

# Research on the Pathways for New Agricultural Business Entities to Promote Sustainable Development of County Economies

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**Abstract:** *As the process of agricultural modernization progresses, county economies, which serve as vital units in regional economic development, are encountering unprecedented challenges and opportunities. The emergence of new agricultural business entities has introduced a novel source of momentum for the sustainable development of county economies. This paper examines the role of these new entities in driving sustainable economic development at the county level, identifies the challenges they face, and outlines practical pathways for addressing them. By addressing issues such as optimizing resource allocation, enhancing talent development, improving institutional frameworks, and fostering industrial integration, the paper explores strategies to promote the sustainable development of county economies. This study aims to offer valuable insights for other countries striving to advance agricultural modernization.*

**Keywords:** *New Agricultural Business Entities, County Economy, Sustainable Development, Agricultural Modernization*

## 1. Introduction

County economies are an integral part of the national economy, playing a critical role in both social stability and regional development. With China's continued economic growth, traditional agricultural production methods have increasingly proven inadequate in meeting the growing market demand, and they are no longer sustainable for the long-term development of county economies. New agricultural business entities, particularly leading agricultural enterprises, farmer cooperatives, and family farms, have gradually become the core drivers of sustainable county economic development. These entities not only transform traditional agricultural production methods, but also promote the transformation and growth of county economies by enhancing the value of industrial chains, creating job opportunities, increasing farmers' incomes, and improving the ecological environment [1]. However, despite the growing impact of these new agricultural entities on county economies, they still face practical challenges such as funding shortages, technological bottlenecks, and a lack of skilled labor [2]. Therefore, it is of great theoretical and practical significance to investigate the role of these new agricultural business entities in promoting sustainable county economic development, to analyze the barriers and challenges in their growth, and to propose feasible policy recommendations.

This paper begins by defining the characteristics of new agricultural business entities and analyzes their role in advancing sustainable county economic development. It also addresses the challenges these entities face and proposes practical pathways for overcoming them, thus providing a theoretical basis and policy support for achieving high-quality development in county economies.

## 2. New Agricultural Business Entities and County Economies

### 2.1 Definition of New Agricultural Business Entities

New agricultural business entities refer to emerging operational units in agriculture that contrast with the traditional individual agricultural producers under the small-scale peasant economy system. These entities include farmer cooperatives, family farms, and agricultural enterprises. Existing literature on new agricultural business entities has primarily focused on their organizational forms, development models,

and their impact on agricultural production and markets. As China's agricultural structure continues to adjust and transform, the rise of these new entities has injected new vitality into agricultural production and has made significant contributions to advancing agricultural modernization and improving agricultural productivity.

The core characteristics of new agricultural business entities lie in their ability to integrate resources, innovate business models, and fully utilize modern technologies in the production process. Specifically, these entities encompass large-scale agricultural enterprises, family farms, cooperatives, and other forms. They enhance the efficiency of land resource utilization, increase the market competitiveness of agricultural products, and provide farmers with additional employment and income opportunities. Among them, family farms are agricultural entities operated by households, typically relying on the labor and resources of family members for land, capital, and technology inputs. These farms are characterized by high flexibility and strong market adaptability. Agricultural enterprises, on the other hand, are units where agricultural production and operations are managed by corporate entities. These enterprises have substantial production capacity and financial support, and they promote the large-scale production and industrial development of agricultural products through intensive farming, technological management, and modern marketing strategies. Agricultural cooperatives, meanwhile, are voluntary economic organizations formed by farmers. They aim to enhance agricultural production efficiency through collective management, resource sharing, and risk pooling. By utilizing methods such as centralized procurement and collective sales, cooperatives help members reduce production costs, increase incomes, and foster the development of agricultural social service systems [3].

## ***2.2 The Role of New Agricultural Business Entities in County Economies***

### ***2.2.1 Industrial Structure Optimization and Agricultural Modernization***

New agricultural business entities play a crucial role in optimizing agricultural industrial structures and advancing agricultural modernization. Compared to traditional small-scale family farming, new agricultural business entities—such as leading agricultural enterprises, cooperatives, and family farms—significantly improve agricultural production efficiency and output through large-scale and intensive production methods. These entities consolidate production resources, enhance land utilization efficiency, and drive agricultural production toward large-scale operations, mechanization, and informatization, thus reducing costs and improving efficiency. Furthermore, new agricultural entities do not limit their activities to the cultivation of traditional agricultural products but extend into agro-processing and agricultural services, fostering the integration of agriculture with the secondary and tertiary sectors. This promotes a diversification and optimization of the industrial structure. In terms of technological advancement, these new agricultural entities have played a pivotal role in introducing modern technologies, particularly in the fields of smart agriculture and precision farming. These innovations have significantly increased production efficiency and promoted the sustainable use of resources [4].

### ***2.2.2 The Enhancement of Agricultural Product Value and Market Expansion***

Through branding, standardization, and quality control, new agricultural business entities not only increase the added value of agricultural products but also inject new momentum into the high-quality development of the county economy. Branding is one of the key factors in enhancing the market competitiveness of agricultural products. By creating local specialty brands, new agricultural business entities can highlight the uniqueness of their products, attract more consumer attention, and thus increase market recognition and product added value. Additionally, deepening agricultural product processing is also an important means of promoting county economic development. New agricultural business entities can increase the market appeal of their products and expand sales channels by processing basic agricultural products into higher-value products such as edible oils, juices, and dairy products, thereby increasing profit margins. In the context of globalization, many new agricultural business entities actively participate in international market competition, expanding sales channels through policies such as the "Belt and Road Initiative" and forming an international development path. These entities, leveraging foreign trade and multinational cooperation, not only promote the internationalization of local specialty agricultural products but also drive the integration and development of local economies within the global supply chain.[5]

### ***2.2.3 Protection of Agricultural Ecological Environment and Sustainability***

With the increasing awareness of ecological and environmental protection, new agricultural business entities actively adopt eco-friendly agricultural production models, ensuring the long-term development of agriculture while contributing to environmental conservation. Promoting organic farming and green

pest control is one of the important means by which new agricultural business entities protect the ecological environment. By reducing the use of chemical fertilizers and pesticides, these entities can effectively reduce the pollution of soil and water resources caused by chemicals, safeguarding natural resources and the ecosystem. At the same time, organic farming, through the use of natural fertilizers, crop rotation, and natural pest and disease control methods, not only improves the ecological quality of agricultural products but also meets consumer demand for green, healthy food, driving the green transformation of agricultural production methods. In terms of constructing environmentally friendly farmland, these entities have also taken a series of proactive measures to achieve harmonious development between ecological protection and agricultural production. Through the application of scientific land management and environmental protection technologies, this approach promotes the healthy restoration of farmland ecosystems, thereby enhancing the sustainability of agricultural production.

### ***2.2.4 Increase in Farmers' Income and Social Stability***

Through industrialized operations, new agricultural business entities have indeed played a significant role in promoting farmers' income growth and social stability. This model not only improves the efficiency and quality of agricultural production but also creates a more stable source of income for farmers, reducing the economic risks and social pressures they face. Firstly, by signing cooperation agreements with farmers, these entities ensure stable income for them in the agricultural production, processing, and sales stages. Traditional agricultural production faces risks such as market price fluctuations and unstable yields. Through industrialized operations, new agricultural business entities have established stable connections between production and sales, meaning farmers' income is no longer solely dependent on natural conditions and market prices, but is guaranteed. Secondly, these entities provide training and technical guidance to help farmers improve their production skills and management capabilities. By promoting industrialized operations, new agricultural business entities have also driven the development of surrounding industries, creating more job opportunities. This has enhanced the stability of farmers' incomes and made a positive contribution to the diversification of rural economies and the harmonious stability of society. This model not only helps farmers escape poverty and become wealthier but also provides strong support for rural revitalization and social stability.

## **3. Issues and Challenges Encountered by New Agricultural Business Entities in Promoting Sustainable Development of County Economies**

In the process of driving agricultural modernization and promoting county economic development, new agricultural business entities have achieved significant progress. However, they still face a series of challenges and issues, particularly in the areas of funding and resources, technological innovation and talent, policy support, and market competition. These challenges significantly constrain their sustainable development and the achievement of long-term development goals.

