



Chapter 4

Agricultural Enterprise Case Study

- (1) Supply and Marketing Cooperatives Actively Promote Integrated Development of Primary, Secondary, and Tertiary Industries in Rural Areas
— Bridge Urban and Rural Markets to Boost Production and Income
- (2) Guang'an Supply and Marketing Cooperatives in Sichuan: "Supply and Marketing +" Model Facilitates Urban-Rural Integrated Development

(1) Supply and Marketing Cooperatives Actively Promote Integrated Development of Primary, Secondary, and Tertiary Industries in Rural Areas — Bridge Urban and Rural Markets to Boost Production and Income

Rural areas serve as important consumer markets and factor markets. Activating rural circulation plays a crucial role in promoting urban-rural integrated development and supporting the comprehensive revitalization of rural areas. The No. 1 Central Document for 2024 pointed out the need to "promote the integrated development of primary, secondary, and tertiary industries in rural areas" and to "advance the high-quality development of rural circulation".

What are the new features of the current rural circulation? How can we facilitate the flow of resources and factors into rural markets? What measures have supply and marketing cooperatives at all levels taken to further boost the growth of rural consumption and the development of characteristic industries? Reporters from People's Daily conducted interviews in several cities and counties of Guangdong Province to explore these questions.



Foshan Central Warehouse of Guangdong Tianzhuang Cold Chain Logistics Co., Ltd. features an automated high-rise warehouse. Equipped with 8 conveyor line cargo entrances and exits, as well as 6 fully automated stacker cranes, the warehouse can achieve an inbound and outbound operation speed of 180 pallets per hour. The picture shows the intelligent warehousing operations conducted by the fully automated stacker cranes.

Source:

People's Daily | Supply and Marketing Cooperatives actively promote the integrated development of primary, secondary and tertiary industries in rural areas – connecting urban and rural markets to boost production and income (2024-06-24). https://gxs.guiyang.gov.cn/ncds/ncdsnjdjsygl/202406/t20240624_84903980.html



At the supply and marketing vegetable seedling breeding base in Checun Village, Boluo County, Guangdong Province, a technician (right) is guiding vegetable seedling cultivation.

• **Smoothing Channels for the "Microcirculation" between Urban and Rural Areas.**

In the sweltering summer, villagers are shopping for various goods in the sales zones of fresh produce, daily consumer goods and others of the new Supply and Marketing Daily Necessities Supermarket in Chonglou Town, Taishan City, Jiangmen City, Guangdong Province.

The rural market holds enormous potential for expanding domestic demand. On one hand, high-quality goods and services are increasingly penetrating into rural areas, stimulating consumption potential. On the other hand, with the improvement of the three-level logistics distribution system between counties, towns, and villages, and the upgrading of rural e-commerce utilization, the channels through which agricultural products

can enter urban markets have become smoother.

Cauliflower, Lipu taro... At the Tianrun Agricultural Products Wholesale Market of Chonglou Town Supply and Marketing Cooperative, various agricultural products are abundantly supplied, with vendors being actively engaged in production-purchase-sales matchmaking and transaction negotiations. It is reported that the Tianrun Agricultural Products Wholesale Market sells 36,000 tons of agricultural products annually.

“For many years, we have been committed to building an urban-rural commodity circulation service platform, continuously optimizing the commercial network infrastructure and business models, actively increasing the supply of high-quality products, and enriching the rural consumer

market,” said Mai Haowen, Director of Chonglou Town Supply and Marketing Cooperative. The cooperative has started the operations of e-commerce businesses and launched an online platform, “Tianrun Life Direct”, to sell local characteristic agricultural products across the country, with an average annual sales volume of 50,000 units.

Counties and towns have a large population. All regions and sectors have been vigorously devoted to strengthening the construction of rural market systems, improving the effective supply of high-quality products and services in rural markets, and continuously meeting the demand of county and township residents for consumption upgrading. At the same time, efforts have been made to accelerate the integration of the e-commerce system and the express logistics distribution system between counties, towns, and villages, smoothing the "microcirculation" between urban and rural areas.

