

Identification and Evaluation of Mortgage Financing Risk of Agricultural Land Management Right

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Abstract. In view of the various drawbacks of the current agricultural land system, China began to explore the collective ownership of farmland, the contracting rights of farmers and the management rights of the three powers, and achieved remarkable results, including the financing of farmland management rights. The policy is the most groundbreaking. However, due to the coordination of the multi-interest relationship between the new agricultural management entities, rural financial institutions and the government in the process of reform and implementation, the new risks involved in the integration of the inherent risks of intangible assets mortgage financing and rural specific environments are currently available. The research results are not comprehensive enough to identify the mortgage financing risks. Therefore, this paper intends to construct a three-level index system for agricultural land management rights mortgage financing from the three levels of risk sources, risk factors and risk indicators, and comprehensively identify the financing risks of farmland management rights.

1. Introduction

With the socialist modernization construction entering a new era and the changing urban and rural economic structure, the current agricultural land system has gradually revealed various drawbacks: restricting farmers' freedom of choice, resulting in waste of agricultural land resources; scattered operation of small fields is not conducive to agricultural science and technology. The improvement of the level has increased the management cost of agricultural production, and it is difficult to form economies of scale; the lack of standardized legal guarantees has restricted the ability of farmers to increase their income through operating land; the information asymmetry caused by decentralized operations is serious and cannot adapt to the market economy. The need for development. All in all, the decentralized management of agricultural land under the household contract responsibility system restricts the utilization efficiency of agricultural land resources and has adversely affected the development of rural economy.

At the same time, with the deepening of industrialization and urbanization, a considerable number of farmers transfer the land to others, and the contractor is separated from the business entity. In order to overcome the shortcomings of the current land system and comply with the needs of the vast number of farmers, China began to explore the collective ownership of farmland, the contractual rights of farmers and the management of the three powers. Among the various measures for the reform of the “three powers separation” of agricultural land, one of the most groundbreaking policies is the mortgage financing reform of agricultural land management rights.

Starting from the current reality, the key to implementing the “separation of powers” is to release the right to operate. The core principle is to give the legal status and power of management rights. The implementation of mortgage financing for agricultural land management rights is a key measure to release operating rights. The financing of farmland management rights has been piloted in many places. The core principle is to increase the vitality of the rural economy, accelerate the land transfer, realize the moderate scale operation of the land, and promote the concentration of agricultural land

resources on the premise of insisting that the public ownership of the land remains unchanged. Increase the efficiency of management and utilization.

In the process of reform and implementation, the coordination of multi-interest relations involving new agricultural management entities, rural financial institutions, and governments involves new risks arising from the coupling of the inherent risks of intangible assets mortgage financing and rural specific environments. Therefore, in order to implement the new requirements of the 19th National Rural Revitalization Strategy, under the guidance of Xi Jinping's new era of socialism with Chinese characteristics, it is necessary to combine the existing domestic and foreign practical experience and previous research results, and rely on rural finance and behavioral finance. Relevant theories, establish an index system, and carry out research on mortgage financing of agricultural land management rights under the perspective of risk identification and evaluation.

2. The theoretical basis of research on mortgage financing risk of agricultural land management rights

2.1 Research on the status quo of mortgage financing for agricultural land management rights

Lin Lefen and Sun Dexin (2015) conducted a case study on the operation mechanism, operational performance and existing problems of farmland mortgage loans in Zaozhuang City. Dai Guohai (2015) conducted a survey of 13 representative pilot areas in Jiangsu, and found that the front-end basic work such as the registration of farmland contracting management rights and the construction of agricultural land transfer platform is progressing steadily, but there are three existing risk sharing and compensation models. Certain deficiencies. Huang Wei (2016) took Chengdu as the research object, combined with interviews and Delphi method to measure the mortgage financing risk level of Chengdu land contract management rights, and proposed solutions for the government, financial institutions and farmers. Chen Xiquan and Fu Zongping (2016) found that rural land property financing has the functions of gathering funds, allocating land resources, diversifying risks and serving as financing channels. Guan Rongrong and Chen Han (2017) used the case analysis method to deeply explore the overall operation mechanism of land management rights mortgage payment. It is believed that due to various restrictions, the asset attributes of rural land in China have not been reflected, and financing and guarantee issues have become increasingly rural. Barriers to economic growth.

