

SWISS AGRICULTURAL POLICY

Objectives, tools, prospects



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EDITORIAL

The Swiss population demands an agricultural sector which meets market demands and operates in an environmentally friendly way. In a popular vote held in 1996, a clear majority of the electorate voted in favour of adding a corresponding article on agriculture to the federal constitution. The multifunctional tasks for agriculture set out in this article include ensuring food supplies, conserving natural resources, taking care of the landscape and encouraging decentralised settlement.

Changes that have occurred within and outside the country have had a decisive influence on Swiss agricultural policy. In fact a new system has been adopted. Today farmers have to compete on the market – price and sales guarantees are a thing of the past. Protection against international competition has been reduced and maintaining their market share now represents an important challenge to Swiss farmers. Today as much as 40% of food is imported. The key elements of Swiss agricultural policy include direct payments as compensation for communal and environmental services provided by farmers. As opposed to agricultural products, landscape is not a tradeable good one can buy anywhere. Farmers maintain the landscape at their production site and are remunerated through direct payments.

Agriculture in Switzerland is going through a difficult time at present: costs are high, competition from abroad is becoming tougher and rational operation is not made easy by production conditions. Political support is necessary if farmers are to fulfill their obligations. They make an essential contribution towards maintaining a high standard of living in our densely populated country.

The results of an intermediate assessment of agrarian reforms are positive. The chosen path is to be further pursued. For example, it has already been decided that milk quotas will be abolished in 2009. Whether the objectives can be achieved in the long term depends to a great extent on the international environment. Food production and agricultural trade must be sustainable worldwide, and Switzerland intends to support this aim at an international level.

Manfred Bötsch
Director of the Federal Office for Agriculture

IN SWITZERLAND, AGRICULTURE HAS TO FACE PROBLEMS OF SMALL FIELDS DEFINED BY DIFFERENT TYPES OF NATURAL OBSTACLES, DIFFICULT TERRAIN AND A HARSH CLIMATE.



Bottom: 14% of the surface area of Switzerland is Alpine pastures.
Main photo on the right: A typical landscape in the Swiss central lowlands.



A variety of landscapes

FARMLAND IS NOT ABUNDANT IN SWITZERLAND

Switzerland comprises different cultures with different languages. The landscape is equally varied. High mountains, deep valleys, steep mountain meadows and rolling hills make up two-thirds of the surface area. Arable land, meadows, forests and settlements characterise the central lowlands, which are densely populated: good agricultural land is rare. Housing, industry, transport and agriculture all fight for their share of the land.

For agriculture, this means difficult working conditions in upland and mountain areas. There is always less agricultural land available in the most desirable areas. In addition, lack of space with a dense transport network and many villages and towns make it difficult to farm the land economically. More than half of the farms in Switzerland have only 5 to 20 hectares of land, the Swiss average being 16 hectares.





**THE MANY DEMANDS OF SOCIETY TODAY
CAN BEST BE MET BY A MULTIFUNCTIONAL
AGRICULTURAL SECTOR.**



Main photo on the left: Mowing mountain meadows is an important part of maintaining the landscape.
Bottom: Dairy farming is the most important branch of Swiss agriculture.



A variety of services

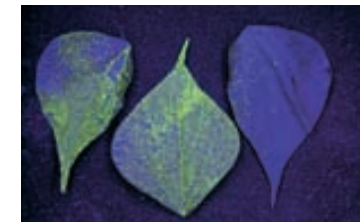
**HIGH-QUALITY PRODUCTS AND BEAUTIFUL
SCENERY HAVE A PRICE**

The public's demands for quality and safety with regard to food are high. Many consumers want to know exactly what is on their dinner-plate and how their food has been produced. But that's not all. The people also appreciate being able to spend their free time in a well cared for and varied landscape. And furthermore, the diverse landscape also attracts foreign tourists to Switzerland.

Swiss farmers produce good quality food. General appreciation for the important role the farmer plays in maintaining the quality of farmland is also increasing. If agricultural land were not used the landscape would be very different. Food production and care of the landscape are a good combination, but with the high level of prices in Switzerland they do not come free. Fair prices for producers and direct payments for maintaining the landscape are necessary if farmers are to be able to fulfil the task allotted to them.



AGRICULTURE HELPS TO MAINTAIN RURAL COMMUNITIES.



A variety of farm types

TRADITION AND INNOVATION COMBINE WELL

Despite rapid economic and social evolution, customs and tradition are highly valued in Switzerland. Many customs originated in the farming community, including the festivities to mark the cattle being taken up to the summer Alpine pastures, which are very popular among the population as a whole. Traditional products are also much sought after; old recipes and the use of state-of-the-art technology are easily combined. Tradition and innovation provide an impetus for new products, sales channels or ways of working together.

Agriculture has taken up the challenge of combining tradition and innovation. Conditions are difficult, however: production costs are high, competition is constantly increasing and funds for compensation for public goods are limited. Many farmers have therefore decided to specialise and invest in modern equipment. Others provide services on the farm itself or simplify their production and have a second paid job. Here they enjoy the support of researchers and extension services.

Main photo on the left: Agricultural and food research leads to improvements in the quality and safety of farm produce as well as production methods.

Main photo, top: Cow fights in the Valais have a long tradition.

A new direction for agricultural policy

MULTIFUNCTIONAL AGRICULTURE AS A WAY INTO THE FUTURE

The principal objectives of Swiss agricultural policy are set out in the federal constitution, according to which the Confederation undertakes to devise measures for promoting agriculture that enable it to fulfil its multifunctional tasks.



