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How to Increase the Farmers' Income in Rongchang County?

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Abstract The farmers' income growth in Rongchang County is mainly from the family business and wage income, accounting for 55.4% and 37.9%, respectively; the growth rate of rural per capita net income increased from 12.4% in 2005 to 17.6% in 2010, close to or higher than Chongqing's average but lower than the level of adjacent districts and counties such as Yongchuan; the absolute value of net income in Rongchang increased from 3426 yuan to 6755 yuan, less than in other districts and counties similar to Yongchuan in Chongqing, far less than in the other three municipalities (up to 6991 yuan). The slow farmers' income growth is affected by multiple factors such as overall low quality of the rural labor force, county industrial structure and difficulties in transferring a large number of rural surplus labor forces. It is necessary to improve the quality of farmers, strive to adjust the agricultural structure, and develop rural cooperative economic organizations, in order to increase farmers' income.

Key words Farmers' income growth, Rongchang County, Current situation, Recommendations

1 Introduction

One of the key issues concerning the "Twelfth Five-Year Guideline" is to do everything possible to increase farmers' income, but the large rural population is China's basic national condition. China has achieved seven consecutive years of steady increase in grain yield for the first time over four decades, and the per capita net income of farmers has exceeded 5000 yuan, and maintained a high growth rate for seven consecutive years^[1]. However, a variety of traditional and non-traditional challenges loom large in front of us, and the demands on transforming the mode of agricultural development have become increasingly high. In 2010, the CPC Central Committee and the State Council issued a number of opinions on increasing efforts to coordinate urban and rural development, and further consolidate the foundation of agricultural development in rural areas^[2]. In face of the current reality, it is necessary to put forth targeted measures for farmers' income growth based on the objective situation of issues concerning agriculture, countryside and farmers as well as the theories of regional comparative advantage, agricultural and county economic development. It is a major issue to be actively explored and solved by all counties in China in accordance with the actual conditions.

2 Current situation of farmers' income growth in Rongchang County

2.1 Overview of Rongchang County Rongchang County is a county of Chongqing Municipality, China. The county, with a population of 800000, is located in the west of Chongqing. It borders Dazu County and Yongchuan District of Chongqing in the east, Longchang County of Sichuan Province in the west, Luzhou

City of Sichuan Province in the south, and Neijiang City and Anyue City of Sichuan Province in the north. It has a well-developed transportation system, with Chengdu-Chongqing Railway and highways traversing the whole region. It administers 18 towns, 3 streets, 209 administrative villages and 41 communities. The landscape in the whole regions is dominated by hills. It has a humid subtropical monsoon climate, which brings abundant water resources and 325 million cubic meters of runoff in the county^[3]. The county boasts rich industrial and agricultural production resources as well as livestock and tourism resources.

2.2 Current situation of farmers' income growth in Rongchang County

2.2.1 Current situation of farmers' income growth in recent years and agricultural production indicators in Rongchang County. The economy of Rongchang County has been booming in recent six years (see Table 1). Table 1 shows that the county's agricultural population hovers around 640000, and there is an onerous task of rural surplus labor transfer; the absolute number of rural per capita net income showed an increasing trend annually, from 3426 yuan in 2005 to 6755 yuan in 2010; the growth rate of rural per capita net income increased from 12.4% in 2005 to 24.1% in 2007, but declined by 19.1%, 11.4% and 17.6% in 2008, 2009 and 2010, respectively; the county GDP steadily increased to 15.99511 billion yuan, and the added value of three industries gradually increased; the area of arable land decreased to 47929 ha; the total agricultural output value increased to 3.73695 million yuan, and the output value of animal husbandry fluctuated.

2.2.2 Comparison of farmers' income growth in Rongchang County, entire country and relevant districts and counties in Chongqing. The advantages and disadvantages coexist in the absolute value of rural per capita net income in Rongchang when compared to whole country, other municipalities and Chongqing (Fig. 1). As can be seen from Fig. 1, the gap between rural per capita net income in Rongchang and the national average continued to narrow, and it was higher than the national average and

