

Spatial feasibility of large-scale farming for sustainable agriculture in China

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1 **Spatial feasibility of large-scale farming for sustainable agriculture in China**

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22
23 **China's agricultural sector is dominated by smallholder farms, which exhibit**
24 **relatively low nutrient use efficiency, low agricultural income and substantial non-**
25 **point source pollution. Here, by integrating data from over 40,000 rural surveys,**
26 **ecological modelling, and geostatistical analysis, we found that 86% of Chinese**
27 **croplands could be consolidated to establish a large-scale farming regime with an**
28 **average field size greater than 16 hectares. This would result in a 42% reduction of**
29 **total nitrogen input, an 18% increase of nitrogen use efficiency, and a 55%**
30 **reduction in labor requirement, while doubling labor income. Despite requiring a**
31 **one-time investment of approximate 370 billion US dollars for land consolidation,**
32 **agricultural profits overall would double due to agricultural production costs**
33 **being halved. It is spatially feasible and cost-effective to consolidate small land**
34 **patches for transformation of smallholder to large-scale farming that makes a**
35 **substantial contribution to attaining sustainable agricultural development in**

36 **China.**

37

38 Feeding an increasingly affluent population is a grand challenge for agricultural
39 production worldwide, especially in developing economies where smallholder farms
40 dominate food production systems ¹. Globally, 40% of food production is derived from
41 smallholder farms, which play an important role in eliminating hunger and poverty ².
42 However, non-point source pollution from these smallholder farms in many global
43 regions such as Asia also contributes to substantial environmental pollution and
44 greenhouse gas (GHG) emissions, due to a lack of advanced nutrient management
45 techniques ³. Small farm size has been identified as one of the key constraints for
46 reducing misuse and overuse of fertilizers in smallholder farms in China, while large-
47 scale farming having been identified as one viable pathway to meet both sustainable
48 development goals (SDGs) on food production and environmental protection ⁴.
49 However, it is yet not clear whether there are physical limits to move towards large-
50 scale farming and to what extent scale farming can make a tangible contribution to
51 achieving sustainable intensification in agriculture.

52

53 China's agriculture is dominated by smallholder farms, which face considerable
54 pressure to provide sufficient food for nearly 20% of the global population with less
55 than 9% of arable land globally ⁵. Crop production has increased substantially over the
56 past two decades in China ⁶. However, China also consumes about 30% of global total
57 nitrogen (N) fertilizers with a N use efficiency (NUE, harvested N divided by total N
58 input) below 50%, suggesting that over half of the N fertilizer applied is not absorbed
59 by crops ^{7,8}. This lost fertilizer N amounts not only to about 20 billion US dollars in
60 economic losses annually and upstream GHG and air pollutant emissions from fertilizer

61 production, but also leads to direct damages to the environment and human health ⁹.
62 Nitrogen pollution from agriculture has become one of the dominant sources for air and
63 water pollution, soil acidification, biodiversity loss and is a main contributor to global
64 warming ¹⁰. Therefore, it is urgent to mitigate agricultural N pollution, while
65 maintaining food security in China.

66

67 China currently has over 200 million smallholder farms, making improvements in
68 nutrient management in these farms a grand challenge requiring substantial training
69 efforts and incentives to farmers to change their traditional behavior ³. In such a
70 context, large-scale farming has been identified by the Chinese government as one key
71 approach to mitigate agricultural pollution, as well as preventing cropland abandonment
72 due to agricultural labor shortage and aging in rural areas with increasing urbanization
73 in China ¹¹. However, whether it is feasible to implement large-scale farming and where
74 these farms should be located is as yet unclear. In this paper we use land use maps with
75 very high spatial resolution (30×30 meter) and an in-depth analysis of N budgets with
76 the aim to (1) quantify the potential for the widespread conversion to large-scale
77 farming based on field size distribution; (2) assess the resulting changes in N use
78 efficiency and losses in croplands; and (3) to analyze the societal costs and benefits of
79 introducing large-scale farming considering both land consolidation and agricultural
80 performance.

81

82 **Spatial optimization for large-scale farming**

83 Smallholder farms are distributed across the whole of China except for the Northeast
84 and Northwest regions, where large-scale farms already exist. More than 70% of
85 croplands are managed by farmers with a farm size of less than 0.6 hectare (ha) and

86 more than 90% are smaller than 16 ha based on 2017 data (Fig. 1a). Such a large share
87 of small farms is a consequence of the land tenure and *Hukou* system in China ¹².
88 Croplands are village owned, which are equally allocated to rural households within the
89 village based on the household contract responsibility system (HCRS). Furthermore, the
90 croplands allocated to one rural household are typically distributed across 3-5 different
91 places to ensure a fair distribution of both high- and low- quality lands to all
92 households. The *Hukou* system divides the Chinese population into urban and rural
93 residents. Each rural resident has a contracted right to manage a piece of cropland even
94 if they temporally live in urban area. As a result, the large number of rural residents and
95 fragmentation of the land into a large number of small units make a consistent and
96 efficient management of croplands challenging, leading to inefficient and excessive use
97 of N fertilizers ¹².
98
99 However, this does not present an unsurmountable problem. The majority of China's
100 croplands are located in the plains, which are physically suitable for large-scale farming.
101 Through geostatistical analysis, we found that over 80% of the croplands could be
102 consolidated into large-scale farms with a field size larger than 16 ha (Fig. 1b and 1d).
103 These croplands are mainly located in the plains of Northeastern China, the North China
104 Plain, the Middle-Lower Yangtze plains and the Sichuan Basin. In contrast, the
105 croplands in the Southeast coastal area and Southwestern China would primarily remain
106 fragmented with an average field size smaller than 0.6 ha, because of poor land
107 endowment due to large slopes and lack of connectivity (Fig. S7). This is consistent
108 with the traditional land forms in these hilly and mountainous regions, with croplands
109 being normally dispersed in small patches.

110

111 The average area-weighted field size could thus be increased from approximate 2 to 12
112 ha through land consolidation. The largest increase in field size would be mainly
113 achieved by land consolidation in regions where currently the smallest field sizes are
114 prevalent (Fig. 1c). In Northeastern and Northwestern China, where larger field sizes
115 already exist, only small changes would be expected. We find some scattered small
116 increases of field size across the North China Plain and the Middle-Lower Yangtze
117 plains, as some large-scale farms have already been introduced, but further
118 improvements are still feasible in these regions.

119

120 **Nitrogen use efficiency increases**

121 Based on the CHANS model ¹³, total N input to croplands is estimated at 356 kg N ha⁻¹,
122 of which synthetic fertilizer and animal manure contribute to 60% and 14%,
123 respectively. N deposition, biological N fixation (BNF), straw recycling and irrigation
124 account for the remaining 92 kg N ha⁻¹ input to croplands (Fig. 2). However, only 44%
125 of these N inputs are harvested as crop products, corresponding to 148 kg N ha⁻¹, while
126 56% of the N input is lost to the environment, amounting to an estimated 28 Tg N yr⁻¹
127 on national scale. This value is close to the total amount of annual synthetic N fertilizer
128 use in China ⁹. These N losses result in substantial diffuse non-point source pollution
129 with regard to air and water pollution, soil acidification, greenhouse gas emission and
130 biodiversity loss ¹⁴⁻¹⁷. Hotspots of N input to Chinese croplands are mainly found South
131 China, followed by the North China Plain (Fig. 2), where small farm sizes are prevalent
132 (Fig. 1). These high N inputs result in a relatively high crop yield, but a low NUE,
133 leading to a high N surplus (N input not harvested) in these hotspot regions (Fig. 2).

