

Swiss Agriculture Viewed from Abroad

Introduction

At the end of August/beginning of September 2005 members of the International Federation of Agricultural Journalists (IFAJ) attended their 49th congress in Thun/Switzerland. The journalists got to know Switzerland's agricultural policy from the very experts on that subject: Luzius Wasescha, Chief Negotiator to the WTO, Manfred Bötsch, Director of the Federal Office for Agriculture, and Hansjörg Walter, President of the Swiss Farmers Union, explained the principles of the Swiss agricultural policy to the agri-professionals from all over the world. In Switzerland, where people traditionally identify themselves very strongly with the cultural diversities, farmers are not just food producers, they take care of the natural environment and the rural scenery for which they receive payments from the Government, in other words from the tax payers. And they operate in a market largely protected by customs duties.

Varied Agricultural Activities

The agricultural journalists did not only attend theoretical seminars and discussions, they also experienced the „real thing“ on various excursions to Switzerland's agricultural sceneries, from market gardening in the Seeland area to the Alpine dairy in the Bernese Oberland, from the mountain farm in the Entlebuch to the viticulture enterprise in the Valais.

These outings led to a lot of discussions which showed two trends: First, Switzerland's agriculture was praised as well-cared for, clean, green and perfect. Second, the Swiss approach has caused some difference of opinion. To some Switzerland is a role model because Swiss people are well aware of the significance of agriculture and are willing to pay a certain price for that. To others this very argument does not hold true in view of the fact that food is, at least partly, far cheaper in other countries, and that Switzerland is defending highly protectionist measures within the WTO which is contrary to the trend to create free international trade.

„World Tour of Opinions“

The selected articles in this folder clearly show the wide range of opinions as to Swiss agriculture and its agricultural policy. The authors have been asked to describe their most impressive experiences during their stay in Switzerland, to compare Swiss agriculture to the situation in their own countries and to present their opinions about the "Swiss approach". Our world tour of opinions begins in Europe – Sweden, Northern Ireland and Spain – then moves on to the USA, Uruguay and further west to New Zealand and finally ends in Japan.

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Like A Picture Postcard

Lena Johansson, Sweden

Swiss agriculture has many similarities to agriculture in Sweden. It even sells itself in the same way as Swedish agriculture does: Healthy, clean, fresh and with products of very high quality.

To me Swiss agriculture looks like a picture postcard. Although the farmers we met expressed some problems, they seemed to have a very good life. And over all they were quiet content with their lives, happy and proud.

In my profession I have had the opportunity to travel and meet farmers all over the world, both in industrialized and developing countries, and their pros and cons of farming are very much the same. They are all depending on the weather and politicians. And they are all complaining about those two.

Also the Swiss farmers had complaints about their politicians, and I am not initiated enough to judge if they are right or wrong. One thing is for sure, you would never hear a minister in Sweden praise the farmers as Elisabeth Zölch-Balmer did in her welcome address to the congress. Swedish social democratic ministers unfortunately don't see agriculture as a significant, progressive branch.

I got the impression that ordinary Swiss people were proud of and satisfied with their farmers and the Swiss agriculture. Even though somebody told us that the competition from low price chains are increasing. The same chains are establishing in Sweden.

It was news to me that although the Swiss farmers are not in the EU they are still deregulating, maybe even harsher than their European colleagues. And they expressed the same doubts about it as their Swedish colleagues and competitors. We are all a tiny part in the world trade and depending on each others.

On the other hand, this time the Swiss really had the right to complain about the weather, recovering from the floods as they still were. Problems like this might become worse for all farmers, depending on the global warming. Swedish farmers are still recovering from the huge storm that struck them in January 2005.

Everything in Switzerland appears to be small scale, even the farms. You also had kept a small scale food industry with local dairies and food stores. I find that very sympathetic.

The farmers seemed to work in close cooperation with the consumers. Maybe that is because Switzerland is a small country and the farmers live close to the cities. Even if you live in a Swiss town it will not take very long reach a farmer. Swiss farmers take good advantage of this: A strawberry farmer we visited had both a shop and a restaurant on his farm.

