



## Chinese cash in on new land opportunities

By Calum MacLeod, USA TODAY

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DUTOU VILLAGE, China — Mo Dede sits in his small office flanked by fields of kidney beans and a poster of Mao Zedong on the wall that "brings me luck," he says.

The late Communist leader might spin in his grave, though, if he could see what Mo is doing with his farming business these days — with the explicit approval of the government in Beijing.

As part of a sweeping land reform package announced last month, Mo and 700 million other Chinese farmers can now pay to farm other people's land, or consolidate their plots into larger, more productive operations. That was a big step toward undoing decades of Communist laws that forbid private land ownership.

Technically, land is still owned by a collective, such as a village. But Mo says the reform will allow him and his neighbors to combine their land into one operation — and lead better lives as a result.

"I want to get all of Fuli township into my cooperative. Everyone can make money from it. We provide a whole set of services from seeds to sales," Mo says.

The overhaul formalizes a practice that has already been going on in many parts of the country. It comes at a time when China's rapid economic growth is driving up food prices worldwide, forcing the government to look within its own borders to meet demand.

Another goal is to raise income levels in rural areas, where many people earn just \$1 a day and there are few signs of the glittering prosperity present in eastern cities like Shanghai and Beijing. Farmers, long the mainstay of China's economy, have seen their living standards fall far behind, prompting 200 million farmers to move to urban centers in recent years.

The reform will allow farmers to transfer the right to use the small plots they have tilled for three decades. China also promises to crack down on land grabs by local officials without adequate compensation, a major cause of protests.



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*A farmer leads her water buffalo home in Guangxi province. China's rural residents earn less than a third of city folk.*

The challenges of getting the most out of China's farms are immense, says Li Ping of the Rural Development Institute, a Seattle-based group pushing for land rights for the world's poor.

"China is the opposite of the USA, which has an abundance of capital and land. In China, labor is abundant, but it is short of land and rural capital," he says.

The average rural household in China farms just 1.5 acres, Li says. Under the new policy, "farmers will have more secure land rights, and transferees will have less fear of land loss, so this will stimulate market action," he says.

### **Villagers form a cooperative**

On the banks of the Li River in south China's Guangxi province, the farmers of Dutou village did not wait for the government's official announcement.

Last summer, Mo assembled 100 villagers into a high-tech vegetable cooperative by offering free insecticide and fertilizer, and by guaranteeing a price for the kidney beans they plant.

The 36-year-old who dropped out of school at age 13 now makes more than \$30,000 a year. He returned to Guangxi province 10 years ago to explore agribusiness after scrounging jobs as a cook or a builder elsewhere.

Like many farmers, Liao Pingying, 37, was skeptical of Mo's plan. "But he is good at persuading people, including me," Liao says.

In August, Liao rented 11.5 acres from other farmers to plant kidney beans for Mo. The profits have been quick. Liao says he made \$290 to \$440 per 0.16 acre, and paid just \$30 to \$45 to lease each parcel.

But don't expect U.S.-style agribusiness giants to spring up overnight, says Sally Sargeson, who specializes in China's rural issues at the Australian National University. For people in the countryside, land is their safety net, unlike residents in big cities who have access to government programs and payouts. .

Leasing their land may help farmers get some real value out of it, says Ma Wenfeng, a grains analyst in Beijing.

"The government is trying to find ways to help people in different situations become more productive and profitable in agribusiness," Sargeson says. "The changes will take place over the next decade, not next year."

Sargeson says high income remains a distant dream for many farmers. Average income for those in rural areas was \$606 in 2007 — less than one-third of city salaries, a record gap that has sparked protests.

### **Seizing the opportunity**

In Dutou village, Qing Zhangcheng, 22, returned from a factory job in southeast Fujian province to help his parents cash in on the new land opportunities.



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Mo Dede, 36, heads up a vegetable cooperative of 100 farmers in Dutou village, Fuli township, Guangxi province.

"We will plant whatever Mo tells us to. He has better knowledge than most farmers, and will not let us lose money. Farming in the village is more organized now. If there is money to make here, then more young people like me will return," he says.

For some farmers, the changes can't come soon enough.

"I wish someone would pay to use my land," says Yuan Yunmu, 50, while leading his water buffalo back home to Chaoyang village near Dutou.

His family barely gets by on the \$146 earned in a year from growing potatoes on their tiny plot.

"I hope my son won't become a farmer," Yuan says, "but I doubt he will find a way out of here."

## **CHINESE HISTORY**

**1949:** People's Republic of China established by Chairman Mao Zedong.

**1950:** The ruling Communist Party forcibly redistributed land across China. About 2 million landlords were executed, eliminating rich farmers.

**1952-54:** Farmers pooled their newly won land and tools into cooperatives. As a result, almost all Chinese peasants belonged to rural cooperatives, and private enterprises were abolished.

**1957:** A poor harvest, followed by Mao's attempt to surpass industrialized nations, caused up to 30 million deaths by starvation.

**1966-76:** During Mao's Cultural Revolution, farmers were tied to vast communes, where party officials controlled everything from food to funerals.

**1978:** After farmers in one village secretly divided their communal land, Chinese leader Deng Xiaoping abolished communes.

**1983:** More than 90% of rural households managed individual, instead of communal, plots; agricultural output soared.

**October 2008:** The government promised to expand farmers' land-use rights to help people in the countryside catch up with richer people in cities.

*Source: USA TODAY research, Modern China: A Guide to a Century of Change*