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# Investigation and Thoughts on the Farmers' Specialized Cooperative Economic Organizations in Tropical Areas

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**Abstract** Positive functions of farmers' specialized cooperative economic organizations were emphasized, i. e. increasing farmers' incomes, promoting the industrialization of agriculture, optimizing agricultural structure, enhancing the standardization of agricultural production and improving service means provided by government for agriculture. On the basis of investigating the current situation of farmers' specialized cooperative economic organizations in tropical areas, problems emerged in the development of these organizations were analyzed, which mainly included following aspects: ① Narrow coverage; ② Irregular and imperfect operation mechanism; ③ Insufficient effective policy support. Therefore, in view of these existing problems, the thoughts and countermeasures were put forward to promote the future development of farmers' specialized cooperative economic organizations in tropical areas. Firstly, supportive policies should be enhanced by government; secondly, guidance work should be done positively; thirdly, demonstration and promotion role should be played fully; finally, farmers' education and training in tropical areas should be paid more attention, which is of great significance in promoting the modernization of agriculture in tropical areas.

**Key words** Tropical areas; Farmers' specialized cooperative economic organizations; Thoughts and countermeasures; China

Farmers' specialized cooperative economic organizations are inevitable products of market economy, which are new-style cooperative economic organizations founded on the basis of farmers' willingness and their persistence in household contract management to solve the information, technological, capital, sales and other such problems in making and selling agricultural products. The development of farmers' specialized cooperative economic organizations is beneficial to promoting the industrialization of agriculture, enhancing the scale of farmers' organizations, increasing farmers' incomes and promoting farmers' quality, which is also the inherent requirement of bringing forth new ideas into the rural operation system and getting accustomed to the agricultural and rural economic development in the new period.

## 1 Positive functions of farmers' specialized cooperative economic organizations

**1.1 Increasing farmers' incomes** Farmers' Specialized Cooperative can reduce the cost of production materials through co-buying, improve the added value of agricultural products through processing and enhancing the competitiveness of its

products, and finally achieve the appreciation of agricultural products through directly entering the market, which can lengthen and strengthen the operation chain of agricultural industrialization, and enable farmers to share the appreciation benefits in the processing and circulation of agricultural products. These specialized cooperative economic organizations with farmers as subjects also play the role of education and training, which can enhance the capability of farmers in the utilization of sciences and technologies, labor division and cooperative operation, organizing and management, connecting with outside, making decisions democratically and etc., train and strengthen the marketing sense, democratic consciousness and team spirit of farmers, and also improve their abilities of self-organizing, self-service, self-management and self-education. Therefore, these cooperative organizations are effective carriers to cultivate new-style farmers who are cultured, skilled and competent in management. For example, Zhongshan Civilian Banana Association of Guangdong Province releases the supply and demand information on the Zhongshan Agricultural Information Network and the website of Agricultural S & T Park, so as to grasp the price fluctuation in international and domestic markets and give feedback to banana farmers; meanwhile, by relying on the banana trade markets in Zhongshan City and surrounding sales points, the Association also establishes long-term cooperation with 30 large shippers in other provinces, and 6 of them have banana receiving stations in two trade markets all the year round. Thus the Association is able to sell its bananas to all parts of country by radiating the national sales networks. In 2007, the members of the Association had an average net income of 62 670 yuan/hm<sup>2</sup>, which is 20% more than that of non-members<sup>[1]</sup>.

Received: June 29, 2009 Accepted: July 3, 2009

Supported by 2009 Higher Education Institutions Research Project of the Education Department of Hainan Province—"Studies on the Organized Agriculture in Hainan Province" (Hjsk2009-12), "Studies on Modernized Technological System and Industrial Economy of Banana Industry" launched by the Ministry of Agriculture, and "Studies on the Organized Development of Farmers in China's Tropical Areas" launched by South Asia Office of the Ministry of Agriculture.

