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Present Situation and Development Mode of Chinese Farmers' Cooperative Organizations

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Abstract In developed countries, the typical modes of farmers' cooperative organizations are "German mode", "Japan and South Korea mode" and "American mode". The development of farmers' cooperative organizations in China is the product of need and being needed, with low level of specialization, systematism and industrialization. However, Chinese farmers' cooperative organizations have the advantages of diversification, full supporting and great opportunities of Internet economy and e-commerce environment. Based on that, this paper puts forward the "Chinese mode" for the development of farmers' cooperative organizations in China in the future, that is, the main body of innovation and entrepreneurship will unite, and the other entities of production and industry will follow them.

Key words Farmers' cooperative organizations, Development mode, Innovation and entrepreneurship, Chinese mode

1 Introduction

The acceleration of the globalization has combined production with the market and facilitated the integration of various sectors. Production and market-oriented consumer groups continue to expand, consumers and consumer demands are becoming more and more diverse. In this process, with the rise of the Internet and the rapid combination of applications in various fields, new industrial chains and value chains are emerging. All these have thoroughly changed the pattern of agricultural production and market formerly based on state administration or household production, and the cooperation and industrial transformation among farmers have brought an important way for the development of agriculture, rural areas and farmers. Based on this, through the research and thinking, and participating in the Asian Development Bank's technical aid project: Supporting the Deepening of Policy Reform and Capacity Building: Gansu Province's "Internet + " -based Agricultural Socialization Service System (ADB TA8780-PRC), this paper analyzes the status quo of the farmers' cooperative organizations in China, and puts forward the corresponding development modes and ideas.

2 Development of typical farmers' cooperative organizations in foreign countries

In foreign countries, especially in Europe and the United States, the development of farmers' cooperative organizations is relatively early, with almost 100 years of history. Although the political, economic, social and cultural backgrounds of different countries are different, their experiences, mechanisms and practices are worth learning[1-2].

2.1 Germany mode Germany is the birthplace of farmers' cooperative organizations, and the main mode is professional cooperatives. In the vast rural areas of Germany, professional cooperatives are important organizational carriers of agricultural industrialization. In Germany, more than 80% of farmers are involved in various forms of cooperatives. Strong specialization is the main characteristic of professional cooperatives in Germany, that is to say, the combination of certain agricultural products or certain functions is formed, such as paddy cooperatives, agricultural machinery cooperatives, and cattle cooperatives. In this way, it is easier to achieve the popularization of new technology, the synchronization of breeding and planting, as well as brand, scale or order-oriented development, greatly reducing production costs. Cooperatives are established entirely on a voluntary basis and members take shares in their assets. The operating performance of the cooperatives is directly related to the vital interests of each member. In the interior, the cooperatives take service as the main purpose and making profits as the external purpose, carry out scale operation, standardize production and use unified brand.

2.2 Japan and South Korea mode The main representative of the farmers' associations is Japan and South Korea, and it is also a relatively successful mode. Today, it has become an omnipresent, omnipotent comprehensive cooperative economic organization. Farmers' associations are not only the economic organizations and mass organizations that farmers set up spontaneously to protect their own interests, but also the auxiliary organizations and groups for the government to carry out agricultural policies. Therefore, it is not merely entirely industrial, and it also has the features of rural culture, education, health and other public welfare functions. Because of this, the farmers' associations include almost all the farmers' organizations into the associations, from the top to the bottom to constitute a large network all over the country,

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affecting every nook and cranny of the countryside. But at the same time, the farmers' associations are basically consistent with the ordinary enterprises in the aspects of the establishment of departments, the management structure and the business activities, and have a distinct enterprise nature.

2.3 The United States mode Different from the German mode and the Japanese-South Korean mode, the farmers' cooperatives in the United States are united and cooperative, without the standardization, integrated management and economic dependence of the German mode and the official support of the Japanese-South Korean mode. Generally, individual farmers spontaneously organize loose consortia out of the consideration of their own production and marketing interests, members have full autonomy in the production of products, with pure business transactions as the main content. This is mainly due to the high level of commodity production, the huge scale of farms and the large farmers as immigrants in the United States. In the agricultural socialization service, the private agricultural socialization service organization (company) plays an important role, more often uses "company + farm (farmer)" form. The role of agricultural cooperatives is smaller than that of private companies, which mainly plays the role of restraining monopoly, protecting the interests of farmers, preventing dealers from depressing the purchase price of agricultural products and safeguarding their own interests.

