Research on the Innovative Model of Agricultural Poverty Alleviation from Perspective of Supply-side Reform

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Abstract: The agricultural poverty alleviation is the main mode of accurate poverty alleviation, as well as an important path of structural reform of agricultural supply-side. The accurate poverty alleviation goal is to help people lift themselves out of poverty and increase income. Research on the poverty alleviation model in agriculture from perspective of supply-side reform is conducive to effectively driving the poor to get rid of poverty and become rich relying on agriculture. This paper addresses that to promote agricultural poverty alleviation from the supply-side perspective requires the coordination of agricultural supply structure and demand characteristics, the convergence of supply quality and demand level. So that the allocation of agricultural resources factors becomes more reasonable and the qualitative efficiency and competitiveness of agricultural development have been improved.

1. Agricultural poverty alleviation theory

1.1 Background

China is an agricultural country with a large population of poor people living in rural areas. By the end of 2016, according to the rural poverty standard of 2300 yuan per person per year (by the constant price of 2010), the rural poverty population was 43.35 million, and the poverty rate of rural residents was 4.5% \[1\]. Since 30 years of poverty alleviation and development, the cumulative poverty has been reduced by 730 million people, and the achievements have attracted worldwide attention. With deepening the market economy, the fragility of traditional agricultural economy is self-evident. To get rid of poverty, farmers must be integrated into agricultural industrialization process to make them part of the industrial chain and to ensure steady income increase.

1.2 The theoretical basis of agricultural poverty alleviation

As China’s poverty-stricken areas are in countryside, the poor are all engaged in agriculture. Rural industry poverty alleviation comprehensively deals with poverty problems and accelerates the development of agricultural industry in poor areas. First, it can effectively alleviate and solve regional poverty problems, eliminating the unstable factors associated with poverty to stabilize the basic status of agriculture as the primary industry; second, it can effectively drive the economic viability of poor households and poor areas and accelerate its development pace, for agriculture is the basis for the survival of poor people; third, it is of great significance to actively promote agricultural poverty alleviation to strengthen the weakness of rural areas for completing the process of building a moderately well-off society in all aspects, to further promote accurate poverty alleviation, and ensure the completion of poverty alleviation targets and tasks. The contribution of agricultural industry income to the proportion of farmers’ income increase is becoming larger and larger. It is estimated that the contribution rate of agricultural industry to per capita disposable income of rural residents is about 45%.
1.3 The realistic basis of agricultural poverty alleviation

The essential requirement of socialism is to eliminate poverty, improve people’s livelihood and gradually realize common prosperity. “13th Five-Year” Plan proposed that agriculture is the foundation for completing the process of building a moderately well-off society in all aspects and realizing modernization. We must persist in solving agricultural issues as the top priority of the work of the whole party, actively promoting agricultural poverty alleviation, and doing a good job in poverty relieve and development work. The poverty alleviation in agricultural industry is the key to the poverty alleviation in agricultural sector. We promote agricultural industrialization poverty alleviation and development, and continuously improve the production and living conditions of farmers, promote agriculture in poor areas to accelerate development, effectively reduce poverty in poor areas to ensure that all people share the fruits of economic and social development, and to ensure that poverty-stricken areas, together with the whole country, achieve the grand goal of building a well-off society in an all-round way.

2. Analysis of agricultural poverty alleviation model

In 2016, the disposable income of farmers in poor areas was 7653 yuan, about 67% of the average level of rural residents in our country. From the sources of income, the income of rural residents is divided into four parts, the first part is the wage income, accounting for 33.4%, the second the operating income, accounting for 42.9%, the third the ownership income, accounting for 1.2% and the fourth the transferred income, accounting for 22.5%. However, from the perspective of the poor population, for the general poverty, the sum of the first two accounts for 83% of the total revenue. Operating income and wage income are a major channel for the families with working ability, and also an important support in poverty alleviation and development work [2].

From the supply-side perspective, the current mode of agricultural poverty alleviation has the following problems:

2.1 The decentralized management pattern has not been fundamentally changed

In recent years, the pace of rural land circulation in China has been significantly accelerated. By the first half of 2016, the scale-management household with over 50 mu cultivated land in the nationwide has been more than 3.5 million and the total operating cultivated area exceeds 350 million mu, but it is still difficult to fundamentally change the resource endowment of a large population with relatively little land. According to 50 mu of each moderate scale management household to calculate, 36 million farmers can achieve the land cultivation with the current scale. Under this decentralized management pattern, it is difficult for small farmers to obtain high-quality production factors [3]. There is a prominent contradiction between small production and big market, and new production methods and organizational forms are needed to solve this problem. The problems of insufficient allocation of production factors and supportability are land, labor, funds, technology, etc.

