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Research on the Financing Mode and Problems of the New Agricultural Management Subjects in Neijiang City

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Abstract—Now, the new agricultural management subject is growing into the most important force in China's agricultural development. And this paper, taking the representative Neijiang City of Sichuan Province as an example, used literature research method, interview investigation method and case analysis method to carry on the comparative analysis to the main financing mode of the new agricultural management subject. This paper also analyzed the causes of financing problem, and put forward related countermeasures and suggestions.

Keywords—New agricultural management subject; Financing mode; Problem study; Countermeasures and suggestions

I. INTRODUCTION

Since 2012, the No.1 document of the State Central Committee for 5 years has mentioned the new agricultural management subject. The central government also pays more and more attention to the capital support of the new agricultural management subject. In 2016, Sichuan Province "No. 1 document" also mentioned efforts to foster new types of agricultural subjects and encourage and support skilled or capable people to set up family farms and lead peasant cooperatives. The government will raise funds. They are supported by subsidies.

Neijiang City is the second largest economic hub in Sichuan Province. Facing the financing problem of the new type of agricultural management subject, in 2015, the Neijiang Municipal Government issued the "Special Reform Plan of the Financial system of Neijiang City". Although the government has strong support for the financing of the new agricultural management subject in Neijiang, the financing problem of the new type of agricultural management subject still exists and needs to be solved urgently.

II. DATA SOURCES AND RESEARCH METHODS

The main sources of the research data are Neijiang Statistical Yearbook, Sichuan Statistical Yearbook, Neijiang Municipal Government website (www.neijiang.gov.cn),Neijiang Agriculture Bureau official website (www.scnjagri.gov.cn.), Neijiang Financial Services Network (www.njjrfww.com) and Neijiang Bureau of Statistics (www.tjj.neijiang.gov.cn.).The data obtained from interviews with relevant departments.

In this paper, literature research method, field investigation method and case analysis method will be used to study the financing status of the new agricultural management subject and the problems that cause its present situation.

III. FINANCING MODEL COMPARISON OF NEIJIANG NEW AGRICULTURAL MANAGEMENT SUBJECT

This paper contrasts the financing model of Neijiang new agricultural management subject, mainly from participation, dominant, risk taking aspect, etc. Then it analyzes the advantages and disadvantages of them.

TABLE I NEIJIANG NEW AGRICULTURAL MANAGEMENT SUBJECT FINANCING PATTERN CONTRAST

Model	"The government, financial institutions and leading enterprises" mode	"Tripartite agreement, mutual insurance syndication, unified account and discount insurance" mode	"Leading enterprises, financial institutions and agricultural professional" mode	"Professional cooperatives, financial institutions and members" mode	"Professional cooperatives and mutual cooperatives" mode
Leader Participating subjects	Goverments Goverments, Credit cooperatives, Bonding companies, Leading enterprises	Goverments Goverments, Credit cooperatives, Insurance companies, Professional cooperatives	Financial institutions Leading enterprises, Financial institutions, agricultural professional	Financial institutions Professional cooperatives, Financial institutions, Members	Cooperatives Mutual fund cooperatives, Professional cooperatives
Mode development stage Goal	Maturity Cultivate leading enterprises	Maturity Promoting the cultivation of cooperatives	Development Serving professional members in financing	Development Support for cooperatives development and	Starting Provision of financing services to cooperative members
Major participating financial institutions	Credit cooperatives	Credit cooperatives	Credit cooperatives	member financing Credit cooperatives	Mutual fund cooperatives



Table I, cont

Guarantors	Governments, Bonding companies	Cooperatives and members	Leading enterprises	Cooperatives and members	Members credit guarantee
Risk bearers	Goverments, Bonding companies	Credit cooperatives, Insurance companies, Financial institutions	Leading enterprises, Financial institutions,	Professional cooperatives, Financial institutions	Members of mutual fund cooperatives
Degree of government participation	Direct participation	Government guidance, policy support	Not to participate	Not to participate	Active promotion, policy support
Procedure	Simple	Complicated	Simple	General	Simple
Amount financed	Big	Medium	Medium	Small	Small
Scope of services	Very wide	Very wide	Wider	Wider	Narrow

The table shows that there are two kinds of five modes is the government leading, two dominated by financial institutions, another is dominated by the cooperative. In short, the above five kinds of new agricultural management subject financing modes are relatively successful in Neijiang. They solve the financing problem for quite a few subjects and provide funds for its development, worthy of reference in similar financing problem.

IV. ANALYSIS ON FINANCING PROBLEMS AND CAUSES OF NEW AGRICULTURAL MANAGEMENT SUBJECTS IN NEIJIANG CITY

A. The problems of Neijiang new agricultural management subject

Firstly, the financing needs cannot be effectively met. The financing demand of Neijiang new agricultural management subject is particularly big. A lot of financing cannot achieve the desired target, which leading to the subject can't fully solve the problem of lack of funds. Capital is the primary factor of development. Insufficient funds severely hampered the rapid development of new agricultural management subject. Leading enterprises have the largest financing, but the gap of planning amount and eventually raised is also the biggest. According to the survey, financing fully satisfied is existed, but the financing needs of most of these three kinds of subject are still there can't be fully meet. It's should be first solved that meet the demand of financing in the financing process.

Secondly, financing structure is not reasonable. As a result, financing needs are not met. The unreasonable is that their internal financing condition is bad, but also financing mainly by this way, so the financing institutions are unreasonable [1].

Thirdly, financing channel is single. The major external financing channel of Neijiang new agricultural management subject is credit cooperatives, this financing way is as high as 84.8%. Compared with a variety of financing channels in the market, the financing channel of new agricultural management subject is relatively single.

