



An Analysis of Rural Land transfer in China

Mengxiao Tian

Henan Polytechnic University Jiaozuo, China

ABSTRACT

The transfer of rural land is of great significance in achieving large-scale operation, promoting technology application and industrial chain optimization, and increasing farmers' income. This article analyzes the practical significance of rural land transfer and explores the main problems that constrain land transfer, such as the lack of land transfer service platforms, non-standard transfer procedures, and low willingness of farmers to transfer. Targeted solutions are proposed to these problems, aiming to promote the healthy and orderly development of rural land transfer and assist in the implementation of the rural revitalization strategy.

KEYWORDS

Land transfer; Transfer dilemma; Transfer strategy.

1. INTRODUCTION

In recent years, China's No.1 Central Document has repeatedly mentioned relevant content on land transfer, such as encouraging innovative moderate scale development methods, solidly promoting high-quality development of new agricultural management entities, orderly guiding the transfer of land contract management rights to new production and management entities, and solving the problem of fragmentation; Implement the risk prevention system for land transfer, improve the mechanism for forming land transfer prices, continuously point out the relevant content of land transfer, and highlight the support of the state in safeguarding land transfer policies, farmers' rights and interests, institutional construction, market development, and other aspects.

2. OVERVIEW OF LAND TRANSFER

2.1. Concept of Land Transfer

Land transfer refers to the voluntary agreement of farmers to transfer their land management rights to other individuals or organizations under the system of separating ownership, contracting rights, and management rights, while retaining their own land contracting rights.

2.2. Current situation of farmland transfer in China

According to the data of China's cultivated land circulation area (excluding Xizang) from 2005 to 2022, the national cultivated land circulation area has increased steadily from 54.7 million mu in 2005 to 555 million mu in 2019, with an average annual growth rate of 15.2%. From the graph, it can be seen that the growth rate slowed down to around 1.5% from 2019 to 2022, but overall it is a growth trend, with the turnover area increasing to 576.3 million mu by 2022.

In terms of proportion, the proportion of transfer area to household contracted arable land increased from 4.57% in 2005 to 36.98% in 2017. From 2017 to 2020, the proportion slightly decreased, but overall remained stable. After 2020, the proportion has rebounded again, reaching 36.73% by 2022. Overall, these two sets of data show a clear growth trend, indicating that land transfer is continuously deepening in agricultural development.