### ***3.1 Lack of Funding and Resources***

New agricultural business entities face significant financial pressure during their early stages of development, and the shortage of funds becomes the main obstacle to their promotion of sustainable county-level economic development. Firstly, agricultural investments have long cycles and extended return periods. The initial investment is large, but economic returns are difficult to achieve in the short term. As a result, many agricultural business entities are prone to falling into financial strain, which limits their ability to expand production scale and enhance market competitiveness. Secondly, in some areas, agricultural infrastructure is weak, resource allocation is inefficient, and production conditions are poor, which further exacerbates the shortage of funds. This is particularly evident in remote and impoverished regions, where problems such as poor transportation and inadequate irrigation facilities lead to low agricultural productivity. Due to the lack of effective infrastructure support, agricultural business entities must invest more funds to improve production capacity, thereby further increasing their financial pressure. The shortage and inefficient allocation of resources are also causes of financial difficulties. A lack of land, labor, and water resources results in higher production costs for many agricultural business entities. Additionally, low productivity makes it difficult to achieve profitability and maintain a healthy cash flow. Moreover, although financial institutions have increased their support for agriculture, many agricultural business entities struggle to obtain financing due to the high risks and long return periods inherent in the agricultural industry. In conclusion, the shortage of funds and resources is a key issue restricting the development of new agricultural business entities. It is essential to alleviate this predicament through

policy support, financial innovation, and improved production efficiency, thereby promoting the sustainable development of county-level economies driven by new agricultural business entities. [6]

### ***3.2 Technological Innovation and Talent Shortage***

Agricultural modernization is a crucial driving force for the development of new agricultural business entities, and technological innovation and the introduction of talent play a vital role in this process. However, in practice, many new agricultural business entities face numerous challenges in terms of technological innovation and talent acquisition, which affect their overall development level and sustainability. Despite the increase in national investment and policy support for agricultural science and technology in recent years, in some county-level regions, agricultural enterprises still largely rely on traditional production methods, resulting in relatively low agricultural production efficiency and technological standards. This issue is particularly pronounced in underdeveloped areas, where core technologies required for modern agriculture are lacking. Furthermore, agricultural enterprises generally lack sufficient specialized technical personnel and high-quality management talent for technological innovation, which is one of the key factors restricting agricultural modernization. Although the demand for innovative talents has been increasing with the development of agricultural scale and industrialization, due to the special nature of the agricultural industry and its relatively low income levels, many excellent technical and management talents are unwilling to enter this field, resulting in a severe talent shortage. To break through this bottleneck, it is essential to strengthen the construction of agricultural technological innovation and talent training systems. Through the joint efforts of the government, enterprises, and educational institutions, we can promote the advancement of agricultural science and technology and the introduction of talent, ensuring the sustainable development of agricultural modernization.

### ***3.3 Inadequate Policy Support and Institutional Barriers***

Although the government has provided certain policy support to new agricultural business entities, such as financial subsidies, tax incentives, and land transfer policies, there are still significant gaps in the universality, coverage, and implementation of these policies in practice. This is especially true in some remote areas, where the enforcement of agricultural policies is weak. Local governments lack sufficient resources and execution capacity, which has led to ineffective promotion of the development of local agricultural business entities. In these areas, policy support often fails to reach the grassroots level, and there are even issues such as poor policy implementation, information gaps, and uneven resource distribution, ultimately preventing farmers and agricultural business entities from receiving the support they are entitled to.

Moreover, the existing agricultural management and institutional frameworks have not adapted to the increasingly diversified and complex needs of new agricultural business entities. Traditional agricultural management models focus on small-scale, single-operation methods, lacking targeted support for new agricultural business entities. In practice, agricultural business entities face cumbersome approval processes, excessive policy barriers, and lack of transparency in administrative approvals. These institutional obstacles increase operational and time costs, reducing overall development efficiency. During the policy implementation process, insufficient coordination between government departments leads to significant differences in the effectiveness of the same policy across different regions. This negatively impacts the innovation and market expansion of new agricultural business entities, which in turn hinders the process of promoting sustainable county-level economic development.

