

The Innovative Path of the Financing Model of New Agricultural Business Entities from the Perspective of Digital Inclusive Finance

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Abstract

As an important driving force for the realization of my country's agricultural modernization, the new agricultural management entities, but the financing difficulties restrict their high-quality development. The inclusiveness and digital characteristics of digital inclusive finance provide an effective solution to the financing problems of new agricultural business entities. Based on the perspective of digital inclusive finance, this paper analyzes the impact mechanism of digital inclusive finance on the financing of new agricultural business entities. Digital financial models such as financing models, crowdfunding platform financing models, etc., provide a new development path for the financing of new agricultural business entities.

Keywords

Digital Inclusive Finance; New Agricultural Business Entity; Financing Model; Innovation Path.

1. Introduction

to build a modern socialist country in an all-round way. As the region with the largest area and the largest population in China, accelerating the modernization of agriculture and rural areas has become the top priority of the party and the country. The No. 1 Central Document in 2021 makes important instructions on the modernization of agriculture and rural areas: comprehensively promote rural revitalization and accelerate the modernization of agriculture and rural areas. Since the 18th National Congress of the Communist Party of China, General Secretary Xi Jinping has repeatedly emphasized that cultivating new agricultural management entities and promoting the planning, organization, specialization and marketization of agricultural production are the direction and the only way to build modern agriculture. However, at present, it is difficult for my country's rural financial services to adapt to the development needs of new agricultural business entities, which severely limits the process of my country's agricultural modernization. As a digital financial service with equal opportunities and commercial sustainability, digital inclusive finance can effectively solve new agricultural business entities. financing difficulties.

2. Literature Review and Questions

With the deep integration of digital technology and the financial industry, digital finance has the advantages of sharing, convenience, low cost and high accessibility, and has been widely used and developed[1]. Inclusive finance follows the principle of inclusiveness and provides affordable and effective financial services for all social classes. The focus of its services is on groups in a disadvantaged position in financial services, such as farmers, agricultural farmers, family farms, etc. or those who lack commercial financial services. The 2016 G20 Hangzhou Summit put forward the concept of digital financial inclusion, that is, the use of digital technology to provide financial services to groups who cannot obtain or lack financial services

to achieve the principles of equal opportunities and business sustainability. Finance is the essence and inclusiveness is the purpose[2]. Digital is the means is a high-level generalization of digital financial inclusion. The new agricultural management entities have effectively improved the level of my country's agricultural modernization through large-scale, intensive and modern production and operation methods, but severe financing problems have become an obstacle to their rapid development. Regarding the financing of new agricultural business entities, my country has issued a series of policies and regulations to solve its financing difficulties, but the effect is not satisfactory. As an inclusive financial service for disadvantaged groups in agriculture and rural areas, digital inclusive finance has many advantages such as low cost and high availability, and is an important way to solve the financing dilemma of new agricultural business entities in my country. It has important research value to promote the cultivation of new agricultural business entities by benefiting financial innovation and financing models[3].

3. The Financing Dilemma for the Development of New Agricultural Business Entities

With the continuous development of my country's urbanization process, the continuous inflow of rural population to cities and towns provides the possibility for new agricultural business entities to expand their business scale. , the management right of farmland can enter the market transaction, which provides a system guarantee for the new type of agricultural management entities to expand the scale of operation. Driven by both practical needs and institutional guarantees, new agricultural business entities such as family farms, farmers' professional cooperatives, and leading agricultural industrialization enterprises have developed rapidly[4]. They have huge demands for agricultural production factors such as land, technology, and modern agricultural equipment. Since agriculture has a certain weakness compared to the secondary and tertiary industries, its financing difficulties have become increasingly prominent, mainly including the following issues:

First, financing costs remain high. When Chinese commercial financial institutions provide agricultural financial services, they focus on utility and compensation. In the actual financing process of new agricultural business entities, they need to pay a lot of extra expenses, resulting in their financing costs being much higher than the average social financing cost.

Second, the conditions for loans of financial institutions are on the high side. At present, my country's traditional financial institutions still use the commercial financing evaluation mechanism in the agricultural loan review[5]. Due to the weak economic strength of new agricultural business entities and less fixed assets, financial institutions pay too much attention to the repayment ability of agricultural business entities, resulting in some smaller households. It is difficult for farms and agricultural professional households to obtain financial support. At the same time, some large-scale new agricultural business entities are also difficult to obtain large amounts of loans due to their low profitability. Excessive loan conditions increase the financing difficulty of small and medium-sized agricultural business entities[6].

Finally, the agricultural credit guarantee system is not perfect. China's agricultural credit services are mainly provided by policy guarantee institutions, and there is a serious imbalance between supply and demand. Only a small number of agricultural operators can obtain agricultural credit guarantee services. When guaranteeing services, there is a mismatch between returns and risks, and private guarantee institutions are reluctant to enter the field of agricultural credit services, making it difficult to form a multi-subject agricultural credit system, which is not conducive to the long-term development of agricultural credit guarantee business[7].

