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#### Content

Title: Agricultural Products Market Transaction Act Ch

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- Legislative: 1. Promulgated on August 5, 1981.
  - 2. Amendment to Article 3, Article 13, Article 18 and Article21 promulgated on December 12, 1983.
  - 3. Amendment to Article 2 promulgated on June 9, 1986.
  - 4. Amendment to Article 2, Article 5, Article 9, Article 14, Article 16, Article 18, Article 21, Article 28 and Article 31 promulgated on May 17,1990.
  - 5. Amendment to Article 8, Article 14, Article 19, Article 22, Article 26, Article 31, and Article 35~ Article 37 promulgated on June 19,2002.
  - 6. Amendment to Article 7 and Article 19 promulgated on June 14,2006.
  - 7. Amendment to Article 13 promulgated on November 28,2012.

# Content: Chapter 1 General Principles

# Article 1

This Act has been enacted to ensure the order of agricultural product marketing, to adjust demand and supply, and to promote transaction justice. Whatever is not regulated by this Act may be regulated by other applicable legislation.

# Article 2

Responsible government authorities for this Act:

Central government level: the Council of Agriculture, Executive Yuan, henceforth Central Competent Authority (CCA);

Municipal level: the municipal governments;

County/city level: the county or city governments.

# Article 3

Definition of terms in this Act as following::

- 1. Agricultural products: vegetable, fruit, animal husbandry, fishery, and other agriculture, forest, fishery, and animal husbandry products and their processed products assigned by the CCA;
- 2. Agricultural products wholesale market: an organization assembles and performs agricultural products transaction daily or periodically;
- 3. Farmers: Natural persons directly produce agricultural products defined by this Act;
- 4. Farmer's organization: any farmers' association, fishermen' association and agricultural production marketing cooperative and cooperative farm organized by law;
- 5. Supplier: a businessman provides agricultural products for agricultural products wholesale
- 6. Demander: a businessman purchases agricultural products from agricultural products wholesale markets:
- 7. Shipper: a businessman purchases agricultural products from agricultural producers or agricultural products wholesale markets and ships and trades them in other markets;
- 8. Jobber: a businessman purchases agricultural products from agricultural products wholesale market and sells them to retailers or institutional consumer in the same market;
- 9. Retailer: a businessman sells agricultural products to consumers;

10. Agribusiness corporation: a company perform agricultural production defined by this Act.

# Article 4

Central Competent Authority (CCA) must according to national agriculture production and marketing guides to propose national agriculture production marketing and international trade project; local competent authority must propose annual agriculture production marketing performance.

#### Article 5

Central Competent Authority must concern international agriculture production marketing circumstances and report agricultural products market prices; municipal, county or city governments must concern domestic agriculture production marketing circumstances and report agricultural products market prices.

# Article 6

The transaction of agricultural products would not be monopolized, restrained prices or purposely to change quality quantity, to obtain unjust advantage.

Chapter 2 Joint Marketing

# Article 7

Agricultural products marketing may be joint marketing performed by farmers' organization, two forms as following:

- 1. wholesales of supply and reselling or processing as purpose;
- 2. retails of supply to consumers as purpose;

The aforesaid the agricultural products or areas may be performed joint marketing by farmers' organization, and then may be performed by farmers themselves.

# Article 8

Farmers' organizations perform joint marketing and adjust distribution must be assisted and guided by central and local competent authority; the rules of its assist and guide, promotion, joint marketing organization, training, adjust and distribution, production and marketing forms, stopping performing and monitoring, shall be formulated by Central Competent Authority. Agricultural products performed joint marketing by farmers' organizations, agricultural products wholesale markets should deal with them priority.

The aforesaid joint marketing, farmers' organization and its member, partner, fellow, and among agricultural products wholesale markets, shall be performed by contracted production or supply.

Central and local competent authority should encourage the farmers' organization with outstanding joint marketing performance.

# Article 9

The cost of agricultural products joint marketing performance, farmers' organization shall collect a service fee from provider; its collection criterion should report to municipal county or city competent authority.

Farmers' organization

# Article 10

Farmers' organization joint marketing

# Article 11

Farmers or farmers' organization performing joint marketing, selling their agricultural products are exempted from stamp duties and business taxes.

# Chapter 3 Wholesale Market

# Article 12

Agricultural product wholesale markets are public utilities, their establishing and items of business matters should be proposed by competent authorities, and registered as budgets to subsidize.

