



Rural E-commerce

农村电商

Lecture 14

Qili Gao

Learning object



- 1 Understanding the concept, role, service content, and logistics layout of rural e-commerce
- 2 Grasping the functions of the Hui Nong Net (惠农网) platform and county-level e-commerce services
- 3 Understanding the development strategy and specific implementation plan of the Chengxian Model (成县模式).

Overview of Rural E-

Rural e-commerce refers to the process of utilizing modern information technologies such as the Internet and computers to facilitate online transactions, sales, purchases, and electronic payments of goods or services for entities engaged in agricultural and rural-related activities.

Rural e-commerce platforms, in collaboration with a dense network of rural chain stores, utilize digital and information technologies to establish a compact and organized commercial alliance. This alliance operates through intensive management, market-oriented operations, and cross-regional, cross-industry collaborations.

This approach aims to reduce rural business costs, expand the scope of rural commerce, benefit rural households as platform beneficiaries, and provide businesses with new sources of profit growth.



Development processes and policies

- **2014-2023**

中央“一号文件”明确提出加快乡村电子商务

- **2019**

《关于坚持农业农村优先发展 做好“三农”工作的若干意见》中提出“实施数字乡村战略，继续开展电子商务进农村综合示范”

- **2020**

中央网信办、农村农业部、国家发展改革委、工业和信息化联合印发《2020年数字乡村发展工作要点》

- **2022**

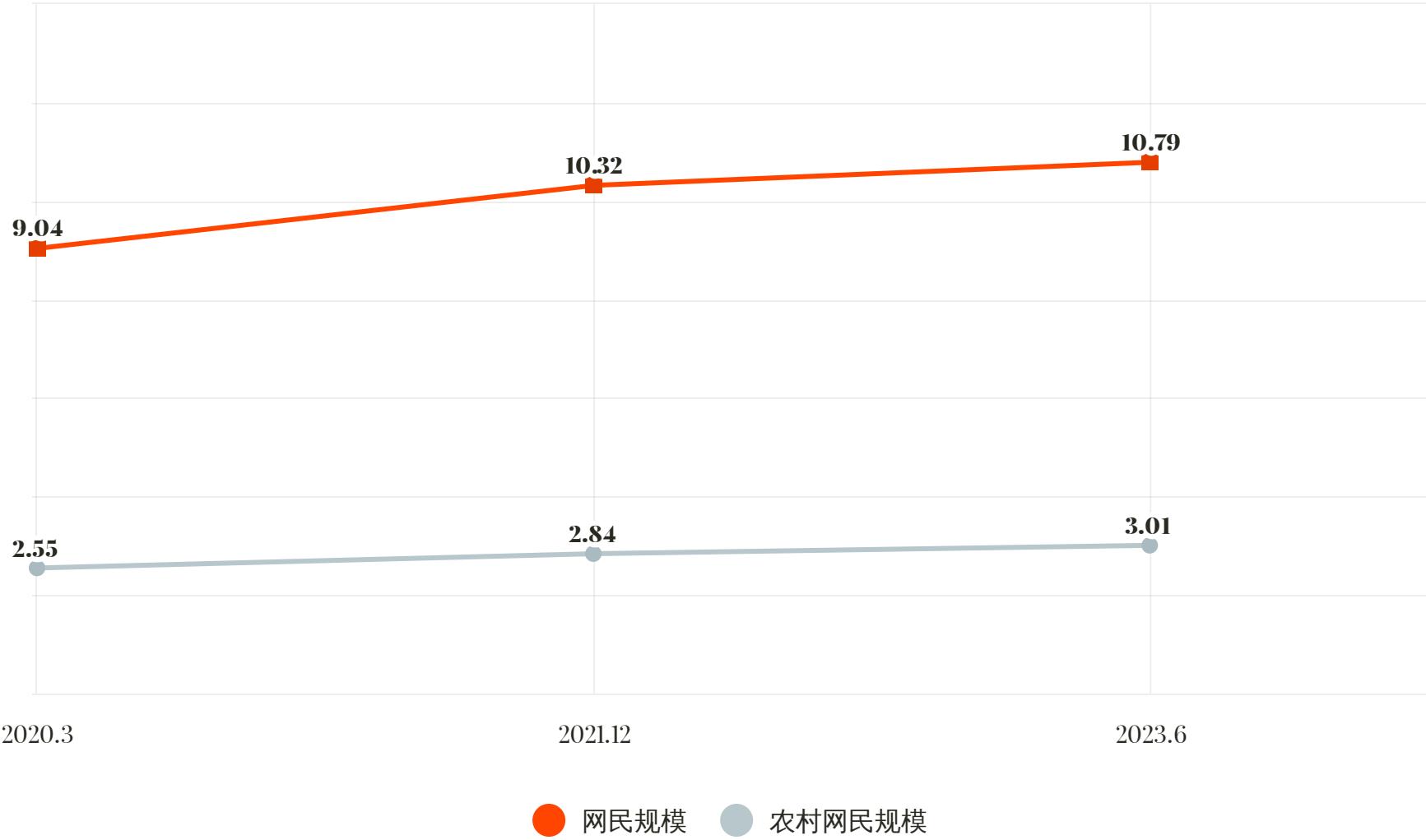
农业农村部、财政部、国家发展改革委
关于开展2022年农业现代化示范区创建工作

1.12万
亿

农村网络零售额

12.5%

同比增长



Significance of Rural e-commerce

- **Facilitating the circulation of agricultural information (加速农业信息的流通)**
- **Expanding agricultural product sales channels (拓宽农产品销售渠道)**
- **Innovating agricultural product marketing models (创新农产品营销方式)**
- **Optimizing the allocation of agricultural production resources (优化农村生产资源配置)**

1

Establishing online agricultural markets (建立网上农贸市场)

Quickly transmitting agricultural supply and demand info, aiding foreign businesses in local market entry and collaborating with local farmers for market expansion. This involves sharing market trends, facilitating business connections, and distributing product details.

2

Developing niche tourism (发展特色旅游)

Developing distinctive tourism involves utilizing local tourism resources to enhance local recognition and influence through promotion. This encompasses showcasing local travel routes, unique tourism products, and businesses, ultimately boosting the local tourism economy.

3

Fostering specialized economies (发展特色经济)

