POVERTY ALLEVIATION

Editor's Note

In June 2018, the staff of Bosch China Charity Center (BCCC) visited the project site of "One School, One Dream" with Mr. Zhou Jian, Chairman of Beijing Ganen Charitable Foundation. Since then, a small village of Pingjiang County, Hunan Province, left a deep impression to them: the village was quiet, and only the elderly and children were left; every household lived in a two-floor building, but without any vitality or livelihood. Walking into their houses, there was no furniture, appliances or books except for a few chairs and a table. The empty eyes of the old people in the village were almost unforgettable; the teenagers were at school age but showed no interest in studying - most of them chose to drop out of school and stay at home. Surprised as they were, BCCC team found it necessary to make some changes from the bottom of their heart, if possible, as empty nests, aging population, have formed a complex "issue" that required patience and the right approach to dealing with.

That year also witnessed the beginning of the five-year plan for rural revitalization strategy developed by the central government, which brought precious opportunities, as well as severe uncertainties ahead for the practitioners in the field. How to effectively reduce the gap between urban and rural areas, continue the bloodline of rural culture, while at the same time improve the rural governance system? Bosch China wanted to contribute to the solution. After continuous exploration, BCCC has gradually decided to adjust its "emergency" alleviation, which was usually triggered by disaster relief efforts, to "empowering" people in poor areas, a more pre-emotive approach to lifting people out of poverty.

In 2019, BCCC began to hold on their third Call for Proposal activity and "Poverty Alleviation" became a main topic this time, demonstrating Bosch China's resolution. After rounds of discussions, the team identified the priorities-to "increase villagers' income through industrial assistance, provide new technologies and services to support agricultural production and promote lasting, inclusive and sustainable economic growth in poor areas." BCCC looks forward to working with NGO partners and people from all walks of life to create a modern roadmap to poverty alleviation.

From 2011 to 2020

Operated 25 charity projects

Benefited 17,427 people

17.95 million CNY donated

1. Investment for Infrastructure

Bosch Love Canteens were established in 4 primary schools in 4 counties in Ningxia and benefited 3,500 primary school students.

Bosch solar water heating systems were constructed in 4 primary schools in Qinghai, Tibet and Ningxia and benefited 2,758 primary school students.

3. Rural Development

Motivated the communities and boosted the rural livelihood, cultural education, tourism and ecological protection in four regions such as Longxing village in Sichuan, Hongqi village and Cangyuan county in Yunnan and Sanjiangyuan in Qinghai.

2. Industrial Poverty Alleviation

Fair Trade & Mother's Medicine Garden projects helped 15 small scale cooperatives and 100 poverty household women get rid of poverty with dignity and sustainability in Yunnan province.

A total of 1211 villagers in Shuanglong Town, Huayuan County, Hunan Province were encouraged to participate in the industrial development through the association of farmers' professional cooperatives.

4. Enabling Digitalization

Funding China Food Bank Network project to build a system platform and offering free food valued around 10 million CNY.

210 farmers were empowered and beneficiaries' income growth rate increased to 112% in 2020 through the integrated assistance methods of "Internet data technology enabling, planting skill training, and direct selling channels".

Kexin Farm's Final Hit

As one of the most important cornerstones of the national economy, agriculture has been pivotal to serve the whole nation's population and secure food supply for China since ancient times. The attempt to raise the agriculture productivity has never ended, particularly in modern times when new and available tools and technologies are adopted.

Starting with: A Sinking Land

Hidden deep in Taihang Mountains, Baizhuangzi Village in Caogoubao, Yu County, is endowed with a breathtaking scenery and natural landscape in its original shape. Unfortunately, it also means that few crops would survive in the alpine dry land by nature, considering its elevation of 1,800 meters on average. Farmers have made effort blindly for many years, choose to plant Chinese cabbage that failed to be sold on market. Bai Gang, secretary of the local village party committee, would never forget the scene where piles of cabbages rotted in the field. "No one was willing to pay even 8 cents for one kilo of it. It was brutal. All were fed to the cattle."