B. Analysis of causes

1) The majority of the new-type agricultural management subjects themselves are poor in their own conditions

Most of the new type of agricultural management subjects in Neijiang City are engaged in agricultural planting and aquaculture related production, the investment is large, the cycle is longer, and the risks are particularly high, there are many unforeseeable factors, and the returns are not high. Lin Lefen and Faning[5] found that the management standard level of the new agricultural subject is not high, and the management certificate is not complete.

Through investigation, it is found that there are few effective collaterals for the new type of agricultural management subjects in Neijiang City, in the production process of these three kinds of subjects, there are not many effective collateral, many bank financial institutions are very difficult to make loans to them, which directly leads to the difficulty for professional cooperative to obtain bank loan financing through exogenous channels. Jiang Weiguo all found the problem of unsecured and lack of collateral [3]. As a result, endogenous financing is the main factor, but the lack of external financing channels affects its financing and makes its financing structure unreasonable. In such a problem, Jiang Weiguo and Li Liqing found the subject of new-type agricultural management has no special guarantee fund or institution to guarantee the farmers, and the investment is large, the period is long, and the effect is slow [4].

The internal governance of the new type of agricultural management subjects in Neijiang City is very irregular. Although the leading enterprises and professional cooperatives are in better condition, they have a management charter, a financial system and a risk management method, but there are great loopholes in their management methods [2].

2) Inadequate services provided by rural financial institutions

Financial institutions have few outlets in the countryside. The financing channel of the new type of agricultural management subject in Neijiang is mainly owned by its own funds, the rural credit cooperatives borrow, the bank borrowings, the private borrowing several, and mainly the bank borrowings. Relative to the market bank lending, bond issuance, stock issuance, micro-loan company, various guarantee agencies and other financing channels, the financing channel of the new agricultural subject is too single. At present, Neijiang City has 13 banking institutions, details of the following table.



TABLE II NUMBER OF FINANCIAL INSTITUTIONS IN NEIJIANG CITY

Туре	Policy banks	State-owned commercial bank	Post office saving bank	City bank	commercial	Joint-stock commercial bank	Rural small and medium-sized financial institutions
Quantity	1	5	1	3		1	2

Source: Neijiang Statistical Yearbook 2015

The number of network points can not explain that the financing support of rural credit cooperatives to the subject of new agricultural management is the largest. The following table shows the agricultural loan amount of the three major financial

institutions in Neijiang City and the loan amount to the new agricultural management subject.

TABLE III THREE MAJOR RURAL FINANCIAL INSTITUTIONS SUPPORTING AGRICULTURE LOAN

Name of institution	Rural Credit Cooperatives	Post office saving bank	Agricultural bank
Agricultural loan	176.08	70.74	55.36
The loan to the new agricultural management subject	116.31	19.21	10.27

(Units: 100 million yuan)

Source: Neijiang financial services network www.njjrfww.com

V. CONCLUSION AND SUGGESTIONS

It is obvious from the above data that Neijiang Rural Credit Cooperative loan support to the new type of agricultural management is the largest and the largest among all the financial institutions. Not only the credit cooperatives have a great pressure on their own funds, but also they have caused a serious shortage of supply, which can not fully meet the financing needs of these subjects.

3) The support of government institutions needs to be strengthened

Neijiang has successfully solved the problem of land mortgage in the process of financing new agricultural management through a whole set of policy methods, which has brought great help to its financing. The policy was introduced late, and many new agricultural management subjects in Neijiang are faced with a lack of collateral, resulting in the lack of mortgage loans, and the financing needs are not met. The government should make more convenient policies for the financing of new agricultural management subjects as soon as possible.

In 2014, Neijiang invested 2.45 billion yuan in modern agricultural development and 413 million yuan in subsidies for new agricultural management subjects. In 2015, Neijiang invested 2.6 billion yuan in modern agricultural development and 420 million yuan in subsidies for new types of agricultural management subjects. Relative to the financial market financial support for the new agricultural management subjects, the government various financial subsidies seem to have little support, plus some subsidies exist in nominal terms, such as the discount interest on agricultural loans. Most of the new agricultural management subjects visited reflected that they had not enjoyed such subsidies. The subject of new agricultural management in Neijiang City is lack of endogenous financing, so it has to choose the financing mode mainly through exogenous financing, which forms its financing structure with high cost.

A. Conclusion

This paper finds out the problems existing in the financing of the new type of agricultural management subjects in Neijiang City, analyzes the causes of the problems and concludes the following conclusions.

First, the financing needs of the new agricultural management subjects in Neijiang City are large, and can not be effectively satisfied, especially the leading enterprises in Neijiang City, the degree of financing satisfaction is the lowest. Second, the financing structure of the new agricultural management subject in Neijiang City is extremely unbalanced. Leading enterprises and family farms rely too much on bank loans for external financing, while professional cooperatives rely too much on endogenous financing because of external financing difficulties. Third, because of the weakness of agriculture and the evasion of the rural financial market by most financial institutions, the financing channels of the new agricultural management subjects become narrower because of the singleness of the rural financial service institutions. Fourth, Neijiang city government in the case of limited funds, relying on policy support is difficult to improve the financing difficulties of new agricultural management subjects.

B. Countermeasures and suggestions

By summing up the problems of the financing situation of the new agricultural management subjects and combining the actual situation of Neijiang City, this paper puts forward the following countermeasures to the new agricultural management subject itself, financial institutions and government.

The new agricultural management subject itself should improve the self management, strengthen its own strength and optimize the financing structure. The problems existing in the financing of the new agricultural management subject need to be solved by the financial institutions actively, and the financial institutions need to strengthen the service to the new agricultural management subjects. In the case of limited funds, the



government should strengthen the government financial guidance. The government funds are limited, so it is necessary to adjust the capital structure and quantity of the new agricultural management subject.

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