Developing a distinctive economy involves promoting and introducing unique regional industries, special economic sectors, renowned enterprises, and products to expand sales channels.

4

Creating digital agri-tainment (发展数字农家乐)

Developing digital rural tourism refers to providing online platforms for showcasing and promoting local agritourism, making it convenient for urban residents to access while also broadening the customer base for rural tourism establishments.

5

Investment attraction and business development (招商引资)

Investment promotion aims to attract investors to different regions for production and development by introducing information about development zones, investment environments, and government plans through government platforms.

Rural e-commerce service offerings

Rural e-commerce logistics layout

- **JD (京东)**

JD's rural e-commerce is built on the foundation of "JD Rural Supermarket" (京东农村超市) and "Rural Promoters." (农村推广员). It establishes rural supermarkets and integrates express delivery into villages to address rural distribution challenges.

- **Huitongda (汇通达)**

Huitongda is a rural e-commerce logistics organization based on town-level husband-and-wife shops (乡镇夫妻店). The Huitongda ecological platform offers micro-logistics (last-mile delivery in rural areas) services.

- **SF Express (顺丰)**

As early as 2014, SF Express initiated its strategy of expanding service points to rural areas, gradually covering numerous rural regions. In September 2016, through a partnership with China Supply and Marketing Electronic Commerce Ltd., SF Express introduced agricultural product logistics services, establishing warehousing logistics and management operations. Additionally, SF Express utilized drones to cover third-tier and lower cities, obtaining a license for aviation operations (pilot).

- **Pinduoduo (拼多多)**

In the field of rural e-commerce logistics, Pinduoduo has innovatively adopted the "smart agricultural products processing system + light warehousing" (农货智能处理系统 + 轻仓储) model. This connects the origin of agricultural products with users, effectively enhancing logistics efficiency. For instance, this model can shorten the supply chain cycle of fruits from 1 month to 5-7 days.



Case study 1

Agricultural Product Wholesale Trading Market – Hui Nong

Hui Nong



Hui Nong is an agricultural B2B industry internet platform developed and operated by Hunan Hui Nong Technology Co., Ltd. It primarily serves rural users and provides supply and distribution channels for agricultural products.

