



Embargo: 26.04.2010, 9:15

Actualités OFS BFS Aktuell FSO News

7 Agriculture and forestry

Neuchâtel, 04.2010

A look at the primary economy in Switzerland ... and a look back at the development of agriculture since 1848

Agriculture, but also forestry, fishing and fish farming make up the primary sector in Switzerland. This sector is marked by developments within these branches, the most recent of which are summarised here.

The 150th anniversary of the FSO is an opportunity to present the development of the agricultural sector since 1848, when almost half of the population still lived from agriculture. The two inside pages provide an explanation of this development.

Turmoil on the dairy market

More than 92% of the value added from Switzerland's primary sector comes from agriculture (Table T1). On the whole, 2008 was one of the best years since the beginning of the 21st century. On the one hand, milk production increased greatly in terms of quantity as well as price. On the other hand, sustained growth in horticultural services (landscape gardeners and garden maintenance) continued to support the performance of the whole of the primary sector.

This upturn was short-lived. In 2009 the quantity of milk on the market was kept at a level it could not absorb. The price of milk fell, leading to a decline in agriculture generated income.

Building timber suffers from the crisis

Forestry's share of the primary sector's gross value added is almost 7% (Table T1). Having risen since 2005, timber prices began to fall from mid-2008, reacting rapidly to the fall in demand for building timber on international markets, due to the financial and then the economic crisis. Since then, domestic log production has been reduced, whereas that of firewood has increased. Demand for this renewable energy source has not weakened.

T1 Gross value added of the primary sector in 2008

Branches	In CHF million at current prices	Variations 2007–2008* at current prices	Variations 2007– 2008* at prices of preceding year
Primary sector	5923	2.1%	-3.2%
Agriculture**	5486	2.9%	-3.2%
Forestry	410	-7.7%	-4.7%
Fishing and fish farming	27	11.3%	11.1%

* estimate

** including horticultural services and small agricultural production units

Swiss agricultural economy from 1848 to the present day

Towards commercial agriculture

The final changeover from subsistence agriculture to commercial agriculture began in the second half of the 19th century. Commercial agriculture was affected by the major growth in the non-agricultural, consumer population. The industrial boom gradually encouraged the rural exodus, a movement that was aggravated by the poor outlook for many agricultural households. In fact, from 1870 onwards, the farming community was faced with competition from massive imports of cheap grain from Russia and the Americas in particular. Economic liberalism and industrialisation were accompanied by upheaval in rural society and technological change. Community rights, such as right of pasture (free access for all cattle to harvested or fallow fields) were abandoned. The effects of agronomical progress were considerable. From 1860, the Confederation and the cantons invested in land improvements, in particular to curb flooding. In vegetable production, output was increased by seed selection, the use of industrial fertilisers and the first treatments of crops against fungal diseases.

Animal production was pushed ahead by its comparative advantages compared with food-producing crops, having a profound effect on the range of agricultural production that characterises Swiss agriculture to the present day. The imports of cheap fodder strengthened this boom.