134

135 With the implementation of large-scale farming, we found that the total N input to

136 croplands would change to about 272 kg N ha⁻¹, a reduction of 24% compared to 2017.
137 Synthetic N fertilizer would still constitute the largest input (around 124 kg N ha⁻¹),
138 followed by animal manure (59 kg N ha⁻¹). Synthetic N fertilizer use would decline by
139 42%, while animal manure use increases by 17% as the switch to large-scale farming
140 enabling the preferential use of more manure due to more economic transport to and
141 spreading on larger fields. This reduction of N input would lead to a substantial increase
142 in NUE from 44% to 52%. However, it would also result in a reduction in crop yield to
143 140 kg N ha⁻¹, 5% lower than the yield level in 2017 (however, this change is not
144 statistically significant). Hotspots of N input and crop yield under large-scale farming
145 are similar to those found for the current farming regime in 2017. Comparatively high N
146 input would remain to be seen in the North China Plain and in South China. However,
147 the regional differences of N inputs across China can be widely reduced, leading to an
148 overall N input much closer to the levels recommended by the Ministry of Agriculture
149 and Rural Affairs (Fig. S9). This indicates that large-scale farming could help to achieve
150 the sustainable goals for agricultural development set by Chinese government.

151

152 Increasing the NUE to reduce N fertilizer use has been identified as the key measure to
153 control agricultural non-point source pollution in the 13th Five Year Plan, when the
154 “Zero increase of synthetic fertilizer use” has already been achieved¹⁸. However, the
155 mechanism to further reduce N fertilizer use as an objective stated in the 14th Five Year
156 Plan (which will enter into force in 2021) is yet not clear. Our findings provide a
157 detailed pathway to realizing an optimization of N fertilizer use in China. Our approach
158 also is well in line with previously proposed best management practices (BMPs), such
159 as soil testing and integrated soil–crop system management (ISSM)³. Large-scale
160 farming could substantially reduce the implementation cost of BMPs and facilitate the

161 application of advanced technologies and management, which are key underlying
162 benefits of large-scale farming ^{4, 12}.

163

164 **Cost and benefit of land consolidation**

165 Land consolidation is essential to achieve large-scale farming, as demonstrated by
166 implementation in many pilot regions in China. These land consolidation projects cover
167 almost all of China's provinces, which allow for a comparative analysis of
168 implementation cost (Fig. S5). Implementation cost changes with economic level and
169 landforms, thus, we divided the whole of China into four categories: high-income plain
170 (HP), high-income mountain (HM), low-income plain (LP) and low-income mountain
171 (LM) (for details see SI, Tables S2 and S3). Average implementation cost of land
172 consolidation is estimated around 3,400 US dollars (USD) per ha, including land
173 management measures to remove ridges and the construction of irrigation facilities and
174 roads. This value varies between different categories, with higher values found in
175 mountain and high-income areas. The total implementation cost to achieve large-scale
176 farming is estimated at 370 billion USD (Fig. 3), with about 42% of the total cost
177 realized in high-income plain regions, mainly from the North China Plain and the
178 Middle-Lower Yangtze plains, given the large area of land managed by many small
179 farms to be reclaimed in these regions. The estimated total cost is close to the value
180 predicted by the Ministry of Natural Resources of China, around 400 billion USD if the
181 same consolidation area was applied ¹⁹.

182

183 Despite the fact that land consolidation requires a large amount of financial investment,
184 this is one-time fixed investment which could have subsequent benefit for decades or
185 even longer. Assuming a typical depreciation rate of 20 years, the annualized

186 implementation cost would only amount to about 18 billion USD per year. Meanwhile,
187 these investments can bring substantial benefits to farmers and the whole society.
188 Annual synthetic N fertilizer costs would be reduced by 42%, resulting in a total cost
189 reduction estimated at 14 billion USD per annum. Meanwhile, other inputs to cropland
190 areas would be also reduced by efficiency gains with the increase of farm size, such as
191 labor, machinery and services. The reduction of these inputs could further bring 16
192 billion USD benefits per annum, leading to an increase of annual agricultural profits by
193 20%.

194
195 On the societal side, nutrient input reduction can substantially reduce the nutrients lost
196 to the environment, benefiting environmental quality and human health. Agriculture
197 currently is the dominant source of air and water pollution mainly through ammonia
198 (NH_3) emissions to the air and reactive N and phosphorus (P) leaching to water bodies
199 ^{20, 21}. The reduction of agricultural NH_3 emissions can result in a net societal benefit of
200 approximately 12-31 billion USD in China, of which half is derived from better
201 management of croplands as a result of moving to large-scale farming²². The total
202 environmental cost of food production in China could be substantially larger than 32–67
203 billion USD ²³. Therefore, if taking societal benefits into consideration, the move to
204 large-scale farming would result in overall economic and societal benefits at least three
205 times larger than the implementation cost, making this measure both economically
206 viable and net cost-beneficial. At this point, Chinese governments have already invested
207 12.4 billion USD for land consolidation in 2020, and a land transfer system has also
208 been implemented to facilitate the large-scale farming in China ^{4, 24}.

209

210 **Labor cost reduces while income increases**

211 Large-scale farming substantially reduces agricultural labor requirements, while
212 increasing farmers' income, hence benefiting the elimination of poverty. By using data
213 from a panel survey covering over 40,000 rural households across China, we found that
214 large-scale farming could further result in an increase in labor efficiency. Statistically, a
215 1% increase in farm size is associated with a 0.73% decrease in agricultural labor units
216 per land area (Table 1). Estimating spatial variations of labor use due to the
217 implementation of large-scale farming indicates that the majority of current labor
218 requirement is greater than six persons per ha cropland, which could be reduced to
219 approximately one person per ha with large-scale farming (Fig. 4). Before scale
220 farming, the high labor demand is mainly found in South China, where small patches of
221 croplands are commonly found in hilly areas, respectively. While in Northeastern and
222 Northwestern China with some scattered regions in the North China Plain and the
223 Middle-Lower Yangtze plains labor demand is at less than two persons per ha. With
224 large-scale farming, the majority of Chinese croplands would only require one person
225 per ha, however, for some scattered areas with small patches of croplands, a higher
226 labor demand for farming would prevail.

227

228 Crop yield would slightly decline with scale farming, but the gross income generated
229 from cropland would barely change since the price of crops from large-scale farming is
230 normally higher due to better management resulting in quality and a stronger sales
231 position^{4, 25}. The decline in labor demand per ha results in a higher income per unit of
232 labor. The average labor income would therefore be estimated to more than double from
233 2,540 to 6,214 USD per person per year with large-scale farming. There is little
234 difference of labor productivity across different regions in 2017 in China, and overall
235 productivity is estimated to be lower than 3,000 USD per person, with some higher

236 values found in Northeastern China. Once large-scale farming was to be achieved, labor
237 income in all regions would substantially increase, except for some areas where small
238 farms are still dominant in central China and in Northeastern China as previously
239 discussed. In addition, more rural residents would be enabled to engage in non-
240 agricultural sectors in line with the reduction of labor demand in agriculture. Under land
241 transfer schemes, farmers who quit agriculture are eligible to receive an average value
242 of 1,500 USD ha⁻¹ by transferring their lands to larger farms. So, either by staying in
243 agriculture or engaging in non-agricultural sectors, farmers' income would be expected
244 to increase with large-scale farming, contributing to the elimination of poverty.

245

246 Currently, there are 290 million farmers having part-time and temporary jobs in non-
247 agricultural sectors in urban areas in China ²⁶. These people are generally young and
248 middle age labors, while older and female laborers mainly staying in agriculture in rural
249 areas. The issue of population aging in rural China has resulted in a shortage of labor in
250 many smallholder farms, leading to abandonment of croplands and a thread to
251 maintaining food security. This presents both a challenge and an opportunity to Chinese
252 agriculture. Economic development in urban areas attracts more and more younger
253 laborers move to and work in cities, reshaping the relationship between land and people.
254 Matching the resources of land and labor at a spatial scale will facilitate the regional
255 sustainable development. Therefore, to some extent, urbanization and large-scale
256 farming can achieve win-win solutions not only regarding income generation and thus
257 poverty alleviation, but also achieving environmental sustainable development.

