

# **Best Practice on the Inclusive Trade of the APEC Region**

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**Xi'an Experience in E-commerce Poverty Alleviation**



**Asia-Pacific  
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**APEC E-Commerce Business Alliance**

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## **Preface**

The Chinese government has always attached great importance to poverty alleviation. The report to the 19<sup>th</sup> National Congress of the Communist Party of China pointed out that, we must win the battle against poverty, to ensure that the rural poor will be lifted out of poverty by 2020. China has identified “reducing poverty” as one of its “three tough battles”, alongside “preventing financial risks” and “tackling pollution”, in order to build a well-off society in an all-round way.

At present, there are still more than 30 million rural poor people in China and poverty alleviation has entered a crucial stage where we will face the deep poverty and the most stubborn thought. Therefore, a comprehensive and innovative approach must be applied to win the war without guns.

With the widespread use of the Internet, especially the rapid spread of the mobile Internet in rural China, e-commerce has become a new path to poverty eradication. As an innovative measure that uses new technologies and new models to help lift people out of poverty, e-commerce has become an effective way of targeted poverty alleviation.

In 2014, the Ministry of Commerce, in conjunction with other authorities, initiated pilot projects of e-commerce in rural areas to vigorously promote the construction and development of rural e-commerce infrastructure, with a focus on supporting and guiding the construction of grassroots sites, county logistics, personnel training, e-commerce industry parks and agricultural product online marketing systems. As a public welfare project, the initiative is targeted at poverty-stricken counties and old revolutionary base areas in central and western regions. In the past five years, the projects have supported 1,016 pilot counties, including 737 state-level

poverty counties that account for 72 percent of its total number. It is estimated that 88.6 percent of state-level poverty-stricken counties have been included in the pilot projects by 2018.

With policy support and guidance, all sectors of the Chinese society have increased their investment in rural e-commerce, to help e-commerce in China's poverty-stricken areas grow rapidly and continuously. More and more farmers have shaken off poverty and become well-off through e-commerce. In 2017, 832 state-level poverty-stricken counties achieved online retail sales of RMB 120.79 billion, a year-on-year increase of 52.1 percent that is 13 percentage points higher than the nationwide rural average. The rapidly emerging “Taobao Villages” and “E-commerce Villages” have fully demonstrated the great potential of poverty-stricken areas to achieve leap-forward development via Internet.

Shaanxi is located in the hinterland of China. Due to various historical and realistic reasons, the province is plagued with poverty more seriously than other places. It is one of the three provinces where the concentrated and contiguous counties with special hardships and key counties for national poverty alleviation are the most. By vigorously promoting pilot projects of e-commerce in rural areas, Shaanxi has continuously improved the e-commerce support service system in poverty-stricken areas, popularized the application of e-commerce, and achieved remarkable results. We have collected and compiled effective practices and experience from various cities and enterprises in Shaanxi Province, so as to provide reference for all parties concerned.

E-commerce is profoundly changing the way of production, life, and thinking of Chinese farmers, improving the organization and structure of rural China, and advancing the supply side and efficiency of Chinese agriculture. E-commerce Poverty Alleviation is a great and vigorous action. China's experience is providing a new approach to the cause of

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poverty alleviation of mankind. It is believed that more brilliant achievements will be made in the future.

During the compilation of the report, we have received local policy documents from Shaanxi Provincial Department of Commerce and Xi'an Municipal Bureau of Commerce, and they have also kindly organized representative cities and relevant enterprises to sort out and summarize their e-commerce poverty alleviation experience. We would like to express our sincere gratitude to all organizations and persons involved in the compiling of the report.

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## **E-commerce Poverty Alleviation Experience in Shaanxi Province**

### **1. Do a Good Job in Design and Work in an All-round Way**

Focus on planning. *E-commerce Poverty Alleviation Policies and Measures in Shaanxi Province* has been issued to promote e-commerce poverty alleviation through policy guidance, coordination of channels and e-commerce incubation. Eight major projects, namely introducing e-commerce into rural areas, online promotion of local products, brand building, e-commerce platform introduction, e-commerce incubator construction, leading enterprises cultivation, logistics system construction, and personnel training have been implemented.

