



# Suggestions on New Agricultural Operators to Boost Rural Revitalization

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**Abstract.** With the steady progress of the rural revitalization strategy, the development of agricultural modernization is imminent. This paper by analyzing the development status of new agricultural management main body in Yunnan province, analyzing the development of farmers cooperatives and family farm scale and species, discovering many problems existing in the development process of its, such as the managing infrastructure and financing capacity is weak, failed to form the plateau characteristic agriculture and so on. Then it also puts forward countermeasures and suggestions to cultivate new agricultural business entities and boost rural revitalization, innovate management mode and develop characteristic industries, to consolidate the crucial achievements out of poverty and promote the modernization of rural agriculture.

**Keywords:** new agricultural business entities · characteristic of modern agriculture · rural revitalization

## 1 Introduction

At the present stage, the lack of rural development is still the main social contradiction embodied, and the comprehensive implementation of rural revitalization is as difficult and deep as the battle against poverty. The forms of new agricultural business entities mainly include large agricultural households, family farms, professional cooperatives, leading agricultural industrialized enterprises, etc. Different from traditional farmers, new agricultural business entities, based on large-scale production and scientific and technological knowledge, play an irreplaceable role in promoting agricultural economic growth. This shows that it can be seen that to vigorously develop new agricultural business entities is the only way to promote agricultural and rural modernization and realize rural revitalization.

## 2 The Development Status of New Agricultural Business Entities

### 2.1 The Role of New Agricultural Business Entities in Rural Revitalization

On February 22, 2022, Xinhua News Agency authorized the release of The Opinions of the CPC Central Committee and The State Council on Comprehensively Promoting

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Rural Revitalization in 2022 [1]. This is the 19th No. 1 document of the Central Government to guide the work of “agriculture, rural areas and farmers” since the beginning of the new century, which lays out the key work for comprehensively promoting rural revitalization in 2022. The document proposes that “We should do a solid and orderly job in key rural development, rural construction, and rural governance, and promote new progress in rural revitalization and new steps in agricultural and rural modernization” However, at the present stage, the lack of rural development is still the main social contradiction embodied, and the comprehensive implementation of rural revitalization is as difficult and deep as the battle against poverty. In order to achieve the realistic requirements of comprehensively promoting rural revitalization, the traditional small and scattered small-scale farm economy obviously cannot carry the highly organized and socialized production mode of modern agriculture. This makes the development of new agricultural business entities, the vigorous cultivation of new agricultural enterprise operators and service entities for economic development, and the continuous enhancement of their development and operation ability become the only choice to promote agricultural supply-side reform, lead the development of appropriate scale agricultural operations, and promote the comprehensive rural revitalization.

At the same time, in the State Council’s newly issued “14th Five-Year Plan” to Promote Agricultural and Rural Modernization [2] also proposed to consolidate and improve the basic rural management system. On the basis of adhering to the collective ownership of rural land and the basic status of household contracting management is not shaken, we should vigorously give full play to the role of new agricultural business entities in driving small farmers, and improve the professional and socialized agricultural service system, so as to guide small farmers into the track of modern agricultural development. The Fifth Plenary Session of the 19th CPC Central Committee also mentioned that priority should be given to developing agriculture and rural areas, promoting rural revitalization in an all-round way, and accelerating the cultivation of new business entities such as farmers’ cooperatives and family farms. From this, it can be seen that to vigorously develop new agricultural business entities is the only way to promote agricultural and rural modernization and realize rural revitalization.

At the present stage, the forms of new agricultural business entities mainly include large agricultural households, family farms, professional cooperatives, leading agricultural industrialized enterprises, etc. Different from traditional farmers, new agricultural business entities, based on large-scale production and scientific and technological knowledge, play an irreplaceable role in promoting agricultural economic growth, helping farmers’ employment and entrepreneurship, and promoting agricultural technological innovation, and are important practitioners of modern agriculture [3]. On the one hand, new agricultural business entities generally point to the intensification, which can concentrate the scattered individual farmers, expand the production scale and production efficiency of farmers cooperatives, family farms and other operating entities, reduce the unit cost of agricultural products, lead farmers to improve their income, and promote the growth of farmers’ income. At the same time, it can also rely on their own advantages to improve the ability of farmers to deal with risks and provide guarantee for dealing with various emergencies. On the other hand, new agricultural business entities are highly targeted, and they can adapt measures to local conditions throughout the country, relying

on the natural geography, climate and other unique resources of various provinces and cities, to form a modern agricultural industry with local characteristics.