Growing crops with whatever nature endows-lack of technical elements or research no sale because of traffic limitation-the payment of farmers' barely cover their expenses... This vicious circle has been a nightmare that everyone in Bai Zhuangzi village was hoping to escape from. It's not easy to solve anyone in this circle.

Where others see challenges, entrepreneurial minds see the silver lining. Qin Qi, who got his Bachelor's degree from China Agricultural University, and agricultural ecology master degree at Wageningen University in Netherlands, is the person who wants to try. He and his five members team became the "change-makers" of Bai Zhuangzi Village in February 2020 with their solution called "Kexin Farms."

Qin Qi and his team signed up for almost everything: land transfer, community building, government affairs handling, digital product development, planting planning, sales control, marketing&communication. They are dedicated themselves to providing the tailer-made one-stop solution of agricultural product planting and marketing for local farmers.

On April 13, 2020, after finalizing the extremely cumbersome paperwork of land transfer of 210 mu for planting and planting planning with 210 farmers, the project team moved to the village and started their living and working with the farmers.

Chinese Cabbage in Yu County

Kexin Farm (the Trusted Farm)
Kexin Farm was incubated by Beijing Leping Foundation, BCCC donated 950,000 CNY for two years. The project aims to create more value for the verified agricultural products, improve farmers planting technology and product quality, increase their income by enabling digitalization, planting skill training and one-station selling channel.

Empowerment: Breakdowns and Rebuilds

Ever since the maggot epidemic in Guangyuan that hit citrus hard in 2008, the issue of pesticide abuse on agricultural products has been the key priorities for the Ministry of Agriculture and Rural Affairs in 2018. The exposed misconduct one after another was showing the results of the law enforcement campaign, but also leading to the gradual loss of trust on agricultural products among the broad masses of consumer groups. People resorted to "ecological food", "organic agriculture" and "traceability systems", seeking separately for credible products with guarantees of safety. However, no "trust" could be restored easily with pure marketing or a QR lable.

In the dialogue with Qin Qi, the word "trust" appears in two dimensions: one is to "reconstruct the relationship between consumers and producers", and the other is to "let farmers produce with eco-agricultural models that have less impact on the environment." Delving deeper, he would tell you the two are of a causal relationship - the latter would lead to the realization of the former.

Unfortunately, very few people ever tried to tackle the latter, as "dealing with farmers is troublesome". For Qin Qi and his team, the challenge was not that villagers are not "open-minded" or "knowledgeable" enough, but "how to let villagers understand what they wanted to do." The most important is "you have to be professional", otherwise the villagers would not be convinced - they have deciphered the code. Chen Lin, a member of the team with six years of farmers management and three years of organic farming experience in Japan, came to the village to eat and live with farmers and participated in the whole process of production.

When it comes to trust-building, sometimes farmers need to see time input, other times they demand "business interests". Qin Qi saw it clearly and took smart actions:

• For individuals, a number of "short-term returns" were set up with consensus from farmers. Seedlings, fertilization, harvesting, the whole production process is broken down into small tasks - as long as the step is conformative to quality standards, the farmers would get their rewards immediately. "It's like video-games, the farther you go, the more rewards you would get. You don't have to count on the final result to be satisfactory before your claim your rewards."

• Product-wise, Eco-cert as a certifier would inspect Yu county Chinese cabbage quality against the organic standards in China, the United States, Japan and the European Union, to further increase the products premium.

• In addition, "village leader" Bai Gang, the post-80s village party secretary plays a key role in advancing the project. He worked for the village day and night, serving the farmers with time and hard work. The farmers trust him and believe he would be leading everyone on their shared journey to prosperity.

