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Agroscope

Agricultural and off-farm income of Swiss farming households and contribution of the spouse

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Outline

- Background
- Income indicators
- Comparison with reference income
- Income situation of farming families
- Recommendations and challenges

Background

- Number of farms in Switzerland declines by **1.5%** per year.
 - Nominal earnings from agriculture increase by **4%** per year.
 - Working income per family working unit in agriculture is still far below the reference salary of employees in other sectors.
- Parliamentary initiative in 2022: “The Federal Council is instructed to submit a detailed report on the actual income situation of farming families, including a comparison with the reference incomes”.
- Analysis by Agroscope and detailed report in 2024

Income indicator

- **Working income per family labour unit** is derived from the agricultural income. After remunerating the capital invested in the farm at the rate of ten-year federal bonds, the remaining amount is divided by the number of family labour units.

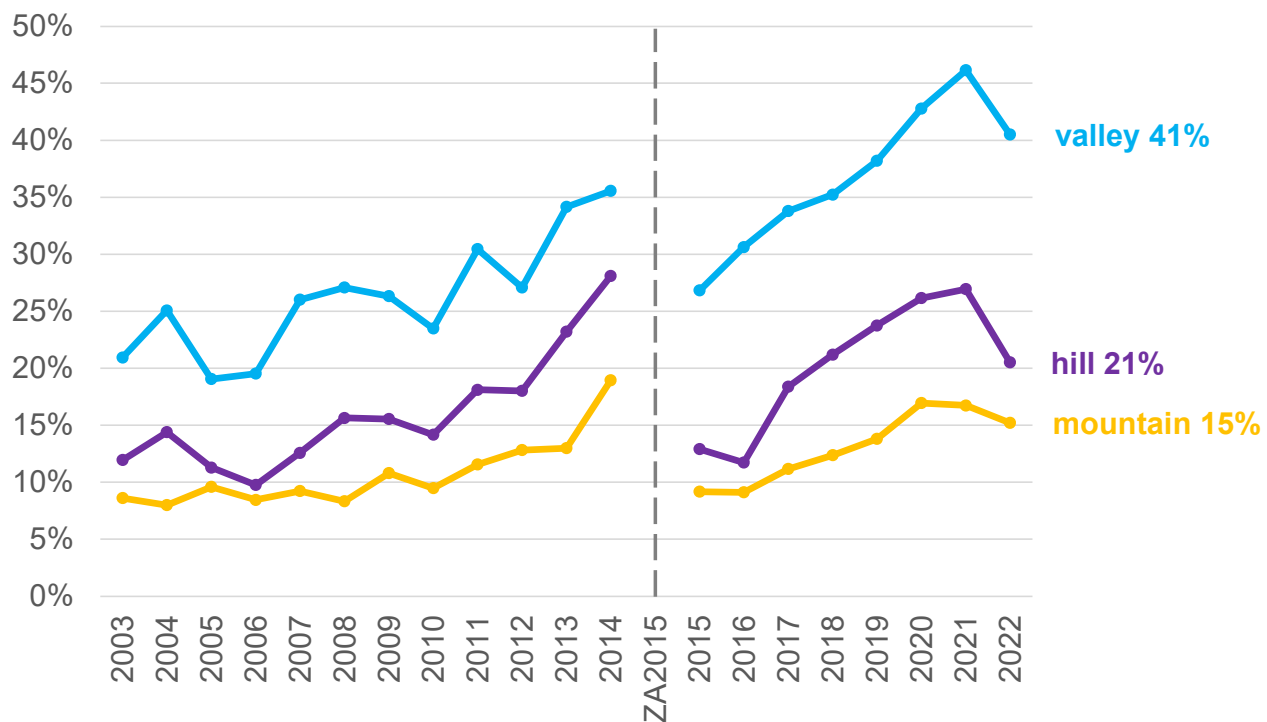
$$\text{Working income per family labour unit} = \frac{\text{agricultural income} - \text{interest on equity}}{\text{number of family labour units}}$$

- **Median reference wage of employees in other sectors** is compared with working income per family labour unit of farmers to assess the income situation in agriculture.

The comparison is made separately for the plain, hill and mountain region.



