

# A Brief Analysis of the Dilemma of “Hot on the Top and Cold on the Bottom” in the Circulation of Agricultural Land

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**Keywords:** Agricultural land circulation, Agricultural social service, Agricultural modernization

**Abstract:** The circulation of agricultural land is of great significance for adjusting the relationship between rural superstructure and production, thereby promoting agricultural modernization. However, in the current operation process, there is a strange image of “hot on the top and cold on the bottom”. This article attempts to analyze from the dual perspectives of the country's need to develop agriculture, a weak industry, and the motives and interests of external entities in the transfer of agricultural land. The reason for this strange appearance. And try to put forward measures and suggestions to solve the problem of farmland transfer from the perspective of farmland transfer itself and the realization of the overall goal of agricultural scale management. It draws the conclusion that the realization of agricultural modernization should be promoted by means of “two-wheel drive” of agricultural land transfer and agricultural socialization service.

## 1. Introduction

In 2021, my country is at the time of winning the battle of poverty alleviation and realizing the great achievement of building a moderately prosperous society in an all-round way, and the rural areas will take on a new look. At the same time, with the extension of the second round of land contract period for another 30 years and the proposal of the rural revitalization plan, land transfer is still the general trend. Combined with the background of the country's advocacy of moderate-scale agricultural management, the scope of large-scale land transfer has gradually expanded. However, in the process of the author's field research, he found that the actual operation of agricultural land circulation presents the status quo of “hot on the top and cold on the bottom”, that is, the state attaches great importance to it, scholars pay high attention, but the farmers are indifferent. Therefore, the author tries to dig out the “behind the scenes” of the “monster image” from different perspectives, and try to make relevant suggestions.

## 2. Literature Review

The transfer of agricultural land is an important measure to adjust the superstructure and production relations in rural areas in order to promote the development of productive forces and agricultural modernization. However, a literature analysis of the data in the “China Rural Management Statistical Annual Report” pointed out that “the potential contribution of land transfer to agricultural economic growth may be further reduced” [1]. In recent years, a large number of studies have focused on the internal and external environment faced by the circulation of agricultural land, trying to analyze the various problems exposed in the process of the circulation of agricultural land. For example, in their research, Di Mei et al. pointed out that farmers' legal awareness is not in place, government guidance and services are not in place, and government guidance and services are not in place. [2] Li Jun et al also put forward the problem of imperfect land use right transfer mechanism in their research [3]. Peng Xiaoxia pointed out in her research that the transfer of agricultural land, especially the transfer of agricultural land to rural collective management construction land, will lead to “the tendency of agricultural land transfer to focus on scale and less on protection, resulting in serious degradation of agricultural ecological functions” in agricultural production. 4]. There are also many studies that suggest that agricultural modernization should be promoted through service-oriented economies of scale. For example, Han Xudong et al.

believe that “land transfer and agricultural socialization services are the fundamental ways to scale up operations and services, and studying the relationship between the two is of great significance to the structural reform of the agricultural supply side, the development of agricultural modernization, and even rural revitalization.” [ 5]; At the same time, Tong Rongping believes that “by expanding and updating the content of agricultural socialization services, we should find a mechanism for linking interests that is more in line with the service objects, and serve the moderate scale of land management and the promotion of modern production” [6]. However, this paper emphasizes that from the different perspectives of the country and the countryside, examines the circulation of agricultural land from the outside, tries to find the reason why the circulation of agricultural land falls into the dilemma of “hot upper and lower cold” from the perspective of the motivation of external subjects and the game of interests, and jumps out of the land circulation. limitations, try to explore the development path to achieve agricultural scale management from other perspectives. In other words, this paper attempts to expound the rationality and necessity of promoting agricultural modernization with the dual-wheel drive of agricultural land circulation and agricultural socialization services from a macro perspective and from the perspective of the inherent contradiction between agricultural land circulation and the external environment.

### **3. The Current Situation of Agricultural Land Circulation: “Hot in the Top and Cold in the Bottom”**

At present, the circulation of the entire agricultural land presents the status quo of “hot on the top and cold on the bottom”. The “hot” refers to the attention at the national level and the attention at the academic level. On the one hand, the state and the government are keen to promote the transfer of agricultural land. Among them, the comprehensive rural property rights exchanges established in Chengdu, Wuhan and other places are all demonstration cases of the state’s implementation of the transfer of agricultural land. Circulation is highly concerned, and a large number of studies and papers take land circulation as the research object. However, the farmers, who are the real main body of the countryside, have a cold attitude towards the transfer of agricultural land, and their enthusiasm for participating in the transfer of agricultural land is not high.

