

# Agricultural Products Market Transaction Act

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Promulgated on August 5, 1981 and effective as of September 1, 1982.

Amendment to Articles 3, 13, 18, 21 promulgated on December 12, 1983 and effective as of April 21, 1984.

Amendment to Article 2 promulgated on June 9, 1986 effective as of July 1, 1986.

Amendment to Articles 2, 5, 9, 14, 16, 18, 21, 28, 31 promulgated on May 17, 2000.

Amendment to Articles 8, 14, 19, 22, 26, 31, 35~37 and deletion of Articles 40, 41 promulgated on June 19, 2002.

Amendment to Articles 7, 19 promulgated on June 14, 2006 and effective as of March 30, 2007.

## Chapter 1 General Provisions

### Article 1

The present Act has been enacted to ensure the order of agricultural product marketing, to harmonize demand and supply, and to promote fair transaction. Whatever is not regulated by the present Act may be regulated by other applicable legislations.

### Article 2

The responsible government authorities for the present Act are as follows:

Central government level: the Council of Agriculture, Executive Yuan, henceforth the Central Supervising Authority;

Municipal level: the municipal governments;

County/city level: the county or city governments.

### Article 3

Definitions of terms used in the present Act are as following:

1. Agricultural product: Indicates vegetables, fruits, livestock, fishes, and other agricultural, forestry, fishery, livestock products and their processed products, assigned by the central supervising authority
2. Agricultural products wholesale market: Indicates an organization which performs concentrated agricultural products transaction daily or periodically;
3. Farmers: Natural persons directly produce agricultural products as defined by the present Act;
4. Farmer's organizations: The legal organized farmers' association, fishermen' association, agricultural production and marketing cooperatives and cooperative farm;
5. Supplier: Persons provide agricultural products to agricultural product wholesale markets;
6. Wholesaler: Persons or institutions purchase agricultural products from agricultural product wholesale markets;
7. Shipper: Persons or institutions purchase agricultural products from agricultural producers or agricultural product wholesale markets and shipping to other markets for sale;

8. Jobber: Persons purchase agricultural products from agricultural product wholesale market and sells them to retailers or institutional consumers within the same market;

9. Retailer: Middlemen sell agricultural products to ultimate consumers;

10. Agribusiness Corporation: Companies or organizations engage in agricultural products production as defined by the present Act.

#### Article 4

The central supervising authority shall be based on the national agriculture production/marketing planning to make the national agriculture production/marketing and international trade programs; the local supervising authority shall enact the annual agricultural production/marketing implementation plans.

#### Article 5

The central supervising authority shall provide the international agricultural production/marketing situation report and make the market information report of agricultural products; municipal, county or city governments shall provide the domestic agricultural production/marketing situation report and make the market information report for agricultural products.

#### Article 6

The transaction of agricultural products shall not be monopolized, price manipulation, or purposely change the quality/quantity, to obtain an unjustified profit.

### Chapter 2 The Co-operative Marketing

#### Article 7

Agricultural products marketing may be accomplished through the co-operative marketing by following two processes:

1. wholesale transaction for reselling or processing purposes;
2. retail transactions for supplying to consumers purpose;

The place or products to which the co-operative marketing activity has not yet performed by the aforesaid farmers' organizations may be accomplished by farmers or agricultural production and marketing teams. Authorities shall assist in it positively.

#### Article 8

Farmers' organizations perform the co-operative marketing and demand-supply adjustment shall be assisted with and guided by the each level of the supervising authorities; the rules of guidance, promotion, co-operative marketing organization, personnel training, adjustment, mode of marketing, termination of business and supervision, shall be regulated by the central supervising authority.

The agricultural wholesale markets shall place the co-operative marketing agricultural products on the first priority in transaction.

Members of the farmers' organizations, and the agricultural wholesale markets, shall adopt the contracted production or contracted supply method to implement the aforesaid co-operative marketing.

The central and local supervising authority should encourage the farmers' organizations which have done an outstanding performance in co-operative marketing activity.

#### Article 9

The farmers' organizations may collect the necessary fees from sellers for the services rendered to perform the co-operative marketing. The collection criterion shall be approved by the municipal or county/city supervising authorities.

The farmers' organizations may make the unexpected loss bearing scheme in co-operative marketing for approval by the municipal or county/city supervising authorities.

Furthermore, they may also collect the mutual-help fees from the seller as reserve funds.

