



TRAINING FARMERS ON HOW TO START A BUSINESS – INNOVATION IN THE TRAINING OF FARMERS IN JIANGSU PROVINCE IN CHINA

Li Fanghong, Central Agricultural Broadcast and Television School of China, China
Wang Taiqun, Central Agricultural Broadcast and Television School of China, China

Co-author: Wan Lei, Central Agricultural Broadcast and Television School of China, China

Summary

With the very fast advances in agriculture, there is an urgent need for modern agricultural operators with advanced production skills, a stronger awareness of how to start a business and a high level of ability in management. Training on starting up their own businesses to foster a large number of specialized farmers is extremely important for the rural economy in China and for achieving a coordinated development of urban and rural areas. It is also the key to accelerating the transformation from traditional agriculture to modern agriculture to enhance its vitality. Therefore, the Central Agricultural Broadcasting and Television School (CABTS) has conducted pilot training of farmers for starting up businesses in the coastal areas of China, with good results. Based on a study of the pilot training in Jiangsu Province, this paper illustrates the significance of such training, the training module and the delivery methods, and the problems which need to be solved, as well as the recommendations for up-scaling.

Background and objectives of training the farmers

Jiangsu Province is one of the most developed provinces on the east coast of China, with both rural and urban economic development ranking at the top for the country, and it has transferred large number of rural labourers to non-farming industries. Rural land has been centralized into large holdings and animal production centres, and the development of large-scale agricultural production and integration has been rapid. There is a clear development trend for the agricultural and rural economy to be based more and more on corporate, centralized and cooperative operations. In particular, the efforts of industry to support agriculture and the city to support rural areas in China have been continuously intensified. Agricultural modernization and new countryside construction is progressing with an unprecedented depth and magnitude since the implementation of policies benefiting farmers, such as: the rescinding of agricultural tax; the institution of direct subsidies for grain production; the provision of subsidies for superior crop varieties and the purchase of agricultural machinery and tools; and general subsidies for agricultural production supplies. Profound changes have taken place in the rural industrial structure, agricultural production and management approaches, together with scientific and technological progress. Through “Green Certificate Training”, the “Trans-century Youth Farmer Training in Science and

Technology”, “Practical Technical Training” and “New Type of Farmer Training in Science and Technology”, Jiangsu Province has trained large number of technical and specialized farmers. Through this training, some farmers have developed large-scale crop and animal farming; and more farmers and those migrant workers who accumulated some funds and returned to their hometowns, have a strong desire to start up their own businesses. However, the common problem they face is the big gap between their management rationale and level and the technical skills and needs of a large-scale and integrated agricultural operation. Therefore, Jiangsu Province started a pilot project for training farmers in starting up a business in Hongze County in 2003 and, given the good results achieved, this was up-scaled to the entire province in 2006. Many farmers who received training have successfully initiated enterprises; some of them have set up farmers’ specialized cooperatives based on agricultural integration; and a large number of farmers have become involved in crop and animal farming on a large scale.

Engaging in business is an important way for farmers to address the problem of employment, but they lack the ability to initiate businesses. The primary targets for such training are: (a) younger farmers who have a certain level of education, knowledge of science and technology and a strong desire to set up a business; (b) migrant workers who have returned home with the basic requirements for starting up their businesses; (c) large farmer households involved in crop and animal farming, and with agricultural machinery; (d) leaders of cooperative organizations; (e) people responsible for rural service enterprises; and (f) college and vocational school graduates who are unemployed. Through its business training, internships, market studies, policy support and follow-up services, Jiangsu Province has trained large numbers in modern agricultural production and operation and farmer entrepreneurs – which has clearly helped to improve the skills of farmers in initiating businesses and has enhanced their capacity for self-development.

Major practices in the training of farmers in starting up businesses

The training of farmers in Jiangsu Province can be divided roughly into two stages: business training for elite farmers followed by large-scale training of farmers in setting up businesses.

The training of elite farmers

From June 2003 to June 2004, Jiangsu selected Hongze County as the base for a pilot project, providing training in grass cultivation for duck production and unique aquatic production. From over 100 applicants, 20 farmers with a large-scale operation and a certain level of education, knowledge of industrial development, the financial foundations, and the capacity to initiate a business were selected for the training. These farmers were aged below 40 years and had received high school education; they were all holders of Green Certificates and had taken the Trans-century Youth Farmer Science and Technology Training Programme; and they were involved in a certain scale of production and operations. They also had a strong desire to learn and the capacity to establish their own businesses.

The training programme was divided into three stages: learning from lectures and practice; a study tour and practice in enterprises; and a business start-up in their own home towns. The lectures were delivered over 45 days in a centralized manner, focusing on practical modern agricultural techniques, agricultural engineering technologies, business operations and management, and laws and regulations, as well as guidance on starting a business. The study tour and practice in enterprises lasted for three months, including internships in enterprises with large-scale operations and a tour of enterprises in other provinces. On the basis of these two stages of learning, the learners developed and improved their own plans for initiating businesses and started practising in their hometowns.

The content covered in the training programme is outlined in Table 1.

