



## **Agricultural Circulation Policy in China**

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### **Abstract**

During over the 30 years of agricultural transformation, China's agricultural circulation policy has molded a comparatively comprehensive framework. This framework by and large comprises of three noteworthy classifications: fundamental agricultural circulation policies, guidelines to support agricultural production, and policies to secure rural agricultural benefits. In particular, the agricultural circulation policies cover 16 areas, comprising of essential rural administration framework, agricultural subsidization policy, policy on agricultural technology, and environment and resources protection policy, among others. These interrelated agricultural circulation policies have played a significant role in the improvement of the agricultural and rural economics in China. But nevertheless, the agricultural and rural development of China encounters several issues, such as securing stability between supply and demand of major agricultural products, challenges in the agricultural products price regulation, increased demand for agricultural socialization benefit, reasonable apathy of agricultural technology, increased inconveniency in enhancing rural governance, and burden to successively rise farmer's profits, etc. In view of the current agricultural circulation policies, the Chinese government has established various new policies for the potential improvement of agribusiness. The new policies mostly comprised of: enhancing national food security framework, improving agricultural supporting and assurance framework, setting up long-standing sustainable development approaches to agribusiness, strengthening the transformation of rural agricultural land system, constructing of new agricultural management system, advancing innovation for rural financial system and developing the mechanism of urban-rural incorporation, etc.

Key words: China's agricultural circulation policy, agricultural transformation, effective supply of agricultural products, increase farmers' profit.

## **Background and major policies impact**

Agriculture is of great importance for China. While its contribution to the country's Gross Domestic Product (GDP) is decreasing, agriculture as the pillar to the development of a stable national economy has never been transformed for a while. China is utilizing 9% of world arable land to sustain 21% of its fast-growing population, safeguarding sufficient food for more than one billion people is always the top priority for China (Lei, 2013; Yang, 2014). Furthermore, agriculture is similarly a significant industry for resolving the challenges of rural unemployment and farmer's revenues in China. Agriculture is understood to absorb over 320 million employees and provides considerably to farmer's revenue for about 45% in China. Yet, agriculture in China is also directly interrelated with the increasing requests of national market and subsequently enhances the growth of national economy. Meanwhile, when the rural transformation was launched in early 1980s, China has executed household responsibility system, relaxed agricultural product market and values, and stimulated massive expansion of operational systems and municipality initiatives (Lei, 2013).

After the reformation in China, it has been over 30 years since this strategy of uniting the farmers towards the expansion of agricultural marketing economy in China. This also extended to the strategy of reinforcing, promoting and inspiring the farmers (Yang, 2014). Support for bolstering agronomic as well as encouraging growth in grain yield and growth in revenue of farmers have been the main focus of the policies for over 30 years. However, agriculture in China has not only determined the consumption challenge facing the Chinese people but also reinforced progression and development of the economic society in China. This made huge support for China as well as to the entire world. The circulation of agricultural products is important to the Chinese national economy and to the lives of the Chinese people. Thus, the fast expansion of e-commerce has infused new life into the circulation of agricultural products so as to encourage the distribution effectiveness of agricultural products within China.

With reference to revolutionizing agricultural operation approach, it was highlighted to sustain and boost domestic bond management, and, briefly, examine new agricultural process methods based on the management of the household contract, for example, improvement of farmers' experts joints as well as expansion of agricultural socialization provision among others. As per the resolution passed on during the Third Plenary Session of the 17th Central Committee of the Chinese Communist Party, the prerequisite of the two major shifts were brought forth to foster modernization of operational condition of agriculture (Yang, 2014). While the other features of increasing investments in farming activities, it is also very import to ensure the support of the construction of agricultural infrastructures, advancing agricultural scientific services, as well as increasing agricultural support. Furthermore, it is also important to strengthening the circulation marketing system for rural areas, regulating and expanding agricultural systems. This will help encouraging innovation in the agricultural operational methods which can be developed into key strategies and procedures that would encourage the modern agricultural operation in China, each of these policies and procedures are confronted with underdevelopment and shortcomings with agricultural infrastructure besides apprehending the causes to all types of problems tackled in the modern agriculture in China (Yang, 2014). The countrywide agricultural policies changed in the new era from supporting farmers and benefiting farmers to strengthening farmers and enriching farmers. This policy is advocating that serving farmers and promoting farmers are much more progressive as compared to the policy of reducing

the burden and worries of farmers, which has successfully improved revenue of farmers, fulfilled much of their core interest as well as increased their passion in agri-business.

After about 40 years of agricultural reform and rapid structural transformation, China has made a significant transition from “Rural China” to “Urban-rural China”. Among these significant changes, the agricultural sector in China has witnessed a millennium transformation, which we call historical agricultural transformation (Liu et al., 2015). With China’s fast-growing population, agricultural circulation is of paramount. To this end, China’s farmers have been working hard for generations to advance the probable agricultural of small-scale land, which molded the agricultural model of rising labour input and preserving the survival of small farmers. This traditional agriculture which not only respects the Chinese agricultural development, but also binds the farmers has experienced historic changes under the influence of the rapid development and urban growth after the reform and opening-up. The marked event is that agricultural labour output, which has been deteriorating and even diminishing, has increased at a greater growth rate than land productivity after 2003, due to agricultural circulation.

At that point agriculture is starting to compete with other industries. What it brings are the variation among homogeneous farmers, extreme agriculture labour input shifting to machinery and investment support, steady growth in the land operation scale, the development in the farmland leasing marketplace and the expansion of the agricultural processing technique. These shared qualities have proved our judgement on the historic revolution of agriculture in China. Facing and distinguishing the significant revolution of agriculture supports to formulate the new agricultural policy in the next period, including the re-understanding of the function and development form of agriculture, the path of agricultural technological transformation, the pathway and procedure of agricultural system change, and the promising form of agricultural organization and collaboration. It is therefore essential to restructure and rebuild the new agricultural development model to acclimatize to the huge revolution from the Rural China to the Urban-rural China.

### **Conclusion**

In conclusion, financial back-up for agriculture is insufficient. As opposed to urban areas which have surplus capital, rural areas have a shortage of investment in agriculture. Most farms are so small that it is very difficult for them to obtain financing from banks. Progressing from customary to contemporary agriculture suggests changes from labor-intensive agriculture to capital-concentrated and technology-intensive agribusiness. Circulation and partnership of agricultural land, in addition to large-scale farming, are fundamentals to modern-day agriculture, and they require a lot of financing. Subsequently, bank borrowing to agribusiness and ventures from urban areas into rural areas should be bolstered. Addressing these challenges is the precondition for the complete agricultural land circulation. To make a significant way for this, China needs to enhance the important laws and utilize the system to the fullest.

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