## **2.2 The Development Status of the Main New Agricultural Subjects in Yunnan Province**

In 2022, the Yunnan Provincial Department of Agriculture and Rural Affairs issued *the Implementation Plan for the Enhancement of New Agricultural Business Operators in Yunnan Province*, highlighting the farmers' cooperatives and family farms two types of new agricultural operators development, requiring by the end of "the 14th Five-Year Plan" period, the operation systems of farmers' cooperatives and family farms will be more standardized and perfect, operating strength can be further enhanced [4]. It can be seen that after years of continuous exploration and development, farmers' cooperatives and family farms have become the new agricultural business objects to be vigorously developed in Yunnan Province.

## **2.3 The Development Status of Farmers' Cooperatives in Yunnan Province**

General secretary Xi Jinping pointed out that it is necessary to speed up cultivating new agricultural business entities as a major strategy, and farmers' professional cooperatives are an effective organizational form for developing moderate scale operation and modern agriculture under the conditions of market economy, and after years of development practice and continuous exploration, the industries involved basically covers all kinds of rural industry category, and are an effective carrier for linking farmers and connecting industrial development chains, It plays a unique role in rural industry development process, and is a necessary link between small farmers and modern agriculture.

## **2.4 The Current Scale Status of Farmers' Cooperatives in Yunnan Province**

Under the call of the Party's policy and the strong promotion of the Yunnan Provincial Party Committee and the government, Yunnan province has vigorously developed the farmers' cooperatives, a new type of farmer business entity, in recent years. Leading enterprises in agricultural industrialization and farmers' professional cooperatives has increased from 2,543 and 15,767 in 2012 to 5,221 and 66,394 in 2021 respectively, thus becoming the main force of industrial support. It also adheres to the development-oriented assistance, innovation and promotion of farmers bound to cooperatives, leading enterprises bound to cooperatives "double tied" interest linkage, to carry out pilot projects to promote agricultural income, and to explore the establishment and improvement of the interest connection mechanism of "stable and controllable, risk-sharing and benefit-sharing" [5]. Around the development of leading industries, 28400 new agricultural business entities in the province have established a close interest relationship with 1.63 million households out of poverty through order production, land circulation, labor absorption, stock cooperation, asset leasing, etc. Basically, every household out of poverty with industrial development conditions and willingness has at least one new agricultural business entity to drive. In addition, the cooperation content of farmers'

cooperatives in the province is also constantly enriched, realizing the transformation from single link service to integrated pre-production, production and post-production services. In 2020, 36,950 farmers' cooperatives were providing members with integrated production, processing and marketing services, an increase of 99% over 2015, achieving breakthrough growth.

## **2.5 The Development Status of the Types of Farmers' Cooperatives in Yunnan Province**

According to the 2018 statistics, farmers' professional cooperatives in Yunnan Province are divided by the industries they are engaged in, mainly including plantation, forestry, animal husbandry, fishery and service industry. Among them, plantation cooperatives topped the list with 28,640, accounting for 49.5% of the total cooperatives in that year, mainly planting fruits and vegetables, flowers, such as peach, ginseng fruit, rose, etc.; followed by animal husbandry farmers' cooperatives, ranking second with 18,508, accounting for 32% of the number of cooperatives in the province. The least number is the farmers' cooperatives with fishing as the main industry, accounting for only 1.23%. Due to transition fishing, the number of biological populations has decreased, and the ecological resources have been severely damaged, both the number of fish and water quality are polluted, resulting leads to the lack of fishery development. Other than that the lack of fishery development is mainly related to the fact that most of the land area in Yunnan Province is dominated by mountains and hills, so it is not suitable to vigorously carry out fishery.

