



COOPERATIVES IN CHINA

2025 Workshop on the Sustainable Development and Capacity Building of Cooperatives, Guangzhou, China.
Picture Credit: ACFSMC

Contribution of cooperatives to the Chinese economy

- 2.14 million farmers' professional cooperatives operate across China.
- Around 40,000 supply and marketing cooperatives (SMCs) form a nationwide service and distribution network.
- Each member accesses approximately \$2,080 in value through unified purchase and sales services.
- Supply and marketing cooperatives employ around 3.02 million people nationwide.
- Supply and marketing cooperatives generate an estimated \$1.1 trillion in annual revenue.

Source: All China Federation of Supply and Marketing Cooperatives (ACFSMC); 2024

Did you know?

- The cooperative movement in China is 100 years old!
- 95% of the towns and villages in China have primary supply and marketing cooperatives commonly known as gongxiaoshe. (2024)
- The All-China Federation of Supply and Marketing Cooperatives (ACFSMC) is the apex organization of all SMCs in China. It is also the largest cooperative organization in the country.
- Gung Ho (i.e. working together) is the oldest running initiative undertaken in the Chinese cooperative movement. It was started by the International Committee for the Promotion of Chinese Industrial Cooperatives (ICCIC) in 1937.
- China's 2016 and 2021 Voluntary National Reviews (VNRs) highlight cooperatives as key to social protection and poverty reduction, with the Medical Insurance Scheme covering over 1.3 billion people by 2013, and 2.241 million farmers' cooperatives helping lift over 70% of poor households out of poverty by 2020.
- ICA has six members from China. The members and their years of affiliation are as follows: ACFSMC (1985), ICCIC (2010), Jiangsu Supply and Marketing General Cooperative (JSMGC, 2020), Fujian Federation of Supply & Marketing Coops (Fujian Coop, 2020), Guangdong Federation of Supply and Marketing Cooperatives (2025), and Hubei Federation of Supply and Marketing Cooperatives (2025).

Cooperatives in China have become key drivers of rural revitalization, supporting agriculture, e-commerce, recycling, finance, and employment. Modern SMCs deliver farm services, connect producers to markets, and enable women and smallholders to earn locally. Their growing role strengthens incomes, sustainability, and inclusive rural development across the country.

Structure and spread of cooperatives

The five-tier structure of SMCs represented by ACFSMC illustrates the presence of cooperatives throughout the country.

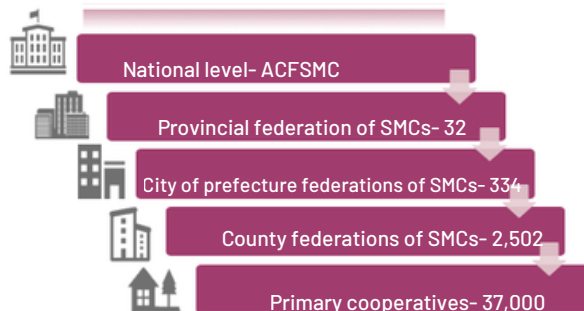


Image credit: ACFSMC

Additionally, there are 26,000 cooperative enterprises at different levels.

Geographical presence of cooperatives

The map below is a representative sample of cooperatives across the country.



Evolution of the cooperative movement

→ 1920-1950

- The cooperative movement in China started in the early 1920s with the emergence of agricultural marketing cooperatives and credit cooperatives. The cooperative movement during this period developed in three phases.
- In the first phase (1920s), the movement was started by common people (particularly Chinese intellectuals) on experimental basis.
- In the second phase (1930s), the movement continued under the Kuomintang government. Credit cooperatives dominated, with fewer agricultural marketing and purchasing cooperatives. In 1937, the Gung Ho initiative began to mobilize laid-off rural workers and refugees into manufacturing cooperatives to support resistance against the Japanese occupation of China.
- In the third phase (1940s), the movement operated under the Chinese Communist Party which led to the emergence of agricultural mutual aid cooperatives and SMCs.

→ 1950-1960

- During this period, massive land reform programs were carried out in China with the aim to boost agricultural production. The cooperative movement was supported extensively by the government.
- The cooperatives that were promoted at this time included agricultural production cooperatives, SMCs, and rural credit cooperatives.
- In 1950, the United Headquarters of the Chinese Supply and Marketing Cooperatives was established (renamed to ACFSMC in 1954). The ACFSMC was set up as a unitary system of SMCs nationwide.
- In 1957, ACFHIC was established as a national collective economic organization by various collective trade unions, handicraft industrial cooperatives, and collective economic societies in rural and urban areas.
- In the late 1950s, the cooperative movement was characterized by the incorporation of cooperatives into state-owned commercial departments.

→ 1980-2000

- This period was marked by the revival of cooperative movement in China with the introduction of reforms in SMCs. The reforms were undertaken in six phases (1982-2002) with the aim to restore the basic characteristics (such as membership and management in cooperatives) and improve economic operations and performance of SMCs.
- In 1987, ICCIC revived its services for the development of cooperatives and has been supporting a large number of cooperatives through various programs.
- In 1995, ACFSMC was re-established and worked towards building a new system of SMCs and developing logistical services with the aim to benefit farmers.