2.4 Advantages of farmers' cooperative organizations in developed countries In a word, the farmers' cooperative organizations in developed countries have the following three advantages. The first is the high degree of specialization, which is mainly manifested in the relatively high quality of the employees. In the socialized service or a cooperative, the division of labor of each individual is relatively clear, the legal status of the cooperative organizations is relatively standardized, and the mechanism of distribution of interests is relatively stable. The second is the high degree of organization, mainly manifested in the relatively standardized organization system of cooperative organizations, the high efficiency of information sharing, the high level of cooperation between farmers' cooperative organizations and enterprises, scientific research or government, and the great industrial support from the relevant industries. The third is the high degree of industrialization, quite outstanding in the mechanization, intelligence and so on, and because of the perfect system, it has developed from the final production union to the industry and the value chain extension.

3 The development and characteristics of Chinese farmers' cooperative organizations

The history of the development of Chinese farmers' cooperative organizations is relatively short, and it, to a certain extent, is also developed from the various forms of the Western countries.

3.1 Causes of formation of farmers' cooperation organizations in recent years The Chinese farmers' cooperative organizations are the product of the need and being needed. From the aspect of need, it is mainly driven by the development of production and market, and it is a spontaneous organizational change. And being needed is based on the consideration of the degree of organization and is organized on the basis of a particular need. The paper analyzes the following five causes, of which the first three belong to the need, the last two belong to being needed.

(i) Rural labor transfer leading to land transfer and large-scale production. In some, or even many areas, the majority of the rural labor forces go to the city to seek higher income, leading to a great rural labor shortage, and change in the structure of land users. A small proportion of the labor forces that remain in the countryside will contract land from their relatives, neighbors or from other villages for large-scale operation, which has resulted in the formation of family farms and farmers' professional cooperatives consisting of some of the elderly and women who have the ability to work but lack experience in management and marketing, so as to achieve specialization and combination of all production links while achieving large scale.

(ii) Due to the capital owners of the secondary and tertiary industries investing in agriculture for large-scale and industrialized production. Owing to the development of economy and so on, quite a few capital owners of the secondary and tertiary industries began to turn their eyes to agriculture, at the same time, they also brought capital to agriculture, and started the industrialization of agricultural production from the purchase of land contract right. A series of farmer organization types, such as order agriculture, enterprise + rural households and so on, have been brought into being, realizing the joint operation of the relevant interest owners in the process of production and operation.

(iii) That agricultural production can not exist alone under the market economy due to the division of labor and combination. After entering the market economy, especially after joining the World Trade Organization (WTO), the fluctuation of the market price of agricultural products becomes larger, the structure adjustment of agricultural planting and breeding and the diversification of the market sale behavior make it difficult to survive regardless of management and output in the agricultural production. In agricultural production, the primary consideration is not how to plant well and produce high yields, but where to sell the products, especially for some high-value-added products implementing large-scale operation. Therefore, the whole process of production and management needs division of labor and alliance, cooperatives, leading enterprises, agricultural associations and a series of organizational forms began to appear. While organizing the production and sales, the full-time personnel and the stakeholders do a good job of connecting with the external market to achieve a win-win situation.

(iv) The relevant government departments encourage staffled farmers' cooperative organizations under the conditions of reform. They are mainly the grassroots personnel in supply and marketing cooperatives and other departments, who guide and demonstrate the gradual formation of farmers' cooperative organizations covering the surrounding farmers to realize co-production and operation under the conditions of reform and support. This kind of co-

operative organization, although initially aroused by being needed, is still growing according to the needs of social development.

(v) The government advocates and organizes the farmers' cooperative organizations based on the judgment of production and situation. Based on the consideration of many factors such as modern agriculture, the adjustment of farming structure, the development of the integration of various production links, and the socialization service of agriculture, as well as the financial means such as agricultural subsidy, project demonstration and base construction, the local departments at all levels are required to form farmers' cooperative organizations. These farmers' cooperative organizations were initially produced by being needed, but with the development in the later period, some of them gradually became the real form of farmers' cooperative organizations, while the other part of them were still formalistic farmers' cooperative organizations or were phased out.

