

ENFORCEMENT DECREE OF THE ACT ON REVITALIZATION OF DIRECT TRADE IN AGRICULTURAL PRODUCTS, INCLUDING PROMOTION OF USE OF LOCAL AGRICULTURAL PRODUCTS

Presidential Decree No. 27221, jun. 14, 2016

Article 1 (Purpose)

The purpose of this Decree is to provide for matters delegated by the Act on Revitalization of Direct Trade in Agricultural Products, including Promotion of Use of Local Agricultural Products and matters necessary for the enforcement thereof.

Article 2 (Scope of Processed Agricultural Products)

"Processed agricultural products prescribed by Presidential Decree" in subparagraph 1 of Article 2 of the Act on Revitalization of Direct Trade in Agricultural Products, including Promotion of Use of Local Agricultural Products (hereinafter referred to as the "Act") means products directly processed by a person who produced agricultural products under subparagraph 6 (a) of Article 3 of the Framework Act on Agriculture, Rural Community and Food Industry with such agricultural products as main ingredients or raw materials or by entrusting the processing thereof to others.

Article 3 (Range of Direct Trade in Agricultural Products)

"Trading in agricultural products prescribed by Presidential Decree" in subparagraph 3 (e) of Article 2 of the Act means distributing agricultural products a producer has produced after the producer and consumers jointly invested or contributed human and physical resources to investors or contributors.

Article 4 (Range of Producers)

"Persons prescribed by Presidential Decree, such as farmers producing agricultural products" in subparagraph 5 of Article 2 of the Act means any of the following persons:

1. A farmer producing agricultural products;
2. A producers' organization;
3. An agricultural corporation under subparagraph 2 of Article 2 of the Act on Fostering and Supporting Agricultural and Fisheries Business Entities.

Article 5 (Range of Places of Business for Direct Trade in Agricultural Products)

"Places of business prescribed by Presidential Decree, such as a store that directly sells agricultural products, a market for direct trade in agricultural products, an Internet shopping mall where agricultural

products are traded, a community market for direct trade in agricultural products" in subparagraph 7 of Article 2 of the Act means any of the following places of business:

1. A store that directly sells agricultural products: A place of business where direct trade in agricultural products takes place regularly;
2. A market for direct trade in agricultural products: A place of business where direct trade in agricultural products takes place intermittently;
3. An Internet shopping mall where agricultural products are traded: A place of business where direct trade in agricultural products takes place by means of electronic trading under subparagraph 5 of Article 2 of the Framework Act on Electronic Documents and Transactions;
4. A community market for direct trade in agricultural products: A place of business where a single product manufactured from various items of agricultural products directly purchased from a number of producers or whose sale has been entrusted is directly sold to consumers;
5. Other places of business where the Minister of Agriculture, Food and Rural Affairs deems that direct trade in agricultural products takes place.

Article 6 (Range of Business Operators Who Conduct Direct Trade in Agricultural Products)

"Person prescribed by Presidential Decree" in subparagraph 8 of Article 2 of the Act means a person who establishes or opens and operates a place of business for direct trade in agricultural products.

Article 7 (Range of Business Operators Dealing in Local Agricultural Products)

"Person prescribed by Presidential Decree" in subparagraph 9 of Article 2 of the Act means a person who deals in the quantity of at least 50 percent of the total quantity of distributed or processed local agricultural products.

Article 8 (Formulation of Master Plans for Promotion of Use of Local Agricultural Products and Revitalization of Direct Trade in Agricultural Products)

(1) The Minister of Agriculture, Food and Rural Affairs shall formulate a master plan for the promotion of the use of local agricultural products and the revitalization of direct trade in agricultural products (hereinafter referred to as "master plan") under Article 5 (1) of the Act by October 31 of the year preceding the year in which such master plan begins, and notify the Mayor of the Special Metropolitan City, Mayors of Metropolitan Cities, Mayors of Special Self-Governing Cities, Governors of Dots, or the Governor of a Special Self-Governing Province (hereinafter referred to as "Mayor/Do Governor") of such master plan.

