

# A Study on the Countermeasures for the Development of Agricultural Economic Organizations—Taking the Cooperatives in Zhongjiang County as an Example

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**Abstract:** The first document released by the Central Committee of the Communist Party of China and the State Council in 2022 pointed out the cultivation and growth of new agricultural business entities, and the improvement of development quality. Running farmers' professional cooperatives well is one of the ways to promote farmers' continuous income increase and achieve Common prosperity, and is the only way to achieve agricultural modernization. It is of great significance to promote the rapid development of farmers' professional cooperatives and assist in rural revitalization. First of all, the general situation of the development of Zhongjiang County farmers' professional cooperatives is introduced. Secondly, analyze the problems existing in the development of Zhongjiang County farmers' professional cooperatives. Analysis reveals issues such as insufficient talent and imbalanced development of farmers' professional cooperatives. Finally, suggestions are proposed to improve the standardization level of farmers' professional cooperatives, strengthen government support for cooperatives, and enhance talent introduction in agriculture.

**Keywords:** Agricultural Economic Organization; Developing Countermeasures; Farmers' Professional Cooperative

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## 1. Literature review

Emelianoff (1942) Look at the members of cooperatives according to the economic unit of new Classical economics, and explain the differences between members. Each member is independent, and each member is an independent Homo economicus<sup>[1]</sup>. Enke (1945) It is believed that cooperatives should be regarded as enterprises. Although cooperatives are not enterprises, when viewed from the perspective of enterprises, activities should be carried out in a similar way to those of enterprises. Especially when making decisions, decisions should be based on the principles of enterprises, and cooperatives should carry out production and operation activities according to the model of enterprises<sup>[2]</sup>. Munkner (1985) Believing that cooperatives have basic cooperative principles such as "voluntary union, mutual assistance and improvement"<sup>[3]</sup>. Dadan Wardhana; Rico Ihle (2020) Believing that collective action is more suitable in geographically concentrated agricultural areas and more conducive to increasing farmers' income<sup>[4]</sup>. Qiao Liang; Yining Xu (2021) Believing that the government plays a role in the development of farmers' professional cooperatives and has very important significance, but the government has certain limitations in certain specific aspects.

## 2. Current situation of farmers' professional cooperatives

According to the data provided by Zhongjiang County Bureau of Agriculture and Rural Affairs, there are 1013 registered farmers' professional cooperatives, including 7 national demonstration cooperatives, 30 provincial demonstration cooperatives and 36 municipal cooperatives. The business projects of Zhongjiang County farmers' professional cooperatives cover fruits, vegetables, traditional Chinese medicine, pigs, aquatic products, cattle, sheep, rabbits, etc. There are 484 specialized cooperatives in Plantation industry in Zhongjiang County, 97 of which are specialized fruit cooperatives. The county is mostly hilly, so most of them are fruit and traditional Chinese medicine cooperatives. Zhongjiang County has 264 professional farmers' cooperatives for breeding, including 100

pigs, 52 aquatic products, 43 poultry, 27 cattle, 24 sheep and 18 rabbits.

### **3. The problems in the development of farmers' professional cooperatives**

Through consulting relevant materials and field interviews, this paper finds that the main problems faced by Zhongjiang County farmers' professional cooperatives are summarized, including capital shortage, talent shortage, problems faced by development and unbalanced development.

#### **3.1 Shortage of funds**

A common problem of Zhongjiang County farmers' professional cooperatives is the shortage of funds. Since agriculture belongs to the Primary sector of the economy and has dual risks, namely, natural risks and market risks, people are more cautious about investment in agriculture. Agriculture also has the characteristic of production periodicity. Whether it is planting, forestry, animal husbandry, or fishing, the production process requires a certain amount of production time, and this production time is relatively long, making it difficult to shorten the production cycle in the short term through technical means, thus attracting relatively insufficient investment. But food is the top priority for the people, and they have fundamental and quality needs for agricultural products and by-products. Therefore, they will not give up agriculture due to difficulties in agricultural development. Most of the directors of Zhongjiang County farmers' professional cooperatives are farmers, whose capital is generally low compared with other industries. Small and medium-sized agricultural economic organizations have less collateral available for loans from credit institutions, and credit institutions believe that lending to small and medium-sized agricultural economic organizations carries higher risks. Therefore, the pass rate and amount of loans from farmers' professional cooperatives are limited.

