

# Research on the Development Dilemma and Countermeasures of Family Farms in Jilin Province

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**Keywords:** Family farm, Development dilemma, Countermeasures

**Abstract:** As a new type of agricultural business entity, family farms have received strong support from my country in recent years. Jilin Province is a major agricultural province in my country. The vigorous development of family farms is of great significance to increase farmers' income, ensure food security, and realize agricultural modernization. This article starts with the development status of family farms in Jilin Province, analyzes the development dilemma of family farms in Jilin Province from four aspects: land transfer, comprehensive quality of family farm operators, family farm brand building, and capital investment, and proposes corresponding countermeasures.

## 1. Introduction

Family farms are a new type of agricultural production and operation subject that the government has focused on and cultivated [1]. The new type of agricultural operation subject, as an agricultural business organization with commercial production as its main goal, has become an important supply subject of my country's agricultural product market. Jilin Province has actively guided family farms to develop moderate-scale operations by continuously introducing policies, improving mechanisms, and vigorously developing training. Since family farms were first proposed in my country, family farms in Jilin Province have continued to develop and have achieved initial results. In recent years, although the number of family farms in Jilin Province has grown rapidly, due to the short development time, they are also facing difficulties and challenges at different levels. As the main grain producing area of our country, effective promotion of family farm development in Jilin Province is of great significance to guaranteeing food security in our province, leading the moderate scale operation of agriculture, driving farmers' employment and income, and realizing agricultural modernization [2].

## 2. The Development Status of Family Farms in Jilin Province

With the transfer of rural labor and the advancement of land transfer, the development speed and scale of family farms in the more developed areas of Jilin Province's agricultural economy have increased significantly. As of the end of 2017, the total number of family farms in Jilin Province reached 23,644 [3]. Among them, planting family farms accounted for 88.5% of the total number of family farms. Grain family farms accounted for 72.7% of the total. The main crops are corn and rice. The combination of planting and breeding accounted for 4.3% and 5.5% of the total respectively. Among the breeding family farms, pigs were mainly raised, while other types accounted for only 1.3%. By the end of 2019, Jilin Province had 53,000 family farms, accounting for 7.6% of the country. The total value of agricultural products sold by family farms in Jilin Province in 2017 was 2.83 billion yuan, of which 9,821 were below 100,000 yuan, accounting for 41.5% of the total; 13,395 were above 100,000-1 million, accounting for 56.7% of the total [3].

There were 6,338 family farms with an operating scale of 50-200 acres in Jilin Province in 2014, which increased to 10,652 in 2017 [4]. The number of family farms with an operating scale of 50-200 acres is increasing year by year, and the development trend of family farms in Jilin Province is also increasing [5]. Small-scale business development (see Table 1). Family farm management in

Jilin Province pays more and more attention to operating efficiency, rather than blindly pursuing expansion.

Table 1 Number and Proportion of Grain Family Farms of Different Operating Sizes in Jilin Province from 2015 to 2017

Business scale	2015		2016		2017	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
50-200 acres	6297	55.78	9194	60.58	10652	61.9
201-500 acres	3396	30.08	4289	29.26	4736	27.52
501-100 acres	1156	10.24	1259	8.30	1350	7.85
More than 1001 acres	442	3.91	434	2.86	470	2.73

Data source: China Family Farm Development Report

### 3. The Development Dilemma of Family Farms in Jilin Province

#### 3.1 Difficulty in Land Transfer

First, from the point of view of national policies, Jilin Province is affected by the national policy of benefiting farmers and pays more attention to the protection of land, which to a certain extent promotes the reduction of farmers' willingness to transfer land, and in China's Central Document No. 1 [6]. There are also related regulations that require that farmers not be forced or restricted to transfer land. Due to the low willingness of farmers to transfer land, the few land plots acquired through transfer are mostly not concentrated and contiguous, and fragmented, so even if there is a large scale, it is difficult to concentrate management. In 2016, the total area of rural land transfer in Jilin Province exceeded 20 million mu, and the land transfer rate was 23.5%. There is still a big gap between reaching the target value of 50%. Secondly, the land transfer period of family farms is short, and the transfer contract is not standardized enough, resulting in an extremely low contract signing rate. Some of the transfer contracts were directly transferred out by the village committee without the farmers' written entrustment, so there were problems such as unclear qualifications of transfer subjects. This is also the biggest obstacle to the development of family farms in Jilin Province.

#### 3.2 Low Comprehensive Quality of Family Farm Operators

With the development of urbanization, many rural young and middle-aged laborers in Jilin Province are going out to work. Most of the left-behind agricultural operators and producers are local farmers. Their cultural quality is generally low, lack of management thinking and professional technical knowledge, and they are not good at using modern marketing methods. The lack of awareness of competition with brands and the lack of necessary knowledge of law, innovation, and environmental protection make it difficult to integrate into the market competition. According to relevant surveys, most family farmers in rural areas in Yanbian Prefecture, Siping City, Changchun City, and Jilin City of Jilin Province have a junior high school graduation, 10% graduated from technical secondary school or high school, and 9% graduated from college or university. Although some local governments have carried out management training and scientific and technological seminars, the training on the quality of professional farmers is still insufficient. The low overall quality of the operating staff will directly affect the efficiency and development of the family farm.

#### 3.3 Family Farms in Jilin Province Lack Brand Competitiveness

The brand building of family farms is affected by the manager's awareness of supervisor, education level, financing difficulty, land circulation period, and the time of operating the family farm. With the advancement of land transfer work in Jilin Province, the number of family farms in Jilin Province has increased significantly, but there are common problems of short land transfer years and small scale, which is not conducive to the construction of family farm brands. Because most of the family farm operators have low comprehensive quality and lack of awareness of brand

building, the influence of family farm brands in Jilin Province in the market environment is relatively low, and their national competitiveness is relatively weak.