Table 1: Contents of the lectures and practice

Subjects	Content
Practical technology of modern agriculture	Biological characteristics of unique aquatic, water fowls and foddors and new varieties and breeds; new technologies and new knowledge; standardized production techniques for safe unique aquatic products and poultry products; poultry disease control; crab disease control; hatching technologies for poultry; poultry product processing; and storage and transportation techniques. These topics aimed at increasing learners' awareness of the quality of farm products and their skills in agricultural integration.
Agricultural engineering technologies	The basics of electrical work; the repair and maintenance of agricultural medium and small machinery; and agricultural construction engineering. These topics were intended to increase learners' skills in engineering work management in agricultural enterprises started and operated.
Management and laws and regulations	Farm product market analysis and marketing decision-making; agricultural enterprise management and decision-making; relevant policies for agriculture and rural areas; and corporate law, contract law and labour law. This content coverage was mainly targeted at increasing learners' awareness of markets and laws, as well as increasing their management skills.
Introduction to business start-up	Successful cases of well-known farms and agricultural enterprises in and outside China, to increase learners' awareness of learners of business start-up and competition.

So far, four learners have registered and started up their own agricultural enterprises; 12 have made a significant expansion in their operation scale; two have changed the aquatic breeds for the development of intensive aquaculture; and another two have migrated for further employment due to shortage of funds.

Large-scale training

The success of the training of elite farmers in starting up businesses in Hongze County was acknowledged at various levels of government. Jiangsu Province considered the programme content to be important during the 11th Five-year Plan period. On the basis of the experience of the elite farmers, large-scale training of farmers was started in the entire province in 2006, with a target of 100,000 farmers being trained each year. In 2006, Jiangsu Province arranged 20 million RMB yuan as a subsidy for the training, which was further increased in 2007 and 2008 reaching 30 million RMB yuan each year.

The target population for the large-scale training included households specializing in crop and animal farming; village cadres; rural agents; and returned migrant worker farmers, usually below the age of 45 and with middle school education. They are normally farmers with certain production scales, a strong awareness of science and technology, and the ability to play the role of demonstrators for fellow farmers.

The training comprises three stages: centralized lecturing, production and practice, and follow-up guidance through tracking. The lectures last for no less than 30 hours, focusing on

the following four modules: the latest technologies in particular fields; the development perspective in and outside the country; the marketing of agricultural produces; and basic skills involved in starting a business, and collecting and publishing network information. At the completion of their studies, the learners are required to develop their own plans for a business start-up. The production and practice stage involves 60 to 90 hours, with participants organized to learn and observe in relevant farms and agricultural enterprises. Internships are also offered in some areas with suitable conditions. In the process of learning and the study tour, learners can further improve their plans for initiating businesses for implementation when they go home. Finally, at the last stage, the training institution arranges for lecturers to track the trainees and provide follow-up guidance and services to help them resolve any problems encountered in business start-ups.

To encourage farmers to set up successful businesses, the local government has instituted some favourable policies, which are reflected mainly in loans, land, commerce and industry administration and taxation. For instance, micro credit is provided to farmers for the initiation of businesses, and loans with low and discounted interest rates are offered, with the formalities streamlined. The land used by farmers for business start-ups is treated as agricultural land with favourable conditions and the extension of tenure, and land-leasing costs and contracting fees. The fees and taxation for the farmers involved are appropriately reduced or exempted. Some localities have also provided a bonus of 1,500 RMB yuan to each successful business started by farmers which has provided employment for over two people.

In about three years, Jiangsu Province has delivered such training to 304,000 farmers and the capacity of the participants has been improved greatly in terms of production and management and business initiation. Over 80% of the farmers trained expanded the scale of their crop and animal farming, improving industrial development. Also about 10% of the farmers have assumed a position of responsibility for specialized agricultural cooperatives initiated and become entrepreneurs who have successfully registered the enterprises started up.

Problems encountered

Although the training of farmers has achieved some positive outcomes, several problems have also been encountered, viz.

- First, the overall quality of those targeted for training is not high. Among the rural labourers in Jiangsu Province, semi-illiterates and farmers with primary education accounted for 44.2%, while those with high school education and above accounted for only 7.6%. The low quality of agricultural workers has to some extent hindered farmers from participating in the training for start-up businesses and has also limited in-depth delivery of the training.
- Second, there is shortage of funding. For farmers who participate in the training, Jiangsu provincial government provides a subsidy of 300 RMB yuan per person on average. Inadequate funding has resulted in short periods of training, making it difficult to achieve the desired results.
- Third, the supportive policies are not well implemented, with various policies not being adequately coordinated, which has limited the development of farmers' business start-ups.

In order to further strengthen and increase its practical benefits, the following aspects should be improved:

- Guidance and services should be strengthened, with a greater effort to support farmers in starting up businesses on their own. They should be guided to identify the best approach in line with actual conditions; and follow-up services should be offered during the entire process. Continuous guidance, technical and market information and consultation should be provided to farmers to assist them in resolving the problems they face in starting and operating their own businesses start-ups and improve their management and operational skills.
- Policy support should be given, and favourable policies that are beneficial to start-up businesses and the prosperity of farmers should be developed. Support and subsidies should be provided to economic entities initiated by farmers; and credit conditions should be appropriately relaxed and credit services improved. The corresponding policy reforms should be intensified, such as the creation of a household resident register and social security system, to create a better external environment for the farmers involved.
- Financial support should be increased. The subsidy for the training of farmers should be increased so that more time can be allocated to production and practice during training to improve the farmers' skills in business start-ups. Also, for those farmers who want to develop their own businesses after training, a certain amount of financial support should be provided to assist them in realizing their dreams.