The vegetable grower we met invited people from the closest town to let them study vegetable growing. He was worried that city people know so little about farming. "Some of them even think that you harvest salad with combine harvester", he told us with disappointment in his voice. So he decided to do something about it. The consumers end their visit of the farm with a meal made of products from the farm. After the visit they know both how vegetables are grown and what you can make out of them.

The economic support from the state to the Swiss farmers must be much more generous than in Sweden. A Swedish farmer can't survive with only 20 cows or as little as 12 hectares of vegetable growing, as some of the farmers we met did. The average Swedish farmer has about 70 hectares and 40 cows. Most of them also have quite a lot of forest.

But on the whole I recognised a lot from Swedish farm life. We are not as different as one can think initially. In Switzerland I learned that farmers are very serious in their business, and their products are of first class quality. The support from the society, from politicians to consumers, seemed to be high. The country needs its farmers and the Swiss appears to realize that.

Lena Johansson has been working as a journalist for the Federation of Swedish Farmers for the last five years. Before she worked at an agriculture newspaper for 11 years. She is also deputy chairwoman of the Swedish guild of agricultural journalists.

Swiss Farmers – Still Protected From Globalisation

Marina Tell, Sweden

During the IFAJ congress in Thun this year, there was a very interesting presentation of Swiss agriculture – not only in the congress hall but also in reality, visiting really wonderful farm sites in the countryside of Switzerland. I think that we, the visiting journalists, got to see a lot of the diversity that Swiss agriculture offers.

Coming from Sweden, a big country with few people, the most striking thing to me was how well kept and managed every square centimeter of the landscape in Switzerland appears to be. Even if it is a wild and astonishing scenery in Switzerland with the Alps and the high mountains, I also think that Switzerland thanks to traditions, money, and a strong agricultural policy has been able to keep small farms alive. Therefore lots of colours and variety and many wonderful views are to be found in the country of Switzerland. The positive thing about this is that Switzerland, having the economy, the will, and the political power to protect its own agriculture, can have the policy so that even the very small farms can stay in business. Every country in the world should be able to do that!

Swiss farmers can keep traditions alive and still – thanks to the governmental support – make a good living. To me, the most similar agriculture of that is to be found in another rich non-EU country, namely Norway. Having the highest milk price in the world, it is not strange that a medium size dairy farm in Switzerland only has 16 cows. Economically, that would be impossible in Sweden, and in many other European countries, even though the EU farmers also get a lot of support and protection from the EU. A medium size dairy farm in Norway has 12 cows. In Sweden, the medium size is almost 50 cows.

Since the milk price in Switzerland is decreasing more and more (36 per cent from 1990 to 2005) and direct payments are increasing, it is forecasted that the Swiss milk price will be 33 cents in average in 2009. That means a reduction of 26 per cent in four years (it is 45 cents today), we were told. That will of course lead to some problems for many Swiss farmers and maybe for Swiss Agriculture as a whole.

Switzerland is apparently facing the same future as many countries within the European Union. Since globalization is growing and rich countries in the western world have to take a bigger responsibility when it comes to creating a fair world trade – also with agricultural products – it is negative to be raised in an agricultural society with too much protection. Therefore it might be really hard for many Swiss farmers – and maybe also for Swiss agriculture as a whole – to be competitive both on the home market and on the global market in the coming years when a lot of the protection has to be taken away.

In conclusion to that, I once again want to point out, that to me, the most striking thing when visiting Switzerland was how beautiful it is when small farms still can be a part of modern society, when small villages still are populated, and the countryside is not over given and destroyed by weed and forests. On top of that, I think that a more tasty and wonderful cheese than La Gruyere is not to be found anywhere in the world.

Marina Tell is a freelancer mostly working for the weekly newspaper of the farmers union in Sweden. Among other things, she writes for the dairy editions of this newspaper.

An Inspiration for European Agricultural Policy

Richard Wright, Northern Ireland

Agricultural journalists from around the world met last week in Switzerland. They came from as far north and south as New Zealand and Finland - but what was depressing was that the problems farming faces are the same in almost every developed economy.