→ 2000-2019

- In 2003, a reform program to restructure rural credit cooperatives was launched. After the pilot, the reform program was scaled up to transform rural credit cooperatives into agricultural cooperative banks and agricultural commercial banks.
- From 2006 onwards, farmer cooperatives in China have diversified into different sub-sectors involving crop farming, livestock raising, farm machinery, forestry, plant protection, information technology, handicrafts, biogas services, and agro-tourism.
- In 2007, with the objective of strengthening the rural distribution network, the New Net Project was started by ACFSMC. The project focuses on developing modern marketing and serving networks for agricultural means of production; purchase and sale networks of agricultural sideline products; buying and selling networks of consumer goods; and networks for recycling renewable resources.
- In 2011, the ACFSMC launched the farmer-specialized cooperatives to improve agricultural production and increase the income of farmers.
- In 2015, the ACFSMC introduced e-commerce and distribution systems across the village, city, and county levels to expand agriculture sales. By 2018, there were 1,571 e-commerce companies run by SMCs.
- Post-2019, Central Document No. 1, issued annually by the CPC Central Committee and the State Council, China recognises SMCs, and farmers' cooperatives as key rural service institutions and assigns them roles in agricultural production services, grain support, processing, logistics and marketing, rural circulation and e-commerce, cold-chain infrastructure, and integrated service platforms, while calling for continued comprehensive cooperative reform.

Law on cooperatives

1930s- The first cooperative law was formulated under the Kuomintang government in 1930s. The Law was considered as a part of the cooperative experiment that was undertaken in rural China at that time.

1950- The Cooperative Law was passed by the government as a means to provide external support necessary for the establishment, development and protection of SMCs, especially in rural areas.

2007- The Farmers' Specialized Cooperative Law was enacted in 2007 with the aim to boost modern agriculture, promote new agricultural management systems and increase incomes of farmers in China.

2018- The Farmers' Specialised Cooperative Law was revised in 2017 and it came into effect in 2018.

Key highlights of the 2018 Law

The revised law entails favourable provisions for farmers' specialized cooperatives.

- Granting farmers' specialized cooperatives equal legal status with other market entities.
- Removal of restriction on farmers to be engaged in the same kind of agricultural production to form a specialized cooperative.
- Providing members of cooperatives, the right to invest non-monetary assets that can be evaluated and transferred, such as their land management rights and forest rights in enterprises.
- Reducing the cost of electricity used during the preliminary processing of products and charging it as per the agricultural production price standards, which is lower than the electricity cost for industrial production.

Cooperative landscape of China

The cooperative landscape of China is extensive and diversified, spanning agricultural production, supply and marketing, processing, logistics, rural services, e-commerce, and other cooperative enterprises operating across multiple administrative levels.

Bayintala Primary Supply and Marketing Cooperative, Inner Mongolia:

Linking rural communities with modern logistics and services.

Established in 2016 in Bayintala Town, Inner Mongolia Autonomous Region, the cooperative was created with support from the Chahar Right Wing Front Banner Supply and Marketing Cooperative in Ulanqab. Returning college graduate Liang Pei transformed a shop that had operated for over 20 years into a cooperative enterprise. The cooperative was registered with capital of approximately \$28,000, of which Liang Pei and his wife invested around \$21,000 (75%), while the city cooperative contributed about \$7,000 (25%). Over time, the cooperative expanded its activities to include express delivery stations and providing parcel collection and distribution services. Today, it serves more than 1,000 farmers and herders across ten nearby villages as well as over 3,000 migrant workers in the nearby high-tech industrial zone - improving logistics access and supporting local livelihoods.



PC: ACFSMC



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"832" Online Platform, China:

A digital marketplace connecting farmers from poorer regions to national markets.

Launched by the ACFSMC, the "832" online platform supports poverty reduction by marketing agricultural products from designated formerly impoverished areas across China. The initiative complements broader cooperative efforts including the development of agricultural demonstration zones, logistics parks, processing facilities, and rural enterprises that strengthen local livelihoods. Accessible to both businesses and individual consumers, the platform integrates product exhibitions, online transactions, logistics tracking, and digital payments within a single system. It facilitates both B2B trade among cooperatives and direct B2C purchases. Covering 22 provinces and partnering with more than 2,000 cooperatives, the platform expanded rapidly nationwide and recorded transactions of about \$5.7 billion within its first year, significantly improving market access and increasing farmer incomes.

Guangdong Greater Bay Area Agricultural Products Base, China:

Building an integrated modern agriculture and food industry hub.

In 2020, the Guangdong Supply and Marketing Group and the China Supply and Marketing Agricultural Products Group jointly established an operating company with registered capital of approximately \$84 million, holding shares in a 51:49 ratio. The initiative supports the development of a large agricultural products base in the Guangdong-Hong Kong-Macao Greater Bay Area.

