



#### Research on the Development of Family Farms in Chongqing

LING Long<sup>[a],\*</sup>; YU Shiyong<sup>[a]</sup>; HONG Tu<sup>[a]</sup>; TANG Yan<sup>[a]</sup>

[a]Institute of Economics and Management, Southwest University, Chongqing, China.

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#### **Abstract**

Using the general train of thought of the type study. firstly has analyzed the current situation and problems of the development of family farm in Chongqing, and secondly explored the deep reasons for the problems, finally puts forward the corresponding countermeasures. The results indicates that: In recent years, the family farm in Chongqing develop rapidly, and has obtained certain achievements, but there are still some problems, such as the scale of family farm is small, low degree of organization, weak investment capacity, narrow financing channels, management level is not high, lack of talent, industry distribution area is not outstanding, policy benefit is not wide enough and other issues; the causes of these problems have the restriction of the natural environment, the restriction of land circulation, the restriction of the agricultural socialized service system and the restriction of family farmers' comprehensive quality. Thus, according to the above restriction conditions, this paper puts forward the corresponding countermeasures and suggestions.

**Key words:** Family farm; Management; Land circulation; Financial channels

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#### INTRODUCTION

The household contract responsibility system established in 1978 has greatly promoted the development of

agriculture and rural economy in China, and promoted the process of China's reform and opening. But with the development of social economy in our country, a large number of rural surplus labor transfer to urban secondary and thirdly industry, a large number of rural land have been abandoned, the limitations of the traditional family contract responsibility system are gradually revealed. At present, agricultural development of China faces the most urgent difficult question are: Who is going to farm in the future? Who is going to raise pigs in the future? Who is going to live in the countryside in the future? The key to solve these problems is cultivating a new type of agricultural management subject to promote the moderate scale management, the family farm is an important part of the new type of agricultural management subject. Family farm is based on family members as the main labor, engaged in agricultural scale, intensive, commodity production and management, and the agricultural income as the main source of household income. According to the statistics, in 2013 the ministry of agriculture to determine the 33 rural land transfer standardization management and service pilot areas, there are 6,670 family farms. Family farm based on the traditional agricultural family management, through the transfer of part of the land to expand business scale, providing a new way to increase farmers' income and agricultural production. The central file No.1 of 2013 for the first time clearly put forward: "To encourage and support the contracted land transfer to the professional, family farms, farmers' professional cooperatives, developing various forms of moderate scale management". In October 2013, the Third Plenary Session of the party's eighteen major issues on the comprehensive deepening reform, decided to encourage and support the contracted land transfer to the professional, family farms, farmers' professional cooperatives, developing various forms of moderate scale management. The central file No. 1 of 2014 required the family farm registration according to the principle of voluntary. The central file No. 1 of 2015

<sup>\*</sup>Corresponding author.

also stressed that the main statue of the farmers' family business, encouraged the development of appropriate scale family farms. From a continuous three years of the central file No.1 are mentioned to encourage the development of family farms can be seen, the government pay high attention to develop the family farm in China.

Chongqing is a set of "big cities, large rural areas, large areas, large reservoir area" in a body Municipalities directly under the central government, the urban and rural dual economic structure is obvious, the income gap between urban and rural residents is very large, Chongqing is still in the phase of less developed, still belongs to the less developed regions. Less developed stage of Chongqing is embodied in the agricultural modernization level lags behind, less developed areas are mainly concentrated in the rural areas, the vast majority of poor groups are farmers. Under such realistic background, only to speed up foster family farm and other new agricultural management subject, develop the modern agriculture, and effectively solve the "three rural" issues, and constantly narrow the income gap between urban and rural areas, can achieve the prosperity and stability in rural areas.

This paper is an applied research based on the real agriculture of Chongqing, the background of this paper is the state supporting cultivation, with emphasis on the family farm, new agricultural management subject, speeds up the development of modern agriculture. This paper will attempt to answer such questions: How to choose the development model and the size of the scale of the family farm in Chongqing? What is the current situation of its development? What are the main constraints? How to promote the development of family farms in Chongqing? This thesis has some theoretical and practical value, so as to provide scientific and effective theoretical and policy basis for the cultivation and development of the family farm in Chongqing.

# 1. THE PRESENT SITUATION AND PROBLEMS OF FAMILY FARM DEVELOPMENT IN CHONGQING

The development of family farm in Chongqing started late, but developed rapidly, combined with their own practical exploration. Chongqing Municipal Agricultural Commission in the foster family farm development guidance clear the definition of family farms, basic conditions, the demonstration of the family farm production and operation scale standard and supportive measures. Related departments and counties based on the principle of "the production of scale, the product has the market, the operation of the site, facilities are supporting, management system, farmers have income", actively cultivated family farms, so the development of family farm in Chongqing has entered the high-speed development period.

