

From Land-Consolidation to Rural Development Projects in Switzerland

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SUMMARY

Conventional land consolidation projects have the aim either to increase yield or to facilitate agricultural work. Because prices drop more and more, farmers look for alternative income, which is quite difficult in remote areas like in mountainous valleys. To stop rural exodus, Swiss authorities expanded land consolidation projects with a component of economic promotion. The idea is to support projects that foster value creation by the farmers themselves, for instance through the production of traditional foodstuffs and their marketing or through agro-tourism. Inhabitants of a particular village or region develop an idea, and concomitantly found a cooperative with clear goals. In a coaching phase the idea will be investigated to make sure, that projects have a chance to consist economically. If the project has good market chances and the business plan is plausible, federal authorities grant subsidies up to 35% of the costs, mainly for infrastructure, rather than for operating expenses. The federal authorities have tested the effectiveness of the aforementioned concept with two pilot projects in the mountainous regions of Valais and Ticino. Costs were with 10 Mio CHF considerable, but about 15% of the inhabitants found a new job at the place of residence. At time there are 44 more projects in examination. Swiss authorities are convinced that the new approach will have a sustainable success in stopping rural depopulation.

Herkömmliche Flurneuordnungen haben zum Ziel, entweder den Ertrag zu verbessern oder den Bewirtschaftern die Arbeit zu erleichtern. Da die Preise immer mehr einbrechen, brauchen die Landwirte einen Zusatzverdienst, der in Randregionen schwierig zu erzielen ist. Um die Abwanderung aus den Alpentälern zu stoppen, haben die Schweizer Behörden die Projekte um eine ökonomische Komponente erweitert. Die Idee ist, die Bewohner an der Wertschöpfung teilnehmen zu lassen, durch Produktion und Verkauf traditioneller Nahrungsprodukte, Agrotourismus oder Holzbearbeitung. Die Tal- oder Dorfbewohner müssen sich zu einer Genossenschaft zusammenschliessen und Ideen und Ziele entwickeln. Mit einem Coaching wird geprüft, ob das Projekt im Markt bestehen kann. Bei guten Chancen und einem plausiblen Businessplan übernimmt der Bund 35% der Kosten für Infrastrukturanlagen, nicht aber für den Betrieb. In zwei Pilotprojekten im Tessin und im Wallis wurde die Idee getestet. Die Kosten waren mit rund 10 Mio. CHF zwar beträchtlich, doch fanden 15% der gesamten Dorfbewohner eine neue Beschäftigung vor Ort. Zurzeit werden 44 weitere Projekte geprüft. Die Schweizer Behörden sind überzeugt einen nachhaltigen Ansatz zur Eindämmung der Abwanderung gefunden zu haben.

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Land consolidation projects commenced in Switzerland at the beginning of the 20th century. They consisted of land realotment, road construction, wetland drainage and culvertization of creeks. Main aim of all projects was either to increase yield or to facilitate agricultural work. In densely populated villages where an extension of existing farms was not possible, new farms were erected in the open field. In Germany and Austria, officials even went as far as financing the renovation of dwellings, parks and playgrounds. After the appearance of the ecological movement, focus shifted also towards conservation and regeneration of moors, poor meadows, hedges and trees, as well as the deculvertization of creeks. Farmers could gain financial support for undertaking such conservational tasks.

Although a good idea, financial support of such conservational amelioration projects are of little use today, as the farmers involved are unable to make a good profit from their crops, because prices drop more and more. Low agricultural earnings and little possibilities to generate an alternative income, particularly in remote areas like mountainous valleys, offer little perspective for development. Less income for the farmers means less income for the local trade. Bakers, butchers, machine vendors close their shops. And when even government funded agencies like the post closes too, live will become very uncomfortable. In order to avoid the consequential effects of rural exodus, the Swiss authorities expanded their structural amelioration projects by an economical component. The idea now is to support projects that foster value creation by the farmers themselves, for instance value creation through the production of traditional foodstuffs (bread, cookies, meat, sausage, cheese) and their marketing, through agro-tourism or timber-based products.