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**1.2 Promoting the industrialization of agriculture** On one side, farmers' specialized cooperative economic organizations connect thousands of farmers together to transform small-scale production to large-scale production; on the other side, they connect farmers with leading enterprises, establish bridges among production, processing and sales and extend the industrial chain, which greatly promote the industrialization of agriculture. According to the rough statistics, as long as a farmers' specialized cooperative economic organization is established, the scale of its relevant industries will be increased by 30% or more. For example, Pingshang Town of Anren County in Hunan Province has produced edible mushrooms more than 20 years, however, its production scale was only about 2 000 kg due to the low-organized production status. And since the Edible Mushrooms Association has been established in 2002, a "Company + Association + Farmers" model was adopted for edible mushroom production, and the total output in 2007 achieved more than 8 000 t<sup>[1]</sup>. As Yongxing Crystal-sugar Orange Plantation Association and Yizhang Jiafa Fruit Association were constructed, their planting area has been increased in a rate of 667 hm<sup>2</sup> per year.

**1.3 Optimizing the agricultural structure** Farmers' specialized cooperative economic organizations can instruct their members and farmers to produce according to actual market conditions, and continuously optimize the structure of agriculture. Nanbao Banana Cooperative is a typical successful case for banana specialized economic organizations in Hainan Province and even in China. Before 2002, only one banana trade company in Songmei Village of Nanbao, farmers earned their livings only by planting rice and had no any income from cash crops. In the early 2003, the industrial structure in Songmei Village was bravely transformed through the coordination and organization of relevant people and departments, and the "Farmers' Banana Production Cooperative" was established which realized the breakthrough of "no banana" in Songmei Village. In the same year, all farmers of 7 households who planted banana got a harvest, and they did not only pay back their debts but also get a total profit of 400 000 yuan. With such a successful case and experiences, other farmers were encouraged and turned to plant banana. According to the statistics obtained by the Banana 948 Sub-item of the Ministry of Agriculture—"Empirical Study on Organized Banana Industry in China" in the January of 2007, the banana planting area of the Cooperative has been increased from 20 hm<sup>2</sup> in 2003 to 333 hm<sup>2</sup> at present.

**1.4 Improving the standardization of agricultural production** Farmers' specialized cooperative economic organizations, internally, can effectively organize farmers and implement agricultural production standards through playing their advantages as organization carriers; unify the quality and prices of agricultural products to external markets, which is beneficial to improving the competitiveness of agricultural products and protecting the interests of farmers. Baishidu Vegetable Association in Zhangxian County in Hunan Province has made profitable tries in this aspect, and gradually promoted the quality

standard of vegetables produced in this area by unifying the introduction and distribution of species, the standard of production process, supply means of production materials such as pesticides and fertilizers, as a result, the famous "Reliable Vegetables Production Base" was created.

**1.5 Improving the service means provided by government for agriculture** Government implements industrial policies and supportive policies through farmers' specialized cooperative economic organizations, which can reduce the aimlessness, posteriority and randomness of farmers' production. Farmers report their wishes and requirements to government through the organizations and obtain reliable information about agricultural production and sales, sciences and technologies as well as policies, so as to improve the effectiveness of government's control over agriculture and rural economy. Especially after China's entrance to WTO, specialized cooperative economic organizations can be utilized as carriers to enhance government's supports to farmers and agriculture, which can legally and effectively support the development of agriculture and protect the interests of farmers.

## 2 Status quo of farmers' specialized cooperative economic organizations in tropical areas

**2.1 Basic information about tropical areas** Tropical areas in China indicate the tropical region and southern subtropical region in the south of Tropic of Cancer, which mainly include Hainan Island, Guangdong, Guangxi, Fujian, Yunnan, Taiwan and southern parts of Sichuan, Guizhou and Hunan. There are 266 counties and cities in total within this region with an area of 480 000 km<sup>2</sup>, i. e. 50% of the national total, and additionally, there are 160 million people of 36 nationalities living in this area. Agricultural economy of tropical areas plays a significant role in China's agricultural economy.

