On February 5, 2017, the Central Committee of the Communist Party of China (CCCPC) and the State Council unveiled its first policy document for 2017. This document, referred to as the No. 1 Document, traditionally focuses on agricultural and rural issues and is considered to be a significant policy document that outlines goals for the upcoming year. Major policy measures include China’s intent to become food secure in staple grain production; continue its domestic support programs for grains; increase its ability to use trade remedy measures, bolster its food safety system, and increase its level of support for agricultural research and development. This report provides an unofficial translation of the No. 1 Document. This unofficial translation was done in collaboration with the Canadian Embassy in Beijing, China.
Summary of 2017 No. 1 Document

Food Security:
The bottom line for the Chinese Government is “absolute security” in the area of staple grains (i.e., rice and wheat). Rice and wheat area planted will remain stable in the foreseeable future. Corn area planted will continue to decrease in “non-essential” regions, that is, regions not ideally suited for corn production. To ensure food security, the document notes that “functional” regions (i.e., optimal growing regions) for grain production that covers rice, wheat and corn crops will be identified. For other key commodities, mainly soybeans, cotton, rapeseed, sugar cane, and natural rubber, the country will establish “preservation” regions that are dedicated to specific crop production, in order to maintain basic self-sufficiency.

On animal production, swine production will remain stable, but production will gradually move to large operations and major corn producing regions. Production of grass-fed cattle and sheep will be encouraged. In an effort to revive the dairy industry, the government will support the development of family ranches and foster domestic dairy brands. The fishery and aquaculture industries will be streamlined to allow for more production efficiencies and increased output.

Comment: While food security remains a top priority in China, the focus seems to have shifted from quantity to quality, which is also the core of the so-called supply-side structural reform. In other words, the government encourages farmers to improve product quality or to produce commodities that meet the increased demand from local consumers for better and more varied agricultural products. For example, the government encourages farmers to plant premium rice varieties and wheat varieties with high/low gluten content. While the government guides farmers to reduce corn acreage (Note: sources indicate that corn area decreased by two million hectares in 2016 and is expected to continue decreasing by 670,000 hectares in 2017), China also encourages farmers to expand areas for feed crops, such as silage corn and alfalfa in order to increase grass-fed cattle and sheep production. Farmers are also encouraged to increase production of food-grade soybeans, tuber crops and coarse grains.

Domestic Support:
The overall domestic support level will continue to increase, but subsidies will be consolidated and geared towards major grain production areas, adequately-scaled operations to maximize productivity, and sustainable agriculture. The protective purchase prices for rice and wheat will remain unchanged, but the price levels will be adjusted based on market demand and supply situation (Note: the government will probably set different rice and wheat purchase prices based on quality and varieties). China has also begun pilot subsidy programs to encourage farmers to grow feed crops and soybeans instead of corn (see Food Security section).

Corn prices will continue to be determined by the market and the subsidy mechanism for corn growers will be further improved. The government also encourages farmers and processing facilities to transform corn to feed or value-added products. Currently, multiple market entities including private companies are allowed to purchase corn from farmers. (Note: the protective price system for corn was removed and a subsidy mechanism for corn growers was put in place in 2016. The new program seems to have worked well. As a result, corn prices have dropped significantly, benefiting the downstream processing facilities such as the biofuel industry. For more details, refer to GAIN report CH 17001, Grain & Feed
The target price system applied to cotton in Xinjiang and soybeans in four northeastern provinces will be further adjusted and improved (see GAIN report CH16061, Cotton Update, for more detailed information). The government will adjust the scale and commodity variety of the state reserves and optimize reserve locations. The No. 1 Document states that the Chinese government will support grain storage by family farms and farmer cooperatives. (Note: China used to maintain high levels of reserves for key commodities. This has created huge financial burdens for the government. In 2014, the temporary reserve system for cotton and soybeans was removed and replaced by a target price program. Likewise, the temporary reserve for corn was stopped in 2016 and replaced by a grower subsidy program).

**Agricultural Trade:**
China will continue to use the international market to supplement its supplies of agricultural products in the domestic market. However, China has become cautious about relying too much on the international market so as not to distort domestic prices and hurt the local industry. The No. 1 Document states that the Chinese government will be vigilant in conducting trade remedy investigations against imported agricultural products; and in enhancing its legal framework to do so. Meanwhile, the Chinese government encourages state-owned and private companies to work with other countries, especially those identified in its “One Belt One Road” policy, to establish production bases and processing/storage facilities in an effort to increase agricultural supplies to the Chinese market.

**Food Safety:**
Chinese farmers use a much higher level of chemicals in crop and animal production than farmers in other countries. The over application of chemicals has not only contaminated the soil and water, but has also created safety issues for human health. The document calls for establishment of agricultural product quality and safety standards and adoption of sustainable development practices such as Good Agriculture Practices (GAP). A pilot program to use organic fertilizer to replace chemicals (most likely on fruits and vegetables) will be launched in 2017. The government vows to enhance surveillance on chemical application and crack down on excessive use or use of illegal drugs. The focus will be on establishing a traceability system for agricultural products.

**Agriculture Technology:**
The No. 1 Document continues to place high importance on agricultural technology research and development. China will establish resource-sharing platforms on agricultural technology, with independent development and innovation in the seed industry being a priority. Joint efforts will be made to develop seeds for major crops. (Note: China would like to consolidate resources in the area of agricultural technology by establishing information-sharing platforms and high-tech development zones in agriculture. It is important to emphasize that, for the first time in many years, the No. 1 Document does not address China’s plans in the field of biotechnology. Such a lack of acknowledgement in this important field of agricultural innovation may indicate China’s intent to lower the profile of its agricultural biotechnology efforts by, for example, continuing research in this area, but slowing the pace of commercialization.)
Several Opinions of the CPC Central Committee and the State Council on Carrying forward the Structural Reform of Agriculture on the Supply Side and Accelerating the Cultivation of New Kinetic Energy Driving the Development of Agriculture and Rural Areas

(December 31, 2016)

After years-long unremitting efforts, China’s agricultural and rural area development has continuously taken one step after another and reached a new historical stage. The major contradiction of agriculture has changed from the inadequate aggregate to the structural contradiction, particularly evidenced by the fact that oversupply and undersupply coexist at the current stage, and the principal aspect of the contradiction lies in the supply side. Over the past years, China has actively explored the transformation of development pattern, structural adjustment, promotion of reform and other aspects of agriculture and laid certain foundation for further carrying forward the transformation and upgrade of agriculture next step. However, China still faces a range of significant challenges such as the imbalance of the supply-demand structure of agricultural products, unreasonable allocation of factors, huge resource and environment pressure and sluggish continuous income growth of farmers, and is imperative to resolve a host of contradictions, including the increase of output and improvement of quality, cost rise and price downturn, high stock level and sluggish sales, small production and big market and gap between foreign prices and domestic prices. We must adapt to the new situation and new requirements, adhere to the principle of problem orientation, adjust the major areas of work, carry forward the structural reform of agriculture on the supply side, accelerate the cultivation of new kinetic energy driving the development of agriculture and rural areas and start a new landscape of agricultural modernization.