#### Article 10

The land ground needed for farmers' organization to perform the co-operative marketing assembly shall be regarded as an agricultural land which is applicable to the article 15, its house tax deduction applicable to the article 17 of the present law.

#### Article 11

Farmers or farmers' organization sells the agricultural products through the co-operative marketing process is exempted from stamp duty and business tax.

### Chapter 3 Wholesale Transaction

#### Article 12

Agricultural wholesale markets refer to the public utility business, its establishment and items of business shall be designed by the supervising authorities, and the government can also subsidize them through the current budget.

The aforesaid planning designed by the local supervising authorities shall report to the central supervising authority for approval.

#### Article 13

The governing body of operating agricultural wholesale market is regulated and in priority as follows:

1. Farmer's group.
2. The "legal person" co-invested by farmer's group.
3. The "legal person" co-invested by government institutions, or Township/municipal government and farmer's group.
4. The "legal person" co-invested by farmers and shippers of agricultural products.
5. The "legal person" co-invested by government institutions, or Township/municipal government.
6. The "legal person" co-invested by government institutions, or Township/municipal government, farmer's group, and shippers of agricultural products.

The operating body of agricultural wholesale market shall not aim at making profit; the organization, except above Item 1 herein, may apply to the regulation of the Corporation Law. However, the legal person for Item 2, 3, 5, and 6 the number of promoters and its qualifications are not subjected to the Article 128 of the "Corporation Law".

The priority of operating agricultural wholesale market is ranked at Item 1, and 2 of paragraph 1. Those which coincide with Item 4 of paragraph 1 is not eligible to have the privilege for acquiring landsite, or tax deduction, referred to the Article 12, 15, and 17 of the present Act.

#### Article 14

The establishment of agricultural wholesale market shall draw up the proposal and apply to municipal or county/city supervising authorities for approval. After that, the operating body

shall make registration to the municipal or county/city supervising authorities for permits. Once receive the permit, the operating body shall not cease or cancel operation without the approval of municipal or county/city supervising authorities, except by the irresistible forces.

The establishment of agricultural wholesale market without passing through the above-mentioned procedure, the municipal or county/city supervising authorities may cancel the permit, except for some justifiable reasons recognized.

The personnel affair, financial, and business management, the usage and deposition of market surplus, as well as the management of suspending time span of the wholesalers' transaction, abolishment of the wholesaler's permits, and other relating regulations shall be regulated by the central supervising authority.

#### Article 15

Agricultural wholesale market has the priority of lend or purchase the public lands for its needs from the government. If it is a private land, the municipal or county/city supervising authorities shall assist it to purchase or apply for making compulsory purchase; it is also applicable to use the agricultural lands as specified in the related laws.

The above-mentioned land site shall not be changed for other uses without permission of the supervising authority.

#### Article 16

The land, building, and other facilities used for agricultural wholesale market provide by the government or farmer's group the payable usage fee shall be determined by the municipal or county/city supervising authorities within the range regulated by the central supervising authority.

#### Article 17

Lands and building used for agricultural wholesale market may deduct by 50% of housing tax, land tax, or exempt farmland tax in kind.

#### Article 18

Those who meet one of the following qualifications may apply to the agricultural wholesale market for supplier for that market.

1. Farmers.
2. Farmer's organizations.
3. Agribusiness corporations.
4. Agricultural product producers approved by municipal or county/city supervising authorities.
5. Shippers.
6. Agricultural products importers.

The suppliers, referred to Item 2 to 6 mentioned above, shall be equipped with the transaction data; subjected to be examined by the municipal or county/city supervising authorities, if necessary, and the supplier shall not refuse or interfere.

The farmers who not registered as the supplier, referred to Paragraph 1 herein before, may provide his agricultural products to agricultural wholesale market for sale by showing identification card. The agricultural wholesale market shall not prescribe the minimum quantity of supply to individual farmer.

#### Article 19

Those who apply to be the wholesaler of the agricultural wholesale market shall pay a certain amount of guarantee to that market and obtain the wholesale license from that market.

The amount of guarantee herein before shall be enacted by wholesale- markets and shall be approved by the local supervising authorities.

#### Article 20

The supplier or wholesaler of the agricultural wholesale market shall not engage in both buying and selling simultaneously in the same market.

#### Article 21

The first time agricultural wholesale transaction shall be done on the spot agricultural wholesale market. However, the followings are excepted from the rule:

1. Farmer organization's co-operating marketing supplied directly to exporters or processors.
2. The farmer sells his/her agricultural products directly to retailers.
3. The place where the agricultural wholesale market has not yet established.
4. The farmer who is approved specially by the municipal or county/city supervising authorities to supply directly to importers or processors.