**2.2 Development of farmers' specialized cooperative economic organizations in China** With the proper instruction of government, farmers have been organized in various forms by themselves, government or enterprises to enhance their competitiveness. According to the statistics obtained by the special study team of "Studies on the Organized Development of Farmers in China's Tropical Areas" launched by South Asia Office of the Ministry of Agriculture during August and December in 2007, there are 5 133 farmers' specialized cooperative economic organizations in tropical areas, 1 778 of them are specialized cooperatives and 3 355 of them are specialized associations, which respectively takes up 34.6% and 65.4% of the total. As far as distributed areas are concerned, there are 1 713 farmers' cooperative organizations in Hunan Province and 1 041 in Fujian Province. There are around 496 000 members of farmers' cooperative organizations in the whole tropical area and 3.04 million farmers being driven by these members, which respectively takes up 2.8% and 17.4% of the total farmer households. As far as industries are concerned, there are 2 020 specialized organizations for crop farming, 957 for stock breeding, 1 309 for fishery and 847 for other industries, which

respectively takes up 39.4%, 18.6%, 25.5% and 16.5% of the total organization number in tropical areas. From the perspective of administrative areas that members are distributed, there are 1 290 specialized organizations in villages, 2 115 in towns, 919 in counties, 543 in districts (cities) and 266 in provinces, which respectively takes up 25.1%, 41.2%, 17.9%, 10.6% and 5.2% of the total organization number in tropical areas. Main activities of farmers' specialized cooperative economic organizations in tropical areas are carried out in villages, and there are also some trans-county, trans-regional and even trans-provincial activities, which can be classified as follows according to organization forms or subjects: ① Farmers' self-organized type, which is mainly launched by able men or specialized households in villages, and there are 1 940 such cooperative organizations in tropical areas, i. e. 37.8% of the total; ② Enterprise-organized type, which is mainly launched by leading enterprises in agricultural production industries, and there are 1 106 such organizations in tropical areas, i. e. 21.5% of the total; ③ Organized by agricultural technological departments, and there are 867 such organizations in tropical areas, i. e. 16.9% of the total; ④ Organized by rural cadres, and there are 976 such organizations in tropical areas, i. e. 19% of the total. And there are 244 organizations of other types, which take up 4.8% of the total. From the perspective of registration status, only 44.3% of the farmers' specialized cooperative economic organizations in tropical areas are registered ones, and the other 55.7% are non-registered ones. 445 of them were registered in industrial and commercial administrative departments, which take up 8.7% of the total registered specialized cooperative economic organizations in tropical areas; 1 056 of them were registered in civil administration departments, which take up 20.6% of the total registered organizations; 619 of them were registered in agricultural departments, which take up 12.1% of the total registered organizations; and 152 of them were registered in other departments, which take up 3% of the total registered organizations. From the perspective of operation status, only 638 of the farmers' specialized cooperative economic organizations have entities, which take up 12.4% of the total; 329 of them have venture capitals, which take up 7.6% of the total; 389 of them adopt the system of "paying back farmers' profits twice", which take up 7.6% of the total. The development of farmers' specialized cooperative economic organizations has brought forth vitality into the agricultural development in tropical areas, which can promote the organized status of farmers in tropical areas, and create a new approach for the construction of new countryside.

### 3 Problems in the development process of farmers' specialized cooperative economic organizations in tropical areas

**3.1 Narrow coverage** The existing farmers' specialized cooperative economic organizations that mostly were founded on the basis of villages have mainly been operated within towns, thus have always covered narrow areas. According to the investigated statistics, farmers' specialized cooperative economic

organizations in villages, counties (cities) and provinces are respectively 66.2%, 28.6% and 5.2% of the total.

**3.2 Irregular and imperfect operation mechanism** Theoretically speaking, farmers' organizations are always organized spontaneously. However, most of the farmers' organizations in China are not completely founded by farmers themselves, neither the farmers' specialized cooperative economic organizations in tropical areas are. It was investigated that there were only 1 940 farmers' specialized cooperative economic organizations in tropical areas founded by farmers, which takes up 37.8% of the total; and others were mainly founded or led by grassroots government departments, departments of agricultural sciences and technologies, scientific associations, enterprises or other economic entities, thus the normal operation of organizations was influenced due to too much external interference. Meanwhile, due to the low quality of farmers and lack of knowledgeable and competent leaders, the self-founded farmers' organizations have encountered many problems, such as indefinite organization objectives, improper operation mechanism, low efficiency and so on.