As of early 2022, the Hui Nong Net platform covers categories such as fruits, vegetables, meat and poultry, aquatic products, agricultural processing, grains and oils, agricultural inputs and machinery, seeds and seedlings, encompassing over 20,000 types of conventional agricultural products. It is an essential tool for those engaged in agriculture.

Overview development of Hui Nong Net

2013

Hui Nong was officially launched

2014

Hui Nong participated in the 2014 Central China (Hunan) International Agricultural Expo. The platforms "Online Agricultural Expo," "Mobile Agricultural Expo," and "Agricultural Expo QR Code" made their debut, attracting attention from various sectors of society.

2015

Hui Nong introduced the agricultural product quality and safety traceability platform "True Source Code."

2016

Hui Nong and the Hunan Green Food Office jointly established the "Hunan Green Food Network," which was officially launched and operated. On May 17, 2016, Hui Nong hosted the "China · Jingzhou · Yangmei Festival and Feishan Cultural Tourism Festival Online Yangmei Festival," introducing a new model that utilizes the internet to help enhance the quality and efficiency of the "one county, one product" agricultural industry.

2017

Hui Nong Net launched the county-level agricultural e-commerce origin partner business model, creating a regional agricultural origin "business card."

2018

Hui Nong introduced the "Nong You Quan" agricultural trading community in March and initiated a three-year poverty alleviation project in collaboration with China Old Revolutionary Base Areas Development Promotion Association and China Electronics Chamber of Commerce in April. They expanded their presence in the WeChat ecosystem and collaborated closely with various counties and cities from September to November.

2019

In January 2019, Hui Nong joined the China E-commerce Poverty Alleviation Alliance, collaborating with over 30 e-commerce enterprises. In June, they organized the 4th annual Jingzhou Yangmei Festival. In August, Hui Nong participated in the 12th China-Northeast Asia Expo. In September, their "Harvest Festival" event achieved a remarkable 2,175% year-on-year growth in total transaction volume within just 17 minutes.

2020

China Science Academy and Science Press jointly released the annual list of enterprises in the national key academic journal "Internet Weekly." Hui Nong was selected as the "2019 Agricultural E-commerce Industry Enterprise of the Year."

Hui Nong's platform functions

B2B Online Trading (B2B在线交易)

Hui Nong offers tailored online secure trading services for users. Buyers and sellers can communicate in real-time to confirm product details, place orders online, and save costs associated with physical inspection. Additionally, it provides buyer protection services, ensuring transaction safety throughout the entire process, thereby reducing common risks in online agricultural product trading.

Hui Nong Quotation (惠农行情)

Based on actual transaction prices and unique data channels on the platform, Hui Nong collects a vast amount of up-to-date price data from the supply side, procurement side, and wholesale markets. After intelligent data cleansing and filtering, it provides real-time and accurate agricultural product market trends for agricultural professionals.

Hui Nong Youxuan(惠农优选)

Hui Nong You Xuan is an elite spot procurement and dropshipping platform under Hui Nong Net. It meticulously selects suppliers and agricultural products based on the "Three Excellence" principle, catering to millions of businesses with trustworthy sources, transaction security, and reliable after-sales support, streamlining B2B online agricultural product procurement.

Hui Nong Dai Mai (惠农代卖)

Hui Nong Dai Mai is a service offered by Hui Nong . The market team selects capable agents through assessment and visits, suggests suitable markets to suppliers based on agricultural products and nationwide market trends, and provides services like goods reception, sales supervision, and payment tracking during transactions, helping suppliers swiftly sell their agricultural products.

Hui Nong's platform functions

The Agricultural Technology School (农技学堂)

The Agricultural Technology School provides agricultural knowledge services to a wide range of agricultural producers, including farmers and farm owners, through learning agricultural information, exchanging experiences with experts, and receiving technical guidance from professionals.

Hui Nong Net (农友圈)

"Nongyouquan" is a farmer's social circle innovatively created by Huinong Net, focusing on agricultural product trading. It combines community engagement to facilitate in-depth communication and interaction among users. Apart from fulfilling users' needs for buying and selling information, Nongyouquan also offers diverse content including industry news interpretation, marketing training guidance, mutual assistance Q&A, sharing of farming experiences, field anecdotes, fraud dispute exposure, and video-based product searches.

