

GUIDELINES FOR FOOD CROP CULTIVATION BUSINESS LICENSE

**(The Regulation of Minister of Agriculture
Number 39/Permentan/OT.140/6/2010, 7 June 2010)**

BY THE GRACE OF ONE AND ALMIGHTY GOD
THE MINISTER OF AGRICULTURE,

Considering:

- a. that in order to develop food crop cultivation business license, Government Regulation Number 18 Year 2010 concerning Crop Cultivation Business;
- b. that to provide protection and empowerment for wide-scale, small, and small-scale farmers in supporting food security as well as to follow up Article 18, Article 21, and Article 22 paragraph (6) Government Regulation Number 18 Year 2010 concerning Food Crop Cultivation Business;

In view of:

1. Law Number 12 Year 1992 (BN No. 5261 page 10B-11B and so on) concerning Crop Cultivation System (State Gazette of the Republic of Indonesia Year 1992 Number 46, Supplementary State Gazette of the Republic of Indonesia Number 3478);
2. Law Number 7 Year 1996 (BN No. 5934 page 20B-25B and so on) concerning Food (State Gazette of the Republic of Indonesia Year 1996 Number 99, Supplementary State Gazette of the Republic of Indonesia Number 3656);
3. Law Number 32 Year 1999 (BN No. 7152 page 9B-18B) concerning Regional Government (State Gazette of The Republic of Indonesia Year 2004 Number 125, Supplementary State Gazette of the Republic of Indonesia Number 4437), which has been changed with the Law Number 8 Year 2005 concerning the Enactment of Government Regulation in Lieu of Law Number 3 Year 2005 (BN. No. 7285 page 9B) concerning the Amendment of Law Number 32 Year 2004 on Regional Government to become Law (State Gazette Year 2005 Number 108, Supplementary State Gazette Number 4548);
4. Law Number 25 Year 2007 (BN No. 7508 page 2B-14B) concerning Capital Investment (State Gazette Year 2007 Number 67, Supplementary State Gazette Number 4724);
5. Law Number 26 Year 2007 (BN No. 7556 page 13B-22B and so on) concerning Capital Investment (State Gazette Year 2007 Number 68, Supplementary State Gazette Number 4725);
6. Law Number 20 Year 2008 (BN No. 7692 page 3B-10B) concerning Micro, Small, and Medium Business (State Gazette Year 2008 Number 93, Supplementary State Gazette Number 4866);
7. Law Number 32 Year 2009 (BN No. 7880 page 6B-18B and so on) concerning Environmental

- Protection and Management (State Gazette Year 2009 Number 140, Supplementary State Gazette Number 3699);
8. Government Regulation Number 6 Year 1995 (BN No. 5693 page 1B-7B) concerning Crop Protection (State Gazette Year 1995 Number 12, Supplementary State Gazette Number 3586);
 9. Government Regulation Number 13 Year 1995 (BN No. 5713 page 18B-20B) concerning Industry Business License (State Gazette Year 1995 Number 25, Supplementary State Gazette Number 3596);
 10. Government Regulation Number 40 Year 1996 (BN No. 5875 page 1B-13B) concerning Rights to Cultivate, Rights to Build, Rights to Use of Land (State Gazette Year 1996 Number 58, Supplementary State Gazette Number 3643);
 11. Government Regulation Number 44 Year 1997 (BN No. 6092 page 1B-5B) concerning Partnership (State Gazette Year 1997 Number 91, Supplementary State Gazette Number 3718);
 12. Government Regulation Number 27 Year 1999 (BN No. 6436 page 1B-9B) concerning Analysis on Environmental Impact (State Gazette Year 1999 Number 59, Supplementary State Gazette Number 3838);
 13. Government Regulation Number 68 Year 2002 (BN No. 6892 page 13B-17B) concerning Food Security (State Gazette Year 2002 Number 142, Supplementary State Gazette Number 4254);
 14. Government Regulation Number 21 Year 2005 (BN No. 7240 page 3B-9B) concerning Genetic Engineering Products (State Gazette Year 2005 Number 44, Supplementary State Gazette Number 4498);
 15. Government Regulation Number 38 Year 2007 (BN No. 7576 page 1B-6B) concerning Division of Governmental Affairs among Government, Province Government and District/City Government (State Gazette Year 2007 Number 82, Supplementary State Gazette Number 4737);
 16. Government Regulation Number 18 Year 2010 (BN No. 7924 page 21B-25B) concerning Food Crop Cultivation Business (State Gazette Year 2010 Number 24, Supplementary State Gazette Number 5106);
 17. Presidential Decree Number 84/P Year 2009 (BN No. 7875 page 13B-14B) Formation of United Indonesia Cabinet II;
 18. President Regulation Number 47 Year 2009 (BN Number 7927 page 2B-12B) concerning the Formation and Organization of State Ministry of Republic of Indonesia;
 19. President Regulation Number 24 Year 2010 concerning Positions, Duties, and Functions of State Ministry as well as the Order of Organization, Duties, and Functions of State Ministry Echelon I;
 20. Regulation of Minister of Agriculture Number 299/Kpts/OT.140/7/2005 concerning Organization and Management of Ministry of Agriculture, juncto Regulation of Minister of Agriculture Number 11/Permentan/01.140/2/2007;
 21. Regulation of Minister of Agriculture Number 341/Kpts/OT.140/9/2005 concerning Organization and Management Apparatus of Ministry of