Explanation: demographic change

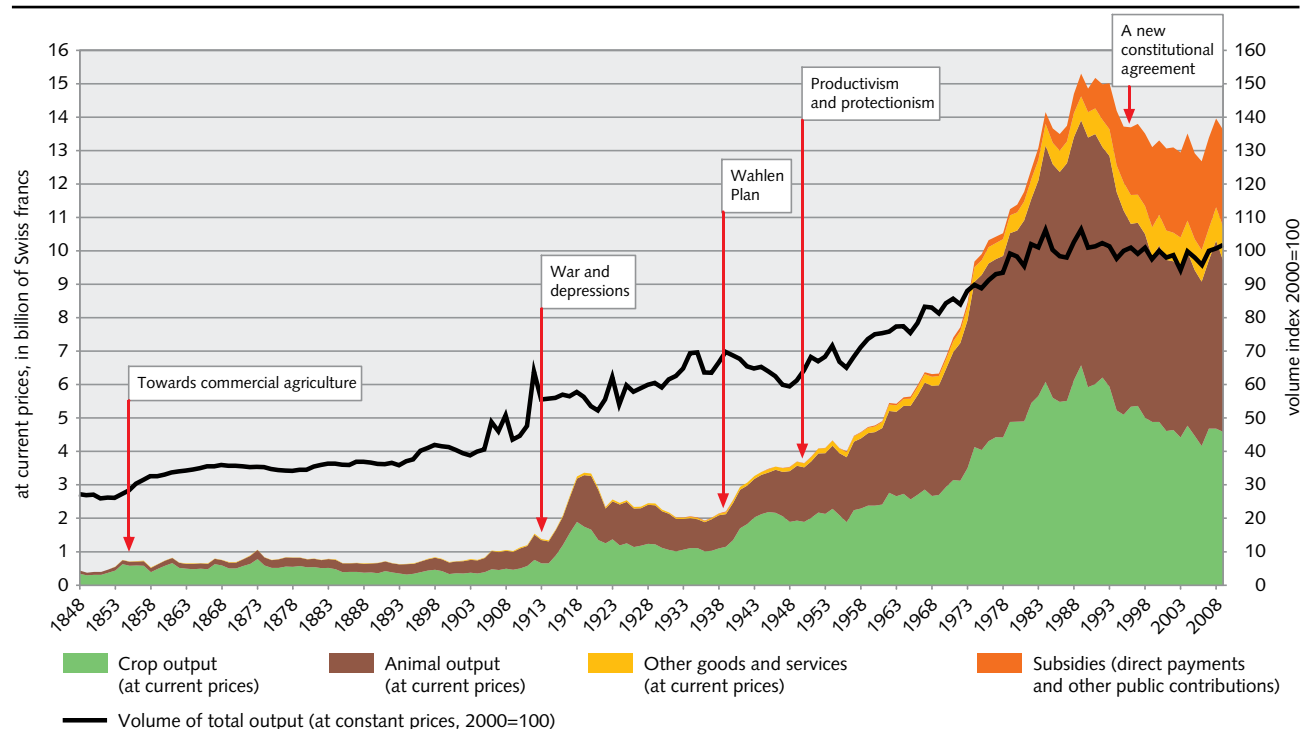
In 1848, the population of Switzerland was 2.4 million, of whom almost half lived from agriculture (Graph G2). Over the last 150 years, the proportion of the population living from agriculture in relation to the total population has decreased greatly, especially towards the end of the 19th century (industrialisation and growth of non-agricultural population) and after the Second World War (significant decline of rural population and the baby boom). Today, there are almost 90 inhabitants for each full-time job in agriculture. The agricultural volume produced by job has been multiplied by 15 since the beginning of the 20th century and by 25 since 1848. Human labour has gradually been replaced by draught animals, developments in mechanisation, electrification, improvements in husbandry and in crop technology (Graphs G3 and G4).

War and depressions

Serious supply problems marked the First World War period, when the population was confronted with high inflation of food prices. Rationing and price-capping were introduced. Demobilisation and the social troubles of 1918–1920 briefly brought back a labour force to the countryside. As a result of worldwide economic crises, the level of agricultural prices fell during the 1920s and 1930s. These led in particular to a drop in exports and an inflow of very cheap imports due to the collapse of foreign exchange rates in relation to the Swiss franc. During these troubled times, the Confederation had to intervene for the first time to support agricultural prices.

Resources of Swiss agriculture: total output and direct payments

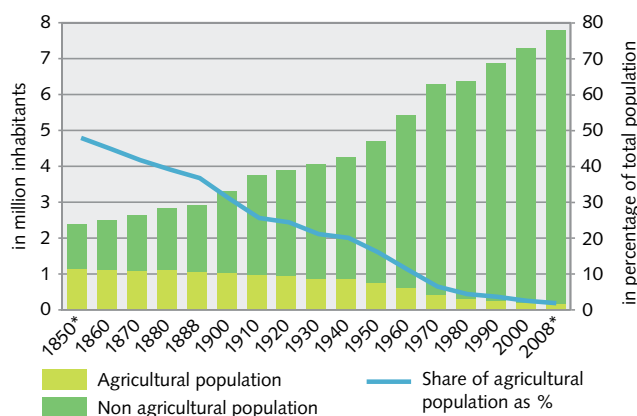
G 1



© Federal Statistical Office (FSO)

Population of Switzerland

G 2



*estimate

© Federal Statistical Office (FSO)

The Wahlen Plan

In 1940 the Wahlen Plan was introduced, designed to improve the level of Switzerland's food self-sufficiency during the Second World War. This plan combined an increase in production (especially vegetable, such as potatoes), with restrictions on the consumption of certain foods like meat, milk products, oil and sugar by distributing ration coupons to households. This period created a bond between the population and agriculture that was to continue well after 1945.