According to relevant responsible persons of the Guangdong Supply and Marketing Cooperative, the cooperative has accelerated the construction of a distribution network for the direct supply of reliable agricultural products and developed a production-marketing matchmaking system for agricultural products. It has accelerated the creation of an agricultural product circulation network connecting production sites to terminals, building 93 regional distribution centers in 21 prefecture- and higher-level cities, cultivating and

developing 684 supply and marketing farms, and exploring order-based and standardized production models. The Jiangmen Supply and Marketing Cooperative has built and operated 5 regional direct supply and distribution platforms and 7 supply and marketing farms, achieving an annual direct supply and distribution volume of agricultural products exceeding 350 million yuan. The Maoming Supply and Marketing Cooperative has built a supply and marketing experience center for Gaoliang cuisine to create full-industrial-chain services covering procurement, production, meal preparation, display, sales, and promotion of high-quality specialty agricultural products.

Relevant department heads of the All-China Federation of Supply and Marketing Cooperatives stated that the entire system would continue to improve its circulation networks, cultivate main bodies that are involved in circulation, innovate on business models, accelerating the construction of a modern circulation system for supply and marketing cooperatives and further consolidating the traditional advantages in the rural circulation field. It will actively promote the upgrading and transformation of the rural circulation service network across the system, advance the construction of county-level centralized collection and distribution centers and logistics distribution centers, accelerate the construction and applications of digitalization and intelligence, improve the circulation network across counties, towns,

and villages, promote the integrated development between urban and rural areas where agricultural products are sold in urban

areas and industrial products are sold in rural areas, ultimately helping smooth the two-way circulation cycle.



Zhongshan Service Center for Direct Supply and Distribution of Agricultural Products of Guangdong Supply and Marketing Cooperative. Photo source: Nanfang Daily NanfangPlus Application.



粤供销市集平台



粤供销农产品下单平台



“粤供销”衣服平台



智慧供应链 (OTMB) 系统

Guangdong Supply and Marketing Cooperative Digital Cloud Platform. Photo source: Guangdong Supply and Marketing Group.

- **Accelerating the Construction of a Public Cold Chain Logistics System and Improving Supporting Services.**

At the Guangdong-Hong Kong-Macao Greater Bay Area Livelihood Guarantee Cold Chain Logistics Park in Foshan, a fully automated digital cold storage facility can intelligently identify and monitor the movement and storage status of goods during inbound and outbound processes. Under the coordination of a digital “brain”, goods are transported via conveyor belts to designated cargo lanes, where giant mechanical arms of fully automated stacker cranes precisely grasp and place them.

Zhou Zhuowei, Chairman of Guangdong New Supply and Marketing Tianye Cold Chain Group Co., Ltd., introduced that in recent years, the Guangdong Provincial Supply and Marketing Cooperative has accelerated the construction of a public agricultural product cold chain logistics system and improved supporting facilities such as origin sorting and packaging, cold storage and preservation, warehousing and transportation, and primary processing. A total of 74 projects have been deployed across the province, with a cold storage capacity of 5.31 million cubic meters, of which 53 projects have officially entered networked operation. Currently, the cold chain backbone network has increased the comprehensive cold chain circulation rate of agricultural products by 10%, the pre-cooling rate by 30%, and reduced cold chain logistics costs by up to 30%. Upon the completion and launch of all projects by 2025, cold chain logistics parks that are

operated by supply and marketing cooperatives will have been more densely distributed across the province at intervals of one-hour driving distance.

On the right side of the Shenhai Expressway Shengtang Exit in Shengtang Town, Enping City, Jiangmen City, the staff are rapidly sorting potatoes in the warehouse of the Guangdong Supply and Marketing (Enping) Tianye Cold Chain Logistics Industrial Park. Enping is a potato production base in Guangdong, with potato cultivation spanning 11 towns (streets). The cold chain logistics park will provide better guarantees for the long-distance transportation of potatoes.

Specialty agricultural products such as Maoming lychees, Xuwen pineapples, and Qingyuan Lianzhou crystal pears can be transported to destinations nationwide through cold storage and preservation, sorting and packaging, and distribution processes that significantly reduce spoilage rates and that extend their sales period.