According to the baseline investigation in family farm of Chongqing Municipal Agricultural Commission in 2013, the preliminary statistics show that a total of 8,955 family farm, including 2,774 farming family farm, 5,468 aquaculture family farm, 669 combination of planting and breeding of family farm, family farming management of cultivate land area of 79.8 million mu, total labor force 4. 1 million. By the end of 2014, the total number of family farms in Chongging reached 11,444, a 27.79% increase over 2013, among them 150 municipal demonstration farms, 3,382 registered in the industrial and commercial sector. Overall, the Chongqing city to support the development of family farm policy is clear, the enthusiasm of farmers develop family farms is high, But there are many problems in the process of the family farm development, such as the scale of family farm is small, low degree of organization, weak investment capacity, narrow financing channels, management level is not high, lack of talent, industry distribution area is not outstanding, policy benefit is not wide enough and other issues.

## 1.1 The Scale Structure of the Family Farm in Chongqing

By the end of 2014, Chongqing family farm land management area is 750,402.4 acres and average operating area is 65.57 acres, up to the 60 acres of households south of moderate scale management standard, more than 10 times than ordinary farmers. The total number of family farms engaged in food production is 1,545, which area of land management in the 50-200 mu have 1,259, accounted for 81.49%; area of land management in the 200-500 mu have 244, the proportion was 15.79%; area of land management in more than 500 acres of family farms accounting for 2.72%.

All the family farms In Chongqing, 3,563 family farm's annual sales less than 100,000 yuan, accounting for 31. 9% of the total number of family farm; 5,242 family farm's annual sales in 100,000-5,000,000 yuan, accounting for 45. 8% of the total; 1973 of the total, the total of 17.2% in 50-100 million; 576 family farm's annual sales more than 1,000,000 yuan, accounting for 5.1%. Overall, most of the family farm's annual sales less than 500,000 yuan, on a smaller scale, to be through various policies and the use of advanced agricultural machinery to promote the development of the family farm.

## 1.2 The Industrial Distribution of Family Farm in Chongqing

In order to actively develop the family farm in Chongqing, Chongqing choose leading industries and local characteristics of the industry to promote it, such as grain and oil, vegetables, animal husbandry, citrus. In 2014, the industry distribution of the family farm in Chongqing City is centralized in planting industrial and animal husbandry industry. 3,922 Planting Industrial (Food Industrial 1,545), accounting for 34.27% of the total; 5,404 animal husbandry industry, accounting for the total of 47. 22%;

others industry accounting for less than 20%, including 968 fishery, 887 combination of planting and breeding and 263 other types, accounting for 8.46%, 7.75% and 2.30% of the total respectively.

## 1.3 The Constitution of the Family Farm's Worker in Chongqing

Family as the basic unit organization of the family farm, the family member is the labor object of the family farm. By the end of 2014, the labor force of family farms in Chongqing was 58,702, of which the family members was 39,332, accounting for 67% of the labor force. Due to the seasonal characteristics of agricultural production, agricultural mechanization is not high, so at the peak of the agricultural production and operation, most of the family farms need to hire a small number of unskilled workers and technicians. About 19,370 workers were employed by the family farm of Chongqing in 2014, accounting for 33% of the labor force of family farms. From the average, each family farm in Chongqing has its own labor force 3.4, hired labor force 1.7.

## 1.4 The Situation of Accepting Policy Support of Family Farm in Chongqing

In 2014, Chongqing municipal government invested 10 million yuan as the special funds for the development of family farms, focusing on supporting the development of the 100 model family farms. By the end of 2014, Chongqing has 1268 family farms obtained the financial support funds, 780 family farms obtained loans, the loans amounted to 95.775 million yuan. A total of 615 family farms get less than 0.2 million yuan, accounting for 78.85% of getting loans family farm; 142 family farm obtained 0.2 million yuan to 0.5 million yuan loans, 23 family farm obtained more than 0.5 million yuan loans. Thus, family farm in Chongqing obtains loans support benefited range is relatively narrow, only 6. 82% family farms were supported by the loans.