Agriculture, juncto Regulation of Minister of Agriculture Number 12/Permentan/OT; 140/2/2007;

22. Regulation of Minister of Agriculture Number 511/Kpts/PD.310/9/2006 concerning Type of Fostered Commodity of Directorate General of Plantation, Directorate General of Crop Food and Directorate General of Horticulture;

DECIDED :

To stipulate:

REGULATION OF MINISTER OF AGRICULTURE CONCERNING GUIDELINES FOR FOOD CROP CULTIVATION BUSINESS LICENSE.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Minister Regulation there are definitions as follows:

1. Food Crop Cultivation Business is a series activities of development and utilization of vegetable resources through human efforts with capital, technology, and other resources to produce food crop to fulfill human needs in a better way;
2. Food Crop Commodity is fostered crop of Directorate General of Food Crop as stipulated in the Decree of Minister of Agriculture Number 511/Kpts/PD.310/9/2006;
3. Actors of Food Crop Cultivation Business next will be mentioned as business actors are wide scale farmers, small farmers, small scale farmers or Food Crop company that runs business in production process and/or post-harvest handling.
4. Wide Scale Farmer is Indonesian individual who runs business of food crop production process on 2 (two) hectares land up to 25 (twenty-five) hectares land and/or runs business of post-harvest handling not reaching installed unit capacity of certain business.
5. Small Farmer is Indonesian individual who runs business of food crop production process on 0.3 (zero point three) hectare land up to 2 (two) hectares land and/or runs business of post-harvest handling not reaching installed unit capacity of certain business.
6. Small Scale Farmer is Indonesian individual who runs business of food crop production process on less than 0.3 (zero point three) hectare land and/or runs business of post-harvest handling not reaching installed unit capacity of certain business, only to meet daily needs.
7. Food Crop Company is actor of Food Crop Cultivation Business that is Indonesian citizen or legal entity founded accordingly to Indonesian law and located in Indonesia that runs Food Crop Cultivation Business with certain business scale.
8. Production Process Food Crop Cultivation Business License next will be mentioned as IUTP-P is written license issued by authority official, which is mandatory to have by the actor of production process business above certain business scale.
9. Post-Harvest Handling Food Crop Cultivation Business License next will be mentioned as IUTP-PP is written license issued by authority official, which is mandatory to have by the actor of post-harvest handling business above certain business

scale.

10. Food Crop Cultivation Business License next will be mentioned as IUTP is written license issued by authority official, which is mandatory to have by the actor of production process and post-harvest handling business with certain business scale.
11. Production Process Business Registration Mark next will be mentioned as TDU-P is written license issued by authority official to the actor of production process business under certain business scale.
12. Post-Harvest Handling Business Registration Mark next will be mentioned as TDU-PP is written license issued by authority official to the actor of post-harvest handling business less than certain business scale.
13. Food Crop Cultivation Business Registration Mark next will be mentioned as TDU is written license issued by authority official to the actor of production process and post-harvest handling business under certain business scale.
14. Genetic Engineering Product Crop is crop produced from the application of genetic engineering technique.
15. Director General is the Director General who is responsible for production and/or food crop post-harvest field.
16. Office is the Office that is responsible for production and/or food crop post-harvest field.