### **4. Reasons for the Current Situation of “Hot on the Top and Cold on the Bottom”**

The reason why the circulation of agricultural land presents such a scene can be analyzed from two different perspectives of the country and the countryside.

(1) Endogenous factors that the country and the government are keen to promote the transfer of agricultural land

As we all know, agriculture is a weak industry, and its ability to extend the industrial chain, increase added value, and increase profits is weak, especially for individual farmers, due to the constraints of funds, labor and other factors, farmers can expand the scale of production. The capacity is weak, so it is difficult to improve the intensification level of agriculture, which is difficult to match the further development needs of the country from the perspective of the country or the government.

First, the output value per mu of agricultural products is relatively low. The figure 1 provide us with the consequence of the investigation of Tianjinwan Village, Chishang Town, Boshan District, Zibo City, Shandong Province, the author found that if wheat and other grains are planted, the annual income per mu of land is about 1,500 yuan; if you plant tomatoes, cucumbers, cabbage, etc. The annual income is about 3,500 yuan, 3,000 yuan, and 2,000 yuan respectively. The kiwifruit planted in Yuanquan Town, Boshan District, has always been regarded as a high value-added product, with an annual income of about 7,000-8,000 yuan per mu, which is the same as the per mu output value of roses planted in Pingyin County, Jinan City.

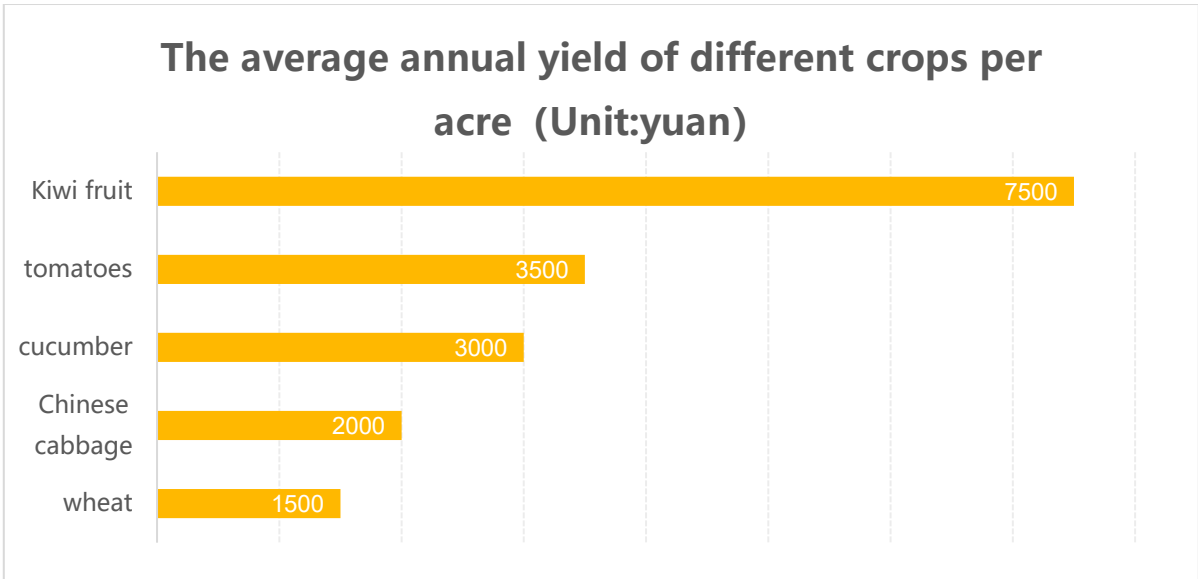


Figure 1 Annual Income Per Mu of Agricultural Products

In addition, the added value of agricultural products is low. According to Figure 2, which shows the investigation of these two places, the author also learned that in the past five years, the purchase price of kiwifruit has risen from 1.5 yuan per catty to 2.6 yuan per catty, while the sales price of kiwifruit has risen from 4 yuan per catty to 8 yuan per catty. ; The same story also happened in Pingyin, when the purchase price of roses was almost unchanged, the company created many high-quality products such as rose essential oil at about 430 yuan per gram through the improvement of production technology and the research and development of new products.