258

259 **Feasibility of large-scale farming**

260 Given the large global share of the Chinese population and synthetic fertilizer use,

261 large-scale farming in China would contribute to achieving sustainable intensification
262 globally. It would make a tangible contribution to attaining several of the United
263 Nations SDGs, such as food security, elimination of poverty and environmental
264 protection ^{27,28}. To achieve these SDGs, science-based policy making is needed in
265 China.

266

267 Reform of land tenure system and Hukou system. Reports state that the land tenure and
268 *Hukou* system are the main reasons for the currently small field sizes in China ¹². These
269 policies did play important roles in stabilizing the society and eliminating hunger at an
270 earlier stage when low productivity in both agricultural and non-agricultural sectors
271 were the norm. However, they have hindered socioeconomic development with the
272 increase of productivity, especially for agriculture. Chinese governments have
273 recognized these issues and implemented some reforms to facilitate and support a move
274 to large-scale farming ²⁹, e.g. through the separation of land ownership, contract rights
275 and management rights in the context of not changing the HCRS. About one third of
276 farmers' lands have been transferred to large-holders or agricultural enterprises under
277 such arrangements. Policies that can further facilitate the land transfer such as reducing
278 transition cost of land consolidation should be implemented. For instance, promotion of
279 the unified management of croplands on village scale could have scale effects.

280

281 Meanwhile, reforming the *Hukou* system and encouraging more farmers who quit
282 agriculture to move to urban areas permanently would be overall beneficial. Agricultural
283 income is much lower than non-agricultural income, thus farmers are willing to move to
284 cities. This can be a catalyst for the increase of field size when farmer's livelihood is
285 guaranteed in cities and cropland does no longer serve as a life insurance or holds

286 traditional or spiritual attachment values^{30,31}. To achieve this, farmers who have
287 transferred cropland out should be compensated based on their land registration. The
288 subsidies can be a supplement to their living costs in the city and farmers who move to
289 urban areas can also benefit from urban public services including education and
290 healthcare, etc. Meanwhile, not only can croplands be transferred to increase farm size,
291 but also abandoned homesteads can be reclaimed for agricultural use and to further
292 enlarge farm sizes. Moreover, regulations of the number of immigration relative to city
293 size should be abolished and rural immigrants enabled to freely choose to move to
294 appropriate cities or towns according to their abilities and income expectations.
295 However, despite the potential for win-win situations overall, these changes may be
296 slow to implement and a long way off, but may be aided by aging over a generation of
297 current rural populations.

298

299 *Strengthen financial support.* The high cost of land consolidation estimated at about 370
300 billion USD may be not affordable by government alone, and more stakeholders should
301 be involved, including farmers' cooperatives, agricultural enterprises and other social
302 enterprises. Governments as the key stakeholder and actor for land consolidation, but
303 can provide a platform for all stakeholders to negotiate and guarantee the whole
304 consolidation processes. This should not only rely on farmers or agricultural enterprises,
305 who have a vested interest in operating large farms given established long-term and
306 overall societal benefits of land consolidation, as operators are typically running their
307 farms with short-term economic objectives in mind. Thus, governments' direct
308 investment for land consolidation is needed, while also identifying social capital
309 incentives to provide villages with collective loans to support the move towards scale
310 farming. In addition, farmers also need direct financial support to consolidate towards

311 large-scale agricultural production. They may need to invest in machinery and
312 knowledge at the start in addition to the operational purchase of seed, pesticides,
313 fertilizers and other supplies. To support farmers with large-scale farming is essential to
314 safeguard food security at national level, given the abandonment of small farms with
315 rural aging. Meanwhile, environmental protection is also crucial objective for the whole
316 society. Large-scale farming can achieve these goals at the same time for government,
317 which highlights the essential need for economic support from government. Currently,
318 Chinese governments have already launched such measures to give financial support to
319 larger-scale farmers, but due to the small share of large-scale farming in China to date,
320 more investments to land consolidation first, then additional support to the large-scale
321 operation of farms are crucial for the sustainable intensification of agriculture in China.

322

323 *Agricultural transformation.* Food production needs to keep up with population growth
324 and consumption patterns. China's agriculture has shifted from extensification to
325 intensification since late 1970s³². The application of synthetic fertilizers boosted
326 agricultural production per unit of land and slowed down land use change through
327 conversion from natural ecosystems to cropland, but current high fertilizer application
328 rates and low NUE are clearly detrimental to the environment^{6, 33}. There is an urgent
329 need for new efforts to achieve sustainable intensification. Large-scale farming could
330 present one key approach, but other changes also need to be accomplished. For instance,
331 cropland-based livestock production and manure recycling should be encouraged by the
332 government to re-establish a coupling of agricultural systems and land given an increase
333 in use of manure normally occurring with large-scale farming^{34, 35}. It will be a win-win
334 strategy for the reuse of livestock waste and the mitigation of agricultural pollution from
335 both manure and synthetic fertilizers. Moreover, agricultural mechanization and

336 digital/precision agriculture can help to meet the challenge of maintaining food security
337 while protecting the environment³⁶. The government should increase support for
338 scientific research and development with a focus on sustainable intensification. Large-
339 scale farming also provides an ideal platform for the development and testing of
340 advanced technologies and management practices, which could be implemented more
341 widely in China and abroad. Furthermore, changes to improve diet and nutrition can
342 also add leverage to reduce the pressure to food security and mitigate agricultural
343 pollution, which is an important non-technical measure in addition to the introduction of
344 scale farming³⁷. It is clear that agricultural transformation in China cannot happen
345 overnight as it needs a lot of efforts and innovations. However, the future of Chinese
346 agriculture clearly requires a more sustainable and high-technology pathway, which is
347 not only crucial for China, but also other countries with similar challenges in attaining
348 both food security and sustainable development goals.

349

350 **Methods**

351 **Data sources.** Spatial data on cropland is derived from Finer Resolution Observation
352 and Monitoring of Global Land Cover (FROM-GLC) 2017v1 generated by Gong et al.,
353 which can be downloaded at <http://data.ess.tsinghua.edu.cn/>³⁸. Current field size is
354 derived from the global distribution of field size in 2017 compiled by Lesiv et al, the
355 data is available at <http://pure.iiasa.ac.at/id/eprint/15526/>³⁹. The analysis of Nitrogen
356 losses uses data mainly from the Statistical Yearbook 2017 (all statistical yearbooks are
357 available at <http://data.cnki.net/yearbook/>) and N deposition was calculated based on
358 Zhang et al⁴⁰. Data for the cost of consolidation is taken from the website of China
359 Land Consolidation and Rehabilitation (<http://www.lcrc.org.cn/tdzzgz/zxgz/zdgcysfjs/>).
360 We also use China Rural Household Panel Survey (CRHPS) data. In this database, we

361 mainly use survey data of 2017, about 40,011 observations. The 2017 CRHPS is
 362 available at <http://ssec.zju.edu.cn/dataset/CRHPS/>. Agricultural labor data is obtained
 363 from the third National Agricultural Census (NAC), data is available at
 364 <http://www.stats.gov.cn/tjsj/tjgb/nypcgb/>. Agricultural cost and profits of China is
 365 obtained from the China Agricultural Yearbook 2017 and can be downloaded at
 366 <https://data.cnki.net/Yearbook/Single/N2018120048>.

367

368 **The potential of large-scale farming.** The spatial analysis is run in ArcGIS 10.2. The
 369 split of cropland is based on the geographical limits and administrative boundaries. We
 370 first split the raster using county boundary, then we used raster dataset to get polygon
 371 features of every cropland plot. The edge of the polygons conforms exactly to the cell
 372 edges of input raster. The 30 m × 30m spatial resolution of FROM-GLC 2017v1
 373 enabled the analysis to be conducted at very high spatial resolution³⁸. Field size refers
 374 to the area of each plot with regard to the spatial extent, rather than the actual cropping
 375 area. For comparison, we divided the plots into five field size categories according to
 376 Lesiv⁴⁰ and analyzed plots number and total area of each category. Finally, the potential
 377 for conversion to large-scale farming is measured by the change of average field size in
 378 each county.