Article 2

- (1) This regulation is meant as guidance for regional government in providing service for license, and

business actor who will run food crop cultivation business in certain business scale with the objection to provide protection, empowerment of wide-scale farmers, small farmers, and small-scale farmers, assurance of food crop business in supporting food security.

- (2) The scope of this Regulation includes:
 - a. type and licensing of food crop cultivation business;
 - b. requirement and procedure of license application for food crop cultivation business;
 - c. partnership;
 - d. business development;
 - e. guidance and monitoring;
 - f. society participation; and
 - g. administration sanction.

CHAPTER II

BUSINESS TYPE AND LICENSING

FOOD CROP CULTIVATION

Article 3

- (1) Type of food crop cultivation business consists of:
 - a. production process business;
 - b. post-harvest handling business; and
 - c. combination business of point a and point b.
- (2) Production process business as meant at paragraph (1) point a' includes preparation of land and crop growth medium, crop nursery, planting, crop maintenance/protection, and/or harvesting.
- (3) Post-harvest handling business as meant at paragraph (1) point b includes cleaning, peeling/falling, drying, sorting, grading, processing,

preserving, packing, storing, quality standardizing, distribution and/or marketing of food crop cultivation products.

- (4) Combination Business as meant at paragraph (1) point c includes production process business and post-harvest handling.

Article 4

Food crop cultivation business as meant in Article 3 can be done throughout Indonesia by business actors.

Article 5

- (1) Foreign legal entity that runs food crop cultivation business is obliged to cooperate with Indonesian food crop cultivation business actor by forming Indonesian legal entity and located in Republic of Indonesia.
- (2) For foreign capital investment in food crop cultivation business, the most capital ownership is 49% (forty-nine percent).
- (3) Foreign capital ownership as meant at paragraph (2) is stipulated in accordance to the law and regulation.

Article 6

- (1) Production process business as meant in Article 3 paragraph (1) point a with business scale less than 25 (twenty-five) hectares and/or using permanent employee less than 10 (ten) people must be registered and given TDU-P by Regent/Mayor.
- (2) Post-harvest handling business as meant in Article 3 paragraph (1) point b with installed ca-

capacity less than capacity stated on attachment 1 as inseparable part of this Regulation, selling result (turnover) for 1 (one) year is less than IDR2,500,000,000.- (two billion five hundred million rupiah) and/or using permanent employee less than 10 (ten) people, must be registered and given TDU-PP by regent/mayor.

- (3) Food crop cultivation business as meant in Article 3 paragraph (1) point c with scale less than 25 (twenty-five) hectares, installed capacity less than the capacity stated on attachment 1 as inseparable part of this Regulation, selling result (turnover) for 1 (one) year is less than IDR2,500,000,000.- (two billion five hundred million rupiah) and/or using permanent employee less than 10 (ten) people, must be registered and given TDU by regent/mayor.
- (4) TDU-P, TDU-PP, or TDU as meant at paragraph (1), paragraph (2), and paragraph (3) are effective just like IUTP-P, IUTP-PP, or IUTP.
- (5) Issuance TDU-P, TDU-PP, or TDU as meant at paragraph (1), paragraph (2), and paragraph (3) are free of charge.

Article 7

- (1) Production process business as meant in Article 3 paragraph (1) point a with business scale 25 (twenty-five) hectares or more and/or using permanent employee 10 (ten) people or more is obliged to have IUTP-P.
- (2) Post-harvest handling business as meant in Article 3 paragraph (1) point b with installed capacity same as or more than the capacity stated on

attachment 1 as inseparable part of this Regulation, with selling result (turnover) for 1 (one) year is equal to or more than IDR2,500,000,000.- (two billion five hundred million rupiah) and/or using permanent employee 10 (ten) people or more, is obliged to have IUTP-PP.

- (3) Food crop cultivation business as meant in Article 3 paragraph (1) point c with scale 25 (twenty-five) hectares or more, installed capacity same as or more than the capacity stated on attachment 1 as inseparable part of this Regulation, selling result (turnover) for 1 (one) year is IDR2,500,000,000.- (two billion five hundred million rupiah) or more and/or using permanent employee 10 (ten) people or more, is obliged to have IUTP.

