

# Analysis of the Present Situation of and Countermeasures for Farmers' Specialized Cooperative in China-Laos Border Area

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**Abstract.** Based on the investigations and data, this paper analyzes the present situation of and countermeasures for farmers' specialized cooperative in China-Laos border areas, providing proper guidance for farmers' specialized cooperative, so as to enable its sustainable development and further lift people there out of poverty.

**Keywords:** Farmers' Specialized Cooperative; Poverty-alleviation; Development.

## 1. Introduction

It is well known that Mengla County of Xishuangbanna (in which there are 7,000 square-kilometer and 281,700 population belonging to Xishuangbanna) is located in China-Laos border area. It is not only the frontline of national defense, but a very sensitive area in terms of politics, nationality, religion, ecology and so on. What's more, it is a key area of poverty-alleviation with many ethnic rural poor households (including Dai, Hani, Lahu, Bulang, Jinuo, Yao, Miao, Yi, Wa, Zhuang, Jingpo peoples). Consequently, we should rely on continuous external help to lift out of poverty and realize development, at the same time, we are expected to mainly depend on self-development to let more rural households get rid of poverty. The farmers' cooperatives have become a bridge and bond connecting thousands of producers and ever-changing market, and the catalyst for the construction of a new countryside, the establishment of a harmonious society and the development of rural economy. Farmers' specialized cooperatives play an important role in lifting farmers out of poverty, and become a leading force in poverty-alleviation. While enriching deprived farmers, they also effectively promote regional economic and social development. However, farmers' specialized cooperatives face prominent problems in its development, which need to be solved so as to accelerate cooperatives' development and better help poor farmers get rid of poverty and then get rich[1][2].

## 2. Data Collection

As of June, 2017, the data for analysis comes from agriculture and technology sectors of Mengla County. It mainly covers China-Laos border area that consists of five towns in Mengla County, including Shangyong, Mengman, Mengpeng, Mengban and Yiwu towns, referencing 171 agricultural cooperatives among which there are 47 cooperatives registered.

## 3. Data Analysis

### 3.1 Township Distribution

According to Figure 1., there are 171 farmers' specialized cooperatives in these five towns, while only 47 cooperatives registered in industrial and commercial department, less than 30%, revealing that most of the cooperatives cannot reach the standard. From the perspective of the cooperative quantity of township distribution (Figure 1.), Mengpeng Town boasts the largest number of cooperatives, which is almost 5.7 times more than Mengban Town. While as for the registered cooperatives, Shangyong Town enjoys the highest portion of 60%, and Yiwu lowest 11.9%.

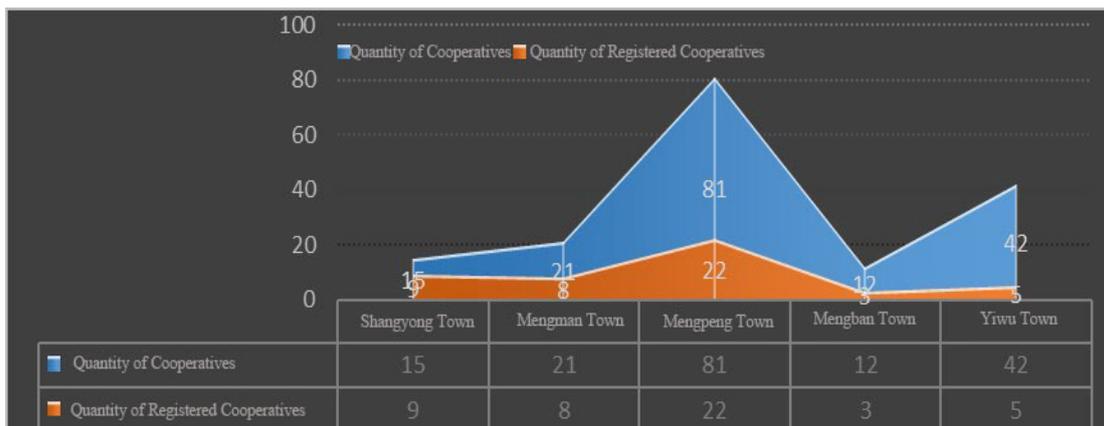


Figure 1. Farmers’ Specialized Cooperatives Township Distribution

### 3.2 Business Scope Distribution

From Figure 2., we could see that the sector of farmers’ specialized cooperatives is mainly distributed in breeding and planting sectors with 166 farmers’ specialized cooperatives, accounting for 97%, but there are only 5 farmers’ specialized cooperatives in service sector, accounting for 3%.