Many of the things Qin Qi and his team are doing seem to go beyond business considerations, ranging from hand-to-hand technical training, mechanisms for feedback to certification advisory. The attention paid to each individual farmer, and the time consumed for each single components of the cycle has taken much energy for Qin Qi's team, let alone some "scraps" that might occur every now and then. However, Qin Qi approaches this with ease and acceptance: "Efficiency growth, technological sophistication and product quality control, these aren't simply the commercial activities", but rather, these are the building blocks to "kick off farmers' enthusiasm and change their way of thinking. This is what we mean for empowerment."

"All-in for empowerment" may not have many supporters, as it goes against the intuition of profit-making. Such concerns became prominent when Qin Qi and the team were seeking financial aid and grants. Fortunately, They met BCCC team, who responded to the ideas with affirmation very quickly: "They got our ideas in a snap, including the features of our project and urgency to implement it.They hold the same approach to rural revitalization as ours. "

Photo of Farmers from Baizhuangzi Village, Yu County in Kexin Farms for Poverty Alleviation

(The first from right is Mr. Chen Lin, technical expert of Kexin Farms)

Impact: Invented for Life

Empowerment and revitalization policies are geared towards sales and income, the most pressing demand from farmers. This is also the greatest value that "Kexin Farms" is providing. Therefore, the goal of "Rebuilding the trust between sellers and buyers" is particularly critical.

Trust comes from authenticity. Forty years ago, the neighboring Japan was rebuilding the relationship of buyers and sellers with the philosophy of "seeing is believing". "Consumers would go to the fields to see production and farmers would go to cities to sell vegetables". "Maybe this was the best way in the past, but now we have better alternatives." Qin Qi and his team have been working to prove their "theory of change" step by step.

In order to deliver the commitment, the team set up two meteorological stations and ten sets of sensors on the Phase I project site, making sure there was no blind spot. Other applications include Kexin Farms planting record mini program, the App that reflects footages from the sensor cameras, image recognition models for plant diseases and insect pests, models for water and fertilizer irrigation in phase II, etc. If you happen to be a consumer without pre-knowledge of the technical terms mentioned above, you only need to remember they will present combinedly the most complete planting process picture and authentic behavior data.

First of all, visual monitoring equipment and sensors would make the on-site situation visible under all weather, extremely saving the workload of frontline survey and allowing professors give planting instruction based on plants situation, meanwhile consumers could easily trace all moves of planting through video recording in critical time nodes.Secondly, "farmer operation" and "environment data" would be captured by sensors for quality control. They will not be passed directly to consumers, but going through a "background screening" step to eliminate any "false and illegal operations".

"Falsification of operating data" is undoubtedly the biggest concern from the consumers. In order to eliminate any chances of such fallacy, Kexin Farms sets up a "double insurance" scheme: the uploaded messages by farmers will be cross-checked with the empirical data that are built in the system; project members will check out the actual situation at critical nodes (such as expansion, coloring, etc.) on site; when the crops are ready for being picked, key parameters such as pest residues will be double-checked, during which any single non-conforming product would lead to all batch halted for processing, until the second verification clarifies the details.

Software- and hardware-facilitated production process combined with manual and model-based algorithm translate into the batches of high quality products delivered by "Kexin Farms" to high-end merchants in Beijing. Few consumers would notice the QR code on the packages. Unlike many organic agricultural products that use third-party applications to insert product data before reaching the shelves, Li Chao and Zhao Tianbo have developed a proprietary traceability & collection programs only tailored to Kexin Farms agriculture products.

BCCC and Kexin Farms are aligned with "Empowerment" as the guiding principle, and "Invented for Life" as the same world view - a brand philosophy Bosch China has been practicing since 1909 when it first entered China market. It is the shared value that makes hard choices easy, because they both feel empathetic to the generations living on a less-fertile land, a non-profit approach was adopted to provide more patient and much needed support to build the solid foundation of modern farming.

It is still too soon to tell the impact of Kexin Farms. Qin Qi spoke his own expectations with honesty: "We hope to try our best to improve by the grant, and have more and more people care about it."

