

AGRICULTURAL REPORT 2021 COMPACT



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An overview of 2020

Like many other sectors of the economy, the agriculture and food industry was severely tested in the year of the pandemic. The 2020 Compact Agricultural Report shows that the crisis clearly left its mark. The gastronomy sector was affected in particular, due to the temporary closure of businesses and the ban on events. In some cases, this resulted in a collapse in existing trade flows, although the Swiss government managed to at least reduce the damage for those affected with its relief measures. The COVID-19 pandemic also showed how resilient the Swiss agriculture and food sector is to crisis as there was no risk to the supply of food to the population. A representative survey by the Federal Office for Agriculture (FOAG) also highlighted the high level of trust in agriculture, with those surveyed saying they appreciated the conditions under which food is produced and the short transport distances. The pandemic also caused many people to shop more consciously by deliberately choosing to buy regional products. The crisis therefore also proved to be an opportunity for sustainable agriculture in Switzerland.

The structural changes that began years ago also continued. The number of farmers declined again, while the size of existing farms continued to increase. Compared to 2019, there was a positive development in agricultural incomes in 2020, which rose by 6.7 % to an average of CHF 79,200 per farm. One reason for this was the domestic demand for food from Switzerland due to the COVID-19 pandemic.

Discussions on a sustainable food system, in which FOAG was heavily involved, were a focal point internationally. Switzerland's goals of significantly reducing its food waste, adapting its agricultural climate strategy, and using more animal-friendly methods of production met with great interest from numerous international partners.

If you are interested in finding more detailed information on the topics covered here, visit www.agrarbericht.ch. The QR codes included at the end of each section will also take you directly to more in-depth information. We hope you enjoy reading this report.

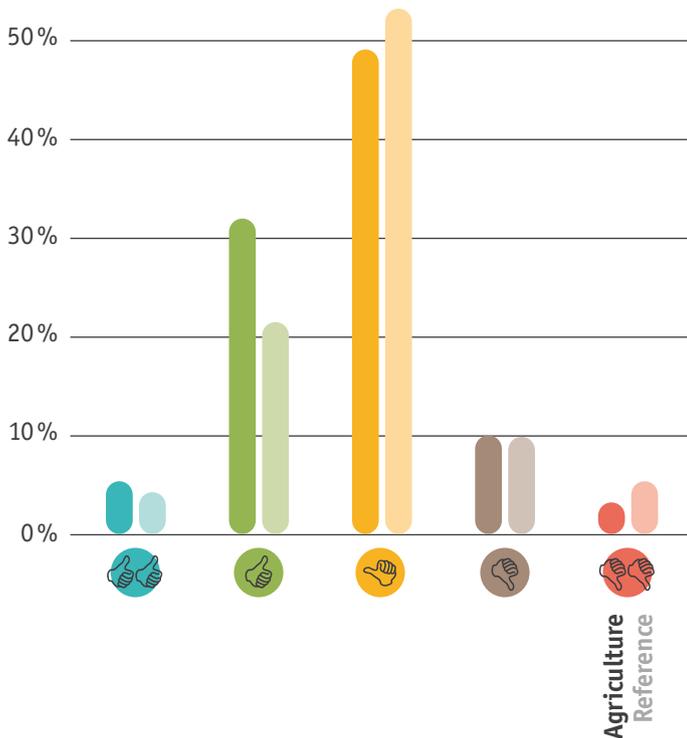


Health most important in life

Quality of life

Since 2001, a survey has been carried out every four years on behalf of FOAG about the farming profession. It asks questions about quality of life, financial situation, work situation, social integration, and the positive and negative aspects of the profession. The goal of this survey is to compare the lives of farmers with that of the rest of the population. In the survey carried out in spring 2021, an additional question was asked due to the COVID-19 pandemic. The results of the survey showed that of the 12 aspects of life ranked in terms of importance, health came first, followed by family – among both farmers and the general population. The COVID-19-related question showed that for both groups, most respondents see themselves as neither losers nor winners in the health crisis. However, the number of respondents who see themselves – and their systemically relevant business – as winners was higher in the farming population than in the rest of the population.

