

Give Great Impetus to Socialized Services of Agricultural Machinery

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An important part of socialized agricultural services is called, socialized services of agricultural machinery, it means various operation services provided by agricultural machinery organizations and individuals for other agricultural products, such as mechanized plowing, sowing, harvesting, draining and irrigating, and crop protecting, as well as related paid services like maintenance, supply, intermediary services and leasing of agricultural machineries. To promote socialized services of agricultural machineries is an important pillar in building an intensive, specialized, organized and socialized agricultural management system. This is a practical way to solve the problem of “who to plant, what to plant, how to plant” in agriculture, and an inevitable demand of whole-ranged, comprehensive, high-quality and efficient development of agricultural mechanization. It is of great significance to accelerate agricultural modernization with Chinese characteristics.

In recent years, pulled by farmer’s demand for mechanized agricultural operations and driven by the central government’s policies to support agriculture, rural areas and farmers, China’s socialized services of agricultural machineries had undergone sustained and rapid development, with four characteristics. First, services providers grew continuous in number. As of the end of 2013, there had been 168,000 organizations and 42.387 million individuals providing mechanized agricultural services, 7000 intermediary organizations, 201,000 repair shops, 96,000 distribution businesses, and 18,000 gas stations for farm machineries. The number of service providing organizations and individuals each having agricultural equipment with an original value of 500,000 yuan had reached more than 88,000, and that of specialized households and cooperatives mainly engaged in socialized services of agricultural machinery stood at 5.243 million and 42,000, respectively, forming a dominant force in promoting agricultural mechanization.

Second, the ability of service was improved continuously. In 2013, nearly 266,667 million hectares of farmlands were covered by socialized services of agricultural machineries, including 36.667 million hectares of cross-regional farmlands, accounting for two-thirds of the national total area benefiting from agricultural

machineries. Both the scale and scope of socialized services of agricultural machineries expanded increasingly, helping bring about a historic change in agricultural production from labor and livestock based to machinery based.

Third, forms of services were innovated continuously. The scope and scale of cross-regional mechanized operations were both expanded, with mechanized harvesting extending from wheat to rice, corn and some others. Service forms such as operation to order, contract operation and whole-process trusteeship were improving, while new management modes like regional operation (repair) centers, intermediary information service, machinery leasing and chain operations were emerging.

Fourth, service benefit increased continuously. In 2013, mechanized agricultural operations generated a total income of 510.8 billion yuan, with a profit of 201.4 billion yuan. The rise and growth of machinery agricultural services made great contributions to rural labor transfer and increasing farmers' income.

However, compared with the urgent needs of the development of modern agriculture, China's socialized services of agricultural machineries were still fairly simple, mostly restricted to field operations and unable to meet the increasing and diversified demands of farmers. Many service organizations were weak in terms of operations and services and impetus ability. Infrastructure like repair shops, tractor roads and farm machinery warehouses lagged behind, and there still existed fairly severe difficulties in having farm machineries driven to the fields, parked and repaired. Cost of agricultural fuel remained high, and factors such as scattered land management resulting in too small plots blocked the improvement of the efficiency of farm machineries use and the development of its farm machinery socialized services.

In October 2013, the Ministry of Agriculture issued the Opinions on Giving Great Impetus to Socialized Services of Agricultural Machinery, stressing taking the cultivation of various service organizations like specialized households and cooperatives as the priority, the improvement of the efficiency and economic benefit of farm machineries used as the core, and the industrialization of mechanized services as the orientation, and actively promoting the innovation of the system of socialized services to build a new system of socialized services of agricultural machinery. The ministry would reach for major goals in socialized services of agricultural machinery by 2020.

First, the number of service providers would become bigger, with more than 110,000 specialized households and organizations each having agricultural equipment with an original value of 500,000 yuan and more, twice that of 2010. Second, service benefit would further increase, with a total income of more than 800 billion yuan generated from agricultural mechanization, twice that of 2010. Third, service quality would further improve. Agricultural machinery would be distributed scientifically and rationally across the country, and operation and repair services provided by various service organizations would meet the industry. Fourth, the range of services would be expanded. Socialized services of agricultural machinery would cover all the main crops and their major production links, and would spread in forestry and fruit growing, animal husbandry, fishery, protected agriculture and the simultaneous primary processing of farm produce.

The ministry required keeping on taking socialized services of agricultural machinery as an important content of agricultural mechanization, and considered formulating and implementing related policies on the promotion of socialized services of agricultural machineries. The policies would focus on four major tasks. First, measures should be taken to cultivate new service providers, guide specialized households and organizations to set up service entities like cooperatives with their machineries, land, capital and technology, actively promote the establishment of cooperative unions, share-holding operation companies and leasing business, and encourage some competent cooperatives to transfer their contracted farmland and become market players that could provide mechanized operation services while being engaged in agricultural production and management.

Second, a new system of socialized services of agricultural machinery should be established, with mechanized operations, repair, supply, agency and leasing services as the main contents, and featuring full-process coverage, comprehensive services, flexible mechanisms, efficient operations, comprehensive support and powerful logistics. All kinds of market players of mechanized agricultural services were encouraged to provide some agricultural producers with low-cost, convenient, comprehensive and high-quality services. Leasing of farm machineries should be promoted to meet the demands of farmers for using and investing in the machineries.

Third, the new mechanism of socialized services of agricultural machineries should be optimized. An operational mechanism of clear property rights, well-defined power

and responsibility, scientific management, and integrity and efficiency should be established to give full play of the production potential and operational vitality of mechanized service organizations. It was encouraged to quantify government investments in cooperatives to every member to build the cooperatives into interest communities and fate communities.

Fourth, a new type of professionals engaged in socialized services of agricultural machineries should be cultivated, including a great number of farm machinery operators who are good at operating and repairing as well as farming, and many new-type of professional managers of agricultural machinery who are both knowledgeable in production and management.