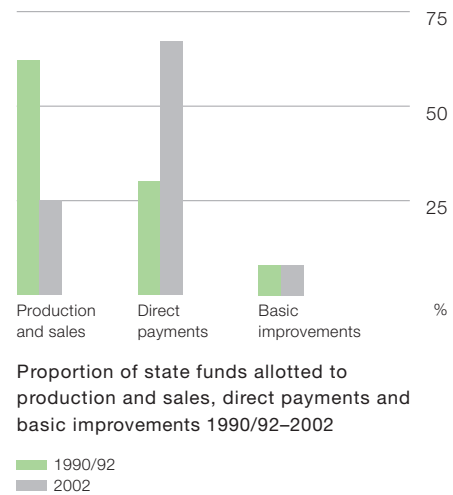
Sunday 9 June 1996, was an important day for agriculture in Switzerland. On that day over three-quarters of the voters approved a new article on agriculture to be added to the constitution. With this decision the Swiss population confirmed their desire for a multifunctional and sustainable agricultural sector.

Four main tasks for Swiss agriculture

The main tasks of agriculture in Switzerland are described in the federal constitution. It is to make a major contribution towards ensuring food supplies for the population. Production methods are to be used which ensure that future generations will have a fertile soil and clean drinking water. This means that ecological standards are an important objective of agricultural policy. Furthermore, the new article recognises that taking care of the landscape is an essential task of agriculture. A varied landscape means a high quality of life for the population and is at the same time the basis of a flourishing tourist industry. Finally, agriculture is to help maintain rural areas, an aim which is also supported by regional policies.

Agrarian reforms were unavoidable

At the end of the 1980s, agricultural policy, which then guaranteed farmers fixed prices and markets for their products, had reached its limits. The cost of such a policy for the public coffers was rising continually and the ecological deficit in the agricultural sector was becoming more and more obvious. In addition, efforts towards deregulating world trade were creating increasing pressure to abolish protectionist measures in agriculture. A major political decision was called for.

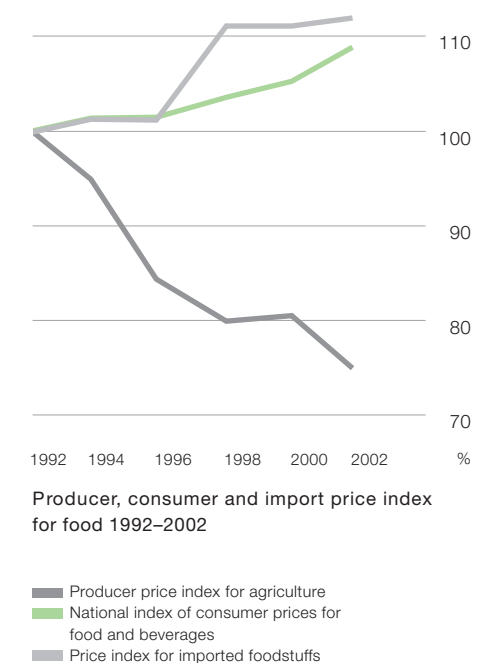


A fundamental change in the system

As a result of a decision taken by parliament, comprehensive agrarian reforms were introduced in Switzerland in 1993. The core of these reforms is the almost total abolition of market intervention and the introduction of direct payments not based on production as compensation for the farmers' public and ecological services. During the 1990s, state guarantees for prices and markets were gradually faded out, causing farmers' earnings to fall substantially. Today, farmers have to reckon with prices which are around 25% lower than ten years ago. Since 1999, all direct payments have been based on stringent proof of ecological performance (cross-compliance). This ensures that ecological methods are used throughout the country.

The multifunctionality of agriculture is undisputed

The lack of space in Switzerland means that agriculture has to fulfil various functions simultaneously. It is multifunctional, which is the best way that agricultural policy can take into account the different requirements. Multifunctional agriculture comes at a price, however: public goods have to be remunerated separately. Maintaining the landscape is a service which is dependent on the location and cannot simply be "bought" anywhere.



Implementing the agrarian reforms

DIRECT PAYMENTS AS A KEY TOOL OF AGRICULTURAL POLICY

Switzerland has various tools with which to implement its agricultural policy. The main tools include direct payments which are not based on production. Today the amount of funding used for market support is far lower than before. Import controls permitted by the WTO help to ensure that agriculture in Switzerland will develop in a socially acceptable way.

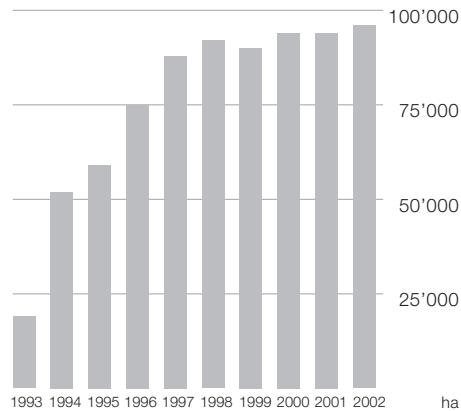
The system of direct payments was introduced in 1993. They are not based on production and enable Switzerland to fulfil its commitments to the WTO. They represent compensation for public goods expected by the public and provided by farmers and the latter's contribution towards preserving the environment. The change over from the old to the new system was implemented step-by-step.

Proof of ecological performance (cross-compliance) encourages farmers to adopt environmentally friendly methods

Since 1999 ecological standards have become even more important: farmers receive direct payments only if they meet certain requirements. The key elements of proof of ecological performance are an appropriate proportion of ecological compensation areas, rational use of fertilisers, crop rotation, soil protection, economic and specific use of plant treatment products and animal welfare measures. Linking direct payments to these conditions has resulted in almost all farmland in Switzerland being used in a more environmentally friendly way than in former times.

General direct payments are compensation for basic services

A distinction is made between general and ecological direct payments. General direct payments are compensation for the basic tasks, as set out in the constitution, of ensuring food supplies, maintaining the landscape and helping to preserve social structures in rural areas. Food production based solely on market demands cannot ensure this variety of services. Direct payments are therefore necessary. General direct payments are made up of a sum based on the area of the farm plus a sum for grazing animals. In upland and mountain areas additional sums are paid out to allow for the more difficult farming conditions. This ensures that basic requirements are met all over the country.