Winners and losers in the COVID-19 crisis



Source: gfs-zürich

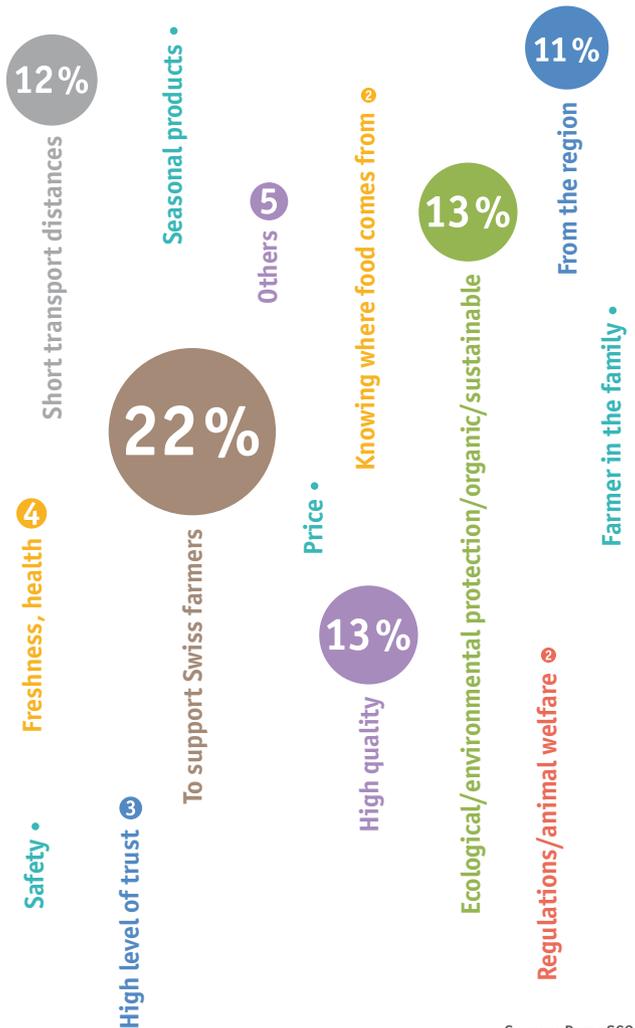


Strong trust in Swiss agriculture

Purchasing behaviour

Every two years, the market research institute Demoscope carries out a survey on the topic of purchasing behaviour on behalf of FOAG. Those surveyed were given a list of agricultural products; from those that they had purchased in the last 12 months, they were asked to indicate the products whose origin they had paid specific attention to, and the products for which they preferred to buy Swiss. They were also asked why they had bought Swiss products.

The most recent survey on purchasing behaviour was carried out in February 2021 and shows that trust in Swiss agriculture is high. People often choose Swiss agricultural products because they want to support domestic production – ‘to support Swiss farmers’ was the most important reason stated for buying Swiss agricultural products. The reasons ‘high quality’ and ‘ecological/environmental protection/organic/sustainable’ followed in second and third place respectively. These results were most likely influenced by the COVID-19 crisis.





Farms benefit from direct marketing

Agricultural incomes

In 2020, agricultural incomes increased by 6.7% over the previous year to an average of CHF 79,200 per farm. There were three main reasons for this development: the pig market continued to recover; domestic demand for food from Switzerland increased due to the COVID-19 pandemic; and the weather was generally good for crop production.

On average, 1.35 family members worked on a farm. This includes the farm manager and any spouses, parents or adult children working on the farm. Agricultural labour earnings per family worker (full-time equivalent) increased by 7.5% to CHF 58,600. In lowland farms, labour earnings per family worker increased by 8.6% to CHF 75,100, in hill farms by 6.1% to CHF 53,000, and in mountain farms by 6.6% to CHF 42,200.



CHF 79,200

+ 6.7%
since 2019

- 
Pig market
▲ +
- 
Swiss food

▲ +
- 
Beef and milk
(Demand and higher prices)
 ▲ +
- 
Increase in yields of fresh fruit and vegetables
▲ +
- 
Wine market

▼ -
(Smaller wine harvest and growing sales problems)
- 
Higher expenses
▼ -



Innovation, diversification and digitalisation – the keys to the future

Production security

The year 2020 was dominated by the pandemic and thus synonymous with uncertainty in many sectors. Nevertheless, Swiss agriculture managed to demonstrate great resilience and adaptability. The challenges relating to production security were overcome thanks to support measures for the agriculture and food sector and the active involvement of farmers. Digitalisation, innovation and diversification are some factors that will in future help farmers guarantee food supply security, reduce food waste, and increase the resilience of the Swiss food system.

The first phase of the COVID-19 crisis from the perspective of the agriculture and food sector focused on food security in Switzerland. During this period of uncertainty, FOAG played its role, in particular, by coordinating and providing information for the benefit of the agriculture and food sector, the cantons and the population.





Plant health

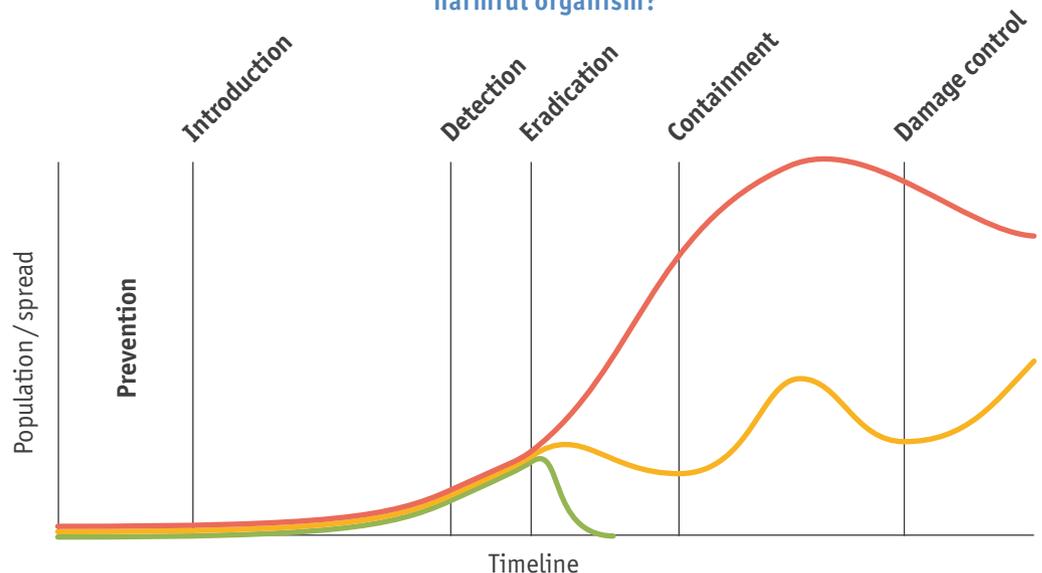
Healthy plants are essential to our lives. However, due to the continuous growth of the international trade in goods, new pests and diseases in plants are unintentionally being introduced into Switzerland – and with increasing frequency. This can cause great damage to the agriculture and food sector. To bolster the protection of local flora, new plant health legislation came into force on 1 January 2020.

