

# On the Development Status and Optimization Path of Chinese Herbal Medicine Industry under the Background of Rural Revitalization—Take Longxi, Gansu Province as an Example

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## ABSTRACT

As an important rural pillar industry, the traditional Chinese medicine industry in Longxi County has abundant resource advantages and development potential. Based on the background of China's rural revitalization strategy, this paper deeply studies the current situation, opportunities, challenges and development strategies of the Chinese herbal medicine industry in Longxi County. As an important link between traditional agriculture and modern pharmaceutical industry, the Chinese herbal medicine industry has great potential for development in rural revitalization. Through an in-depth analysis of the convergence between the Chinese herbal medicine industry and rural revitalization, this paper puts forward a series of targeted suggestions, aiming to guide the Chinese herbal medicine industry in Longxi County to sustainable development and contribute to the implementation of the rural revitalization strategy.

## KEYWORDS

Gansu Province, Rural Revitalization, Characteristic Industries of Chinese Medicinal Materials, Industrial Poverty Alleviation

## 1. INTRODUCTION

To rejuvenate the nation, the countryside must be revitalized, and rural revitalization is the key to solving the "three rural" problems. Industrial revitalization is the foundation and key to the comprehensive revitalization of the countryside, General Secretary Xi Jinping has pointed out: "Industrial revitalization is the top priority of rural revitalization, we must adhere to the precise force, based on characteristic resources, pay attention to market demand, develop advantageous industries, promote the integrated development of primary, secondary and tertiary industries, and benefit more and better agricultural farmers." "In recent years, the rural revitalization work in Longxi County, Gansu Province has been based on the support of relevant policies, and the development speed has been relatively fast. More than eighty percent of the output of authentic medicinal materials in Longxi County is distributed to all parts of the province, and the high-quality initial processed products of Chinese medicinal materials have a good reputation and effect, and are favored by consumers in the domestic market. In order to promote the sustainable and steady development of the Chinese herbal medicine planting and production industry, and to promote the further development of the rural revitalization strategy through the Chinese herbal medicine industry, the construction of the core area of the national comprehensive pilot zone for the development of the Chinese herbal medicine industry is the starting point, and the Chinese herbal medicine industry is regarded as the strategic leading industry of planting in Longxi County, and the innovation and development of the whole industrial chain of Chinese herbal medicines are promoted. In this regard, this paper will take the characteristic

industry of Longxi County, Chinese herbal medicine, as the starting point, explore the current situation and dilemma of its development in the context of rural revitalization, and explore the path of further optimization and development in the future.

## **2. LITERATURE REVIEW**

### **2.1. A Review of Research on Rural Revitalization**

In terms of rural revitalization, after systematic literature combing, it mainly focuses on the background and connotation of the rural revitalization strategy, the practical dilemma, and the implementation path. In terms of background and connotation, Liu Runqiu et al. (2018) believe that the rural revitalization strategy is mainly to solve the main contradiction in China's society, that is, the problem of insufficient rural development and unbalanced urban and rural development. In terms of development connotation, Xu Meiyin (2019) proposed that the scientific connotation of the rural revitalization strategy covers three aspects: agriculture, rural areas and farmers, and the fundamental measure is to adhere to the priority development of agriculture and rural areas, the realization mechanism is the integrated development of urban and rural areas, and the ultimate goal is to realize the modernization of agriculture and rural areas. In terms of practical difficulties, Li Donghui (2019) believes that the government's affinity choice affects the project layout, the hidden supporting facilities bring burdens to the local society, and the homogeneous development of rural industries restricts the prosperity of the industry. In terms of the implementation path, Liao Cairong (2017) analyzed the scientific connotation of the rural revitalization strategy and put forward the path for the implementation of the rural revitalization strategy: adhere to the top-level design, strengthen the system supply, and promote the structural reform of the agricultural supply side.