When carrying forward the structural reform of agriculture on the supply side, we should, on the basis of assuring the national grain security, closely watch market demand changes, with the main objectives of increasing the income of farmers and ensuring effective supply, with the main direction of improving the quality of agricultural supply and with the fundamental approach of institutional reform and mechanism innovation to optimize the industrial system, production system and operation system of agriculture, increase the output ratio of land, resource utilization rate and labor productivity, and promote the agricultural and rural area development to evolve from excessive dependence on resource consumption and principal satisfaction of the quantitative demand to the pursuit of green ecosystem and sustainability as well as more attention to the satisfaction of the qualitative demand.

Carrying forward the structural reform of agriculture on the supply side is a long-term process, and we must properly handle relations between the government and the market, and coordinate the interests of different stakeholders. In this respect, we will face many significant challenges. We must live up with difficulties and challenges, carry forward the reform with determination, be brave to tolerate labor pains of the reform, reduce the cost of reform to the biggest extent, actively prevent the risk of reform and ensure the grain production capacity will not decline, the trend of income growth of farmers will not set
back and the stability in the rural areas will not have problems.

For the work of agriculture and rural areas in 2017, we must carry out the spirits of the Eighteenth National Congress of the Party as well as the Third, Fourth, Fifth and Sixth Plenary Sessions of the Eighteenth National Congress of the Party, follow the guidance of Deng Xiaoping Theory, the important thought of Three Represents and the Scientific Outlook on Development, implement in depth the spirits of a series of important speeches, new concepts, new thoughts and new strategies of Secretary-General Xi Jinping relating to state governance, adhere to the new development concept and propel agricultural modernization and new urbanization in a coordinated manner. We should carry forward the structural reform of agriculture on the supply side as the master line, focus on the benefit improvement of agriculture, income growth of farmers and green growth of rural areas, strengthen scientific and technological innovation as the new guide, and accelerate the pace of structural reform. We should reinforce the reform of rural areas, improve the comprehensive benefit and competitive strengths of agriculture, promote the construction of socialist new countryside construction to make new progress, and strive to take bigger steps to realize a comprehensive well-off society in the rural areas.

I. Optimize the product and industrial structure and focus on promoting the quality and benefit improvement in agriculture

1. Adjust the planting structure of grain crops, economic crops and feed crops in a coordinated manner. We should accelerate the pace to build a ternary planting structure featuring the coordinated development of grain crops, economic crops and feed crops for the purpose of stabilizing grain production, optimizing economic crops and enlarging feed crops. For grain crops, we should stabilize the production of rice and wheat, ensure the absolute security of grain supply, mainly develop high-quality rice, high-gluten wheat and low-gluten wheat, continue to reduce the production of seed corn in disadvantaged regions, and increase the production of high-quality edible soybean, tuber crops and beans other than soybean, etc. We should optimize the quality of economic crop varieties and their regional distribution, consolidate the production of cotton, oil seeds and sugar crops in major production areas, and promote gardening crops to improve values and benefits. We should enlarge the planting area of feed crops, develop silage corn, clover and other high-quality pasture and vigorously cultivate the modern feed and pasture industry. We should accelerate the pace to adjust the structure in transition zones between cropping areas and nomadic areas in the northern region and establish the planting structure that drives planting with animal husbandry, integrates animal husbandry, forestation and agriculture and combines grass, fruit and vegetable. We should continue the pilot of subsidizing the transition from grain planting to feed crop planting and from grain planting to soy planting.

2. Develop the high-benefit animal husbandry of scale. We should stabilize the production of live pigs, optimize the regional distribution of live pig breeding areas in the southern water network regions, and guide the capacity to transfer to regions with large environmental capacity and major corn production areas. We should accelerate the variety improvement and make every effort to develop the cattle, sheep and other grass-eating animal husbandry. We should revitalize the dairy industry in a comprehensive manner, mainly support family farms on moderate scale, guide the enlargement of raw and fresh milk consumption, strictly implement the reconstituted milk labeling system and cultivate Chinese high-quality brands. We should reasonably determine the cultivation size of rivers, reservoirs and other inland water areas, and promote the aquatic cultivation to reduce the output but increase the benefit. We should carry forward comprehensive planting and aquaculture in rice fields and aquaculture in low-altitude saline and alkaline lands. We should refine time limits and areas for the restriction and ban of fishing in rivers, lakes and oceans, and first realize comprehensive fishing ban in aquatic organism reserves in the Yangtze River Basin. We should develop shoal resources scientifically and in order. We should support the intensive healthy seawater cultivation, develop
modern marine farms, strengthen collaborative regional protection and reasonably control offshore fishing. We should actively develop the ocean fishing industry. We should establish the aggregate administration system for marine fishery resources, regulate various uses of oceans for fishery purposes, and support fishermen to reduce ships and transform to other business activities.

3. Enlarge and strengthen personalized and advantaged industries. We should implement the action plan to improve the quality and benefit for advantaged and personalized agriculture, promote the upgrade of coarse cereals and beans other than soybean, vegetables, melons, fruits, tea, silkworm, mulberry, gardening shoot, edible fungus, traditional Chinese medicine materials, personalized cultivation and other industries, and build local specialties and minor varieties into big businesses that will promote the income growth of farmers. We should vigorously develop woody cereal, oil and other personalized economic forests, forests of valuable trees, flowers, bamboos, forest foods and other green industries. We should implement the construction project for forest ecological sign products. We should implement the pilot of standardized production of personalized agricultural products, and establish a batch of agricultural products with geographical sign and origin protection bases. We should carry forward the work to build regional public brands for agricultural products, support different regions to build regional personalized brands on back of advantaged enterprises and industry associations, and introduce modern factors to rebuild and upgrade traditional famous and advantaged brands.

