

# **Compensation and Rewarding Mechanism for Grassland Ecological Preservation in China**

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In October 2010, the State Council decided to establish the mechanism of subsidies and rewards for grassland ecological protection to help increase the herdsmen's income. In 2011 the state invested 13.6 billion yuan in Inner Mongolia and other 7 major provinces with grassland pastoral areas to launch policy for the mechanism.

In 2012 the investment reached 15 billion yuan and the policy was expanded to Heilongjiang and other four provinces, thus covering 13 major provinces with grassland in China. The related works have been progressing smoothly since the implementation of the policy and a series of satisfactory changes have taken place in the grassland ecology, livestock production and living conditions of herdsmen.

## **The restoration of grassland ecological environment was accelerated**

Through the implementation of the policy on the mechanism subsidies and rewards for grassland ecological protection, a series of systems for operation, management and protection of grassland were actively promoted, including grassland contracting, balance between forage and livestock, basic grassland protection, and prohibition, suspension or rotation of grazing. In 2012, key natural pastures registered an overload rate of 23%, 5% points down from the previous. The grassland vegetation coverage reached 53.8%, up 2.8% points. The total fresh-grass output of China's natural grassland reached 1.05 billion tons, up 4.7%. Of the output, the 268 pasturing and semi-pasturing counties accounted for 530 million tons, or 50.3%, up 8.6% point from the previous year.

## **The mode of production in grassland livestock industry was in faster transformation**

In accordance with the requirement of "prohibiting grazing but not breeding and reducing livestock but not meat", while improving the grassland ecological environment, pastoral areas strengthened the construction of infrastructures such as artificial grassland and livestock stalls, implemented rotational grazing, housed feeding and breeding and standardized large-scale cultivation to accelerate the transformation of the production mode in grassland livestock industry. In 2012, the rate of large-scale production of 50 cattle and 100 sheep for slaughter at one time exceeded 30 percent, higher than the average level in agricultural areas; the production of beef, lamb and dairy products in the 268 pastoral and semi-pastoral counties were respectively 1.388 million tons, 1.328 million tons and 9.739 million tons, accounting for 21 percent, 33.1 percent and 25.2 percent of the national total.

## **Income for farmers and herdsmen rose steadily**

A steady increase in the incomes for farmers and herdsmen is both the starting point and the ultimate goal of ecological protection and production development. The mechanism of subsidies and rewards for grassland ecological protection offers subsidies and rewards to the herdsmen who follow the call for prohibition of grazing and balance between forage and livestock through an integrated set of supportive measures, including subsidies for prohibition of grazing, rewards for balance between forage and livestock, comprehensive subsidies for the means of production for herdsmen and rewards for performance evaluation. The mechanism guided and supported herdsmen in artificial grass planting and development of modern livestock industry.

Statistics show that in 2012, the per capita net income of farmers and herdsmen was 5,924 yuan, representing an increase of 540 yuan over the previous year, of which 700 yuan or 11.8% was the per capita policy-based income from the subsidies and rewards for grassland protection. The mechanism has become an important source of income increase for farmers and herdsmen, mobilizes the enthusiasm of the public in developing livestock production and helps to constantly improve the production and living standards in the pastoral areas.

Date submitted: Oct. 29, 2014

Received, edited and uploaded: Nov. 4, 2014