The aforesaid project proposed by local competent authorities, would be decided upon the merits of the case by central competent authority.

### Article 13

The object of agricultural product wholesale market is limited as one of the following:

- 1. Farmer's organization.
- 2. The "legal person" who is invested and organized by farmer's organizations.
- 3. The "legal person" who is invested and organized by government institutions, or Hsiang/chen, Township/municipality government offices and farmer's organizations.
- 4. The "legal person" who is invested and organized by farmers and shippers of agricultural products.
- 5. The "legal person" who is invested and organized by government institutions, or Hsiang/chen, Township/municipality government offices.
- 6. The "legal person" who is invested and organized by government institutions, or Hsiang/chen, Township/municipality government offices, farmer's organizations or farmer, and shippers of agricultural products.

The operating object of agricultural products wholesale market shall not intent to make profit; the organization, except above Statement 1herein, may apply to the regulation for "Company Limited by Shares" in the "Company Law". However, as for Statement 2, Statement 3, Statement 5 herein, and Statement 6, people counts and qualifications of promoters are not limited by Article 128 of the "Company Law".

The operation of agricultural product wholesale market has the priority for the one complies with Item 1, Statement 1 or Statement 2 herein; the one complies with Item 1, Statement 4 herein shall not have allowances, obtaining land, or tax reduction treatment, referred in Article 12, Article 15, and Article 17 of this Act.

# Article 14

To prepare for agricultural products wholesale market establishment shall draw up the proposal and apply to municipal city, or county/city competent authority for approval and then may begin to prepare. After fishing the preparation of establishment, the operating object shall register and apply to municipal city, or county/city competent authority for permits and may begin operating once receive the permit. Once the operation begins, shall not cease or cancel operations without the approval of to municipal city, or county/city competent authorities, except by force majeure (act of God).

Municipal city, or county/city competent authority shall cancel the agricultural products wholesale market establishment approval for the one does not follow the approved proposal to prepare the establishment, except the one apply for approval with the presentation of sound

Agricultural product wholesale market's personnel, financial, and business management, the usage and handling of market cash balance, demander transaction suspending time periods,

cancel demander's permits, and other following management regulations are specified by central competent authority.

# Article 15

Agricultural product wholesale market has the renting priority or the promulgated price purchase of the public lands from the government for its needs. For needing private lands, municipal city, or county/city competent authority shall assist the purchase or apply for land imposing by operation of law; also shall use the agricultural lands specified in accordance with the law. The lands herein above shall not be changed without competent authority's approval.

# Article 16

The government or farmer's organizations offering lands, building, and facilities to agricultural product wholesale market, the charge of usage fee shall be determined and limited by municipal city, or county/city competent authority according to central competent authority's amount schedule.

# Article 17

For agricultural product wholesale market's lands and houses, house tax, land value tax, or farmland tax are 50% deducted.

#### Article 18

One of the following may go to the agricultural product wholesale market to register as an agricultural product wholesale market supplier.

- 1. Farmers.
- 2. Farmer's organizations.
- 3. Agricultural corporations.
- 4. Agricultural product producer approved by municipal city, or county/city competent authority.
- 5. Shipper.
- 6. Agricultural products importer.

The suppliers, referred in Item 2-6 herein above, shall equip transaction data; municipal city, or county/city competent authority may look up data if necessary and the supplier shall not reject or interfere.

The farmer not registered as the supplier, referred in Item 1 herein above, may provide her/his agricultural products to agricultural product wholesale market with her/his identification card. The agricultural product wholesale market shall not specify the minimum-providing amount for farmers.

# Article 19

One of the flowing applies for demander's permit through the agricultural product wholesale market and approved by local competent authority will be that wholesale market demander.

- 1. The retailer.
- 2. The reseller.
- 3. The shipper.
- 4. The exporter.
- 5. The processer.
- 6. The great quantity consumer.

While the demander, referred in Item 1 herein above, ceases operation for one consecutive month without the presentation of sound reasons, the agricultural product wholesale market may request competent authority to cancel its permits.

# Article 20

The supplier or demander of the agricultural product wholesale market shall not operate both demand and supply business in the same market.