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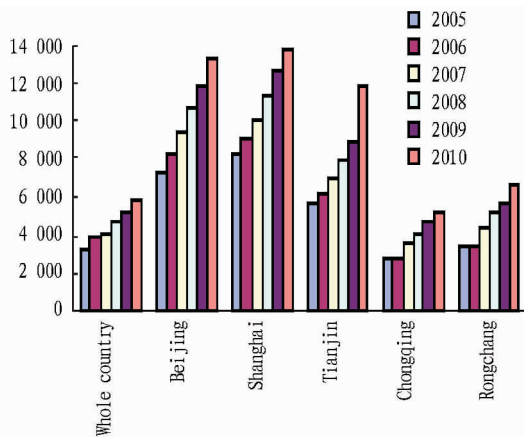
Chongqing's average in 2010, but compared with other similar districts and counties in Chongqing, there was still a long way to go. In 2010, the rural per capita net income was 7100 yuan in Yongchuan District, 7019 yuan in Tongliang County, 7038 yuan in Jiangjin District, 7142 yuan in Bishan County and 8960 yuan in

Nan'an District, but 6755 yuan in Rongchang. Compared with other three municipalities, it lagged far behind. Therefore, it is very urgent to find the major constraints on farmers' income growth and increase farmers' income.

Table 1 The agricultural production indicators in recent six years in Rongchang County

Indicators	2005	2006	2007	2008	2009	2010
GDP (10 ⁴ yuan)	598623	666752	857570	1129248	1299825	1599511
Added value of growth rate of rural per capita net income (10 ⁴ yuan)	150778;229701; 203715	144715;286289; 230035	190023;397041; 263792	213917;563258; 323142	224792;694803; 380230	261587;904116; 433808
Growth rate of three industries (%)	25.8;39.3; 34.9	21.9;44.8; 34.8	22.3;46.7; 31.0	19.4;51.2; 29.4	17.3;53.5; 29.2	16.4;56.5; 27.1
Agricultural population(10 ⁴ persons)	65.6761	65.5563	64.8257	64.5631	63.7873	62.48
Area of arable land (ha)	52962	53090	55005	464411	47264	47929
Total agricultural output value (10 ⁴ yuan)	227971	207246V	273845	310758	319650	373695
Rural per capita net income (10 ⁴ yuan)	3426	3488	4329	5156	5744	6755
Growth rate of rural per capita net income (%)	12.4	1.8	24.1	19.1	11.4	17.6
Output value of agriculture and animal husbandry (10 ⁴ yuan)	97135; 108395	88305; 98541	111982; 138688	114515; 169513	134328; 153453	168766; 167804
Ratio of output value of agriculture and animal husbandry	47.3;52.7	47.3;52.7	44.7;55.3	40.3;59.7	46.7;53.3	50.1;49.9

Data source: *National Economic and Social Development Statistics Bulletin in Rongchang County from 2005 to 2010* released by Rongchang Bureau of Statistics.

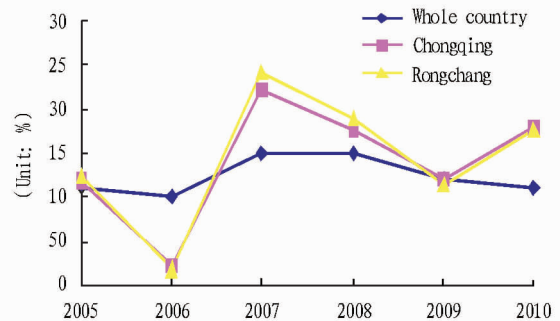


Data source: *National Economic and Social Development Statistics Bulletin* (2005–2010) released by National Bureau of Statistics of China, and Bureau of Statistics of Beijing, Shanghai, Tianjin, Chongqing and Rongchang; the per capita income growth does not exclude the price changes.

Fig. 1 Changes in the rural per capita net income in Rongchang, whole country and municipalities from 2005 to 2010 (without excluding the price factor)

The growth rate of rural per capita net income in Rongchang County fluctuated from 2005 to 2010 (Fig. 2). From Fig. 2, it can be found that the growth rate of rural per capita net income was only 1.8% in 2006, far below the national average, but was slightly higher than the national average in the remaining years;

due to the low level of farmers' income in Chongqing's "Two-Wing" Economic Zone, the growth rate of farmers' per capita income in Rongchang was close to or above the average growth rate of Chongqing.

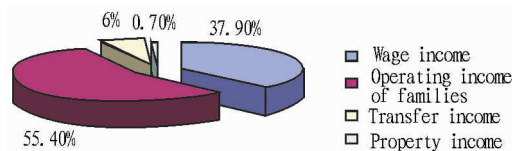


Data source: *National Economic and Social Development Statistics Bulletin* (2005–2010) released by National Bureau of Statistics of China, and Bureau of Statistics of Beijing, Shanghai, Tianjin, Chongqing and Rongchang; the per capita income growth does not exclude the price changes.

