

Kingdom of Cambodia
Nation Religion King

Royal Government of Cambodia

No:.....

Sub-Decree
on
Contract Farming

The Royal Government

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen the Royal Decree No. NS/RKT/0908/1055 dated 25 September, 2008 on the Appointment of the Royal Government of Cambodia
- Having seen the Royal Kram No. 02/NS/94 dated 20 July, 1994 promulgated the Law on the Organization and Functioning of the Council of Ministers
- Having seen the Royal Kram No. NS/RKM/0196/13 dated 24 January, 1996 promulgated the Law on the Establishment of the Ministry of Agriculture, Forestry and Fisheries
- Having seen the Royal Kram No. NS.RKM.0802/006 dated 15 February, 2008 promulgated the Law on Eco-Safety
- Having seen the Royal Kram No. NS/RKM/0508/015 dated 13 June, 2008 promulgated the Law on the Management of Crop Species and the Rights of Crop Breeders
- Having seen the Sub-decree No. 17 ANKr.BK. dated 07 April, 2000 on the Organization and Functioning of the Ministry of Agriculture, Forestry and Fisheries
- Having seen the Sub-decree No. 105 ANKr.BK. dated 22 August, 2005 on Adding the Roles and Responsibilities to the Ministry of Agriculture, Forestry and Fisheries and the Establishment of the Department of Internal Audit, the Department of Planning and Statistics, the Department of Internal Cooperation, and Information and Documentation Centre subordinated to the Ministry of Agriculture, Forestry and Fisheries
- Having seen the Sub-decree No. 188 ANKr.BK. dated 14 November, 2008 on the Restructuring of General Departments of the Ministry to become General Secretariat, promoting Forest Administration and Fisheries Administration to the level of General Department, promoting the Department of Agronomy and Agricultural Land Improvement to become the General Department of Agronomy and Agricultural Land Improvement, and the Restructuring of the General Department of Rubber Plantation to become General Department of Rubber Plantation under the supervision of the Ministry of Agriculture, Forestry and Fisheries
- Pursuing to the Approval of the Council of Ministers' meeting on the day of...month of....., 20...

DECIDES

Chapter I General Provisions

Article 1

This Sub-decree defines the implementation framework of Contract-based Agricultural Production in the Kingdom of Cambodia

Article 2

This Sub-decree has the following objectives:

- Strengthen the responsibilities and trust between Producing and Purchasing parties on the basis of balance and justice
- Guarantee specific price and the supply of the production quantity and quality
- Improve buying, processing and the exporting of agricultural product
- Involve in national economic development and poverty reduction which is followed the policy of the Royal Government of Cambodia.

Article 3

This Sub-decree has its scope that applies on all types of Agricultural Production Business and Contract-based Agricultural Production in the Kingdom of Cambodia.

Article 4

The key terms used in this Sub-decree are defined as follows:

“Contract-based Agricultural Production” refers to a Production that would ensure the price, quantity, quality and other condition of the product with agreement made prior to the production.

“Agricultural Production Contract” refers to an Agreement of Agricultural Production Business made by two parties or more which is legal binding and shall specify in advance any requirements demanded .

“Agricultural Production Business” refers to any occupations relevant to producing, selling and purchasing agricultural products such as:

- Cultivation of all kinds of crops
- Sericulture, arboriculture, aquaculture, animal husbandry, etc.
- Production of crop seeds, livestock breeds, aquatic animal species, and vegetation species
- Agricultural produce processing
- Contract-based Agricultural Production purchase to supply the markets, for processing factories, or for export
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“Producing Party” refers to physical or legal person who has specific occupation in agricultural production.

“Purchasing Party” refers to physical or legal person who legally conducts agricultural business and conformed to required procedures.

“Agriculture Communities” refers to Agricultural Development Communities, Union of Agricultural Development Communities, and Pre-Agricultural Development Communities.

Chapter 2 Institution and Coordinating Mechanism

Article 5

The Ministry of Agriculture, Forestry and Fisheries shall be the Lead Body in communicating, coordinating, providing services under its competency, involving in all activities, providing enabling environment to the development of Contract-based Agricultural Production, monitoring and evaluating and making reports to the Royal Government.

Article 6

The Ministry of Agriculture, Forestry and Fisheries shall cooperate with the concerned Ministries and Institutions to do the following roles:

- Bridge investors and farmers, producers, processors in the framework of Contract-based Agricultural Production
- Promote and encourage the formation of associations, agricultural communities, or agricultural organizations as the bases to develop contact-based agriculture
- Improve standard, classification and quality of agricultural products to meet with market demand and international standard.
- Involve in addressing conflicts and problems pertaining to the implementation of Contract-based Agricultural Production on the basis of existing laws
- Facilitate access to on land legal right on the basis of existing law to producing and farming parties to conduct agri-business and agro-industry
- Provide enabling environment to access technical support services, good quality crop seeds, aquatic animal species, vegetation species, animal breeds, means of production, high quality of fertilizers, pesticides.
- Enhance intensive production and agricultural diversification and competitiveness of produce in order to meet with the demand of domestic market and exportation.
- Facilitate agri-business, agro-industry, and exportation
- Strengthen and expand the capacity of checking sanitary and phytosanitary inspection

Article 7

Contract-based Agricultural Production Committee has been established as a mechanism.