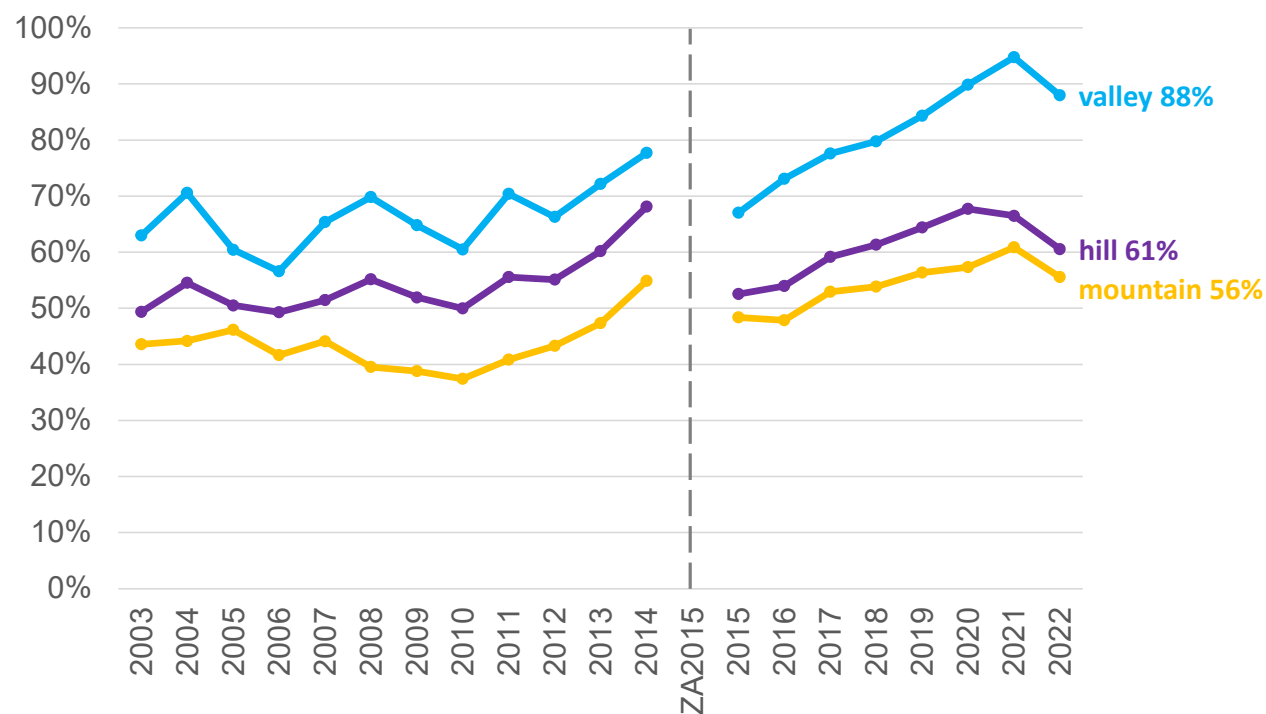
Share of farms earning more than the median reference salary in other sectors



Source: Swiss FADN, Sample Reference Farms (2003-2014), Sample Income Situation (Jahr 2015-2021)
ZA2015: Break in time series due to Swiss FADN survey reform (Renner et.al., 2019).



Ratio of median farm working income per family labour unit to median reference salary



Source: Swiss FADN, Sample Reference Farms (2003-2014), Sample Income Situation (Jahr 2015-2021)
ZA2015: Break in time series due to Swiss FADN survey reform (Renner et.al., 2019).



Income situation of farming households

Why is household income assessed in Swiss FADN?

Family farms account for **88%** of all **47 000** Swiss farms:

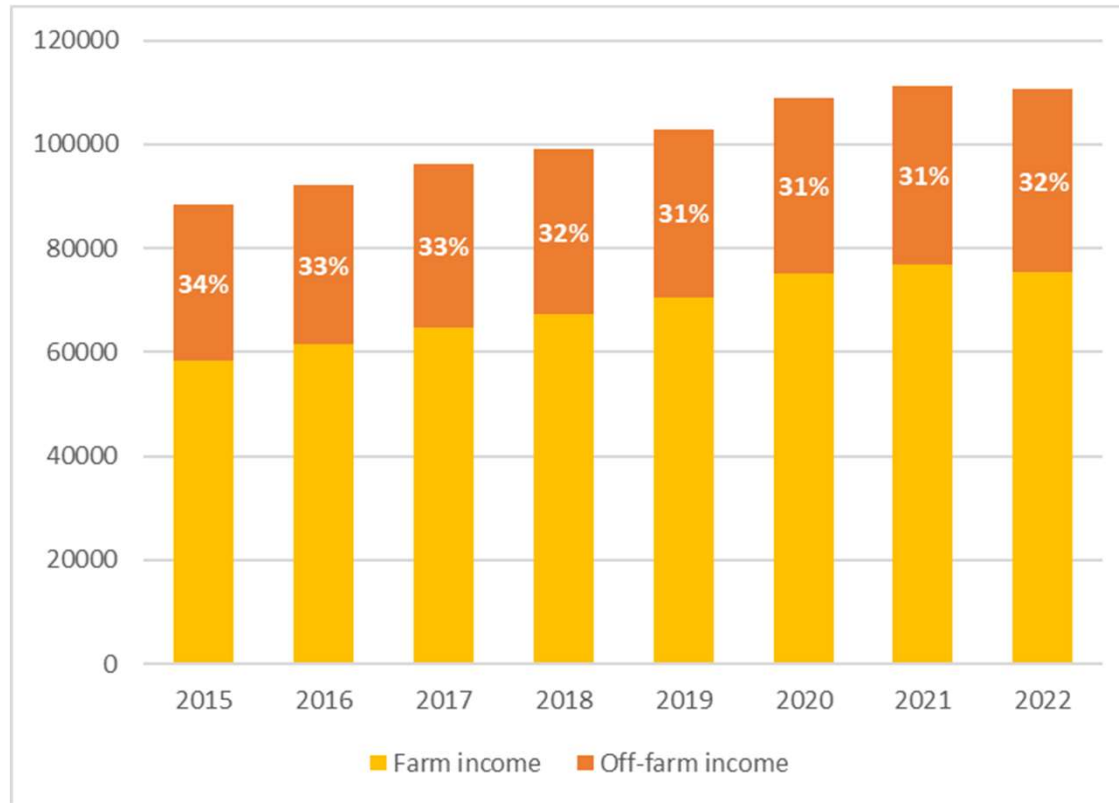
5% of farming families live only from farming,
95% of them have other income sources
(wages, government transfers etc.)

70% of farming families have labour income outside the own farm:

53% of farm managers work outside the farm
44% of farm spouses work outside the farm



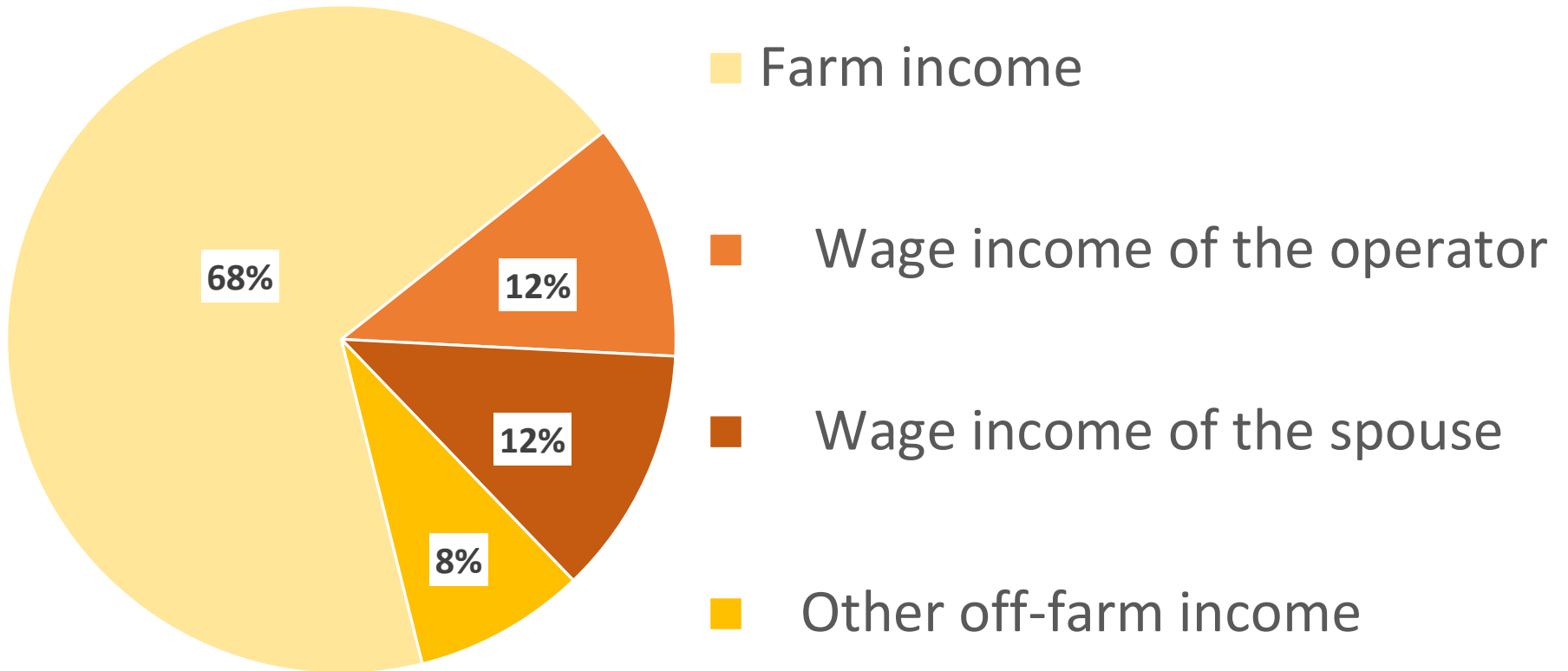
Total and off-farm income in 2015 - 2022