Wechat merchants shop (微商小店)

"Wechat merchants shop" is a free B2C mini-program platform provided by Huinong Net for micro-businesses engaged in one-stop dropshipping and distribution of agricultural products. It offers a wide range of products to choose from, allowing users to easily list agricultural products and facilitate convenient orders for distributing agricultural products.

County-level e-commerce services

Cultivation of Agricultural Product Brands (农产品品牌培育)

Huinong focuses on the targeted development of high-quality local agricultural products, offering top-level brand design, brand promotion, and other medium to long-term services. This effort aims to create a "One County, One Product" or "One County, One Industry" approach, enhancing and expanding regional common brands.

Development of Agricultural Product Safety Traceability System (农产品安全溯源体系建设)

The "True Source Code" utilizes cloud computing and big data technology to prevent counterfeit and substandard goods. It employs intelligent Internet of Things (IoT) technology to ensure the traceability of quality and accountability throughout the entire process of agricultural product production and distribution, protecting brands and effectively ensuring food safety.

Agricultural Product Upstream Services (农产品上行服务)

Huinong.com conducts on-site quality control, integrates high-quality resources from the source, collaborates with producers to enhance agricultural product standardization in the supply chain, and promotes the standardization, scale, commercialization, branding, and industrialization of local specialty agricultural products.

Rural e-commerce talent training services (农村电商人才培训服务)

Huinong Business School is a professional agricultural e-commerce training service institution, having become an off-campus teaching internship base for Hunan Business School, a cooperative unit of the Changsha Cross-border E-commerce Base, and a third-party service provider for Rural Taobao.

Case study 2

County-level E-commerce-Cheng County

县域电商新模式—**咸县模式**

The E-commerce transformation in Cheng County (成县)

Background

With the development of the Internet + era, governments across the country have enthusiastically embraced the trend of rural e-commerce.

The Ministry of Commerce of the People's Republic of China has launched the "Demonstration County" (示范县) project, and various regions nationwide are actively promoting the "Internet + Agriculture" model.

In recent years, a variety of county-level e-commerce models have emerged throughout the country, with the Cheng County model in Gansu Province being one of the most representative examples.

The E-commerce transformation in Cheng County

Challenges

Cheng County, located in Longnan City, Gansu Province, is a traditional agricultural county. It was once designated as a poverty alleviation (扶贫县) county in the concentrated contiguous areas of Qinba Mountains, facing significant poverty reduction (脱贫) challenges.

Because of favorable climate conditions and a conducive growth environment, Cheng County produces a wide variety of high-quality, pollution-free agricultural products.

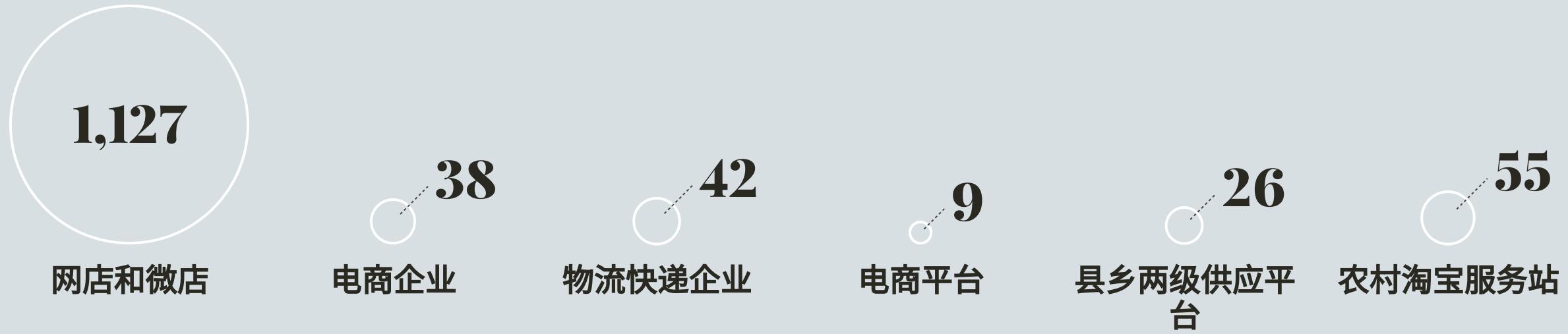
However, due to factors such as limited transportation, lack of information flow, and limited sales channels, local agricultural products have struggled to fetch good prices and sometimes remain unsold, leading to increased production without increased income for farmers (增产不增收).