### **2.2. A Review of Research on the Revitalization of Rural Industries**

Industrial revitalization is one of the most important tasks of rural revitalization, and the development and growth of characteristic industries can improve the rural economy and provide economic dividends for rural revitalization. Wang Le, Chen Zhonghua et al. (2021) proposed to focus on characteristic leading industries, cultivate local leading enterprises, innovate cooperation models, build a mechanism for linking the interests of industrialized management, and realize the modern development of characteristic industries. In view of the shortcomings of the current development of characteristic industries, scholars explore the practical dilemma and implementation path. In terms of practical dilemmas, many scholars analyze the dilemmas around the policy system, industrial status, development environment, etc. Zhao Chao (2021) believes that the relatively backward rural production and living environment, the imperfect service for talents to return to the countryside, and the imperfect mechanism for the construction of rural industrial talent teams have made the lack of management talents, management talents and scientific and technological talents required for the revitalization of rural industries. In terms of implementation path, Liu Luling (2020) proposed a practical path for the development of rural industries after investigation and research in Dali County: increasing government financial support, improving the skill level of planting farmers, enhancing the brand value of agricultural products, and improving the deep processing system of agricultural products. Zheng Yi (2019) put forward a specific path to achieve industrial prosperity by analyzing the important opportunities for the implementation of the rural revitalization strategy and the dilemma of rural industry development.

### **2.3. A Review of Research on the Revitalization of Rural Industries in the Chinese Herbal Medicine Industry**

Through the research and analysis of the literature on the revitalization of rural industries in the Chinese herbal medicine industry, it is found that the research in this field focuses on the research on

the path of the existing Chinese herbal medicine industry to help the revitalization of rural industries. Fan Yanmei (2020) proposed ways to strengthen the connection between the interests of government, enterprises and agriculture, promote the supply-side reform of the Chinese herbal medicine industry, and promote the integrated development of the Chinese herbal medicine industry. Liu Jinhong (2020) put forward the countermeasures for the revitalization of the rural industry by promoting the sinking of industrial development elements to the countryside, strengthening the introduction and development of rural Chinese herbal medicine talent resources, carrying out "order-based" Chinese herbal medicine appropriate technology training, and promoting the coordinated development of the rural Chinese herbal medicine industry. At the same time, in terms of the empowerment of rural revitalization by characteristic agricultural industries, scholars mostly believe that the development of characteristic industries should closely rely on local resource endowments, highlight the overall advantages of various production factors, and strive to enhance the diversified interaction of industries. Lan Qingxin (2017) emphasized that characteristic industries should improve quality and efficiency by improving their own functional quality, production technology capabilities, promotion and publicity, and closely following the national development strategy.

Based on the existing research status, although the connotation and extension analysis of rural revitalization in China is relatively mature, there is a literature that pays attention to the supporting role of rural characteristic industries in rural revitalization. However, on the one hand, most of the studies are based on the national level or macro perspective, and there are few studies on the regionality at the county level, so it is necessary to refine the research from the regional level. On the other hand, it is recognized by the academic community to empower the economy with rural characteristic industries to promote the process of rural revitalization, but the research on the development of characteristic industries in the context of rural revitalization lacks pertinence. Based on the above research status, this paper is based on the background of rural revitalization, and analyzes the impact of the background of rural revitalization on the development of traditional Chinese medicine in Gansu Province, so as to provide literature supplement for the characteristic industries to help rural revitalization and promote the implementation of "rural revitalization".