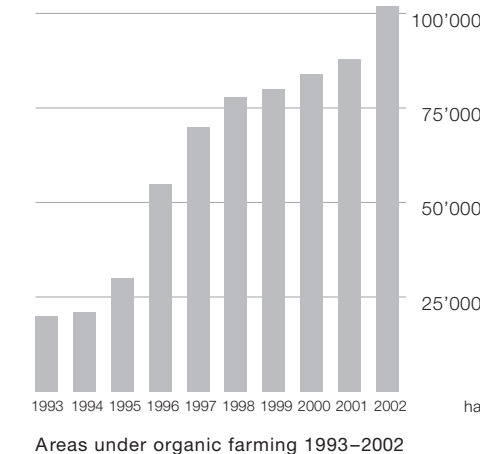
In order to receive direct payments a farmer must set aside at least 7% of his farmland (exception in the case of fruit, vines and vegetables: 3.5%) for ecological compensation areas which he must manage according to special criteria.



Ecological direct payments create an additional incentive

Particular services are remunerated separately through ecological direct payments. Participation in this programme is optional. The aim of one of the proposed programmes is to create valuable habitats for animals and plants. Among other things, the farmer receives additional payment for extensive meadow-land, reed-beds, natural field margins, permanent flowery meadows and rotated fallow fields, hedges, copses and wooded river banks and standard fruit trees (with trunk and crown). An additional programme was started in 2001 aimed at raising the quality of these ecological zones and encouraging farmers to link them up.

Organic farming is also subsidised. Between 1993 and 2002, the number of organic farms rose fivefold to reach a total of 6,000. Particularly animal-friendly stabling and regular outdoor exercise for animals are also encouraged. The requirements for these programmes are far more stringent than the terms of legislation on animal protection. In 2002 30% of all animals were kept in particularly animal-friendly conditions and 61% had regular outdoor exercise. Every summer 120,000 cows and 350,000 calves, 220,000 sheep and 20,000 goats spend three months on Alpine pastures. Farmers receive payment for transhumance on condition that they farm the Alpine pastures in an environmentally friendly way. A separate programme aims specifically to improve the quality of the water in problem areas.



THE STATE IS DRASTICALLY REDUCING ITS DIRECT INTERVENTION IN THE MARKET AND URGING INCREASED COMPETITION.



Reduction of market support

The role played by the state in relation to the market has changed dramatically over the past few years. On the internal market, prices and quantities produced are largely determined by supply and demand. With the exception of milk, production-based subsidies are few. Overall, such subsidies were reduced by a third between 1999 and 2003. On the other hand, agrarian reforms reinforced tools which are less interventionist vis-à-vis the market. For example, self-help measures taken by inter-branch bodies and producers' organisations or measures to promote sales are supported. Labelling traditional products from specific areas is also encouraged. Compulsory labelling of foreign products which are produced using methods forbidden in Switzerland should lead to greater transparency. Import duty on foreign products is still important since Swiss farmers work in a country where high costs and a high standard of living prevail.

Milk quotas are abolished

Dairy farming is a particularly important branch of agriculture in Switzerland, generating one-third of earnings. Some 25% of the milk produced is processed and exported, mainly in the form of cheese. By 2007 cheese trade with the European Union will be completely deregulated. This means that pressure on milk production will rise once again. The central element of the present dairy sector is subsidies for cheese production, whereby milk which is processed to make cheese is subsidised, regardless of whether the resulting cheese is sold within Switzerland or abroad. At present, the quantity of milk produced is regulated by the state. In 2003, however, the Swiss parliament decided to abolish milk quotas in 2009. In addition, it approved legislation by which production-based milk subsidies may be converted into direct payments.

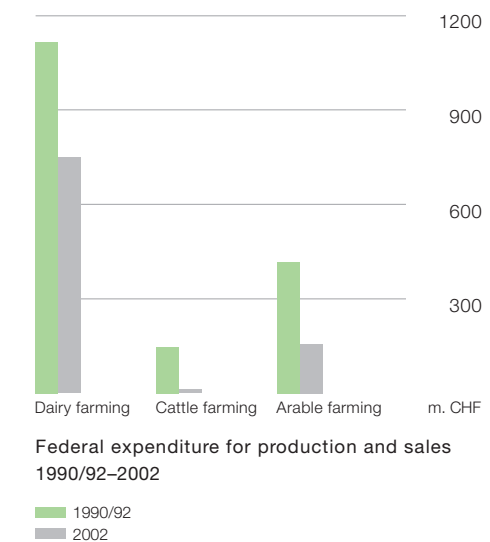


Meat and crop production principally for home consumption

Unlike cheese, the production of meat and crops is not geared towards export. In the case of meat, 70% of Swiss consumption is home-produced, while 45% of plant products consumed in Switzerland are home-produced. For both cattle and arable farming, import controls are an important tool for assisting home production. Additional funding is used in particular for certain plant products, including sugar-beet, oil-seed, potatoes and fruit. In the case of oil-seed, the aim is to maintain a minimum production within Switzerland.

Improving competitiveness

Agrarian reforms have increased pressure on farmers to become more competitive. Over the past few years, for example, the market has seen a greater range of agricultural products and direct marketing of products and specialities has increased. Nevertheless, between 1990 and 2002 the total number of farms fell by 25,000 to 68,000. Challenges are still tough. Structures need to be set up to offer farmers good prospects for the future. Public funds will therefore continue to be made available to improve basic production conditions. Subsidies and investment loans are available for construction work. Start-up assistance in the form of interest-free loans enables young farmers to take over farms. An important role is also played by the publicly funded agricultural research stations and extension services, which are essential for a sustainable agricultural sector.



International commitment

THE INTERNATIONAL DIMENSION OF SWISS AGRICULTURE

The European Union is Switzerland's main trading partner for agricultural products. The agricultural agreement which came into force on 1 June 2002 facilitates mutual access to markets. In WTO negotiations, Switzerland, along with other countries, has urged that more attention be paid to non-trade concerns.