379

380 **Nitrogen budget.** We used CHANS model to calculate N input, N yield and NUE¹³.

381 The model is

$$382 \quad CL_{IN} = CLIN_{Fer} + CLIN_{BNF} + \sum_{i=1}^2 CLIN_{Exc,i} + CLIN_{Dep} + CLIN_{Irr} + CLIN_{Str} \quad (1)$$

$$383 \quad CL_{Crop} = CLY_{Grain} + CLY_{Str} \quad (2)$$

$$384 \quad CNUE = CL_{Yield} / CL_{IN} \quad (3)$$

385 where CL_{IN} and CL_{Crop} are the total N input and harvest on cropland, respectively;
 386 $CLIN_{Fer}$ is N in fertilizer application; $CLIN_{BNF}$ is the biological N fixation (BNF),
 387 including symbiotic and non-symbiotic N fixation; $CLIN_{Exc,i}$ is manure recycled to
 388 cropland from both livestock and human excretion; $CLIN_{Dep}$ is N deposition, including
 389 both dry and wet deposition; $CLIN_{Irr}$ is N input to cropland from irrigation; $CLIN_{Str}$
 390 the straw recycled N to cropland; CLY_{Grain} is N-content in crop grains; CLY_{Str} is N in
 391 straw.

392

393 The modeling for the year 2017 is mainly based on data from the Statistical Yearbook in
 394 2017. We collected information of N fertilizer application, sowing area, livestock,
 395 irrigation, population and crop production as model inputs. For the predicted value, we
 396 assumed the fertilizer input, N deposition, crop production would decrease with large-
 397 scale farming and recycled manure would increase while BNF remain stable. We
 398 calculated relationships between agricultural input and output and farm size (Table 1).
 399 We assumed that the cropping index overall would not change, so that field size
 400 increase would result in a change of the N budget in each county.

401

402 **Agricultural input and output changes with farm size.** The CRHPS allows us to
 403 estimate the relations between agricultural input and output with farm size. We used an
 404 Ordinary Least Squares (OLS) regression model to conduct the longitudinal analysis,
 405 while controlling for confounding factors such as plant type, plot numbers, year and
 406 regional effects. We estimated the following equation using data on households from
 407 2015, 2017 and 2019:

$$408 \quad Agriculture_{jt} = \alpha + \beta \cdot farmsize_{jt} + \sum_n \varphi_n q_{njt} + \varepsilon_{ji} \quad (1)$$

409 where subscript j and t denotes household and time, respectively. $Agriculture_{jt}$, namely,

410 the agricultural inputs and outputs on household level, refers to labor input, chemical
 411 fertilizer, total cost, output and the net profit per ha. *farmsize* is the logarithm of the
 412 operating land area of each rural household, including contracted and transferred-in area.
 413 q_n is control variable including multiple crop index, plant type, plot numbers, year and
 414 regional effect. Additionally, fertilizer, machine, seed, pesticides and labor input are
 415 further controlled in agricultural output regression. α is a constant, ε_{jt} are error items.
 416 We also used a Tobit regression model to validate the relationship between these variables
 417 and farm size. We estimated the following equation using data on households in 2017 and
 418 2019:

$$419 \quad y_{jt}^* = \alpha + \beta \cdot farmsize_{jt} + \sum_m \gamma_m \cdot p_{mjt} + \varepsilon_{jt} \quad (2)$$

420 where subscript j and t denotes household and time, respectively. y_{jt}^* refers to latent
 421 variables including manure input and the ratio of manure to total chemical fertilizer use
 422 in each household. Latent variables can be observed when over 0, truncated at 0 when
 423 the value is equal to 0 or less 0. *farmsize* is the logarithm of the operating land area
 424 of each rural household, including contracted and transferred-in area. p_m is control
 425 variable including multiple crop index, plant type, plot numbers and year. α is a
 426 constant and ε_{jt} is the error item.

427 The latent variable is expressed in terms of the observed variable y_{jt}^* in the following
 428 form:

$$429 \quad \begin{cases} y_{jt} = y_{jt}^* & \text{if } y_{jt}^* > 0 \\ y_{jt} = 0 & \text{if } y_{jt}^* \leq 0 \end{cases} \quad (3)$$

430 To increase the robustness of the coefficients and related confidence intervals (CIs)
 431 estimation, we use a bootstrap method to produce distributions by resampling (with
 432 replacement) the observations 1,000 times, and the 2.5th and 97.5th percentiles from

433 the 1,000 bootstrap replicates are selected as 95% CIs. We calculated the regression
434 coefficients in Stata12.0 software.

435

436 **Implementation cost and benefit.** We collected data from 201 projects in 33 provinces
437 / municipalities, estimating the consolidation cost for the entire project, including costs
438 of land consolidation, construction of ditches and field roads to meet high standard of
439 cropland. The cost is related to terrain and local economic conditions. Based on these
440 two factors, the country was divided into four categories (Figure S2) and sample sites
441 were utilized to derive average costs for each category. The ArcGIS 10.2 ‘Analysis
442 Toolbox’ was used to calculate area percentages of different field sizes in each category.
443 We assumed that current field shares are consistent with Lesiv et al ³⁹. The proportion of
444 land needed to be consolidated was estimated based on the required changes to large-
445 scale farming. For the benefit, we used the relationships between farm size and
446 agricultural cost, output and profit (Table 1). Combined with the change of average field
447 size, we calculated the total benefits for large-scale farming.

448

449 **Data availability**

450 Data supporting the findings of this study are available within the article and its
451 supplementary information files, or are available from the corresponding author upon
452 reasonable request.

453

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454

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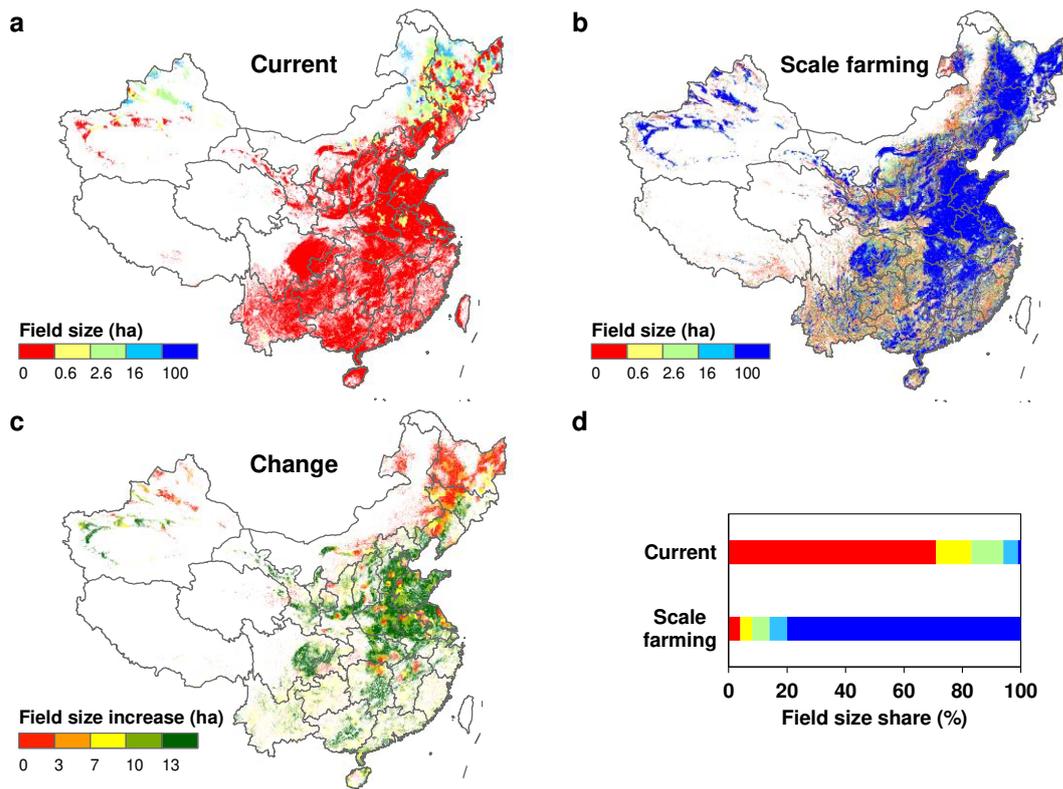
533 **Author contributions**

534 B.G. designed the study. J.D. and C.R. conducted the research. B.G., J.D. and C.R.
535 wrote the first draft of the paper, S.W., X.Z., S.R. and J.X. revised the paper. And all
536 authors contributed to the discussion and revision of the paper.