The E-commerce transformation in Cheng County

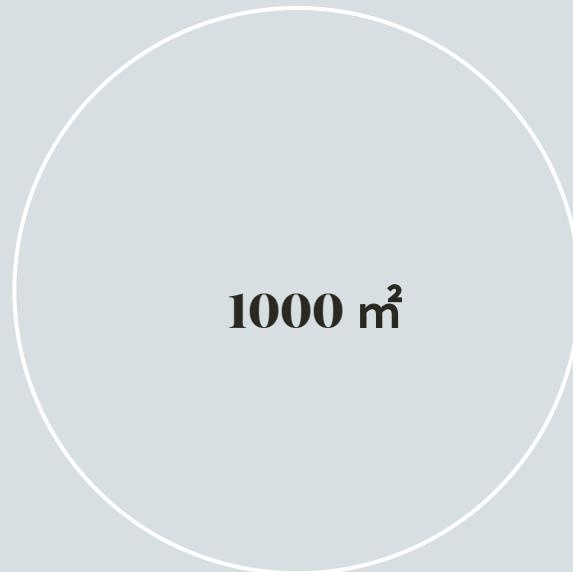
Solutions

Starting from June 2013, Cheng County's local government focused on addressing the challenge of boosting farmers' incomes. They used micro-media marketing and walnut online sales to pioneer rural e-commerce, forming the first county-level e-commerce association in Northwest China. This effort earned recognition from the municipal authorities and led to its inclusion in the city's development strategy. Following Longnan's designation as a national e-commerce poverty alleviation pilot, Cheng County's Longnan E-commerce Incubation Park became a national demonstration base. Cheng County was also recognized as a national demonstration county for rural e-commerce and a national agricultural and rural informatization base in 2015 and 2019.

