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The Facts of the Matter Distilled

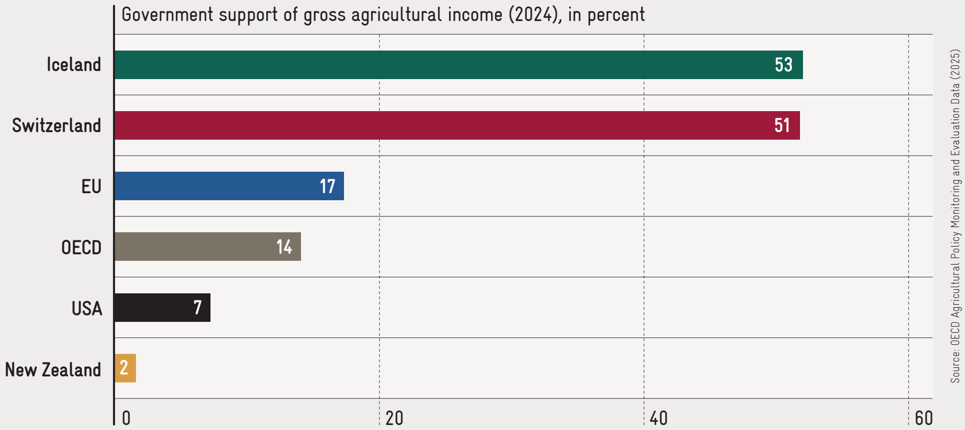
Costly Agricultural Policy

Swiss agricultural policy costs billions, yet it falls well short of key constitutional objectives. High prices, dependence on government subsidies, and excessive political requirements burden consumers and farmers alike.

Situation

Each year, substantial public funds flow into agriculture. In 2024, this amounted to CHF 3.6 billion in direct payments and CHF 3.1 billion through indirect price and market interventions. These resources are intended to ensure food security, environmental protection, landscape preservation, and farmers' incomes. Criticism, however, is growing: conflicting objectives, high costs, and increasing dependence are putting the system under strain. With "Agricultural Policy 2030+" (AP30+), the federal government is currently developing the framework for future agricultural policy – therefore raising the question of how tax money can be used more effectively and efficiently.

Switzerland supports its farmers more than almost any other country



Government support makes up 51% of gross agricultural income in Switzerland – more than three times the OECD average.

Facts

21.3%

Switzerland's average agricultural tariff stands at 21.3% (2024). This is two and a half times higher than in the EU and five times higher than in the United States. By comparison, the average tariff on non-agricultural goods is only 0.6%.

High costs for households: Agricultural tariffs drive up food prices and are poorly targeted: a significant share of price support does not reach farmers but stays within the retail sector. As a result, Swiss households pay more than CHF 750 extra per year on average, and food prices are around 60% higher than the EU average.

Structural dependence: More than half of farmers' income comes from government support. This system creates dependence rather than autonomy and can be overwhelming: around 4,000 pages of regulations, a heavy administrative burden – and a burnout rate twice as high as the average.

More funding per farm: Public spending on agriculture has remained broadly stable over time. As the number of farms declines, government support per farm has increased in real terms by 38.5% since 2004; or 3.5% per hectare. At the same time, agricultural incomes (CHF 81,700 in 2024) have grown by 40% in real terms since 2010 – outpacing income growth in other households.

Overstated self-sufficiency: The self-sufficiency rate stands at 53%. However, imports of feed, seeds, fertilizer, machinery, or fuel are not considered. This overstates agriculture's contribution to Switzerland's actual food security.

Recommendations

The problem with agricultural policy is not a lack of funding, but conflicting objectives and misguided incentives. First, **border protection should be reduced** gradually. Agricultural tariffs are an inefficient tool and contribute little to food security, which depends instead on diversified supply chains and well-calibrated compulsory reserves. Second, **objectives must be clearly prioritized.** Policymakers need to define which services they truly expect from agriculture – rather than bundling ever more, sometimes contradictory demands. Third, **funding should be reoriented:** away from flat-rate direct payments and toward results-based incentives. Public money should reward measurable outcomes, not mere compliance with detailed regulations.

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