Developing cold chain logistics is a key component of enhancing the circulation level of agricultural products. The national supply and marketing cooperative system is advancing the development of cold chain logistics infrastructure relying on the wholesale markets of agricultural products and agribusinesses. This initiative actively promotes the construction of a modern agricultural product circulation network that is centered around cold chain logistics and supported by diversified development approaches. Data shows that in 2023, the

entire system added over 2 million tons of cold storage capacity.

Relevant department heads of the All-China Federation of Supply and Marketing Cooperative stated that they will continue to promote the renovation and construction of cold chain logistics facilities at the origins, hubs, and sales destinations of agricultural products, further improve the regional

consultation mechanism for the construction of cold chain logistics, and promote the integrated development of cold chain logistics with modern agriculture, agricultural product processing, and commercial circulation. Efforts will be accelerated to form a cold chain logistics and distribution network featuring the characteristics of supply and marketing cooperatives.



Guangdong New Supply and Marketing Tianye Cold Chain Group Co., Ltd. Photo source: Supply and Marketing Cooperative Union of Huicheng District, Huizhou City.



Construction of the Livelihood Guarantee Cold Chain Logistics Park Project in the Guangdong-Hong Kong-Macao Greater Bay Area. Photo source: Tianfeng Group.

• **Cultivating High-Quality Agricultural Product Brands and Driving Farmers to Increase Income and Achieve Prosperity.**

In Zoucun Village, Huzhen Town, Boluo County, Huizhou City, Ma Wenyong, an aquaculture farmer, is signing a Supply and Marketing Fishery Farm Agreement with Huizhou Green Agricultural Products Co., Ltd. Ma has engaged in aquaculture in Zoucun for many years, managing a fishery covering approximately 110 mu. Before collaborating with the supply and marketing cooperative, his sales were limited within local markets and a few neighboring cities. After the partnership, he began supplying aquatic products to companies within the Guangdong-Hong Kong-Macao Greater Bay Area (Huizhou) Green Agricultural Products Production and Supply Base, achieving not only higher sales volumes but also significantly improved aquatic product quality.

The signing of the agreement served as a "reassurance pill" for Ma Wenyong. "Now, the supply and marketing cooperative provides help at all stages from the purchase of fry and feed at the source, to technical guidance during cultivation, and sales channels at the terminal, greatly reducing breeding risks," Ma said.

Huang Zhijin, Director of a supply and marketing cooperative in Huzhen Town, introduced that since August in 2023, the cooperative had established 8 supply and marketing fishery farms with a total breeding area of 1,108 mu, achieving an expected

annual output volume of aquatic products of 3.5 million jin.

A supply and marketing professional cooperative for vegetables in Checun Village, Taimei Town, Boluo County adopts a "Supply and Marketing Cooperative + Village Collective + Smallholder Farmers" model to grow specialty corn, securing fixed sales channels for agricultural products. A supply and marketing rice farm in Hengli Town carries out "rice-rice-vegetable" three-season rotation pattern focusing on Simiao rice and preserved mustard, helping villagers increase income. The Chonglou Supply and Marketing Cooperative in Taishan City has established a "Winter Melon House" to build a black-skin winter melon industrial cluster... In recent years, Guangdong has taken promoting cooperation between supply and marketing cooperatives and village collective economic organizations as a key measure to accelerate the improvement of their capacity to connect and support farmers.

It is reported that the Guangdong Supply and Marketing Cooperative has established and improved a "cooperative-village" collaboration mechanism, selecting 10 counties (cities, districts) with competitive agricultural foundation as pilot sites for "cooperative-village" collaboration projects. The annual operating income of village collectives participating in the pilot has grown by over 10% on average.

Supply and marketing systems have focused on driving farmers' income growth, adopting multiple measures to develop the

processing and circulation of agricultural products. In 2023, the entire system focused on leveraging "local specialty products", guiding and organizing farmers to develop production bases, carry out primary processing of agricultural products at their origin, and to promote the integrated development of primary, secondary, and tertiary industries in rural areas. A total of over 2,000 leading enterprises in agricultural industrialization have been developed.