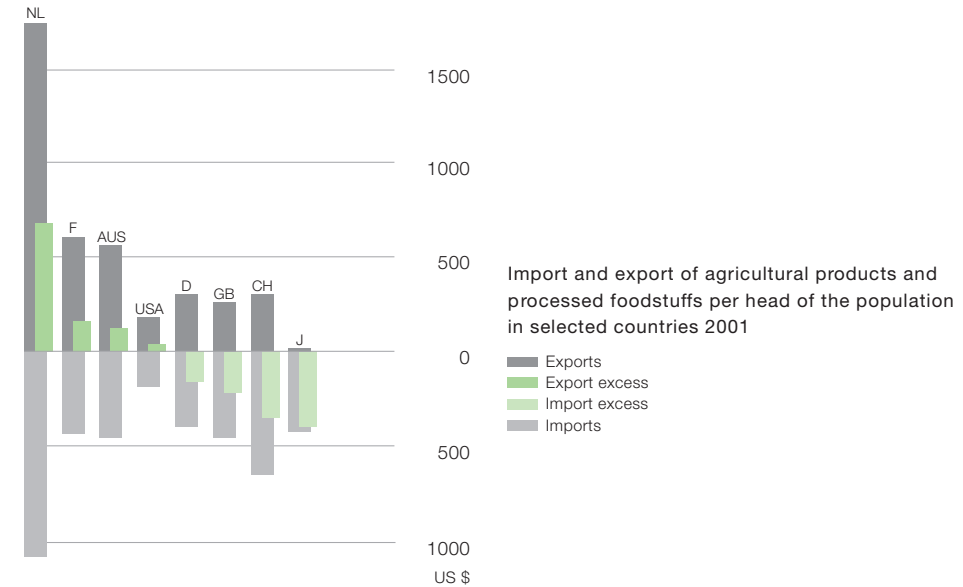
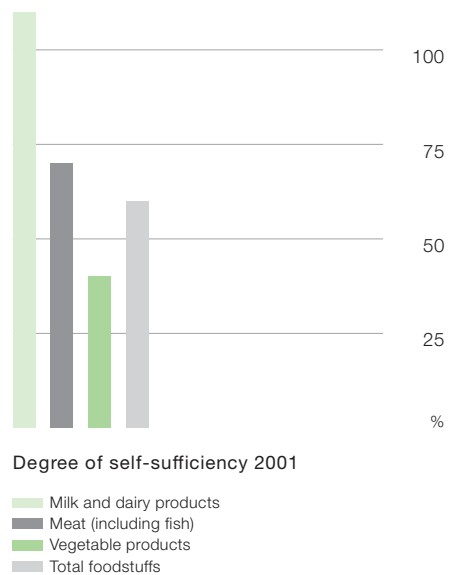
Imports of agricultural products exceed exports by a factor of more than 2. In 2002 Switzerland imported agricultural product to a value of CHF 8.5 billion while exports brought in only CHF 3.5 billion. Agriculture in Switzerland is greatly affected by efforts being made to further deregulate world trade. Complete deregulation of markets for agricultural products is unfavourable to the need of many countries, including Switzerland, to maintain their own agricultural sector.

Non-trade concerns should be paid more attention by the WTO

The WTO Agreement on Agriculture is centred on improving market access and reducing export subsidies and domestic support. Together with other countries, Switzerland is also urging that non-trade concerns be taken into account. These countries fear that, with further steps towards deregulation, not only will their food production decrease but the non-commercial services provided by agriculture will fall below a desirable level. Examples of non-trade concerns are maintaining rural communities, environmental protection, guaranteeing good quality food, ensuring food supplies, labelling and indication of origin, as well as animal welfare.

Switzerland to improve market access for the least developed countries

Switzerland is keen to help the 49 poorest developing countries (LDCs). On 1 January 2002 import duty on all agricultural products supplied by these countries was reduced by 30%, and it is planned to make a similar reduction in 2004. At a later date no import duty at all will be levied on agricultural products from LDCs.

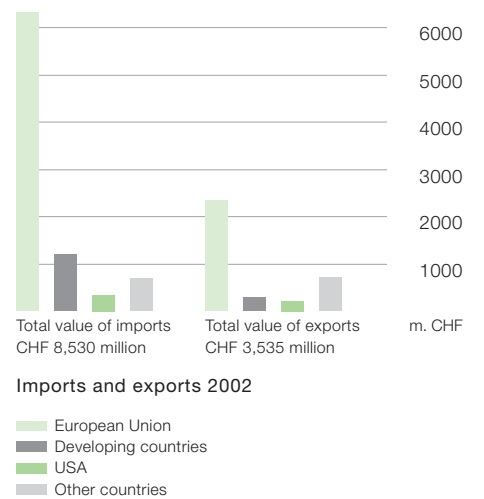


The agricultural agreement with the European Union

The agricultural agreement between the European Union and Switzerland came into force on 1 June 2002. This agreement facilitates market access for both parties. It includes on the one hand, a reduction or complete abolition of import duty on certain products, and on the other hand simplified commercial procedures. The core of the agricultural agreement concerns cheese; all trade barriers will be abolished by 2007. From then on, it will be possible for Switzerland and all EU countries to import and export all types of cheese with no restrictions on quantities and no import duty. An evolutionary clause allows for the agreement to be modified in the future. Moreover, bilateral negotiations on further agreements have included discussions on processed agricultural products such as chocolate and biscuits.

Sustainable development in mountain areas

A further major area of Switzerland's international political activities concerns the development and problems of agriculture in mountain areas. In June 2002, in close collaboration with the Food and Agriculture Organization (FAO), Switzerland organised an international conference on "Sustainable Agriculture and Rural Development in Mountain Areas". Around 200 participants from 57 countries approved the Declaration of Adelboden, which defines specific problems encountered by mountain farmers and the particular developmental potential of such areas. It urges all governments and interest groups to support concrete strategies and tools for promoting sustainable agriculture and rural development in mountain areas.



