

Research on Problems and Countermeasures of Fresh Agricultural Products E-commerce Development in China

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Abstract: With the continuous improvement of living standards of Chinese residents and the development of e-commerce, the demand for fresh agricultural products is also growing. Through the analysis of the current situation and shortcomings of the development of e-commerce of fresh agricultural products in China, the corresponding countermeasures are put forward to promote the healthy and stable development of e-commerce of fresh agricultural products in China.

1. Introduction

With the continuous development of urbanization in our country, people's demand for agricultural products, especially fresh agricultural products, is increasing. According to the "Monitoring Report on China's Online Retail Market Data in 2018 (Part I)" released by the E-commerce Research Center (100EC.CN), a well-known domestic e-commerce think tank, the fresh e-commerce transaction volume in the first half of 2018 was 105.16 billion yuan, up 23.5% from 85.14 billion yuan in the first half of 2017. According to market analysis, fresh food is deeply loved by young consumers, and with the increase of China's population, the future fresh e-commerce market has great potential.

2. Current Situation of E-commerce Development of Fresh Agricultural Products in China

2.1 E-commerce of fresh agricultural products develops rapidly.

As the support of national policies for agricultural e-commerce continues to strengthen, more and more businesses are joining the field of fresh agricultural e-commerce. The fresh food industry maintains an average annual growth rate of more than 50%. In recent years, the e-commerce model of fresh agricultural products has been the focus of its development. According to the monitoring data of the E-commerce Research Center (100EC.CN), the e-commerce volume of fresh agricultural products in China reached 140 billion yuan in 2017, with an annual growth rate of more than 50%. In the first half of 2018, the scale of fresh e-commerce transactions was 105.16 billion yuan, up 23.5% from 85.14 billion yuan in the first half of 2017, and is expected to exceed 400 billion yuan in 2020.

2.2 Market share is low, there is a lot of room for improvement.

The total output value of China's food industry accounts for 7.1% of the national industry. By 2018, the total output value of China's food industry will be 12.9 trillion yuan. However, in 2018, the proportion of agricultural products circulated through electronic commerce is still very low, and the market share of fresh agricultural products is lower. Although from 2013, food e-commerce began to grow explosively, Tianmao, Jingdong, No. 1 shop, COFCO I-Buy Net and other platforms increased rapidly every year, and the fresh e-commerce system became more mature. But at present, the market share is far lower than clothing, electronic products, skin care cosmetics and other categories.

2.3 Cold chain logistics and e-commerce develop unevenly.

Cold chain transportation is the basis to ensure the quality and safety of fresh agricultural

products, but the development of cold storage in our country is not comprehensive enough, and the capacity of cold storage in some areas cannot support the development of local e-commerce of fresh agricultural products. In 2018, China's current cold storage capacity is about 53 million tons, and the usable cold storage capacity is less than 40%. The available capacity of the cold storage can not meet the transportation and storage in logistics. Due to the backward cold chain technology and equipment, fresh agricultural products have a large amount of losses in the distribution process, affecting the economic benefits of enterprises.

3. Main Problems in the Development of Electronic Commerce for Fresh Agricultural Products in China

The cold chain logistics system matched with e-commerce has not kept pace. There are differences between fresh products and ordinary e-commerce products, which put forward stricter requirements on the product logistics system, and the transportation cost is relatively high. The quality of fresh agricultural products, in particular, cannot be effectively guaranteed. Once the products have problems, it will pose a great threat to the fresh e-commerce industry. Even make fresh agricultural products enterprises stagnate, seriously affecting the consumer's consumption feeling, enterprises also often face a high discount rate. The key to the healthy development of e-commerce for fresh agricultural products lies in the construction of a "chain-free" cold chain logistics system throughout the whole process, the development of a cold chain system covering the whole process of production, storage, transportation and sales, and the realization of an integrated cold chain logistics operation for fresh agricultural products from the place of origin to the place of sale. Judging from the current development of China's agricultural products cold chain logistics, cold chain logistics is still the main short board faced by fresh e-commerce. Although in 2018, the cold chain circulation rates of fruits, vegetables, meat and aquatic products reached 28%, 39% and 50% respectively, and the refrigerated transportation rates were 39%, 65% and 73% respectively. However, there are still some problems, such as weak professional service capacity, low industry concentration, lack of pre-cooling links, low transport efficiency, lack of integrated cold chain logistics operation and so on. Although e-commerce of fresh agricultural products drives the development of cold-chain logistics of agricultural products, from the demand of e-commerce development of fresh agricultural products for cold-chain logistics itself, the construction of cold-chain system covering the whole process of production, storage, transportation and sales and the whole process of "non-breaking chain" cold-chain logistics system are still the key points in the future. Aspects of concern:

3.1 Cost is still the main obstacle to the development of fresh e-commerce

The production of fresh agricultural products is limited by seasons, seasons and varieties. Not only is the product small in size, but also its consistency is usually poor. Due to the high cost-performance ratio of e-commerce products, fresh agricultural products with good quality are mostly used for e-commerce sales, and the cost of obtaining fresh agricultural products at the source is significantly higher than offline. The perishability and vulnerability of fresh agricultural products will inevitably lead to a higher loss rate in the process of storage, transportation and terminal sales, and the higher loss rate itself will increase the cost expenditure. On the one hand, the cost of cold chain transportation is 40%-60% higher than that of ordinary vehicles. On the other hand, the construction cost and operation cost of the cold chain are very high, and the cost of building a medium-sized cold storage is at least 25 million yuan. At the same time, the monthly power consumption per square meter of cold storage operation is at least 20 yuan. All these fully show the high cost of fresh e-commerce. Therefore, almost all e-commerce can only choose products with high added value when selling fresh food.

