

CPC Central Committee and State Council on Deepening Supply-Side Structural
Reform in Agriculture
Several Opinions on Cultivation of New Development Engines for the Agricultural
Sector and Rural Areas
(31 December 2016)

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Years of unremitting efforts have contributed to the growth of agriculture and rural areas in China to constantly reach a new level, and finally enter a new stage of development. The major problems facing China's agricultural sector are structural ones rather than insufficient total output as was in the past. Among them, the most prominent is excess or shortage of supply that occurs periodically, whose root cause remains mostly on the supply side. In recent years, China has been actively working on agricultural transformation, structural adjustment and reform, which have helped lay a foundation for further agricultural restructuring and upgrade. However, outstanding issues still remain in the form of structural imbalance of supply and demand of agricultural products, irrational allocation of factors, environmental pressures as well as weak income growth for farmers, just to name a few. Solutions are most needed to help increase output with enhanced quality, identify a balance in rising costs and low prices, solve the situation of high inventory in the event of sluggish sales, bring small production up to scale for big markets and price inversion. It is of great importance to adapt to the new situation and requirements and act on existing problems with priority, so as to further promote the supply-side structural reform in agriculture in order to cultivate new development engines from the sector for its modern development.

The supply-side structural reform in agriculture shall first of all ensure national food security. Following the changing market demand, the reform shall aim to increase farmers' income while securing quality of agricultural supply. With the fundamental method of institutional and systematic innovation, efforts shall be made to optimize the agricultural industrial system, production system and management system so as to improve land output, resource utilization and labor productivity. The agricultural sector's over-reliance on resource consumption and the attention to quantity shall become a thing of the past, whereas the reform pursues green, ecological, sustainable and quality demand.

Following through with the supply-side structural reform in agriculture is a long-term process that requires well handling of the government-market relations and settling interests of involved stakeholders. There will be many significant challenges along the way. Regardless, we must face the difficulties and challenges with unswerving efforts, and embrace pains of the reform while trying to lower its costs. In the meantime, we shall pay attention to risk prevention so that our food production capacity is not compromised, farmers' income keeps growing and the rural areas remain stable.

With regard to work arrangements for agriculture and rural areas in 2017, we must thoroughly implement the guiding principles of the 18th CPC National Congress, and the third, fourth, fifth and sixth plenary sessions of the 18th CPC Central Committee, Deng Xiaoping Theory as well as the important thought of “Three Represents”. Under the guidance of the scientific outlook on development, we must put into practice the guiding principles from General Secretary Xi Jinping’s major policy addresses and the new concept, ideas and strategies on state governance. We shall carry out the new development concept to coordinate agricultural modernization and new urbanization development. With the supply-side structural reform in agriculture as the main line, we shall focus on improving the efficiency of agriculture, farmers’ income and rural green growth under the guidance of scientific and technological innovation. We shall also accelerate the pace of structural adjustment and rural reform so as to improve agricultural efficiency and competitiveness, and to progress in new rural area development. Ultimately, we wish to achieve major improvements in building a well-off society in an all-round way in rural areas.

I. Optimize the product and industry structure with intensive efforts to promote agricultural quality and efficiency.

1. Adjust the structure of grain, cash crop and forage crop production.

With the aim to stabilize grain, improve cash crop and increase forage crop production, we shall strive to establish a well-balanced growing structure that integrates all three aspects. For food crops, the focus shall be to stabilize rice and wheat production for absolute food security. It is important to enhance production of high-quality rice as well as high and low gluten wheat, reduce disadvantaged growing areas of corn kernels, while increasing the amount of quality soybeans, potatoes, grains and beans. As for cash crops, we will optimize crop quality, varieties and their regional distribution, reinforcing the main producing areas for cotton, oil-yielding crops and sugar production while improving the value and efficiency of horticultural crops. The acreage of forage crops shall be expanded with development of corn silage, alfalfa and other high-quality forage grass. The aim is to cultivate a modern and industrial system for livestock feed production. In northern areas, we will adjust the structure

of mixed farming and animal husbandry to develop an ecosystem of animal husbandry supported farming, comprehensive development of animal husbandry, agroforestry and farming modes that combine grass, fruit and vegetables. We will continue pilot work that subsidizes the transfer from growing grain to forage and beans.

2. Develop highly-efficient animal husbandry industries.

We will stabilize live pig production with optimization of areas for pig breeding in the waterway-dense south while guiding the transfer of production to areas of higher carrying capacity and maize production. It is necessary to improve the breed varieties with an emphasis on herbivorous livestock such as sheep and cow. The dairy industry shall be revitalized and family ranches of a moderate scale well supported. We need to facilitate the expansion of fresh milk consumption, introduce a strict system of reconstituted milk labeling and foster high-quality domestic brands. Efforts shall be made to determine a rational scale of aquaculture in inland waters, lakes and reservoirs to promote higher efficiency with less capacity. We shall also promote comprehensive breeding and growing in rice paddy fields and low-lying saline fields. We will improve the design of partially or fully closed seasons of fishing and applicable areas in rivers, lakes and the sea, while implementing the first comprehensive ban in the aquatic biological protected areas in the Yangtze River Basin. Mudflats shall be developed in a scientific and orderly approach. Intensive and healthy marine aquaculture shall be supported so as to develop modern marine ranches. Regional collaboration shall be enhanced to monitor and control reasonable inshore fishing. We shall also actively develop offshore fishing. A total quantity management system for marine fishery resources shall be established to standardize all types of marine fishing activities and support fishermen to reduce boat quantity and transfer to fishery production.

3. Scale up and strengthen competitive industries and business operations with distinctive local features.

We will implement the action plan of quality and efficiency enhancement for characteristic agriculture including grains, beans, fruits, vegetables, tea, mulberry, flowers, seedling, edible mushrooms, traditional Chinese herbs and the specialty breeding industry, which will become the major powerhouse for increasing farmers' income. Vigorous efforts shall be invested in developing green industries involving special forests as cash crops, rare timber trees, flowers, bamboo and forest foods. We will put in place a labeling system for ecological forest products. We will demonstrate the standard production process of

characteristic agricultural products and strive to establish a number of products under protection with geographical indications and designations of origins. We will also support brand-building of regional agricultural products together with outstanding local businesses and industry associations. In addition, we will also introduce modern elements to improve famous brands that have a long history.

4. Further optimize the regional layout of agricultural areas.

We will focus on the planning of main functional areas and layout for outstanding agricultural products, as we designate functional areas for rice, wheat and corn in a scientific way and design protected areas for key agricultural products such as soybeans, cotton, rapeseed, sugar cane and natural rubber. Agricultural land plots in both functional and protected areas will be kept in a record file with pictures for intensive management. We will promptly formulate standards for establishment of functional areas and protected areas, improve incentives and support policies, and identify responsible bodies for management and maintenance. We will develop a set of planning rules for establishing dedicated areas to local characteristic agricultural products and put in place evaluation criteria and a technical support system that help encourage the development of such special areas for horticultural products, livestock products, aquatic products, and forest products.

5. Enhance overall quality of agricultural products and the level of food safety.

Following the principle of revitalizing agriculture through quality, we will implement the strategy of standardized development with a focus on quality, safety and green, so as to formulate a standard system for quality and safety of agricultural products. New agricultural business entities will be supported in their application of the SAGO&GI (Safe Agri-product, Green Food, Organic Agri-product and Geographic Indication of Agri-products) certification and trade mark registration, with special attention to brand protection. We will guide enterprises to pass international certification of organic agricultural products so as to enhance the authority and influence of Chinese certification for green and organic agricultural products. We will implement concrete measures to protect the production area and origins of products. Sound agricultural production practices shall be promoted with production record ledger systems. We shall also strictly reinforce relevant regulations on production, sale and application of agricultural additives. We will pay special attention to the excessive pesticides and veterinary drug residue issue, especially the misuse of antibiotics in animal husbandry, and crack down on the excessive use of pesticides and veterinary

drugs and on the illegal application of food additives, among other practices. The quality and safety supervision system for agricultural products shall be further improved with enhanced risk management at different levels, identification of territorial responsibilities and increased spot checks and monitoring efforts. We will establish an integrated service platform that enables full traceability, connectivity and sharing of the process. Business entities shall be encouraged to join food safety liability insurance. Legislation for quality and safety of agricultural products shall also be revised and introduced in a timely manner.

6. Actively develop appropriate scale operation and management.

To cultivate new agricultural business entities and service providers, we shall adopt methods including transfer of business rights, shareholding cooperative, contract farmers and land trusteeship to promote diverse modes of business operation that are driven by land transfer and service. We will encourage farmers, on a voluntary basis, to transfer the land within the village to form a larger connected plot for scale farming. We will improve the certification process for family farms so as to support their development into an appropriate scale. Farmers' cooperatives shall be standardized for comprehensive cooperation in production, supply and marketing and credit. Building on pilot projects of using one-stop service providers for the entire agricultural production process, we will continue to cultivate commercial service providers for agricultural machinery operation, farmland irrigation and drainage, disease prevention and treatment, drying, storage, etc. Service platforms and tools such as the supply/sales agencies, postal services and agricultural machinery will play a role in changing from traditional agricultural distribution networks to modern and comprehensive service providers. Local authorities shall work to put in place guarantee insurances that help ensure land transfer compliance. We will formulate an evaluation and indicator system for agricultural operations of moderate scale for their healthy development.

7. Establish modern agricultural industry parks.

Leading industrialized agricultural enterprises shall play a key role in large scale growing and breeding bases to bring together modern factors of production and establish modern agricultural industry parks that implement the "production + processing + technology" model, where technologies, industrial integration, entrepreneurship platform and key radiation effects come together. Such industry parks require scientific planning and sufficient consideration of functional layout including production, processing, logistics, R&D, demonstration, service, etc. We will encourage local authorities to adopt an overall

perspective in allocating project funding for high-standard farmland development, comprehensive agricultural development as well as modern agricultural production and development, with a focus on industry park infrastructure and the supporting service system. The industry parks will work to attract leading enterprises and research institutions for support of its construction and operation. Items for development include protected agriculture, precision agriculture, intensive processing and modern marketing, with the aim to cultivate new-type agricultural business entities and farmers with professional, standard and intensive production processes. Thus, we will upgrade the agricultural sector throughout the entire industrial chain with added value. Farmers and migrant workers returning to the countryside will be encouraged to join the development to share the proceeds through contract farming, share-holding cooperative as well as employment or entrepreneurship in industry parks.

8. Create a favorable environment for international trading of agricultural products.

We will take advantage of international markets in a coordinated way while optimizing the domestic supply structure of agricultural products, so as to establish a level playing ground for agricultural imports. We will improve laws and regulations on agricultural trade countervailing, anti-dumping and safeguard measures. Trade remedy investigations will be carried out according to law. We will encourage further expansion of agricultural product exports with enhanced promotion overseas. International cooperation in agriculture shall continue to develop as a way for the sector to go global. Focusing on countries and regions along the “One Belt and One Road” strategy, we will support agricultural enterprises in their cross-border operations, establishment of overseas production and processing bases as well as acquiring storage and logistics facilities, with the aim to cultivate internationally competitive large-sized enterprises and groups. We will actively participate in the revision of international trade rules and standards and promote mutual recognition of certification results for agricultural products. We will adopt comprehensive control against smuggling of agricultural products and implement special campaigns for the matter.

II. Practice green production for sustainable agricultural Development

9. Promote cleaner production in the agricultural sector.

We will further promote the zero growth action plan for chemical fertilizers and pesticides. As a replacement, organic fertilizer pilot projects will be underway to achieve

higher efficiency on lower cost in the sector. A regulatory system that oversees production of chemical fertilizers and pesticides and that allows for product traceability will be put in place to ensure strict industry access and management. We will vigorously promote an efficient ecology of planting and breeding patterns, implement central processing of livestock manure, and strive for the healthy development of large-scale biogas facilities. Pilot projects will be carried out in chosen counties for agricultural waste recycling and for exploring a sustainable operation and management mechanism. We will encourage the comprehensive utilization of crop stalks with an improved subsidy mechanism. Pilots for cleaning of ground cover film are also underway. We aim to establish state demonstration zones for sustainable agricultural development.

10. Implement agricultural water conservation projects on a large scale.

Water conservation in agriculture shall be a major strategic priority. State support will be introduced in the form of a policy system for the matter. We will further implement medium and large-sized irrigation, drainage and water conservation projects, while at the same time improve water-saving facilities in the fields for development of modern irrigation areas. We will vigorously carry out highly-efficient and water-saving irrigation projects on a regional scale, with the aim to establish a number of centralized and efficient irrigation projects. We will steadily develop efficient and water-saving irrigation systems for forage land, and strictly restrict extraction of groundwater for irrigation in ecologically fragile areas. We will establish a well-developed standard system for water-saving technologies in agriculture. We will speed up the development of diverse, complete and reliable water-saving irrigation technologies and products, with a special focus on sprinkler irrigation and drip irrigation to promote the integrated application of water and fertilizers. We will comprehensively carry out the reform of agricultural water pricing, identify the accountability of local governments and establish a reasonable water pricing mechanism and a water-saving incentive mechanism. We will fully implement water resources quota management with corresponding compliance assessment at the county level. We will also conduct the third national survey and assessment of water resources.

11. Carry out comprehensive management of outstanding issues in agri-environment.

We will carry out plans for rehabilitation of arable land, grasslands, rivers and lakes. Thorough investigations into soil pollution will be conducted together with the soil pollution control action plan. We will also start to restore farmland polluted by heavy metal and

implement pilots for adjusting the planting structure. We will expand the scope of pilot projects for comprehensive management and treatment of agricultural non-point source pollution. Intensive efforts will be dedicated to the conservation of the black soil region of Northeast China. The system of crop rotation on cultivated land and fallow land will enter the pilot phase to identify a reasonable subsidy standard. We will support efforts to improve soil conditions with added organic matter at the local level. Areas in North China under treatment for excessive groundwater extraction will be further expanded. We will accelerate the implementation of a new round of projects for turning marginal farmland into forest or grassland. As the last round of subsidy policy matures, eligible restored forests will be included in the state and local compensation and benefit plans. Projects for turning marginal grazing land into grassland will continue. We will promote management of cultivated grassland in the northern agriculture-animal husbandry ecotone. Wetland restoration and conservation projects will be carried out.

12. Enhance the development of major ecological projects.

We will promote protection, restoration and management of mountains, waters, forests, farmlands and lakes so as to form an ecological safety barrier for our nation. Land greening actions shall be carried out on a large scale. Major ecological restoration projects will be initiated in the Yangtze River Economic Belt to concretely protect the general area without large-scale development projects. We will carry out key ecological projects to improve the quality of forests. We will also optimize the subsidy policy for reducing overall commercial logging of natural forests. More national parks as well as national reserve forests will be established. We will restore and manage desertified land. We will also increase our efforts in protecting wildlife and rare animals, promote the protection of endangered wildlife and establish natural reserves. We will conserve and restore soil in key areas, and connect rivers, lakes and reservoir systems.

III. Grow new industries and forms of business and expand agriculture's industrial and value chains

13. Develop the recreational tourism industry in rural areas.

We will promote closer integration among such industries as agriculture, forestry and tourism, education, culture, recuperation and care, etc., with "Tourism Plus" and "Ecology Plus" models, taking full advantage of enormous tangible and intangible resources in rural areas. We will enrich business forms and products in rural tourism, create various thematic

rural tourism destinations and quality routes, and develop bed & breakfast and health and elderly care facilities with rural characteristics. We will encourage collective economic organizations in rural areas to found rural tourism cooperatives or cofound rural tourism enterprises with the private sector. We will raise construction funds from multiple channels to greatly enhance public service facilities for recreational agriculture, rural tourism and forestry recuperation and care, and achieve full broadband coverage in prioritized villages. We will perfect industrial standards for recreational agriculture and rural tourism, establish and complete regulations regarding food safety, fire safety, environmental protection, etc. We will support the protection of traditional villages, maintain the overall style and feature of unique villages rich in ethnic heritage, and implement contiguous area protection and moderate development in areas where necessary conditions are satisfied.

14. Promote rural e-commerce development.

We will push forward comprehensive interface and integration between new-type agribusiness entities, processing and circulation enterprises and e-commerce companies, in an effort to promote interactive development between the online and the offline. We will work faster to establish and complete a system of standards suitable to the e-commerce development for agricultural products. We will support the construction of e-commerce platforms for agricultural products and rural e-commerce service stations. We will promote the interconnection among trade, supply and marketing, postal service and e-commerce industries, work to build the logistics system from village to town, and implement the project of express delivery going rural. We will thoroughly implement the “e-commerce in rural areas” demonstration projects. We will encourage the development of e-commerce industry parks at the local level in line with regulations, where functions and services such as brand marketing, logistics, talent training, technical support, quality and safety, etc. are well congregated. We will make comprehensive efforts to bring information into villages and households, and carry out province-wide implementation and demonstration programs. We will improve the national circulation backbone network for agricultural products, work faster to establish the market system for not-for-profit agricultural products, strengthen the infrastructure network for cold-chain logistics for agricultural products, such as pre-cooling in producing areas, and improve the direct supply and sales system for fresh agricultural products. We will move forward with the “Internet Plus” modern agriculture initiative.

15. Accelerate the development of the modern food industry.

We will encourage processing companies to move to main producing areas, competitive producing areas and industry parks, and build food processing industry clusters in competitive producing areas. We will increase support for technology transformation in the food processing industry, to develop proprietary producing and processing equipment. We will encourage food companies to establish R&D departments in a bid to develop new market-oriented products with “original brand name”. We will implement improvement initiatives in the staple food processing industry, proactively industrialize and scale up conventional staple food production, and work hard to develop convenient food, snack food, frozen food, potato-made staple food products. We will strengthen development and application of new food ingredients and “medicine food homology” products. We will promote production and sales models such as “production site + central kitchen + dining outlet”, “production site + shopping mall supermarkets”, etc. Researching on modern biological and nutrition fortification technologies should be strengthened, and efforts should be made to develop foods with health effects. We will improve the registration and reporting system for health foods, special foods for medical use, and infant formulas. We will improve subsidy policies for preliminary processing in producing areas of agricultural products.

16. Help develop towns and villages with distinctive local features suitable for both living and working.

Based on respective local industry foundation, feature and potential, we will develop a number of towns and villages with distinctive local features, which will enjoy the development of agriculture, culture and tourism, balanced the improvement of production, ecology, and residents’ living standards, as well as a full integration of primary, second and service industries. We will support localities in enhancing industry support, infrastructure development, public services and environmental characteristics for towns and villages with distinctive local features. We will create an upgraded version of “one village one product” by developing specialty villages with various distinctive features. We will support villages where necessary conditions are satisfied in building countryside complexes, which are mainly based on farmers’ cooperatives, fully participated by and beneficial to farmers, and embedded with recycling agriculture, innovative agriculture and farming experience. Pilot project demonstration will be conducted through channels such as comprehensive agricultural development and transfer payment for comprehensive village reform, etc. We will make continued efforts in pilot programs for rural integrated industrial development, and support the establishment of a number of demonstration parks for integrated industry

development in rural areas.

IV. Enhance innovation of science and technology, guide modern agriculture for faster development

17. Strengthen R&D in agricultural science and technology.

We will adapt to the new requirements for agricultural transformation and structural adjustment and adjust the direction and priorities of innovation in agricultural science and technology. We will integrate resources for scientific and technological innovation, improve the national agricultural science and technology innovation system and the modern agricultural industry technology system, establish a number of modern agricultural industry science and technology innovation centers and agricultural science and technology innovation alliances, and promote resource sharing and the construction of service platform bases. We will reinforce fundamental and frontier research on agricultural science and technology and improve our capability of original innovation. We will establish national high-tech agricultural industry development zones. We will intensify the implementation of major projects of independent innovation in the seed industry and joint research efforts for developing major fine crop varieties. We will speed up the breeding of new varieties which are appropriate for mechanized production and feature high quality, high yield, multiple resistance and eurytopicity. We will strengthen R&D in science and technology applied in the improvement of medium- and low-yielding farmland, economic crops, herbivorous animal husbandry, marine ranch, smart agriculture, deep processing of agricultural and forestry products, warehousing and logistics, etc. We will accelerate the research and development of agricultural machinery and equipment which are suitable for hilly and mountainous areas, protected agriculture as well as livestock and poultry breeding and aquaculture and enhance our capability regarding independent research and development of core components of agricultural machinery. We will support local governments to pursue technology research and development in business operations with distinctive local features and competitive industries.

18. Strengthen the application of agricultural science and technology.

We will innovate in methods for the application of not-for-profit agricultural technology services, introduce the project management mechanism, practicing government procurement of services, and support extensive nongovernmental participation in the application of agricultural science and technology. We will encourage local governments to

establish agricultural technology extension alliances featuring the cooperation among departments of agriculture, science and education and industry-university-research integration. We will support personnel responsible for agricultural technology extension to carry out technical cooperation with family farms, farmers' cooperatives and leading enterprises. We will establish more models for green growth, high yield and high efficiency, and place priority on the promotion of high quality special varieties and technology models for cost saving, consumption reduction and recycling. We will implement the smart agriculture project, set up more IoT-based agriculture pilot and demonstration zones, and promote the application of intelligent devices in agricultural equipment. We will develop smart meteorology and improve the level of monitoring, forecasting and early-warning of meteorological disasters. We will further implement the system of special commissioners for promoting science and technology and create a number of "agricultural business startups and innovation platforms". We will strengthen the development of public services for science popularization in rural areas.

19. Improve the incentive mechanism for the innovation of agricultural science and technology.

We will speed up the implementation of rules and regulations regarding proceeds generated from the transformation of scientific and technological achievements, part-time jobs taken by scientific and technical personnel, etc. We will support innovation in agricultural science and technology through "granting subsidies after the completion of projects" and other ways. We will implement the program on the cultivation of outstanding agricultural research talents and further advance the pilot project of reforming methods for the allocation of rights and interests from scientific research achievements. We will develop new-type market-oriented organizations for agricultural technology research and development, transformation of achievements and industry incubation. We will improve the methods for supporting basic research which are in line with the law of innovation of agricultural science and technology and establish a differentiated agricultural science and technology evaluation system. We will strengthen the protection and application of agricultural intellectual property rights.

20. Uplift the construction level of agricultural science and technology parks.

We will work out the planning for park development in a scientific manner and highlight functions including scientific and technological innovation, research and development

application, pilot and demonstration, technology services and training. We will establish centers for the transformation of agricultural science and technology achievements, entrepreneurship platforms for scientific and technical personnel and high-tech industry incubator bases to develop clusters for modern agriculture innovation. We will support parks to carry out industry-university-research cooperation with an aim to establish scientific research and service platforms, including various research and development institutions, test and inspection centers, workstations for academicians and experts, technology exchanges, etc. We will support enterprises and research institutions in parks, based on regional conditions, to pursue key generic technology research and development and application in business operations with distinctive local features and competitive industries. We will improve management measures and monitoring and evaluation mechanisms for national agricultural science and technology parks.

21. Develop rural human resources.

We will focus on the cultivation of new-type professional farmers and the improvement of migrant workers' vocational skills and integrate training funds and resources from various channels. We will establish a government-led and industry-driven training mechanism featuring inter-departmental collaboration and coordination and comprehensive arrangement. We will explore government procurement of services and other methods, play the principal role of businesses in offering training and make training for migrant workers more targeted and effective. We will optimize the structure of agricultural practitioners, further implement programs for cultivating young modern farmers and forest farmers and programs of training in rotation for leaders of new-type agricultural business entities, explore ways of cultivating professional agricultural managers, and cultivate new farmers geared up to modern agricultural development. We will encourage universities and vocational schools and colleges to set up specialties, such as rural planning and development and rural residential design, offer related curriculum, cultivate a group of professionals, and support a group of rural craftsmen.

V. Strengthen points of weakness in agriculture and rural areas, lay a solid foundation for shared development in rural areas

22. Continuously strengthen farmland capital construction.

We will earnestly implement the strategy of giving first priority to land and scientifically

protecting land for grain security and promoting scientific and technological innovation in agriculture, set a red line that the country's total area of farmland should not fall below, and protect and optimize production capacity of food crops. We will fully implement policies and measures on giving special protection for permanent basic farmland, carry out the campaign of cultivated land quality protection and improvement, and continue to promote the transformation of medium- and low-yielding farmland. We will accelerate the construction of high-standard farmland and improve construction quality. In localities where necessary conditions are satisfied, it is advisable to include supporting facilities such as grain-sunning ground, drying equipment, storage sheds of farm implements and collection and composting of organic fertilizers in the range of high-standard farmland construction. We will guide financial institutions to provide credit support for high-standard farmland construction. The cultivated land which is added through land consolidation may be regulated within the province as the quota under the guideline of requisition-compensation balance of cultivated land. Proceeds generated from quota regulation can be obtained according to regulations or contract terms. We will promote the construction of major water conservancy projects. Efforts should be stepped up to restore and rehabilitate agricultural facilities and water conservancy projects which are destroyed by flood or damaged by disasters. We will strengthen the construction of weak areas in water conservancy and "five small water conservancy" projects (small water cellars, small pools, small pumping stations, small reservoirs and small water channels). We will advance the conversion of driving systems of pumped wells in plain regions from diesel engines to motors in the light of local conditions.

23. Work hard to improve rural living environments and build an even more livable and beautiful countryside.

We will advance the special campaign of domestic waste management in rural areas, promote waste classification and utilization, choose appropriate modes to carry out domestic sewage management in rural areas, and intensify efforts to support the contiguous and comprehensive management of the rural environment and improvement of latrines. We will carry out the unified campaign of investigating and remediating unlawful waste discharge in urban and rural areas. We will implement the rural new energy campaign, promote photovoltaic power generation, and gradually increase supply of power, gas and clean coal in rural areas. Efforts should be stepped up to revise the management regulations for village and town planning and development and work out plans on county and rural development. We will organize more architects to design buildings for rural areas and implement

demonstration projects of pastoral buildings. Efforts should be intensified to do a good job in rural road construction, management, maintenance and operation, deepen the reform of the rural road management and maintenance system, and actively promote urban and rural transportation integration. We will implement the project of maintaining and improving drinking water safety in rural areas and a new round of projects of rural power grid transformation and upgrading. We will improve the policies of rebuilding dilapidated rural houses and raise the subsidy standard, with the focus on supporting key groups which have been archived and registered in the national poverty alleviation information network, including poor households, households entitled to subsistence allowances, individual persons living in extreme poverty who are provided for by the government and poor families having members with disabilities. We will identify and eliminate potential safety hazards in dry wells, river ponds, drinking water, self-built houses, passenger transportation and school buses in rural areas. We will promote the construction of fiber to the village and move more quickly to realize the full coverage of the 4G network in rural areas. We will promote direct postal communication in administrative villages. We will improve rural living environments and build an even more livable and beautiful countryside. We will intensify efforts to improve the rural public cultural service system, implement key cultural projects for promoting people's wellbeing in a coordinated way, improve community-level comprehensive cultural service facilities, and organize more local opera performances in rural areas. We will support the protection of important agricultural cultural heritages.

24. Improve the level of basic public services in rural areas.

We will fully unify the urban and rural mechanisms for funding compulsory education while allocating a greater share of funds to rural areas and strengthen the cultivation and development of rural teachers. We will continue to raise the level of financing for basic health insurance of urban and rural residents, step up efforts to merge the medical insurance systems for rural and non-working urban residents, and expedite the building of a nationwide network for basic medical insurance so that medical expenses can be settled where they are incurred via basic medical insurance accounts. We will enhance the cultivation of community-level health professionals in rural areas. We will improve the methods of identifying persons who are entitled to subsistence allowances in rural areas and determine rural minimum living standards in a scientific and reasonable manner. We will work to secure solid progress in realizing the effective connection between the rural subsistence allowance system and poverty alleviation and development policies to do a good job in keeping the

lowest standards of the rural subsistence allowance system. We will improve the financing and guarantee mechanism of pension insurance for urban and rural residents. We will improve the system of providing support and services to the children, women, and elderly who remain in rural areas while their family members work away in cities.

25. Secure solid progress in combating poverty.

We will further implement various policies and measures for alleviating poverty in the light of local conditions to ensure that over 10 million people will be lifted out of poverty by 2017. We will advance major poverty alleviation projects, strengthen the supporting system for combating poverty and utilize resources for poverty alleviation in a coordinated way. Efforts should be made to improve the quality of shaking off poverty, motivate people living in poverty to shake off poverty and grow wealthy. We will strengthen supervision and management on poverty alleviation funds and integrate various funds for rural development in all poor counties. We will strictly implement the systems of assessment, supervision and inspection regarding combating poverty and fully implement the system of accountability. We will resolutely stop the formalism in poverty alleviation, forbid adding new requirements at every lower level and strictly prohibit fraud and trickery to achieve tangible results in combating poverty.

VI. Intensify reforms in rural areas to boost the local inherent vitality

26. Develop a pricing mechanism for grain and other key agricultural products and deepen reform of their sales and storage system.

We will follow through and improve the minimum purchase price policy for rice and wheat with a reasonable adjustment of price levels for a rational price ratio. We will resolutely follow the market for corn pricing and separate subsidies from market prices. In the meantime, we aim to improve the producer subsidy system in order to engage a wide range of market players for better sales results. We will adopt comprehensive measures to boost the use of such products as livestock feed or for processing. Thus, we can increase consumption channels to help digest inventory of corn and other products. We will adjust and improve the target price policy for cotton with a better subsidy plan. The target price policy for soybean will also undergo adjustment. We shall scientifically determine the size of state reserves of grains and other important agricultural products, optimize the structure and

regional layout of such grain varieties, reform the management system for central grain reserves, give full play to relevant policies and strictly supervise and manage grains under the policies, so as to prevent leakage or reduction and to ensure secure storage. We will support family farms and farmers' cooperatives in grain storage in a scientific manner.

27. Improve the agricultural subsidy system.

We will give a clear and precise indication on eligible recipients of agricultural subsidies, which mainly include major producing areas, operations of moderate scale, farmers' income as well as green and eco-development. We will further reform the "Three Subsidies (crop subsidies, grain farmers' direct subsidies and comprehensive subsidies for agricultural resources)" system for the agricultural sector. We will improve the compensation mechanism for the interests of main grain producing areas, offer stable incentives for major grain-producing counties, adjust the scope of application for the incentive funds and boost grain risk funds. Subsidy policies for purchasing agricultural machinery will be improved, with an increased amount of subsidies allocated to machinery for production of grain, sugar, cotton, oil and forage. We will implement a new round of subsidy incentives for the eco-protection of grassland. Forestry subsidies are also on the list for improvement, which will result in a bigger scope of application that includes the eco-benefits of wetland.

28. Reform the fiscal support system for the agricultural sector.

We will resolutely prioritize agriculture and rural areas in our fiscal expenditures, so as to ensure a modest increase in investment to the sector. With an optimized investment structure and innovative methods, we will enhance the effectiveness of fiscal support to the agricultural sector. Investments in fixed asset will also tilt towards agriculture and rural areas. We will plan, coordinate and guide the integration of agriculture-related funds via multiple methods. We will start with reforming the budget planning phase for specific-purpose transfers, and explore to implement the "major special project + task list" mode of management. The innovative use of fiscal funds as well as cooperation between public and private capitals shall be promoted. We will also introduce rewards and interest rate reduction instead of subsidy to support establishment of a guarantee system, and to encourage setting up of risk compensation funds, aiming to leverage more financial and social capitals for investment in agriculture and rural areas. We will set up an agricultural credit guarantee system which shall spread to cities and counties from its provincial agencies. Support will be given to cities and counties with ready conditions to establish such agencies in a timely basis for operation. We will also broaden investment and financing channels for agricultural

and rural infrastructure, where private capital is encouraged to get involved in projects of forestry, water conservation, irrigation and state farms on reclaimed land via franchise, equity holding, equity controlling and other methods. Local governments and private capitals are encouraged to set up all types of agricultural and rural development funds. Bonds issued by local governments will play a bigger role in supporting rural infrastructure construction. In accordance with relevant laws and regulations, we shall explore market-oriented methods for fund-raising, which will then be utilized for rural development in agriculture. We will study and formulate concrete opinions on how to guide and regulate industrial and commercial capitals to invest in agriculture and rural areas. For various small projects under fiscal support, we will prioritize rural collective economic organizations and farmers' cooperatives as the main management and support body to enhance farmers' participation and supervision throughout the process.

29. Step up financial innovation in rural areas.

We shall enhance the system of incentives and restraints so as to ensure stable growth of loan issuance aimed at solving issues involved farmers, agriculture and rural areas. We will support financial institutions in their network expansion to counties, where they can delegate appropriate approval authority for various financing matters. Financial institutions with mainly agriculture-related business shall fulfill a differentiated assessment method which remains to be improved. Increased application for agricultural loans will be rewarded under relevant policies. We will support rural commercial banks, rural cooperative banks, village/town banks and other financial institutions to take root in small rural counties, and provide more services to farmers, agriculture and rural areas with a better internal control and risk management system. We will regulate the development of mutual support funds in rural areas, and define strict regulatory body and their responsibilities for the matter. We will carry out pilot projects for internal credit cooperation of farmers' cooperatives, and encourage the development of agricultural mutual insurance. The China Development Bank will receive support to innovate their credit loan issuance methods. We will improve the risk compensation mechanism and supplementary capital system for the Agricultural Development Bank of China, and increase the level of credit support for market entry and acquisition by various players of the industry. We will continue to reform the Financial Service Department of "Agriculture, Rural Areas and Farmers" at the Agricultural Bank of China and offer a preferential required reserve ratio to qualified counties. We will improve the Financial Service Department of "Agriculture, Rural Areas and Farmers" at the Postal

Savings Bank of China and grant it with preferential policies. We will promptly formulate reform plans for provincial unions of rural credit cooperatives. We will optimize the mode of establishment for village/town banks and increase their area of coverage. Financial institutions are encouraged to take advantage of Internet technology in providing agribusiness with services such as micro credit, payment and settlement, insurance and other financial services. We shall promote the development of credit account, credit village and credit township. We will support financial institutions in their introduction of order financing and accounts receivable financing services to new-type agribusiness entities. Furthermore, we will develop pilot projects of granting loans against land operational rights and farmer's property, while exploring mortgage services that are granted against large farming machinery and agricultural production facilities. We shall work to identify the ownership of various resources and assets in rural areas, and finally share such information with the banking system. We will further expand the coverage, portfolio and standards of agricultural insurance so as to meet the demand of agricultural business entities. We will undertake a reward system instead of subsidies to support the introduction of local insurances for agricultural products. We will encourage fund raising via multiple local channels for piloting the expansion of agricultural price index insurance. We will also seek to establish an agricultural income insurance system. Eligible agribusinesses will be well supported in seeking public listing, financing, bond issuance, merger and acquisition. Under the prerequisite of perfecting the risk blocking mechanism, we will better coordinate both the fiscal and social financial support to the agricultural sector. Financial institutions will be encouraged to issue "Three Rural" special financial bonds. Banks shall enhance their cooperation with insurance companies to introduce credit guarantee, insurance and loans. We will further develop agricultural futures and options market, actively guide the agribusinesses in utilizing them as tools for risk management, and steadily carry forward the "Insurance + Futures" pilot. We will also strictly crack down on illegal fund-raising and financial fraud in rural areas, while actively seeking legislation for rural finance.

30. Deepen the reform of the rural collective property rights system.

We will work to achieve separation of the three rights, i.e. rural land ownership, farmers' contract rights and land operating rights. We will register contracted land with certification that indicates its clear ownership, and work to expand the scope of the pilot to cover the whole province. We will also facilitate pilot projects that aim at reform of rural land acquisition, collective management of construction land and the homestead system. We will

speed up the consolidated registration and certification of land ownership for rural homestead and collective construction land. We will thoroughly study pilot projects for the reform of the rural homestead system. Under the premise of fully protecting the homestead right of use, and preventing encroachment of external capitals, we need to implement collective ownership of the homestead and safeguard farmers' legal right of possession and use. We will explore other means to revitalize the use of idle rural housing and homestead, e.g. rental or cooperation in order to increase farmers' income from their property assets. We will allow fund-raising through multiple local channels for compensation to farmers who voluntarily give up the contracted land or their homestead for urban residency according to regulations. We will pay close attention to formulate laws on rural collective economic organizations so as to grant them with legal person status. We will conduct an extensive verification process on rural collective assets and capital. We will advance rural shareholding cooperatives in a steady and orderly manner, starting on a small scale, and verify memberships as well as quantify operating assets so as to safeguard farmers' rights to collective assets. Taking into consideration of actual situations, we will explore effective pathways for developing the collective economy and encourage local entities to turn resources into assets, capitals into shares and farmers into shareholders. Thus, we can enhance the vitality and strength of the collective economy in rural areas. We will formulate preferential tax policies for the reform of rural collective property rights. We will deepen the reform of collective forest tenure. We will develop a market for user rights over water resources so as to allow for their validation as well as trading and transaction. We will also strive to set up a trading market for rural property rights.

