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The relationship between government, market and farmer in ecological compensation mechanism: The case study of grain - soybean rotation subsidy policy *Haijiang Chen\**, School of Economics and Management, China Agricultural University, Beijing, China

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At present, the development of Chinese agriculture is confronted with the dual restriction of resources and environment, and it needs to be treated by management of ecological environment. With reference to the experience of developed countries, the establishment of ecological compensation mechanism is an important means to management of agricultural ecological environment. However, the ecological compensation mechanism involves the government, the market and the farmers, how to deal with the relationship between the three is a difficult point. This paper summarizes the part of government, market and farmer in ecological compensation research, analyzes the relationship between the three, and takes the subsidy policy of grain and soybean rotation as an example to study it. The main structure is as follows: First, the externalities of agricultural production and the main body of ecological compensation are analyzed. Secondly, it studies the influence of policy and market price on farmers' decision. Finally, taking the subsidy policy of grain and soybean rotation as an example, the paper expounds the relationship between government, market and farmer, and draws the relevant conclusion and enlightenment.