3.2 The e-commerce law for fresh agricultural products is not perfect.

At this stage, the country still has no relevant laws and regulations on electronic commerce of fresh agricultural products. Even though the inspection and verification mechanism for agricultural

products has been established, there is still no clear inspection for agricultural products in ideal stores due to the relevant requirements of physical stores. At the same time, e-commerce can be transacted in multiple locations, and there will be some potential safety hazards, such as intermediate merchants and transportation logistics involved in the transportation of agricultural products. These factors that cannot be fundamentally controlled will affect the development of e-commerce of fresh agricultural products. Therefore, no matter in the cold chain food storage facilities or in the transportation process, there should be a strict supervision mechanism and standards. However, these deficiencies will lead to the outbreak of a crisis in China's fresh agricultural products e-commerce, and there is no relevant law to punish the parties concerned, which will seriously hinder the further development of China's fresh agricultural products e-commerce.

3.3 Lack of e-commerce technicians

At present, in China's rural areas where fresh agricultural products originate, most of them have not yet established an information-based development mechanism for fresh agricultural products. The network distribution is relatively small and the operation of e-commerce for many agricultural products is hindered. In addition, there is currently a lack of relevant agricultural product technicians, especially e-commerce technicians, in the vast rural areas, which has led to farmers' lack of awareness of the modernization of fresh products and the lack of relevant training. As a result, farmers cannot devote themselves fully to the e-commerce construction of fresh agricultural products. These are all factors that affect the development of e-commerce of fresh agricultural products, which easily makes the development of fresh agricultural products unable to meet the changing needs of the times.

4. Countermeasures to Promote the Development of Electronic Commerce of Fresh Agricultural Products in China

4.1 Strengthen the development of fresh agricultural products logistics

The development of e-commerce is inseparable from logistics enterprises. Good logistics is the key part of developing the distribution chain of fresh agricultural products and improving the transportation efficiency of fresh agricultural products. At present, China's logistics enterprises are developing well, but the transportation of fresh agricultural products is still in its infancy. The construction and deployment of cold storage in various places is not mature enough. It has not formed a long-term stable supply and marketing relationship, which has led to the dilemma of the fact that farmers have no freight in many areas and there is no shortage of cold storage. In order to solve the above situation, we must strengthen the development of local fresh agricultural products logistics, build a matching cold stock storage fresh agricultural products, and regulate the storage and delivery management of fresh agricultural products. Then build a complete logistics system for fresh agricultural products and develop the transportation of local fresh produce.

4.2 Strengthen the standardization and branding of fresh agricultural products

In order to reduce the loss of products during transportation and damage during storage, a standardization mechanism can be established in the two processes. A certain scale can accelerate the circulation of fresh products in the market and reduce costs. The effective measures to ensure the quality and expand the popularity are to establish a brand and realize branding, thus increasing the repurchase rate and customer stickiness, and to a certain extent increasing the product premium. It is inevitable for fresh products to be branded in our country. At present, there are few branded fruit products. Specialization mainly refers to service behavior, including whether pre-sales communication is effective, delivery, speed is fast and after-sales feedback is timely. Improving service quality and establishing professional standards are important measures to enhance customer reputation and establish brand.

4.3 Standardizing and Perfecting Electronic Commerce Laws and Regulations

First of all, strengthen the legal concept. Combined with the management mode and essential characteristics of fresh agricultural products, strengthen the awareness of trading laws and market management, define the strategic objectives of e-commerce development of fresh agricultural products, further develop the fresh agricultural products trading market, and then build an ideal trading platform for consumers. Secondly, strengthen the management and supervision of e-commerce. The state should combine the basic supervision laws of our country's products, and call on fresh e-commerce builders to jointly build a healthy and environmentally friendly home for fresh agricultural products, so as to implement the development of e-commerce laws.

4.4 Introduce and train relevant e-commerce technical talents

The most missing part of e-commerce construction is related technical talents. Excellent technical talents are the guarantee for the development of e-commerce and the normal operation of e-commerce. In order to ensure the normal operation of e-commerce, e-commerce has become the main force of local economic development. It is necessary to control relevant e-commerce construction talents and e-commerce management talents, improve management quality, and improve management regulations. Create a team of modern e-commerce talents with professional knowledge and practical capabilities. Relevant departments of e-commerce shall organize relevant high-level appraisers, regularly assess and train subordinate management personnel, and regularly train and strengthen the professional knowledge and practical capabilities of relevant personnel. Regularly assess and eliminate unqualified personnel, regularly train relevant interns to provide a steady stream of fresh blood for a young e-commerce team.

4.5 Diversified management policies

In the ever-changing social development, the fresh agricultural products industry should conform to the trend of the times, always pay attention to the most popular product system in the market and constantly change its business direction, and constantly develop and expand its own business scale. To fundamentally expand the business scope of fresh agricultural products and make the marketing strategy of fresh agricultural products flexible to meet the growing social needs. To adopt a diversified management policy means not to invest too much in a single fresh agricultural product and to develop the fresh agricultural product industry in a diversified way.

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