THE TOOLS OF AGRICULTURAL POLICY

Switzerland has various tools for implementing its agricultural policy, which can be divided into the following categories: production and sales, direct payments and basic improvements. As a rule, the Federal Office for Agriculture is responsible for implementation. Further information can be obtained at www.blw.admin.ch.

	GENERAL TOOLS	SPECIFIC TOOLS		
PRODUCTION AND SALES	<ul style="list-style-type: none"> · Support for self-help measures · Register of protected designations of origin and geographical indications · Support for sales promotion · Compulsory declaration of production methods forbidden in Switzerland · Import duty and tariff-rate quotas according to WTO regulations 	Dairy farming <ul style="list-style-type: none"> · milk quotas (to be abolished in 2009) · additional payments for cheese-making · additional payments for not silaging · domestic and export grants for dairy products 	Cattle farming (including egg production) <ul style="list-style-type: none"> · grants for reducing the meat supply (temp.) · export grants for breeding animals and other livestock · subsidies for reducing the egg supply (temp.) · subsidies for constructing animal-friendly hen-houses 	Arable and fruit farming <ul style="list-style-type: none"> · subsidies for areas devoted to oil-seed · subsidies for processing and marketing sugar-beet, oil-seed, potatoes, fruit and wine · subsidies for adopting new crops and innovative varieties in fruit-farming and vineyards (only until 2011) · vineyard register
DIRECT PAYMENTS	<ul style="list-style-type: none"> · Proof of ecological performance <ul style="list-style-type: none"> -balanced use of fertilisers -appropriate proportion of ecological compensation areas -crop rotation -suitable soil protection measures -selection and specific application of plant treatment products -animal-friendly conditions for animals · Further conditions <ul style="list-style-type: none"> -minimal amount of work -age limit -agricultural qualifications (as of 2007) -limits for income, assets and for payments per labour unit 	General direct payments <ul style="list-style-type: none"> · payments based on acreage: <ul style="list-style-type: none"> -basic amount for total area of farmland and additional amount for open arable land -for sloping terrain in upland and mountain areas -for sloping terrain and terraces in vineyards · payments for animals: <ul style="list-style-type: none"> -grazing animals -kept under difficult production conditions in upland and mountain areas 	Ecological direct payments <ul style="list-style-type: none"> · payments for organic farming · payments for extensive production of cereals and rape-seed · payments for particularly animal-friendly conditions · payments for transhumance of grazing animals 	<ul style="list-style-type: none"> · payments for ecological compensation areas: <ul style="list-style-type: none"> -extensive meadow-land, less intensive meadow-land, reed-beds -hedges, copses and wooded river banks -flowery meadows, rotated fallow fields, natural field margins -standard fruit trees (with trunk and crown) · payments for the quality and interlinking of ecological compensation areas · payments for improving water quality in problem areas
BASIC IMPROVEMENTS	<ul style="list-style-type: none"> · Spatial planning · Land and tenancy rights for farmers · Protection of nature and the landscape · Research and training 	Structural improvements <ul style="list-style-type: none"> · grants to communal projects for: <ul style="list-style-type: none"> -reapportionment of farmland -providing access by road and installing water and electricity -regional projects involving agriculture -construction work in upland and mountain areas · investment loans (interest-free) for individual farmers: <ul style="list-style-type: none"> -renovation and construction of new farm and residential buildings -start-up loans for young farmers -diversification into activities closely linked with farming 	Social measures <ul style="list-style-type: none"> · interest-free loans for farmers in financial need through no fault of their own · grants for re-training (only until 2011) Research and development <ul style="list-style-type: none"> · funding and operation of agricultural research stations · grants to the Research Institute of Organic Agriculture · support for basic and further training as well as extension services (Federal Office for Professional Education and Technology) · promotion of animal husbandry and plant breeding 	Food safety <ul style="list-style-type: none"> · licensing system for inputs, testing of different varieties, fodder and seed controls · protecting plants against dangerous pests · eradicating livestock epidemics (Federal Veterinary Office) · regulations concerning foodstuffs: registration, ingredients, labelling, declaration and hygiene (Federal Office of Public Health) · compulsory labelling for genetically modified organisms Promoting genetic diversity <ul style="list-style-type: none"> · national plan of action for maintaining biodiversity in flora and fauna



Tests are carried out using key species to see whether the aims concerning flora and fauna have been achieved.



Biodiversity

PREVENTING LOSS OF FLORA AND FAUNA THROUGH NETWORKING

Many farms in the Swiss central lowlands practise intensive farming, as in the Wauwil valley north of Lucerne, for example. On the initiative of the Swiss Ornithological Institute in Sempach, a project for improving the birdlife in this area was set up in 1995 and has been running successfully since. The measures taken are supported by public funds. Some 40 farmers are participating in the project, as well as local nature conservation organisations and all the boroughs within the area. Open discussion between those involved has been an important factor in ensuring the success of the project.

A number of valuable protected areas already existed in the Wauwil valley. To these were added the ecological compensation areas created under the new agricultural policy. Thanks to the fact that these protected habitats are now linked up, animals and plants can flourish over a wider area. The large farm run by the cantonal prison has been a positive bonus to the project; new ideas and methods are tried and tested there. Many people also come to look at these pilot projects.

■ Ordinance on eco-quality

In 1993 direct payments were introduced with the aim of promoting biodiversity on farmland. The first survey made after this date revealed that although the proportion of land reserved for ecological compensation rose considerably, the quality and locations were not satisfactory. This finding led to the ordinance on eco-quality which came into force in 2001. Financial incentives have been introduced with the specific aim of improving the quality of certain ecological areas and linking them up to form a network. Network subsidies are paid only if a regional network plan exists. The measures that have been agreed with the farming community include aims with regard to flora and fauna which should be achieved within six years.