Pressure from supermarkets: discount stores driving down commodity prices: environmental pressures: questions about the need for farm support and a lack of enthusiasm amongst young people for a future in agriculture. These are the issues facing farming around the world. While it may be comforting to know we are not alone with our problems it was depressing to find that to date no-one has found the magic answer.

One exception is Australia, ironically a country where the government largely leaves farming fortunes to market forces. There, milk prices are booming on the back of buoyant world markets and a big drop in production. Over the last two years farmers have been leaving the industry in record numbers, but now processors are fighting with each other to persuade farmers to move their milk contracts. Drought and the exodus from the industry have left it with a big shortage of milk, and this has brought back boom times farmers thought had gone for good. This is a salutary warning to supermarkets in Europe that if they squeeze farmers too hard they will face major problems to maintain continuity of supply for fresh products, which cannot be imported from low cost global producers.

It was ironic to be discussing these problems in Switzerland, which according to figures from the Organisation for Economic Cooperation and Development (OECD) has the second most heavily subsidised farming industry in the world. Why its government does this is clear to anyone who has travelled through Switzerland, which thanks to the direct flight from Belfast is now very easy. Farming is what makes the country what it is in summer. As perfect fields and farms pass the window of your train the countryside looks perfect. You are left to wonder if there is even one untidy farm, let alone abandoned land or buildings. Visit the farms and you find people living well with fewer than 20 cows and 50 acres. You begin to realise this is what must have inspired former EU farm commissioner Franz Fischer to come up with the idea of decoupling.

There is no question in Switzerland that support for agriculture, at local and federal level, is not about food production. Farmers are subsidised because they deliver a product a rich country is willing to pay for. Along with quality Swiss food, which is branded extensively as such, that product is a clean environment and a countryside that makes Switzerland unique.

In cold financial terms this is a good deal for Switzerland plc. Its tourism revenues are guaranteed from winter skiers by snow, but it is the countryside which turns it into a year round destination. By delivering that countryside farmers generate more revenue from tourism than it costs to subsidise agriculture. In the World Trade Organisation terms this may no longer be deemed politically correct. But one of the joys of being independent and neutral is that Switzerland is free to run its country as it wishes, without having to justify its actions other than to its own taxpayers.

If decoupling could be made to deliver in a way even approaching Switzerland it would be a major success. However that is unlikely, simply because of the difference in size, funding per farm and the complexity of agriculture across the EU. Anyone who visits Switzerland comes away feeling it would be

an ideal place to live, provided you could afford it. The cities are clean and relatively crime free - even if a pickpocket at Geneva airport did steal my passport - the trains run with the perfection of a Swiss watch, hospital waiting lists are unknown, the roads are excellent and people are polite and well educated.

These are not advantages easily translated to other countries. By the same standards the Swiss approach to agriculture will never be a model for others. We can however take at least one thing from it - the importance of persuading consumers and taxpayers that farmers really do deliver gains for society beyond food production. In marketing speak this is the unique selling point (USP) which separates them from imports. Exploiting that USP is the best hope for the future - and that applies as much in Northern Ireland as it does in Switzerland.

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The Green Fields of Switzerland

Carlos Hernandez Diaz-Ambrona, Spain

The fact that farms tend to have a low rate of profitability explains why farmers all over the world are demanding governmental subsidies to help them survive. Swiss farmers are no different in this respect. I was, however, rather surprised to learn that over 50 per cent of the farmers' income come from state subsidies. This high percentage might be justified in view of some particular environmental and economic conditions in Switzerland.

On the one hand, farmers in Switzerland have to cope with mountainous areas and unfavourable climatic conditions. On the other hand, urban and regional planning restrict farmers from selling their enterprises at their own free will. This is in stark contrast to Spain where the market value of a rural enterprise might be much higher than its earning rate, especially in urban areas or in regions of high ecological value, a phenomenon which obviously distorts our agricultural market. Restrictions in the land law of Switzerland might explain why there are so many family farms which have been handed down from fathers to sons or daughters for centuries. Some sort of protective measures are therefore essential to prevent farmers from abandoning farming altogether. In my opinion there is also a certain loss of freedom for Swiss farmers and their families because of such land law restrictions. Spanish people imagine a typical Swiss dairy cow to have been bred in the mountains and to produce high-quality milk. Infertile and yellowish grazing areas in Spain as opposed to green and lush fields in Switzerland – it might be an idyllic Swiss scenery, but also one that cannot escape change.