Raising public awareness

The United Nations designated 2020 as the International Year of Plant Health (IYPH) to raise global awareness of the importance of plant health. Despite the COVID-19 restrictions, the IYPH was also promoted in Switzerland in order to raise public awareness. Various communication measures about the risks to plant health were used, showing how everyone can contribute to protecting our plants.

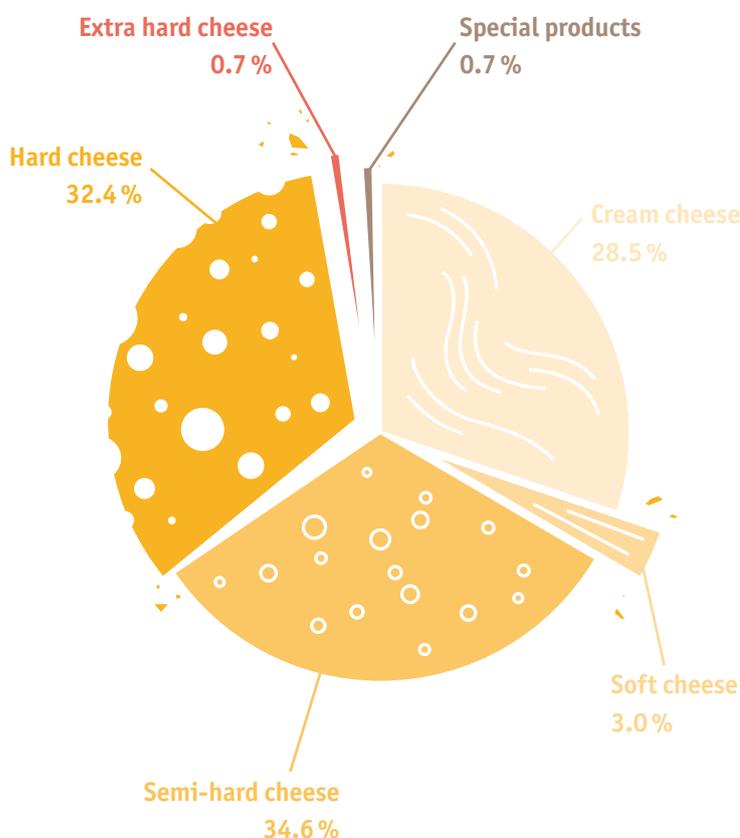
What happens to a new harmful organism?

-  **Worst Case** No measures taken as not regulated
-  **Sub-optimal** Measures taken, eradication not possible
-  **Optimal** Eradication of the quarantine organism





Cheese production on the rise



Milk and dairy products

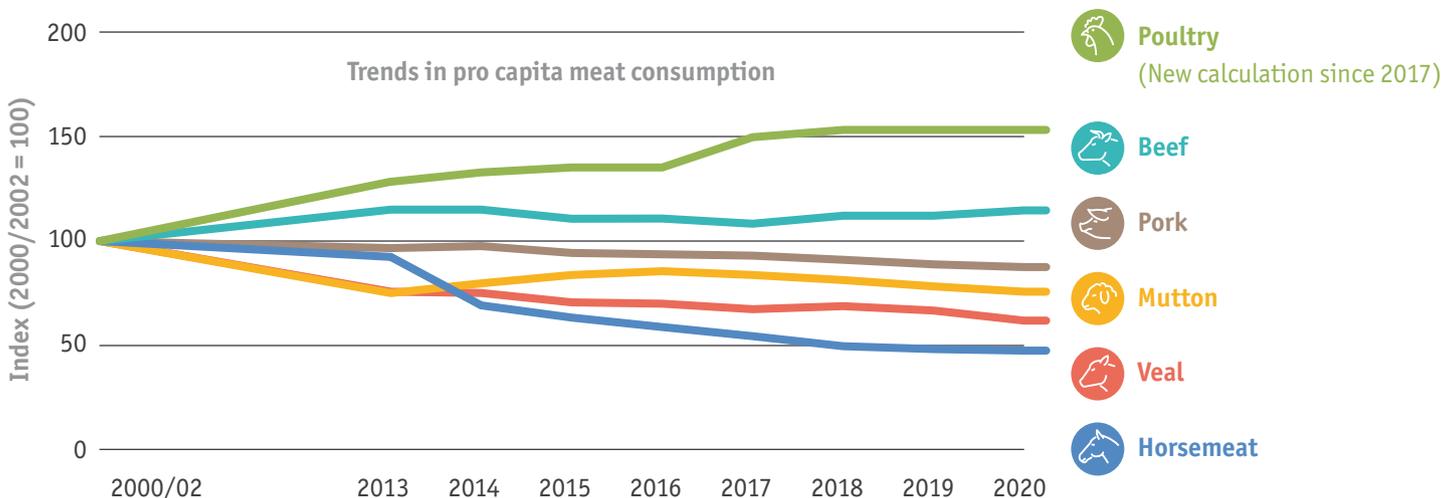
Cheese production rose by 4.4% to 203,791 tonnes in 2020. What is interesting to note is that milk was increasingly processed into semi-hard cheese. This resulted in a rise in production of 1.9% of this cheese sort, which constitutes a staggering 49% increase compared to 2000 and 2002. Appenzeller and Swiss Raclette cheese, in particular, saw a solid percentage growth, while Gruyere PDO continues to top the list of the most-produced cheeses at 30,578 tonnes, followed by mozzarella, quark and Emmental PDO. As in the previous year, there was a negative trade balance by weight for milk and dairy products, with a total of 90,906 tonnes of milk and dairy products being exported and 116,824 tonnes being imported. Slightly more cheese but less milk was exported, while butter imports increased significantly. At 59,590 tonnes (excluding ready-made fondue), Switzerland exported 1.4% more cheese to EU countries, with Germany and Italy being the main customers. The most popular cheese among foreign consumers was Gruyere PDO, as has been the case since 2017. This was followed by Emmental PDO. The majority of imports came from Italy, Germany and France.