### **2. Lay a Solid Foundation and Create a Good Environment**

Integrate express and logistics resources to build a logistics distribution system according to local conditions. Each county has been equipped with a county-level logistics storage center. All the villages now have access to direct postal service. The township express mail network coverage rate has reached 99 percent. At the same time, make best use of public service system. The county-level e-commerce public service center are responsible for helping e-commerce enterprises settling down, personnel training, new business incubation and brand promotion. It also provides services as purchasing and marketing through Internet, warehousing and distribution, payment and finance. The service stations in towns and villages provide services as online procurement, collection and distribution of express mails, payment and ticket booking etc.

### **3. Bring in Competitive Enterprises to Lead E-commerce Poverty**

#### **Alleviation**

The People's Government of Shaanxi Province has signed the *Strategic Cooperation Framework Agreement* with enterprises such as Alibaba, JD, Suning and Tencent. More than 20 e-commerce giants including Alibaba, JD and Suning have set their regional headquarters in Shaanxi, and a large number of well-known e-commerce platforms such as DHgate.com, and JUMORE have also carried out their business in Xi'an. In December 2015, Shaanxi and Alibaba Group jointly held the "Internet + Old Revolutionary Base Areas" on-line Spring Festival Shopping Gala to promote the sales of agricultural products from rural areas. JD Group has taken 16 poor counties in Shaanxi as demonstration bases for rural e-commerce promotion.

### **4. Coordinate Production and Marketing to Promote Connectivity**

#### **between Agriculture and Commerce**

Dozens of activities for production and marketing coordination and online promotion of agricultural products have been organized to help poverty-stricken areas with their sales and branding. In December 2017, during the live broadcast of the First China Cyber Star Goods Festival in Wugong County, Xianyang City, online sales have reached 180 million RMB. Since 2017, relying on the local leading enterprises, the impoverished counties have been organized to display and sell local specialties on the e-commerce poverty alleviation channel of the Ministry of Commerce. As a result, online sales have topped 18 million RMB.

### **5. Conduct Personnel Training and Strengthen the Service System**

Strengthen personnel training. Relevant departments of the People's Government of Shaanxi Province, universities, colleges and e-commerce

enterprises have all cooperated together to build internship and training bases. In 2017, Shaanxi Province offered e-commerce training to 140,000 people, including 25,000 people registered in poverty. Meanwhile, great importance has been paid to talents attraction. Talents exchange platforms have been build, and e-commerce talents have been introduced to rural areas and enterprises via investment.

## **6. Innovate the Business Modes**

Help poor households earn dividends from the transfer of land. Shaanxi Qifeng Fruit Industry Co., Ltd and Shaanxi Deshengyuan Modern Agriculture Development Co., Ltd, among other e-commerce enterprises, have used over 1,000 *mu* of transferred land for the construction of kiwifruit and apple production bases. As a result, sales have been boosted, enterprises have been promoted, and the poor households can now earn a stable income from land rental.

Involve all people in e-commerce marketing. More farmers are encouraged to get familiar with the Internet and to engage in e-commerce. Dali County under Weinan City vigorously encourages all people to develop online shops and WeChat-base business for online marketing of winter jujubes. Currently there are 20,000 online dealers of winter jujubes, with an online sale up to 1.5 billion RMB, accounting for 25 percent of the county-wide output value of winter jujubes.

Leverage the brand effect to drive economic development. Local brands have been built through independent innovation. Several key brands including Hanzhong Xianhao Green Tea, Hengshan Mutton and Meixian Kiwifruit etc. have been cultivated. Among them, Luochuan Apple alone has authorized 150 enterprises to sell the brand. Moreover, 78 exclusive stores are established in large and medium-size cities, as well as 258 online stores and over 4,500 WeChat-based stores. In this way, a large

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number of poor households have increased their income.

