

Swiss Dairy Farming in Transition

Swiss dairy farms are more strongly affected by structural change than other farm types. An analysis of the farms exiting the sector or switching focus highlights influencing factors.

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In terms of their numbers and production value, dairy farms represent the most important type of farm in the Swiss agricultural sector.

Measured by their numbers and production value, dairy farms are the most important farm type in the Swiss agricultural sector. Compared to other farms, their numbers are decreasing relatively sharply. Whilst dairy cow numbers are shrinking, however, the number of suckler cows is steadily increasing. In view of the manifold challenges posed by agriculture and the entire food system, it is important to understand structural change in the sector. Suckler cow production, for example, is more attractive because it allows for a less labour-intensive use of grassland.

Primarily younger farm managers switching to suckler cow production

To study this development, we compared dairy farms exiting agriculture and farms switching to suckler cow production with the rest of dairy farms. The analysis of the time period 2000 to 2018 shows that it is primarily older farm managers exiting agriculture. By contrast, it is mainly younger farmers as well as dairy farms already familiar with organic and free-range production that switch to suckler cow production.

Higher exit rate in hill and mountain regions

The exit rate from agriculture is higher in the hill and mountain region, where production conditions are more difficult, as well as if work and earning opportunities outside of agriculture are better. Farms also switch more frequently to suckler cow production under these conditions. By contrast, large dairy farms, 'quality label' producers (to organic or PAS and ROEL animal welfare standards) and those in receipt of higher direct payments tend to remain in the sector.

The areas in which milk can be produced for the manufacture of Raclette and Gruyère cheeses were specifically considered in the analysis. There is a higher probability of exit in these regions. This might be explained by greater competition; in both regions, dairy-farm growth rates are higher than for the rest of Switzerland.

Findings on evolution of farm types help with agricultural policy

To date, analyses of agricultural structural change have focused in particular on farm exit or increase in size. This analysis sheds light on intersectoral change in Swiss agriculture, thereby offering new insights. There is an opportunity to influence development via agricultural policy measures and advice at the stage before the age limit is reached, or the stage after which the younger generation has taken over the farm. —

Conclusions

- ▶ It is mainly younger farm managers and quality-label producers (organic and animal-welfare standards) that switch from dairy to suckler-cow farming.
- ▶ Small and conventional farms more often exit completely from agriculture than large farms and quality-label producers.
- ▶ Qualitative differentiation (quality-label production) contributes to farm continuation, but can also favour the switch to suckler-cow production.
- ▶ Both the stage before the age limit is reached and the stage after farm handover – stages at which important strategic decisions are made – offer an opportunity to influence the development of the agricultural sector.



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