Figure 1 Changes in China's cultivated land transfer area

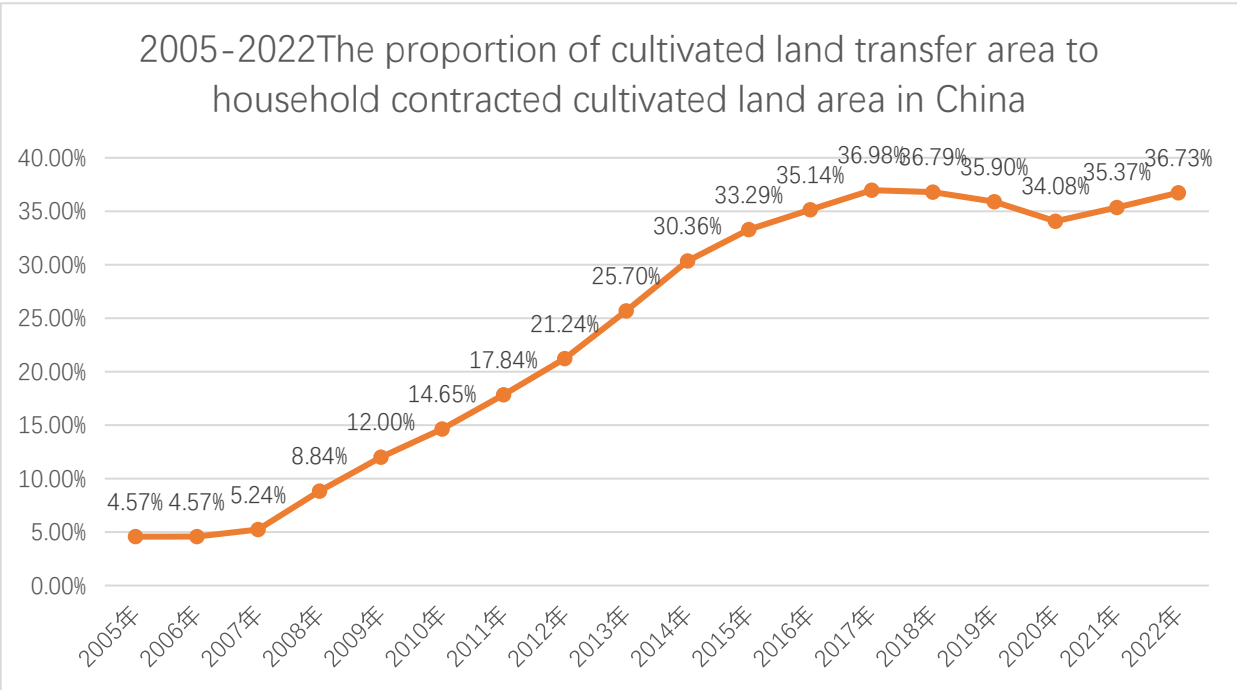


Figure 2 Changes in the proportion of cultivated land transfer area to household contracted cultivated land area in China

Data source: "China Rural Management Statistical Annual Report", "China Rural Cooperative Economy Statistical Annual Report", "China Rural Policy and Reform Statistical Annual Report"

2.3. Land transfer methods

China's land transfer covers various types with their own characteristics, providing diverse path choices for the optimal allocation of rural land resources and the large-scale development of agriculture.

Subcontracting is the leasing of land contract management rights between farmers within collective economic organizations. The property rights of the land use rights of the subcontracted households remain unchanged, and the subcontracted farmers pay a certain fee to the subcontracted farmers.

Swap refers to the exchange of parcels and corresponding management rights within a collective economic organization between contracted households for the convenience of cultivation. This method is conducive to centralized and large-scale planting.

Transfer is the transfer of land use rights, in which part or all of the land is transferred to others with the consent of the contracting party. Land transfer often occurs between the government and farmers, as the government needs to construct public facilities after planning; This method requires farmers who transfer land to have stable on-agricultural income.

Equity participation refers to the conversion of land contract management rights into equity between contractors under the household contract model, participating in agricultural production and operation based on the amount of equity as the basis for dividends.

3. THE PRACTICAL SIGNIFICANCE OF LAND TRANSFER

3.1. Land transfer promotes a significant increase in farmers' income

Farmers' income consists of operating income, wage income, property income, and transfer income. Land transfer leads to a reduction in the operating area of the transferring households, which in turn results in a decrease in their operating income. Land transfer can increase the wage income of the transferring households. After land transfer, the transferring households are liberated from the land and can choose to work in the secondary and tertiary industries in urban or rural areas to obtain wage income. At the same time, in the agricultural management entities after land transfer, a large number of laborers need to be employed, and local farmers can find employment nearby, achieving a balance between family care and earning money. The rent from land transfer leads to a stable increase in the property income of the transferring households. Land transfer has little impact on the transfer of property from the transferring households. The impact of land transfer on the increase in wage income of the transferring households is greater than the decrease in operating income, leading to a significant increase in household income of the transferring households[1]. From the perspective of income, land transfer has increased the overall income level of farmers. With the development of society and the acceleration of urban industrialization, more and more farmers choose to transfer their own land, give up low-income agricultural production, go out to work, and engage in secondary and tertiary industries, thereby achieving an increase in total household income; At the same time, with the introduction of various agricultural policies, farmers with abundant labor are more inclined to transfer to land, achieve large-scale production, improve production efficiency, and thus increase total household income. Therefore, whether transferring or transferring land, it is a choice made based on one's own advantageous resource endowment, which will to some extent increase the household income level[2].

3.2. Land transfer can form a large-scale agricultural production pattern, thereby promoting the improvement of agricultural production efficiency.