## **Typical Cases of E-commerce Poverty Alleviation in Shaanxi Province**

### **1. Lantian County, Xi'an City**

With a total area of 2,006 square kilometers, Lantian County of Xi'an City exercises jurisdiction over 18 towns, one sub-district and 337 administrative villages. The number of registered poverty-stricken people and households is 109,469 and 30,611 respectively. In 2016, Lantian County became a national demonstration base in introducing e-commerce into rural areas. The *Five-year Plan of E-commerce Poverty Alleviation in Lantian County* and the *Implementation Plan of E-commerce Poverty Alleviation in Lantian County* have been issued. The goal of “Developing E-commerce to Promote Poverty Eradication and Provide Excellent Services” was set to drive e-commerce poverty alleviation towards the direction of “full coverage, services without distance, guaranteed interests, impressive branding, and access to date platforms”.

Full coverage was realized without dead zone. A county-level e-commerce public service center with a total area of 1,500 square meters, 14 township-level e-commerce service stations and 218 village-level e-commerce service stations have been built. E-commerce platforms such as Lecuntao, Youzhanggui, Huinongtong and Tmall Station have been introduced to ensure that every station can realize “three accesses” (access to the Internet, access to logistics and access to online and offline marketing system) and “four services” (procurement, selling, collection and distribution). Issue handbooks of e-commerce service stations in towns and villages, and improve their boards and system signs. At present, a total of 48 impoverished villages in Lantian are covered by optical fiber, and they all have communication bases, e-commerce service stations and

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agriculture specialized cooperatives.

Services were provided without distance restrictions. Carry out e-commerce training for poor households, increase their practical skills about e-commerce, guide them to engage in e-commerce entrepreneurship, and sell agricultural products through e-commerce. From 2017 to the end of August 2018, 48 terms of special training has been offered to 5,689 persons. Three centers including the Lantian E-commerce Logistics Distribution and Dispatching Center, the E-commerce Logistics Storage Center and the One-Piece Distribution Center of Agricultural Products have been established and five logistics distribution routes have been opened, covering 15 towns and sub-districts, and over 1,000 and 800 pieces of goods can be distributed online and offline respectively per day. At present, a three-level network of logistics distribution stations has been established, covering the county center, the town and sub-district centers, and villages, basically realizing the distribution to the village stations within 24 hours and to the poverty-stricken households within 36 hours.

Interests were guaranteed. Guide the e-commerce service stations (sites) to provide support for poverty-stricken households, and encourage them to sell their agricultural and specialty products in priority. The e-commerce service stations have signed sales agreements with 297 poor households and helped 1,380 poverty-stricken people increase their income by more than 4.2 million RMB. Bayuan Town of Lantian County, located in the deep Qinling Mountains, has a largely poor population. To improve the situation, the poor households scattered in the deep mountains were collectively relocated to another mountain area with better traffic. To solve the employment problem for the concentrated poor households, the county has set up a community-based poverty alleviation factory “Bazhiyuan Soybean Factory”. The featured products, the whole-process green production technology and the high quality raw material have effectively increased the product added value, thus

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promoted the e-commerce to create a brisk market of the products. The business mode featured with production by the community-based factories and e-commerce sales has greatly reduced the sales costs and expanded the sales market.

Brands were impressive. Local brands have been cultivated based on agriculture specialized cooperatives and the intensive processing of local agricultural products. The 103 new economy farming cooperatives serve as a bridge between the poor households and the e-commerce enterprises. Xuanfeng Walnut Specialized Cooperative in Kouling Village of Houzhen Town is one of the typical examples. The cooperative has signed purchase agreements with the poor households, and made purchases throughout the county. Different varieties of walnuts, such as fresh food, dry goods, are processed and packaged, and sold to the e-commerce enterprises. Now the sales have exceeded 10 million RMB. 10 categories of agricultural and specialty products like strawberry, cherry potato, cherry and apricot have been certified as the eco-friendly products, while cherry, apricot and crystal cake got the certification of products with specified geographical origin.