4. Further optimize the regional distribution of agriculture. Based on the principal functional zone planning and the regional planning for advantaged agricultural products, we should determine functional zones for production of rice, wheat and corn as grains as well as reserves for production of important agricultural products such as soybean, cotton, rapeseed, sugarcane for sugar material and natural rubber. We should keep records for all plots within functional zones and reserves and upgrade their pictures to the database to realize precise information technology-based management. We should catch time to research and establish construction standards for functional zones and reserves, refine the incentive mechanism and supporting policy, and define the responsibilities of construction, management and maintenance entities level by level. We should establish the construction planning for advantaged regions of personalized agricultural products, build assessment standards and technical support systems, and encourage different regions in the race to create advantaged regions for personalized agricultural products such as gardening products, animal products, aquatic products and forest products.

5. Improve the quality of agricultural products and the food safety level in an all-round manner. We should adhere to the principle of revitalizing agriculture on the basis of quality, implement the agricultural standardization strategy, highlight the orientation of high quality, safety and green, and refine quality standards for agricultural products and quality safety standards. We should support emerging agricultural operators to apply for the certification of “three products and one trademark”, promote the facilitation of agricultural product trademark registration, and reinforce brand protection. We should guide enterprises to seek the international certification of organic agricultural products, and make domestic green and organic agricultural products more authoritative and influential. We should tangibly strengthen the environmental protection for origins and treatment at the source, carry forward agricultural good production practices, promote the production record and ledger system, and strictly implement relevant provisions regarding the production, sales and use of agricultural inputs. We should regulate in depth the excessive residue of pesticides and veterinary drugs, particularly antibiotics abuse in the cultivation industry, and rigorously combat the noncompliant use of pesticides and veterinary drugs, illegal addition of food additives, use of food additives beyond scopes and limits and other conducts. We should refine the supervision system for quality of agricultural products and
food safety, reinforce hierarchical risk management and responsibilities of local regions and strengthen selective examination and monitoring. We should establish the comprehensive service platform for trace and supervision featuring the traceability of the entire process, interconnection and sharing. We should encourage production and operation entities to buy the liability insurance for food safety. We should catch time to revise the law regarding quality safety of agricultural products.

6. Actively develop operation of moderate scale. We should vigorously cultivate emerging agricultural operation entities and service entities, and accelerate the pace to develop the operation of scale in diverse forms such as land turnover and service drive by means of the turnover of operating right, stock cooperation, agency farming, land custody and other modes. We should guide farmers to realize continuous land farming based on household through land exchange and combination within the same village or unit or other forms on the basis of voluntariness. We should refine the identification method for family farms and support family farms of moderate scale. We should strengthen the standardization of farmer cooperatives and actively develop the “three-in-one” comprehensive cooperation integrating production, supply & sales and credit. We should summarize and promote the experience from the social service for the entire process of agricultural production, and support and cultivate commercial service organizations engaged in farming machinery operation, farm irrigation & drainage, uniform prevention and treatment, drying, warehousing and other businesses. We should support supply & sales, post, farming machinery and other sectors to play the role as comprehensive agricultural service platforms and promote their transformation from traditional circulation outlets of agricultural materials to modern comprehensive service providers of agricultural materials. We should encourage different regions to explore the performance insurance for land turnover. We should research and establish the assessment indicator system for agricultural operation of moderate scale and guide healthy development of operation of scale.

7. Build modern agricultural industry parks. We should rely on planting and cultivation bases of scale as the base, depend on the drive of leading agricultural industrialization enterprises, assemble modern production factors, build modern agricultural industry parks integrating production, processing, science and technology, and play their role in technical integration, industrial fusion, incubation platform and core engine. We should scientifically establish industrial park planning, and arrange production, processing, logistics, research & development, pilot, service and other functional segments in a coordinated manner. We should encourage local governments to utilize funds for construction of high-standard farms, comprehensive agricultural development, development of modern agriculture and other projects, and build infrastructures and supporting service systems in industrial parks in a concentrated manner. We should attract leading enterprises and scientific research institutions to build and operate industrial parks, develop facility agriculture, precise agriculture, fine & deep processing and modern marketing, propel the professional, standard and intensive production of emerging agricultural operators and households, and push the upgrade of all links and creation of more values along the entire chain. We should encourage peasant households, migrant workers returning to their hometown and people going to rural areas to participate in the construction and share incomes through order agriculture, stock cooperation, entrance and business startup at industrial parks and other forms.

8. Create a good environment for international trade of agricultural products. We should utilize the international market in a coordinated manner, optimize the domestic supply structure of agricultural products, and refine the import market of agricultural products with fair competition. We should refine laws and regulations concerning anti-subsidy, anti-dumping and security measures against agricultural products, and investigate trade subsidies against imported agricultural products according to the law. We should encourage more export of advantaged agricultural products
and strengthen overseas promotion. We should strengthen foreign cooperation in agriculture and propel agriculture to go global. We should support agricultural enterprises to conduct multinational cooperation mainly in countries and regions along and near the “One Belt and One Road”, build overseas production bases as well as processing, warehousing and logistics facilities there, and incubate large enterprises and large groups with international competitive strengths. We should play an active part in the establishment and revision of international trade rules and international standards, and carry forward mutual acknowledgment of agricultural product certification results. We should implement comprehensive treatment against smuggling of agricultural products and take special strike actions.

II. Promote green production modes and strengthen sustainability capacity of agriculture

9. Carry forward clean production in agriculture. We should take the action of zero growth of chemical fertilizers and pesticides, pilot the substitute of chemical fertilizers with organic fertilizers and promote cost saving and benefit enhancement of agriculture. We should establish and refine the production supervision and product trace system for chemical fertilizers and pesticides and strengthen the industry threshold administration. We should vigorously promote breeding and planting modes featuring high efficiency and ecological cycle, accelerate concentrated treatment of animal and poultry excrements, and propel healthy development of large marsh gas ponds of scale. We should pilot the utilization of agricultural wastes as resources based on county, and explore the establishment of sustainable operation and management mechanisms. We should encourage different regions to strengthen the support for comprehensive utilization of crop straws and refine the subsidy mechanism for diverse utilization of straws. We should continue to pilot the clean production with mulching films. We should carry forward the work to build national experiment and pilot zones for sustainable agriculture.