3.2 Problems in the development of Chinese farmers' cooperative organizations Generally speaking, the farmers' cooperative organizations in our country start late, the total amount is small and the level is low. From the aspects of organization mechanism, decision-making mechanism, benefit distribution mechanism and operation mechanism, there is a big gap compared with farmers' cooperative organizations in developed countries.

(i) The degree of specialization is low. Many places, in the process of promoting the development of cooperatives, are in the excessive pursuit of administrative promotion and development of quantity, and do not attach importance to quality. Many farmers' cooperative organizations have become empty shell, their agricultural products are also for self-sale, completely failing to achieve the effect of cost reduction, efficiency increase and joint risk resistance for the cooperative organizations through the large-scale cooperation.

(ii) The degree of organization is low. There are some problems in the construction of cooperative organizations, such as imperfect internal rules and regulations, low level of management, lack of talents and services, and even some fraudulent behaviors, which harm the interests of farmers.

(iii) The degree of industrialization is low. Especially in the central and western regions, most of the farmers' cooperative organizations still remain in the stage of small production, small brands and low value. Because the combination is not close, it can not achieve scale merit, each does its own work, and there is no brand awareness. In addition to this, they also compete with each other, which causes the market value to be continuously lowered from time to time.

3.3 Advantages and opportunities for the development of Chinese farmers' cooperative organizations Although there are many problems in the development of farmers' cooperative organizations in our country, a large number of outstanding modes have emerged in the eastern region.

(i) Diversification. Due to the strong encouragement of the government and the support of all social parties, the farmers' cooperative organizations have developed rapidly. In the process of adapting measures to local conditions, various forms of organization, legal status, industrial structure and so on have emerged because of the low threshold. In addition, there are a variety of agricultural products and the consumer groups show different levels. This pluralism and inclusiveness have laid a good foundation for the development of farmers' organizations in our country, and all kinds of forms abroad have been embodied in our country. At home, the so-called new entities of production and operation mainly include farmers' professional cooperatives, agricultural industry associations, agricultural farms, supply and marketing cooperatives, leading enterprises, major planting and breeding households, agricultural socialization service organizations and so on.

(ii) Quite much support. The motivation for establishing farmers' cooperative organizations is not the same, some are government-led, some are spontaneously established, some are initiated by one side to drive many parties. Therefore, its legal status is not consistent. Some are equivalent to the enterprises or companies possessing the qualifications of the legal persons, some are just the organizational systems generally recognized by the government or society enjoying the relevant policies of business entities, and some are multi-party associations of purely folk nature. Against this background, the farmers' cooperative organizations have also received comprehensive social support, either from the agricultural administrations at the government level and agricultural extension systems that are vertical to the end, horizontal to the border, or various levels of agricultural scientific research teaching systems that are closely combined with production practices, such as national, provincial, municipal, and county agricultural academies (institutes), university systems, agricultural vocational school systems, as well as supply and marketing cooperatives, rural credit cooperatives and so on.

(iii) Good opportunity. From the beginning, the farmers' cooperative organizations were a product of government guidance or imitation and demonstration, and now with the rapid development of the Internet economy and agricultural e-commerce, it has greatly promoted the emergence of the relevant typical organizational forms. Especially in the eastern coastal areas, through the establishment of cooperative organizations, farmers take production and sale as a key point, to create a complete industrial chain integrating production, processing and sale, and form a large number of well-known products at home and abroad. Once this kind of thinking is created, its rapid development momentum will be irresistible, so we must be able to find a "Chinese mode" that fits our country and is better than the Western farmers' cooperative organizations.

4 Thoughts on the development mode of Chinese farmers' cooperative organizations

4.1 Participation of farmers and farmers' cooperative organizations in the development of modern agriculture The differences and complexity of geographical climate, land produc-

tivity, agricultural products, consumption habits and the classification of consumption groups determine that modern agriculture in China will be in the situation of coexistence of "big agriculture" and "small agriculture" for a long time[3-7]. In terms of the development of farmers' cooperative organizations and the orientation of modern agricultural development, it must be taken into account that hundreds of millions of small farmers are tied together with modern agriculture, safeguarding agricultural production and being a major event in rural stability. It emphasizes that organizing and socializing service should solve the problem of how to organize, solve new posts and acquire new value.