Better access to data platforms. To overcome the obstacles of a large poor population scattered in Lantian County with complicated poverty-stricken causes and complex statistics, a smart management system of targeted poverty alleviation information has been built, which has realized the data connectivity, resource sharing, multi-aspect and multi-dimensional inquiry, statistics and analysis of poverty alleviation.

As of August 2018, the transaction amount of e-commerce in Lantian County reached 880 million RMB, in which online transaction amount was 290 million RMB while the offline was 590 million. E-commerce has played a key part for the economic restructure and development in Lantian County. According to a county-level review of the economic

development in the first half year across Shaanxi Province, Lantian County rose from No.39 last year to the current No.13.

## **2. Yaozhou District, Tongchuan City**

With a total area of 1,482 square kilometers, the Yaozhou District of Tongchuan City exercises jurisdiction over eight towns, three sub-districts and 117 administrative villages. As one of 56 state-level poor counties in Shaanxi Province, Yaozhou District has altogether 1,771 poor households.

In 2016, Yaozhou District became a national demonstration base in introducing e-commerce into rural areas. The district e-commerce poverty alleviation leading group has been set up, with the District Director as the leader and the representatives from the 37 departments as members of the group. The *Implementation Plan of E-commerce Poverty Alleviation in Yaozhou District* has been issued. The goal is to “help e-commerce covers the whole district with accessible services through all channels by a whole interest chain”, which has vigorously promoted the e-commerce poverty alleviation.

Full coverage of e-commerce in the whole district. A 1,200-square-meter district-level e-commerce public service center, 11 township-level e-commerce service stations and 117 village-level e-commerce service stations have been built. A total of 74 impoverished villages in Yaozhou District are covered with optical fiber, and they all have communication bases, e-commerce service stations and agriculture specialized cooperatives. The service station system at the district, town and village levels provides farmers with online purchase, agricultural products sales, logistics distribution, inclusive finance, payment of telephone fees and other convenient services. By the end of July 2018, sales of the e-commerce service stations at the 74 impoverished villages reached more than two million RMB.

Service was provided through all channels. E-commerce trainings for poor households have been carried out in the district-level e-commerce public service center, to increase their practical skills of e-commerce, and to guide them to sell agricultural products and engage in e-commerce entrepreneurship. From January to July 2018, the district-level e-commerce public service center held a total of nine e-commerce training sessions for more than 800 people from poor households. At the same time, the concept of “the fourth party logistics” was adopted. More than 10 logistics and express delivery enterprises, such as STO Express, SF Express and YTO Express, were integrated to have a coordinated use of the fruit granaries and big warehouses covering 10,000 square meters in the district. A district-level logistics distribution center, 11 township logistics distribution stations, and 117 village-level logistics distribution stations (including all the 74 impoverished villages) have been set up. Moreover, the intelligent logistics management system Weiyunbao has been independently developed. Four logistics special lines covering the whole district together with the logistics distribution system at the district, town and village levels have been built, reducing the cost of logistics and express delivery by 50 percent. The district-to-village distribution was completed within two days. In this way, the “last kilometer” problem of the e-commerce in rural areas has been resolved.

The whole interest chain was connected. The “e-commerce + cooperatives (enterprises) + poor households” approach was adopted. The cooperatives signed agreements with poor households and their interests were linked through diverse forms such as centralized purchase, land trusteeship, and sale by order etc., so as to lift the poor households out of poverty. Tongchuan City Green Ridge Fruit Industry Co., Ltd. managed more than 5,300 *mu* of fruit farmers’ land, including 513 *mu* of land from 132 poor households, which increases the orchard quality fruit rate to over 85 percent and registered an annual sale of 23 million RMB. The company bind its own interests with those of the poor households through land trusteeship and conducts scientific management with the unified

technology, unified brand, unified sales and unified agricultural supplies, leading 36 villages to develop the apple industry, as a way to increase their incomes.