Among them, Qian Jiang Yun Feng rice planting farmers professional cooperative provides farmers with "ten unified" whole production hosting services, which effectively reduces the production costs, improves the operating income, realizes the scientific, mechanized and branded rice production and is promoted and studied as a typical case of development of planting cooperatives in the province, it has brought practical experience for the province's planting farmers cooperatives, and formed a demonstration model that meets the development needs of modern agriculture with highland characteristic in Yunnan.

## **2.6 The Development Status of Family Farms in Yunnan Province**

In recent years, with the support and guidance of a series of policies of the CPC Central Committee, The State Council, the Provincial Party Committee and the provincial government to strengthen agriculture and benefit farmers, all parts of Yunnan province took measures according to local conditions and classification. By the end of 2018, there were 6,782 family farms identified by the agricultural departments in the province, an increase of 15.9% over the previous year. By supporting family farms to improve their production conditions and guiding them to carry out standardized construction and implement standardized management, the production and operation level of family farms has been effectively improved. In 2018, the total value of agricultural products sold by family farms was 2.561 billion yuan, and 70% of family farms had an annual income of more than 100,000 yuan. And after excluding the cost factors, the operating efficiency was significantly higher than that of general contracted farmers. Family farms with family

members as the main labor force, and engage in large-scale, intensive and commercialized agricultural production and operation, and with agricultural income as the main source of family income. According to the statistics, family farms in the province in the province have a workforce of 39727, of which 21,260 are family members' workforce, accounting for 53%. Some farms that are not family-based are scattered, with large labor turnover and small scale of development. After the farmers' cooperatives, a new type of agricultural business entities, family farms have become a new driving force for developing Yunnan agriculture and rural areas, promoting the implementation of the rural revitalization strategy and improving the modern agriculture with plateau characteristics.

Combined with the development situation of Yunnan Province, in 2017 the Provincial Department of Agriculture and the Provincial Department of Forestry jointly researched and formulated the Yunnan Provincial Demonstration Family Agriculture (Forest) Farm Evaluation Measures. This policy clearly stipulated that the provincial family agriculture (forest) farm operation scale: engaged in the planting area of grain and oil and cash crops is 100 mu; engaged in animal husbandry with an annual output of more than 500 pigs, more than 50 beef cattle, more than 30 dairy cattle in stock, more than 200 mutton sheep, more than 10,000 poultry; the aquaculture area engaged in aquaculture reaches more than 30 mu (1500 m<sup>2</sup>); And engaged in economic forest business scale of more than 500 μ; The annual output value of engaging in planting, breeding and other planting, breeding or leisure and sightseeing is more than 300,000 yuan. In addition, Yunnan Province also organized the province's provincial model family farm declaration and evaluation work, was elected to upgrade the average annual disposable income of model family members is higher than or equivalent to the local urban residents' per capita disposable income, which also brings better demonstration and driving effect to the surrounding farmers.

### **3 Problems in the Development Process of New Agricultural Business Entities in Yunnan Province**

From the overall situation, the province's overall development of new agricultural business entities is good, but based on the national perspective, compared with the provinces (cities and regions) doing well, it is still having gap that cannot be ignored, especially from the consolidation of poverty alleviation achievements, the implementation of rural revitalization strategy, and promote the modernization of rural agricultural and other target requirements still have a large gap. The main manifestations are:

#### **3.1 The Infrastructure Conditions and Comprehensive Strength are Relatively Weak**

The mountainous and hilly areas in Yunnan Province account for 94% of the land area, compared with the plain areas, the rural land is fine and scattered, the infrastructure does not form a complete set, the engineering water shortage is prominent, the space for agricultural mechanization operation is narrow, which is not conducive to the adoption of mechanized farming tools for farming on a large scale, this geographical conditions greatly restricts the development of new agricultural business entities in Yunnan province

[6]. Caused by the province's agricultural leading enterprises only accounted for 2.3% of the country. There are 25 leading agricultural enterprises with sales revenue over 1 billion-yuan, accounting for only 1.2% of the country. The fixed assets of leading agricultural enterprises accounted for only 2.1% of the country, and the sales revenue only accounts for 1.5% of the national sales revenue. More than 90% of the leading agricultural enterprises in the province are still in the primary processing type, and the ratio of agricultural products processing output value to the total agricultural output value is only 0.72:1, far below the national average level of 2.2:1.