#### **3.2 Insufficient talent**

Farmers' professional cooperatives are one of the branches of economic organizations, essentially aimed at obtaining greater economic value. Therefore, they have a similar structure to modern enterprises. Therefore, the fundamental source of economic organization development is people, and talent is the core point. According to the composition of the members of Zhongjiang County farmers' professional cooperatives and the members of the council, the educational background of the staff is generally low, and there are few people with college education or above; Regarding the personnel structure of the cooperative with lower education, there is a relative lack of skilled talents required in modern enterprise organizations, such as professional financial and accounting knowledge and professional marketing talents. From a practical point of view, the members of Zhongjiang County's farmers' professional cooperatives are mostly middle-aged and elderly people, lacking the momentum of development. In the 1960s, E.S. Lee, an American scholar, put forward the "push and pull theory", which was used to explain population migration. The factors affecting population migration can be divided into push and pull. The driving force of population migration is composed of the push (repulsive force) of the moving out land and the pull (attractive force) of the moving in land. There are many new generation farmers in Zhongjiang County. Most of the new generation farmers go out to work. The fundamental reason is that the local "push (repulsive force)" is high, The 'pull (attraction)' of the inflow is quite sufficient. From the actual interview, the cooperatives in Zhongjiang County are mostly composed of 5-10 people, and most of them are small cooperatives. The number of members of cooperatives is small, and "labor shortage" often occurs. Therefore, the lack of "workers" restricts the development of farmers' professional cooperatives.

#### **3.3 Uneven development of farmers' professional cooperatives**

The cooperatives in Zhongjiang County mainly focus on fruits and traditional Chinese medicine, including 484 specialized cooperatives in planting and 97 specialized cooperatives in fruit; There are 264 farmers' professional cooperatives engaged in aquaculture in Zhongjiang County. Zhongjiang County cooperatives are mainly engaged in planting and breeding projects, and their business types are not balanced. The regional distribution of cooperatives in Zhongjiang County is not balanced. Jiqing Town has the largest number of specialized farmers' cooperatives, reaching 58, among which Longtai, Cangshan, Xinglong and Tongji Town also have a large number of specialized farmers' cooperatives. Kaijiang Town and Lianhe Town have the smallest number of specialized farmers' cooperatives, only 9. The main reason for the uneven geographical distribution is the different resource endowments of different regions. The significant difference in the development level of farmers' professional cooperatives between regions and villages affects the coordinated development of regional economy and the income of farmers in various regions. Zhongjiang County

dismissed 294 "empty shell cooperatives" throughout the year. Although some cooperatives were dismissed, there are still many empty shell cooperatives that meet the requirements of the return, and some farmers' professional cooperatives are facing the risk of return.

## **4. Recommendation**

In view of the shortcomings of Zhongjiang County farmers' professional cooperatives, this paper proposes to strengthen government support for cooperatives and improve the standardization level of cooperatives.

### **4.1 Strengthen government support for cooperatives**

The government department is the main body to formulate the Three Rural Issues, and has a guiding function for the development direction of farmers' professional cooperatives. The government has strengthened its support for agricultural economic organizations - farmers' professional cooperatives, such as formulating relevant support policies for the credit loan business of farmers' professional cooperatives, promoting farmers' professional cooperatives, and improving the guarantee services of farmers' professional cooperatives. Strengthen the recruitment of high-level talents related to agriculture, rural areas, and farmers; It is beneficial for the government and relevant departments to carry out agricultural work, especially in improving the scientific and correct decision-making of agricultural policies, the efficiency of agricultural technology guidance, and the scientific aspects of brand building and marketing of agricultural products.

### **4.2 Improve the standardization level of cooperatives**

The fundamental goal of improving the standardization level of farmers' professional cooperatives is to "enhance the economic strength of cooperatives, enhance their development vitality, and enhance their driving capacity". Let cooperatives truly serve agriculture, rural areas, and farmers, especially serving, assisting, and enriching farmers, providing support for promoting comprehensive rural revitalization and accelerating agricultural and rural modernization. Therefore, in order to solve the development difficulties of cooperatives and achieve the goals of institutional design, it is necessary to establish a long-term mechanism for the standardized development of cooperatives. Improving the standardization of cooperatives can effectively increase the confidence of farmers in participating in cooperatives, while also increasing their enthusiasm. The improvement of farmers' participation enthusiasm is conducive to the long-term development of professional farmers' cooperatives, and the healthy development of cooperatives can also drive the increase of farmers' income.

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