The whole-process service was provided. The Yaozhou District E-commerce Public Service Center was established and operated by a professional team. The aim was to build an e-commerce supply chain system of agricultural products and provides brand registration, brand cultivation, packaging design, testing, online marketing planning, online shop decoration and other services for agricultural products, so as to advance commercialization and production standardization and to enhance the brand influence. In January 2018, Yaozhou Specialties Store was launched online, offering more than 100 featured agricultural and sideline products in 15 series. The local specialties including Yaozhou apple, walnut, pepper, cherry and snow sugar were uniformly planned and designed, and the packages featuring Yaozhou elements for online sales were developed. Currently, the packages for nine online products in seven series have been developed.

By the end of 2017, e-commerce sales of Yaozhou District have topped 80 million RMB, while e-commerce purchase has topped 200 million RMB. The total e-commerce transaction amount was 293 million RMB. The express in the district have received 2.25 million pieces of goods while distributed 1.666 million. E-commerce has been a key part for the economic restructure and development in Yaozhou District.

### **3. Ankang City**

Close to the Qinling Mountains in the North and against the Bashan Mountain in the South, Ankang City has a total area of 23,391 square kilometers, in which only 2,890 square kilometers are farmland. It exercises jurisdiction over 10 poverty-stricken districts (counties) with the largest poor population in Shaanxi Province. In the 1,626

administrative villages across the city, there are 855 poverty-stricken villages, among which 168 are in severe poverty. There are 165,200 poor households in the city.

Ankang City has been actively conducted poverty alleviation through Internet and e-commerce. 10 county-level e-commerce service centers, 85 township-level service stations and 519 village-level service centers have been built. Over 5,600 e-shops have been set up in e-commerce platforms such as JD, Tmall and Taobao, which helped more than 8,350 poor households decrease expenditure and increase revenue. Setting “e-commerce + industrial development + poverty alleviation” as a starting point, Ankang City made every effort to connect the supply from the impoverished areas with the market demand, by approaches as “driving industry development, optimizing the service system, and forming the synergy for poverty alleviation”.

Drive the industry development. Seizing the opportunity of building pilot projects counties in introducing e-commerce into rural areas, efforts were made to promote the establishment of e-commerce leading group headed by the principal leaders in the 10 counties and districts under the city’s jurisdiction. Cooperation agreements with JD, Alibaba and 99114 have been signed. More than 60 se-rich specialties were launched in the featured stores and flagship shops of these e-commerce platforms. As a result, market share of the high quality se-rich specialties has rapidly increased.

Optimize the service system. The counties and districts in Ankang City have expanded the Internet coverage gradually to towns and villages. Online and offline business have been combined to bring orders into and goods out of the mountains, which facilitated the supply and demand coordination, brand publicity, exhibition and marketing of quality agricultural products. Leading enterprises were organized to apply for

national and provincial famous trademarks and the certifications of geographic mark protection products, EU certification, SC certification and the certification of green, organic and pollution-free products etc. As a result, social credibility and reputation of Ziyang Se-rich Tea, Pingli *Gynostemma Pentaphyllum*, Langao Konjac, Shiquan daylily, Zhenping rhizoma coptidis, Ningshan lentinus edodes, Baihe papaya and other geographical indication brands have been continuously increased. Great attention has been paid to the local e-commerce personnel training. Government, social organization and leading e-commerce enterprises have come together to form the talents training system. More than 50,000 returned entrepreneurs, college graduates, ex-servicemen were organized to take part in e-commerce training for free.

Form the synergy for poverty alleviation. Involve e-commerce enterprises in poverty alleviation of poor households. By means of production by order, product buy-back, sales by proxy, etc., poor households were stimulated to engage in the cultivation, breeding and family handicraft industries. Hence, production scale has been expanded and production efficiency has been improved.