### **3.2 The Operation of Various Types of New Agricultural Business Entities is not Regulated Enough**

Take farmers cooperatives as an example, because of its the threshold is low, no registered capital, only written registration materials are required, using this loophole, criminals can defraud government subsidies and project support funds, no substantive management of cooperatives, it is easily to produce a large number of "shell" society, the government and the state cannot fully grasp its operating system the flow of funds, and the financial management is not transparent, which makes the actual operation of funds have loopholes in supervision. Moreover, in terms of the internal control of cooperatives, there are no unified regulations for their internal operation and management rules, and it's impossible for the relevant supervisory body to check each society, which man lead to their internal operation rules not meeting the standard. Or copy other cooperatives, or cope with the matter, so that the internal control mechanism has failed to play its proper function and only become a mere formality. There are even "one-person societies" where the chairman of the board has the final say, "family societies" where relatives and friends negotiate, and "husband-wife stores" where the enterprise and society are not separated.

### **3.3 Weak Financing Ability**

At present, although the state has given preferential policies, the new agricultural business entities still have problem in the financing such as lack of effective collateral, lack of credit data and other problems [7]. Due to the lack of collateral recognized by financial institutions, mainly by guaranteed loan financing, financing channels are narrow and costly, coupled with the irregularity of crowdfunding financing channels and the existence of information barriers in traditional supply chain finance, it is difficult for new agricultural operators to raise funds needed for production and operation.

### **3.4 Failure to Form Modern Agriculture with Plateau Characteristics**

According to the previous statistical data, the new agricultural business entities in Yunnan Province are mainly planting and breeding, and the modern service business entities account for a very small proportion, but Yunnan Province has always been famous for tourism, relying on its geographical advantages, it can fully develop the new agricultural business entities in modern service industry mainly in tourism service industry. And due to the unique geographical conditions in Yunnan Province, the province has cultivated

tea, coffee and other agricultural products famous at home and abroad. However, a considerable proportion of farmers cooperatives in the province operate in a single category, the industry value chain is short, brand cultivation is insufficient, the product added value is not high, and market share is low, there are only 1,941 registered trademark farmers cooperatives, accounting for 3.1%, farmers generally lack brand awareness, and few business entities with special products achieve large-scale operation and brand-oriented development.

### **3.5 Interest Connection is Scattered**

Most business entities in the province provide members with a single service content, the cooperation methods are mainly in the form of unified purchase, unified marketing and other selling relationships, and few are driven by multiple interest connection mechanisms such as circulation, labor shareholding and other. In some fully competitive industries, due to their own small scale, weak bargaining power, the cost advantage is not obvious, and the effectiveness of driving farmers' income is limited, especially the failure to return surplus to members after making profits. In 2020, only 6,141 farmers cooperatives, returned more than 60% of their distributable surplus to members based on transaction volume, accounting for only 10% of the province's farmer cooperatives.

## **4 Conclusions: Countermeasures and Suggestions for Cultivating New Agricultural Business Entities and Boost Rural Revitalization**

### **4.1 Innovate Business Methods to Promote the Scale of Operation**

Due to the accelerated urbanization in recent years, it makes the rural population flocked to the city in large numbers. For this reason, the land trust model can be carried out to effectively utilize land resources, break the disadvantage of land fragmentation and scattered, and combine the current situation of the development of plateau characteristics agriculture in Yunnan Province, adapt to the situation of more conservative farmers in Yunnan Province, and promote land trust, land concentration, land shareholding and other typical model [8]. In view of the idea that the farmers in Yunnan Province do not want to change their family management, the new agricultural management entities will provide the farmers with services before, during and after production without change their family management, so as to obtain the benefits of land scale management. And also, can encourage farmers through the land contract management rights as a condition of shareholding, after that by the family farm and other related land planning and management in the form of shareholding cooperation.