The arrangement of this committee shall be defined by the decision of Royal Government.

Members of the committee are as below:

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|---|-------------------------|
| 1. Minister of Agriculture, Forestry and Fisheries | Director |
| 2. Secretary of State, Ministry of Interior | 1person Deputy Director |
| 3. Secretary of State, Council Ministers | 1person Member |
| 4. Secretary of State, Ministry of Economy and Finance | 1person Member |
| 5. Secretary of State, Ministry of Commerce | 1person Member |
| 6. Secretary of State, Ministry of Environment | 1person Member |
| 7. Secretary of State, Ministry of Land Management, Urban Planning and Construction | 1person Member |
| 8. Secretary of State, Ministry of Water Resource and Metrology | 1person Member |
| 9. Secretary of State, Rural Development | 1person Member |
| 10. Secretary of State, Ministry of Justice | 1person Member |
| 11. Secretary of State, Ministry of Public Work & Transport | 1person Member |
| 12. Secretary of State, Ministry of Industry, Mines & Energy | 1person Member |
| 13. Secretary General, Council for Cambodia Development | 1person Member |
| 14. Secretary General, Council for Agricultural and Rural Development | 1person Member |

15. Chairman of Cities and Provincial Municipals	1 person Member
16. General Director, Rural Development Bank	1 person Member
17. President of Cambodia Chamber of Commerce	1 person Member

The Responsibilities of this committee are:

- Prepare strategic plan policy to promote Contract-based Agricultural Production
- Coordinate and strengthen happiness among Contract-based Agricultural Production parties
- Intervene and solve conflicts and problems arise from Contract-based Agricultural Production which unable to solve by the expertise institutions or need to solve by inter-institution

This committee is assisted by Department of Agri-Industry of Ministry of Agriculture, Forestry and Fisheries.

Chapter 3

The Rights and Obligations of Producers and Purchasers

Article 8

- The producing party has the rights and is obligated to: To comply with the conditions of production on the basis of the agreement
To proceed production activities based on seasonal and required timeframe
To apply technologies and producing methods as demanded by purchasing party
To supply on time appropriate products in terms of grade, quality, and quantity
To accept the payments of product value as agreed upon

Article 9

- The purchasing party has the rights and is obligated to: To comply with the conditions of production on the basis of the agreement Determine the commodity items such as their quantities, qualities, place and the date of delivery and acceptance of the commodities
Provide agricultural supplies such as vegetation species, crop seeds, aquatic animal species, animal breeds, and provide in advance credit support, technical services, and other supports to producing party to ensure the process and receive good results
Pay the agricultural products with specific quantity and quality as agreed upon
Pay the commodities to producing party as specified under the conditions and at specific timeframe on the basis of the agreement

Chapter 4

The Format and Implementation of Contract-based Agricultural Production

Article 10

The Contract of Contract-based Agricultural Production shall be in written format and be authentic letter and to conform to the coordinating mechanism cited in Article 7 of this Sub-decree.

The Contract of Contract-based Agricultural Production shall fall under the provision of the Civil Code and the existing law.

Article 11

If there are any conflict or problem regarding the implementation of the Contract-based Agricultural Production occurred, Producing and Purchasing parties shall negotiate with each other in advance based on the condition stated in the contract.

If the problem cannot be solved, both parties shall implement the mechanism cited in Article 7 of this Sub-decree.

Chapter 5 Final Provisions

Article 12

Any provisions contradicting to this Sub-decree shall be abrogated.

Article 13

The Minister in charge of the Office of the Council of Ministers, Minister of Economy and Finance, Minister of Agriculture, Forestry and Fisheries, , Minister of Commerce, Minister of Interior; Ministers, State Secretaries of all line Ministries and Institutions shall be responsible to effectively implement this Sub-decree from the date of signature.

Phnom Penh, Day of Month of , 20...

Prime Minister

Samdech Akka Sena Padei Techo Hun Sen

Receiving Places:

- Ministry of the Royal Palace
- General Secretariat of the Constitutional Council
- General Secretariat of the Senate
- General Secretariat of the National Assembly
- General Secretariat of the Royal Government
- Cabinet of Samdech Prime Minister
- Similar to Article 13
- Royal Compendium
- Archives