10. Implement the agricultural water saving project on a large scale. We should see agricultural water saving as a strategic issue representing the future direction and refine the national policy system supporting agricultural water saving. We should strengthen the reconstruction and construction of large and medium backbone irrigation and drainage works, synchronously refine water saving facilities on fields and build modern irrigation areas. We should vigorously implement the regional efficient water-saving irrigation action on a large scale and build a batch of efficient water-saving irrigation works in a concentrated fashion. We should take steady steps to build efficient water-saving feed and forage lands in pasturing areas, and strictly restrict the extraction of underground water for irrigating artificial grass pastures in regions with vulnerable ecosystem. We should establish and refine the standard system for agricultural water saving technologies and products. We should accelerate the pace to develop water-saving irrigation technologies and products with complete varieties, entire series and reliable performance, vigorously penetrate spray irrigation, drip irrigation and other water-saving technologies and intensify the effort to promote water-fertilizer integration and other agricultural water saving modes. We should accelerate the comprehensive reform of the agricultural water price in an all-round manner, establish responsibilities of local governments as the subject and accelerate the construction of a reasonable formation mechanism for water price and incentive mechanism for water saving. We should carry out the quota management for water use in a comprehensive manner and evaluate the compliance as to the construction of a water-saving society at the county level. We should implement the third national water resource survey and assessment.

11. Resolve eminent problems of agricultural environment in a concentrated manner. We should implement the rehabilitation planning for arable lands, grasslands, rivers and lakes. We should survey the soil pollution status in detail, implement the action plan to prevent soil pollution in depth, and continue to restore arable lands with heavy metal pollution and the pilot for adjustment of
the planting structure. We should enlarge the pilot scope of comprehensive treatment of non-point source pollution in agriculture. We should strengthen the support for black soil conservation in the northeastern region. We should carry forward the pilot of arable soil rotation and retirement and reasonably set the subsidy standard. We should support local regions to implement the agricultural soil improvement and increase soil organic matters. We should enlarge the scope of comprehensive treatment of excessive underground water extraction in the North China. We should accelerate the implementation progress of returning farmland to forest and grassland in a new round. After the expiration of the subsidy policy for return of farmland to forest and grassland, we should bring ecological forests meeting the requirements after the return of farmland in the scope of central and local compensation for forest ecosystem benefit. We should continue to implement the work to return pasture to grassland. We should carry forward the treatment of reclaimed grasslands in transition zones between cropping areas and nomadic areas in the northern region. We should implement the wetland conservation and restoration project.

12. Strengthen the construction of significant ecological projects. We should carry forward the overall conservation, systematic restoration and comprehensive treatment of mountains, waters, forests, lands and lakes, and accelerate the pace to build national ecological security barriers. We should carry forward the land forestation action on a large scale in a comprehensive manner. We should start the significant ecological recovery project in the Yangtze River Economic Belt and carry out the requirement of implementing greater conservation without greater development with actual effect. We should continue to implement the major forestry ecosystem project and proceed with the precise quality improvement project for forests. We should refine the subsidy policy for comprehensive termination of commercial cutting of natural forests. We should accelerate the building of national parks. We should strengthen the construction of national reserve forest bases. We should carry forward the enclosure, restoration and treatment of desertified lands. We should strengthen the effort to conserve wild animals and plants as well as the conservation of valuable and rare genetic resources, and carry forward the conservation of endangered wild animals and plants for rescue as well as construction of natural reserves. We should strengthen comprehensive treatment against soil erosion and water ecosystem repair in major regions and continue the work to connect rivers, lakes and reservoirs.

III. Enlarge new industries and business formats and expand the industrial chain and value chain of agriculture

13. Make every effort to develop the rural recreational tourism industry. We should give full play to the unique advantage of rural areas in the enrichment of various tangible and intangible resources, and propel the integration of agriculture and forestry with tourism, education, culture, health, rehabilitation and other industries in depth through “tourism +”, “ecosystem +” and other modes. We should enrich rural tourism formats and products, build rural tourism destinations and boutique lines with various themes, and develop accommodation, rehabilitation and pension bases with rich rural features. We should encourage rural collective economic organizations to create rural tourism cooperatives or establish rural tourism enterprises with social capital. We should raise construction funds through diverse channels, vigorously improve public service facilities and resources for recreational agriculture, rural tourism and forest rehabilitation, and preemptively realize full broadband coverage at major villages. We should refine industrial standards for recreational agriculture and rural tourism, and establish and refine regulatory standards for food safety, fire safety, environmental protection and other aspects. We should support the conservation of traditional villages, maintain the overall style of personalized villages of ethnic minorities and implement continuous conservation and moderate development in regions that meet conditions.
14. Propel the development of rural e-commerce. We should promote emerging agricultural operators and processing & circulation enterprises to realize comprehensive linkage and fusion with e-commerce enterprises and propel online-offline interactive development. We should accelerate the pace to establish and refine the standard system adapting to the development of agricultural product e-commerce. We should support the construction of e-commerce platforms for agricultural products and rural e-commerce service sites. We should propel the interconnection among trade, commerce, supply & sales and e-commerce, strengthen the construction of the town-village logistics system and implement the project of extending express delivery to cover rural areas. We should implement the comprehensive pilot of e-commerce coverage of rural areas. We should encourage local regions to develop e-commerce industry parks in a compliant manner, and assemble such functional services as brand promotion, logistics, cultivation of talents, technical support and quality safety. We should implement the project of information to village and household and implement the demonstration of implementation throughout the entire province. We should refine the national backbone circulation network for agricultural products, accelerate the construction of the public agricultural product market system, strengthen the construction of pre-cooling and other cold chain logistics infrastructure network, and refine the direct supply and direct sales system for fresh and live agricultural products. We should carry forward the “Internet+” modern agriculture action.