These projects have to be of broader regional or at least local interest. Measures at the individual farmer's level are no longer supported, and projects are organized from the bottom up. Inhabitants of a particular village or region develop an idea, and concomitantly found a cooperative or a similar organization with clear goals. Thereby, it is not necessary that the members of such a project be land-owners like in conventional land consolidation projects. First measures are sketched out in collaboration with regional planners and politicians. The resulting sketch is roughly examined by government authorities for economical feasibility. If the chances of the project to persist in the market are deemed intact, a coaching phase is funded with the aim of further elucidating the project and of elaborating a business plan. This coaching phase involves an interaction of appropriate experts with the local inhabitants. During this phase, the market is analyzed and the product is defined more closely, a vending model (retail or distribution) is chosen, the organization and possible partnership opportunities are examined, and financial aspects are settled. The main aim at this stage is to ascertain market chances as well as plausibility of the business plan. A successful outcome of this assessment secures subsidiary funding by the federal authorities covering 35% of total costs. Subsidies are

to be invested mainly in infrastructure, rather than in operating expenses or other kind of overhead costs. Additional subsidies are granted by regional authorities too.

Such land consolidation projects are an important part of agrarian policy to promote remote regions. Other promoting programs of others policies are location of light industry or the formation of natural reserves. For a project to be eligible for subsidies, at least half of the goods produced or half of the manpower involved needs to be of agricultural nature. The legal basis for these subsidies was created simply by adapting existing agricultural legislation.

The federal authorities have tested the effectiveness of the aforementioned concept with two pilot projects in the mountainous regions of Valais and Ticino. The overall result has been satisfactory, and even though infrastructural costs for new tourist hostels, reconstruction of vineyards and chestnut grove or a common oven amount to 10 million CHF total, at least one of the underlying projects enables 10 inhabitants (15% of the population) of the village of Brontallo to earn a living locally.

What follows is a more detailed view on the example of Brontallo: The small village with a total of 60 inhabitants is situated in the rear Valle Maggia, a valley with steep and rocky flanks. It lies on a terrace approximately 150 meters above the river Maggia, at 700 meters above sea level. There is very little arable land so that first efforts were directed towards ameliorating the state of grazing land, vineyards and old chestnut groves. Afterwards came the generation of agricultural products, such as dried fruit, chestnut flour, wine and cheese. Last but not least, an infrastructure was created for the sale and promotion of these products, including a shop, restaurant, info center and accommodation.

The whole project is structured in seven so-called **concepts**. The **chestnut concept** involves the renewal of old trees and the removal of bushes to gain good meadows, the reconstruction of a shed to dry the fruit and a watermill to grind flour. In Ticino the chestnut is a local, well-known specialty. The **vine concept** intends to reconstruct the typical pergolas and dry walls, the excavation of a cellar to produce and store wine and the opening of a shop (called info point) to sell the local products. The **milk concept** aims at building two new stables for cows and goats, at obtaining new grazing land areas by clearing meadows and pastures and at producing the famous 'formaggini' (little round cheese). As part of the **infrastructure concept**, small roads for agricultural vehicles were constructed to generate access to higher pastures and alps, walkways for hikers were improved, and an electric power line to the alps was laid. With the **water concept**, a new water reservoir of 100 m³ was erected, the irrigation of the vineyard is planned and a new fountain allows the washing of laundry like in earlier centuries. Regarding the **agrotourism**, several 'rustici' (traditional houses) were renovated both in the center of the village as well as on the alps. The only restaurant ('grotto') was enlarged. Finally, the **information concept** promotes the products with brochures, flyers and via the internet of course (www.brontallo.com). The syndicate looks also for communication with other communities and seeks the co-operation with the tourism organization of the canton of Ticino. Until now, about 6 million CHF have been spent; 5 million of which were subsidies. The project is a full success and the people in Brontallo have many friends all over Switzerland who help them raise the rest of the amount needed by visiting them or by contributing

financially. In 2008, Brontallo won one of the prizes of the European Village Renewal Society for sustainable and extraordinary performance in village development. Unfortunately, the other villages in the valley have not yet followed the good example of Brontallo.

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In other parts of Switzerland, e.g. in the eastern mountains of Appenzell or Grison or in the central region around Lucerne, the message has arrived. At present, there are 44 projects in examination. Most of them build on the three pillars meat, milk and tourism. One project looks for a co-operation with a holiday village for young families. True to the motto “action on the farm”, the youngsters assist in herding animals or in the manufacture of cheese. Like this, the local low-salt cheese finds a ready market and farmers receive better pay for their milk, indeed a good synergy effect. In a different project, farmers cultivate several varieties of old standard apple trees. Apple juice and dried apple pieces sell like hot cakes. Yet other projects rely on production and marketing of organic foodstuffs. Today most of the projects are in the coaching phase, and it is not certain how many of them will be completed in a satisfactory way. However, the Swiss authorities are convinced that the new approach will have a sustainable success in stopping rural depopulation.