There is a lot of talk about sustainable development these days; sustainability means that products are closely linked to the areas where they are manufactured. Regional production for regional consumption. Peter Gfeller from Kappelen/Berne is a prime example: His high-quality hand-crafted cheese enhances the value of his Swiss brown cattle. Several milk producers and cheese-makers have jumped on the bandwagon and are now offering cheese specialties with a wide range of aromas and tastes – a true boon to healthy and balanced diets.

Agriculture has to adapt to new trends, to urban societies which are used to consuming highly refined foods. The Schwab family in Gimmiz, Berne, was of the pioneers to offer "pick your own strawberries" and has thus been able to compete with the large strawberry production in south-west Spain.

Farmers produce foods, they till the soil and take care of the rural landscape. These efforts must be subsidized by the government and city dwellers have to be willing to support such endeavours. Swiss farmers do a great job, they provide people with healthy foods, they are concerned about their animals' welfare and the environment. All that comes at a price that a society should be prepared to pay. However, the Arcadian picture of Swiss cows grazing on lush pastures on the foot of the Alps cannot last for ever. Scientists will introduce new plant species, nutritionalists will come up with new value-added products, and innovative farmers are expected to adopt these visions and support those developments.

Finally, I would like to draw your attention to the Swiss educational reformer and farmer Johann Heinrich Pestalozzi (1746-1827) from Zurich who initiated his very own agricultural training: He gathered poor and orphaned children in his manorial farmhouse and taught them the basics of agriculture. His teaching method "learning by doing" was completely at odds with the academic and theoretical schooling system of his time. During summer his children worked in the fields, in winter they

moved to classrooms to be instructed, but also did some manual work, like processing crops or making cheese in dairies. To some extent Pestalozzi thus contributed to the agricultural development of Switzerland.

In our times in which manual work is frowned upon by urban societies, we should remember how and where our foods are produced. We may call ourselves lucky to have farmers who pass on their know-how and enthusiasm to their children. I experienced this passionate commitment firsthand at the IFAJ congress this summer when we visited some state-of-the-art agricultural enterprises in Switzerland.

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Cities Are Closer To The Countryside

Susan K. Davies, USA

The thing that struck me most about Swiss agriculture was the pristine farms and the quiet countryside. During the walk to IFAJ Congress headquarters, I watched a young teen and a middle school child meticulously rake - by hand - strands of hay that escaped the windrow. I was impressed with the Swiss farmers' attention to detail, care of their farmsteads and commitment to the land and water quality. It's not often that you can dine in a dairy milking parlor in the States. But that's exactly what we did on Saturday during the Congress. The negative aspect is: Do the strict environmental regulations limit the Swiss farmers' freedom? Perhaps, but the results of the laws are striking.

Swiss producers' ability to farm within the city limits amazed me. Sheep grazed underneath apartment windows in Thun and equipment dealers were wedged next to homes in small towns. Swiss non farmers seemed more accepting of agriculture practices compared to the general public in the States. As I got off the train in Thun I was also surprised at the enormous billboard featuring a farmer with a small flock of chickens. Swiss farmers, food companies and agribusiness seem to be doing an excellent job of promoting agriculture.

Of course, environmental stewardship comes with a price. I was amazed at the incentives farmers were receiving for caring for the land and livestock. I was surprised that the Swiss producers seem to depend on the subsidies to continue farming. Although U.S. farmers also count on some subsidies, the payments do not comprise a large percentage of their income.

Like U.S. farmers, Swiss farmers face the likelihood of lower subsidies. Both countries are also looking to increase specialty markets and products. However, the Swiss seem to be 30 years ahead of catering to consumers, compared to U.S. farmers and organizations. Both countries face the challenge of how to entice young people into agriculture. On several of the farms we visited the wife stayed at home and cared for the farm while the husband worked away. This scenario seems to be opposite in the U.S. Many wives work off the farm to obtain health care benefits—costs Swiss farm families don't have to worry about.

