

Pilot Agricultural Reform and Construction Programs at National Modern Agriculture Demonstration Areas

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To implement the spirit of the 18th CPC Party Congress so as to deepen agricultural reforms and accelerate modern agro-construction, the Ministries of Agriculture and Finance have decided to designate 21 national modern agriculture demonstration areas, like the Wuqing District of Tianjin with sound reform basis, strong innovation mind, stable pilot actions and active local government, to conduct agro-reform and construction pilot.

1. List The list includes seven areas from the East region, namely, Wuqing of Tianjin, Jiangyan of Jiangsu, Wuxing of Zhejiang, Tengzhou of Shandong, Dengta of Guangdong, Fuqin of Fujian, Pingdu of Shandong; seven from the central region, namely, Yutian of Hebei, Yushu of Jilin, Taigu of Shanxi, Zhaodong of Heilongjiang, Lujiang of Anhui, Nanchang of Jiangxi, Jianli of Hubei; seven from the Western region, namely, Tiandong of Guangxi, Rongchang of Chongqing, Nanchong of Sichuan, Fuping of Shaanxi, Ganzhou of Gansu, Helan of Ningxia, and Hutubi of Xinjiang.

2. Aim The aim is to display the pilot role of the areas. Efforts have been made to choose the demonstration areas with sound reform basis and strong innovative mind to conduct agro-reform and construction pilot. By the comprehensive use of financial and channels, the ministry aimed to expand new operating entities like farmers' cooperatives, build up intensive, professional, and social new production and operation system, broke the bottleneck of small scale, scattered investments, difficult finance, and lagging guarantee system, so as to explore the agro-modern development mode with the Chinese characteristics, accumulate reform experience, expand policy room, and inject new vitality to the transfer from traditional to modern agriculture.

3. Principles

- 1) Sticking to promote reform by construction, and development by reform. Efforts have been made to enhance construction input, build reform and innovation platform, support the areas in reforming their innovative mechanism, adjust the production relations that don't fit agro-productivity, and accelerate the development of modern agriculture.
- 2) Sticking to united leadership. The relative ministries have enhanced work guidance, and encouraged relative departments and institutions to display their advantages in promoting the pilot. The local government of the areas should draft reform innovation plan and coordinate relative department and new-type entities to conduct the pilot.
- 3) Sticking to innovation and effect. Under the basic principle of rural operating system, efforts have been made to protect the interest of farmers, and respect the people's innovation, so as to achieve breakthrough in the key links that limit the development of

modern agriculture.

4. Objectives By pilot the ministry aims to innovate the rural mechanisms of production, operation and management system, explore the operative model of “operative entity + order agriculture + financial funding + financing funding + guarantee funding + other funding”, and accelerate the new operative model that prioritizes new operative entities like farmers’ cooperatives. The goal is to make the land for intensive operation account for 40% for the zone, the grain output increase by 20% than 2012, and the farmers’ income per capita increase 10% year-by-year.

5. Tasks

- 1) To explore the new agro-operation system featuring intensive, professional, organizational and social model. Based on the basic rural operation system, efforts should be made to innovate land transfer mechanism, perfect relative policies, and promote a scale operation system that the new operative entities lead, the financial institutions lend, the farmers conduct intensive operation, the grain purchasing companies and security companies sign orders and guarantee contracts.
- 2) To explore the new production-sales model based on order agriculture. Efforts should be made to lead new operative entities like farmers’ cooperatives to sign contract with companies purchasing, re-producing and selling grain. The agro products’ price should be set by market price-setting mechanism. The chronic stable production-sale and order fulfilling mechanisms should be explored that features the taking of interests and risks together.
- 3) To explore the new financial support mechanism that emphasizes capital overall planning. Efforts should be made to promote the agricultural project funding lean to the demonstration zone, increase agro-development funding and modern agricultural development funding towards the zone’s construction, encourage the areas coordinate their agro funding to accelerate high-level farm, effective industry farm, standardization livestock farm, and modern processing and logistics park, build agro-reform and construction platform featuring element combination, industry clustering, and innovative driving model, and promote the quality seeds, mechanism, and system.
- 4) To explore the new agro investments and financing mechanism with the core of financial funding. Efforts should be made to encourage the areas perfect their modern agro-financing service system, build risk compensation system, and innovate the financial funding investment mechanism. We should encourage the financial institutes to develop financial products that fit the intensive agriculture operation, innovate the agro-financing service, expand targeted crediting scale, and issue loans to new operative entities, or provide mechanical loans if the risk is under control.
- 5) To explore the new risk preventing measures based on agro-insurance. We should encourage the areas to explore the model combining agro-insurance and credit, innovate agro-insurance supportive policies, set the subsidy standard of the new entities’ premium, so as to improve the standard of agro-insurance and remove the operative risk of agro-production.

Based on the task above, the areas should be encouraged to deepen rural ownership reform

in an active, stable and orderly way, innovate agro-operating mechanism, and inject new vitality to modern agricultural development.

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