplement for milk converted into cheese:

2019: 197'840'798 mio. CHF for a total of 1'884'198'076 kilo of milk.

2020: 192.2 mio. CHF for a total of 1'830'039'076 kilo of milk.

Supplement for non-silage feed:

2019: 31.4 mio. CHF for a total of 1'048'099'300 kilo of milk.

2020: 30'3 mio. CHF for a total of 1'011'504'567 kilo of milk

<sup>1</sup> For a more detailed overview please consult the DS:1 notification of Switzerland in the WTO Agricultural Committee.

Supplement for marketed milk

2019: 149.5 mio. CHF for a total of 3'322'004'689 kilo of milk

2020: 149.4 mio. CHF for a total of 3'320'139'044 kilo of milk

8. Duration of the subsidy

The supplements for milk converted into cheese and for non-silage feed have been in force since 1999, the supplement for marketed milk since 2019.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Year	Total production of milk, in tons
2019	3'322'004
2020	3'320'139

**6.3 BOVINE MEAT**1. Title of the subsidy programme

Contributions for the storage of veal meat.

2. Period covered

2019-2020.

3. General goal and/or purpose of the subsidy

The purpose of the subsidy is to promote the storage of domestic veal meat. In 2020, an additional purpose of the subsidy was to limit the economic consequences in the bovine and veal meat sector resulting from the closure of the restaurants due to the COVID-19 pandemic.

4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

Federal Ordinance of 26 November 2003 concerning the meat market (SR 916.341: Meat ordinance).

5. Form of the subsidy

Contributions (grants).

6. How the subsidy is granted and to whom

The Confederation can finance measures to facilitate the storage of domestic veal meat.

7. Amount of the subsidy per unit

Year	Per unit (CHF per kg)
2019	5.0
2020	5.4

8. Duration of the subsidy

The subsidy has been in place since 2003.

9. Statistical data enabling the effects of the subsidy on trade to be assessed**Production and trade of veal meat (in tons)**

Year	Production	Imports	Exports
2019	20'839	514	2
2020	19'886	580	2

## 6.4 WOOL

### 1. Title of the subsidy programme

Purchase of domestic wool and projects including the use of wool ("wool projects").

### 2. Period covered

2019 - 2020.

### 3. General goal and/or purpose of the subsidy

There are at present some 340,000 heads of sheep, the majority of which are in mountain areas. The subsidy enables the Swiss wool industry to purchase domestic wool, while at the same time guaranteeing a contribution to producers to their production costs. The contributions for wool projects enable the industry to develop processes for wool treatment and to promote wool products..

### 4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

### 5. Form of the subsidy

2019/20: The Confederation makes an annual contribution of approx. CHF 0.8 million for the professional treatment of domestic sheep wool and for wool projects.

### 6. How the subsidy is granted and to whom

2019/20: The subsidy is granted by the Confederation to recognized self-help organisations of sheep owners and wool processors. The contribution is based on the weight of transformed wool and based on project costs.

### 7. Amount of the subsidy per unit

Year	Total (millions of CHF)	Per unit (CHF per kg)
2019	0.59 (for the treatment of domestic sheep wool)	2.00
2019	0.30 (for wool projects)	
2020	0.58 (for the treatment of domestic sheep wool)	2.00
2020	0.18 (for wool projects)	

### 8. Duration of the subsidy

The subsidy for the purchase of domestic wool was introduced in 1962. It is provided in two instalments per year. Contributions for projects were introduced in 2003.

### 9. Statistical data enabling the effects of the subsidy on trade to be assessed

#### Production and trade of wool (in tons)

Year	Production	Imports	Exports
2019	*	545	542
2020	*	574	518

\*Number of total production of wool not collected.

## 6.5 EGGS

### 1. Title of the subsidy programme

Contributions for the disposal of eggs

2. Period covered

2019-2020.

3. General goal and/or purpose of the subsidy

The purpose of the subsidy is to promote the disposal of domestic eggs in periods of over-production.

4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

Federal Ordinance of 26 November 2003 concerning the egg market (SR 916.371: Egg ordinance).

5. Form of the subsidy

Contributions (grants).

6. How the subsidy is granted and to whom

The Confederation can finance measures to facilitate the disposal of domestic eggs (cracking eggs and price reductions).