Construction began in 2021 with planned investment of roughly \$700 million across roughly 1,500 acres. The project integrates production, procurement, storage, processing, and distribution to build a digitalized and standardized agri-food industry cluster. Phase one is now operational with facilities for grain and oil supply, smart cold chain logistics, food processing, export services, and product testing, thereby strengthening regional agricultural supply chains.



PC: ACFSMC

Jiuhu Supply and Marketing Cooperative, Shandong:

Strengthening rural retail, farm services, and community supply chains.

Located in Zouping, Shandong Province, Jiuhu Supply and Marketing Cooperative operates as a primary cooperative with 67 employees and 12 retail stores. In 2022, it recorded sales of approximately \$5.5 million, covering agricultural inputs, daily consumer goods, and farm products, while providing menu-style farmland management services across nearly 43,000 acres.

The cooperative runs supermarket chains linking town and village outlets through joint purchasing and distribution, reducing costs and improving access to goods. It has also introduced a community kitchen that utilizes fresh products supplied through its stores, strengthening local food services. Partnerships with nearby fruit and vegetable bases follow a "base + supermarket" model, ensuring stable procurement channels and reliable market access for farmers while expanding services to institutions and local enterprises.



PC: ACFSMC



- In a cross-regional bilateral initiative, ACFSMC and the South African National Apex Cooperative (SANACO) signed an MoU at the third BRICS Co-operatives Meeting in 2013. The initiative has been taken to enhance collaboration between all cooperative enterprises in China and South Africa and facilitate trade and investment cooperation through exhibitions, trade fairs and exchange visits. China also has C2C trade relationships with Brazil, Bulgaria, Sri Lanka, Vietnam and other countries.
- ACFSMC and the National Agricultural Cooperative Federation of Korea in 2017 signed an MoU for extensive cooperation in the areas of finance, trade, investment, training, and e-commerce. China E Co-op has joined hands with the Korean Nonghyup Hanaro Mart to enhance cooperation on cross-border trade and services.
- In 2024, the ACFSMC signed a comprehensive cooperation agreement with the National Association of Cooperatives and Other Forms of Economic Communities of the Republic of Kazakhstan to strengthen agricultural trade, cooperative training, and knowledge exchange, particularly along the Belt and Road region.
- In 2025, ACFSMC hosted a Regional Workshop on Sustainable Development of Cooperatives in Guangzhou, bringing together cooperative leaders and organizations from countries including India, Philippines, Sri Lanka, Malaysia, Vietnam, Indonesia, Nepal, and Bangladesh to exchange experiences on sustainable cooperative development, innovation, and regional collaboration.

Engagement with ICA-AP

- China has hosted strategic events for ICA including the Fifth Co-operative Ministers' Conference in 1999 and the Co-operative Global Forum in 2010.
- China along with Japan, Korea, and Malaysia supported the establishment of the Malaysia Business Office in 2013.
- ICA has been actively represented by Chinese cooperative leaders in the Regional and Global Board.
- China has actively supported the ICA in helping develop knowledge and capacities of cooperators within and outside the region through workshops and trainings. These include the trainings on Cooperative-to-Cooperative Trade (2016), Workshops on Financial Services and Rural Development (2017), Advancing Women CEOs in Cooperatives (2018), Poverty Alleviation through Cooperatives (2018), Development of Agricultural Services (2019), and China International Supply Chain Expo (2023).
- ACFSMC, along with the Japanese Consumer Cooperatives Union, sponsored the Asia-Pacific Women CEOs in Cooperatives Summit held in July 2024 in Hanoi, Vietnam, supporting regional dialogue on women's leadership in cooperatives.
- In September 2024, the ICA-AP Trade and Business Committee organized the Trade Dialogue on "Empowering Cooperatives through Digital Transformation: E-commerce and Big Data" in Kunming, China, bringing together participants from 14 countries across the Asia-Pacific to explore how e-commerce, big data, and AI can strengthen cooperative trade, market access, and digital innovation.
- In July 2025, ICA-AP, with the Rocky Mountain Institute (RMI), organized Coop Colloquium 14 on rural cooperatives and the clean energy transition, highlighting their role in advancing decentralized renewable energy.
- In November 2025, the ACFSMC facilitated ICA member participation at the China International Import Expo (CIIE) in Shanghai and organized IYC 2025 events, strengthening cooperative-to-cooperative partnerships, promoting international trade, and advancing dialogue on sustainable and digital supply chains.

What are cooperatives?

Cooperatives are autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

Cooperative values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Cooperative principles

The seven cooperative principles are guidelines by which cooperatives put their values into practice.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community

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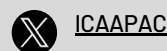
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About International Cooperative Alliance Asia and Pacific

ICA-AP is one of four regional offices of the ICA. Established in 1960 in New Delhi, India, it unites, promotes, and develops cooperatives in the region. ICA-AP's 123 members from 29 countries spans a variety of sectors, including agriculture, credit and banking, consumer, education, fisheries, forestry, housing, and insurance.

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