#### 2. CONSTRAINTS ON THE DEVELOPMENT OF FAMILY FARMS IN CHONGQING

#### 2.1 The Natural Environment Restriction

The average size of the family farm in Chongqing is 65.57 mu, the average size reach to the Southern family farms' average size, but significantly lower than the national average, which is closely related to the special geographical features and natural resources of Chongqing. Chongqing is a mountainous area, where the land is full of high mountains and steep slopes, at the same time the poor quality of arable land, the land phenomenon of the fragmentation is common in this area. The natural environment significantly affected the scale operation and the degree of mechanization of the family farms, at the same time the low efficiency of agricultural production

makes more farmers are reluctant to engage in agriculture in rural, rural land was abandoned, coupled with the land transfer system is not perfect, the speed of the land transfer is too slow, the abandoned land was unprotected by anyone, cultivated land quality degradation, resulting in a waste of land resources. And the development of family farms have higher requirements on the infrastructure facilities, such as the farmland water conservancy and transportation, but lack of corresponding irrigation and irrigation facilities in rural areas of Chongqing, the agriculture in Chongqing has not got rid of the situation of "weather".

#### 2.2 Poor Circulation of Rural Land Restriction

The important factors of ensuring the stable development of family farms are the circulation of rural land in the long term. In 1980s, Chongqing began to transfer rural land, the land transfer process was accelerated in recent years, at the end of June in 2013, the total area of farmland transfer in Chongqing reached 13.23 million acres. However, the relevant laws and regulations of the land transfer are not perfect, there is no specific provision of rights and obligations which is related to the contractor, operator and the owner of the land after the transfer. Due to the property right of the rural land is not clear, coupled with the rural social security system is not perfect, farmers will be regarded the land as the most basic life safeguard, many farmers do not want to give up the right of the land management, also don't want to lease their land in the long-term. In the actual process of land transfer in Chongqing, there is an uncertainty about the land transfer period, such as the long term of the project need the actual transfer period, but the uncertainty of the land transfer period will make the farmers dispersed and confused management, affecting the health of the rural land transfer.

## 2.3 The Agricultural Socialized Service System Is Not Perfect

Perfect agriculture socialization service system plays an important role in the sustainable healthy development of the family farm. Providing socialized services for agriculture in Chongqing mainly in agricultural technology promotion, agricultural machinery subsidies, technical consulting and agricultural insurance, the agricultural socialized service system is not perfect, the power of support is too weak, especially the professional services and professional experts quantity is too weak for emerging family farm, the service efficiency is not high. Chongqing agricultural socialized service system is not perfect mainly manifested in the following aspects, firstly, the agricultural machinery and agricultural extension service ability is weak, secondary, the agricultural distribution service does not reach the designated position, thirdly, the agricultural insurance service is not full implementation, fourthly, the agricultural information service pertinence is not strong.

### 2.4 Poor Comprehensive Quality of the Family Farmers and the Labor

Compared with the traditional farmers, the family farmers need to have high comprehensive quality. To make the family farm stable operation, family farmers besides should have professional skills, farming experience, they still need to have a certain market operation ability and management ability, food safety consciousness and legal consciousness is also indispensable. By the investigation of the family farm in Chongqing realized that most family farmers' age is between 40 to 60, cultural level is not high, only a few family farmers get a college degree. Most of them conduct agricultural production follow their traditional ideas and ways, lack of understanding of the modern marketing concept, there is resistance among them to use modern information technology, failed to form clear ideas of modern family farm which is taking good use of their own characteristic resources. Family farmers' comprehensive quality is not high also leads to the understanding of policy is opaque, missed the opportunities to apply for enjoying preferential policies support, due to not familiar with loan financing program makes they have to give up applying for low-interest loans from Banks and other financial institutions, etc. At the same time, with the rapid advancement of urbanization process, a large number of rural labor force continues to shift, especially the young adults, makes the agriculture labor force older.

# 3. THE FIVE FUNCTIONAL AREAS FAMILY FARM INDUSTRY LAYOUT IN CHONGQING

Around the depth implementation of the five functional areas development strategy, put forward the further optimization of the agricultural area layout and industrial structure in Chongqing, which idea is: The function of radiating and driving play give full play to urban core, cultivating agricultural science and technology heights, actively developing ornamental agriculture and intelligent agriculture; the urban development zone need to speed up the development of urban modern agriculture, which is satisfied to the urban diversity multi-level consumer demand for agricultural products; city development zone should make good use of its agricultural resources, paying more concentrate on the main production of agricultural products, developing the suburban benefit agriculture with modern characteristics; Northeast of Chongqing and southeast of Chongqing is the biological conservation area, so it have to deeply dig into the ecological resources, according to local conditions, developing effective agriculture with ecological characteristics.