# Article 21

Agricultural product's first wholesale transaction shall happen in the local transaction agricultural product wholesale market. However, the followings are exceptions:

- 1. Farmer's organization co-operating marketing supplies to importer or processer directly.
- 2. The farmer who sell her/his agricultural products by retail.
- 3. The local place does not have agricultural product wholesale market established yet.
- 4. The farmer who is designated or approved by the project of county/city competent authority supplies to importer or processer directly.

# Article 22

Purchasing agricultural products from farmers in the district without agricultural product wholesale market established yet shall bring shipper's permit; the competent authority may check the permit if necessary.

Shipper's permit herein above shall apply to municipal city, or county/city competent authority for approval. However, there shall not have people count limitation.

The central competent authority shall establish guidance, assistance, and management regulations to manage the process of agricultural product shippers applying shipper's permits, qualifications, capital amount standard, valid period, guidance, assistance, and reward items…etc.

# Article 23

To ensure a stable product supply, the agricultural product wholesale market may set up supplying contract, garneted price marketing, financial integration, or other applicable measures. Article 24

For agricultural product's first wholesale transaction, the agricultural product wholesale market represents farmers or farmer's organizations to issue selling documentations shall be exempted from stamp duties and business taxes.

# Article 25

The transaction modes of the agricultural product wholesale market are to auction, to negotiate prices, to mark the prices, to enter a bit. The supplier may specify the lowest transaction price.

# Article 26

Wholesale agricultural products of the agricultural product wholesale market basically shall be classified and packaged by suppliers; the market may do the other unclassified and unpackaged products, the fee is charged in the payment for goods.

The central competent authority shall establish regulations for classified and packaged standard, periodical inspections, improvement awards, or purchase and usage of packing containers.

# Article 27

The agricultural product wholesale market may charge the management fee from both suppliers and demanders; the charge standard is checked and ratify by the central competent authority.

# Article 28

The agricultural product wholesale market offering classifying, packing, arranging, refrigerating, freezing, ice making, storage, transportation, electric slaughtering, or other related facilities may

charge the fee from users, the charge standard is checked and ratify by municipal city, or county/city competent authority.

# Article 29

The one is operating agricultural product wholesale market, shall have competent authority's approval to operate other business, the business and accounting shall be independent, competent authority may send inspectors at anytime.

Article 30 (Promulgation of transaction prices and quantities in the end)

The agricultural product wholesale market shall promulgate its or other important market's today's transaction prices and quantities in the significant place of the market.

#### Article 31

For the agricultural product wholesale market operation is unsatisfactory, municipal city, or county/city competent authority may order it to improve or rectify; request central competent authority to order it to reorganize, merge by operation of the law, or cancel its operating permit.

# Chapter 4 Retail Transaction

# Article 32

The retail market that does agricultural product marketing shall apply for the registration to the municipal or county/city competent authority.

Article 33 (Making agricultural product supply contract)

Farmers or farmer's organizations can make contracts for agricultural product supplies with retailers or retailer's organizations in the district without the agricultural product wholesale market establishment yet.

# Article 34

The competent authority shall assist and manage the retail transaction of agricultural products for the health of our people, the coordination of marketing, and to get forward to the reasonable selling price and profit.

Chapter 5 Penalty Claus

# Article 35

Violating the provisions specified in Article 6, or Article 14 Item1 herein shall be subjected to a fine of more than NT\$60,000, but less than NT\$300,000; also cancel the permit if applicable.

# Article 36

Violating the provisions specified in Article 20, Article 22 Item1, Article 29, or Article 32 herein shall be subjected to a fine of more than NT\$6,000, but less than NT\$30,000; also cancel the permit if applicable.

# Article 37

The one meets any of the following situations shall be subjected to a fine of more than NT\$3,000, but less than NT\$18,000; also cancel the permit if applicable:

- 1. Violating the provisions specified in Article 18 Item 2 herein.
- 2. Violating the provisions specified in Article 21 herein.
- 3. Allow the others to use her/his shipper's permit or demander's permit.

# Article 38

The penalty stipulated in the Act herein should be inspected and imposed by municipal or county/city competent authority.

Article 39

The one reject to pay the fine, referred in this Act, will be transferred to the court for compulsory execution.

Chapter 6 Supplemental Provisions

Article 40

(Deleted)

Article 41

(Deleted)

Article 42

The enforcement rules of this Act shall be established by the central competent authority.

Article 43

The date of this Act taking effect shall be determined by the Executive Yuan.

Data Source: MONISTRY OF AGRICULTURE Laws and Regulations Retrieving System