4. Analysis of the Mechanism of Digital Inclusive Finance to Promote the Cultivation of New Agricultural Business Entities

By providing digital financial products and services such as credit, insurance, payment, wealth management, credit reporting and technical services, digital inclusive finance effectively relieves the financial pressure of new agricultural business entities, enhances their risk resistance, and improves their agricultural business efficiency. First of all, digital inclusive finance solves the problem of information asymmetry between various entities through big data technology, reduces the supply cost and use cost of financial services for new agricultural business entities, and improves the coverage and depth of financial services. It matches the supply and demand of agricultural financial services, promotes the inclination of financial resources to disadvantaged groups, and fully reflects the characteristics of inclusiveness. Secondly, digital inclusive finance conducts credit assessment on new agricultural business entities through Internet transaction big data, improves the accuracy of risk pricing model and risk prediction, realizes risk management and enhances risk resistance. Finally, by providing value-added services such as digital financial services and digital operations, it has significantly improved the efficiency of its agricultural operations[8].

Digital inclusive finance reduces the supply cost of financial services, thereby expanding the coverage of rural financial services and improving the availability of financial services for new agricultural business entities. Traditional financial services need to provide financial services through the construction of service outlets and commercial banks. However, my country's rural areas are vast and sparsely populated[9]. Due to cost and benefit considerations, financial institutions are difficult to penetrate into the vast rural areas, resulting in new agricultural operations. It is difficult for entities to obtain financial services nearby. Through information technology and product innovation, digital inclusive finance provides services such as remote account opening, fund distribution and payment collection by using mobile terminal equipment such as computers and mobile phones, which reduces the cost of financial services and expands the scope of financial services. Financial services can be easily accessed through digital financial services[10]. In terms of coverage groups, digital inclusive finance evaluates users' credit characteristics and needs through digital technologies such as big data and cloud computing, which reduces the user's entry threshold and enables new agricultural business entities to obtain personalized and popular financial services.

Digital inclusive finance reduces the cost of using financial services and expands the depth of the use of financial services by new agricultural business entities. After a digital financial institution establishes an online financing platform, it only needs a low marginal cost for maintenance. Using technologies such as the Internet, big data, and cloud computing, the digital financial service platform can break the constraints of time and space and greatly improve digital inclusiveness. The accessibility of financial products, providing financial services to new agricultural business entities at a lower cost, and realizing financial benefits with scale effects (Xie and Ping, 2015). In particular, digital inclusive finance has significantly reduced the degree of information asymmetry. The low-cost advantage of digital finance has led to the continuous development of new financial products by various financial institutions and the reduction of financial service prices to attract users. Various financial products are new types of agricultural operations. The main body provides differentiated and low-cost financial services, and agricultural business entities can easily grasp the functions, handling conditions, interest rates and other information of various financial products through digital mobile terminals, and find financial products that suit their own requirements through comparison. Increase its depth of use.

Digital inclusive finance improves the operational efficiency of new agricultural business entities by providing digital operation services and technical support. Digital inclusive finance

uses electronic terminals and Internet technology to build a comprehensive service platform for new agricultural business entities, innovates financial credit products through digital technology, provides new online financing and other methods, simplifies the qualification approval process, and makes it easier for new agricultural business entities to obtain funds. Expand the scale of production and operation to provide financial support for the improvement of its production and operation efficiency. In terms of financial services and technical support, the digital inclusive financial service platform is based on large-scale comprehensive e-commerce platforms and supermarkets, and uses its cash flow, information flow and logistics big data to digitally integrate the resources of the entire supply chain with the help of information technology. Provide financial credit services and digital operation and other value-added services for new agricultural operators in the supply chain, convert the digital footprint of each link of the agricultural supply chain into credit data, improve the financial risk management system, and simplify the financing process of new agricultural operators, improving its financing efficiency and ensuring the normal development of its production and operation activities.

5. The Innovative Path of the Financing Model of New Agricultural Business Entities from the Perspective of Digital Inclusive Finance

At present, most of the new agricultural business entities in China are located in rural areas, lack effective collateral, have limited commercial value, and have certain operational risks. Traditional financial institutions have set loan conditions and financing costs based on consideration of benefits and risks, resulting in the financing difficulties of new agricultural business entities. Although the central government has provided continuous financial subsidies through relevant policy financial institutions, it is still difficult to meet relevant financing needs. With the increasingly widespread application of digital technology innovation in the field of agricultural finance, the role of digital inclusive finance in agricultural financing has become increasingly apparent, and the use of digital inclusive finance has become an important solution to the financing dilemma of new agricultural business entities. The innovative financing model of digital inclusive finance provides a useful reference for expanding diversified agricultural financing channels in the future.