15. Accelerate the development of modern food industries. We should guide processing enterprises to concentrate in major production areas, advantaged production areas and industrial parks and build food processing industry clusters in advantaged production areas of agricultural products. We should strengthen the support for technical reconstruction in the food processing industry and develop production and processing equipment with independent intellectual property rights. We should encourage food enterprises to establish research and development centers and develop new marketable products highlighting origins. We should take the action to improve the stable food processing industry, actively carry forward the production of traditional staple foods featuring industrialization and large scale, and vigorously develop instant foods, recreational foods, quick-frozen foods and potato staple foods. We should strengthen the development and application of new food materials and foods featuring homology of medicine and food. We should vigorously promote “production base + central kitchen + catering outlet”, “production base + processing enterprise + sale at supermarket” and other production and sales modes. We should strengthen the research on modern biological technologies and nutrition reinforcement technologies, and explore and develop foods having the health function. We should refine the registration system for health foods, foods for special medical purposes and milk powder with infant formulas. We should refine the subsidy policy for primary processing of agricultural products at origins.

16. Cultivate personalized villages and towns suitable for living and business. We should revolve around industries with foundation, personality and potential to build personalized villages and towns that integrate agriculture, culture and tourism, feature synchronous improvement of production, life and ecosystem and highlight profound integration of the primary, secondary and tertiary industries. We should support different regions to strengthen industrial support, infrastructure, public service, environment, landscape and other factors in personalized villages and towns. We should build the upgraded edition of the “one village, one product” project and develop professional villages with respective features. We should support villages meeting conditions to build farm complexes that rely on farmer cooperatives as major barrier, allow complete participation and benefit for farmers and integrate circular agriculture, creative agriculture and agricultural experience, and carry out trials and demonstrations through comprehensive agricultural development, comprehensive rural area reform, transfer payment and other channels. We should implement in depth the pilot project for collaborative industry development in rural areas, and support the construction of a batch of pilot parks for
collaborative industry development in rural areas.

IV. Reinforce the drive of scientific innovation and guide faster development of modern agriculture

17. Strengthen research and development of agricultural sciences and technologies. We should adapt to the new requirement derived from the transformation of the agricultural development pattern and adjust the direction and major areas of agricultural science and technology innovation. We should integrate scientific and technological innovation resources, refine the national innovation system for agricultural sciences and technologies as well as the national industrial and technical system for modern agriculture, establish a batch of scientific and technological innovation centers for agriculture as well as agricultural science & technology innovation alliances, and promote resource opening, sharing and construction of service platforms and bases. We should strengthen the research on cutting-edge and fundamental agricultural technologies and improve the original innovation capacity. We should build national agricultural high-tech development zones. We should strengthen the effort to implement the significant project of independent innovation of the seed industry and joint research on fine breeds of major crops, and accelerate the breeding of new varieties that suite mechanized production, and feature high quality, high yield, resistance against multiple diseases and extensive adaptation. We should strengthen the research and development of sciences and technologies relating to the improvement of medium and low-yield lands, economic crops, grass-eating animal husbandry, marine farm, smart agriculture, fine & deep processing of agricultural and forestry products, warehousing and logistics. We should accelerate the pace to develop farming machinery and equipment that suite hilly areas, facility agriculture and animal, poultry and aquatic breeding and enhance the ability to develop core parts for farming machinery independently. We should support local regions to research and develop technologies for personalized and advantaged industries.

18. Strengthen the promotion of agricultural sciences and technologies. We should innovate philanthropic promotion and service modes for agricultural technologies, introduce the project management mechanism, implement the government procurement service, and support various social forces to take an extensive part in the promotion of agricultural sciences and technologies. We should encourage local regions to establish agricultural technology promotion alliances integrating teaching, industry, academy and research of agricultural sciences, and support agricultural technology promotion staff to enter technical cooperation with family farms, farmer cooperatives and leading enterprises. We should carry forward the construction of green, high-yield and high-efficiency technologies, and mainly promote special high-quality varieties and technical modes featuring cost saving, consumption reduction and circular use. We should implement the smart agriculture project and carry forward the pilot of the agricultural Internet of things and the intelligence of agricultural equipment. We should develop market-oriented emerging institutions engaged in agricultural science and technology development, conversion of results and industrial incubation. We should implement the scientific & technological commissioner system in depth and establish a batch of “pioneering star spaces”. We should strengthen the construction of public scientific dissemination services in rural areas.

19. Refine the incentive mechanism for agricultural science and technology innovation. We should accelerate regulations and policies regarding incomes from conversion of scientific and technological results as well as remunerations for part-time work of scientific and technological staff. We should support the innovation of agricultural sciences and technologies through “ex-post subsidy” and other forms. We should implement the outstanding talent cultivation plan for agricultural science and technology, and pilot the reform involving returns from scientific research results in depth. We should develop market-oriented emerging institutions engaged in agricultural science and technology development, conversion of results and industrial incubation. We should refine the way to support basic
researches commensurate with the law for innovation of agricultural science and technology, and establish differential assessment systems for agricultural science and technology. We should strengthen the protection and utilization of agricultural intellectual properties.

20. Improve the construction level of agricultural science and technology parks. We should scientifically establish park planning, highlight such functions as scientific and technological innovation, research, development, application, test, pilot, scientific & technological service and training, build conversion centers for agricultural science and technology results, startup platforms for scientific and technological staff and incubation bases for high-tech industries, and take a proactive position in the innovation of modern agricultural science and technology. We should support industrial, academic and research institutions in parks to establish various scientific research and service platforms such as R&D institutions, testing & detection centers, working stations of academicians and experts, and technical exchanges. We should support enterprises and scientific research institutions in parks to research and promote key common technologies for personalized industries based on actual conditions of relevant regions. We should refine the administration procedure and monitoring & assessment mechanism for national agricultural science and technology parks.

21. Develop rural human resources. We should focus on cultivating emerging professional farmers and enhancing occupational skills of farmers, integrate training funds and resources of different channels, and establish a training mechanism featuring the dominant role of the government, collaboration between sectors, overall arrangement and industrial driving. We should explore the regulations concerning government procurement service, play the role of enterprises as the training entity and make skill training for migrant workers more differential and realistic. We should optimize the structure of agricultural workers, implement in depth the cultivation plan for modern young farmers and forest owners as well as the rotating training plan for emerging agricultural operators, explore the cultivation of agricultural professional managers, and cultivate new farmers adapting to the needs of modern agriculture development. We should encourage higher education institutions and occupational schools to open disciplines and courses relating to rural area planning & construction, rural house design and other areas, cultivate a batch of professionals and support a batch of rural craftsmen.