Source: Swiss FADN, Sample Income Situation



Components of the total income in 2022



Source: Swiss FADN, Sample Income Situation

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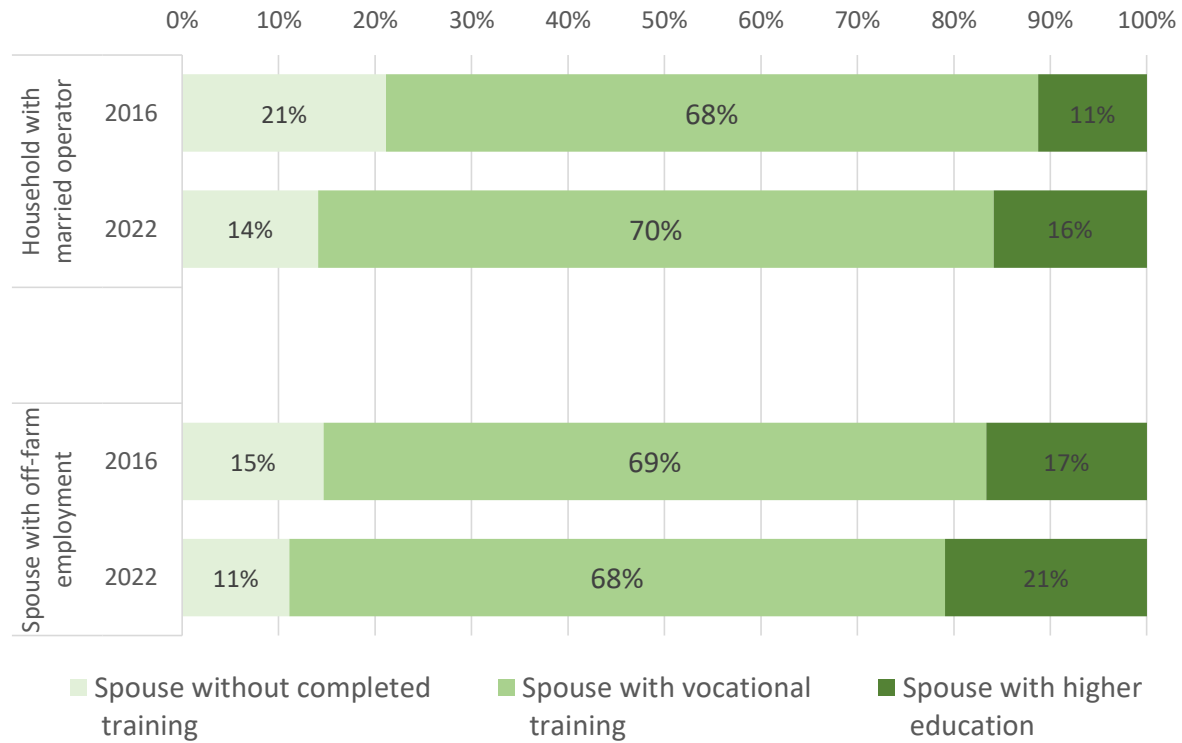
Change in total income and its components

	2016	2022	Change 2022/2016
Total household income (CHF)	92.1	110.5	20%
Farm income (1000 CHF)	61.5	75.4	23%
Off-farm income (1000 CHF)	30.6	35.1	15%
Off-farm labour income (1000 CHF)	20.8	25.9	25%
Wage income of the operator	10.3	12.7	22%
Wage income of the spouse	10.5	13.3	27%
Other off-farm income (1000 CHF)	9.8	9.2	-6%