### **3. THE DEVELOPMENT STATUS AND CHARACTERISTICS OF THE CHINESE HERBAL MEDICINE INDUSTRY IN LONGXI COUNTY**

As an important supporting industry for local rural revitalization, the traditional Chinese medicine industry in Longxi County has distinctive characteristics and huge development potential. At present, the local Chinese herbal medicine industry has initially formed a certain scale, covering a number of Chinese herbal medicine planting, processing, sales and other links. It not only brings tangible benefits to the local rural economy, but also provides rich opportunities for rural employment and effectively promotes the development of the rural economy. Longxi County is blessed with unique natural resources and climatic conditions, which provides unique advantages for the cultivation of Chinese medicinal materials. ns. 350,000 mu, accounting for 21.1% of the total cultivated land area of the county, and the planting area ranks among the top counties in the country. Among the 363 main varieties in the national unified census, there are 96 species in Longxi, accounting for 26.4% of the country; Among the more than 130 varieties commonly used, there are 93 species in Longxi, accounting for 72% of the country. There are 36 varieties of bulk Chinese medicinal materials planted in the county, and the varieties of bulk authentic medicinal materials such as Codonopsis, Astragalus, Skullcap, Bupleurum, Coltsfoot and Licorice have basically realized large-scale, standardized, base-based and standardized planting, and built a high-quality seedling breeding base along the Weihe River and the southern Eryin Mountains.

At the same time, farmers in Longxi County have also actively participated in the cultivation of Chinese herbal medicines, which not only improves the rural employment rate, but also provides strong human resources for the high-quality production of Chinese herbal medicines. And the

processing and sales links of the Chinese herbal medicine industry in Longxi County are also constantly improving. More and more processing enterprises have emerged, providing support for the deep processing of Chinese herbal medicines and further enhancing the added value of Chinese herbal medicines. At the same time, the sales of Chinese herbal medicines are gradually diversified, including local markets and cross-regional markets, which further expands the influence and market share of the Chinese herbal medicine industry. In short, as a supporting industry for rural revitalization, the traditional Chinese medicine industry in Longxi County not only plays an important role in the industrial chain, but also provides a new growth point for the development of the local rural economy. By giving full play to the characteristics and advantages of the Chinese herbal medicine industry, Longxi County is expected to achieve more sustainable and diversified rural development under the guidance of the rural revitalization strategy.

## **4. OPPORTUNITIES FOR THE DEVELOPMENT OF TRADITIONAL CHINESE MEDICINE INDUSTRY IN LONGXI COUNTY**

### **4.1. The Role of Rural Revitalization in Promoting the Chinese Herbal Medicine Industry**

The "Guiding Opinions of the State Council on Promoting the Revitalization of Rural Industries" regards "adapting measures to local conditions and highlighting characteristics" as one of the principles of rural industry revitalization, and requires highlighting advantages and characteristics and cultivating and expanding rural industries. According to the information released in the "Blue Book on the High-quality Development of the Chinese Herbal Medicine Industry", there are more than 16,000 kinds of medicinal resources in China, and the planting scale of Chinese herbal medicines in China will reach 64 million mu in 2022. The Chinese herbal medicine industry has become a key industry for rural revitalization in many counties. First of all, in the context of rural industry revitalization, in accordance with the principle of "market-oriented and government support", the government has provided a more favorable policy environment and resource support for the Chinese herbal medicine industry. Since 2022 alone, the state has issued more than 10 relevant policies, such as the "14th Five-Year Plan" for the Development of Traditional Chinese Medicine, the "14th Five-Year Plan" National Health Plan, and the "Opinions on Strengthening the Work of Traditional Chinese Medicine Talents in the New Era", etc., to support the innovation and development of the Chinese herbal medicine industry in terms of funds, talents, technology, and regulations. It has accelerated the upgrading and growth of the industry. Secondly, "integrated development, linking agriculture with agriculture" provides a broader market space for the Chinese herbal medicine industry. With the continuous enhancement of people's health awareness, Chinese herbal medicines, as representatives of natural herbal medicines, have received extensive attention and demand. Rural revitalization has promoted the integrated development of urban and rural areas, and the demand for high-quality, green and beneficial Chinese medicinal materials has gradually increased among urban residents. It provides an opportunity for the Chinese herbal medicine industry to expand its market share and increase the added value of its products, and at the same time to find more sales channels for rural agricultural products. "Green leading, innovation-driven" has also promoted the technological innovation and modernization of the Chinese herbal medicine industry. In the Chinese herbal medicine industry, we have actively introduced modern agricultural technology to improve the level of planting, processing, quality control, etc., thereby enhancing the competitiveness and sustainable development of the industry.