7. Amount of the subsidy

Year	Total amount (millions of CHF)
2019	1.9
2020	2.0

8. Duration of the subsidy

Payments are usually made on a monthly basis during a calendar year.

9. Statistical data enabling the effects of the subsidy on trade to be assessed**Production, trade and consumption of eggs in shell (millions of eggs)**

Year	Production	Imports	Consumption
2019	1000	411	1'231
2020	1064	439	1'281

Exports are negligible.

**6.6 TOBACCO**1. Title of the subsidy programme

Tobacco production support.

2. Period covered

2019-2020.

3. General goal and/or purpose of the subsidy

Help maintain tobacco production in traditional producing areas.

4. Background and authority

Federal law on tobacco taxation (RS 641.31).

Ordinance fixing producer prices and prices to manufacturers for local tobacco (RS 916.116.4).



5. Form of the subsidy

Payment to tobacco producers.

6. How the subsidy is granted and to whom

Production subsidy in favour of tobacco growers and for raw tobacco leaves processing. The subsidies come from a fund constituted by a tax on cigarettes sold in Switzerland. The fund pays the difference between producer prices (to a maximum of the target prices set by the government for each quality) and the tobacco price set by the government for the manufacturers.

7. Amount of the subsidy

Year	Total amount (millions of CHF)
2019	14.2
2020	14.0

8. Duration of the subsidy

The subsidy has been paid since 1984, now on the basis of the ordinance of 18 December 1996 fixing producer prices and prices to manufacturers for local tobacco.

9. Statistical data enabling the effects of the subsidy on trade to be assessed

Year	Production ('000 t)	Imports* ('000 t)	Consumption ('000 t)
2019	1.1	22.7	22.4
2020	1	19.00	18.7

\*Tariff heading 2401.1010/2010/3010 and 2403.9100/9940 - Tobacco (raw, waste, reconstituted)

## 6.7 PROTEIN

1. Title of the subsidy programme

Bonuses to promote the growing of protein.

2. Period covered

2019-2020.

3. General goal and/or purpose of the subsidy

Growing premiums for protein are one of the measures designed to safeguard producer income and support local production.

4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

5. Form of the subsidy

Payment to the producer (grant).

6. How the subsidy is granted and to whom

Crop bonuses proportionate to the area under cultivation are allocated to domestic producers of high-protein peas and field beans. The bonuses are allocated annually in the Confederation budget.

7. Amount of the subsidy

Support measures		Millions of CHF	
		2019	2020
Payment to the producer (1'000 CHF per hectare)	Field beans and high-protein peas	5.3	5.2

8. Duration of the subsidy

The subsidy was paid on the basis of the ordinance of 23 October 2013 (RS 910.17).

9. Statistical data enabling the effects of the subsidy on trade to be assessed**Production, trade and consumption**

Field beans, high-protein peas			
Year*	Production (thousands of tons)	Imports (thousands of tons)	Consumption (thousands of tons)
2019	18.8	9.1	27.9
2020	15.6	5.5	21.1

\* Exports are insignificant

Tariff heading – 0713.1011/1091/5012/5091

**6.8 OILSEEDS**1. Title of the subsidy programme

Bonuses to promote the growing of oilseeds.

2. Period covered

2019-2020.

3. General goal and/or purpose of the subsidy

The measures taken to promote arable farming are aimed at keeping a minimum area for the production of oil-seeds both for biological reasons linked to the need for a certain crop diversification and for reasons of maintaining domestic supply.

4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

5. Form of the subsidy

Payment to the producer (grant).

6. How the subsidy is granted and to whom

The following subsidies are granted for rapeseed, sunflower seed, soybeans, oilseed flax, poppy, oilseed pumpkin and safflower: crop bonuses proportionate to the area under cultivation are allocated to domestic producers.

7. Annual amount of the subsidy

Support measures		Millions of CHF	
		2019	2020
Payment to the producer (700 CHF per hectare except soyabeans) Payment to the producer (1'000 CHF per hectare for soybeans only)	Rapeseed, sunflower seed, oilseed pumpkin, oilseed flax, poppy, safflower, soybeans	21.5	22.1

8. Duration of the subsidy

A support of oil production was introduced in 1951. The subsidy was paid on the basis of the ordinance of 23 October 2013 (RS 910.17).