In the development of big agriculture, the development of modern agriculture is faced with many opportunities and challenges. The integration of "three industries", social service and Internet will produce new industrial chain and value chain, which will inevitably lead to new demands and new posts. Big agriculture is related to the core interests of the country's industrial direction, in which small agriculture is bound to have more opportunities to engage in the corresponding work. From this level, in a "non-organizational" manner, the farmers in our country are mostly involved in technical services, logistics, product manufacturing, product processing and packaging, express delivery and so on.

In the development of small agriculture, there are common interests and market tendencies, such as community-supported agriculture, eco-leisure agriculture, and characteristic product agriculture. These directions are controlled by cooperative organizations themselves, driven by domestic demand, and not determined by administrative orders. Therefore, participants will develop towards specialization, organization and industrialization together, and the "organization"-based participation here will become the mainstream. And when "small agriculture" has become a big industry, the corresponding service jobs need more farmers for "unorganized" participation.

4.2 Enhancement of "Chinese mode" farmers' cooperative organizations In modern agriculture, the development of "small agriculture" is often the product of innovative thinking and opportunities. In the eastern region of China, most of the well-developed cooperatives take "small agriculture" as their main goal and turn "small agriculture" into a big industry. Different from the "German mode", "Japanese-South Korean mode" and "American mode" of the western developed countries, the "Chinese mode" of farmers' cooperative organizations will be certainly formed by China as the second largest economy in the world in the process of moving from the developing countries to the mid-developed countries, and it will lead and affect most of the developing countries as the core in Southeast Asia.

In the current development of cooperative organizations, the following factors must be taken into account. First, there are a lot of able person-driven situations. Since it is innovation and entrepreneurship, it is imperative to have good ideas and be bold to act. Even if cooperatives are formed for this purpose, there will inevitably be situations such as "ruling by a able person" and "individual centralization of power". It is often said that an idea is worth a thousand dollars, but it is unrealistic to turn innovative idea into a shared opportunity and interest. Because of this, it is often difficult for our cooperative organizations to refer to the "German mode". Second, there are great differences in the connections of all parties involved, and many of them come from the capital transfer of other industries in today's large agricultural cooperative organizations or new production and operation entities. Even in the same industry, the situation of human resource held by each one is not the same, other industries have their inherent network, which provides a differentiated way for pre-production capital investment, technical services, supply of production materials, and later product sales channels. And these advantages are impossible to achieve the benefit sharing, which is also the reason why many cooperatives cannot accurately calculate their shares and dividends when they are actually operating. In this complex situation, it is much simpler in the West, especially in Europe. Third, other factors, such as active cooperative awareness, imperfect agricultural insurance system, and market uncertainty, also cause farmers to prefer to bear their own risks, rather than share risks and interests. The most typical example is that the agricultural products orders of our country are often facing the situation that if the market price is high, farmers do not sell products and if the market price is low, the farmers try to surpass the contract supply to force the sale of the products.

Considering the above factors, for a long time in the future, the "Chinese mode" of farmers' cooperative organizations will be the combination of innovation and entrepreneurship entities, leading other producers and industries to follow. From the innovation and entrepreneurship entities, the expansion of scale and the sharing of resources can help to reduce cost, increase efficiency and share risk. On this basis, the cooperative organizations will mostly go for the modern enterprise business mode, and at the same time produce a large number of new jobs after the extension of the industrial chain for farmers. As for most of the other main producers, with the gradual perfection of agricultural credit, insurance and other supporting systems, gradual standardization and transparency of the safe production and traceability of agricultural products, as well as the standardized classification of agricultural consumer goods and the stratification of consumers, it often forms the industrial follow-up under the domination of innovative and entrepreneurial entities, and it will take the form of OEM order agriculture or brand franchise under strict process control. The difference is that the former is to solve the sales problems by the innovation and entrepreneurship entities while the latter is to solve the sales problems by oneself.

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farmland water conservancy, power facilities, roads and forest network and comprehensive adjustment of fields, waters, forests, roads and villages in the study area, infrastructure facilities such as field irrigation and drainage engineering and field roads have been further improved, and the agricultural production conditions have been fundamentally improved so that soil erosion is effectively suppressed, the impact of sand wind is reduced, the ability to resist natural disasters is greatly enhanced, the natural productivity of farmland is increased, and the ability of adjust reservoir is enhanced. In short, environmental protection benefits are significant. The planning and design methods of this case project can provide reference for land renovation activities in similar areas.

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