537 **Competing interests**

538 The authors declare no competing interests.

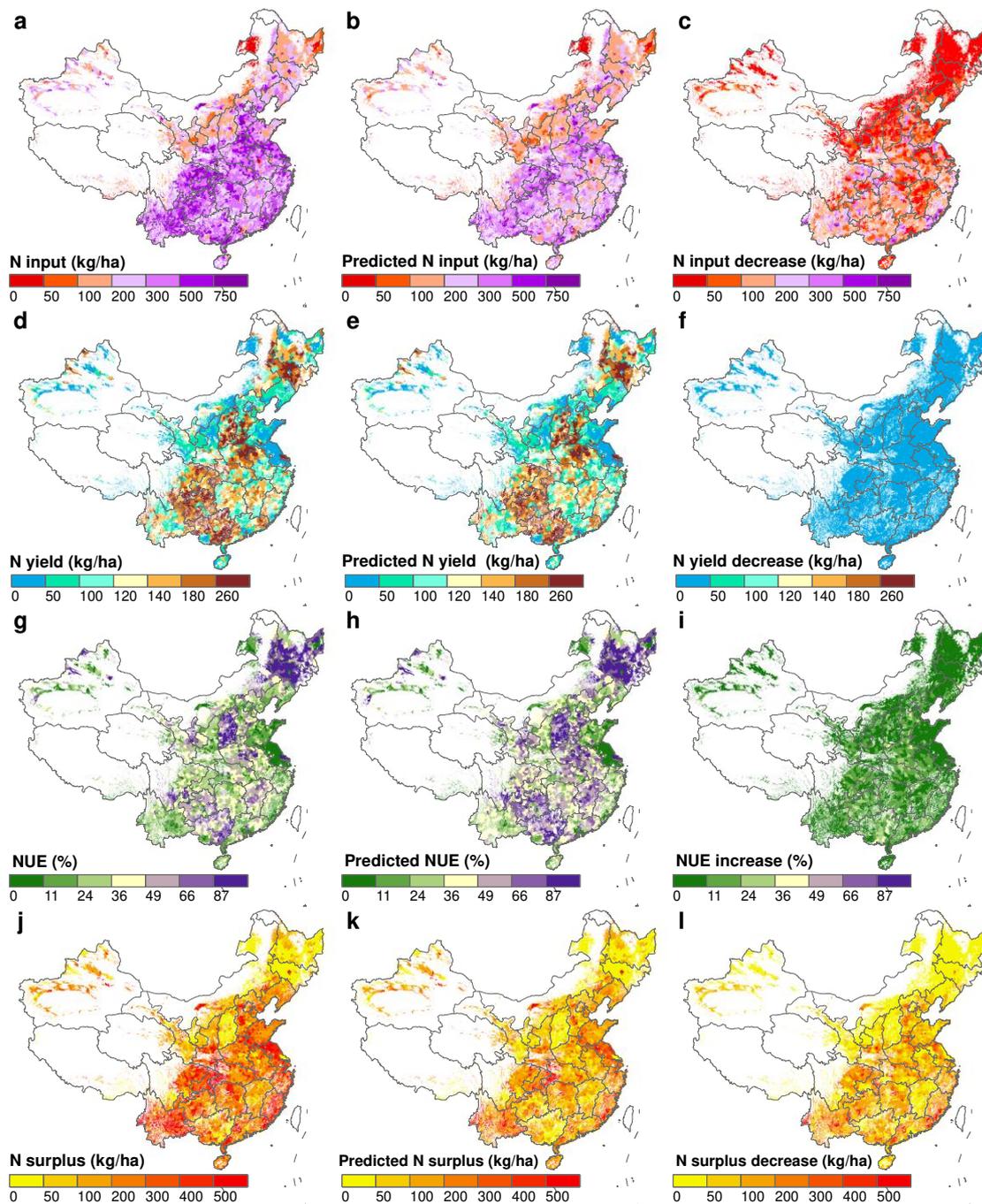
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540

541 **Fig. 1 Field size distribution across China.** (a) Current field size; (b) Field size for
 542 large-scale farming; (c) Changes of field size from current level to large-scale farming;
 543 (d) Changes of field size share. In all of the figures except (c), the red color represents
 544 average field sizes of less than 0.6 hectare (ha), yellow 0.6-2.6 ha, green 2.6-16 ha, light
 545 blue 16-100 ha and dark blue larger than 100 ha. Details can be seen in Supplementary
 546 Fig. S4 and Table S4.

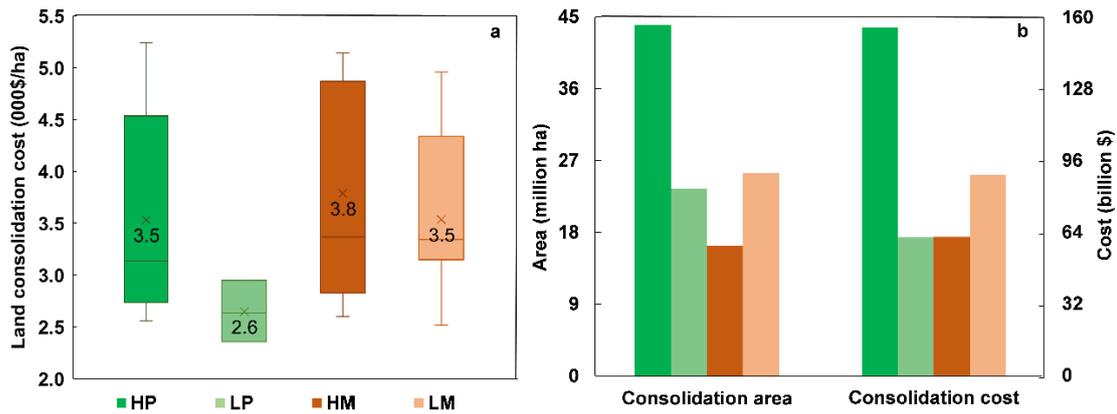
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548

549 **Fig. 2** Changes of nitrogen (N) input, yield, N use efficiency (NUE) and N surplus
 550 **between current level and large-scale farming.** (a) Current N input; (b) Predicted N
 551 input of large-scale farming; (c) N input decrease; (d) Current crop yield; (e) Predicted
 552 yield of large-scale farming; (f) Crop yield decrease; (g) Current NUE; (h) Predicted
 553 NUE of large-scale farming; (i) NUE increase; (j) Current N surplus; (k) Predicted N
 554 surplus of large-scale farming; (l) N surplus decrease. Current data is from Statistical

555 Yearbook 2017 and calculated by the CHANS model. The predicted values are based on
556 current values and changes of field size showed in Fig. 1d and according to
557 relationships between farm size and fertilizer use, manure use and output per area in
558 China (See Table 1). The changes are the differences between predicted and current
559 values. For average changes see Supplementary Table S7.
560



561

562 **Fig. 3 Cost of cropland consolidation.** (a) Land consolidation cost for four categories;

563 (b) The area needed to be consolidated and the total cost of consolidation. HP = *high-*

564 *income plain region*. LP = *low-income plain region*. HM = *high-income mountainous*