### 3.4 Difficulty in Financing, Lack of Capital Investment

Family farms require a large amount of capital investment, such as the cost of purchasing agricultural machinery, labor costs, purchasing pesticides and fertilizers, land rent, etc. However, due to the low efficiency of agricultural operations and slow returns, many investors dare not invest large amounts of funds, and the government's funding subsidies are even greater. The family farm has no collateral assets, which makes it difficult to obtain the necessary loans from the bank. In addition, in recent years, the land rent and labor costs have risen sharply, which has caused the family farm's operating costs to continue to increase. Financing difficulties and shortage of funds have become an important factor restricting the development of family farms in Jilin Province.

### 3.5 The Social Service System Needs to Be Improved

Many areas in Jilin Province have a series of problems such as fewer professional service organizations, fewer grassroots professional and technical personnel, low business capabilities, and small coverage areas. As shown in Table 2, in 2016, the number of agricultural technology extension stations in Jilin Province dropped from 747 to 735 in 2018, and the number of animal husbandry and veterinary stations also decreased. In general, Jilin Province has not yet established a complete and complete social service system. In terms of service channels for agricultural materials, the circulation market for agricultural production materials is imperfect, leading to excessive reliance on relevant agricultural material distribution companies. When the market is in short supply, the prices of the companies are too high, which harms the interests of farmers. In terms of service content, there is less learning about the operation and management of agricultural product production, supply, and marketing and related laws, which cannot match the individual needs of modern family farmers.

Table 2 Public Welfare Technology Promotion Service Organizations in Jilin Province  
Unit: Pcs

	2016	2017	2018
Agricultural Technology Extension Station	747	738	735
Animal Husbandry and Veterinary Station	673	663	657

Data source: Jilin Province Statistical Yearbook

## 4. Suggestions

### 4.1 Promote the Transfer of Land Management Rights and Regulate Land Transfer Behavior

(1) According to the small size of family farms in most areas of Jilin Province, some farmers are unwilling to transfer land because they are worried about the vague ownership of land contract rights and damage their interests. It is recommended that farmers should be given permanent land in the form of legislation. Contracting rights ensure that farmers' land rights are not harmed and eliminate their concerns about land transfer. On this basis, it is necessary to actively promote the transfer of rural land management rights, build a platform for land and family farms, improve the family farm market mechanism, and continuously optimize the allocation of land resources [7]. Standardizing land transfer contracts has laid the foundation for the healthy development of family farms in Jilin Province.

(2) Regulate land transfer contracts. To facilitate management and avoid conflicts, it is necessary to uniformly use certified transfer contracts with legal effects. If there is a request for entrustment, there must be a power of attorney and a power of attorney agreement. Regulating the transfer behavior, we must respect the farmers' willingness to transfer, no one can force farmers to transfer land, and their legitimate rights and interests must be protected.

### 4.2 Cultural Education and Training for Family Farm Operators

Family farm operators are new-type professional farmers with knowledge, know-how, and good management. The key to cultivating new-type professional farmers is to make full use of various effective training resources. For example, inviting family farm operators to participate in exchange meetings in various aspects of agriculture. Use this to obtain cutting-edge agricultural information. Allow family farm operators to receive systematic agricultural vocational education on a regular basis to improve their management level. At the same time, it is necessary to strengthen the quality assurance of agricultural products and the training of agricultural machinery operation skills to further enhance the professional knowledge and technological level. Through training, family farm operators can establish market awareness, risk awareness, safety responsibility awareness, legal awareness, and innovation awareness.

### **4.3 Encourage Family Farms to Register Their Own Brands**

For the long-term development of family farms in Jilin Province, family farms in Jilin Province should be encouraged to actively strive to create their own characteristic brands. The government should strengthen the learning of brand building related content in terms of technology promotion and family farm operator training, enhance brand building awareness, help family farmers formulate a reasonable brand strategy, select market positioning based on their own advantages, and promote subjective family farms. Realize the importance of brand registration and construction. Secondly, the government can also set up special funds to support family farm brand building and increase the promotion and publicity of family farm brands.

### **4.4 Give Full Play to the Main Role of the Government and Introduce Preferential Policies**

The government is the organizer and promoter of the development of family farms [8]. The government should establish a sound financial subsidy system for family farms and reduce the huge operating cost pressure of farmers through high subsidies to family farms. At the same time, provide loan and financing policy support for family farms with weaker economic power, and reduce taxation and loan interest rates for family farms. Formulate financing incentive policies to attract business investment by reducing or exempting agricultural loan interest, to dispel investors' concerns about the high cost of agricultural products and slow returns, so that they can continue to increase their investment in family farms.

### **4.5 Improve the Social Service Mechanism**

In the construction of family farms in Jilin Province, various problems in the operation and sales process will arise, which need to be resolved through government reform and other measures. First, the government should give full play to the government's service role and leadership, establish a complete technical service system and infrastructure construction service system, etc., provide family farms with necessary legal and technical consultations, and can effectively provide family farmers and farmers. Solve the problem. Secondly, vigorously support social intermediary agencies to actively participate in the production and operation of family farms, encourage and support family farms to participate in various professional farmer cooperatives, improve the degree of organization and self-service functions of family farms in Jilin Province, and improve service quality. Improve the agricultural socialized service system, improve the ability of scientific and technological innovation, and use new agricultural technologies for standardized production in accordance with local conditions. The development of family farms in Jilin Province needs the support of social service organizations, and the government needs a series of support policies to escort the development of family farms in Jilin Province.

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