2.2 Irrational industrial planning and vague characteristic industry

Some local governments in poverty-stricken areas have not applied to the local agricultural industry endowment, the status quo and market prospects when formulating industrial planning, with relying only on the current market demand, which leads to serious homogenization phenomenon of agricultural industry, results in blind development, extensive management, low end of the agricultural industry, and seriously dampens the enthusiasm of poor farmers. The advantages of characteristic agricultural products are not obvious, and the market competitiveness is weak in the region. Lacking effective industrial planning leads to blind cultivation. The root cause of this blindness and randomness, is the mismatch between market demand and supply, making the manufacturers can’t effectively understand the demand and the demand side can’t effectively predict the amount of the supply, which forms the fluctuation of agricultural production, bringing great uncertainty to the farmers’ income increase.
2.3 Loose farmer organization degree
Poverty-stricken areas are limited by the scale of human resources and industry, leading to the lack of agricultural industrialization leading enterprises, weak strength, small scale, slow development of agricultural cooperatives and demonstration parks, being unable to form the organizational size effect. Interests connection between poor and extremely poor farmers and leading enterprises and cooperative organizations is not close, especially the cooperative organization is weak, scale is small, and the leading role is not strong. Agricultural mechanization, irrigation and information can’t be docked with decentralized operating farmers, and poor households generally have the problems like the lack of technology, information, funds and sales, which can’t become a true market subject.

2.4 Low level of agricultural products
There are many resource-based and tradition-based primary processing. With only resting on improving cultivation quality and retaining freshness, the deep processing is few, the deep processing above two times is less, and the added value is not high. Prices of agricultural materials rose too quickly. The price of agricultural products in recent years has been greatly improved, but the price of means of production rose much more than the rate of increase in agricultural prices, and the price of some agricultural materials doubled. The price of agricultural products is relatively low compared with that of other social products. Agricultural products are greatly affected by market fluctuations, poor areas tend to choose a specific agricultural development and does not form a differentiated industry, resulting in the instantaneous expansion of agricultural products supply, triggering a relative surplus, and the occurrence of “low prices for grain hurt the peasants” phenomenon.

3. Exploration of innovation mechanism of agricultural poverty alleviation from perspective of supply-side reform
The structural reform of the agricultural supply-side \(^{[4]}\) is to adjust the supply products, and is the transformation of agricultural production mode. The fundamental purpose of structural supply-side reform is to improve the level of social productivity. From this point of view, the current structural reform of the agricultural supply-side is not only the liberation and development of productive forces, but also the adjustment and improvement of production relations, an innovation mechanism for the poverty alleviation of the agricultural industry as well.

3.1 Intensifying production and management to promote the development of green eco agriculture
In the innovation model of industrialized agricultural operation, a multi-form agricultural vertical integration of benefit linkage and distribution mechanism should be established to form a four-in-one, resource interoperation, organic combination of modern agricultural industrialization management system of family operation, cooperative management, corporate management and industry organizations. Turning the original enterprise-led “company + farmers” industrial management model into the company and cooperatives co-led “company + cooperatives + farmers” industrial management model is a new way to explore the innovation of operating model in the future. The good natural environment and unique human environment in poverty-stricken areas, should farmyard into tourism facilities to get rid of poverty and become rich. The construction of ecological agriculture is conducive to the rational flow of energy, orderly circulation of material in the ecosystem, improving the efficiency of natural resources utilization, providing green ecological products, and ensuring the quality and safety of food.
3.2 Improving the agricultural industry planning and strengthening the industrial development weaknesses [5]

The planning and layout of agricultural industries are improved to develop differentiated products according to their respective resource conditions and comparative advantages, improving the efficiency of agricultural industry development and enhancing their ability to resist risks. A competitive new market main body is cultivated to allow it to lead the development of characteristic agricultural industries in accordance with market economy laws. Meanwhile, serving hardware and software together, we make effective exploration of improving infrastructure in poor areas, raising the level of agricultural science and technology, and innovating the internet poverty alleviation model to stimulate the development potential of poor areas, reduce the risks and costs, and enable the development fruits of characteristic agricultural industries to benefit more poor families, and ensure the successful completion of the task of tackling poverty.

3.3 Establishing an agricultural demonstration base and deepening the mechanism of benefit linkage

On the basis of large-scale planting and breeding bases, relying on the leading enterprises of agricultural industrialization, we gather modern production factors to build the modern agricultural industrial parks of “production + processing + technology”, playing the role of technological integration, industrial integration, entrepreneurial platform, core radiation and other functions. We attract leading enterprises and scientific research institutions to construct and operate industrial parks, and promote the agricultural whole segment upgraded and whole chain value-added. We support farmers through contract farming, stock cooperation, admission to the entrepreneurship and employment, and other forms of participating in the construction and sharing profits. The win-win development of agriculture and enterprises is promoted to raise the effect of reducing poverty through industrial development. The endogenous development of poor farmers is driven to promote their sustainable growth.

3.4 Extending the agricultural industry chain and promoting the integration of primary, secondary and tertiary Industry

The inevitable requirements that our country agriculture develops to current phase are strengthening agriculture, expanding industry, activating service industry, extending agricultural industry chain, promoting industrial integration, and building the whole industry chain of agriculture. With deep excavation of agricultural functions, the primary industry mainly basing on high-quality agricultural products is rapidly developed. And the secondary industry of the intensive processing of agricultural and sideline products, and the tertiary industry which is mainly about sales and circulation of agricultural products, catering services and leisure agriculture, have become an emerging pillar industry to make rural areas prosperous and people rich. The integration of leisure agriculture and rural tourism is promoted. Through extending the value chain of agricultural industry, we will carefully create the “whole industry chain” rural leisure tourism garden which integrates the primary, secondary and tertiary industries, greatly promoting the overall improvement of ecology, production and life quality.

References:


