The Development Path of the E-Commerce Model of Farmers'professional Cooperatives in Poor Areas of China

-- A Comprehensive Survey in Hanyuan County, Sichuan Province

Lei Luo , Lufei Tang and Xinhong Fu*

School of Management, Sichuan Agricultural University, Chengdu 610000, China

Abstract

There are more than 500 million smallholder farmers worldwide, who are more or less small-scale, technologically backward, resource-poor and low-income, the emergence of farmers'professional cooperative organizations has solved this world-class problem to a certain extent, cooperatives have benefited small farmers in terms of linking large markets, achieving economies of scale, extending supply chains and improving bargaining power.However, in recent years, the emergence of internet-based ecommerce has shortened the distance between small farmers and the market, widened the market channels for small farmers? Is there a point of convergence and a mode of convergence between the two development models? To solve this problem, Sichuan Agricultural University (Sau) focuses on the development of e-commerce in Sichuan farmer cooperatives. The aim of this project is to solve the contradiction between the development of farmers'professional cooperatives and E-commerce, and to study the development path of e-commerce model of farmers'professional cooperatives in poverty-stricken areas.

Keywords

Farmers'professional cooperatives; Electronic Commerce; Patterns.

1. Introduction

Sichuan is a major agricultural province and one of the most populous and impoverished regions in China. The team spent three days in December 2019 in Hanyuan County, Sichuan Province, to get a first-hand look at what farmers'co-operatives are really thinking about and where they stand in the wave of E-commerce, by holding seminars, visiting farmers, participatory observation, structured interviews and other ways to understand the barriers and problems of cooperative participation in the development of E-commerce, and explore the optimal path of cooperative development of e-commerce. After being recommended and screened by the competent agricultural authorities, the team focused on the case of cooperatives such as Jufeng farming and breeding farmers'professional cooperative, Fuzhuang cooperative and Shanlihong farming and breeding farmers'professional cooperative in Hanyuan County, the investigation method mainly uses the participation observation and the depth interview unifies.

2. Development Model

2.1. Hanyuan County Jufeng Farming Farmers Cooperatives:Co-op + E-Commerce Platform Co-development Model

After graduating from high school, he worked for 10 years in the Chengdu Haolilai Food Chain Company, and has accumulated some experience in the food industry and e-commerce

operation. His work experience had a profound impact on his later forays into cooperatives and E-COMMERCE: Corporate Culture, which focused on the safety and guality of food; and study and exchange, where he studied abroad many times and accumulated business contacts. He used his earnings of 600,000 to return to his hometown to register a professional cooperative of Jufeng farming and breeding farmers, with more than 120 members, all of whom belong to poor families with file-setting cards and produce better quality fruits. Business scope includes procurement, sorting, unified packaging, sales, design packaging and so on. In response to the rapid development of E-COMMERCE, he began to explore a co-operative + e-commerce company parallel development path, he co-partners registered e-commerce company on the basis of cooperatives, he set up branches in Hanyuan County, Chengdu, set up fruit brands, open online shops, the use of members of the circle of friends to sell products, sales volume grew rapidly. At present, the founder has set up a number of e-commerce platform company, and cooperative Integration Development, business expansion: fruit production, marketing planning, packaging design, air logistics, and other economic benefits.

Fuzhuang Farming Farmers Cooperatives: Forex is Dedicated to High-End 2.2. **Products + Entrustment E-commerce Sales Model**

President of FUZHUANG CO-OP: After graduating from junior high school, he made his fortune by planting fruit trees. After going out to contract projects, he made his first fortune in the construction industry. In 2011, he returned home to found Fuzhuang co-op: he invested tens of millions of dollars to create the first land right co-op in Ya'an and applied for the organic pepper certification. At present, the only company in the country has the organic pepper certification, Positioning Boutique, the main business of high-end fruit and pepper. Sentence is too long, please supply a shorter sentence.

Shan Li Hong Planting and Breeding Farmers' professional Cooperative — 2.3. -Internet + Fruit Tree Claim Development Model

president dropped out of school at the age of 15, went home to develop sweet cherries and wholesale fruits in Ya'an; at the age of 19, wholesale fruits in Chengdu and Ya'an; in 2015, with the rapid development of e-commerce in Hanyuan County, the impact of the traditional fruit sales industry, turned to form a cooperative, and based on this to develop e-commerce. In terms of membership and distribution, the cooperative has a high threshold for membership, with 112 members, of which 40 are poor households. The government has given support funds to the poor households, issued equity certificates to the poor households, issued 5 per cent dividends to the lowest-performing and priority-poor households, 112 households have quantified shares in Eucalyptus trees and acreage, and provided financial subsidies of 350,000 for basic construction such as freezing houses and cold storages. The dividends are distributed 30 per cent on an average basis, and 70 per cent is returned according to the transaction value, with annual sales of 10 million yuan. In terms of brand building, the cooperative makes full use of the Internet and e-commerce platform to build its own "mountain red" sweet Cherry Minority Boutique brand, withdraw from the uneven quality of Hanyuanhong regional brand, with the help of network resources publicity, made Boutique, do high-quality, the corresponding price is also more expensive, but a good market. On the basis of the establishment of the brand, the co-operative operates a small e-commerce company to carry out the "fruit tree claim" mode for regular customers and stable customers. For example, a family claims a sweet cherry tree for 1,000 yuan per year, which guarantees that it will not be medicated or picked secretly. At the same time, it can come to pick regularly to ensure high quality, experience the fun of picking, or, depending on the backlogs of goods, supply to other local e-commerce companies.

133N: 2000-9323

3. Empirical Revelation

Based on the above findings, we propose an optimized path for the development of E-commerce by farmers' professional cooperatives in the region, and suggest that cooperative organizations should adapt to the new era background and development environment, seize the valuable opportunity of the rise of the Internet, turn "crisis" into "opportunity", and integrate the development of the Economic Cooperation Organization into the wave of E-commerce take-off. Sentence is too long, please supply a shorter sentence. Sentence is too long, please supply a shorter sentence. The next step can also draw on the advanced experience of agricultural cooperation in developed countries, and adopt the combination of farmers'professional cooperatives and cross-border e-commerce to sell agricultural products, which is conducive to agricultural modernization and farmers'organization, and to promote China's agricultural products to the world.

References

- [1] Lin Jianhua, Zhao Hongbo (2014). New development of farmer cooperatives in Shandong Province. Chinese farmer cooperatives, no.2, pp.19-21.
- [2] Zhang Xiaoshan (2015). Some thoughts on promoting the healthy development of farmer cooperatives in China. Chinese farmer cooperatives, no.4, pp.44-46.
- [3] Xu, X. (2005), Institutional Analysis on Farmer Specialized Cooperatives in China, The Publishing House of Economic Science, Beijing.
- [4] Xu, X., Shao, K., Liang, Q., Guo, H., Lu, J. and Huang, Z. (2013), "Entry of Chinese small farmers into big markets", Chinese Economy, Vol. 46 No. 1, pp. 7-19.
- [5] Sun, Y. (2009), "Study on the organizational mode and developing strategy of agricultural industrialization", Rural Operating Management, No. 5, pp. 14-15.