From Figure 3., we can see that the business scope of farmers’ specialized cooperatives is mainly in three fields, including livestock, tea-planting, and fruit & vegetable planting, accounting for 85%, but precious wood planting and herbs planting take less than 4%, which explains that planting and breeding play a leading role in farmers’ specialized cooperatives.

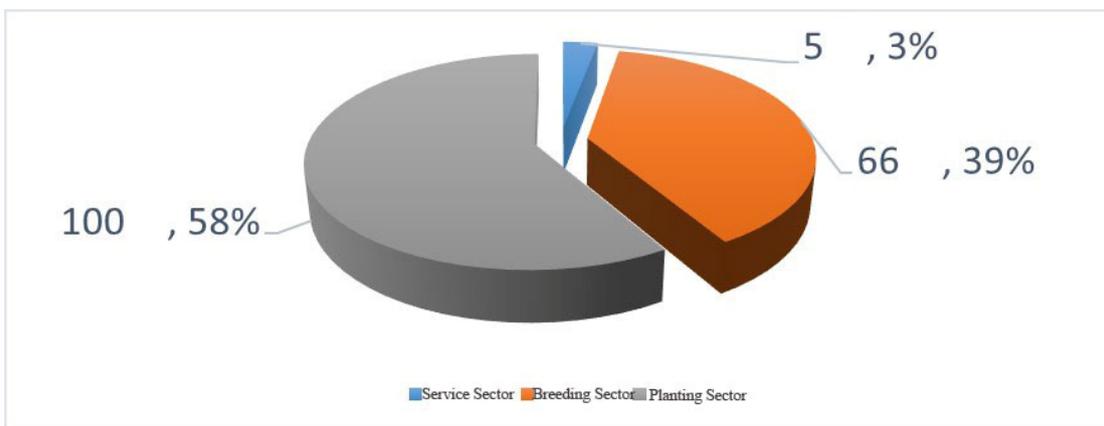


Figure 2. Farmers’ Specialized Cooperatives Sector Distribution

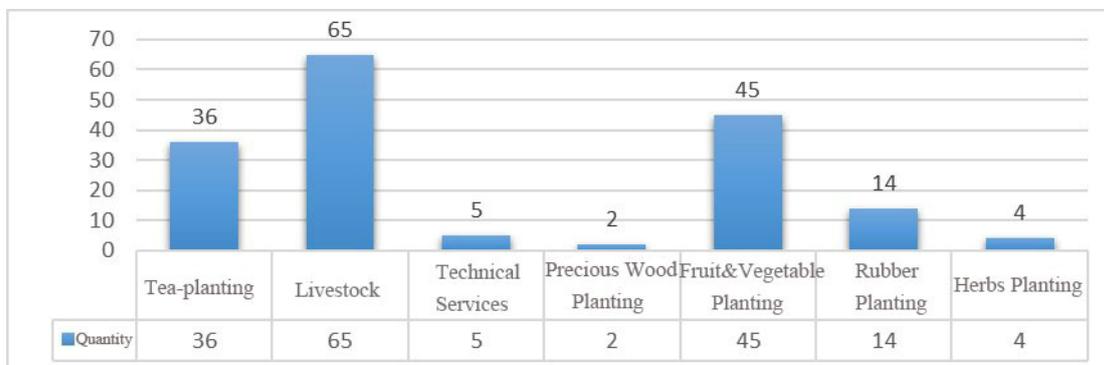


Figure 3. Farmers’ Specialized Cooperatives Specific Business Scope Distribution

### 3.3 Established Time Distribution

Form Figure 4., the number of established farmers’ specialized cooperatives has been increasing rapidly in recent years. It indicates that the government has provided more support for farmers’ specialized cooperatives because it is conducive to the optimal allocation of rural capital, technology,

labor force, land and other production factors, and further make rural economic and industrial structure more rational.



Figure 4. Farmers' Specialized Cooperatives Established Time Distribution

### 3.4 Registered Capital Distribution

From Figure 5., it can be seen that 63 farmers' specialized cooperatives registered with more than 1 million yuan capital, accounting for 37%, and there are 41 farmers' specialized cooperatives registered less than 200,000 yuan, accounting for 24%, 130 with more than 200,000 yuan registered capital, 76%. This fully shows that the scale of farmers' specialized cooperatives is getting larger and larger, the level of scale land management has been improved, the trend of scaled agricultural development has gradually taken its shape and the level of agricultural production has been significantly promoted.