5.1. The New Type of Agricultural Business Entity Commercial Bank Network Credit Model

Commercial banks develop online financing products based on Internet technology, such as China Merchants Bank's "Flash Loan", China Construction Bank's "Quick Loan", China Everbright Bank's "Sunshine Loan", Shanghai Pudong Development Bank's "Diandai" and other online credit loans. The online credit loans of commercial banks are based on credit data such as account opening, wealth management and deposit records of new agricultural business entities, and use information processing technology to analyze the qualifications of borrowers. This type of commercial bank online credit loan follows the principles of small amount, short-term, high efficiency and controllable risk. It is suitable for large agricultural farmers and family farms with stable operation, small demand for capital, and new types of agricultural business entities of the family farm type who need short-term capital turnover. It can meet the temporary and emergency capital needs of new agricultural business entities, and the loan interest rate is also at a low level.

5.2. The Big Data and Micro-loan Model for New Agricultural Business Entities

For new agricultural business entities, temporary and emergency micro-credit loans are the most widely demanded financial services. Unsecured, unsecured, and convenient micro-credit loan services for small farmers are the most urgent financial needs of new agricultural business

entities, and the Micro-loan model based on big data can meet such financing needs. The big data Micro-loan model is based on big data, based on the individual characteristics of the fund demander on its platform and the transaction big data, and lends money to the fund demander. The advantage of this model is that it can be solved through big data mining. It solves the problem of information asymmetry between the supply and demand sides, but there are strong technical requirements for financial institutions. The providers of such small loan services include agricultural commercial banks with agricultural big data and e-commerce platforms with big user data, such as the Agricultural Bank of China The "Huinong e-Loan" service is based on the basic information of farmers and the big data of transaction information to conduct risk review. New agricultural business entities can apply for small loans online through mobile devices, with no mortgage, no guarantee and convenient processing. The advantages. On the e-commerce platform, Alibaba's "Ali Small Loan" and JD.com's "Jingdong Finance" use Internet big data mining technology to provide small loans to agricultural enterprises with certain brands and network marketing models to meet their short-term small loan needs. .

5.3. Supply Chain Financing Model of New Agricultural Business Entities

Supply chain refers to the integration of upstream and downstream enterprises such as raw material suppliers, product manufacturers, and distributors around the core enterprises in the supply chain to form an overall functional network chain structure. The supply chain financing model is a financing model in which financial institutions rely on the credit and contract performance capabilities of core companies to provide financing services to the entire supply chain, such as China Construction Bank's "e-point access, e-sales access", under this model, Commercial banks conduct information exchange and cooperation with core enterprises, and provide full-process online financing services for upstream and downstream enterprises recommended by core enterprises. Under the supply chain financing model of new agricultural business entities, core enterprises provide commercial banks with transaction information, order information, sales information and comprehensive scoring information related to new agricultural business entities. Information sharing mechanism, real-time and dynamic risk assessment of relevant entities, using information technology to analyze the qualifications of relevant entities, and providing financial services such as guarantees and loans based on these digital information, this model has the advantages of low threshold, high efficiency, low cost, etc., but mainly For large-scale agricultural leading enterprises and large-scale agricultural business entities.

5.4. Financing Model of Crowdfunding Platform for New Agricultural Business Entities

Crowdfunding, as one of the important financing modes of digital finance, operates by publicly raising funds to the public through the Internet platform to carry out projects, and giving returns to investors after the project obtains benefits. With the diversified development of crowdfunding, agricultural crowdfunding came into being. The characteristics of agricultural crowdfunding projects are that they require a long time limit and a relatively large amount of start-up capital to carry out such agricultural projects. Commercial banks and financial institutions are reluctant to invest due to high operational risks. Agricultural crowdfunding projects include sales of organic agricultural products, ecological agriculture and ecological animal husbandry and fishery and other investment projects with a long payback period. At present, my country's agricultural crowdfunding platforms include Dajia, Organic Profit, Taobao Crowdfunding, and Family Farm Alliance, etc. Take my country's large-scale agricultural crowdfunding platform-Family Farm Alliance as an example. Uploaded to the platform of the Family Farm Alliance, the platform will organize professionals to review the agricultural crowdfunding project, and the qualification will be certified after the review; secondly, the Family Farm Alliance platform will publish the relevant information of the

agricultural crowdfunding project on the platform; finally, investors are raising Get in touch with new agricultural business entities within the time limit and sign investment contracts to carry out cooperation. The family farm alliance platform is currently only an information release platform, and needs to be further improved in terms of capital supervision and project supervision, but this expands agricultural financing channels and is also an important source of large investment in modern agriculture.

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