Productivism and protectionism

Technological advances and the general economic boom propelled the Swiss agricultural sector into a post-war period of productivism. The number of farms and jobs fell sharply, while the volume produced almost doubled in 40 years. Rationalisation involved heavy investments (equipment,

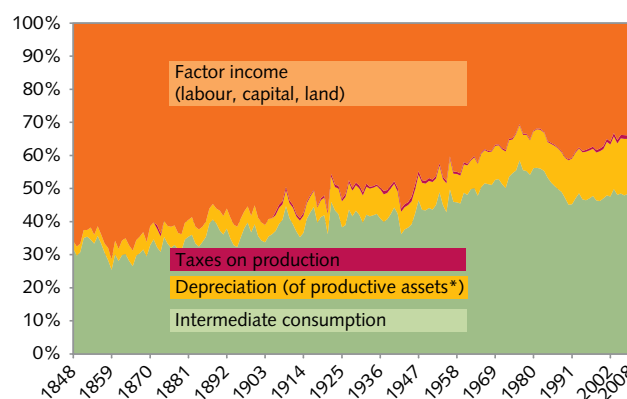
machinery) and specialisation. Agricultural services (for harvesting, then precision sowing, Graph G3) became common from 1970. The government introduced an agricultural policy to protect domestic agricultural markets. For several decades the quantities produced were absorbed by the increase in demand generated by the growth of the population and its purchasing power. The proportion of food of animal origin increased greatly.

A new constitutional agreement

In the 1990s, the search for balance among the three dimensions of sustainable development (economy, society, environment) played a central role in the definition of Swiss agriculture as we know it today. A new agreement was made with the population in 1996, with the approval of the constitutional article on agriculture. Switzerland's objectives for a multi-functional agriculture are many, in particular: liberalisation of agricultural markets, preservation of a decent income for farming families and a decentralised, high-quality production that respects the environment.

Production costs and income

G 4

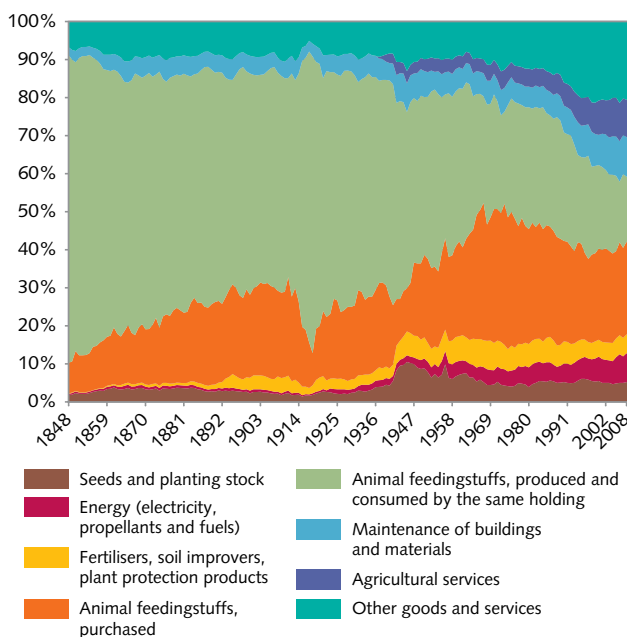


*Fixed capital: buildings, materials, etc.

© Federal Statistical Office (FSO)

Composition of intermediate consumption

G 3



© Federal Statistical Office (FSO)

Sources

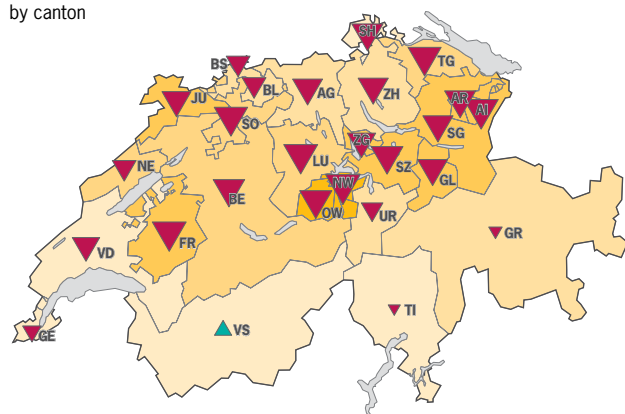
The repopulation of the Economic accounts for agriculture for the time series 1985 → 1848 was estimated by the FSO on the basis of historic statistics, in particular the calculation of final gross return (Swiss Farmers' Union, SBV), agricultural production costs (SBV), index of agricultural prices and agricultural production means (SBV) and population and agricultural surveys (FSO). These data are available in the lexical tables of historic statistics (FSO), the yearbooks «Statistiques et évaluations» (statistics and evaluations) (SBV) and the «Manuel statistique de l'agriculture suisse» (statistical manual of Swiss agriculture) (Hans Brugger, Brugg, 1968). The observations are inspired in particular by the following works: «Le paysan Suisse, sa patrie et son oeuvre» (the Swiss farmer, his country and his work) (Ernst Laur, SBV, Brugg, 1939), «Die schweizerische Landwirtschaft 1850–1914 (Swiss agriculture 1850–1914)» (Hans Brugger, Frauenfeld, 1978), «Le siècle de la révolution agricole» (the century of the agricultural revolution)» (Hans Popp, Bern, 2001 (German: 2000)).