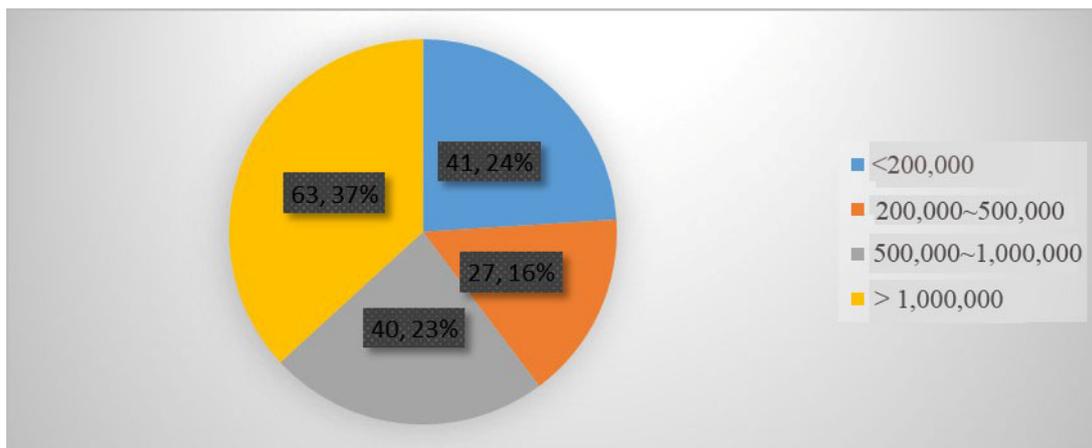


Figure 5. Farmers' Specialized Cooperatives Registered Capital Distribution

## 4. Conclusion and Suggestions

### 4.1 Conclusion

Although the government has accelerated the construction of farmers' specialized cooperatives in recent years, which are characterized by rapid development and wide coverage, less than 30% of them have been registered in industrial and commercial department. It shows that the operation of farmers' specialized cooperatives is nonstandard because of the lack of professional talents management, useless internal control mechanism, less-educated community members and the shortage of professional guidance, leading the result that the cooperatives are generally inefficient and the driving capacity of cooperatives cannot reach the expected goal. According to interviews and investigations, we have discovered that, firstly, the farmers' specialized cooperatives are established with inaccurate aims for getting various preferential policies of government's poverty-alleviation programme, for more subsidy funds as well as financing and loan supports, as a result, they are lack of self-development motivation and ability, thus forming shell cooperatives. Secondly, due to low requirement of establishing cooperatives and the shortage of supervision, it directly leads to the

advent of farmers' specialized cooperatives without facilities, pre-approval processes, management agencies and business activities.

## **4.2 Suggestions**

First and foremost, we should adhere to market-oriented approach, and focus on the development and expansion of local traditional, competitive and unique industries, so we can optimize the allocation of rural capital, technology, labor force, land and other production factors, and further make the economic and industrial structure more rational. Secondly, through understanding the market demand and variety characteristics, farmers' specialized cooperatives should adopt the method of unifying the variety, provide professional technology support and management, and sell products altogether as this will scale up and standardize the agricultural production and reduce the production costs and market risks. For some industries with local characteristics and market prospects, farmers' specialized cooperatives are established with the guidance of demo cooperatives, and gradually the famous, specialized and high-quality agricultural products are come into being, giving full play to their regional advantages. Thirdly, the government takes a share to strengthen farmers' specialized cooperatives supervision and management. We will earnestly implement the system of cooperatives' annual reports, manage irregular lists and standardize the bankrupted cooperatives. We should highly emphasize financial management, encourage cooperatives to entrust their financial affairs to custodies, implement computerized financial accounting, strengthen the management of their receipts and introduce third-party auditing. Annual accounting reports shall be submitted to the registration authorities and the county-level management departments as required. And fourthly, we should vigorously strengthen training and education. In accordance with the principles of classified guidance, graded responsibility and practical approaches, we will train and educate the cadres and members of cooperatives by the means of training, investigation and further study. We are striving to cultivate a talented team in farmers' specialized cooperatives in which the talents have the dedication spirits and are good at management p and technology. We are also trying to set a counselor team in farmers' specialized cooperatives and they enjoy high-level policy theories, strong work capability and passion in cooperation.

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