**3.3 Insufficient supportive policies** Firstly, insufficient government financing. The central government and provinces in tropical areas have only begun to provide supports for farmers' specialized cooperative economic organizations since 2004, and such supports are limited. Some governments at the county and town level are not able to give enough supports to farmers' specialized cooperative economic organizations due to their own financial difficulties. Thus, there is no definite financing policy for farmers' organizations in most areas, and it is hard for these organizations to apply for loans from financial departments, such as banks and credit cooperatives. As for the 100 investigated farmers' specialized cooperative economic organizations in tropical areas, the average annual supportive capital for each organization is even less than 20 000 yuan. Secondly, excessive interference and control over the concrete affairs and practical operations from grassroots government. The excessive administrative interference leads to less and less tangible benefits farmers actually received, which disobeys the original intention of establishing farmers' organizations.

## 4 Thoughts and countermeasures for the future development of farmers' specialized cooperative economic organizations in tropical areas

**4.1 Enhancing the supportive efforts of government** An effective administrative force can play a role of "shifting a heavy weight by a minimum force". Therefore, industry supports should be enhanced first. The development of industry is the premise of establishing and developing farmers' specialized cooperative economic organizations, therefore, the foundation of industry should be strengthened. Cities and counties in tropical areas should greatly develop their dominant industries, such as out-of-season fruits and vegetables, natural rubber and etc., so as to enhance the scale and capacity of advantageous

industries, increase the scientific and technological contents of products, realize the regionalized, intensive and large-scale development and lay a foundation for the development of farmers' specialized cooperative economic organizations. Secondly, policy supports should also be enhanced. Necessary preferential supportive policies should be made in various aspects, such as finance, tax revenue, credit and loan as well as the operation and circulation of agricultural production materials, so as to create a favorable environment for the development of farmers' specialized cooperative economic organizations. Part of finance funds for assisting agriculture should be utilized in supporting the development of farmers' specialized cooperative economic organizations; additionally, financial institutions like Rural Credit Cooperatives should provide preferential loans to farmers' specialized cooperative economic organizations.

**4.2 Actively working as a guidance** The most outstanding features of farmers' specialized cooperative economic organizations are "founded by farmers, managed by farmers, and benefiting farmers". "Founded by farmers" means farmers are the subjects of these organizations, government or other economic entities should "guide" but not "replace" farmers, "support" but not "control" the organizations, and should not interfere excessively into the operation of organizations. "Managed by farmers" means farmers can play a decisive role in the organizations and actively explore the development without too much administrative interference. "Benefiting farmers" means farmers should be able to receive actual profits from the organizations. Thus governments at all levels should transform their service means, give more guidance and less control, more services and less interference, especially should withdraw from the markets related to "agriculture, rural areas and farmers" which may generate profits and need no government's control, so as to enable farmers to gain profits and provide a broader development space for farmers' specialized cooperative economic organizations.

**4.3 Playing the role of demonstration and promotion** Because the present farmers' specialized cooperative economic organizations are still in a primary phase, most of farmers did not join and even doubt the actual functions of these organizations, therefore, government should help farmers to establish some demonstration cooperatives. Through the demonstration organizations, farmers' specialized cooperative economic organizations can accumulate experiences for their standardized and ordered management; farmers can experience various advantages brought by such cooperative organizations, so as to inspire them to establish and join in various specialized cooperative economic organizations and enhance the expansion of cooperation scales as well as the promotion of cooperation levels. Several typical farmers' cooperative economic organizations should be cultivated, for example, Nanbao Banana Cooperative in Hainan Province, Qiongzhou Watermelon Specialized Association, Rucheng Kidney Bean Association in Hunan Province,

Binchuan Vegetables and Fruits Association in Yunnan Province, Risheng Litchi Cooperative in Lianjiang City of Guangdong Province, Zengcheng Water Gourd Association in Guangdong Province and so on, which can set good examples for farmers' specialized cooperative economic organizations in the whole tropical area.