V. Bolster the short slab of agriculture and rural areas and cement the foundation for sharing development of rural areas

22. Continuously strengthen the construction of farmland infrastructures. We should implement in depth the strategy of concealing grains with land and technology, strictly defend the bottom line for arable lands and protect and optimize the grain capacity. We should carry out special protection policies for permanent basic farms in a comprehensive manner, implement the farmland quality protection and enhancement action, and continuously carry forward the reconstruction of medium and low-yield lands. We should accelerate the construction of high-standard farmlands and improve the construction quality. If possible, relevant regions can integrate drying yards, baking facilities, machinery sheds, production of organic fertilizers and other supporting facilities into the construction of high-standard farmlands. We should guide financial institutions to provide credit support for the construction of high-standard farmlands. We should allow the transfer of arable lands derived from land treatment as the indicator for occupation-supplement balance within the province, and allow the acquisition of incomes from the indicator transfer according to provisions or the contract. We should carry forward the construction of significant water conservancy projects, catch time to restore agricultural facilities and water conservancy works destroyed by floods or other disasters, and strengthen vulnerable links of water conservancy and “five small water conservancy” works. We should carry forward the work to replace oil with electricity for pumping wells in plain regions based on local conditions.
23. **Implement the treatment of rural residence environment and construction of beautiful, livable rural areas in depth.** We should implement the special action to treat domestic garbage in rural areas, promote the classified and resource-oriented use of garbage, select suitable modes to treat domestic sewage in rural areas, and strengthen the effort to support concentrated, continuous comprehensive treatment of the rural environment and the toilet reconstruction. We should implement the concentrated action to identify and treat unorganized garbage discharge in urban and rural areas. We should implement the rural new energy action, promote photovoltaic power generation and gradually enlarge the supply of power, gas and clean coal in rural areas. We should accelerate the pace to revise the regulation regarding construction and administration of village and town planning, and vigorously carry forward the work to establish rural area construction planning at the county level. We should implement the concentrated action to identify and treat unorganized garbage discharge in urban and rural areas. We should implement the project for consolidation and improvement of rural drinking water safety and implement the new round of the rural power grid reconstruction and upgrade project. We should refine the reconstruction policy for endangered houses in rural areas, raise the subsidy standard and provide concentrated support for impoverished households registered in cards, households with low income security, destitute population under decentralized support, impoverished families with disabled members and other major objects. We should do the work to identify and resolve safety hazards relating to dry wells, rivers, ponds, drinking water, self-built houses, passenger transport, school bus and other aspects in rural areas. We should implement the fiber-to-the-village project and accelerate the full coverage of the 4G networks in rural areas. We should carry forward the coverage of direct postal services to administrative villages. We should implement the pilot of rural residence environment and beautiful livable countryside. We should strengthen the construction of the rural public cultural service system, implement major cultural projects benefiting people in a coordinated manner, refine comprehensive cultural service facilities at the basic level, and do the work to promote local opera performance in rural areas in depth. We should support the protection of important agricultural cultural heritages.

24. **Improve the basic public service level in rural areas.** We should implement the security mechanism for compulsory education fund that is uniform between urban and rural areas but tilts in favor of rural areas in a comprehensive fashion, and strengthen the building of rural teacher teams. We should continue to improve the financing level of the basic medical insurance for urban and rural residents, accelerate the integration of the medical insurance systems for urban and rural residents, and promote the national interconnection of the basic medical insurance and the settlement of nonlocal medical service. We should strengthen the cultivation of basic health teams in rural areas. We should refine the method to identify beneficiaries of the rural low income security, and establish the standard for rural low income security scientifically and reasonably. We should tangibly promote the effective fusion between the rural low income security system and the poverty alleviation & development policy, and make the rural low income security act as the baseline. We should refine the financing and security mechanism of the pension insurance for urban and rural residents. We should refine the care and service system for left-behind children, women, old people and disabled persons in rural areas.

25. **Steadily carry forward the campaign for poverty eradication.** We should further propel various policy measures for precise poverty eradication to land and take root and ensure more than 10 million people will shake off poverty in 2017. We should implement the significant poverty alleviation project in depth, reinforce the supporting system for poverty eradication, arrange and use poverty alleviation resources in a coordinated manner, pay attention to the quality of poverty
eradication, stimulate the initiative and enthusiasm of the impoverished population to shake off poverty and get rich, and establish and refine a long-acting mechanism for poverty eradication. We should strengthen the supervision and administration of poverty alleviation funds and do the work to integrate agriculture-related funds in all impoverished counties. We should strictly implement the evaluation, supervision, inspection and other systems for poverty eradication and define responsibilities in an all-round manner. We should resolutely stop formalist practices in the work of poverty alleviation, refuse to set higher standards level by level, strictly forbid cheating and definitely assure the campaign of poverty eradication make actual achievements.

VI. Strengthen the rural area reform and stimulate the endogenous development drives for agriculture and rural areas

26. Deepen the price-setting mechanism for grain and other important agricultural products as well as the system for their purchase and storage. We should adhere to and refine the minimum purchasing price policy for wheat and rice, reasonably adjust the minimum purchasing price level and establish a reasonable price parity. We should resolutely carry forward the reform of market pricing and price-subsidy separation for corn, perfect the producer subsidy system, encourage diverse market entities to buy corn in the market and prevent the problem of hard sales. We should take multifaceted actions to promote the conversion through animal husbandry and processing conversion, expand the consumption demand in multiple channels and accelerate the resolution of corn and other stocks. We should adjust and refine the target price policy for cotton in Xinjiang and improve the subsidy method. We should adjust the target price policy for soybean. We should scientifically determine the national reserve scale of grains and other important agricultural products, optimize the variety structure and regional structure of central reserve grains, reform and refine the administration system for central grain reserves, fully exert policy functions, strengthen policy-related grain supervision and administration, strictly prevent illegal leakage and drainage and ensure the storage security. We should support family farms and farmer cooperatives to scientifically store grains.

27. Improve the agricultural subsidy system. We should make the agricultural subsidy policy more directive and precise and mainly subsidize major production areas, operation of moderate scale, farmer income and green ecosystem. We should carry forward the reform of the “three agricultural subsidies” system. We should perfect the interest compensation mechanism for major grain production areas, stabilize the award policy for major production counties, adjust the scope of use of the award fund for major grain production provinces, and mobilize the grain risk fund. We should improve the subsidy policy for farming machinery purchase and strengthen the subsidy for machinery and tools required for overall mechanization of grain, cotton, oil seed, sugar, feed and pasture production. We should implement in depth the subsidy and award policy for the new round of grassland ecosystem conservation. We should refine the forestry subsidy policy and enlarge the implementation scope of the compensation for the ecological benefits of wetlands.