Article 8

- (1) IUTP-P, IUTP-PP, or IUTP as meant in Article 7 are given by:
- a. regent/mayor, for business that located in one district/city.
 - b. Governor, for business that located across more than one district/city or across more than one province.
- (2) Regent/mayor and Governor in issuing IUTP-P, IUTP-PP, or IUTO as meant at paragraph (1) concerns technique consideration from Head of Office of district/city or province.

Article 9

- (1) Maximum land area of production process business for planting, one unit company 10,000 (ten thousand) hectares.

- (2) Scale of land area as meant at paragraph (1) is not applied on State-owned Enterprise and Region-owned Enterprise.
- (3) Scale limit of production process business land area for planting, in Papua is at maximum twice scale limit of area scale as meant at paragraph (1).

Article 10

- (1) IUTP-P, IUTP-PP, and IUTP as meant in Article 7 are effective as long as business actor still runs the business.
- (2) Ownership of IUTP-P, IUTP-PP, and IUTP as meant in paragraph (1) is forbidden to be transferred.

CHAPTER III

APPLICATION REQUIREMENT AND PROCEDURE
FOOD CROP CULTIVATION BUSINESS LICENSE

First Part

Requirement

Article 11

Requirements to obtain IUTP-P as meant in the Article 7 paragraph (1):

- a. National Identity Card/NIC (KTP) for individual;
- b. Deed of company establishment and latest change of it;
- c. Tax Payer Identification Number;
- d. Certificate of domicile;
- e. Conformity recommendation to Area Spatial Planning (RTRW)/Details of Spatial Planning (RDTR) of District/City and regent/mayor for IUTP-P issued by Governor;

- f. Conformity recommendation to macro plan for provincial food crop development from Governor to IUTP-P issued by regent/mayor;
- g. License of Location from regent/mayor completed with map of potential location with scale 1:100,000 or 1:50,000;
- h. Work plan for unit development of food crop cultivation business;
- i. Result of Analysis on Environmental Impact/AEI (AMDAL) or Environmental Management Effort/EME (UKL) and Environmental Monitoring Effort/EME (UPL) accordingly to law and regulation in environmental field;
- j. Statement of commitment to apply food quality assurance system on agricultural product;
- k. Statement of commitment to carry out business activities 6 (six) months at the latest since the issuance of business license; and
- l. Statement of preparedness to establish partnership.

Article 12

Requirements to obtain IUTP-PP as meant in Article 7 paragraph (2):

- a. National Identity Card/NIC (KTP) for individual;
- b. Deed of company establishment and latest change of it;
- c. Tax Payer Identification Number;
- d. Certificate of domicile;
- e. Trade Business License/TBL (SIUP);
- f. Industry Business License (IUP);
- g. Conformity recommendation to RTRW/RDTR district/city from regent/mayor to IUTP-PP issued by Governor;

- h. Conformity recommendation to macro plan for provincial food crop development from Governor to IUTP-PP issued by regent/mayor;
- i. License of Location from regent/mayor completed with map of potential location with scale 1:100,000 or 1:50,000;
- j. Recommendation on location from Regional Government of processing unit location;
- k. Guarantee on raw material supply known by regent/mayor;
- l. Work plan for unit development of food crop cultivation business;
- m. Result of AMDAL or UKL and UPL accordingly to the law and regulation in environmental field;
- n. Statement of commitment to apply food quality assurance system on agricultural product;
- o. Statement of commitment to carry out business activities 6 (six) months at the latest since the issuance of business license; and
- p. Statement of preparedness to establish partnership.

Article 13

To obtain IUTP as meant in Article 7 paragraph (3) business actor has to meet requirement as meant in Article 11 and Article 12.

Article 14

Realization of production process business, post-harvest handling, or food crop cultivation business as meant in Article 11, Article 12, or Article 13 for the ones using Rights to Cultivate (HGU) at maximum 3 (three) years since the issuance of IUTP-P, IUTP-PP, or IUTP.