Structural improvements

CONSTRUCTING A MODERN COWSHED – A JOINT PROJECT

In the 1970s, Philippe Collaud's father built a new cowshed half a mile outside St. Aubin in the canton of Fribourg. Since then things have changed. The producers' price for milk has fallen and regulations concerning environmental and animal protection have been made more stringent. Philippe Collaud's cowshed no longer met current requirements. Alex Collaud, whose farm buildings were in the village, faced similar problems but he could not modernise his farm. Together with a third farmer, he and Philippe built a modern shed for 80 cows.

The three farmers decided on a simple structure, with the advantage that, apart from the foundations and the concreting, they were able to do almost all the construction work themselves. There are many advantages with a communal cowshed: the construction and running costs are lower for each person involved and less work is needed. In addition, the work can be shared, thus leaving each farmer more free time, especially at weekends.

■ Animal-friendly conditions

Animal welfare is a major issue in Switzerland. As early as 1981, for example, keeping battery hens for egg production was banned, and since 1999 it has been forbidden to feed anti-microbial performance-enhancing substances. The state runs special programmes to promote particularly animal-friendly conditions. Interest-free loans are available for improving facilities. Farmers in upland and mountain areas receive additional grants which do not have to be repaid. Bonuses are paid for the construction of particularly suitable animal sheds.



Division of labour: Alex Collaud (left) is often to be found working in the fields while Philippe Collaud spends more time with the animals.

Tête de Moine bears the much coveted AOC label, i.e. the name and manufacturing method are protected.



High-quality products

A CHEESE ON THE ROAD TO SUCCESS

In many respects, the Tête de Moine is an exceptional cheese. It is produced in nine dairies in the Swiss Jura Mountains and the milk used to make it comes from one clearly defined area. The cheese is left to ripen for around 3 months on planks of spruce before being supplied to shops. Tête de Moine is one of the few Swiss cheeses included in the register of protected designations of origin. For the consumer this guarantees that each Tête de Moine cheese is an original product made in the specific mountain area in the Swiss Jura, has been produced using traditional methods and has been through rigorous tests.

Tête de Moine has been made for more than 800 years. It is particularly well known because it is normally not cut but shaved off into little rosettes using a special apparatus ("girolle"). A special association takes care of marketing the cheese. Advertising outside Switzerland has proved worthwhile: over the past few years the amount exported has steadily risen. In 2002 a total of 737 tonnes of Tête de Moine were sold outside Switzerland. The main foreign customer is Germany.

■ Designation of origin

The system of protected designations of origin, better known under the French abbreviation AOC, protects local products and the traditional methods used in their manufacture. It is a guarantee for consumers that they are buying an authentic product and thus enhances successful marketing. In 1997 Switzerland passed the necessary legislation for setting up a register of designations of origin, which is kept by the Federal Office for Agriculture. Discussions are currently being held with the European Union to establish mutual recognition of registers of protected products.

■ Mountain agriculture

In mountain areas farmers have to deal with difficult topography and harsh climatic conditions, factors which are taken into account in agricultural policy. In the case of direct payments, special payments are made for farms on steep land, and payments per head of cattle are also higher. Cattle farming in the mountains plays an important role in relation to nature. Alpine farming is supported through transhumance supplements. Alpine cheese is highly popular and the number of different types is almost endless. Direct sales channels, where tourism and regional development also play a major role, have increased in importance.

Reapportionment of farmland

A MOUNTAIN VILLAGE TURNS OVER A NEW LEAF

Over 20 years ago one thing was clear to Pius Caminada, a young mountain farmer from Vrin in the Grisons: if farmland was not reapportioned he could not continue farming. In 1982 the land-owners in Vrin voted in favour of a general reapportionment of farmland. At the end of this highly complicated process Pius Caminada had 19 separate plots instead of the 120 he had had before. New farm tracks were also made throughout the area. Both measures made it considerably easier for all concerned to farm, which is why the process was subsidised from public coffers.

The mountain village of Vrin, with a population of 280, has exhausted the advantages offered by reapportionment of land. This move led to a reawakening among the population and generated new interest in future development. Since many cowsheds were in the village itself, it was included in the new plans. Some sheds in the village were converted. New, modern cowsheds which blend in well with the old buildings have been built on the edge of the village. The slaughterhouse was finished in 1999, which represented a further milestone. The farmers can now have their animals slaughtered on the spot and sell the meat themselves. This generates considerably more income than when the animals were sold to a large slaughterhouse.



The slaughterhouse designed by the well known architect Gion A. Caminada (top) is used by all the farmers in the area.



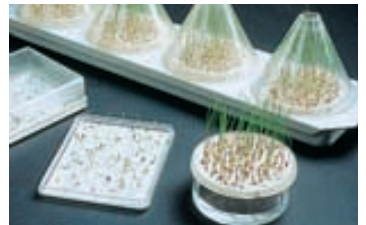


Applied research

MEADOWS TO FULFIL VARIOUS REQUIREMENTS

Switzerland is one big meadow. Over 70% of farmland comprises meadows and pastureland. This explains why dairy and meat farming is such an important part of Swiss agriculture. The quality of the meadows is of great importance and fodder for winter feed is carefully preserved. In Switzerland up to 70% of fodder for cows comes from the meadows. When meadows are sown, the plant mixture is determined specifically in accordance with local conditions and always includes clover.

The variety of in part contradictory requirements is particularly evident in meadowland management. On the one hand, farmers need high-grade fodder to achieve a high level of milk production using their own fodder and to buy in a minimum of concentrates. On the other hand, meadows also have to meet ecological criteria and offer a habitat for flora and fauna. Agroscope FAL Reckenholz, the Federal Research Station for Agroecology and Agriculture, has therefore drawn up a concept of staggered intensity for farming meadowland, according to which both requirements can be met by adapting the use and fertilisation of meadowland to local conditions.