In 2017, Boxi Agricultural Company in Shiquan County, through the mode of “company + poor household”, worked to see 3,060 *mu* of black peanuts planted across the county, helping 647 poor households increase their income by 4,500 RMB on average. Poverty alleviation was conducted by selling agricultural products online. The poverty-stricken areas were led by local enterprises to develop the industrial base planting, and the e-commerce platforms were utilized to promote industrial development. In 2016, Ziyang alpine potato was chosen as a special product to be sold online by Sansheng Network Technology Co., Ltd. In 2017, 1.3 million catties potatoes were sold, and 715 poor households’ income was increased by 1,800 RMB on average. Ankang City explored the “Ankang + paired assistance” mode, actively cooperated with the paired assistance units to broaden the sales channels for agricultural and

sideline products. The “Lecuntao” E-commerce Co., Ltd. of Langao County, together with Xi’an Lugang Continental Bridge International Logistics Co., Ltd., signed with Wanjia Village a contract for the purchase and sales of 20,000 cattles of potatoes.

#### **4. Huinong E-commerce Co., Ltd.**

Huinong E-commerce Co., Ltd was established in Lintong District, Xi’an City in March 2016. The company has launched a “Regional Integrated Information Service System,” which includes online food markets, online supermarkets, online agricultural materials, and other industrial products. The company has also built an agricultural product information platform, an agricultural product sales platform, a targeted poverty alleviation information platform, and a Chinese specialty Jingdong-Lintong Pavilion. The company has an extensive cooperation with eight platforms including Supply and Marketing E-commerce, Xunqinji, China Telecom and Home Life. By resources integration, they have built the Zhouyan Express Delivery and Distribution Center in the north of the Weihe River and a fresh meat distribution center at Xiekou Sub-district in the south of the Weihe River.

The company has developed a three-level operation mode of district-level operation center + (sub-district) center service station + village-level service station, and has built a number of sub-district center service stations and village-level service stations which could operate independently. The village-level e-commerce service station was not only a logistics transfer place, but also a rural e-commerce service network to solve the “last kilometer” problem of rural e-commerce. The services mainly include information collection on agricultural and sideline products, agricultural products sales, production and living materials procurement, wedding banquets, express services, migrant job-seeking and tourism consultation. The Zhouyan Service Station, by selling more than 1,000 tons of sweet potatoes per month, has promoted the

development of local sweet potato industry. The Jiaofan Service Station in Xinshi sub-district sold various vegetables worth 58,800 RMB per day, which brought the annual sales to about 20 million RMB. As a support platform for village-level service stations, the Xiaojin Center Service Station manages 10 e-commerce service stations in this area and provided management services, express services, unified packaging services, and information resource sharing services for village-level service stations. The Central Service Station has registered the “Zhongjinyu” trademark to help standardize scale production and brand operation.



Moreover, a dedicated platform for e-commerce poverty alleviation for poor mountainous areas — Lintong Targeted Poverty Alleviation E-commerce Platform has been built to drive poverty-stricken mountainous areas to accelerate the pace of poverty alleviation. The platform was officially opened in June 2017.

By the end of August 2018, 36 village-level service stations have been built in poverty-stricken mountainous areas (including three central service stations). The company utilized the village-level e-commerce service stations to collect information on local agricultural and sideline

products, so as to select high-quality agricultural and sideline products and sell them in the online shopping malls to the whole country. Transactions in the three poverty-stricken mountainous sub-districts, Xiaojin, Muzhai, and Renzong, amounted to 1,978,636 RMB; 98,141.5 kilograms of persimmons, walnuts and other agricultural and sideline products were sold with a total amount of 726,873 RMB; the acquisition of walnuts, peppers, dried persimmons, red beans, hawthorn, etc. from registered poverty-stricken households (involving 56 households in 12 villages) reached 14,640.4 kilograms with a total amount of 81,600.5 RMB.