Datian Meteorological Station

Reshaping the Trust Relationship Between the Buyers and the Sellers
"All the production processes of the farm are digitized and transmitted to consumers via the Internet and infrastructure. In other words, the whole agricultural production processes and what farmers are doing are visible to consumers in the most efficient way. That's what Kexin Farms is committed to do."

Serve for China:
Hematopoiesis, No Just Blood Transfusion

> Though life is hard, I want it to be boiling.
> —— Takeshi Kitano

The Australian National University has the largest library in the southern hemisphere. This has been the place where Pinru TAO, a post-90s Chinese young student immersed himself in an ocean of magical knowledge. Before 2016, he would never imagine himself to be one of the members of Serve for China, nor would he anticipate to go to Huayuan county, Tujia and Miao Autonomous Prefecture and work together with local villagers for four years.

In June 2019, Bosch China Charity Center (BCCC) became the grantor for the Serve for China "Hand-catching Noodle" initiatively. At the beginning, the project was born with big uncertainties from outside, however, Tao and his team submitted a satisfied answer sheet finally.

Question: Why would the prestigious oversea graduates come to the poverty-stricken areas?

Business models that send young graduates to rural areas are not uncommon. However, it's a seldom phenomenon that a batch of ivy-league graduates was going to the poorest areas in China. People would not stop asking- "With so many options, why did you come there?", when Pinru Tao and Ya Ran came to Huayuan county.

Where exactly was "there?" The answer is Molao Village, Huayuan County, located at the Wu Ling Mountain, the poorest area. In Nov. 2013, President Xi once visited the county and made important statements at the Shi Ba Dong village, Pai Bi town, that is, seeking truth from facts, adjusting measures to local conditions, guiding targeted poverty alleviation by classification.

Pinru Tao and other young team members served Molao village. "There are 128 households, of which 43 fall into poverty (179 people), whose monthly income is less than 270 CNY."

To the question of why, Tao said there were no "clear target". He just wanted to serve for the local villagers by their own strength. The thoughts were the common sense of the whole team and thus the project was started. In 2018, BCCC was deeply touched by their persistence when they received the Dai-Noodle project application.

Sometimes the desire to make a difference comes from an allegiance to one's hometown, or a special connection by serendipity. Whatever it is, real-life problems would not be solved by desires. At the beginning stage, the project did not run well. "the most biggest difficulty is communication with local villagers, because most of them are not actively. For example, they never attended meeting on time, most of villagers did not sign up, many of them were in wait-and-see attitude."

Besides, Tao and his team found more serious situation with further connection with villagers-the mindset barrier of "wait, rely and demand" due to the environment result.

Hand-catching Noodle project started since May 1, 2019. BCCC funded 700,000 CNY. The project lasted 18 months.

The project aims to create a sustainable green farming model for poverty-alleviation by sending the re-invented local authentic products to the mass market.

Answer: Lifting people out of passive thinking first, before poverty

In many occasions, Tao was retelling a conversation about future development between his team and the local households, which gave him a deep impression until now:
"Give me the money."
"We are not here to give you money."
"Then why did you call me? Why are we having this meeting?"

The guy left the meeting frustrated. This unfinished meeting left a revelation for Tao and his team: the village is poor not because of its disadvantaged geological location or natural endowment, but a deeply-rooted mindset to wait for the "fish" to come. "Poverty can only be resolved by removing the passive thinking first." Coincidentally, this finding is 100% consistent with BCCC's poverty alleviation approach – to empower the poor. As long as consensus was built, all left were technical. Tao and his team conducted thorough research and visited intensively.

They found Corn Sour Sauce– a chili sauce rarely seen on the market but most authentic to local people. The sauce was made with traditional cooking methods that only local villagers were familiar with. "It shows great potential for market-oriented mass production."