Relevant department heads of the All-China Federation of Supply and Marketing Cooperatives stated that efforts will be made to accelerate the improvement of grassroots

organization and service capabilities of supply and marketing cooperatives, integrating collectively owned enterprises, grassroots cooperatives, and farmer cooperatives, to build comprehensive platforms serving farmers' production and daily lives within the counties. They will actively drive the development of county-level characteristic industries, build primary processing facilities at the origin, such as cold storage, preservation, grading, and packaging, advance pilot projects for standardization demonstration and brand-building, cultivate high-quality agricultural product brands, and contribute to the development of "local specialties".



The "Supply and Marketing Fishery Farm" Awarding and Order Signing Ceremony was held in Huzhen Town. Photo source: Boluo Civilization Network.



The Shangyichun Meitao Planting Professional Cooperative in Fogang County adopts a “Company + Cooperative + Base + Farmers” four-in-one operation model, focusing on konjac cultivation and livestock/poultry farming. It provides members with services including konjac breeding, planting, technical support, procurement, sales, as well as poultry and livestock rearing. Photo source: Yangcheng Pai.

(2) Guang'an Supply and Marketing Cooperatives in Sichuan: "Supply and Marketing +" Model Facilitates Urban-Rural Integrated Development

Due to China's fundamental national condition of "large country with small-scale farms", prominent challenges arise in the process of promoting urban-rural integrated development, including low degrees of farmer organization, old style and simplicity of rural business models, and low levels of industrialization in agriculture. The Guang'an City Supply and Marketing Cooperative in Sichuan Province has continuously deepened

comprehensive reforms, leveraging the advantages of cooperative economic organizations and the role of comprehensive platforms for agricultural services. By implementing the "Supply and Marketing +" model, they integrate rural resources and factors, introduce modern business models to rural areas, extend urban consumer markets to rural regions, and facilitate urban-rural integrated development.



On June 19, 2024, the Sichuan Provincial Supply and Marketing Cooperative signed a strategic cooperation agreement with the Municipal People's Government of Guang'an. Photo source: Sichuan Supply and Marketing WeChat Official Account.

Source:

All China Federation of Supply and Marketing Cooperatives | Sichuan Guang'an City Cooperative: "Supply and Marketing +" model promotes urban-rural integrated development (2024-06-07).
<https://www.chinacoop.gov.cn/news.html?aid=1811035>

• **"Supply and Marketing + Farmers" Model: Cultivating Agricultural Business Entities, Driving Farmers' Income Growth, and Achieving Prosperity.**

To address the issue of low levels of organization among farmers in Guang'an City, the Guang'an Supply and Marketing Cooperative has adopted a two-pronged approach: On one hand, they encourage farmers to join cooperatives, adhering to the philosophy of open cooperative operation. In line with the regulations of the supply and marketing cooperatives, they widely recruit various agricultural service entities, village cadres, local talents, returning migrant workers, etc., into grassroots cooperatives. Leveraging the advantages of local talents who are familiar with local conditions, experienced, well-connected, and respected, the cooperative has effectively enhanced the level of organization among farmers and improved the quality of grassroots

cooperatives. So far, they have established 220 grassroots cooperatives, 1,072 comprehensive service cooperatives, and 396 farmer professional cooperatives, with 23,000 participating farmer members and 70 provincial-level demonstration grassroots cooperatives. On the other hand, they provide training on agricultural skills through the affiliated Guang'an Agricultural Vocational and Technical Training Institute, providing professional training for agricultural technicians, new professional farmers, and farmer managers, to improve members' comprehensive quality and stimulate their subjective initiative. For example, the Huimin Supply and Marketing Cooperative in Chengbei Town, Linshui County, has recruited 122 farmer members and developed a 1,200-mu vegetable base. In 2023, members received a dividend of 760 yuan per capita, 21,000 farmers were employed, with an average income of 19,000 yuan per capita.



The mechanical rice transplanting site of the Supply and Marketing Cooperative in Yuanshi Town, Linshui County. Source: Linshui Public Account.