Second Part
Application Procedure

Article 15

- (1) To obtain IUTP-P, IUTP-PP, or IUTP, applicant must submit application in written to regent/mayor or Governor as meant in Article 8 by attaching the requirements as meant in Article 11 and/or Article 12.
- (2) Regent/mayor or Governor up to 15 (fifteen) working days at the latest since the date of application acceptance as meant at paragraph (1), must give reply as to approve, to delay, or to reject.
- (3) If up to 15 (fifteen) working days as meant at paragraph (2) regent/mayor or Governor has not given reply, application is considered complete and approved.
- (4) IUTP-P, IUTP-PP, and IUTP must be issued for complete and approved application as meant at paragraph (3).

Article 16

- (1) Application is delayed as meant in Article 15 paragraph (2) if after checking the documents there is still requirement to complete.
- (2) Delay as meant at paragraph (1) is informed in written to applicant along with reason for delay.
- (3) If applicant has not completed the requirement up to 30 (thirty) working days at the latest since the date of delay information acceptance as meant at paragraph (2), application is considered revoked.
- (4) If applicant has completed the requirements before 30 (thirty) working days as meant at para-

graph (3), regent/mayor or Governor within 15 (fifteen) working days has issued IUTP-P, IUTP-PP, IUTP.

Article 17

- (1) Application is rejected as meant in Article 15 paragraph (2) if documents checking reveals that requirements are not correct, planned business is against public order and/or macro plan for provincial food crop development or district/city RTRW.
- (2) Rejection as meant at paragraph (1) is informed in written to applicant along with reason for rejection.

Article 18

Food crop cultivation business established on the land belongs to indigenous people, aside the obligation to fulfill requirements as meant in Article 11 and/or Article 12, its utilization status must have been settled by business actor with local indigenous people with written evidence.

Article 19

Application for IUTP-P, IUTP-PP, or IUTO using genetic engineering product crop, aside from fulfilling requirements as meant in Article 11 and/or Article 12 must attach biological safety recommendation from Biological Safety Commission.

CHAPTER IV
PARTNERSHIP

Article 20

- (1) Development of food crop cultivation business is

done through partnership.

- (2) Partnership as meant at paragraph (1) is based on benefit, mutual profit, mutual respect, mutual responsibility, mutual interrelations, and sustainable.
- (3) Partnership as meant at paragraph (1) is done for empowerment and improvement of added value for wide scale farmers, small farmers, and small scale farmers and/or local society as well as to ensure sustainability of food crop cultivation business.
- (4) Partnership as meant at paragraph (1) can be in the form of provision of raw material, production facilities, processing and marketing facilities, transportation, operational, capital participation, and/or other supporting services.

Article 21

- (1) Partnership as meant in Article 20 is done in written agreement form at least consists of rights and obligations, guidance, business development, financing, period of time, and dispute resolution.
- (2) Partnership agreement period as meant at paragraph (1) is at least one planting season.
- (3) Partnership as meant at paragraph (1) must be signed by both sides and acknowledged by regent/mayor, Governor, or appointed official.

CHAPTER V
BUSINESS DEVELOPMENT

Article 22

Development of food crop cultivation business includes change of land area and/or change of

installed capacity of post-harvest business unit.

Article 23

Change of land area and/or installed capacity of post-harvest business unit from registered business scale to become licensed business scale must meet requirements as meant in Article 11 and/or Article 12.

Article 24

- (1) Business actor who has IUTP-P or IUTP when doing change of land area of 25 (twenty-five) hectares or more must have approval from license grantor.
- (2) Business actor who has IUTP-PP or IUTP when doing change of 25% (twenty-five percent) or more from installed capacity of post-harvest business unit installed capacity of post-harvest business unit must have approval from license grantor.
- (3) To obtain approval for land area change and/or installed capacity of processing unit as meant at paragraph (1) and paragraph (2), business actor submits written application to license grantor as meant in Article 8 by attaching requirements as meant in Article 11 point e, f, g, h, and i and/or Article 12 point g, h, i, j, k, l, and m.
- (4) Regent/mayor or Governor in giving approval for land area change and/or installed capacity of processing unit as meant at paragraph (1) and paragraph (2) refers to RTRW and RDTR.
- (5) Change of land area and/or installed capacity of processing unit as meant at paragraph (1) and

paragraph (2) on the land belongs to indigenous people, aside the obligation to fulfill requirements as meant at paragraph (3), its utilization status must have been settled by business actor with local indigenous people with written evidence.