Source: Swiss FADN, Sample Income Situation

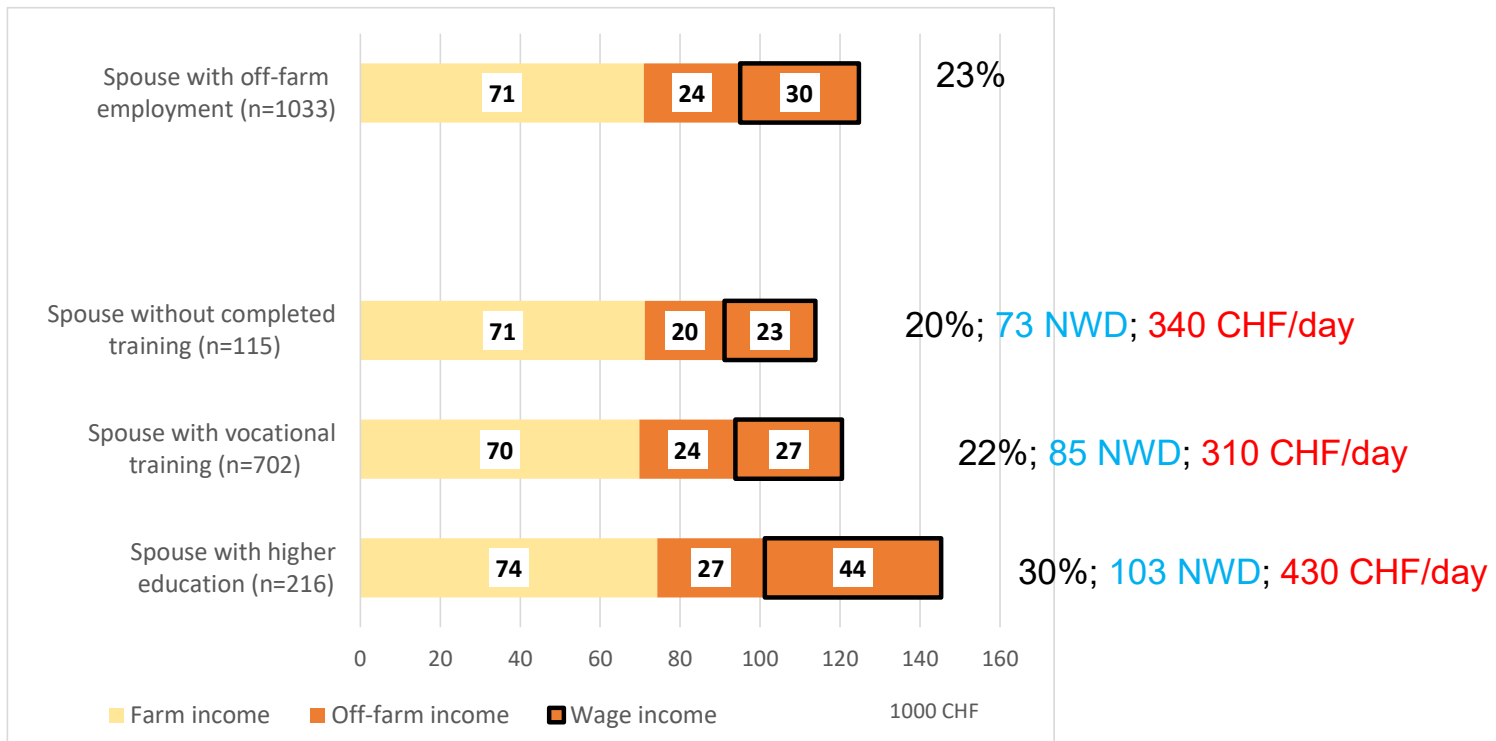


Spouses' education



Source: Swiss FADN, Sample Income Situation

Contribution of spouse to the total income

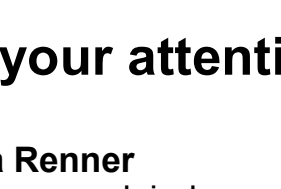
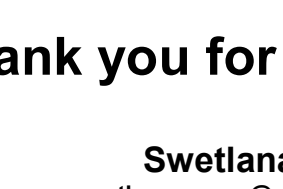


Source: Swiss FADN, Sample Income Situation

NWD – Normalised Working Days

Recommendations

Further development	Challenges
Comparison with self-employed persons instead of (or in addition to) employees	Income and workload data for self-employed persons in other sectors are not of sufficient quality
Conditional income disparities: by taking into account differences in characteristics between farmers and other persons	Availability of relevant factors for both farmers and employees from other sectors. Communicating complex approaches to stakeholders.
Social monitoring: Comparing of the income situation of farm and non-farm households	Missing data for off-farm-income in 5-7% of the households in the Swiss FADN sample
Additional indicator for social monitoring: household income per consumer unit of farming family for comparison with the total income of other households per household member to take account of differences in household size	Requires detailed and reliable information on household members (e.g. income, what proportion of expenditure is covered by the farmer)



Thank you for your attention

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