## **4.2. The Convergence Point Between the Development of the Chinese Herbal Medicine Industry and the Rural Revitalization Strategy**

The development of the Chinese herbal medicine industry is closely aligned with the rural revitalization strategy. First of all, as a traditional rural characteristic industry, the Chinese herbal medicine industry is highly consistent with the goal of "industrial revitalization" in the rural revitalization strategy. The development of the Chinese herbal medicine industry can not only inject new impetus into the rural economy, but also help improve the income level of farmers. Secondly, the Chinese herbal medicine industry is closely linked to the rural revitalization strategy in terms of ecological environmental protection and rural cultural inheritance. The Chinese herbal medicine industry focuses on natural, green and sustainable development, which is consistent with the "ecological revitalization" emphasized in the rural revitalization strategy. Through the development of the Chinese herbal medicine industry, we can promote the protection and restoration of the rural ecological environment and achieve a win-win situation of economic and ecological benefits. The Chinese herbal medicine industry carries a rich rural cultural tradition, which echoes the goal of "cultural revitalization" in the rural revitalization strategy. Fully excavating and inheriting the historical origin and cultural value of Chinese herbal medicines will not only help stimulate the cultural creativity of rural areas, but also inject unique charm into the development of the industry. In addition, with the development of science and technology, the Chinese herbal medicine industry is relying on colleges and universities to cultivate industry talents, actively introduce modern agricultural science and technology, improve production efficiency and product quality, and is in line with the goal of "talent revitalization" in the rural revitalization strategy.

## **5. PROBLEMS ENCOUNTERED IN THE INDUSTRIALIZATION OF TRADITIONAL CHINESE MEDICINE IN LONGXI COUNTY UNDER THE BACKGROUND OF RURAL REVITALIZATION**

### **5.1. The Technology is Backward, and the Pace of Integration and Development of New Technologies is Slow**

The cultivation of Chinese herbal medicines requires delicate soil management, precise climate control, and scientific control of pests and diseases, however, some farmers lack sufficient planting skills and knowledge to meet these complex requirements. In addition, traditional cultivation methods may not be able to meet the needs of modern agriculture, and there is an urgent need to promote and train modern cultivation techniques to improve yield and quality. The processing process of Chinese herbal medicines involves processing, extraction, preparation and other links, which has high requirements for technology and technology. However, some processing links are backward, and the medicinal value of Chinese herbal medicines cannot be fully utilized, which affects the added value and quality of products. The Chinese herbal medicine industry is relatively lagging behind in the application of modern science and technology, and lacks innovation that is closely integrated with modern science and technology. In the planting, processing and research and development of Chinese herbal medicines, if there is a lack of support from scientific and technological innovation, it is difficult to cope with market changes and the increase in demand.

### **5.2. Brand Awareness is Not High**

First of all, the Chinese herbal medicine industry in Longxi County has not yet established a brand with strong influence and competitiveness. Due to the lack of popularity and brand recognition, the product is difficult to distinguish from other similar products in the market, so it appears relatively bleak in the fierce market competition. A lack of brand presence can limit a product's pricing power and market share expansion, so it's crucial to build a strong brand image and publicity. Secondly,

with the intensification of market competition, the Chinese herbal medicine industry is facing huge challenges in expanding new market channels and sales channels. New markets require a lot of resources and energy to build sales networks and channels, and market variability and uncertainty increase the risk of market development. At the same time, consumer demand for Chinese herbal medicine products may be affected by a variety of factors, including increased health awareness, lifestyle changes, etc. If the Chinese herbal medicine industry cannot grasp the market trend in time, adjust the product structure, and launch new products to meet the needs of consumers, it may face the risk of insufficient market demand and unsalable products.