Article 25

- (1) Regent/mayor or Governor up to 15 (fifteen) working days at the latest since the date of approval application as meant in Article 24, must give reply as to approve, to delay, or to reject.
- (2) If up to 15 (fifteen) working days as meant at paragraph (1) regent/mayor or Governor has not given reply, approval application is considered complete and approved.
- (3) Land area change approval and/or installed capacity of post-harvest business unit must be issued for approved application as meant at paragraph (2).

Article 26

- (1) Approval application is delayed as meant in Article 25 paragraph (1) if after checking the documents there is still requirement to complete.
- (2) Approval delay as meant at paragraph (1) is informed in written to applicant along with reason for delay.
- (3) If applicant has not completed the requirement up to 30 (thirty) working days at the latest since the date of approval delay information acceptance as meant at paragraph (2), application is considered revoked.

- (4) If applicant has completed the requirements before 30 (thirty) working days as meant at paragraph (3), regent/mayor or Governor within 15 (fifteen) working days must issue approval for land area change and/or installed capacity of post-harvest business unit.

Article 27

- (1) Approval application is rejected as meant in Article 25 paragraph (1) if documents checking reveals that requirements are not correct, planned business is against public order and/or macro plan for provincial food crop development or district/city RTRW.
- (2) Rejection as meant at paragraph (1) is informed in written to applicant along with reason for rejection.

CHAPTER VI

GUIDANCE AND MONITORING

Article 28

- (1) IUTP-P, IUTP-PP, or IUTP issued by regent/mayor as meant in Article 8 is issued with copy to concerned province Governor from the Minister, in this case Director General.
- (2) IUTP-P, IUTP-PP, or IUTP issued by governor as meant in Article 8 is issued with copy to Minister in this case concerned Director General and regent/mayor.

Article 29

Business actor who has IUTP-P as meant in the Article 7 paragraph (1) has obligations as follows:

- a. to materialize business within 6 (six) months since the issuance of IUTP-P;
- b. to apply AMDAL or UKL and UPL accordingly to the law and regulation in environmental field;
- c. to grow and to empower local society/cooperative; as well as
- d. to report development of production process business to regent/mayor or Governor accordingly to their authority as meant in Article 7 paragraph (1) every harvest time according to kind of plant or any time necessary.

Article 30

Business actor who has IUTP-PP as meant in Article 7 paragraph (2) has obligations as follows:

- a. to materialize business within 6 (six) months since the issuance of IUTP-PP;
- b. to apply AMDAL or UKL and UPL accordingly to the law and regulation in environmental field;
- c. to grow and to empower local society/cooperative; as well as
- d. to report development of post-harvest handling business to regent/mayor or Governor accordingly to their authority as meant in Article 7 paragraph (2) periodically at least once in 12 (twelve) months or any time necessary.

Article 31

Business actor who has IUTP as meant in Article 7 paragraph (3) is obliged to materialize as meant in Article 29 and Article 30.

Article 32

- (1) Reporting as meant in Article 29 point d and Article 30 point d includes realization of cultivation

land area to use, condition/attack from organism, production development, and result processing or marketing accordingly to business type as meant in Article 3 paragraph (1) with format as stated on attachment 2 as inseparable part of this Regulation.

- (2) Reporting as meant at paragraph (1) by business actor to regent/mayor in this case Head of Office of district/city, next from Head of Office of district/city to Governor in this case Head of Office of province. Head of Office of province reports to Minister in this case Director General.

Article 33

Actor of food crop cultivation business as meant in Article 29, and Article 30, and Article 31 in running the business is obliged to ensure business sustainability, to preserve environmental functions, genetics resources, to prevent the spread of Plant Pathogenic Organisms/PPO (OPT), and to prevent loss for other party and/or for public interest.

Article 34

- (1) Guidance and monitoring of food crop cultivation business is carried out by Provincial Government and District/City accordingly to their authority scope.
- (2) In order to carry out guidance and monitoring as meant at paragraph (1), evaluation is performed periodically based on report on development of food crop cultivation business as meant in Article 29, Article 30, and Article 31.

