

General Office of the Ministry of Agriculture and Rural Affairs
General Office of the Ministry of Finance
General Office of the China Banking Regulatory Commission

**Notice on Further Strengthening Support to Promote
Stable Production and Supply of Pigs**

Agricultural Planning and Finance [2020] No. 9

Provinces (autonomous regions, municipalities directly under the Central Government) and cities separately planned (Agriculture, Animal Husbandry, Animal Husbandry and Veterinary) Departments (Bureaus, Committees), Finance Department (Bureau), Banking and Insurance Regulatory Bureau, Xinjiang Production and Construction Corps Agriculture and Rural Bureau, Finance Bureau, various policies Banks, large banks, joint-stock banks, postal savings banks, insurance group (holding) companies, insurance companies, insurance asset management companies:

In order to further implement the Party Central Committee and the State Council 's work on the stable production and supply of live pigs, and further promote the implementation of various policies, after research, it was decided in the General Office of the Ministry of Agriculture and Rural Affairs Notice of Loan Discount Interest Work (Agricultural Office Accounting [2019] No. 30), "Notice of the General Office of the Ministry of Finance and the General Office of the Ministry of Agriculture and Rural Affairs on Supporting the Work Related to Stable Pig Production and Market Supply" (Finance and Agriculture [2019] No. 69) and the Notice of the General Office of the China Banking and Insurance Regulatory Commission and the Office of the Ministry of Agriculture and Rural Areas on Supporting the Work Related to Stable Pig Production and Security Market Supply (Banking and Insurance Supervision Office issued [2019] No. 189), further increasing Support for the stable production and supply of live pigs. The relevant matters are notified as follows.

I. Promote the recovery of live pig production

The agricultural and rural departments at all levels should publish and distribute the 2020-2021 stable production and supply guarantee goals for hogs, clarify the division of responsibilities, refine the tasks and measures, and ensure that all the established tasks are completed before the end of the year. The role of the coordination office for restoring pig production should be brought into play, and various policies and measures should be implemented in conjunction with relevant departments. Continue to do a good job of production data scheduling and monitoring and early warning, accurately research and judge the situation, timely release dynamic information, and guide market expectations. Supervise various projects under construction to speed up the progress of the project, form production capacity as soon as possible, guide leading enterprises to give play to their own advantages, and drive the development of small and medium-sized farms.

II. Improve the subsidy policy for temporary loans

The conditions of large-scale pig farms enjoying the subsidy policy of temporary loan discount will be adjusted from more than 5000 heads per year to more than 500 heads per year. The discount period of the newly supported objects is from January 1, 2020 to December 31, 2020. Relevant requirements for the channel, proportion, scope and time calculation of interest-disbursing funds will continue to be implemented in accordance with the provisions of Agricultural Banking Accounting [2019] No. 30 and Caibanongnong [2019] No. 69.

III. Strengthening the role of policy agricultural credit guarantees

Provincial agricultural credit guarantee institutions should further exert their policy functions and actively provide credit guarantee services to breeding pig farms (including local pig guarantee breeding farms) that meet the guarantee requirements and pig farms with a scale of more than 500 pigs per year. For guarantee projects between 2 million and 10 million yuan (inclusive), the validity period included in the policy business assessment scope is extended to December 31, 2020, and they can enjoy the guarantee fee subsidy and business reward policy as required. Provincial agricultural credit guarantee institutions should, on the basis of adhering to market-oriented operations and good risk management and control, try to simplify guaranteed loan procedures, shorten processing time, and ensure that loans are in place as soon as possible.

IV. Increase credit support

(1) Adjust and improve the loan evaluation mechanism. Improve the risk tolerance of hog loans, and relax the non-performing loan ratio of hog breeding loans to within 3 percentage points of the non-performing loan ratio of agricultural loans.

(2) Broaden the scope of collateral. Support banks to include breeding pens, large breeding machinery, and live pigs in the acceptable collateral catalogue. Extend the pilot scope of land management rights, breeding pens, and large-scale breeding machinery mortgage loans from Liaoning, Henan, Guangdong, and Chongqing to provinces (autonomous regions and municipalities) across the country, and continue to support those who have the conditions for registration, circulation, etc. of live pig mortgages. In accordance with the principles of marketization and controllable risks, the region has actively and steadily carried out the trial of live pig mortgage loans.

V. Related requirements

(I) Accelerate the implementation of financial support for innovative pig breeding pilots. Financial institutions should increase the number of trials of innovative services such as breeding pens and pledge guarantees, and form a batch of replicable and popular samples as soon as possible. Banking and insurance supervision bureaus in various places shall strengthen supervision and guidance and report the progress of the pilot work quarterly. Agricultural and rural departments at all levels must support financial institutions to do a good job in the selection, promotion, and due diligence of pig breeding loan subjects.

(2) Increase the support of state-owned financial institutions for pig production. To give full play to the leading role of policy banks in supporting pig production, the Agricultural Development Bank must arrange a credit scale of not less than 50 billion yuan in three years,

focusing on supporting the development of the entire pig industry chain including pig farming and the construction of a reserve control system. To implement differentiated loan policies. State-owned banks such as the Agricultural Bank of China and the Postal Savings Bank must step up their efforts to meet the needs of large- and medium-sized pig farms for new construction, reconstruction and expansion, and working capital loans.

(3) Strengthen the management and guidance of loan discount interest work. Regarding breeding pig farms (including local pig protection breeding farms) and large-scale pig farms with an annual production volume of more than 5,000 heads, the relevant regulations and requirements of the Agricultural Bank of China [2019] No. 30 will continue to be implemented. For the newly-supported recipients, the provincial agricultural and rural departments shall work with the financial department to formulate and improve the operation of interest discounting, further refine the requirements of interest discounting procedures, auditing methods, fund allocation, and regulatory measures, and ensure that the relevant documents for the application of loan discounts are true. Under the premise of being accurate and credible, scientific, reasonable and fair audit results, and effective and safe use of funds, the audit authority can be moderately delegated to the actual situation, simplifying the operation process and procedures, and shortening the time for disbursing funds. It is necessary to strengthen guidance and supervision, accurately calculate the discounted amount, strengthen public disclosure, and ensure the safety of funds. Provincial agricultural and rural departments shall, in conjunction with the financial department, report the results of the review to the cities and counties in a timely manner. The financial departments of the cities and counties shall immediately transfer the interest subsidy funds directly to the relevant enterprises. The supervisory bureaus of various localities of the Ministry of Finance may strengthen the supervision of funds by means of spot checks and on-site inspections in combination with the actual work. Provincial agricultural and rural departments must, together with the financial department, submit monthly loan interest discount funds and policy implementation progress through the agricultural transfer payment project management system.

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