They found a new impetus. The next task was to convince the villagers that it's worth the time and efforts. Transformation is never easy. Tao and his team used the most "primitive" method – knocking on the doors of the villagers' houses and collecting their sauces, then selling them on the township market. The trial was a big success. "For only half a day, 15 kilograms of sauces were sold out, at a unit price of 20CNY/kg." The team brought back the money. "They were ecstatic like kids." The division of work was carried out immediately among the villagers and the team.

The successful trial triggered the passion from the villagers and beyond. More people were voluntarily joining the production league. Tao thought it was time to build the fermentation factory. Therefore, the team secured the funding of 210,000 CNY from the local government to build a factory. The money was far from enough, so the team was making all efforts to save the cost, by driving the van to purchase raw materials, and paving the foundation for the building themselves. All these were worthwhile - in Aug 2019, the brand new "Hand-catching sauce" - the Corn Sour Sauce was launched on the market, with great reviews from customers.

Entering 2020, the COVID-19 pandemic undoubtedly brought new challenges to the critical progress of the businesses. Not afraid of the change, Tao boldly proposed an "upgrading" path to face this difficult time.

Serve for China Poverty Relief Team

Heartfelt thoughts: Hometown is the place where we are at ease

Even two months before the pandemic broke out, Tao was realizing the weaknesses of hand-catching sauce, which was lack of diversity in offerings and led to a lack of competitiveness. The team was reacting quickly to conduct a second-time research, which helped to gain a renewed understanding of local context and market needs. Eventually, they picked West Hunan Rice Noodles, an instant food product with higher added value. Product strategy was shifting from hand-catching sauce to hand-catching noodles, with good reasons:

- A "hand-catching noodle" (self-heating rice noodle) product contains a variety of raw materials such as rice noodles, radishes, cowpeas, mustard and beef, which can be split and distributed to villagers for farming. In this way, more people can benefit from the initiative, by adding value to the usual land produces.
- A day in West Hunan begins with rice noodles, a ritual derives from thousands of years of food legacy and customs, which is also worth spreading.

The industrial upgrading initiated by the project team for "hand-catching noodles" not only produced solid data, but also transformed the "local mindset" that members wanted to reverse in the first place. When talked about "what touches you the most?" Tao Pinru said: "Women would take the initiative to provide feedback on how to make the process easier and less time-consuming, and some even proposed the mechanism to track KPIs. One lady has learnt to organize and host a live stream session for sales on her own now." Speaking of the progress, Tao's tone was proud and refreshing.

From the local sauce in West Hunan to the first self-heating rice noodle, Tao and the team handled many new and complex business problems. They also became skillful in almost all aspects of the business, from packaging design, channel development to PR strategy, business communication, etc. Tao said it was hard to describe his feelings in one word, but he was particularly grateful for the support from BCCC, as "colleagues from BCCC are always there for me to offer help, giving detailed and timely feedback. When we shift our product strategy, they act quickly to recommend sales channels and resources to us. You know they are doing their best to give us a helping hand whenever possible."

The energy is flowing among them. The "hand-catching noodles" have empowered the villagers of Huayuan County, and BCCC has also given the greatest support and energy to the young scholars like Tao who chooses to come back to the land that once nurtured them. The hard work of all will lead to a brighter future for all.

May all those who have dreamed of a beautiful future, follow the light in their hearts and live with peace.

Mr. Tao Pinru (First from left) and His Team

The effect of strategic adjustment was immediate. In April 2019, "hand-catching sauce" began to operate as a project. The sales volume reached 280,000 CNY in just four months, covering 487 registered poor households in three villages, and generated 50,000 CNY for the collective economy of the village.

Up until August to September 2019 when the hand-catching sauce was entering market, a total of 20 people in Molao Village and Nantai Village of Huayuan County have been organized to produce more than 400kg of surplus rice and more than 300kg of small tomatoes collected for production. Revenues generated from farming amounted to about 60, 000 CNY. Per capita income from labor services was 500 CNY. The business also generated 43,000 CNY dividends split among 206 villagers, an increase of 40% over the same period last year.