### **5.3. The Production Process is Not Standardized, and the Small Workshop Type Processing**

The study found that the production mode of Chinese herbal medicine in Longxi County mainly belongs to the primary processing form of small family workshops, and the primary processing of Chinese herbal medicine products in this environment is small, relatively simple, and the degree of standardization is insufficient, and quality control and safety issues have become important hidden dangers in the development of Chinese herbal medicines. Its processing technology is also dwarfed, but because of the lack of communication and cooperation between the various production enterprises, the cohesion is poor, and the technical improvement is not easy. It is difficult to improve the quality of products, and the increase of its added value has naturally become empty talk. At the same time, this small workshop processing mode will cause low work efficiency and it is difficult to form a large-scale effect.

### **5.4. The Construction of Talent Team Needs to Be Strengthened**

The problem of labor loss is serious, and there is a lack of professional talents. The economic situation of Longxi County is far from that of the developed areas in the east, and a large number of young and middle-aged laborers have turned to big cities to seek development opportunities. Most of the growers are middle-aged and elderly, lack of scientific planting technology, and need professionals with relevant knowledge to train and guide them, but for a large number of high-quality talents, it is difficult for local governments to provide them with the benefits they want, which has caused the loss of talent in the region, and it is difficult to attract talents from other regions. The lack of technological and theoretical innovation, the region has maintained a simple agricultural production method for a long time, which has led to the slow development of agriculture and the difficulty of substantial improvement of farmers' livelihoods.

## **6. OPTIMIZE THE DEVELOPMENT PATH OF TRADITIONAL CHINESE MEDICINE INDUSTRY IN LONGXI COUNTY UNDER THE BACKGROUND OF RURAL REVITALIZATION**

### **6.1. Introduction of New Technologies**

With the development of big data, Internet of Things and blockchain technology, the application scope of high-tech is becoming more and more extensive, and it has specific applications in finance, agriculture and other industries. Leading enterprises should further make full use of the existing platform, rely on their own resources and technological advantages, strengthen the deep integration of production, education, research and application, and enhance industrial innovation capabilities. Strengthen the in-depth cooperation between enterprises and scientific research institutes in experiments, research and development, etc., continuously improve the ability of scientific and technological innovation, deeply tap the high added value of Chinese herbal medicine products, promote the extension of the industrial chain in the production and sales links, and form a complete

industrial cluster with complete industrial chain and supporting facilities of Chinese herbal medicines. Scientifically formulate processing methods and standards, and dig deep into the functionality of agricultural modernization. The transformation of the existing processing industry in Longxi County, especially some small processing industries, is a measure that the government should take. Formulate unified processing methods and product quality standards, increase the proportion of intensive processing, and improve the added value of Chinese herbal medicines. Vigorously introduce new technologies, increase investment, and expand the scale of processing. At the same time, through the government's participation in the new processing industrial zone, the connection between the government and enterprises will be promoted, the economic efficiency will be improved, and the functions of agricultural modernization will be deeply explored.

## **6.2. Create a Local Brand**

Brand operation is very important to the development of leading enterprises in the processing of Chinese herbal medicines in Longxi County, quality is the cornerstone of the brand, and the biggest feature of a strong brand is high quality. Longxi County has established an influential brand by integrating high-quality resources, excavating unique brand stories, designing attractive packaging and publicity. First of all, the brand naming can be closely combined with the regional characteristics and cultural traditions of Longxi County. You can choose a name that is related to the local natural landscape, historical legends, places of interest, etc., so as to give the product a unique meaning and story. It can not only highlight the local characteristics of Longxi, but also bring consumers a unique emotional experience. Secondly, the packaging design can use local traditional elements, patterns, colors, etc. that are in line with the product attributes on the packaging to highlight the local characteristics and cultural connotations, so as to highlight the purity and high quality of Chinese herbal medicines. In addition, slogans and advertising are also key links in building a local brand. The slogan can be integrated into the local dialect, making it easier for consumers to associate with the unique culture of Longxi County. In advertising, the close connection between the Chinese herbal medicine industry and the local culture can be demonstrated through storytelling and video presentation.

