

Analysis of China's Agricultural Input-Output Structure from 1997 to 2002

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Abstract: Based on China I-O table of 1997 and 2002, we quantitatively analyzed Chinese Agricultural input-output structure in 1997 and 2002 and in the paper, give some advice for the development strategy of China's Agriculture. Following are main conclusions of our analysis:

1. The ratio between the intermediate input and agricultural output increased between 1997 and 2002, but remains the lowest of all the industries.
2. The value-added ratio was 57.3%. The agricultural technical service is the only sector which VAR is increasing. However, the average profit margin of agriculture had increased sharply.
3. Labour cost is the most important part of added value, indicating that agriculture still belongs to the labour-intensive industry.
4. The technology of agriculture is behind other industries which also happened in agriculture's mechanization and value-added ratio.

Judged from the input aspect, fertilizer is a most important input. The importance of fertilizer increases over the years although the marginal benefits decline. This was also true for pesticides and other factors. The cumulative input coefficient of fertilizer and pesticide in 2002 had decreased by 16.2% and 38.6% respectively. It is surprising that the coefficient for agricultural machinery was as low as 2.3%.

From the output aspect, agriculture is a basic industry and is highly correlated with Sawmills, Furniture and Food Products. The cumulative input coefficients are still very high. But the 2002 data clearly showed that the correlations are decreasing. On one hand, the benefits to agricultural decreased - it added quantity but not value. On the other hand, intensities of processing inputs have increased thus the marginal benefit at the product has increased.