## **5. SCIPHAR Group**

Established in 2016, SCIPHAR Group is a national high-tech enterprise and a national e-commerce demonstration enterprise committed to “Internet + featured agriculture + big health industry”. It mainly engages in biological medicine, functional foods, modern agriculture, e-business,

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data technology, e-commerce parks, education and training.

Based on big data, the Group develops modern agriculture in the upstream of industrial chain by processing agricultural products into over 3,000 categories of health foods, which are then sold to over 250,000 enterprises in more than 70 countries across the world via Internet. In 2015, Shaanxi SCIPHAR Targeted Poverty Alleviation and Development Center was set up, with a 100-million-RMB special fund earmarked for poverty alleviation, to carry out poverty alleviation through e-commerce, industry, employment and education.

E-commerce poverty alleviation was implemented. The Group gave full play to its resource advantages in such aspects as personnel, information and technology, and offered e-commerce skills training, agricultural technology training and projects matching training to the poor households, agricultural enterprises, and young entrepreneurs. Platform for online trade of agricultural products and online poverty alleviation projects, and the brand-oriented e-commerce industrial chain of “one village, one product” have been built. The Group was also responsible for the construction and operation of the e-commerce industry incubation base in Shangzhou District, Zhashui e-commerce industry incubation base and e-business industry park in Shangluo City. At the same time, the Group has actively launched activities covering innovation and entrepreneurship, enterprises incubation and personnel training. By now, the Group has offered 260 e-commerce trainings to over 26,850 persons. 225 young people became engaged in entrepreneurship after training, and another 1,200 have been employed. To lift poor households out of poverty, e-commerce service stations have been set up in 57 administrative villages, and e-commerce poverty alleviation online trading platform has been built for 18 villages.

Industry-based poverty alleviation was conducted. The Group vigorously

developed “Internet + agriculture” and engaged in featured agriculture in the province through establishing order-based production relations with the cooperatives, demonstration gardens and poor households. In 2018, the Group signed agreements with 12,513 poor households on planting 13,500 *mu* of jerusalem artichoke and purchasing 6,840 *mu* of marigold. The Group has offered 1,350 tons of jerusalem artichoke seeds and 30.78 million seedlings of marigold to poor households for free, and planted more than 5,000 *mu* of oil peony, minor crops and Chinese medicinal materials. To reduce the planting risk for poor households, the Group purchased all the agricultural products at a guaranteed price. As a result, more than 30,000 people have been lifted out of poverty.

Employment Generation for Poverty Alleviation was applied. The first and second phases of the Health Industrial Park of SCIPHAR Group now have been put into operation, providing over 400 jobs, among which 30 percent of the employees were from poor households. The Group will continue to employ poor people in priority during the construction, production and services in the third and fourth phases of the industrial park. It has been estimated that more than 2,000 jobs will be provided after the completion of the whole project.

Education Poverty Alleviation was adopted. The Group has set “SCIPHAR Love Scholarship” and “SCIPHAR Love Grant” for poor students in Shangluo University with a fund of 400,000 RMB, a “SCIPHAR Poverty Alleviation Venture Fund” of 1 million RMB helping college students’ innovation and entrepreneurship, and another “Lighting up the Life of Poor Students” scholarship of 3 million RMB, which has helped 1,000 students to enter college.

SCIPHAR Group has, by overall planning and targeted support, carried out poverty alleviation through encouraging poor household to be engaged in entrepreneurship instead of direct money support, and shifted