Fig. 2 The growth rate of rural per capita net income in Rongchang, whole country and Chongqing from 2005 to 2010 (without excluding the price factor)

2.2.3 Comparison of farmers' income structure in Rongchang County and whole country as well as relevant districts and counties in Chongqing. From the farmers' income structure, the changing trend is similar to that of whole country and relevant districts and

counties in Chongqing, and the farmers' income structure in Rongchang County becomes gradually diversified. From recent data, the wage income accounts for about 42% in the farmers' income structure in Chongqing, operating income of families accounts for about 49%, and transfer and property income accounts for about 9%^[4]. The per capita net income was 6755 yuan, an increase of 17.6%; the per capita wage income was 2561 yuan, accounting for 37.9%, an increase of 24.2%; per capita operating income of household was 3739 yuan, accounting for 55.4%, an increase of 11.1%; per capita transfer income was 406 yuan, accounting for 6.0%, an increase of 32.1%; property income only accounted for 0.7%^[5]. By comparing the contribution rate of various types of income to rural per capita net income, it is not difficult to see that the proportion of family operating income declines, most of incomes are from farming and animal husbandry, and contribution rate of forestry and aquaculture with better economic benefits needs to be urgently improved. Conspicuously, transferring rural surplus labor and promoting the development of animal husbandry is of important significance to increasing farmers' income.



Data source: *Rongchang Economic and Social Development Statistics Bulletin* (2010) released by Rongchang Bureau of Statistics.

Fig. 3 The contribution of various types of income to rural per capita net income in Rongchang County in 2010 (without excluding the price factor)

3 The main constraints on farmers' income growth in Rongchang County

3.1 Generally low quality of the rural labor force Due to the limitations of scientific and cultural quality, farmers can not grasp the market demand information and new product variety information in a timely manner. Field surveys show that in the late 1990s, Rongchang County once regarded Tonggu Town as the grapefruit planting base to develop forestry, and farmers planted grapefruit like a swarm of bees. However, when the grapefruit in Tonggu Town did not fruit, Fujian grapefruit and Zhangzhou grapefruit flooded the market of Chongqing and Rongchang, and Tonggu grapefruit was not as good as Fujian grapefruit and Zhangzhou grapefruit in terms of taste and appearance, so the income growth plan depending on grapefruit miscarried.

3.2 Low degree of organization of farmers It lacks more effective forms of organization between the existing decentralized rural production in Rongchang County and fickle big market. According to the survey, although the county has built more than 200 cooperatives and 116 comprehensive service associations, the actual operating results are unsatisfactory, because the interest body is independent and it does not truly act as an intermediary. The low degree of organization of farmers and dispersed production and

management mode have limited the farmers' transaction mode, and resulted in the lack of market competitiveness and self-protection force in face of unfair competition.

3.3 Irrational industrial structure and inadequate extension of agricultural industrial chain Table 1 shows that the traditional agriculture still holds a considerable part, and the development of the secondary and tertiary industries is not very good. There is still a big gap between the industrial enterprises in Rongchang County and the industrial enterprises in Yongchuan District; farming and breeding industry still occupy a large share in farmers' income sources. The current low level of rural urbanization, rural industrialization, agricultural industrialization and agricultural technology has undoubtedly caused difficulties in increasing farmers' income^[6].

3.4 Difficult transfer of rural surplus labor force Currently, the county has an agricultural population of over 600000 and about 50000 rural surplus labor forces need to be urgently transferred. The transfer of surplus labor is closely related to urbanization, but the development of county urbanization still lags behind that of neighboring districts and counties such as Yongchuan and Jiangjin. As put by Deng Yiming, too small urban scale will cause imperfect urban functions of small towns and affect the role of small towns in driving the development of rural economy and the surrounding areas, leading to high costs of investment in social undertakings, infrastructure and utilities, single urban structure, insufficient employment opportunities, and lack of attraction for the population^[7].

4 Recommendations for farmers' income growth in Rongchang County

4.1 Improving the quality of farmers to cultivate socialist new farmers Strengthening farmers' quality education is an important strategic way to fundamentally solve issues concerning agriculture, countryside and farmers in the new era, and a key point to increase farmers' income^[8]. Currently, it is necessary to increase investment in rural education and vigorously promote the county vocational and technical education in order to improve the quality of the rural labor force. There is a need to focus on the secondary vocational education within the county, adopt various forms to develop vocational education based on local animal husbandry, tourism, vegetable base and other resource advantages, and focus on improving vocational training for the rural labor force and vocational guidance level after the training.