2.2 Risk identification of mortgage financing for agricultural land management rights

China's early agricultural land management rights mortgage financing risk is relatively large. In order to reduce risks, Yu Lihong (2014), Chen Yongqing (2016), Chen Xiquan (2016) analyzed the risk influencing factors, and found some of the reasons for the risks, the influencing factors and the adverse effects, but still some one-sided. Subsequently, Lin Lefen (2015), Zhao Yizhe (2015), Huang Wei (2016), and Guan Rongrong (2017) have problems in mortgage financing, and classify risks from different dimensions. In addition, some scholars conducted comprehensive analysis based on different risks, and constructed and gradually improved the risk evaluation index system for rural land management rights mortgage loans (Yu Lihong, 2014; Huang Wei, 2016). After many aspects of analysis, some feasible methods for risk prevention and control have been gradually drawn.

2.3 Suggestions on prevention and control of mortgage financing risk for agricultural land management rights

In recent years, China's proposals on the prevention and control of mortgage financing risk of agricultural land management rights have been gradually put forward, focusing on market services and risk management after lending and lending (Lin Lefen, Sun Dexin 2015), but the dimensions are relatively simple. Subsequently, Zhao Yizhe (2015), Dai Guohai (2015), Chen Yongqing (2016), and Xing Kunlun (2017) made suggestions from the perspectives of perfecting laws, policies, mechanisms, and institutions, and committed to improving the "government-financial institution-farmers" protection layer. Effectively prevent and control risks and ensure the safe and long-term development

of farmland mortgage financing business. In addition, Tang Dexiang (2015) and Zhan Zhimin (2016) conducted empirical analysis using economic game methods and Logistic-DEA models, and proposed innovative financial organizations to improve technologies for risk control.

Although the existing research has identified the risk of mortgage financing for agricultural land management rights, the risk factors obtained are not detailed enough, and there is no three-level identification system from risk sources, risk factors to risk indicators. The evaluation of the risk influencing factors, the research object is positioned in a certain subject involved in the financing of agricultural land management rights, and does not provide suggestions for the construction of the risk sharing mechanism from a comprehensive perspective. Based on the results of existing research and the existing deficiencies, this paper will build a more complete indicator system for the financing risk of agricultural land management rights, and carry out all-round identification.

3. Risk identification framework and indicator system construction

In order to better carry out risk identification and evaluation, this paper adopts the principles of system, typical, scientific and practical four major index systems to construct a risk evaluation index system for agricultural land management rights. According to the previous analysis, the risk source of mortgage financing for agricultural land management rights is caused by the changes in the macro- and micro-environment of the mortgage financing activities. Therefore, the indicators are divided into two categories: macro-risk and micro-risk. Further subdivide the risk source and set the indicator system as the following first-level indicators: political risk, market risk, collateral risk, financial institution risk and financing party risk. Each level of indicators is divided into multiple secondary and tertiary indicators.