• **"Supply and Marketing + Collective" Model: Enriching Business Models and Boosting Rural Economy.**

To address the issue that rural business models are old-style and simplistic, the Guang'an City Supply and Marketing Cooperative has adopted a two-pronged approach: On one hand, they explore mutual cooperation, which is led by grassroots cooperatives and village collectives. Taking villages (groups) as units, they develop order-based agriculture through production cooperation, land cooperation, and labor cooperation. Enterprises that are affiliated to the supply and marketing cooperative provide service guarantees such as agricultural input credit, agricultural machinery and technology support, and sales channels to reduce production and management risks, developing and expanding collective economies. So far, they have established 12 production and marketing bases, developed over 50 clients, and sold an average of over 3,000 tons of agricultural products annually. On the other hand, they build supply and marketing commercial centers by making use of the idle assets in towns and villages, taking advantage

of the circulation channels of grassroots supply and marketing cooperatives, and utilizing organization funds of the collective economies. In central market towns, they establish commercial service centers offering retail supermarkets, catering and leisure, courier stations, and other commercial services to create township economic circles and community life circles, thereby improving the level of grassroots governance. Up to now, 15 central supply and marketing cooperatives have been built. In 2023, the Shisun Supply and Marketing Cooperative in Guang'an District utilized 10.5 mu of idle land in the township, attracted 17 village collectives to join the cooperative as shareholders, and established the Shisun Supply and Marketing Agricultural & Commercial Service Center. The center provides comprehensive services such as garbage clearance and construction of small-scale public welfare projects, as well as commercial services like supermarkets, catering, car washing, and funeral services, creating over 80 job positions, achieving a total revenue of 1.2 million yuan, and distributing a dividend of 360,000 yuan to village collectives.



The Shisun Supply and Marketing Agricultural & Commercial Service Center was established by the Shisun Supply and Marketing Cooperative in Guang'an District. Photo source: Sichuan Supply and Marketing WeChat Official Account.

• **"Supply and Marketing + Park" Model: Promoting Integrated Development and Consolidating Industrial Chains.**

To address the issue of low levels of agricultural industrialization, the Guang'an City Supply and Marketing Cooperative has taken a two-pronged approach: On one hand, they ensure production-side supply by designating modern agricultural parks as the "main battlefield" for the supply and marketing services in the agricultural industry. By integrating 105 agricultural input sales outlets and 141 agricultural machinery units across the city's supply and marketing cooperatives system, they have established professional cooperatives for agricultural inputs and an intelligent alliance for agricultural machinery and technology, implementing centralized procurement and distribution of agricultural supplies. For the parks, they provide socialized services such as rehabilitation of abandoned farmland, contract farming and planting, and unified prevention and governance, to reduce agricultural production costs and improve efficiency, coordinating 52,000 tons of agricultural input supplies and delivering socialized services for 78,000 mu of farmland. On the other hand, they deliver

"post-production" services by coordinating county-level resources. They have established 8 park-type agricultural service centers by means of self-construction by supply and marketing cooperatives, park empowerment, and joint construction between parks and cooperatives. These centers offer post-production services including collection and storage on behalf of farmers, cold-chain logistics, and brand building, selling 36,000 tons of agricultural products and creating 97 "Tianfu Rural" public welfare brands. Specifically, the Qianfeng District Supply and Marketing Cooperative has led the construction and operation of the "Daliang Tianyuan" flower and seedling base, establishing a 2,000-mu standardized industrial base and cultivating 600,000 flower seedlings, with the base being rated as a national AAA-level scenic site. The Wusheng County Supply and Marketing Cooperative has taken the lead in operating the county's characteristic Dayagan citrus industry, building 3 managed warehouses and 2 brand operation centers, annually selling 17,000 tons of agricultural products from the park with an asset management scale of 120 million yuan, making Wusheng County the largest planting county of Dayagan citrus in China.



Qianfeng District Supply and Marketing Cooperative took the lead in participating in the construction of the flower and seedling park and the green pepper park, operating an industrial base of 4,000 mu. Photo source: Sichuan Supply and Marketing Official Account.