28. Reform the fiscal input mechanism for agricultural support. We should adhere to the principle of identifying agriculture and rural areas as the prioritized area of fiscal expenditure, ensure moderate increase in the agricultural and rural area input, strive to optimize the input structure, innovate ways of use and improve the effect of agricultural support. We should continue to tilt the fixed asset investment in favor of agriculture and rural areas. We should exert the coordinating and guiding role of the planning and carry forward the integration of agriculture-related funds at multiple levels and in multiple forms. We should carry forward the integrated reform at the link of budget preparation for special transfer payment, and explore the implementation of the “big special project + task list” administration mode. We should innovate ways to use fiscal funds, promote the public-private
partnership, implement the replacement of subsidy with award and interest subsidy, support the establishment of the guarantee mechanism, encourage local regions to establish the risk compensation fund, and mobilize financial and social capital to invest more in agriculture and rural areas. We should establish and perfect the national agricultural credit guarantee system, propel provincial credit guarantee institutions to extend to cities and counties, support cities and counties meeting conditions to establish guarantee institutions as soon as possible and realize substantive operation. We should broaden investment and financing channels for agricultural and rural infrastructures, and support social capital to build and operate agricultural, forestry, reclamation and other projects through concession, equity participation and other forms. We should encourage local governments and social capital to launch various investment funds for agricultural and rural development. We should strengthen the construction of rural infrastructures with local government bonds. While complying with relevant laws and provisions, we should explore financing upon market principles for agricultural and rural area construction. We should research and establish concrete measures guiding and regulating the investment of industrial and commercial capital in agricultural and rural areas. We should preemptively arrange rural collective economic organizations, farmer cooperatives and other organizations to serve as the construction, management and maintenance entity for various small projects supported with fiscal funds at various levels, and reinforce the participation and entire flow supervision of farmers.

29. **Accelerate rural financial innovation.** We should reinforce the incentive and constraint mechanism to ensure continuous growth of loans extended to “agriculture, rural areas and farmers”. We should support financial institutions to open more outlets in county regions, and grant moderate business approval power to county branches. We should further refine differential evaluation measures for financial institutions with a large quantity of agriculture-related businesses. We should carry out the award policy for agriculture-related loan increase. We should support rural commercial banks, rural cooperative banks, rural banks and other small and medium rural financial institutions to take root in counties, strengthen the service to “agriculture, rural areas and farmers”, and perfect internal control and risk management systems. We should develop rural mutual fund organizations in a compliant manner, and strictly establish supervisory authorities and responsibilities. We should pilot internal credit cooperation within farmer cooperatives and encourage the development of agricultural mutual insurance. We should support China Development Bank to innovate credit extension methods. We should refine the risk compensation mechanism and capital financing mechanism for the Agricultural Development Bank of China and strengthen the credit support for diverse entities in the grain market to access the market and buy grains. We should deepen the reform of the agricultural finance division of the Agricultural Bank of China and implement the favorable deposit reserve ratio for county institutions meeting the compliance standard. We should accelerate the pace to perfect the operating mechanism of the agricultural finance division of the Postal Savings Bank of China, and research the offering of relevant favorable policies. We should catch time to research and make the plan to reform provincial credit unions of rural credit cooperatives. We should optimize the mode for establishing rural banks and enlarge the coverage at the city and county level. We should encourage financial institutions to actively employ the Internet technology and offer micro deposit, loan, payment, settlement, insurance and other financial services to agricultural operators. We should carry forward the construction of credit households, credit villages and credit towns. We should support financial institutions to conduct order financing and accounts receivable financing service that are suitable for emerging agricultural operators. We should implement in depth the pilot of the loan business secured with the mortgage of the operating right to contracted lands and housing property right of farmers, and explore the offering of the loan business secured with the mortgage of large farming machinery and agricultural production facilities. We should accelerate the pace to identify the asset right to various
resources in rural areas, and promote different authorities to share the proprietorship information with banking financial institutions. We should continuously carry forward the coverage expansion, product enrichment and standard increase of agricultural insurance, develop insurance products satisfying the demand of emerging agricultural operators, and replace the subsidy with award to support local regions in offering personalized agricultural product insurance. We should encourage local regions to raise fund through diverse channels and support the pilot of the agricultural product price index insurance over a broader range. We should explore the establishment of the income insurance system for agricultural products. We should support agricultural enterprises meeting conditions in listing, financing, bonds issuance, merger and restructuring. We should refine the mode of collaboration between the fiscal fund and the financial capital while refining the risk isolation mechanism. We should encourage financial institutions to offer special financial bonds relating to “agriculture, rural areas and farmers”. We should enlarge the cooperation between banks and insurance companies, and develop loan products secured with guarantee insurance. We should carry forward the construction of the agricultural product futures and options market, actively guide agricultural enterprises to manage the market risk with futures and options, and steadily enlarge the “insurance + futures” pilot. We should rigorously combat illegal fundraising and financial fraud in rural areas. We should actively propel the rural finance legislation.

30. **Deepen the reform of the rural collective proprietorship system.** We should carry out the measure regarding the separation among the collective ownership, contracting right of farmer households and operating right of rural land. We should accelerate the right registration and certificate issuance for contracted lands in rural areas and enlarge the pilot scope at the entire province level. We should carry forward the pilot involving the requisition of rural land, entrance of collectively-owned construction lands to the market and housing site system in a coordinated manner. We should accelerate the work to register the rights and grant certificates integrating house and land in relation to housing sites and collectively-owned construction lands in rural areas. We should carefully summarize the experience from the reform pilot involving the rural housing site system, and confirm the collective ownership of housing sites while fully assuring the real right of farmers to housing sites and preventing external capital from infringement and control. We should maintain the right to occupy and use housing sites peasant households obtain according to the law, and explore the mobilization of idle rural houses and housing sites by rural collective organizations through renting, cooperation and other forms in order to increase the property income of farmers. We should allow local regions to raise funds through diverse channels, and use the funds to compensate farmers who move to cities and voluntarily waive contracted lands and housing sites of the village collectivity. We should catch time to research and establish laws relating to rural collective economic organizations and grant the legal person status to them. We should clear and verify rural collective assets in a comprehensive manner. We should carry forward the reform towards stock cooperation involving commercial assets of rural collective organizations in order and from point to surface, identify members, quantify commercial assets and assure the right of farmers to collectively-owned assets. We should explore effective ways to explore the development of the collective economy based on actual conditions, encourage local regions to implement the reform of resource to assets, fund to share and farmer to shareholder, and thus strengthen the vitality and strength to develop the collective economy. We should research and establish taxation policies supporting the reform of the rural collective proprietorship system. We should deepen the reform of the collective forest right system. We should accelerate the construction of the water right and water market and carry forward the confirmation and trading of the right to use water resources. We should accelerate the construction of the rural proprietorship exchange market.