#### Article 22

Shippers purchase agricultural products from farmers in the district without agricultural wholesale market shall bring with shipper's permit; the supervising authority may check the permit, if necessary.

Shipper's permit herein before shall apply to municipal or county/city supervising authorities for approval. However, it shall not set the limit number of application.

The procedure for shippers to apply permits, qualifications, capital fund standard, valid period, and other supervising and guidance principles...etc, shall be regulated and managed by the central supervising authority.

#### Article 23

To ensure a stable source of product supply, the agricultural wholesale market may set up the schemes regarding the contract supply, guarantee price marketing, financing, and other suitable measures, if necessary.

#### Article 24

The first time wholesale transaction of agricultural products, the agricultural wholesale market may represent farmers or farmer's organizations to issue the selling document by which the levies of stamp duty and business tax can be exempted.

#### Article 25

The transaction of the agricultural wholesale market may divide into auction, bargaining, fixed pricing, and tendering. The suppliers themselves may instruct the lowest selling price.

#### Article 26

The agricultural product wholesaling at the agricultural wholesale market suppliers shall thoroughly perform the grading and packaging work; to those ungraded and unpacked products the market may do the job instead but the fee will be charged to suppliers by deduction from the payment of product sold.

The central supervising authority shall establish instructions concerning the grading and packaging standards, periodical inspection, improvement and encouragement, as well as

unified purchasing of packaging containers.

#### Article 27

The agricultural wholesale market may charge the management fee from both suppliers and wholesalers; the charge standard is ratified by the central supervising authority.

#### Article 28

The agricultural wholesale market offering the facilities of grading, packaging, sorting, refrigerating, freezing, ice making, storage, transportation, slaughtering, or other related facilities may charge the fee from users, the charge standard is ratified by municipal or county/city supervising authorities.

#### Article 29

The operating body of agricultural wholesale market, if concurrently operates other lines of business shall be approved by the supervising authority, their business and accounting shall be separated each other, the supervising authority may audit at anytime.

#### Article 30 (Publicity of prices and quantities of transaction)

The agricultural wholesale market shall publicize its or other important markets' daily transaction prices and quantities in a manifest market place.

#### Article 31

The poorly operated agricultural wholesale market, the municipal or county/city supervising authorities may order it to improve or rectify; and request the central supervising authority to order it to reorganize, to merge based on the respective law, or to abolish its operating permit, if necessary.

### Chapter 4 Retail Transaction

#### Article 32

The retail market selling agricultural products shall apply to the municipal or county/city supervising authorities for registration.

#### Article 33 (Making agricultural product contract supply)

Farmers or farmer's organizations may make contracts with retailers or retailer's organizations to supply the agricultural products in the district where the wholesale market is not yet established.

#### Article 34

For safeguard the national health, also to harmonize the supply of and demand for agricultural products and rationalization of selling price as well as the reasonable profit of the system, the municipal or county/city supervising authorities shall assist with and supervise the retail transaction of agricultural products.

### Chapter 5 Penalties

#### Article 35

Violation of the Article 6, or Article 14 paragraph 1 are subjected to a fine of no less than NT\$60,000, but no more than NT\$300,000; and also cancel the permit, if applicable.

#### Article 36

Violation of the Article 20, Article 22 paragraph 1, Article 29, or Article 32 are subjected to a fine of no less than NT\$6,000, but no more than NT\$30,000; and may cancel the permit if applicable.

#### Article 37

Violations for one of the following offenses are subjected to a fine of no less than NT\$3,000,

but no more than NT\$18,000; also may cancel the permit if applicable:

1. Violation of the Article 18 paragraph 2.
2. Violation of the Article 21.
3. Violation of lending out the shipper's permit to others.

#### Article 38

The penalties stipulated in the present Act shall be examined and imposed by the municipal or county/city supervising authorities.

#### Article 39

Any violators refuse to pay the fine, based on the penalty specified in the present Act, will be transferred to the court for compulsory execution.

### Chapter 6 Supplemental Provisions

#### Article 40

(Deleted)

#### Article 41

(Deleted)

#### Article 42

The implementation by law of the present Act shall be enacted by the central supervising authority.

#### Article 43

The implementation date of the present Act shall be announced by the Executive Yuan by order.