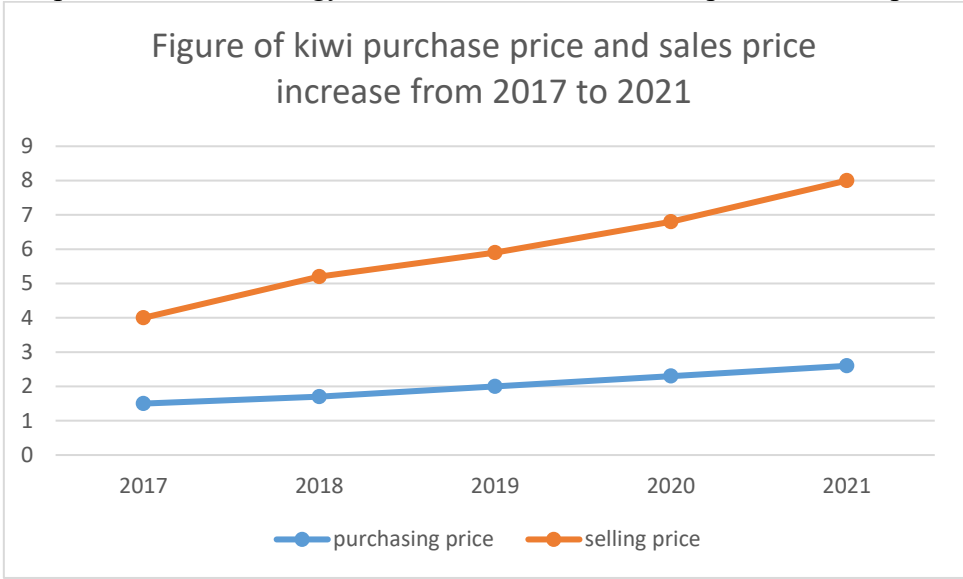


Figure 2 2017-2021 Kiwifruit Purchase Price and Sales Price Comparison Chart

Judging from the above two examples, the “weakened” characteristics of agriculture are undoubtedly revealed. In this context, the state and the government hope to develop agricultural operations on an appropriate scale through the transfer of agricultural land, improve the intensification level of agricultural production, and enhance the bargaining power of agricultural product producers through the introduction of science and technology, the cultivation of talents, and the enhancement of the bargaining power of agricultural product producers. In other words, due to the contradiction between the limitations of agricultural innate conditions and the needs of national development, the state hopes to promote the improvement of agricultural productivity by adjusting production relations. Therefore, the state has an endogenous driving force to promote the circulation of agricultural land.

## (2) Endogenous obstacles to farmland circulation in rural areas

The transfer of agricultural land can improve the intensification level of agriculture and improve the efficiency of agricultural production, but it has been “cold” in the countryside. The reasons are mainly concentrated in the following aspects.

1) It is difficult to form a market-oriented mechanism for the circulation of agricultural land. In the specific agricultural land transfer practice, the transfer market has problems such as slow development, low degree of standardization, and unreasonable expectations of the transfer period, which affect the performance of the reform of the agricultural land system. The difficulty in forming the marketization of agricultural land transfer is more concentrated in the imperfection of the market mechanism for the transfer price of agricultural land. “The transfer pricing method of land management rights generally includes four modes: independent agreement pricing by both parties, auction pricing by land demanders, valuation by intermediary agencies in the transfer of agricultural land, and government-guided pricing.” The survey found that independent agreement pricing and government-guided reference pricing are the main methods of current rural agricultural land circulation price pricing. During the interview, the author learned that the village is a society of acquaintances, and the transfer of local agricultural land is still dominated by paid subcontracting within the village. Villagers often use entrusted management and land exchange for land transfer. It is limited to the circulation between acquaintances or close relatives in the village. This part of the circulation generally does not have a clear time limit, and the degree of standardization is low. Many villagers only make verbal agreements during the circulation, lacking formal and compliant written contract agreements, and there is a lot of randomness. In addition, in terms of the transfer price, the transfer price of agricultural land in this type of transfer is often low, and the transfer between relatives is often free of charge. In addition, in Xiafeigezhuang Village, the proportion of agricultural land that is priced by the government is very small, accounting for only 64 mu of the 2,600 mu of land in the village, which can be illustrated by Figure 3. It is mainly used for the collective cultivation of cherry tomatoes in the village. In the process, because the local self-government organizations are both “judges” and “athletes”, the villagers believe that the transfer price of agricultural land is too low, and ultimately sacrifice their own land rights and interests. It reduces the enthusiasm of farmers for land transfer. It can be seen that the circulation of agricultural land has not been implemented on a large scale locally, and land is still a “sleeping asset” for local villagers.