### ***3.4 Market Competition and Fluctuations in Agricultural Product Prices***

With the increasing market competition, new agricultural business entities face tremendous pressure from agricultural product price fluctuations and unstable market demand while promoting sustainable county-level economic development. Agricultural products, as typical goods subject to supply and demand fluctuations, are often influenced by multiple factors such as seasonal changes, climate fluctuations, and international market conditions. Particularly under the impact of extreme weather and natural disasters, the yield and quality of agricultural products may fluctuate significantly, leading to large price fluctuations, which directly affect the economic benefits and profitability stability of agricultural business entities. Specifically, the rapid changes in consumer markets and the continuous fluctuations in consumer preferences make it difficult for business entities to accurately predict and capture future market trends, increasing operational uncertainty. On the international market, the advancement of globalization means that agricultural product competition is no longer confined to the

domestic market. The importation of foreign products and price fluctuations in the international market also directly affect domestic agricultural business entities. Particularly under the influence of significant price changes in international markets and uncertain trade policies, new agricultural business entities may face international market risks, which present additional challenges for their long-term sustainable development. In conclusion, agricultural product price fluctuations and market demand instability are significant issues that new agricultural business entities cannot ignore while driving sustainable county-level economic development.

#### **4. Practical Pathways for New Agricultural Business Entities to Promote Sustainable County-level Economic Development**

In the process of driving sustainable county-level economic development, new agricultural business entities face significant challenges in areas such as funding, technology, policy, and market dynamics. Therefore, formulating practical and feasible policy recommendations to support their healthy and sustainable development has become an urgent need in the current landscape of agricultural development.

##### ***4.1 Strengthening Financial Support and Optimizing Resource Allocation***

In the process of promoting the development of new agricultural business entities, financial support and resource allocation are the foundation for achieving sustainable development. Therefore, in order to address the current bottleneck of insufficient funding in the agricultural sector, it is necessary to increase government financial investment and establish a more flexible and efficient financial support system. This not only helps alleviate the financial pressure on agricultural business entities but also provides stable funding sources to drive the continuous growth of agricultural production.

Firstly, the government should increase fiscal investment in the agricultural sector, particularly in areas such as agricultural infrastructure construction, technological innovation, and modernization transformation. At the same time, the agricultural loan policy should be improved by establishing dedicated financing platforms for new agricultural business entities, lowering loan interest rates, and extending loan periods, thus reducing their financial burden. In addition, the agricultural insurance mechanism should be strengthened to establish a more comprehensive risk protection system, helping agricultural business entities effectively avoid external risks such as market price fluctuations and natural disasters, thereby enhancing their ability for sustainable operations. In terms of resource allocation, more attention should be given to regions with relatively weak infrastructure and scarce resources, prioritizing support for agricultural development in these areas. The government can guide and support the construction of agricultural infrastructure through policies and financial assistance, especially in improving transportation, irrigation, and electricity infrastructure, to enhance agricultural production efficiency and quality. At the same time, social capital should be encouraged to participate in agricultural infrastructure construction, promoting a "government guidance + social capital" model to enhance the flexibility and adaptability of local governments in resource allocation.

##### ***4.2 Promoting Technological Innovation and Accelerating Talent Development***

Technological innovation is the key driving force for agricultural modernization, as it can effectively enhance agricultural production efficiency and promote the transformation and upgrading of the agricultural industry. The government should encourage agricultural business entities to establish close cooperation with research institutes and higher education institutions to facilitate the conversion and application of agricultural scientific achievements. In terms of talent cultivation, the shortage of technical and management personnel in the agricultural sector has become one of the bottlenecks restricting the development of new agricultural business entities. To effectively address this issue, special talent introduction funds can be established to attract more high-quality professionals into the agricultural sector. Support for the construction of the agricultural vocational education system should be provided, enhancing the educational quality of agricultural colleges and vocational training institutions to continuously supply talent for agricultural business entities. At the same time, local governments should encourage agricultural enterprises to cultivate talent internally, especially in grassroots agricultural business entities, promoting enterprises to establish long-term talent reserve mechanisms. Through internal training, technical exchanges, and job rotations, enterprises can improve the technical and management skills of their employees, enhance their innovation capacity and competitiveness, and thus promote the sustainable development of new agricultural business entities. By increasing investment in technological innovation and improving talent training mechanisms, agricultural business entities can not

only enhance production efficiency and innovation capabilities but also provide strong technical and talent support for the sustainable development of the county economy. This provides a solid guarantee for achieving agricultural modernization and promoting the transformation and upgrading of the agricultural economy.