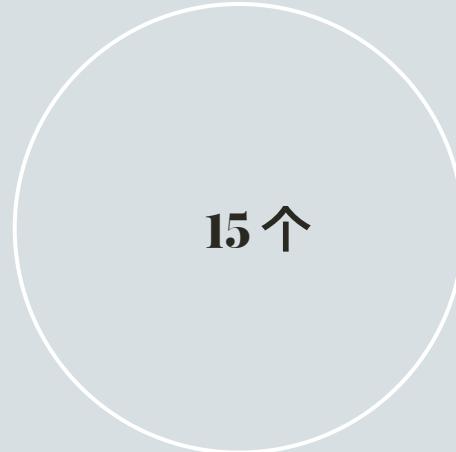
电子商务进农村综合示范县 2019



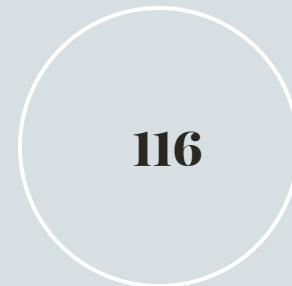
Logistics of Cheng County 2021



县级农村电商平台物流仓储
配送服务中心



镇级物流服务站



村级物流服务点
与邮政成县分公司签订代投协议

Cheng County's Rural E-commerce Micro-Media Marketing Journey

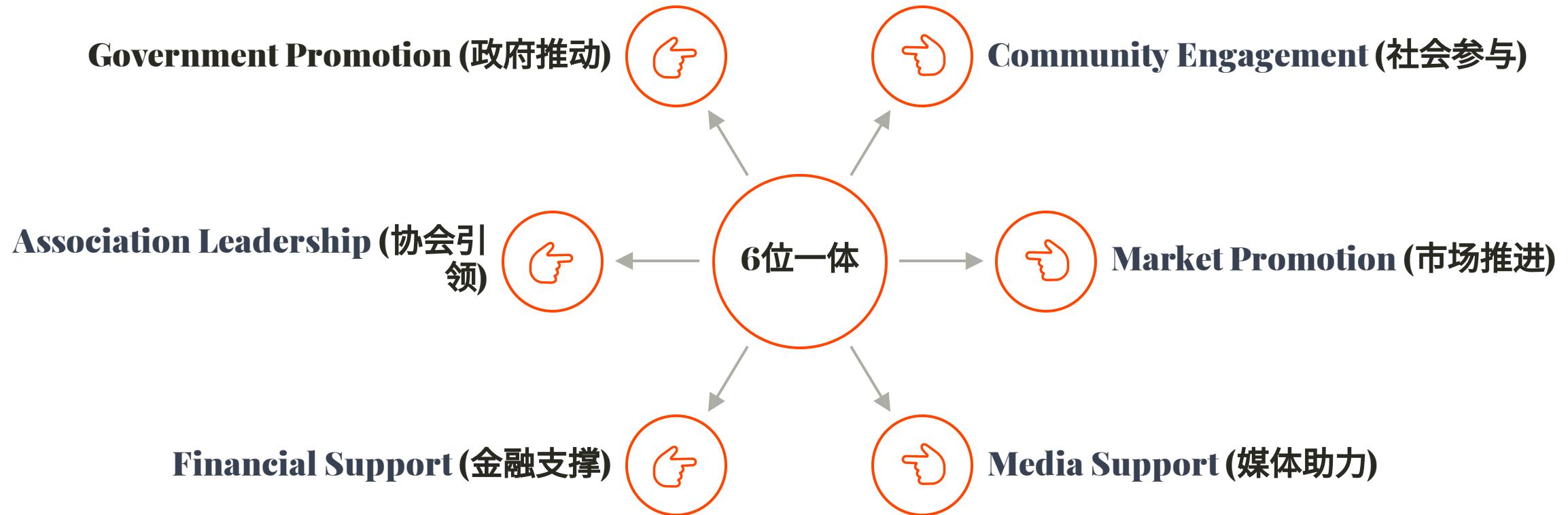
Story

The rural e-commerce journey of Cheng County began with County Party Secretary Li's initiative to use micro-media marketing to increase farmers' income. In March 2012, with the idea of understanding local sentiments through the internet, Li created an official Weibo account. Inspired by the online success of fresh cherries, Li aimed to find "buyers" for quality walnuts when Cheng County's fresh walnuts were ready for market in June 2013. He posted a Weibo message stating, "This year's walnuts are of excellent quality. Welcome everyone to Cheng County to enjoy walnuts. I'm also selling walnuts on Weibo. People from big cities like Beijing, Shanghai have already started pre-ordering..." This message quickly gained viral traction, amassing over 500,000 views in a matter of hours, creating a promotional buzz. Over the next month, pre-orders for Cheng County's fresh walnuts exceeded 2,000 tons through online sales, reaching cities like Beijing, Shanghai, and Guangzhou, all thanks to the viral effect of Weibo. This approach not only increased the income of local residents but also garnered attention from news media and society at large, fostering the growth of e-commerce in Cheng County. Li's Weibo post altered the county's development trajectory and future prospects. Li himself became affectionately known as the "Walnut Secretary" among internet users for using micro-media to promote Cheng County's walnuts.

Cheng County's Rural E-commerce Micro-Media Marketing Journey

After experiencing the benefits of "touching" and "connecting" through micro-media in Cheng County, they continued to use micro-media marketing as a key means to promote their unique resources and showcase agricultural products. They initiated the "Micro-Media Marketing Cheng County" (微媒体营销呈现) campaign, which began by encouraging government agencies, employees, and the public to establish Weibo and WeChat accounts. This initiative aimed to create a collaborative and interconnected "micro-media promotion matrix," (微媒体宣传矩阵) turning everyone into advocates and promoters for Cheng County's rural e-commerce, effectively promoting their unique resources. Following this, they launched the "Micro-Media Pre-Ordering and Pre-Selling of Agricultural Products" (农产品微媒体预定预售) campaign. Through micro-marketing (微营销), they helped the public adopt an e-commerce mindset, ignited enthusiasm for utilizing e-commerce to increase income, and expedited the transformation of rural professional cooperative organizations into online supply centers and unique agricultural products into sought-after "online goods." (网货)