Agriculture in the different cantons

Dairy production and total output

M 1

by canton



Share of milk in the total output of agriculture 2008, as %

Share of milk (%)	CH: 23.7
< 18.0	
18 – 23.9	
24 – 29.9	
30 – 35.9	
> 35.9	

Variation of total output (at current prices) 2008-2009, as %

Variation (%)	CH: -5.0
Decrease	
7.0	
4.0	
1.0	
Increase	
1.7	

Source: FSO, Regional accounts for agriculture

© FSO, ThemaKart, Neuchâtel 2010

By and large, the more a canton's agriculture was based on milk or cereal production, the more its total output (production value) decreased between 2008 and 2009. However, the impact on income of these decreases was softened by direct payments, in particular in mountain regions.

Agriculture in Europe

In 2009, the whole of Europe was affected by the collapse of prices, in particular those of milk and cereals. The volatility of agricultural prices was more marked in the countries of the European Union than in Switzerland. The fall in production costs and the continuing public contributions (direct payments) were not enough to compensate for worsening sales conditions.

The revenue generated by the agricultural sector to pay for the factors of work, capital and land also suffered a substantial drop between 2008 and 2009 in most countries of the European Union (Table T2), having already registered a decline between 2007 and 2008. But in 2008 the configuration was different as the rise in costs superseded that of agricultural prices.

About the primary sector accounts

The economic and satellite accounts of the primary sector are the economic synthesis statistics for the agriculture, forestry and fishing and fish farming branches. The methodology framework is the same as that used for the national accounts. The different modules are designed according to current international standards, namely the European System of Accounts 1995 (ESA 1995) as well as the specific extensions for agriculture and forestry established by Eurostat (Statistical Office of the European Commission). Drawn up each year since 2004 by the FSO, these accounts depict the main economic realities of the primary sector in Switzerland, from the production process (creation of value added) to the renewal of the productive base (investments), as well as revenue generated for livelihood and investment.

T2 International comparisons

Criteria and variations ¹ 2008-2009 (estimates)	Switzerland	France	Germany	Austria	Italy
Share of milk and cereals in total output 2008	28% 	29% 	35% 	26% 	21%
Output	-5%	-8%	-14%	-10%	-11%
Milk	-13%	-19%	-26%	-25%	-17%
Cereals	-15%	-22%	-33%	-29%	-40%
Labour input²	-1%	-2%	-2%	-1%	-1%
Factor income³ by AWU	-5%	-19%	-20%	-19%	-24%

¹ In national currency at current prices² Measured in annual work units (AWU)³ Factor income (labour, capital, land) = resources (output, subsidies) – production costs (intermediate consumption, fixed capital consumption (depreciation), taxes on production)

Sources: Eurostat, FSO

Additional information available on the internet

Economic and satellite accounts of the primary sector (in french):

<http://www.bfs.admin.ch/bfs/portal/fr/index/themen/07/02.html>

Impressum

Publisher: Federal Statistical Office (FSO)

Design and realisation: Franz Murbach, Sibylle Meyre

Series: FSO News

Domain: 7 Agriculture and forestry

Sub-series: Economic and satellite accounts of the primary sector. N°1, April 2010

Layout: FSO, DIAM Section, prepress/print

Translations: FSO language service, languages: available in electronic format (PDF) or printed version in English, French, German and Italian

Further information: Federal Statistical Office, Environment, Sustainable Development, Territory Section, Franz Murbach, tel. +41 (0)32 713 65 97, e-mail: agrar@bfs.admin.ch

Orders: Order number: 1129-1000, free of charge

Tel: +41 (0)32 713 60 60

Fax: +41 (0)32 713 60 61 e-mail: order@bfs.admin.ch