9. Statistical data enabling the effects of the subsidy on trade to be assessed

The subsidy has made it possible to keep a minimum area under oil-seed production. Domestic production is equivalent to 20-25% of Swiss average consumption of vegetable oils and fats.

**Production and trade (in tons)**

Year		Production	Import	Oil exports
2019	Rapeseed	67'800	6'990	306
	Soybeans	5'350	12'500	85
	Sunflower seeds	17'700	4'800	188
2020	Rapeseed	88'000	7'600	412
	Soybeans	5'250	10'650	208
	Sunflower seeds	12'300	5'500	308

**6.9 SUGAR BEET**1. Title of the subsidy programme

Bonuses to promote the growing of sugar beet for sugar production.

2. Period covered

2019-2020.

3. General goal and/or purpose of the subsidy

In order to guarantee domestic supply, a subsidy to promote the production of sugar beet was introduced in 2008 and fully replaced the allowance to the sugar factories in 2009.

4. Background and authority

Art. 54 of the Federal Law on Agricultural of 29 April 1998 (SR 910.1).

5. Form of the subsidy

Payment to the producer (grant).

6. How the subsidy is granted and to whom

Crop bonuses are proportionate to the area under cultivation. They are allocated to domestic producers of sugar beet, which are used to produce sugar. To receive the grant, producers must have a written contract with a sugar processing factory.

7. Amount of the subsidy per unit

Year	Support measures	Total (Millions of CHF)	CHF per hectare
2019	Payment to the producer (grant)	33.6	2,100
2020	Payment to the producer (grant)	36.8	2,100

8. Duration of the subsidy

The legislation funding subsidy for production of sugar was introduced in 1957. The subsidy was paid on the basis of the ordinance of 7 December 1998 for 2013 and of 23 October 2013 for 2014 (RS 910.17).

9. Statistical data enabling the effects of the subsidy on trade to be assessed**Production and trade of sugar (in tons)**

Year	Production	Imports <sup>2</sup>	Exports <sup>3</sup>
2019	239,000	71,200	4,100
2020	226,000	83,800	4,300

**6.10 SEEDS**1. Title of the subsidy programme

Bonuses to promote the growing of plants seeds.

2. Period covered

2019-2020.

3. General goal and/or purpose of the subsidy

The seeds culture of food and feed crops must be maintained under the Swiss production conditions to ensure domestic supply.

4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

5. Form of the subsidy

Payment to the producer (grant).

6. How the subsidy is granted and to whom

The following subsidies are granted for production of seeds for potato, corn, d grass and leguminous plants. Crop bonuses proportionate to the area under cultivation are allocated to domestic producers.

7. Amount of the subsidy

Support measures		Millions of CHF	
		2019	2020
Payment to the producer (1,000 CHF per hectare)	Seed production (grass, leguminous)	0.4	0.5
Payment to the producer (700 CHF per hectare)	Seed production (potato, corn)	1.1	1.1

8. Duration of the subsidy

The subsidy was paid on the basis of the ordinance of 23 October 2013 (RS 910.17).

9. Statistical data enabling the effects of the subsidy on trade to be assessed**Production and trade (in thousands of tons)**

Year		Production	Imports	Exports
2019	Seed potatoes <sup>1</sup>	20.6	4.01	1.9
	Seed corn <sup>2</sup>	0.5	1.2	0.02
	Seed grass <sup>3</sup>	0.01	9.6	1.7
2020	Seed potatoes	22.7	6.4	0.23
	Seed corn	0.39	1.3	0.02
	Seed grass	0.087	9.5	1.5

<sup>1</sup> Custom tariff heading: 0701.1010/1090

<sup>2</sup> Custom tariff heading: 1005.1000

<sup>3</sup> Custom tariff heading: 1209.21/22/23/24/25/29/30

<sup>2</sup> Customs tariff headings: 1701.12/91/99.

<sup>3</sup> Id.

## 6.11 FRUIT

### 1. Title of the subsidy programme

Promotion of domestic production.

### 2. Period covered

2019-2020.

### 3. General goal and/or purpose of the subsidy

The purpose of the subsidy is to offer products at a competitive price within the scope of the promotion of rural development. Other measures in this sector are aimed at preventing a collapse in the prices of domestic products.

### 4. Background and authority

Federal Law on Agriculture of 29 April 1998 (SR 910.1).