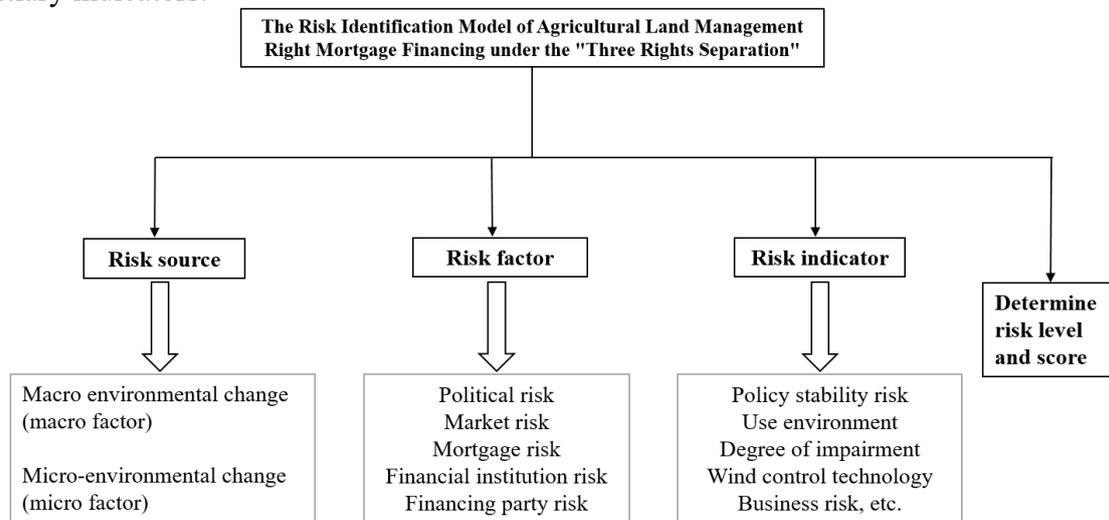


Fig. 1. Agricultural land management rights mortgage financing risk identification framework

According to the previous research foundation and risk identification framework, the index system for constructing agricultural land management rights mortgage financing risk identification system is as follows:

Table 1. constructing agricultural land management rights mortgage financing risk identification system

Primary indicator	Secondary indicators	Three-level indicator
Political risk (R1)	Policy risk (R11)	Policy continuity (R111)
		Policy coverage (R112)
		Policy penetration (R113)
	Support (12)	Local government financial resources (R121)
		Local government agricultural subsidies (R122)

		Supervision (R123)		
	Confirmation risk (R13)	Confirmation of resource misappropriation (R131) Confirmation process normative (R132)		
	Legal Risk (R14)	Degree of clarity of property rights (R141) Relevant regulations and soundness (R142) Legal resistance (R143)		
Market risk (R2)	Rural financial market soundness (R21)	Agricultural Insurance System (R211) Property Rights Transfer Market (R212) Guarantee mechanism (R213) Risk compensation mechanism (R214) Information symmetry (R215)		
		Credit environment (R22)	Credit system soundness (R221) Financial institution bad debt rate (R222) Social atmosphere (R223)	
			Evaluation agency (R23)	Popularity (R231) Evaluation criteria (R232) Evaluation Technology (R233)
				evaluate risk (R31)
		Impairment risk (R32)		
	Disposal risk (R33)		Secondary Transfer Market (R331) Lender conflict (R332)	
			Financial institution risk (R4)	Loan officer risk (R41)
	Internal Control (R42)	Risk Control Technology (R421) Loan policy conflict (R422)		
		Type of financial institution (R43)		
Financing party risk (R5)	Credit status (R51)			Loan experience (R511) Bad credit history (R512) Personal liability status (R513)

		Moral quality (R514)
Asset status (R52)		Savings situation (R521)
		Real estate value (R522)
		Operating asset value (R523)
Business risk (R53)		Business Type (R531)
		Unit farmland net rate of return (R532)
		Business cycle (R533)
		Whether to buy agricultural insurance (R534)

4. The conclusion

Mortgage financing for farmland management rights discussed many stakeholders such as local governments, farmers, new agricultural management entities, assessment agencies, and rural financial institutions, as well as political risks, market risks, collateral risks, financial institution risks, and financing risks. Sources, the uncoordinated interests of managers, owners, contractors and operators of agricultural land management rights and the interaction of various risk sources to realize the transfer of agricultural land management rights and the rational use of agricultural land resources Brought a threat.

Based on the past research results, pre-study on stakeholders, and the construction of farmland management rights mortgage financing risk identification index system, the risks of political risk, market risk, collateral risk, financial institution risk and financing party risk are the impacts of the overall risk of farmland management rights mortgage financing is not isolated, but has a strong systemic and related nature. Therefore, when evaluating the financing risk of farmland management rights, it is necessary to integrate these five factors. Analyze and construct the prevention and control mechanism for the mortgage financing risk of agricultural land management rights, and provide policy recommendations for the future reform of farmland management rights mortgage financing in China.

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