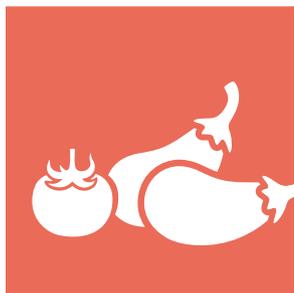


Meat

Each person in Switzerland consumed on average 51 kilos of meat in 2020, which is a decrease of 0.45% over the previous year. Compared internationally, Switzerland was well below the average according to the Organization for Economic Cooperation and Development (OECD), with more than 71 kilos of meat per person being consumed in OECD countries. Pork remained the most popular meat in Switzerland, with a market share of 41%, although poultry and beef were also often in demand. A total of 485,554 tonnes of meat was produced in carcass weight last year, which was 1.4% more than in 2019. The production value of meat amounted to CHF 2.9 billion. Popular cuts of meat, such as beef, lamb and horse loin, and turkey and chicken breast, could not be fully covered by domestic production and had to be imported. Imports included 23,926 tonnes of meat from large livestock, 16,004 tonnes of pork, and 42,438 tonnes of poultry.

Slight decrease in per capita meat consumption





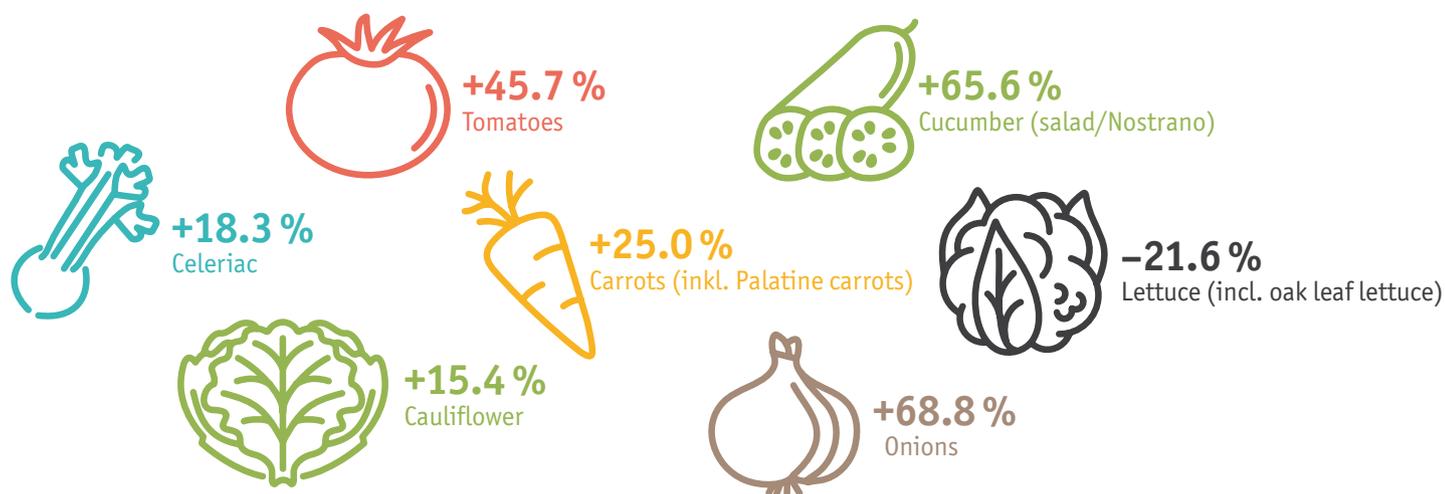
**Acreage
reaches
record level**

Vegetables

Vegetable producers were able to take advantage of exceptionally high consumer demand in the year under report. Rarely have so many fresh vegetables been consumed in Switzerland as in 2020, with a per capita average of 73 kilos – six kilos above the average of the previous year. The main reason for this development was the strong demand related to COVID-19. This resulted in a market volume of 661,966 tonnes of fresh vegetables grown in Switzerland.

The size of the area of land used to grow vegetable crops in 2020 is also noteworthy. A total of 17,125 hectares of vegetables for fresh consumption and processing were grown – a record high in terms of acreage – resulting in high harvest yields. However, because vegetable import volumes also increased significantly, the meeting of demand from domestic vegetable production remained constant. Prices for domestic fresh vegetables were in line with demand and therefore higher than in previous years.