### 5. Form of the subsidy

The subsidies are granted according to a) and b)

- a) Subsidies to promote the utilization of surpluses. These are primarily intended for manufacturers of concentrated fruit juice to cover the additional costs resulting from the takeover of surpluses.
- b) In addition, subsidies are paid to manufacturers in order to create competitive conditions to purchase Swiss fruit for processing. The subsidies are fixed sums per unit, which are determined according to market conditions.

### 6. How the subsidy is granted and to whom

See replies to Question 5.

### 7. Amount of the subsidy

#### **Total amount (in millions of CHF)**

<b>Year</b>	<b>Total</b>
2019	3.3
2020	3.1

#### Amount per unit

The amounts per unit for the measures mentioned cannot be shown because they vary too widely with conditions and with the market situation.

### 8. Duration of the subsidy

For the measures during the period covered by the notification, see the replies to Question 5.

9. Statistical data enabling the effects of the subsidy on trade to be assessed**Production and trade (thousands of tons)**

Year	Production		Imports	
	Total <sup>4</sup>	of which apples	Chapter 08	Heading 0808/0809
2019	190	138	560	63
2020	196	141	603	67

The quantities of fruit exported (Chapter 08) correspond to:

2019: 6992 tons

2020: 4245 tons

**6.12 WINE**1. Title of the subsidy programme

Measure for the downgrading of AOC wines to table wine.

2. Period covered

2020.

3. General goal and/or purpose of the subsidy

The purpose of the subsidy is to limit the economic consequences in the wine sector resulting from the closure of the restaurants due to the COVID-19 pandemic. An exceptional aid is granted to companies that declassify wines of controlled designation of origin (AOC wines) from the 2019 and previous years into table wine.

4. Background and authority

The measure is defined in the Ordinance of the 20 of May 2020 concerning the exceptional financial aid for the downgrading of wines with a controlled designation of origin into table wine in association with the coronavirus (ordinance COVID-19 downgrading of wines; SR: 916.141).

5. Form of the subsidy

Contributions to companies

6. How the subsidy is granted and to whom

The subsidies are granted in the form of contributions to companies that meet the requirements and conditions defined in Articles 3 and 4 of the ordinance Covid-19 downgrading of wines.

7. Amount of the subsidy

The total amount of the subsidy is CHF 9.8 million.

Amount per unit:

The average amount is 165 CHF per hectolitre of downgraded AOC wine.

8. Duration of the subsidy

The subsidy was exceptional and in force only for 2020.

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<sup>4</sup> Apples, pears, quinces, cherries, plums and prunes, apricots, peaches and berries.

9. Statistical data enabling the effects of the subsidy on trade to be assessed**Production and trade (in hl)**

Year	Production		Imports <sup>1</sup>	
	white	red	white	red
2019	497,531	481,914	397,588	1,156,915
2020	413,144	421,091	392,644	1,199,550

1 Custom tariff heading: 2204.21, 2204.22 and 2204.29.

**6.13 CEREALS**1. Title of the subsidy programme

Supplement for cereals.

2. Period covered

2019 - 2020.

3. General goal and/or purpose of the subsidy

The purpose of the supplement for cereals is to increase the added value by encouraging cereal producers to supply the raw material for the food industry.

4. Background and authority

Art. 55 of the Federal Law on Agricultural of 29 April 1998 (SR 910.1).

5. Form of the subsidy

Payment to the producer (grant).

6. How the subsidy is granted and to whom

In accordance with Art. 55 of the Agriculture Act in conjunction with Art. 4 of the Ordinance on Contributions to Special Crops (SR 910.17), the cereal supplement is paid for areas used to grow wheat, spelt, rye, starch, einkorn, barley, oats, triticale, rice, millet, sorghum and mixtures of these cereals

7. Amount of the subsidy per unit

Year	Support measures	Total (Millions of CHF)	CHF per hectare
2019	Payment to the producer (grant)	15.6	128
2020	Payment to the producer (grant)	15.7	129

8. Duration of the subsidy

The legislation funding subsidy for grains was introduced in 2019.

9. Statistical data enabling the effects of the subsidy on trade to be assessed**Production and trade of grains (thousands of tons)**

Year	Production	Imports <sup>5</sup>	Exports <sup>6</sup>
2019	472.9	761.8	7.3
2020	501.0	730.8	5.4

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<sup>5</sup> Customs tariff heading: 10

<sup>6</sup> Id. 10