The Current Situation and the Development Strategies of Rubber Farmer Cooperatives in Hainan Province

Huide HUANG¹, Wanzhen ZHANG²*, Xizhu ZHANG², Haolun HUANG¹
1. Institute of Scientific and Technical Information, CATAS, Danzhou 571737, China; 2. CATAS, Haikou 571101, China

Abstract This article describes the distribution, member structure and industrial operation structure of the rubber farmer cooperatives in Hainan Province, and points out some problems in the cooperatives, such as small member scale, unbalanced regional development, lack of standardization in operation, and industrial operation structure imbalance. Finally some development strategies are put forward as follows: building large-scale cooperatives; attaching importance to the development of rubber farmer cooperatives, standardizing the cooperatives management, and guiding the adjustment of operating structure of rubber farmer cooperatives; attracting the college graduates to work in the cooperatives.

Key words Rubber, Farmers, Cooperatives, Current situation, Development strategies

Since the large-scale cultivation of natural rubber in the 1950s, the natural rubber has always been regarded as the important and strategic material. The rubber planting area now ranks third in the world, and the rubber production ranks sixth in the world. In 2012, the rubber planting area in China reached 1.13 million km², and the yield was 0.8022 million t. China now has more than 100 rubber planting farms and 0.2 million rubber planting households. There are more than 3 million people engaged in the natural rubber industry, and the rubber farmer cooperatives are also continually developed. This article describes the current situation of rubber farmer cooperatives in Hainan Province, and puts forth corresponding development strategies.

1 Overview of rubber farmer cooperatives in Hainan Province

1.1 Distribution of rubber farmer cooperatives in Hainan Province In today’s market economy, the state still insists on the protection and support for the domestic natural rubber industry, promotes the development of the natural rubber industry to ensure the security of supply of natural rubber, and takes increasing the rubber farmers’ income and enhancing the competitiveness of natural rubber industry as the core.

Hainan Province is China’s largest production base of natural rubber. As of September 2012, there were 322 registered farmer cooperatives specializing in natural rubber operation, approximately accounting for 5.29% of total cooperatives in the province. The distribution of rubber farmer cooperatives in Hainan Province is shown in Table 1.

Table 1 The distribution of rubber farmer cooperatives in Hainan Province

<table>
<thead>
<tr>
<th>Cities and counties</th>
<th>Number of cooperatives</th>
<th>Proportion in the province/%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danzhou City</td>
<td>201</td>
<td>62.61</td>
</tr>
<tr>
<td>Qionghai County</td>
<td>8</td>
<td>2.49</td>
</tr>
<tr>
<td>Haikou City</td>
<td>7</td>
<td>2.18</td>
</tr>
<tr>
<td>Wanning City</td>
<td>7</td>
<td>2.18</td>
</tr>
<tr>
<td>Lingao County</td>
<td>6</td>
<td>1.87</td>
</tr>
<tr>
<td>Sanya City</td>
<td>4</td>
<td>1.25</td>
</tr>
<tr>
<td>Wuzhishan City</td>
<td>3</td>
<td>0.93</td>
</tr>
<tr>
<td>Ledong County</td>
<td>1</td>
<td>0.31</td>
</tr>
<tr>
<td>Dongfang City</td>
<td>1</td>
<td>0.31</td>
</tr>
<tr>
<td>Lingshui County</td>
<td>1</td>
<td>0.31</td>
</tr>
<tr>
<td>Total</td>
<td>321</td>
<td></td>
</tr>
</tbody>
</table>

1.2 Member structure of rubber farmer cooperatives There are few members in the rubber farmer cooperatives in Hainan Province, and the cooperatives with only 5 members are the majority. For the rubber farmer cooperatives in Danzhou City, the greatest number of members is 70.