Production development 2000/02 – 2018/20



Source: Swiss Central Office for Vegetable Production and Special Crops (SZG)

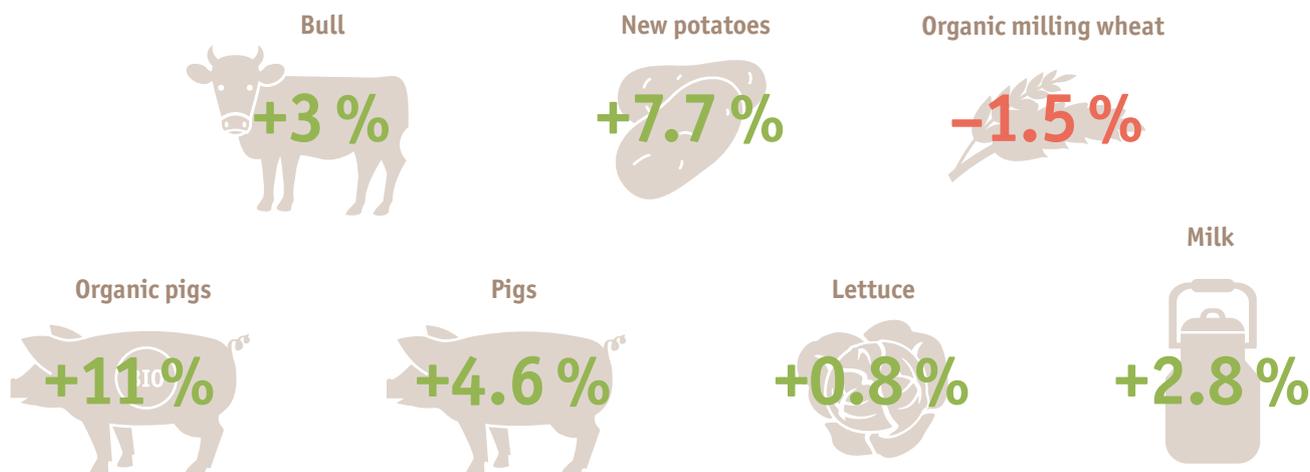


Producer prices

The first phase of the COVID-19 crisis dominated 2020. Restaurant closures and the general drop in food consumption outside of the home had a significant impact on producer prices. Consumers rediscovered their pleasure in cooking and shopping tourism slowed. This had an impact, in particular, on the dairy and beef markets, whose producer prices increased. The effects of COVID-19 differ, however, depending on the product. While the potato and dairy markets were especially affected, the stone fruit and berry markets remained stable due to an excellent harvest that was able to meet the increased demand.

Producer prices also influenced by COVID-19

Change over the previous year

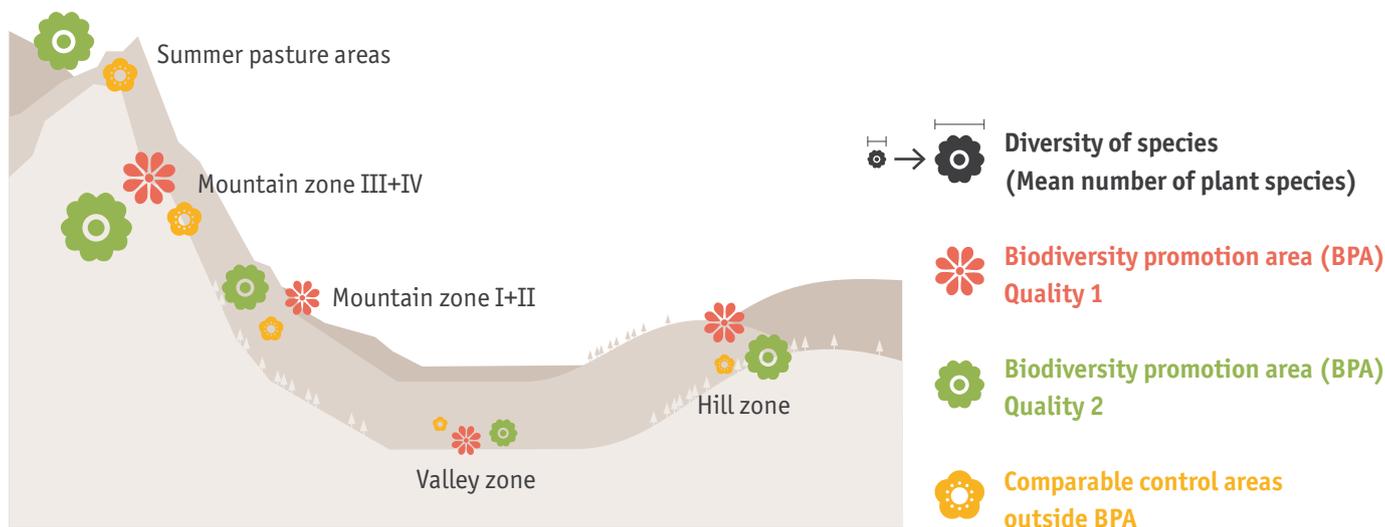




Greater diversity of species and habitats in areas reserved for promoting biodiversity

ALL-EMA – monitoring agricultural species and habitats

The first survey cycle of the ALL-EMA Monitoring Programme was completed at the end of 2019. This makes it possible to draw conclusions about the state of biodiversity in the agricultural landscape for the first time. The results show that species and habitat diversity is lower in the lowlands than in the mountain regions. Diversity is higher in those areas reserved for promoting biodiversity than in comparable areas. In fact, diversity increases according to the quality of the area in question. To optimise the promotion of biodiversity, agricultural practices therefore have to be adapted to local conditions. Other significant factors influencing the diversity of species and habitats were a large variety of small structures and belonging to a networking project.



