INTRODUCTION
In Switzerland, the dairy cows are fed to about 2 / 3 with grass, grass silage and hay. This is the one major particularity of our grassland- and pasture-based milk production systems, compared to most other production systems worldwide. In a series of scientific presentations in the years 2007-2009 on the topic of ‘values and image of pasture-based milk production systems’, the current state of knowledge on the special characteristics of this milk production system and the dairy products derived from it were gathered and the market potential for dairy products from pasture-based production systems was described.

OBJECTIVES
(1) Describe the special qualities of milk from pasture-based production and its components.
(2) Point out the importance of pasture-based milk production for agriculture in fulfilling the various multifunctional tasks as required by the Swiss Constitution.
(3) Evaluate the market potential of the dairy products derived from pasture-based production systems.

(1) Special characteristics of pasture-based milk and dairy products

Feeding strategies do have a significant effect on fatty acids composition in the milk.
It could not be answered conclusively to what extent the differences found are relevant to human health.

Fig. 1: Amount of PUFA depending on feeding strategy (Ferlay et al., 2006)

(2) Multiple added values (public and ecological services)

Grassland management is indispensable for maintaining an attractive landscape.
The intensity of production plays a crucial role for the biodiversity in grassland regions.
Pasture-based milk production systems provide especially animal-friendly conditions for livestock.

Fig. 2: Grassland management has multiple influence on public and ecological goods.

(3) Consumer preference and willingness to pay

If sold at the same price as an EU competing product, most Swiss consumers prefer Swiss products.
80% of Swiss consumers are ready to pay higher prices for domestic products.
Consumer preference and willingness to pay increase when consumer perceive a quality difference.

Fig. 3: Is Swissmilk different from EU-milk?

CONCLUSIONS
(1) Grassland-based production systems do have positive impacts on the quality of milk and dairy products.
(2) Grassland-based milk production systems are indispensable to maintain the typical Swiss landscape, to ensure biodiversity and to fulfill the multifunctional tasks as required by the Swiss Constitution.
(3) Consumer preference and willingness to pay show that pasture-based milk products, even though sold at a higher price, do have a market potential.

⇒ The production system, its influence on quality and the image of products are crucial elements of product-differentiation that will become a commercial argument in liberalised markets.