31. Explore to establish a guarantee mechanism that ensures land allocation for agricultural and rural development.

We will optimize the layout of urban and rural development land so as to arrange for reasonable land use for various development requirements of agriculture and rural areas. We will improve the guarantee mechanism concerning new construction land, which designates a certain ratio of the annual quota to new industries and businesses in rural areas as support. We will also prepare a land use plan at the village level. Where the total amount of land for construction in rural areas is under control and permanent basic farmland remains unchanged, we will put in more efforts in utilizing existing construction land in rural areas. We should allow for construction land reclaimed through village renovation and rearrangement of homestead to be used for integrated development of the leisure tourism,

senior care and service industry, in the form of share-holding or joint operative. We will prohibit illegal real estate development or construction of private mansions or clubs. We will improve agricultural land use policies and actively support the construction of facilities for cold chain logistics, primary processing, recreational harvesting activities and warehousing of agricultural products. We will improve the administrative measures on requisition-compensation balance of cultivated land with concrete responsible entities, and coordinate such tasks in provinces with a shortage of resources from the state.

32. Improve the system for agricultural labor force transfer and employment as well as agricultural entrepreneurship and innovation.

We should enhance a fair employment system for urban and rural workers, and improve the service system for agricultural labor force transfer and employment. We encourage a diverse range of employment, while effectively protecting legitimate rights and interests of migrant workers. We make great efforts to solve outstanding issues facing the new generation of workers and those who suffer from occupational diseases, among others. We will support migrant workers to return home and start their own business, which can be conducive to emerging industries and business forms in modern agriculture and rural development. We also advocate for college graduates, business owners, agricultural scientific and technical personnel and people with overseas degree to return to the countryside for entrepreneurial endeavors and innovation, where they can apply modern technologies, production methods and business models to rural areas. We will introduce a number of preferential policies that support entrepreneurship and innovation efforts in rural areas with market access, taxation, financial services, land use, power supply, entrepreneurship training and social security, etc. For such purpose, business parks, business incubator bases, customer service platforms for entrepreneurs shall be established together with an open service platform which provides one-stop services.

33. Promote rural reforms in a coordinated way.

We will continue to deepen the comprehensive reform of supply and marketing cooperatives so as to improve their service capability. We will make a steady progress in reforming the state-owned forest zones and forest farms in order to accelerate transformation and upgrade. We will further reform state farms on reclaimed land with the aim to foster competitive and modern agricultural enterprises and groups. We will intensify the reform of administration and management system in well-developed townships. We will fully implement the “river chief” system with the goal of putting in place an all-inclusive 4-

level (provinces, cities, counties and towns) river chief system before the end of 2018. We will increase pilot projects for the reform of water resources taxation. We will continue to develop rural reform pilot zones and the state demonstration zones of modern agriculture. We will carry out pilot projects for the comprehensive reform of rural areas. We will respect farmers' practices and innovation while encouraging initial rounds of trials at the community-level. For this, we will improve the incentive and fault-tolerant mechanism. We will strengthen supervision and guidance on all types of rural reform pilots to conclude transferable experiences. We will also introduce and revise relevant laws and regulations to provide legislation guarantee for the supply-side structural reform in agriculture. We shall thoroughly complete the task of conducting the third national survey on agriculture. Party committees and governments at all levels must always adhere to solving the "three rural" issues as a top priority of the Party's work without wavering, changing or ever reducing the intensity. It is a must to align understanding and action with the central government's decisions and deployment, and to focus on the supply-side structural reform in agriculture with policy development, task deployment, fiscal support and human resources ready in place. To thoroughly implement guiding spirits of the sixth plenary sessions of the 18th CPC Central Committee, and to strengthen the "Four-fold Consciousness," (political consciousness, consciousness about the whole situation, consciousness about following the leadership "core" and consciousness about remaining in unison [with the top party leadership]), we shall fully implement the requirements in rural areas to establish an accountability system governing local party members. We shall adhere to developing villages and counties on an overall scale, standardize practices at the local level, and take rectifying measures where necessary. We need to choose proper lead management for rural party organizations, and keep records of village party secretaries at the county level, strengthen village level organization of funding for operations so as to further develop the collective economy at the village level. The Party shall play a big role in poverty alleviation, whereas the first secretary at the village party committee shall assume an important role in the process. The County Commission for Discipline Inspection shall mainly be tasked with investigation and correction of improper conduct and corruption. Farmers shall be encouraged to support with supervision. We will work to achieve autonomy of villagers under guidance of the village party committee, putting in place a supervision committee that oversees village matters and equipping it with a pragmatic monitoring mechanism. Pilot projects for such autonomy can be conducted among villagers' groups or the village. We will

carry on with pilots of rural community development. We aim to cultivate household traditions, village culture and a new respected gentleman culture which fit the core socialist values and development requirements of building new countryside with socialist characteristics. We shall enhance farmers' ideological, moral, scientific and cultural qualities, change prevailing customs and traditions, and guide the masses to scale down weddings, funerals and other banquets as well as the amount of money to be received or given at these occasions. We will manage social safety, share practical information on laws and services and guide petitions of farmers. We will also further promote the "three rural" strategy so as to create a sound environment in rural areas for reform and development. Let us rally closer around the CPC Central Committee headed by General Secretary Xi Jinping to forge ahead, fearless of difficulties, and promote the supply-side structural reform in agriculture. We shall strive for outstanding results to greet the opening of the 19th CPC National Congress! (The End) Source: Xinhua News Agency 2-5-2017。

the links: http://www.moa.gov.cn/ztl/yhwj2017/zywj/201702/t20170206_5468567.htm

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We have launched our new website, please visit <http://www.dcz-china.org>

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