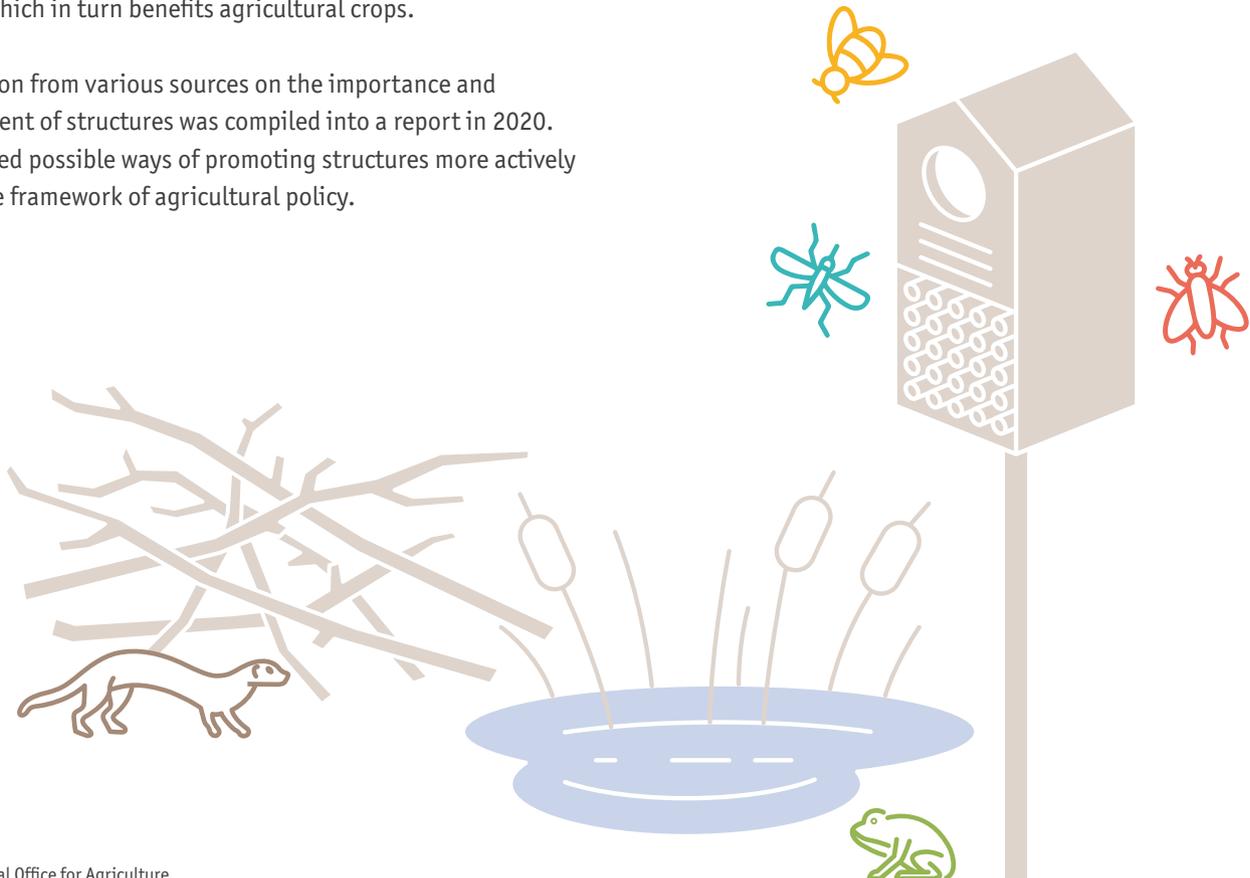
Structures promoting biodiversity

Landscape features such as stone and deadwood piles, borders, and small bodies of water are extremely important for biodiversity. Such structures are necessary to meet the needs of various animal and plant species. For many species such as weasels and wild bees, they are even indispensable, as they increase the amount of habitat available, provide breeding sites and resting places, and encourage interconnectedness. These structures also increase the ecological quality of extensively used meadows, for example, and benefit pollinators and other insects, which in turn benefits agricultural crops.

Information from various sources on the importance and development of structures was compiled into a report in 2020. It described possible ways of promoting structures more actively within the framework of agricultural policy.