Marx's theory of economies of scale states that by carrying out large-scale production activities, the production cost per unit of product can be effectively reduced, thereby improving labor productivity. The division of labor and collaboration achieve resource conservation through the large-scale concentration of means of production. The theory of economies of scale states that as production scale expands, unit costs gradually decrease, leading to an increase in economic benefits[3]. Although China's total arable land area ranks among the top four in the world, the per capita arable land area per citizen is less than 1.4 acres, which is even less than half of the world's per capita arable land level. The scarcity of per capita arable land resources makes the arable land area owned by individual households very limited. In actual agricultural production, it is difficult to meet the objective needs of large-scale mechanized operations, which not only restricts the space for the use of agricultural machinery, but also makes it difficult to release the scale benefits of mechanized production, becoming a practical bottleneck for the development of modern agriculture towards intensification and efficiency. Land transfer can concentrate the scattered land resources in the hands of farmers to large-scale planting households, planting cooperatives and other operating entities. For example, scattered land can be integrated into large areas of farmland, which is conducive to mechanized operations. At the same time, idle land can also be concentrated to solve the problem of a large number of abandoned farmland, facilitate the development of large-scale agricultural planting and breeding, make more effective use of agricultural infrastructure, improve the efficiency of irrigation, fertilization, plant protection and other links, reduce the production input cost per unit land area, and improve production quality and efficiency.

3.3. Promote technology application and industrial chain optimization

Research has shown that the transfer of agricultural land has a significant promoting effect on total factor productivity in agriculture[4]. By integrating scattered land resources, land circulation has laid an important foundation for the modernization and transformation of agriculture. It not only promotes the promotion and application of advanced agricultural technologies, but also drives the overall upgrading of the agricultural industry chain. In 2023, Suqian, Jiangsu Province carried out a pilot project of transforming small fields into large fields, implementing high standard farmland projects such as land leveling, improving well and electricity supporting facilities, and building machine plowing roads. Large planting households introduced machinery to achieve comprehensive mechanization of planting; The agricultural smart platform was launched in February 2025, covering five functional modules: agricultural material scheduling, agricultural machinery scheduling, remote sensing monitoring, intelligent irrigation, and smart agriculture. It can predict and analyze data in advance to promote high-quality agricultural development. The Shandong Shouguang Danhe Facility Vegetable Standardized Production Demonstration Park has achieved the full industry chain development from "one seed to a good dish".

4. THE PROBLEMS OF LAND TRANSFER

4.1. Lack of land transfer service platform

The lack of a land transfer service platform makes it difficult for information to circulate efficiently. At present, some regions in China have established land transfer service platforms. Taking Heilongjiang Province as an example, a rural land transfer service system covering three levels of counties, townships, and villages has been built locally, providing systematic support for the entire process of land transfer for farmers through the establishment of specialized service platforms. However, there are still many regions that have not established land transfer service platforms. In fact, the scope of land transfer in rural areas is relatively small, mainly through referrals from neighbors

and relatives, and is transferred to local or nearby villagers in a simple form; Without a transfer service platform, land transfer information is not smooth, unfamiliar supply and demand sides lack trust, and both parties find it difficult to obtain all information about each other, such as their business capabilities, reputation, etc. The transferor cannot screen among numerous potential transferees, which may lead to land transfer to poorly managed entities, affecting land revenue and transfer stability. Similarly, the transferee also finds it difficult to efficiently and accurately find land resources that meet their own needs, which increases transaction and time costs. Lack of a professional transfer service platform makes it difficult for both parties involved in land transfer to effectively connect.

4.2. Non standardized circulation procedures lead to frequent disputes

The lack of standardized procedures for land transfer has caused difficulties in post transfer management[5]. Due to the weak legal awareness of farmers, most rural land transfers are carried out through oral agreements without signing standardized transfer contracts. Some land transfers have already signed contracts, but the content is relatively simple, the terms are unclear, and there is even no agreement on the change of land use. Some transferees, after obtaining the land management rights, arbitrarily change the land use and use basic farmland for non-agricultural construction, such as illegal construction of houses and factories. This not only violates land management regulations, but also undermines the rational use of rural land resources. At present, some land transfers do not have standardized rights and obligations for both parties involved. Once there are differences between the two parties on key issues such as land use, transfer period, rent payment, and land nature, it is often difficult to provide evidence and easily leads to disputes. How can disputes be efficiently resolved?