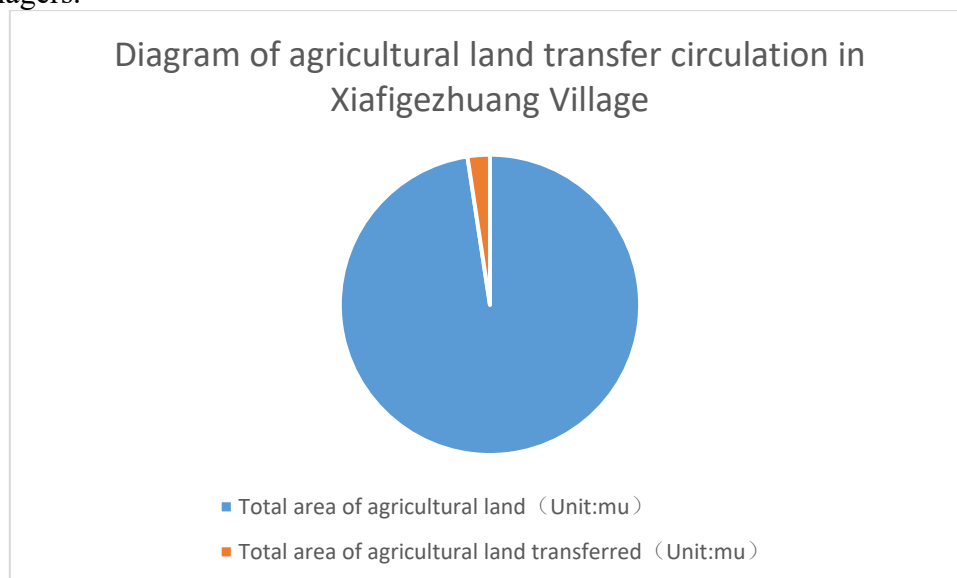


Figure 3 Schematic Diagram of the Circulation of Agricultural Land in Xiafeigezhuang Village

2) There is conflict between the interests of the outflow households and the inflow households. On the one hand, for the land inflow party, after the registration of the change of the subject of the management right, the inflow party becomes the property right subject of the agricultural land management right, “during the transfer period of the agricultural land management right, the inflow

party shall enjoy the possession, use, income, Disposition and other rights. The inflow party has the autonomy to carry out independent production and operation activities on the inflowing land, and enjoys the right to exclude others from improper interference.”[9] The inflow party can realize large-scale operation on the land. However, the main characteristics of large-scale agricultural management are long time, concentrated land, and intensive industrialized management. The new type of agricultural management entity, the land inflow party, needs to have a certain pre-fetching of the ownership of the long-term management right before it is willing to make long-term investment activities in agricultural land. Therefore, the land inflow side tends to obtain a longer transfer period of management rights. On the other hand, for the land outflow party, although the land outflow method of “rooting out” in the West is avoided, and the land contract right is retained through the transfer of agricultural land, but the loss of the land management right still means that The basic survival rights and interests of the farmers on the outflow side are at risk. Once it is difficult to settle down in the city, and the contracted land is still in the period of transfer of the management right, the basic survival right of farmers will be in danger. Therefore, the outgoing party tends to have a shorter transfer period of operating rights.

After the above discussion, we can find that there is an inherent contradiction between the land outflow party and the land inflow party in the choice of the length of the management right transfer period. This contradiction has also become one of the obstacles for farmers to transfer agricultural land, which greatly reduces the willingness of farmers to transfer agricultural land.