#### ***4.3 Improving Policy Support and Optimizing the Institutional Environment***

In promoting the development of new agricultural business entities, the government must provide strong support for the large-scale, intensive, and sustainable development of agricultural production by improving policy support and optimizing the institutional environment. Only through institutional innovation and the effective implementation of policies can agricultural business entities be ensured fair opportunities in resource allocation and address various bottlenecks in the development process. Firstly, improving land transfer policies is an important prerequisite for promoting the large-scale and intensive agricultural production. The government should actively promote the standardization of the land transfer process and ensure that the interests of all parties involved in the transfer are reasonably protected. Specifically, the government should strengthen regulation of the land transfer market to ensure fairness and transparency in the transaction process, avoiding issues such as “forced land acquisition” or “interest transfers”. At the same time, the government should establish a sound land transfer contract mechanism to protect farmers' land contracting and usage rights, ensuring that farmers' interests are not violated. Furthermore, the government should promote the rational allocation of land resources, support the growth of large-scale agricultural business entities, and improve agricultural production efficiency through land concentration and scale operation. In terms of rural financial support systems, current financial products and services are still unable to fully meet the needs of agricultural production and operation. Therefore, it is essential to accelerate financial product innovation, establish more flexible financing mechanisms, simplify procedures for agricultural business entities in areas such as registration and approval, and reduce unnecessary administrative barriers. This will effectively lower operational and time costs for agricultural business entities. The government should promote administrative approval system reforms, reduce unnecessary approval procedures, and establish an efficient and convenient service system to create favorable conditions for the diversified development of new agricultural business entities. By improving land transfer policies, innovating financial support, strengthening policy implementation supervision, and optimizing the institutional environment, strong support can be provided for the healthy development of new agricultural business entities. These measures not only promote the large-scale and intensive development of agricultural production but also lay a solid institutional foundation for the sustainable development of the county economy.

#### ***4.4 Promoting Industry Integration and Enhancing Comprehensive Competitiveness***

In promoting the sustainable development of the county economy, industrial integration is not only key to enhancing agricultural competitiveness but also an important pathway for achieving diversification of agricultural business entities and optimizing resource allocation. Therefore, encouraging deep integration of agricultural business entities with the secondary and tertiary industries in rural areas will help broaden their development space, improve economic benefits, and enhance their risk resistance capacity. Firstly, the expansion of agricultural business entities into areas such as agricultural product processing, rural tourism, and rural e-commerce is the core of promoting industrial integration. By developing agricultural product processing and deep-processing industries, agricultural business entities can not only increase the added value of agricultural products but also extend the industrial chain. Developing emerging industries like rural tourism and rural e-commerce can help agricultural business entities open new sources of income, thus enhancing their overall competitiveness in the market. Especially with the development of internet technologies, rural e-commerce has become an important bridge connecting farmers and the market, allowing agricultural business entities to directly engage with consumers. This reduces intermediary steps, improves market response speed, and increases profit margins. Moreover, promoting industrial integration can also enhance agricultural business entities' ability to withstand market fluctuations. Agricultural production is often greatly influenced by factors such as weather and market demand, so through diversified operations, agricultural business entities can effectively spread risks across different sectors. In order to further improve the overall competitiveness of agricultural business entities, the government should also encourage exploration in green agriculture and innovation fields, provide innovation support, and encourage agricultural business entities to carry out technological innovations in agricultural production methods, product development, and other areas. This will further enhance their competitiveness. Promoting the integration of agricultural business entities with the secondary and tertiary industries in rural areas can not only promote income

diversification and improve economic benefits but also enhance their competitiveness and ability to resist risks in the market. Through the extension of industrial chains and innovative development, agricultural business entities will play an increasingly important role in driving the sustainable development of the county economy.

## 5. Conclusion

With the deepening of the new round of agricultural reforms, new agricultural business entities have become the core driving force behind the sustainable development of county-level economies. These entities play an increasingly important role in optimizing resource allocation, promoting technological innovation, and enhancing industrial efficiency, providing strong support for the implementation of rural revitalization strategies. Through policy support, technological conversion, and market expansion, new agricultural business entities have not only effectively improved agricultural production efficiency but also promoted the large-scale and intensive management of land resources, thus laying a solid foundation for the sustainable development of county-level economies. As policies continue to improve and institutional innovations deepen, new agricultural business entities will continue to play a key role in the modernization of agriculture and the revitalization of rural areas. In the future, with increased government policy support, these entities will provide sustained momentum for the sustainable growth of county-level economies, driving them toward high-quality development.

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