Accordingly, family farm industry layout of five functional areas in Chongqing also revolves around its location. Developing urban family farm which is mainly about the experience and intelligent agriculture in the core function area in city, raising the citizens' attention and participation, establishing the wider range of financing channels, leading the development of family farm better and faster; the family farm in the expanded function area in urban should give more attention to meet the multilevel personalized consumers' demand of the product category, combining with the development of leisure tourism agriculture operation forms, strengthening the environmental transformation, carrying out various business; city development zone, with the advantages in the respective characteristic, want to accelerate the development of the family farm should pay more attention to the planting and farming combined family farms; to develop the family farm in the biological conservation area, forestry is given priority to, cultivated and combining with the class as the auxiliary pole. At the same time, guiding various types of agricultural management subject, such as the family farm and professional investors, farmers' professional cooperative organization and agricultural industrialization leading enterprises, accept each other, complement each other, intertwined to form a multiple-layered new agricultural management system.

## 4.COUNTERMEASURES AND SUGGESTIONS

#### 4. 1 Strengthen the Support

Further increase the special policy and financial support for the development of the family farm, integrating various policy which covered encourage entrepreneurship, poverty alleviation, rural financial development and relevant policies. Relaxing the family farm enjoy relevant preferential policies are faced with the conditions that limit threshold, guiding modern production elements, such as the urban capital, technology, information, talents and management, flow to agriculture and rural areas, leading the family farm in the steady development of agriculture.

Paying attention to the model family farms' specific demonstration leading role. Supporting the conditional family farm constructs the experimental demonstration base, as a model household in agricultural technology, implementing the projects of agro-technical popularization.

In the optimization of rural financial services should encourage financial institutions outlets to rural area, expanding the rural basic financial coverage. Implementing of loan portfolio model which makes good use of the "commercial loans" and policy loans, simplifying the notification procedures, to improve the availability of financial services to the family farm. On the one hand, should actively explore the rural property mortgage, loan guarantees mechanism; on the other hand

also need to actively explore the commercial banks' agricultural loans and the agricultural insurance.

## 4.2 Promoting the System of Rural Land Circulation

Further improving the system of land ticket, we will prudently push farmers voluntary exit land reclamation. Establishing rural property rights circulation market, revising the rural property disposal, land and other supporting policies, making the land circulation work base on the basic laws or regulations, avoiding the occurrence of disputes in the process of land circulation, guiding agricultural land management rights well-organized circulation, guiding the moderate scale management of agriculture.

Combined with the implementation of farm land improvement project, taking the form of land replacement each other to adjust the land, changing the decentralized management of land, forming the scale management is in favor of management. The government has to give the necessary guidance in the process of concrete replacement, under the condition of the farmers voluntarily, gradually promoting the farmland to the medium-sized family farms, guiding the labor transfer reasonable, optimizing the allocation of resources.

## 4.3 Strengthening the Agricultural Infrastructure and Improving the Agricultural Socialized Service System

Improving financial capital investment is to strengthen agricultural infrastructure, encouraging agricultural machinery scientific research units develop the farm tools which are well adapted to the hilly mountain characteristics of Chongqing, promoting the family farm mechanization level of operation.

Improving the rural agricultural science and technology service system, taking good use of the function of the agro-technical station and the function of the rural supply and marketing cooperatives at the gross-roots level. Improving the intelligent level of agricultural production. Improving the organization scale of the family farm. Strengthening exchanges and cooperation between the family farm by the family farm association, encouraging the rational flow of various factors and resources of production among the family farms, especially the exchanges and cooperation in the agricultural machinery, supporting facilities, agricultural technology, funds and other aspects.

## 4.4 Promoting the Comprehensive Quality of Family Farmers

Speeding up the development of rural education, especially the development of the vocational education. Completing the system of agricultural vocational education, encouraging family farmers through a variety of forms to join in the higher vocational education to improve educational background, professional qualification certificate or farmers technical titles of family farmers shall be rewarded.

Integrating of all kinds of vocational training resources, improving the vocational training information level, encouraging family farmers engage in online education. Implementing the new farmers cultivate engineering, family farm talents should be brought into the new professional farmers training, the training content including market forecast and risk assessment, training a large number of family farm operators with literate, understands technology and good management. Strengthening overall development at the gates, guiding the rural and urban labor with culture, technology, and market economy conception in agricultural employment entrepreneurship. Developing the new type of agricultural management subject, such as the family farm, combined with the regional economic development and local characteristics industry, leading the industry convergence development. Attracting college graduates into the construction and operation of the family farm, for those college graduates should be engaged into the "college graduates entrepreneurship leading plan" to be supported. Supporting the veterans and migrant workers return home to operate entrepreneurship, For this part of the crowd shall implement a system of tax cuts and lower cost.

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