The national plan of action led to the discovery of rare varieties of beans in a village in the Ticino.

■ National plan of action

In 1996 in Leipzig, 150 countries approved the worldwide plan of action drawn up by the United Nations Food and Agriculture Organization (FAO) aimed at maintaining and using plant genetic resources in a sustainable manner. Switzerland's national plan of action is part of this international effort. The Federal Office for Agriculture is supervising the plan and working in close collaboration with the Swiss Commission for the Conservation of Cultivated Plants. The first phase of the plan (1999-2002) focused on setting up a network and an inventory of old cultivated plants. In the second phase, which is now underway, the emphasis is on implementing conservation concepts and public relations.

Genetic resources

RARE VARIETIES IN SOUTHERN SWITZERLAND

As a result of considerable economic pressure often only the most productive varieties of plants are grown. This leads to a drop in genetic diversity in cultivated plants. Old varieties are becoming rarer and with them local knowledge and corresponding traditions.

The aim of the Inventory of Plant Varieties in Southern Switzerland is to discover rare varieties of vegetables, cereals and potatoes in that part of the country. Through the media the population has been urged to register rare varieties. Another part of the project is to test methods of tapping into local knowledge. Village markets have proved to be an excellent source. A very special variety of buckwheat was discovered on the market in Brusio in Poschiavo, for example. And in a remote valley in the Ticino, in a former shop which used to sell seed, various types of beans came to light. These seeds have now been planted in a special garden. Other interesting findings involve varieties of rye and maize.

Specifically designed seed mix: Depending on what is needed, the quality of the fodder or the ecological value of meadows is improved.

■ Passing on knowledge

Thanks to the system for passing on agricultural knowledge the results of research and political stipulations regarding agriculture can be quickly implemented. The system involves the three areas of research, training and extension and the aim is to promote sustainable agriculture. Basic research is carried out at the Department of Agricultural and Food Sciences at the Zurich Federal Institute of Technology and applied research at agricultural colleges and federal research stations which report to the Federal Office for Agriculture. Training and extension services are provided by the cantonal authorities, both areas being subsidised from public funds.





View of the Toggenburg and the Churfirsten.

A VITAL AGRICULTURE IS ESSENTIAL FOR SUSTAINABLE DEVELOPMENT.



Intermediate assessment after ten years

SWITZERLAND INTENDS TO PURSUE ITS CHOSEN PATH

Thanks to agrarian reforms, major improvements have been made over the past few years. Today, Swiss agriculture is much more orientated towards market demands and ecological principles than ten years ago. Even if there still remains a lot to do, the path chosen is the right one. Changes will continue to be made in the structure of agriculture. It is not the aim of Swiss agricultural policy to maintain the old structure. But the new policy must ensure that the necessary changes are as socially acceptable as possible and that farmers who have decided to continue farming are offered good conditions in which to do so.

Through direct payments it is possible to fulfil the aims set out in the constitution and at the same time respect the terms of agreements signed with the WTO. If the agricultural sector is deregulated too quickly, however, it will be difficult to fulfil the mandate laid down in the constitution. The aim is to ensure a vital but at the same time environmentally friendly agricultural sector. For this reason Switzerland supports the principle of sustainable and multifunctional agriculture at an international level.

KEY FIGURES

General data

No. of people in gainful employment

Primary sector	172'000
of which agriculture	130'000
Secondary sector	1'046'000
Tertiary sector	2'954'000
Total	4'172'000

A total of 470,000 people are employed in the food sector in Switzerland. Of these, 60,000 work in pre-agricultural industries and 215,000 in post-agricultural industries. The remainder work in agriculture itself.

BFS, 2002

Gross value added

Primary sector	4555 Million CHF
of which agriculture	3375 Million CHF
Secondary sector	105'798 Million CHF
Tertiary sector	297'469 Million CHF
Total	407'822 Million CHF

SFSO, SFU, 2001

Land-use in Switzerland

Total area 42'285 km ²	
Farmland	24%
Summer pastures	14%
Forest	30%
Lakes, rivers	4%
Built-up areas	6%
Unproductive mountain areas	22%

SFSO

Agricultural land

Total area 10'698 km ²	
Natural and pastureland	61%
Sown meadows	11%
Arable land	26%
Fruit, vines, vegetables	2%

SFSO, 2002

Household expenditure

Food, beverages, tobacco	10%
Entertainment, recreation, culture	7%
Transport	7%
Hotels, restaurants etc.	7%
Other goods and services	12%
Insurance	21%
Taxes and other charges	13%
Donations, gifts	2%
Rent, energy, furniture	21%

SFSO, 2001

Federal expenditure on agriculture and food

Production and sales	979 Million CHF
Direct payments	2429 Million CHF
Basic improvements	223 Million CHF
Miscellaneous	435 Million CHF
Total	4066 Million CHF

Federal accounts, FOAG, 2002

Expenditure on agriculture and food represents 8% of the total federal budget. In addition to federal expenditure, the agricultural sector receives CHF 500 million from cantonal and local authorities.

Data on agriculture

Farms

	1990	2002
0–3	19'819	7784
3–10	27'092	16'700
10–20	31'630	23'640
20–30	10'041	11'789
30–50	3549	6133
50–100	634	1296
>100	50	79
Total	92'815	67'421

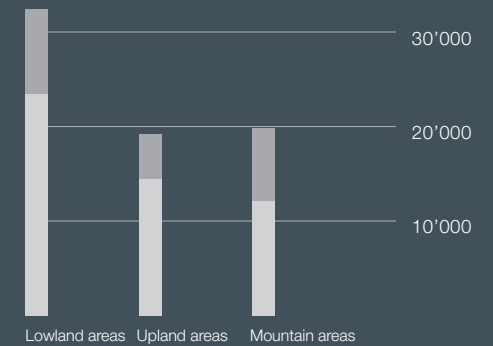
Size of farms (in hectares of agricultural land)

