Digital transformation: Audit of checks on direct payments in agriculture
Federal Office for Agriculture

Key facts

In Switzerland each year, around 50,000 farms receive direct payments totalling roughly CHF 2.8 billion. Checks are performed to ascertain whether they meet the necessary conditions. In 2020, approximately 29,000 such checks were carried out.

The Swiss Federal Audit Office (SFAO) examined the digitalisation of the checks falling within the remit of the Federal Office for Agriculture (FOAG). The audit was not confined solely to the Office's powers but also looked at the entire process and the flow of data, which is driven by other players. The findings show that the heterogeneous data and system landscape places significant constraints on the ability to fully exploit the potential for digitalisation in the checking process. Although the FOAG is not responsible for performing the checks, it should assume a more proactive role in their digitalisation.

Checks are seldom based on digital data

Digitalisation in Swiss agriculture is increasing, albeit from a low level. According to the Federal Statistical Office, slightly more than a third of all farms have introduced digital technologies. The key value added of digitalisation lies in making farming more efficient and reducing the burden on farmers. Moreover, farms also produce digital data which could be useful for checks, because it makes checking more efficient and more objective. However, this potential is hardly ever exploited. As yet, there is no electronic or automated evaluation of farmers' digital records. Likewise, the inspection organisations and the cantons hardly ever use data from third-party providers, such as satellite images or drone technologies, for checks. This is already the practice in other European countries.

There are a number of factors hampering the digitalisation of checking processes. One reason is the low rate of digitalisation in agriculture, while another is the heterogeneity of the data and system landscape at farms. Often, there is no interface, making it difficult to use the data in the checking process. In the case of applications that produce digital records for checking purposes, there is a similar lack of standardisation and interfaces. Harmonisation is required to ensure that such data can be used. Moreover, the use of drones is not economical for inspection organisations. Finally, the use of satellite data is subject to legal uncertainty and there are fundamental questions relating to the impact on the checking system, for example as regards the equal treatment of farmers. The FOAG should clarify these issues.

Data flows are not always via automated interfaces

The flow of data from the inspector to the FOAG is not yet fully automated. Inspectors mostly record the results on site and are increasingly doing so directly and electronically, for example on a tablet. This enhances data quality. However, the transfer to the cantonal

systems does not always take place via an automated interface. Some data is manually recorded. The same applies for transferring data to the federal system: although the FOAG provides automated and secure interfaces, not all cantons use them.

Among other reasons, breaks in data flows are linked to the fact that there are five different systems at cantonal level, which makes it complicated and expensive to set up interfaces. Efforts to harmonise the cantonal systems and the data landscape more generally should be supported by the FOAG wherever possible.

The quality of inspection data was a challenge in the past, but FOAG records show that things have improved considerably. The Office carries out plausibility checks on the data provided by the cantons, and discusses any challenges with them. To improve the data quality further, the cantons will also need to play their part.

The FOAG should assume a more proactive role in the performance of digital checks

As a general rule, the cantons are responsible for performing the checks. The FOAG oversees performance and can issue rules in this respect. As regards greater digitalisation of checks in the future, the Office should assume a more proactive role and communicate a target vision. In order for rules to be changed in a timely manner and to ensure the appropriate use of technologies, the Office should actively examine the potential and the implications of performing digital checks.

The FOAG is not fully exploiting the potential for identifying higher-risk farms when analysing existing data. In a supervisory context, such analyses are generally a very suitable means of setting criteria for risk-based checks. The Federal Food Safety and Veterinary Office performs corresponding analyses with equivalent data, and some cantons use data analyses as the basis for risk-based checks. The FOAG should consider the use of more in-depth analyses.

The planned data transfer makes sense and should be continued

The FOAG involves the different stakeholders (system users, data providers and recipients, etc.) in a variety of ways. Their needs are recorded and taken into consideration where possible.

In future, the Office will pass inspection data on to other authorised recipients, such as label organisations, if it has the corresponding consent from the farmers. In order to exploit the potential for efficiency gains with recipients, they would have to receive data on all affiliated farms that have given prior consent for their data to be passed on to the organisation. The FOAG should work together with the participating organisations to find a user-friendly and legally compliant solution.

Original text in German