Article 35

- (1) Business actor who utilizes service and/or facilities provided by Government in running business is obliged to pay State Non-Tax Revenue/SNTR (PNBP).
- (2) Type and amount of tariff upon the use of services and facilities as meant at paragraph (1) is done in accordance to the law and regulation in PNBP field.

Article 36

For small scale farmers and small farmers who use services and/or facilities provided by government as meant in Article 35 are not applied with PNBP tariff.

CHAPTER VII

SOCIETY PARTICIPATION

Article 37

- (1) Society has participation in protection of food crop cultivation business development.
- (2) Society participation as meant at paragraph (1) can be done by individual and/or group in the form of organization, formal as well as informal.
- (3) Participation as meant at paragraph (1) is done through participative pattern in stages of planning, development, monitoring, and/or empowerment of wide scale farmers, small farmers, and small scale farmers.
- (4) Extending laws on the implementation procedures of society participation as meant at paragraph (3) are regulated by regulation of regent/mayor or governor.

Article 38

Society participation as meant in Article 37 paragraph (3) is done through:

- a. providing suggestion on planning, response, and/or improvement upon the issuance of food crop cultivation business license;
- b. partnership implementation as meant in the Article 20 and Article 21;
- c. submitting report and monitoring upon business activities as meant in Article 29, Article 30, and Article 31;

CHAPTER VIII

ADMINISTRATION SANCTION

Article 39

If official in giving business registration mark as meant in Article 6 is proven collecting registration fee, sanction will be applied accordingly to the law and regulation.

Article 40

- (1) Business actor who has IUTP-P, IUTP-PP, or IUTO as meant in Article 7, and has approval for land area change and/or installed capacity of post-harvest business unit as meant in Article 24, but does not carry out obligations as meant in Article 29 point b, c and/or d and/or Article 30 point b, c, and/or d and/or does not ensure business sustainability, environmental functions preservation, genetics resources, plant pathogenic organisms prevention, and/or prevention of other parties loss and/or public interest as meant in Article 33 is given twice written warning, with 3 (three) months distance to each warning.

- (2) IUTP-P, IUTP-PP, or IUTP will be revoked if there is no response after two warnings as meant at paragraph (1).

Article 41

Upon revoked IUTP-P or IUTP as meant in Article 40, HGU annulment is suggested to authoritative instance.

CHAPTER IX
TRANSITIONAL PROVISIONS

Article 42

- (1) IUTP-P, IUTP-PP, IUTP, TDU-P, TDU-PP, or TDU issued before this Regulation promulgated are still effective.
- (2) Business actor who has IUTP-p, IUTP-PP, IUTP, TDU-P, TDU-PP, or TDU before this Regulation promulgated as meant at paragraph (1), at maximum within 1 (one) year after the promulgation of this Regulation must have adjusted and abide by this Regulation in doing business activities.
- (3) Business license application that in process, which license has not been issued, since the promulgation of this Regulation must adjust to this Regulation.

CHAPTER X
FINAL PROVISIONS

Article 43

This Minister Regulation is not applicable on food crop nursery business and business of rice mill, huller, and process of rice hulling.

Article 44

The implementation of service for food crop cultivation business license in Province Nanggroe Aceh Darussalam and Papua Area with special au-

tonomy is carried out by province and accordingly to the law and regulation.

Article 45

The issuance of food crop cultivation business license in framework of foreign capital investment or domestic capital investment must be preceded with technical recommendation from Director General on behalf of the Minister of Agriculture.

Article 46

This Regulation starts to take effect since the promulgation date.

For everybody to acknowledge this regulation, this Regulation of Minister of Agriculture is promulgated by placing it in the State Gazette of Republic of Indonesia.

Enacted in Jakarta
on 7 June 2010

THE MINISTER OF AGRICULTURE,
Sgd.
SUSWONO

Promulgated in Jakarta
on 14 June 2010

THE MINISTER OF LAW AND HUMAN RIGHTS
THE REPUBLIC OF INDONESIA
Sgd.

PATRIALIS AKBAR

THE STATE GAZETTE OF THE REPUBLIC OF
INDONESIA YEAR 2010 NUMBER 288

Editorial note:

- For technical reason, Attachment is not included.

(A)