SFSO

Employees

	1990	2002
Total family members	217'477	160'834
Managers	92'815	73'510
Other family members	124'662	87'324
Non-family	36'084	36'102
Total	253'561	196'936

SFSO



Main-income and secondary-income farms 2002

■ Secondary-income farms
■ Main-income farms

Livestock

	1990	2002
Cattle	1858	1594
of which dairy cows	791	716
Pigs	1776	1561
Sheep	355	430
Goats	61	66
Horses	38	51
Fattening poultry	2878	4298
Laying and breeding hens	2795	2012

in 1000s

SFSO

Agricultural land according to type of use

	1990	2002
Cereals	207'292 ha	173'482 ha
Oil-seed	18'203 ha	20'961 ha
Potatoes	18'333 ha	13'460 ha
Sugar beet	14'308 ha	18'175 ha
Silage and green maize	38'204 ha	40'202 ha
Vineyards	14'987 ha	15'014 ha
Orchards	7162 ha	6664 ha
Vegetables	8250 ha	8437 ha
Natural meadows, pastureland	638'900 ha	627'059 ha
Sown meadows	94'436 ha	118'978 ha
Other	18'525 ha	27'338 ha
Total	1'078'600 ha	1'069'770 ha

SFU, SFSO

Production

Producers' prices

	1990/92	2000/02
Milk	104.97 Cents/kg	79.23 Cents/kg
Beef	9.28 Fr./kg DW ¹	7.64 Fr./kg DW
Pork	5.83 Fr./kg DW	4.57 Fr./kg DW
Poultry	3.72 Fr./kg LW ²	2.76 Fr./kg LW
Wheat	99.34 Fr./100kg	59.54 Fr./100kg
Potatoes	38.55 Fr./100kg	35.40 Fr./100kg
Sugar beet	14.84 Fr./100kg	12.17 Fr./100kg
Rape	203.67 Fr./100kg	73.13 Fr./100kg

¹DW: Dead weight, ²LW: Live weight

FOAG, SFSO, SFU

Milk production

Structure	1990	2002
No. of dairy farmers	50'334	36'231
Mean annual quota per dairy farm	58'861 kg	83'407 kg

FOAG

Export of dairy products

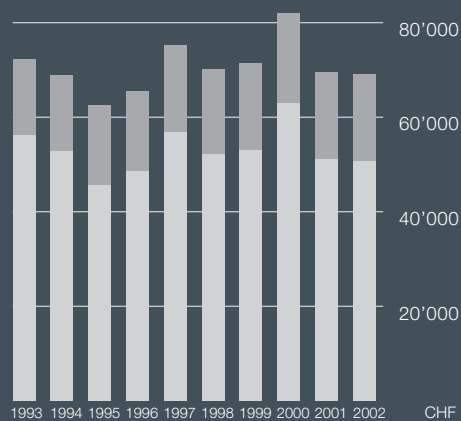
Exports				
Semi-hard/hard cheese	44'955 t	39%	437 Million CHF	80%
Powdered milk	16'168 t	14%	40 Million CHF	8%
Processed cheese	4609 t	4%	34 Million CHF	6%
Other dairy products	48'982 t	43%	34 Million CHF	6%
Total	114'714 t	100%	545 Million CHF	100%

Meat

	Production	Consumption per head	Self-sufficiency
Beef	104'808 t	10.6 kg	85%
Veal	34'691 t	3.8 kg	92%
Pork	235'736 t	25.5 kg	92%
Lamb/mutton	5930 t	1.5 kg	35%
Poultry	31'196 t	9.7 kg	43%

Proviande, SFU, 2002

Economic results in farming



Changes in income

Income from agriculture
Secondary income

Milk and dairy products

	Production	Consumption per head	Self-sufficiency
Drinking milk	503.325 t	81.4 kg	97%
Butter	42.226 t	5.5 kg	85%
Cheese	160.403 t	19.8 kg	116%

TSM, SFU, 2002

Imports

	Production	Consumption per head	Self-sufficiency	
Fresh/soft cheese	16'777 t	28%	141 Million CHF	47%
Semi-hard/hard cheese	11'508 t	19%	105 Million CHF	35%
Processed cheese	2297 t	4%	15 Million CHF	5%
Other dairy products	28'956 t	49%	37 Million CHF	13%
Total	59'538 t	100%	298 Million CHF	100%

Directorate General of Customs, 2002

Vegetable products

	Production	Consumption per head	Self-sufficiency
Cereals	1'081'100 t	50.0 kg	62%
Potatoes	528'200 t	54.0 kg	102%
Sugar (beet)	1'422'041 t	47.0 kg	63%
Oil-seed	67'900 t	14.5 kg	19%
Dessert fruit	133'000 t	52.0 kg	35%
Vegetables	309'000 t	72.0 kg	51%
Red wine	546'595 hl	27.4 l	29%
White wine	565'804 hl	12.3 l	74%

FOAG, SFU, 2002

Income from agriculture by regions

	1990/92	2000/02
Lowlands		
Area of agricultural land	16.66 ha	20.01 ha
Family members employed	1.36 FAWU ¹	1.26 FAWU
Income from agriculture	73'794 CHF	67'864 CHF
Total income	90'223 CHF	85'061 CHF
Mountain regions		
Area of agricultural land	15.76 ha	18.68 ha
Family members employed	1.42 FAWU	1.37 FAWU
Income from agriculture	45'541 CHF	41'789 CHF
Total income	63'394 CHF	61'514 CHF

¹FAWU: Family average working unit

FAT

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Published by
Swiss Federal Office for Agriculture
Concept and design
Inform, Agentur für visuelle Kommunikation AG,
Zurich
Linguistic consultant
Lukas Denzler, Zurich
Printed by
BuchsMedien AG, Buchs (SG)

Photo of farmhouse on p. 8 and photos on p. 17:
swiss-image.ch

No. of copies produced
German 6000
French 3000
Italian 1000
English 6000
Spanish 2000

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