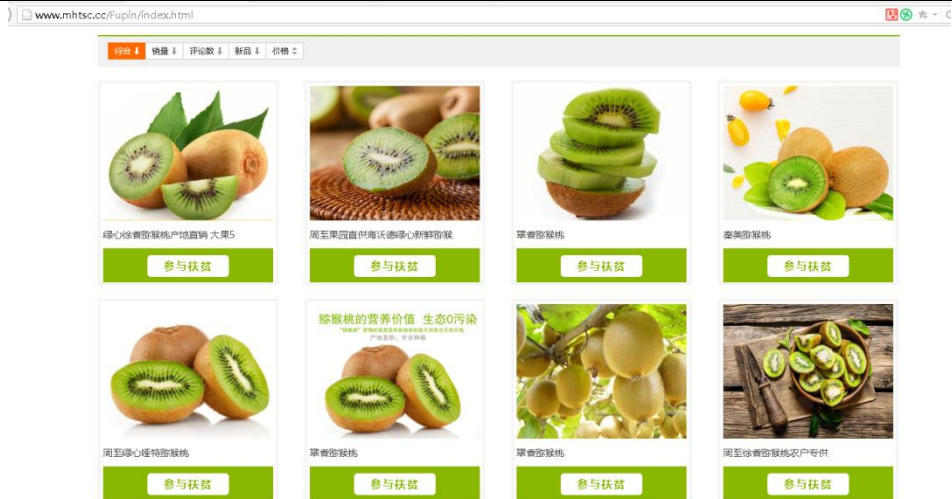
the focus from reliance on external forces to dependence on internal strengths of the entities stuck in poverty. Currently the poor households can earn income in land circulation, and labor income from employment in gardens as well as operating income in seed and seedling distribution and planting guidance. As a win-win situation, poor households now have a market for their products and can earn a stable income, while enterprises enjoy sustained and sound development.

## 6. Chinese Kiwifruit Net

Chinese Kiwifruit Net was established in 2004 in Zhouzhi County, a town rich in kiwifruit. With a total area of 2,974 square kilometers, Zhouzhi County is the largest kiwifruit production base in the world. The planting area of the kiwifruit reaches 423,000 *mu*, accounting for 25 percent of those in China and 18 percent in the world.

As the earliest portal of kiwifruit, Chinese Kiwifruit Net is dedicated to information consultation, technology services and commodity transaction for people involved in kiwifruit industry. It has more than 180 sub-websites across the country, and brick-and-mortar stores covering more than 400 square meters offline to display kiwifruit and its related products. Moreover, the professional e-commerce company — Xi'an Shengguojia E-commerce Co., Ltd. has been established.





Chinese Kiwifruit Net actively implemented the strategy of poverty alleviation through “Internet + kiwifruit + enterprises + cooperation + poverty alleviation” mode, and made every effort to inject vitality into the development of leading industries. Specific approaches were as below:

Combat poverty through online trading. The poor households who join in the online sale were provided with free entry, free training and free services; their products were promoted and sold on the homepage of the website to overcome the obstacles for selling. As a result, more than 200 people have increased their income and become rich.

Fight poverty through employment and purchase in priority. Employment priority was granted to poor people in planting management, storage, refrigeration, logistics and other industries, while purchasing kiwifruit from poor household sellers was also encouraged. As a result, about 10,000 people have increased their income and become rich.

Lift people out of poverty through “Poverty Alleviation” column. In 2016, “Poverty Alleviation” column was officially launched, guiding urban residents from the relatively developed areas to purchase kiwifruit from the poor people in Zhouzhi County. “A Small Piece of Cake: Help Increase the Poor People’s income” campaign was launched. Over the last

two years, more than 8,000 online transactions have been made, with 450,000 cattles of kiwifruit been traded.

Chinese Kiwifruit Net has organized a group of professionals to impart kiwifruit-related technology and spread online trading skills among the villagers from time to time. On July 12, 2017, staff from the website came to Beixigou Village, Zhuyu Town, Zhouzhi County to expound the e-commerce operation for the e-commerce demonstration households.

Up to now, over 3,000 shops have registered on Chinese Kiwifruit Net, and more than 100,000 households have registered as users. Products, processed products and sideline products sold online include over 7,000 tons of kiwifruit with value of about 80 million RMB, more than eight million kiwifruit seedlings, about 2,000 tons of dried kiwifruit, seeds and pollen. Also, over 1,000 tons of kiwifruit series products have been exported. All these trades have actively promoted the development, transformation and upgrading of the kiwifruit industry in the areas surrounding Zhouzhi County and even across China.