#### **4.4 Greatly enhancing and attaching more importance to the education and training of farmers in tropical areas**

The development of farmers' specialized cooperative economic organizations is closely related to the education level of farmers, 87% of rural labor forces in tropical areas are junior high school graduates or even below. However, farmers in developed countries commonly have better education background, for example, most of farmers in the US once received higher education; 7% of French farmers are university graduates and 60% of young farmers are technical secondary school graduates; 6.7% of Germany farmers are university graduates; 5.9% of Japanese farmers are university graduates and 74.8% of them are senior high school students<sup>[2]</sup>. Therefore, the functions of various agricultural technical stations, agricultural promotion schools and farmers' night schools should be fully developed, the construction of farmers' training system, agricultural technology promotion system and information release system should be effectively enhanced, and the farmers' quality should be greatly promoted through adopting various education training methods.

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western region should strengthen the linkages between cities and markets (including international market), in order to obtain the latest scientific and technological knowledge and market information of ecological agriculture at the highest speed, to keep abreast of the latest development of ecological agriculture all over the world. Meanwhile, peasants in western region should establish their own professional associations, intermediary organizations, and other self-service system, build a relatively integrated service network of ecological agriculture, and improve the information service level of ecological agriculture.

#### 4 Conclusion

Development of ecological agriculture in the western region is a step-by-step process. A virtuous circle of ecological agriculture can be established only by consulting to the actual situation, so that the sustainable development of ecological agriculture can be realized in western region of China. Development direction of agricultural modernization in China is high yield, high quality, efficient and sustainable development of ecological agriculture, which are also the objective requirements of the development and construction of new socialist countryside in western region in China.

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## 西部生态农业发展问题的社会学思考

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**摘要** 生态农业的发展是当今世界农业发展的主流,是实现从传统农业向现代农业转变的必由之路。先阐述生态农业的内涵以及对中国西部地区发展的重要意义,指出发展生态农业有利于改善西部地区的生态环境,有利于提高资源的利用效率和经济增长方式的转变,有利于确保西部农民收入的持续稳定增长和西部农民生活水平和质量的提高,是西部大开发的重大措施之一。接着指出在中国西部地区发展生态农业也存在以下几方面的问题,主要表现在人力资源的后续供给不足、资源的开发和利用过度、生态农业发展的资金和科技投入缺乏、生态农业发展的配套政策不完善等。笔者从社会学的新视角,针对解决这些存在的主要问题,提出发展西部生态农业的对策:①提高劳动者的科技文化素质;②加大生态农业资金投入和科技推广的力度;③制定和完善生态农业的政策和法律法规体系;④提高生态农业发展的信息服务水平。最后得出,中国西部生态农业的发展是一个循序渐进的过程,只有根据中国西部各地区的具体实际情况,因地制宜,才能建设好良性循环的生态农业,实现中国西部生态农业的可持续发展。

**关键词** 西部;生态农业;发展问题;社会学思考

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## 热区农民专业合作社经济组织调查与思考

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**摘要** 农民专业合作社经济组织是市场经济发展的必然产物,是农民在坚持家庭承包经营和自愿的基础上,为解决农产品生产经营中的信息、技术、资金、销售等问题组建而成的新型合作经济组织。笔者强调了农民专业合作社经济组织的积极功能,有利于促进农民增收、促进农业产业化经营、优化农业结构、提高农业标准化生产、有利于改善政府对农业的服务方式,并且调查了热区农民专业合作社经济组织现状,结果显示,热区农民在政府的正确引导下,各种农民专业合作社由自发组织、或者由政府牵头、企业牵头的不同形式组织起来,以增强自身的竞争实力。在对热区的基本情况介绍与热区农民专业合作社经济组织现状调查的基础上,分析了当前热区农民专业合作社经济组织发展进程中存在的问题,主要表现在:①覆盖面太窄;②运行机制不规范也不健全;③有效的政策扶持力度不足。因此,针对当前热区农民专业合作社经济组织发展进程中存在的主要问题,提出了今后发展热区农民专业合作社经济组织的思路与对策。首先,加大政府扶持力度;其次,积极做好引导工作;第三,充分发挥示范推广作用;最后,高度重视和大力加强热区农民的教育和培训,对推进热区农业现代化具有重要作用。

**关键词** 热区;农民专业合作社经济组织;思路与对策