Among the 201 rubber farmer cooperatives in the city, there are 106 cooperatives with the scale of 5 members, accounting for 52.74%; there are 72 cooperatives with the scale of 6 to 10 members, accounting for 35.82%; there are 14 cooperatives with the scale of 11 to 20 members, accounting for 6.97%; there are 6 cooperatives with the scale of 21 to 40 members, accounting for 2.98%; there are 3 cooperatives with the scale of more than 41 members, accounting for 1.49%. Member structure is shown in Fig. 1.

1.3 The operating structure of rubber farmer cooperatives

Most of the rubber farmer cooperatives are production and marketing cooperatives, followed by purchasing and marketing cooperatives and planting cooperatives. For example, there are 201 rubber farmer cooperatives in Danzhou City, 81 of which are produc-
2 The problems in the rubber farmer cooperatives of Hainan Province

2.1 Small member scale For many rubber farmer cooperatives, the number of members reaches only the minimum quorum of 5, and the rubber farmer cooperatives with the membership size of 5 account for more than 50%.

For example, there are 201 natural rubber farmer cooperatives in Danzhou City, accounting for 62.61% of the province’s natural rubber farmer cooperatives, widely distributed in the city’s 14 towns.

The cooperatives with the member scale of 5 in the city account for 52.74%; the cooperatives with the member scale of 6 to 10 account for 35.82%. There are only 3 cooperatives with the member scale of more than 41; Nawang Production and Marketing Rubber Farmer Cooperative has 70 members, Fureng Purchasing and Marketing Rubber Farmer Cooperative has 58 members; Shiwu Youli Purchasing and Marketing Rubber Farmer Cooperative has 50 members.

2.2 Unbalanced regional development The development of rubber farmer cooperatives is unbalanced in the cities and counties of Hainan. The development of rubber farmer cooperatives in Danzhou City is rapid, while the development of rubber farmer cooperatives in other cities and counties is relatively slow. There is only one rubber cooperative in Dongfang City, Ledong County, Baoting County, Changjiang County, and Wenchang City have no rubber farmer cooperative.

The rubber planting area of Qiongzhong County, Baisha County, and Qionghai City is in the forefront in the province, but both the total amount of cooperatives and coverage are low.

For example, in Qiongzhong County, the rubber planting area accounts for 10.61% of total planting area in Hainan Province, second only to Danzhou City, and at present, more than half of the towns have not yet established the natural rubber farmer cooperatives.

2.3 Lack of standardization in operation The scale of rubber farmer cooperatives is generally small, and most of the cooperatives only have 5 to 10 members, leading to imperfect organizational structure and unsound democratic management and supervision.

The financial management system is not perfect, and the form of services of cooperatives only stays at the technical guidance relying on the traditional production experience. There is no actual operation on the services of providing low-cost production materials for the members and establishing sales channels. The daily operation of cooperatives is primarily controlled by a handful of people, and the ordinary members’ participation is not enough.

2.4 Imbalance of industrial operation structure At present, the rubber planting area in Hainan Province is about 530000 km², and the planting area of state-owned farms is slightly less than the planting area of local private farms. In this course of rapid development of private rubber industry, there is a shortage of links connecting purchasing, processing and trading, resulting in industrial operation imbalance.

For example, more than 95% of rubber farmer cooperatives in Danzhou City are for local private rubber industry. Among the 201 rubber farmer cooperatives in the whole city, there are 144 rubber production and marketing cooperatives, accounting for 71.64%; there are 57 rubber planting cooperatives, accounting for 28.36%. The rubber production, purchasing and marketing cooperatives are 43.28% more than planting cooperatives, leading to imbalance of rubber industrial operation structure.

3 Strategies for the development of rubber farmer cooperatives in Hainan Province

3.1 Building large-scale cooperatives The cooperation purpose of farmer cooperatives is to play the active role of economies of scale. The large scale cultivation is conducive to unifying agricultural production and management service sites and facilities, unifying the procurement and supply of agricultural production materials, unifying production quality safety standards and training services, unifying processing, transportation, storage and other services, and unifying the certification of product and origin.