31. **Explore the establishment of the security mechanism for use of land for agricultural and rural area development.** We should optimize the arrangement of urban and
rural construction lands and reasonably arrange lands for different segments of agriculture and rural areas. We should perfect the security mechanism for increase of construction land and determine certain proportion of the annual increase indicator for construction land to support the development of new industries and business formats in rural areas. We should accelerate the pace to establish land utilization planning at the village level. We should control the aggregate quantity of rural construction lands, and strengthen the effort to mobilize existing rural construction lands while assuring no occupation of permanent basic farmlands. We should allow the use of construction lands saved through village treatment, housing site treatment and other channels to mainly support the collaborative development of rural recreational tourism, pension and other industries with the tertiary industries in rural areas, and strictly forbid noncompliant real estate development or construction of private gardens or clubs. We should refine the agricultural land policy and actively support the construction of cold chain, primary processing, recreational picking, storage and other facilities for agricultural products. We should improve the administrative measures regarding the occupation-supplement balance of arable lands, strictly establish the responsibility for the occupation-supplement balance, and explore the implementation of national coordination to supplement arable lands for provinces with deficient resources.

32. Refine the transfer employment for rural labor force as well as the rural startup and innovation system. We should refine the equal employment system for urban and rural laborers, perfect the transfer employment system for the rural labor force, encourage the employment in diverse channels, effectively assure legitimate rights and interests of migrant workers, and mainly solve prominent problems faced by new-generation migrant workers, migrant workers suffering occupational diseases and other migrant worker groups. We should support migrant workers entering cities to return to hometown and start businesses in order to drive the development of modern agriculture as well as new industries and new business formats in rural areas. We should encourage university graduates, enterprise owners, agricultural scientific and technological staff, returned Chinese students and other talents to return to home town and engage in business startup and innovation, and introduce modern science, technology, production modes and operating modes to rural areas. We should integrate and implement favorable policies supporting business startup and innovation in rural areas in respect of market access, fiscal system, taxation, financial service, use of land, use of power, startup training, social security and other aspects. We should encourage different regions to build startup parks for people returning to hometown, incubation bases and maker service platforms, set up open service windows and offer one-stop services.

33. Carry forward various reforms in rural areas in a coordinated fashion. We should continue to deepen the comprehensive reform of supply and sales cooperatives and strengthen their ability to serve agriculture. We should steadily carry forward the reform of state-owned forest farms and areas and accelerate transformation and upgrade. We should deepen the reform of agricultural reclamation and cultivate competitive modern agricultural enterprise groups. We should deepen the reform of the administrative system of developed towns. We should implement the river chief system and ensure the establishment of the river chief system at four levels, including province, city, county and town, by the end of 2018. We should enlarge the pilot of the water resource tax reform. We should review the experience that can be duplicated and promoted in time, propel the formulation of relevant policies and the revision of laws and regulations to provide a legal support for carrying forward
the structural reform of agriculture on the supply side. We should tangibly conduct the third national agricultural census.

The Party Committees and governments at various levels must always place top priority on solving the “agriculture, rural area and farmer” issue well in all the work of the Party, never change the tone of emphasizing and strengthening agriculture, never weaken the force. They must tangibly unify their thought and action with the decision and arrangement of the CPC Central Committee, move the focus of the work of agriculture and rural area to carrying forward the structural reform of agriculture on the supply side, and break down the work to policymaking, working arrangement, fiscal expenditure, cadre allocation and other aspects. They must carry out the spirits of the Sixth Plenary Session of the Eighteenth National Congress of the Party, tangibly strengthen “four notions”, implement the requirement of strict governance of the Party at the rural level, strictly implement the responsibility system for the Party construction at the rural level, and adhere to the implementation across entire town and enhancement throughout entire county. They must effectively strengthen the construction of Party organizations at the basic level in rural areas, regularize the life of the Party organizations at the basic level in rural areas, and continuously rectify loose and weak Party organizations in rural areas. They must well select, use and manage leaders of Party organizations at the basic level in rural areas, implement the county-level registration of secretaries of Party organizations at the village level, reinforce the security for the operating expenses of the Party organizations at the village level, and develop and strengthen the village-level collective economy. They must tangibly do the work to focus on Party construction and the campaign of poverty eradication and fully exert the important role of the First Secretary of Party organizations at the village level. The discipline inspection committees at the county and town levels must investigate and penalize bad practices and corruption issues that prejudice the interests of the mass as the major working task. They must strengthen the supervision over farmers’ burdens. We should refine effective ways to realize villagers’ autonomy under the leadership of Party organizations at the village level, strengthen the construction of the village affair supervision committee, refine the practical and useful village affair supervision mechanism, and conduct the pilot of villagers’ autonomy with villager team and natural village as the basic unit. We should deepen the pilot of rural community construction. We should cultivate the excellent family style, civilized village style and new rural sage culture that are consistent with the socialist core values and adapt to the construction of the socialist new countryside. We should improve the moral, scientific and cultural quality of farmers, strengthen the work to improve customs in rural areas, and guide the mass to resist extravagant operation of wedding and funeral events, interpersonal debts and other bad customs. We should reinforce the social order and law administration, legal publicity and education service, and petition work in rural areas. We should strengthen the effort to publicize the work of “agriculture, rural area and farmer” and create a good atmosphere for the reform, development and stability of rural areas.

Let’s unite around the CPC Central Committee with Comrade Xi Jinping as the core more closely, advance with keen heart, overcome difficulties, steadily propel the structural reform of agriculture on the supply side and welcome the holding of the Nineteenth National Congress of the Party with excellent achievements.

END TRANSLATION