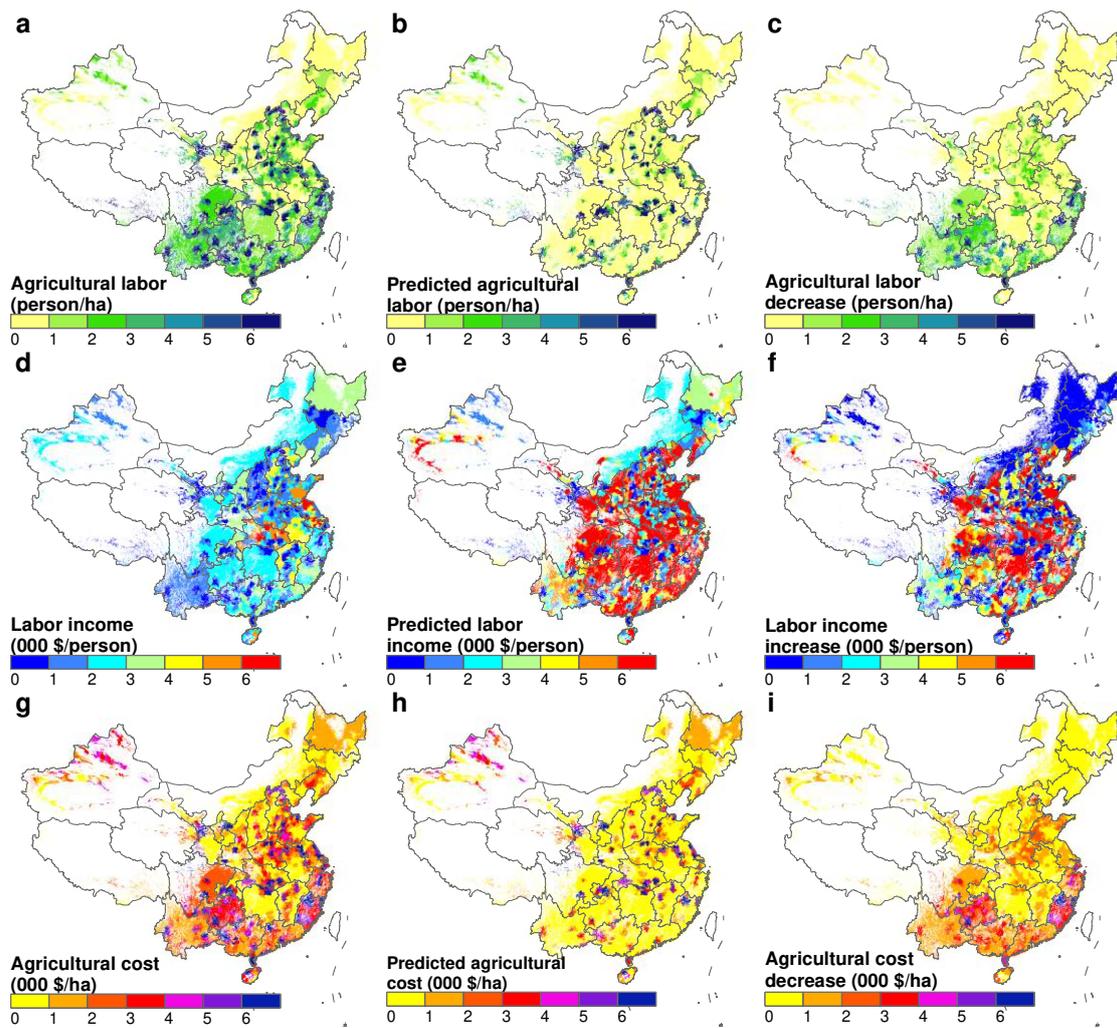
565 *region*. LM = *low-income mountainous region*. The data is obtained from the website of

566 China Land Consolidation and Rehabilitation (www.lcrc.org.cn/tdzzgz/zxgz/gbzntjs/).

567 The consolidation area is obtained from the change of field size share in different

568 regions. Details see Supplementary Table S3.

569



570

571 **Fig. 4 Changes of agricultural labor, labor productivity and agricultural cost for**

572 **large-scale farming.** (a) Current agricultural labor demand; (b) Predicted agricultural

573 labor demand of large-scale farming; (c) Agricultural labor demand decrease; (d)

574 Current labor income; (e) Predicted labor income of large-scale farming; (f) Labor

575 income increase; (g) Current agricultural cost; (h) Predicted agricultural cost of large-

576 scale farming; (i) Agricultural cost decrease. Current data is from China Agricultural

577 Yearbook 2017 and the third National Agricultural Census. Agricultural labor includes

578 family members, relatives and employees. Labor income is the household agricultural

579 gross income per year divided by labor amount (person), which has been weighted by

580 labor hours (detailed in Supplementary Information). Cost is the total input per ha

581 during farming. It includes all purchase of agricultural products such as seed and

582 fertilizer, land transferred-in cost, machinery rental fee, depreciation of own machinery
583 and labor input except employment costs. The predicted calculation is based on current
584 values and changes in the field size depicted in Fig. 1d and according to relationships
585 between farm size and agricultural labor, labor productivity and agricultural cost in
586 China (See Table 1). The changes related to the differences between predicted and
587 current ones. Average figure changes see Supplementary Table S7.

588 **Table 1 Coefficients of farm size to agricultural input and output**

		Coefficient (Dy/Dx)	Standard Errors	95% Confidence Interval
Labor	Ln Person ha ⁻¹	-0.728***	0.011	[-0.750, -0.706]
	Ln Labor Cost (\$ ha ⁻¹)	-0.730***	0.016	[-0.761, -0.699]
	Ln LP (\$ hr ⁻¹)	0.334***	0.017	[0.300, 0.368]
Chemical use	Ln Fer (\$ ha ⁻¹)	-0.264***	0.012	[-0.288, -0.239]
	Manure (kg ha ⁻¹)	4.190***	0.813	[2.595, 5.784]
	MF ratio	0.093**	0.034	[0.025, 0.160]
Cost and profit	Ln Cost (\$ ha ⁻¹)	-0.619***	0.014	[-0.646, -0.592]
	Ln Profit (\$ ha ⁻¹)	0.075***	0.004	[0.068, 0.083]
	Ln Output (\$ ha ⁻¹)	-0.027	0.015	[-0.057, 0.003]

589 *** $p < 0.001$; ** $p < 0.05$; * $p < 0.01$. LP, Labor productivity; Fer, Chemical
590 fertilizer; MF ratio, Manure fertilizer ratio. And labor person input has been weighted
591 according to working time of different labors. The coefficients are log-transformed
592 values. Since regression coefficients are normally affected by sample data size with
593 randomness, we consider the coefficients within the confidence intervals (CIs) are
594 reasonable. We deduct standard errors and CIs based on a bootstrap method. More
595 details about the analysis can be found in Methods and regression results are listed in
596 Supplementary Table S5. Summary statistics of variables are detailed in Supplementary
597 Table S6.