## **6.3. Promote the Large-Scale Development of the Chinese Herbal Medicine Industry**

In order to promote mechanized production in the cultivation of Chinese medicinal materials, it is necessary to implement "the right place for the right place" and "the right place for the right place". The development strategy is to carry out mechanized transformation of mountainous areas, transform and concentrate the connected soil blocks, expand the area of continuous planting of Chinese medicinal materials, adapt to large-scale mechanical operations, improve the mechanization degree of mountain planting, and reduce the cost of planting. At the same time, with the support of the government, agricultural machinery enterprises should develop agricultural machinery and equipment suitable for mountain operations, develop high-chassis and light and simple power tools suitable for the complex terrain of mountainous areas and suitable for a variety of crops, and promote the mechanization process of Chinese herbal medicine production in Northwest China through the method of "changing the machine to the right place" and "changing the land to fit the machine", so that the Chinese herbal medicine industry can achieve large-scale and mechanized development. Promote the standardized development of planting patterns of Chinese herbal medicines. According to the climatic environment, topography and land conditions of the plot, the planting types of Chinese medicinal materials are scientifically planned, which not only reflects the orientation of market demand, but also reflects the development of characteristic industries. The development of angelica, codonopsis and astragalus as the main authentic Chinese herbal medicine industry, closely integrate agricultural technology and agricultural machinery, improve the technical content and mechanization degree of Chinese herbal medicine planting, and promote the standardized planting mode of Chinese herbal medicine.

#### **6.4. Introduce Professional Talents to Improve the Level Of Planting Technology of Growers**

The government has strengthened the introduction and training of professionals in the cultivation of Chinese herbal medicines, established cooperative relations with agricultural colleges and research institutions, attracted more professionals to work in Longxi County, and provided technical support and guidance for the cultivation of local Chinese medicinal materials. Set up training courses on Chinese herbal medicine planting technology, experts to give lectures, and improve the planting technology and knowledge level of farmers. Implement the talent training plan, farmers with a certain foundation for key training, and make them leaders in the field of Chinese herbal medicine planting. Establish a technical consulting service system for the planting of Chinese herbal medicines: Establish a technical consulting service center for the planting of Chinese herbal medicines to provide farmers with services such as planting technical consultation, pest control, and market analysis. Establish an online consultation platform, facilitate farmers to consult and communicate anytime and anywhere, solve problems in a timely manner. Establish Chinese herbal medicine planting cooperatives or associations, and organize scattered farmers through the establishment of Chinese herbal medicine planting cooperatives or associations, achieve resource sharing, information sharing and technology sharing. Cooperatives or consortia can purchase agricultural materials and sell products in a unified manner to reduce the planting costs and market risks of farmers.

### **7. CONCLUSION**

Through the analysis, it can be seen that the Chinese herbal medicine industry has been an important pillar of local rural economic development, especially in recent years, with the deepening of the rural revitalization strategy, the Longxi County Government has provided strong policy support and financial support, so that the Chinese herbal medicine industry has obtained obvious economic benefits and the development potential has been rising. In order for the Chinese herbal medicine industry in Longxi County to develop in the direction of scale, specialization and branding, it is necessary to further invest in production factors such as land, labor, production technology and capital; At the same time, it is also necessary for all departments and industries responsible for the development of Chinese herbal medicines to work together to continuously improve and improve according to policies and Internet technology in the new era, expand and strengthen the Chinese herbal medicine industry in Longxi County, and bring western medicinal materials to the world; Provide more jobs for local migrant workers, promote the in-depth development of rural revitalization in Longxi County, and drive economic development with characteristic industries.

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