The value of small structures

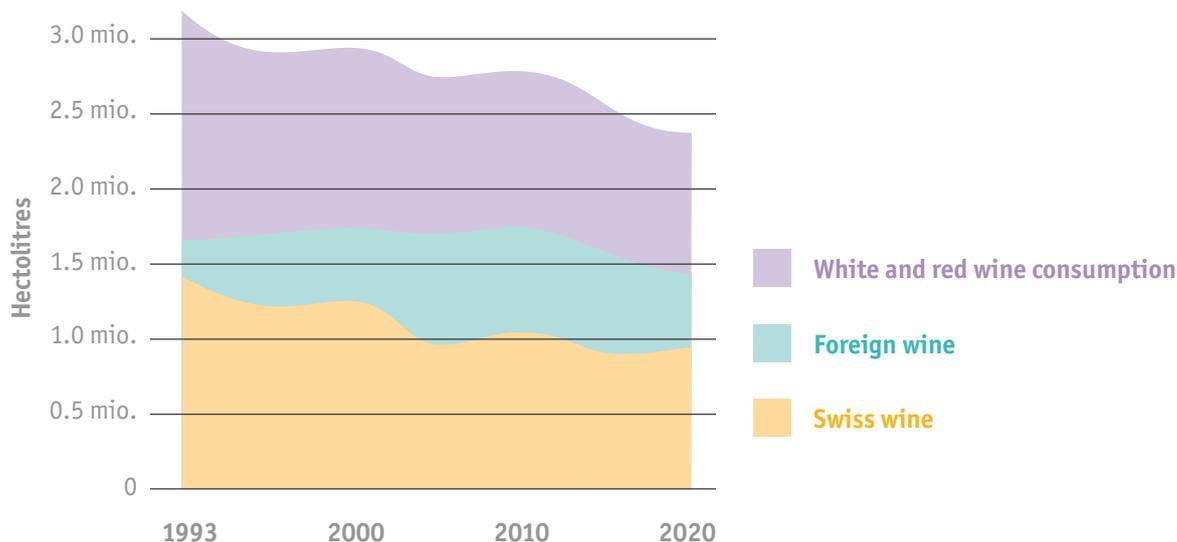




Extraordinary financial aid for Swiss wine

COVID-19 measures for the wine industry

The restaurant closures and ban on events due to COVID-19 hit the wine industry exceptionally hard. To alleviate the financial consequences, the Federal Council supported winegrowers with relief measures costing CHF 10 million. As a result, it became possible to declassify PDO wine to table wine, while the maximum yields set by the cantons for the 2020 wine harvest were lowered in order for winegrowers to receive federal contributions. The cantons Aargau, Geneva, Vaud and Valais also decided to grant additional cantonal contributions. Taking into account the financial aid from the cantons, the volume of PDO wine declassified to table wine amounted to 7.1 million litres. The reduction of the permitted maximum yields and the cold and wet weather during the main flowering period prevented a large grape harvest. At 834,235 hectolitres, the harvest was down 14.8% compared with the previous year. The only other harvest in the last ten years that was weaker was that in 2017, when grapes were severely affected by frost.



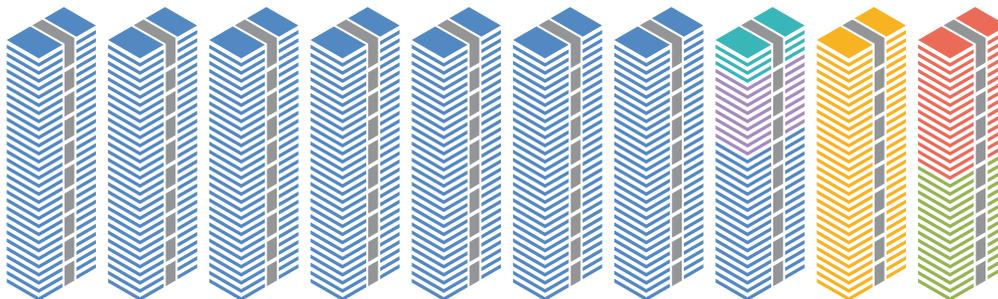
COVID-19 measures for the livestock industry

The measures decided on by the Federal Council to contain the COVID-19 pandemic led to a drop in demand and pricing pressures on the domestic slaughter cattle market, in particular for prime cuts of beef and veal. Public slaughter cattle markets were also prohibited for around two months. This led to a decrease in the number of livestock markets being held by 104 to 559 markets, while the number of sheep markets dropped by 65 to 235 markets. To minimise a backlog of livestock waiting in stalls for slaughter, Parliament approved additional financial resources for veal and beef, which relieved the market further. FOAG paid out CHF 5.7 million to meat processing companies as a contribution towards storage costs and the loss in value of raw materials. In total, expenditure for the livestock industry amounted to around CHF 62 million.



Contribution towards storage costs

- Disposal fee
- Contributions to support domestic egg production
- Sheep's wool contributions
- Proviande performance agreement
- Domestic aid for slaughter animals and meat (COVID-19)
- Domestic aid for slaughter animals, meat and infrastructure contributions in mountain areas