598

599

Figures

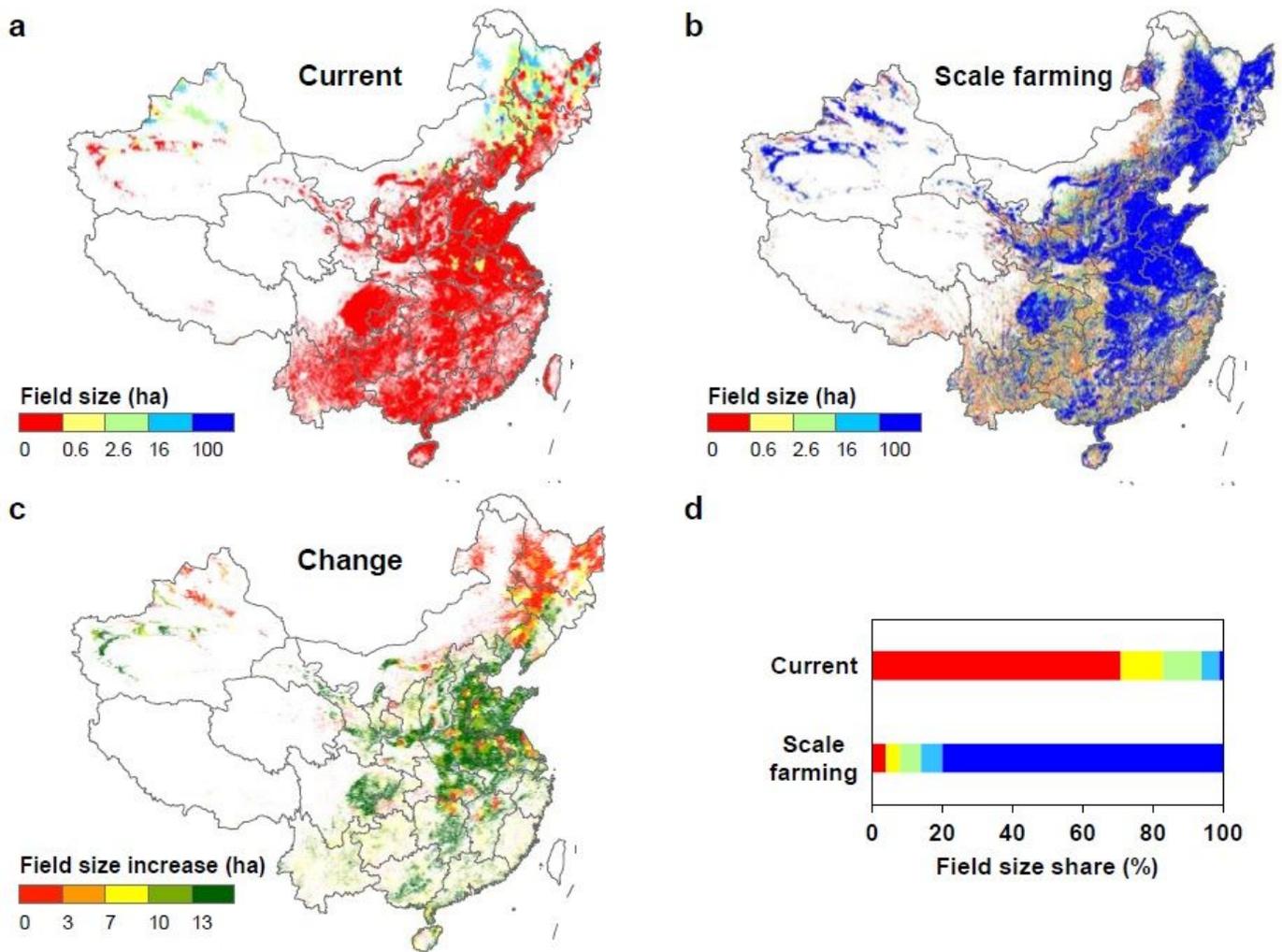


Figure 1

Field size distribution across China. (a) Current field size; (b) Field size for large-scale farming; (c) Changes of field size from current level to large-scale farming; (d) Changes of field size share. In all of the figures except (c), the red color represents average field sizes of less than 0.6 hectare (ha), yellow 0.6-2.6 ha, green 2.6-16 ha, light blue 16-100 ha and dark blue larger than 100 ha. Details can be seen in Supplementary Fig. S4 and Table S4. Note: The designations employed and the presentation of the material on this map do not imply the expression of any opinion whatsoever on the part of Research Square concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. This map has been provided by the authors.

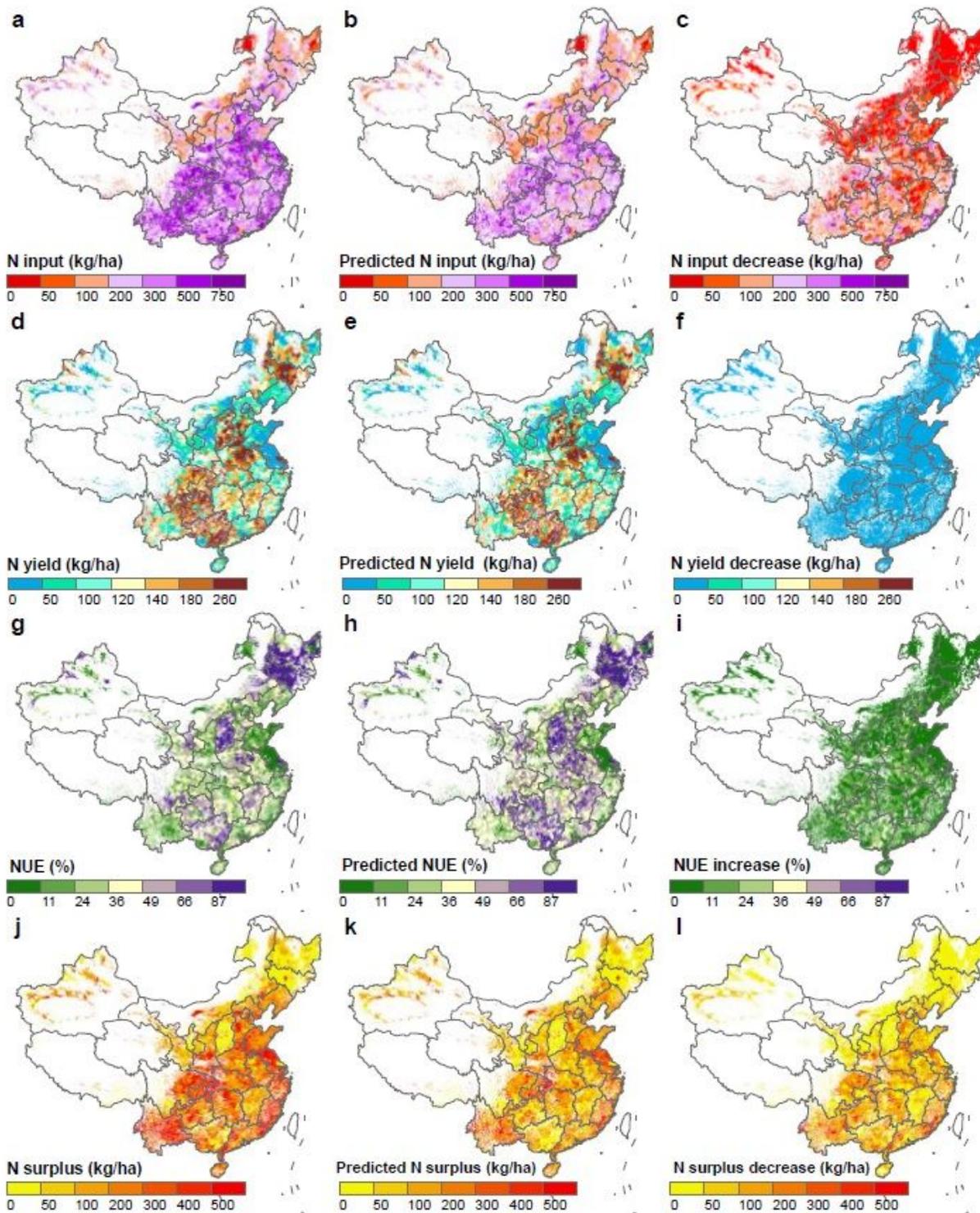


Figure 2

Changes of nitrogen (N) input, yield, N use efficiency (NUE) and N surplus between current level and large-scale farming. (a) Current N input; (b) Predicted N input of large-scale farming; (c) N input decrease; (d) Current crop yield; (e) Predicted yield of large-scale farming; (f) Crop yield decrease; (g) Current NUE; (h) Predicted NUE of large-scale farming; (i) NUE increase; (j) Current N surplus; (k) Predicted N surplus of large-scale farming; (l) N surplus decrease. Current data is from Statistical Yearbook 2017 and calculated