It is necessary to build large-scale cooperatives to make the number of members and rubber planting area reach a certain scale, standardize management and production, and implement market-based distribution, so that the production and management
3.2 Attaching importance to the development of rubber farmer cooperatives The development of rubber farmer cooperatives helps increase farmers’ income, improve the overall quality of the rubber industry, and promote the modernization of the rubber industry. Currently, the development of rubber farmer cooperatives of the cities and counties is unbalanced and slow; there are over one million people engaged in the rubber industry in Hainan Province, but there are only 300 rubber farmer cooperatives.

It is necessary to attach importance to playing the guiding role of policy and service role of the government, especially for Dongfang City, Ledong County and Lingshui County having only one rubber cooperative, and Baoting County, Changjiang County and Wenchang City having on rubber cooperative.

3.3 Standardizing the cooperatives management Supporting the farmer cooperatives is an effective organizational form for increasing farmers’ income, improving the overall quality of agriculture, and promoting modern agriculture construction.

The government departments should take appropriate measures to support the cooperatives with standardized management to set a typical example for unregulated cooperatives to strengthen management; establish and improve the cooperative affair oversight bodies, and establish a sound financial management system and a cooperative affair disclosure system to help the cooperative members to consciously participate in the democratic management.

3.4 Guiding the adjustment of operating structure of rubber farmer cooperatives The government departments can make use of the national natural rubber support measures and funding, to guide the adjustment of rubber farmer cooperatives’ industrial operation structure, and focus on supporting the rubber planting cooperatives.

In particular, it is necessary to use national subsidies for rubber seedling, to support the rubber farmer cooperatives.

3.5 Attracting the college graduates to work in the cooperatives The general lack of talent in rubber farmer cooperatives has restricted the development of cooperatives. Therefore, the government should encourage the college graduates to work in cooperatives, and the rubber farmer cooperatives should take appropriate measures to attract college graduates to work at ease in cooperatives, in order to improve the management level and economic benefits of cooperatives.

3.6 Example of the rubber farmer cooperatives Qiongzhong Fudao Rubber Cooperative had 34 members in 2008, 205 members in 2009, 426 members in 2010, 816 members in 2011, and 987 members in May 2012. The cooperative has 37 service management staff, and 11 rubber purchasing service stations. The cooperative has a rubber forest area of 1345.2 km².

There are 4 college graduates working for this cooperative, one of which acts as co-vice president of cooperative to be in charge of the routine work, and one of which is a computer science graduate responsible for the computer automated management system of cooperative.

The "cooperative transaction management system" is designed to provide scientific and accurate information support and data reference for the cooperative’s information access, multi-level management and decision making, which has effectively improved the efficiency of management of cooperative.

In 2008, the dividend was 660 yuan for the share capital of 10000 yuan, and 0.32 yuan per kilogram was returned to members from the trading volume of dry rubber;

In 2009, the dividend was 1090 yuan for the share capital of 10000 yuan, and 0.44 yuan per kilogram was returned to members from the trading volume of dry rubber.

In 2010, the dividend was 1600 yuan for the share capital of 10000 yuan, and 0.54 yuan per kilogram was returned to members from the trading volume of dry rubber;

In 2011, the dividend was 1400 yuan for the share capital of 10000 yuan, and 0.6 yuan per kilogram was returned to members from the trading volume of dry rubber;

In 2012, the dividend was 1080 yuan for the share capital of 10000 yuan, and 0.35 yuan per kilogram was returned to members from the trading volume of dry rubber.

Qiongzhong Fudao Rubber Cooperative was chosen as "Demonstration Farmer Cooperative in Hainan Province" by the provincial Department of Agriculture in October 2010; it was chosen as "Outstanding Farmer Cooperative" by the provincial Department of Agriculture in February 2011; it was chosen as "Advanced Unit of Farmer Cooperative in 2011" by the provincial Department of Agriculture in January 2012; it was awarded "National Demonstration Farmer Cooperative" jointly by 12 ministries and commissions in March 2012.

References