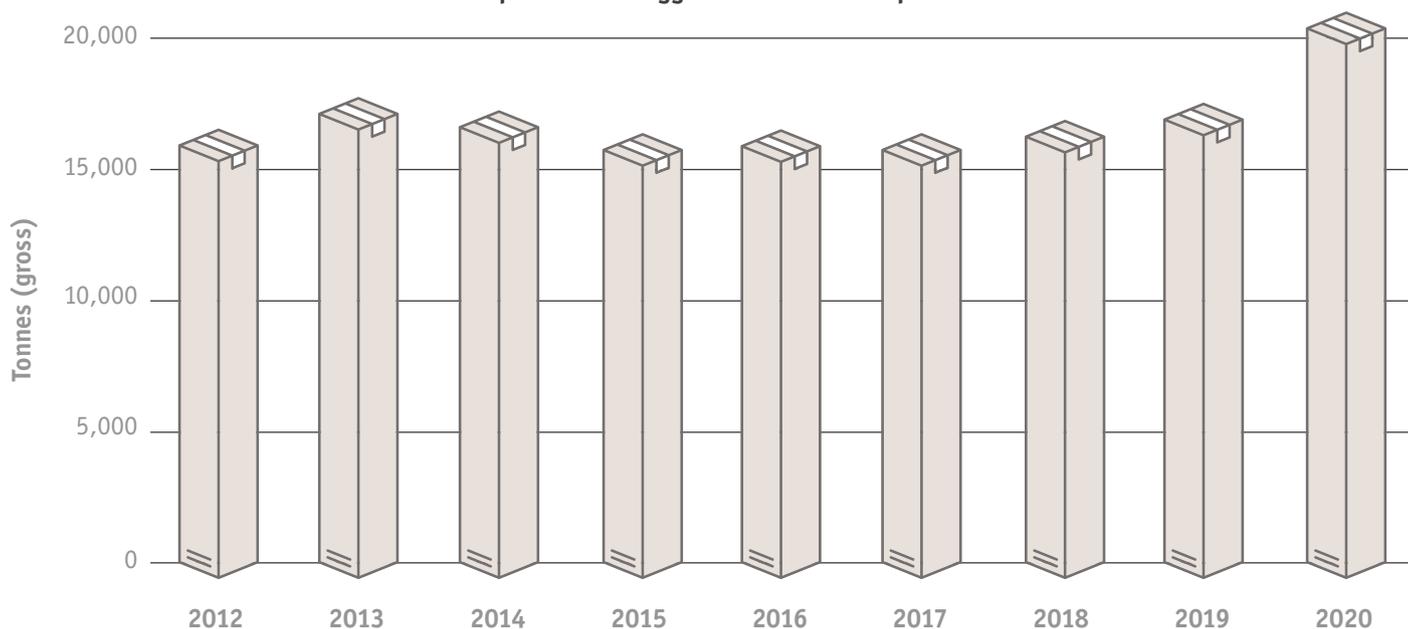


Import quotas increased

COVID-19 measures and import regulations

The Federal Customs Administration and FOAG were put under more pressure than usual in enforcing import regulations last year. Due to COVID-19, consumer habits in Switzerland changed significantly, while opportunities for shopping tourism largely disappeared. The consumption of ware potatoes, table eggs and butter increased to such an extent that the usual high level of production in Switzerland could not sufficiently meet demand. The import quotas for these products had to be increased twice – for butter even three times.

Import of table eggs within the tariff quota



Source: Federal Customs Administration

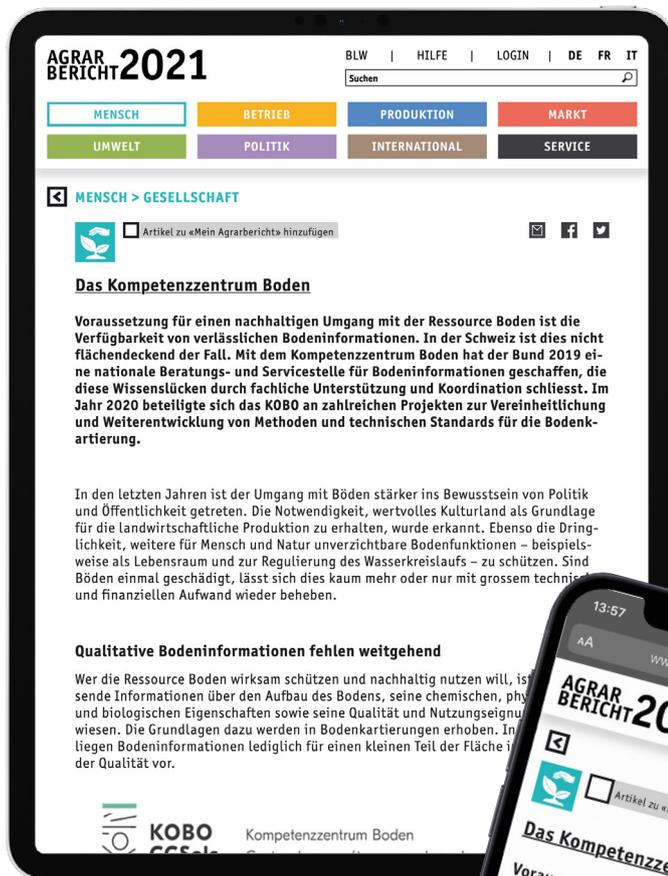
Sustainable food systems

FOAG was intensively involved internationally in the transformation of agricultural and food systems in the year under report. At the UN Food Systems Summit, which was held virtually in September 2021, the President of the Swiss Confederation outlined at this highlight event how Switzerland intends to shape this transformation towards sustainable food systems at home and abroad. The focal point of this speech was the 2030 Sustainable Development Strategy, previously adopted by the Federal Council, and the associated 2021–2023 Action Plan, which includes the goal of halving avoidable food losses per capita compared to 2017. At an international level, Switzerland also committed itself to agroecology and healthy eating in the year under report. To prepare for the UN Summit, which was part of the Decade of Action to implement the 2030 Agenda for Sustainable Development, Switzerland conducted a dialogue with the aim of helping to create action roadmaps towards sustainable food systems by 2030. This dialogue brought together stakeholders from the Swiss agriculture and food sector.



International commitment to sustainable food systems





The 2021 Agricultural Report

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