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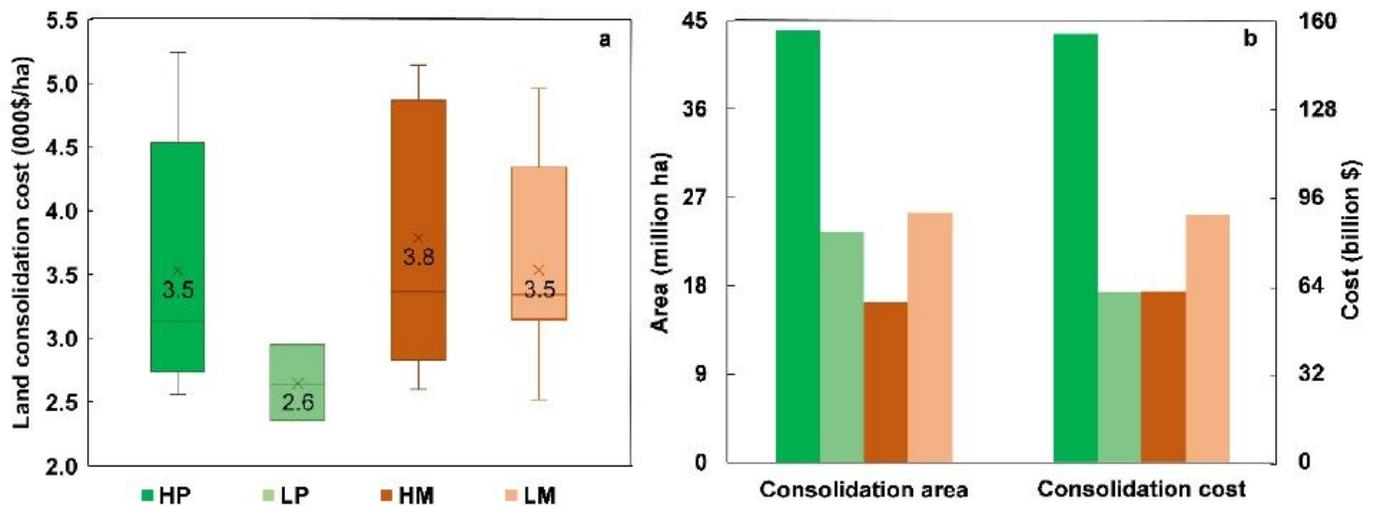


Figure 3

Cost of cropland consolidation. (a) Land consolidation cost for four categories; (b) The area needed to be consolidated and the total cost of consolidation. HP = high-income plain region. LP = low-income plain region. HM = high-income mountainous region. LM = low-income mountainous region. The data is obtained from the website of China Land Consolidation and Rehabilitation (www.lcrc.org.cn/tdzzgz/zxgz/gbzntjs/). The consolidation area is obtained from the change of field size share in different regions. Details see Supplementary Table S3.

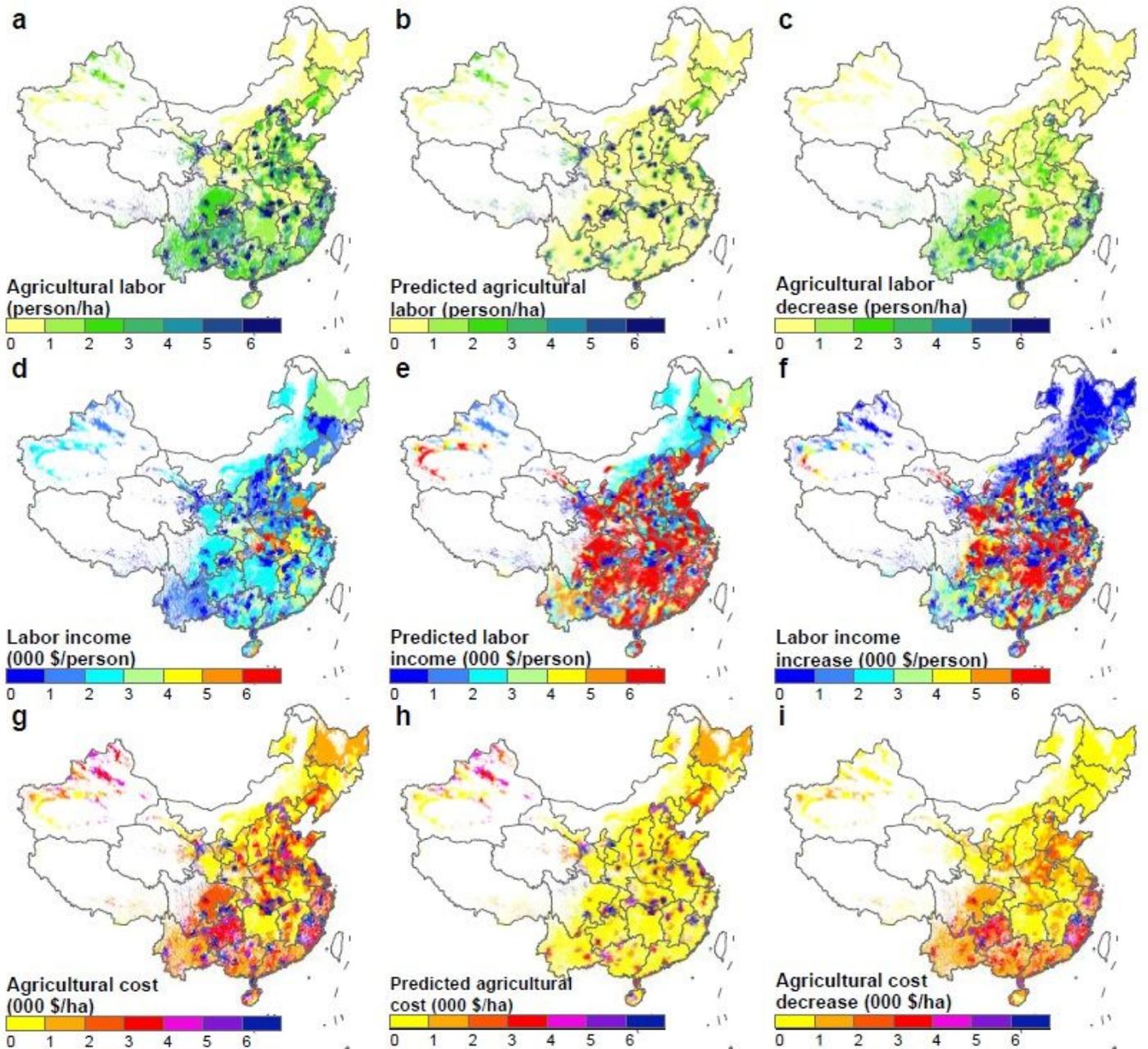


Figure 4

Changes of agricultural labor, labor productivity and agricultural cost for large-scale farming. (a) Current agricultural labor demand; (b) Predicted agricultural labor demand of large-scale farming; (c) Agricultural labor demand decrease; (d) Current labor income; (e) Predicted labor income of large-scale farming; (f) Labor income increase; (g) Current agricultural cost; (h) Predicted agricultural cost of large-scale farming; (i) Agricultural cost decrease. Current data is from China Agricultural Yearbook 2017 and the third National Agricultural Census. Agricultural labor includes family members, relatives and employees. Labor income is the household agricultural gross income per year divided by labor amount (person), which has been weighted by labor hours (detailed in Supplementary Information). Cost is the total input per hectare during farming. It includes all purchase of agricultural products such as seed and fertilizer, land transferred-in

cost, machinery rental fee, depreciation of own machinery and labor input except employment costs. The predicted calculation is based on current values and changes in the field size depicted in Fig. 1d and according to relationships between farm size and agricultural labor, labor productivity and agricultural cost in China (See Table 1). The changes related to the differences between predicted and current ones. Average figure changes see Supplementary Table S7. Note: The designations employed and the presentation of the material on this map do not imply the expression of any opinion whatsoever on the part of Research Square concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. This map has been provided by the authors.

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