3) Causing turmoil in rural social classes and intensifying social contradictions. In some areas where the circulation of agricultural land is relatively frequent, due to the change in the amount of land, the rural society has also undergone tremendous changes. The most obvious manifestation is the obvious difference in the area of land occupied. This change has led to a huge gap between the income gap and the production efficiency. The few villagers who occupy most of the land in the village through the transfer of agricultural land have become the dominant collective in the village, and through cooperation with the rural grassroots. The cooperation of the governance group has become an emerging advantageous class in the village. Lin Tong et al. called it a “group with strong land domination ability” in their research [10]. The villagers who “lost” all or part of their land through the transfer of agricultural land, plus the general agricultural producers who have not transferred their agricultural land, become the disadvantaged groups in the village. Lin Tong et al. [10]. After the transfer of agricultural land, the original social stratum in the countryside was broken. In the process of establishing a new rural stratum, the emerging advantageous strata hoped to gain political and economic discourse power, and the disadvantaged strata hoped to enhance their own strength as much as possible. Disputes over interests will inevitably arise and intensify social conflicts. In other words, due to the uneven distribution of cultivated land value-added and income after large-scale transfer, conflicts of interest occurred between the two groups and between various strata within the powerful group, and these conflicts intensified social conflicts to a certain extent. From this point of view, there will be various resistances from villagers in the process of agricultural land circulation and promotion. It is difficult to implement and may have adverse effects after implementation. Considering that the village committee adheres to democracy and maintains a harmonious rural order, thereby enhancing the organization's The need for legitimacy recognition, rural grassroots self-governing organizations to promote the transfer of agricultural land is inevitably “thankful”, which has also become one of the obstacles to the implementation of agricultural land transfer in rural areas.

## **5. Conclusions and Related Recommendations**

### **(1) Conclusion**

Affected by the small peasant economy in history and the prominent contradiction between man and land for a long time, our country has formed an agricultural production and operation model dominated by small peasants. However, this production and operation model is difficult to adapt to the needs of the common development of urban and rural areas and to achieve common prosperity. The development of modern agriculture is realized by integrating agricultural resources and

carrying out large-scale agricultural management, among which the integration of land elements is the top priority. However, in our country's countryside, which is characterized by “acquaintance society”, the transfer of agricultural land has exposed various problems. There are constant frictions in the agricultural land transfer market, and it is difficult to form a market-oriented mechanism; the uncertain expectations of both parties in the transfer of agricultural land are different, and there is a non-cooperative game; the old social stratum in rural areas has been broken, social conflicts have intensified, and various problems have led to farmers and rural grass-roots autonomous organizations. The willingness to transfer agricultural land is low. The above two contradictory mentalities and motivations have led to the emergence of the current situation of “hot above and cold below” in the circulation of agricultural land. In order to deal with this “strange image”, we should not only find a way out from the problems existing in the circulation of agricultural land, but also jump out of the limitation of the idea of land circulation and find other ways to carry out large-scale agricultural operations.

## (2) Suggestions

1) From the perspective of agricultural land circulation itself, we should first improve the market-oriented mechanism of agricultural land circulation, promote the marketization of agricultural land circulation prices, and form a mechanism for determining the price of agricultural land circulation, which is the only way to solve the problem of agricultural land circulation. Secondly, we should improve the land transfer system, guide the two parties involved in the transfer of agricultural land to become a community of interests, and we can take measures such as guaranteeing the priority of employment of the outflow party of the agricultural land on its land during the transfer period of the management right to transform its non-cooperative game into a cooperative game. . In addition, clarify the functional boundaries between the grass-roots government and the market, better play the roles of the two, reasonably control the scope of power of powerful groups, and at the same time smooth the channels for rights protection to protect the legitimate rights and interests of vulnerable groups. The above methods all start with the agricultural land transfer policy or the main body itself, try to reconcile the contradictions and frictions in the transfer of agricultural land, improve the enthusiasm of farmers in the transfer of agricultural land, and deal with the current situation of “hot above and cold” in the transfer of agricultural land.

2) From the perspective of achieving the goal of large-scale agricultural management, agricultural socialization services should become an effective supplement to the circulation of agricultural land. Hu Xia et al., after in-depth research on the process of agricultural modernization in Japan and various problems exposed, emphasized that “when transforming traditional small-scale farmers' management, two methods of land property transfer and agricultural socialization services should be combined” [11]. We should realize that the transfer of agricultural land is not a necessary condition for improving agricultural output, and social services are also one of the important ways to promote agricultural modernization. The moderate scale operation of agriculture driven by services can be used as the “second path”, which complements the transformation of land circulation and moderate scale operation. What we need to pay attention to is that paying attention to the road of service scale management does not mean abandoning the method of land scale management, just as Zhong Zhen et al. In the process, it is not a trade-off relationship of 'competition of routes', but a win-win relationship of 'complimenting each other' [1]. To sum up, in order to deal more actively with the current situation of “hot upper and lower cooling” in the circulation of agricultural land, we need to combine agricultural socialization services with the circulation of agricultural land, and continuously improve the quality of agricultural modernization with Chinese characteristics.

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