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Changing Economic Factors

Jimena Perez Rocha, Uruguay

I was only too glad to oblige when LID asked me to write about my perceptions as to the Swiss agricultural environment. Comparing the two agricultural systems, which seem to have but little in common at first sight, is a true challenge. Mind you, Uruguay was called “Switzerland of South America” in the fifties, probably based on the fact that the two countries had similar institutional and political systems at that time and that many Europeans had settled in Uruguay.

My personal background is, of course, influenced by radically different regional and national realities. Uruguay’s economy heavily depends on agriculture: 25% of the gross national product, 80% of goods exported and one in four jobs are directly or indirectly provided by agricultural activities. There are over 50,000 farms, larger and smaller family enterprises and cooperatives, which cultivate roughly 16 million hectares (about 39.54 mill. acres) of arable land in Uruguay. Our farms mainly produce meat and wool through extensive cattle and sheep farming. The animals roam freely on non-fertilised natural pastures all year round with a stocking rate of just one animal per hectare. However, agriculture is not only important for the economy, but also for our traditions and cultural heritage.

This seems to be true for Switzerland as well, agriculture has an identity forming function in both countries. In spite of this, young people are increasingly less interested in taking up farming so that the average age of farmers tends to increase. This is one of the problems that needs to be addressed in both countries.

Contrary to Switzerland, Uruguay depends on highly productive and competitive agriculture not least because the industrial and financial sectors as well as tourism are still not fully developed. Agricultural activities are not protected as in European countries; our farmers have to operate in a fluctuating world market and are often disadvantaged because of restricted access to agricultural commodity markets of industrialized countries.

The economic factors in agriculture are changing dramatically in both countries. While developed countries are trying to defend their protectionist measures, Uruguay’s farmers are faced with both restrictions and an increasingly global world market. They are forced to become more productive and competitive, whereas Switzerland’s farmers have to assume an ever increasing range of tasks. Both countries must rise to these challenges, they must try to relieve the negative consequences of globalization and give farmers the chance to fulfil their social, economic and ecological functions as they have done in previous times.

As an engineer in agriculture Jimena Perez Rocha has been doing research work in sustainable development at the Centro Interdisciplinario de Estudios sobre Desarrollo since 1997. As a journalist she has been writing about agricultural and environmental issues since 2001.

Shocked About The Amount Of Public Payments

Mark Peart, New Zealand

I'm pleased and privileged to be invited to contribute some brief thoughts about Swiss agriculture which I developed during late August and September, when I spent three weeks in Switzerland. I commend the organizers of this project for their initiative and their bold approach to canvassing a diverse range of perspectives. However, I couldn't help chuckling to myself when the email from the LID came through. Inviting an agricultural journalist from New Zealand – one of the most ardent advocates of agricultural trade liberalization within the World Trade Organisation – to comment on Swiss agriculture is a little like leaving the gate of a henhouse open for a dog to enter. The outcome in both cases is entirely predictable!

I spent part of my time in Switzerland – a stunningly beautiful country in which I made many good friends – attending the IFAJ congress in Thun. That provided me with some good insight into Swiss agriculture and the policy which governs it. I've written extensively in New Zealand publications about my impressions of Swiss agriculture and trade policy in particular since my return three months ago. Colleagues who were keen to hear my views first-hand during the congress won't be surprised to learn that my impressions gained then haven't really altered. Subsequent events arising from the negotiations within the World Trade Organisation's Doha development agenda and Switzerland's continuing hardline stance on agricultural trade liberalization have, if anything, hardened my views.