4.2 Increasing efforts to adjust the agricultural structure in order to promote agricultural industrialization

4.2.1 Adjusting the internal structure of farming. From the internal structure of farming obtained from field sampling (rice: wheat: corn: sweet potato: rape: peanuts = 27.2:16.8:13.7:15.4:13:8.4), we can find that the traditional food crops in some towns occupy the majority of farming. To increase farmers' income, it is imperative to adjust the internal structure of farming. It is necessary to increase the cultivation of ginger, bamboo

shoots, rapeseed, peanuts and other cash crops, grasp market information to ensure efficient development of farming, and adjust the internal structure of farming to increase farmers' income.

4.2.2 Vigorously developing forestry economy. According to the terrain and soil conditions in the county (many hills and shallow soil), some land is not suitable for the cultivation of food crops but conducive to the development of forestry economy. It is necessary to vigorously accelerate the development of forestry, actively introduce high-quality varieties and promote the development of high-quality forestry economy such as tea industry and *Dendrocalamus latiflorus* industry. We can adopt the "company + farmers" model to make farmers and company sign a contract. The company purchases tea, *Dendrocalamus latiflorus* and citrus from farmers, and then conducts deep processing of them. This will promote employment and achieve *in situ* transfer of some rural surplus labor forces, thereby increasing farmers' income.

4.2.3 Relying on national demonstration core area of modern animal husbandry to promote better development of breeding and processing industry. The modern animal husbandry demonstration area is the animal husbandry industrialization-led model established based on regional economic development and the theory of comparative advantage, with the purpose of achieving integrated functions of regionalization, specialization, industrialization, modernization and demonstration. Currently the modern animal husbandry demonstration area established in China is Chongqing, and the first core area of modern animal husbandry demonstration area is set up in Rongchang County by the Ministry of Agriculture. It has been officially built since the second half of 2009. Based on many years of rapid development, Rongchang County has formed multiple comparative advantages in livestock and poultry species resources and animal science. It is necessary to adopt factor contract or market contract to promote the industrialization of animal husbandry and increase farmers' income.

4.2.4 Developing characteristic ecological agriculture to accelerate the development of rural tourism. The county can build the characteristic ecological manor to develop a variety of rural tourism models in order to develop enhance the development of rural tourism, achieve local transfer of rural surplus labor force and increase farmers' income. Relying on Lanfeng Forest Farm with good forest vegetation, Maqueyan Reservoir in Panlong Town, Ancient Lukong Town and other eco-tourism resources, it is necessary to adopt various tourism models such as rural organization type and "company + farmers" to create "weekend economy" and "holiday economy"^[9] and build the county into a tourist resort with distinctive features. It is also necessary to focus on the construction of supporting tourist facilities in the area, to form a business model integrating sight-seeing, leisure, catering and accommodation, thereby effectively promoting the development of related industries.

4.3 Cultivating and strengthening the rural cooperative economic organizations to improve the degree of organization of farmers The degree of organization of farmers in Rongchang

County is low, which directly affects agricultural industrialized operation, thereby affecting farmers' income growth. So it is necessary to strive to develop and strengthen the rural cooperative economic organizations and improve the degree of organization of farmers. Meanwhile, the new rural cooperative economic organizations need the active guidance and support of government. Various circles of society should take action in succession to make "develop rural areas through urban development" and "develop rural industry to subsidize agriculture" become the consensus of the whole society^[10]. Only by jointly promoting the construction of rural economic organizations and improving the degree of organization of farmers can we increase farmers' income.

4.4 Giving full play to the role of county government in guiding the farmers' income growth based on county situation Government should invest public funds to strengthen the transport and other types of public infrastructure, and increase farmers' income. First of all, it is necessary to pay close attention to the construction of rural infrastructure. An important cause of slow farmers' income growth in the region is inadequate construction of rural infrastructure. Secondly, it is necessary to deepen the degree of agricultural mechanization. The topography within Rongchang County makes it difficult to operate heavy machinery, and the farming is relatively backward, so it is necessary to strengthen the rural mechanization and introduce small tillers and harvesters to improve labor productivity. It is also necessary to improve the county investment environment to attract more foreign investments in order to promote the level of industry and services, with the purpose of better solving the transfer of rural surplus labor force and increasing farmers' income.

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