The "6-in-1" Initiative Boosting the Launch of Rural E-commerce in Cheng County





Established in June 2018, the "Long Xiao Nan" Online Goods Supply Center is a professional online goods supply platform for small and medium-sized online retailers in Cheng County. Leveraging the processing and sales of local agricultural products in Longnan, the center offers "one-stop dropshipping" services. It operates two online platforms: the "Long Xiao Nan Cheng County Specialty Mall" and the "Long Xiao Nan Specialty Supply Center." These platforms form a regional online goods supply chain that integrates agricultural product storage, sorting, distribution, delivery, and information processing. This effectively addresses the challenge of having online shops with no inventory. Moreover, the center provides unique promotional photos and short videos suitable for platforms like Douyin (TikTok) and WeChat Moments for each agricultural product. It also creates specialized promotional content, offers uniform packaging, and manages unified delivery. Through refining operational mechanisms, upgrading online platforms, diversifying the range of online goods, recruiting agents, and conducting promotional activities, the "Long Xiao Nan" Online Goods Supply Center has attracted over 150 companies with 500+ types of goods from across the nation. It has engaged more than 20,000 distributors and has become a hub for popular local agricultural products such as Cheng County walnuts, Liangdang kiwi wine, Minqin melons, and Hainan mangoes. In 2020, the "Long Xiao Nan" Online Goods Supply Center's livestreaming sessions achieved daily sales of tens of thousands of yuan. The center's efforts are aimed at promoting locally-produced agricultural specialty products to various regions across the country.

Cheng County's E-commerce Transformation and Upgrading - "Long Xiao Nan" Online Goods Brand



E-commerce infrastructure construction

Cheng County has achieved full coverage of wireless and wired broadband networks in 245 administrative villages, established 42 express logistics companies, and achieved 100% coverage of delivery services across all 245 administrative villages.



Brand building

Cheng County encourages and guides business entities to register webstore brands such as "陇小南", "仲鑫园", "好面友", etc. The county emphasizes quality and uniqueness to enhance local agricultural product market competitiveness through a path of brand development.



E-commerce training

Cheng County ensures practicality by focusing on topics such as fundamental e-commerce knowledge, Taobao store setup procedures, expanding channels for agricultural product promotion, building e-commerce brands, sharing e-commerce entrepreneurial cases, traditional business transformation, and the application of platforms like Douyin and Kuaishou in agricultural product e-commerce promotion.

"Six Poverty Alleviation Channels" Forge a New Path for E-commerce Poverty Alleviation

E-commerce poverty alleviation acts as a "drip irrigation system" for targeted poverty alleviation in impoverished areas, a "catalyst" for transforming people's mindset and stimulating innovation and entrepreneurship, and a "promoter" for optimizing industrial structure and enhancing internal development momentum.

Since embarking on rural e-commerce development, Cheng County has focused on continuous income growth for its residents. By establishing "6 poverty alleviation channels," the county has pioneered a new approach to e-commerce poverty alleviation, benefiting a larger number of rural impoverished populations.

● **Webstore-driven poverty alleviation (网店带贫)**

Cheng County encourages webstores to collaborate with impoverished villages and households, forming a poverty alleviation model where one store supports multiple households or even an entire village.

● **Platform-driven poverty alleviation (平台带贫)**

Cheng County introduces third-party platforms such as Rural Taobao, cooperative associations, and self-built Ant Market, creating a dual-income opportunity that allows people to earn and save money simultaneously.

● **Employment-driven poverty alleviation (就业带贫)**

In the process of building the complete rural e-commerce industry chain, Cheng County generates more job opportunities, involving more people and increasing their income.

● **Information-driven poverty alleviation (信息带贫)**

Cheng County integrates rural informatization with targeted poverty alleviation, establishing comprehensive service windows for e-governance, e-commerce, village affairs, and agricultural services, promoting e-commerce for prosperity, e-governance for convenience, and e-agriculture for benefit.

● **Equity-driven poverty alleviation (入股带贫)**

Encouraging impoverished households without entrepreneurial capacity to invest targeted poverty alleviation loans and land shares in e-commerce enterprises, enabling them to receive dividends from corporate shares and increase income.

● **Industry-driven poverty alleviation (产业带贫)**

Cheng County explores and promotes diverse industry poverty alleviation models, such as "company + cooperative + impoverished households" and "enterprise + cooperative + base + impoverished households," achieving a win-win situation of industry development and increased income for the masses.