I was shocked to learn of the degree to which Swiss farmers are propped up by what I regard as the iniquitous system of direct payments. It didn't surprise me at all to learn the other day that Swiss farmers in their thousands turned out in Berne to protest at the notion that global trade in agriculture might be liberalized. If I was a Swiss farmer, I'd be marching in the streets too if I thought most of my income, sourced from state subsidies, was at risk

I was struck, when I listened to government and farming leaders speaking at the congress, by the lengths they went to to defend and justify the whole "reform" of Swiss agricultural policy and its key plank, the direct payments system. It was almost as if they kind of guiltily knew they were sticking up for a system which is anathema to farmers in countries like mine, where subsidies were scrapped 20 years ago. Certainly, farmers here howled and gnashed their teeth initially when subsidies were removed as a part of an essential package of economic reform. But they quickly bit the bullet and adjusted. The result today is that they are forward-looking and innovative in their approach to farming.

One of the main reasons why New Zealand dairy co-operative Fonterra has such a large share of the world market in dairy products is because monopolistic, single-desk selling was abolished five years ago. As I write this, the Europeans have accused Fonterra of still being a monopoly in a bid to derail the chances of a meaningful outcome on agricultural trade liberalization occurring. It's a hollow and baseless charge and was designed to deflect attention from the real issues confronting the WTO. When politicians here are asked by journalists like me who the hardliners are in world agriculture, Switzerland is in a dead heat at the top of the list with the likes of Norway and Japan.

I still cannot reconcile how Switzerland can brazenly push for the right to bilateral trading concessions with countries it wants to do free trade agreements with, and be a member of the World Trade Organisation, and oppose agricultural trade liberalization. It all seems thoroughly irreconcilable to me.

I was impressed during my Swiss visit about the entrepreneurial flair shown by some farmers who have branched out into agriculturally-based tourism and eco-tourism to supplement their income. I think agricultural tourism is far too under-developed in Switzerland and too many opportunities for innovative ventures are going begging. Farmers in the supposedly most marginal farming areas have a ready-made alternative in tourism that with appropriate government support – not handouts – would enrich the Swiss economy and society, and reduce the need for state-sponsored welfare dependency. The most marginal farmers wouldn't necessarily need to be the sole candidates for this kind of lifestyle change – others could become involved to varying degrees as well.

Mark Peart is a freelance writer from Dunedin in Southern New Zealand. He has worked in journalism for 25 years and contributes now to several newspapers and magazines in New Zealand in his specialist areas of business, agribusiness, and trade policy. He was the 2005 Rabobank agricultural journalist of the year in New Zealand, an award which enabled him to attend the IFAJ congress in Thun in September as the NZ delegate.

A Country Should Be Allowed To Protect Its Farmers

Masaru Yamada, Japan

What Swiss farmers were struggling to survive in a tough competition from abroad was the most impressive to me, as a journalist from a country whose farmers faced same situation. It seems to me they were taking full advantage of being located in a middle of great landscapes. For example, farmers were producing Alp cheese, which sells to a much higher price than general cheese, ticking to an old fashioned making process. The government was assisting those efforts by introducing strict label policies, or geographical indications. It seems to be a perfect collaboration between the farmers and the government.

A farmer in the Simmental valley we visited had decided to market ice cream to local hotels and shops to earn more money than by just selling raw milk. He said "We have a great advantage to be able to farm in such a beautiful place." Not only depending on subsidy, farmers were introducing marketing strategy, preparing for the tough future.

Protecting its agriculture has been one of the centerpieces of national policies of each country. Not only Japan and the European countries, also the United States has worked to maintain its agriculture more or less. It is a basic right to have an agriculture to feed people and keep rural area alive.

The way Swiss government is doing in agricultural policies should be accepted, because it has never been causing significant damage to other countries by dumping food stuff. As long as it is just feeding a country's own people, agriculture should have a different treatment than agriculture in exporting countries.

We have lots of similarities in agricultural policies between Switzerland and Japan. Both are food importing countries with high per capita income. More than two thirds of Japan's land is mountainous area or forest. As in Switzerland, the size of a typical farmer is quite small compared to other countries.

Our agriculture can't simply compete with others, so some measures taken by the governments to protect must be justified. We are blamed by food exporting countries as protectionalist. However, a country must have a right to maintain its agriculture.

Masaru Yamada is a long-term collaborator with the Japan Agricultural News, daily newspaper. He mainly writes about agricultural policy and agricultural markets.