### **4.2 Improving Systems Mechanisms**

Improve the long-term mechanism of standardized management of various types of new agricultural business entities, including improving the rules and regulations, sounding the organizational structure, strengthening the archives management, and improving the

financial management and internal control systems. Strengthen all kinds of business entities development guidance and services, cooperate with market supervision and tax departments, to build a public information platform, timely grasp of various business entities to establish qualifications, operation systems, subject changes, included in the abnormal credit system and other information. In particular, the financial information should be disclosed, so that the financial situation of the operating entities is based on evidence, there are accounts to check, so as to realize digital operation, standardization of financial income and expenditure, and real-time sales of sales inventory.

#### **4.3 Improve Credit Guarantee System, Build a Financial Credit Financing Platform**

Since financing is currently difficult and has a high threshold for all kinds of business entities in Yunnan Province, so it is necessary to accelerate the expansion of the guaranteed scope of commercial banks, such as accepting land management rights as collateral and innovating the way to use living objects as collateral. Local commercial banks should also refine and rank the credit situation of farmers, make quality classification, directly link the results of quality classification with credit, and use the big data platform to gradually break the current situation of lack of credit data. In addition, the new agricultural operators have fewer financing channels of their own, so they can learn from the experience of developed countries and adopt the way of private equity financing, which can not only alleviate financial difficulties, but also have the opportunity to get investors' technical support, so as to achieve the purpose of expanding the scale of operation for new agricultural operators and build a bridge to realize rural revitalization.

#### **4.4 Develop and Expand Characteristic Industries, Enhance the Level of Industrialization of Business**

Based on the unique geographical and climatic advantages of Yunnan Province, it will promote the development of characteristic business entities and cultivate agricultural characteristic enterprises with strong competitiveness and wide radiation range. Accelerate the construction of "one county, one industry" characteristic development pattern, and optimize the industrial chain based on the county's agricultural leading industry. It should establish the awareness of independent brand creation, make use of the advantages of farmers' own enough knowledge of the cultivated agricultural products themselves, encourage them to explore the characteristic value and selling points of products, and create their own characteristics and independent brands [9]. For green foods and organic foods and other agricultural products, it should implement certification and registration, so that agriculture is more standardized, and the quality and market competitiveness of agricultural products is improved. Focusing on Yunnan's advantageous industries such as tea, flowers, vegetables, fruits, nuts, coffee, Chinese medicinal medicine, beef cattle, then it can build a world-class industry, focus on cultivating and supporting local agricultural "little giants", introduce well-known enterprises at home and abroad, and focus on supporting the development of local leading enterprises.



#### 4.5 Explore a Multi-mode Interest Linkage Mechanism

It should accelerate the innovation of the interest connection mechanism of multiple models, and the government has increased electronic information technology training for small farmers' personnel and agricultural knowledge dissemination, promote the organic connection between small farmers and new agricultural business entities, and integrate small farmers into the track of modern agricultural development. Additionally promote the organic connection between small farmers and the development of modern agriculture, support and encourage new agricultural business entities to use the combination of online and offline, agricultural wholesale and retail docking, agricultural supermarkets docking, agricultural community docking, agricultural enterprise docking, direct supply and direct marketing and other production and marketing docking models to promote the diversified development of agricultural products circulation. Other measures are that should support the integration of leading enterprises with the conditions of farmer cooperatives, family farms, professional households, and then set up outlet stores (points) in urban communities. The government can implement policies to support the development of wholesale markets and the green channels policies for the transport of fresh and live agricultural products to expand distribution channels for agricultural products and reduce distribution costs. In order to cope with the practical dilemma of farmers' poor sales under the COVID-19 epidemic, it also can implement the comprehensive demonstration project of e-commerce into rural areas, coordinate the planning of rural logistics facilities, and promote the comprehensive service system of the provincial e-commerce platform [10]. Actively promote the cooperation with major well-known e-commerce enterprises to create a one-stop service for the sale of agricultural products with the characteristics of Yunnan Province. And in the development of the e-commerce supply chain and service enterprises on the whole industry line, it can indirectly expand the number of employment positions provide more employment opportunities for farmers and expand the benefit linkage mechanism.

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