4.3. Some farmers have limited awareness and low willingness to transfer land

Farmers' conservative thinking and unstable planting income are not conducive to land transfer[6]. One is that the traditional concept of agriculture is deeply rooted. In the thousands of years of agricultural civilization inheritance in China, land has always been regarded as the foundation for farmers to settle down, carrying multiple functions such as production, life, and security. Farmers have a strong sense of belonging to land. After land transfer, some farmers feel that their lives are not guaranteed and they cannot enjoy the social benefits that local people should have when they go out to work, such as children's education, medical care, and other practical problems. They regard land as the entirety of life and the main source of family economy. The traditional production concept of "small wealth brings peace" and "self-sufficiency" that has been formed for a long time has made farmers accustomed to traditional small-scale and decentralized planting methods. Secondly, market risks cannot be ignored. Agricultural production has strong natural dependence and market volatility, such as natural factors such as climate conditions and natural disasters, as well as market factors such as fluctuations in agricultural product prices and changes in supply and demand relationships. After land transfer, there is uncertainty in the operating efficiency of the inflow party. If the inflow party operates poorly, they may not be able to pay the transfer fees on time, and may even break the contract and abandon farming, which will undoubtedly bring economic losses to farmers. This concern about future risks has made farmers more cautious and conservative in their land transfer decisions, reducing their willingness to transfer land.

5. SUGGESTIONS FOR PROMOTING RURAL LAND CIRCULATION

5.1. Establish a sound land transfer service platform

The transaction process involved in land transfer is quite complex, and it is necessary for various regions to establish a systematic service platform system to provide integrated support for the entire transfer process. This type of platform needs to cover the full chain of service functions such as

information release, policy interpretation, value evaluation, contract signing, and conflict resolution, forming a "one-stop" service loop. Taking the practice of Tongjiang City in Heilongjiang Province as an example, a three-level linkage transfer service structure between counties and villages has been established locally. At the Tongjiang Land Transfer Service Center, detailed information about land, from plot area and ownership information to specific location and transfer prices, is clearly displayed, allowing both parties to obtain intuitive land information. The government plays a leading role in the service platform, which strictly operates according to procedures, completes information registration and filing, maintains transfer data, and timely discloses it to the public. It regularly accepts supervision from farmers to ensure the healthy and orderly development of land contract management rights transfer work.

5.2. Standardized circulation procedures

The land transfer contract aims to standardize the transfer of both parties, protect their rights and interests, and form a transfer relationship on the basis of clear and voluntary agreement between both parties. A standardized land transfer contract that specifies the main terms of the contract, including the parties to the land transfer, area, location, purpose, term, price, payment method, rights and obligations of both parties, and breach of contract liability. The relevant government departments should provide guidance and services for land transfer, strengthen the inspection and filing management of land transfer related contracts, and ensure the legality and validity of contracts; Carry out daily supervision and take effective measures to correct illegal behaviors such as forcing farmers to transfer land and changing the nature of land use without authorization.

5.3. Improve social security

The lack of comprehensive social security naturally leads to a higher dependence of farmers on land[6]. To safeguard the legitimate rights and interests of migrant workers, it is necessary to promote their equal access to public services such as medical security, children's education, and housing as urban residents after employment. This measure can enable farmers to have the ability to resist business and market risks, and guide them to participate more actively in the land transfer process based on a sound social security system.

6. CONCLUSION

Land transfer is a key measure to promote the large-scale operation and modernization transformation of agriculture. According to data from the Ministry of Agriculture and Rural Affairs of China, from 2005 to 2022, the area of rural land transfer in China increased from about 54 million mu to over 576 million mu, but development issues remain prominent. Asymmetric information and contract disputes have constrained the efficiency of circulation. In the future, policy guidance should be strengthened, regional land transfer and trading centers should be established, standardized contract templates should be promoted, and social security measures should be implemented to ensure that farmers are willing and confident to transfer. Only by improving all aspects of land transfer can we achieve optimized allocation of land resources and truly empower rural revitalization.

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