



China Implements Subsidization of Agro-Processing in Production Areas

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During the year since the project of subsidies for agro-processing at origin was launched, the relevant authorities and project provinces have intensified their efforts in active exploration and practice. They have created and accumulated a lot of good practices and experiences which ensure the smooth implementation of the project. The constructive effects and social influence of the project have been initially shown.

First, in terms of institutional design, comprehensive and standard institutional systems have been established in the aspects of project implementation procedures, technical requirements, review and approval process, acceptance logo, technical services, guidance and training, information consulting and file management. Specifically, the guidance for project implementation and technical programs for the subsidized facilities have been issued, the textbooks for training have been prepared, the unified logo has been designed, the specialist teams for technical services have been formed and the technical consulting hotline and information management systems have been put into use.

Second, in terms of adding capabilities for primary processing, subsidies have been provided mainly in these aspects in the 12 provinces where the project is implemented, including the storage cellars for potatoes, repositories for fruit and vegetable and facilities for drying of fruit and vegetables. In 2012, a total of 14,000 farmer households and over 450 cooperatives benefited from the subsidy policy. A total of 21,000 new storage cellars were built, adding a storage capacity of 500,000 tons; and a total of over 2,000 drying rooms were built, bringing an additional drying capacity of 300,000 tons.

Third, in terms of expanding the influence of the project, the MoA and the Ministry of Finance, as well as the provinces and counties where the project is implemented, have done a lot of work. After the guidance for project implementation was issued, CCTV's primary news program reported on May 24, 2012, that the central government allocated 500 million yuan for subsidizing the primary agro-processing at origin. People's Daily published on August 6 the special report on the waste of 100 million mu worth of grains output, interpreting the policy of the state to launch the project of subsidies for the primary agro-processing at origin. On August 27 and October 30, CCTV Channel 7 respectively broadcasted the TV specials entitled "The Pain of Losing 25 Million Tons of Grains" and "Behind the Loss of Million Tons of Potatoes".

In terms of the effectiveness of the project, the selling prices of potatoes, fruit and vegetables in the sales season in the project area increased by 10% to 20%; the value of the products stored in cellars (repositories) increased by more than 30%; and the loss rate after yield of dates was reduced from 35% to 5%, with the price

increasing more than twice. The project has made remarkable achievements.

The project of subsidies for primary agro-processing at origin has attracted wide attention from the media since its launch as it is closely related with the interests of farmers and the safe consumption of urban residents. Most prime and online media widely reported and reproduced the information on the launch, implementation and summary of the project, creating a sound environment for the project to receive attention from the society and the public.

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