(2) "Matters prescribed by Presidential Decree" in Article 5 (2) 7 of the Act means the following matters:

1. Matters concerning analysis of the current status of the use of local agricultural products and direct trade in agricultural products;
2. Matters concerning a plan to foster wide-area direct trade centers under Article 19 of the Act and the places of business for direct trade in good agricultural products under Article 21 of the Act;
3. Matters concerning quality management, such as the safety of local agricultural products and agricultural products directly traded;

4. Matters concerning research and development for the promotion of the use of and the revitalization of direct trade in local agricultural products;
5. Matters concerning the training of human resources for the promotion of the use of and the revitalization of direct trade in local agricultural products;
6. Matters concerning the exchange and cooperation between local governments in relation to the use of and direct trade in local agricultural products;
7. Other matters the Minister of Agriculture, Food and Rural Affairs deems necessary for the promotion of the use of local agricultural products and the revitalization of direct trade in agricultural products.

(3) Where any alterations are made to important matters of a master plan prescribed by Ordinance of the Ministry of Agriculture, Food and Rural Affairs pursuant to Article 5 (3) of the Act, the Minister of Agriculture, Food and Rural Affairs shall immediately report such alterations to the National Assembly of the Republic of Korea and notify Mayors/Do Governors of such alterations.

Article 9 (Guidelines for Reflection of Results in Provision of Subsidies and Evaluation)

Where the Minister of Agriculture, Food and Rural Affairs intends to reflect the results of the purchase of local agricultural products and the results of direct trade in agricultural products in the provision of subsidies to local governments or the evaluation of agencies pursuant to Article 9 (4) of the Act, he/she shall consider the following matters:

1. The number of business operators dealing in local agricultural products;
2. The number of items, the trade quantity, and the trade amount of agricultural products in which business operators dealing in local agricultural products trade;
3. The number of the places of business for direct trade in agricultural products;
4. The number of items, the trade quantity, and the trade amount of agricultural products traded at the places of business for direct trade in agricultural products;
5. The number of producers who participate in direct trade in agricultural products.

Article 10 (Requirements for Designation of Specialized Institution)

"Requirements for designation prescribed by Presidential Decree, such as facilities and human resources" in Article 10 (2) of the Act means requirements for designation under attached Table 1.

Article 11 (Promotion, etc. of Sale of Local Agricultural Products)

(1) "Discount store, department store, or shopping center prescribed by Presidential Decree" in Article 15 (3) of the Act means a discount store, department store, or shopping center, whose total store area excluding the place for providing services is at least 5,000 square meters.

(2) "Discount store, department store, or shopping center, the size of which is larger than the size prescribed by Presidential Decree" in Article 15 (3) of the Act means a discount store, department store, or shopping center whose total floor area is at least 15,000 square meters.

(3) The head of a local government may implement the following matters in order to promote the sale of local agricultural products pursuant to Article 15 (7) of the Act:

1. Provision of sales information falling under the following to organizations, businesses, etc. in the relevant area:

- (a) Address of the location of the place of business dealing in local agricultural products (in cases of an Internet shopping mall, referring to the address of the Internet website);
- (b) Items and prices of local agricultural products being sold;
- (c) Promotional literature, such as video clips and printed matter concerning local agricultural products;

2. Preparation of a plan for cooperation with other local governments.

Article 12 (Designation and Alteration of Wide-Area Direct Trade Centers)

(1) Where the Mayor/Do Governor designates a wide-area direct trade center pursuant to Article 19 (1) of the Act, he/she shall consider the current status of demand and supply of and direct trade in agricultural products.

(2) "Requirements for designation prescribed by Presidential Decree, such as facilities and human resources" in Article 19 (2) of the Act means requirements for designation under attached Table 2.

(3) A person who intends to file an application for designation of a wide-area direct trade center pursuant to Article 19 (2) of the Act shall file an application with the Mayor/Do Governor, as prescribed by Ordinance of the Ministry of Agriculture, Food and Rural Affairs.

(4) Where the Mayor/Do Governor designates a wide-area direct trade center pursuant to Article 19 (1) of the Act, he/she shall issue a written designation, as prescribed by Ordinance of the Ministry of Agriculture, Food and Rural Affairs.

(5) "Insignificant matters prescribed by Presidential Decree" in the proviso to Article 19 (3) of the Act means matters that do not have an important influence on the operation of a wide-area direct trade center, such as internal facilities and the composition of the workforce, excluding the following matters:

- 1. The main agent of the operation thereof;
- 2. The location and the size thereof.

(6) Where the Mayor/Do Governor designates or alters a wide-area direct trade center pursuant to Article 19 (1) of the Act, he/she shall post the designation or alteration thereof on a comprehensive information management system (hereinafter referred to as "comprehensive information management system") under Article 8 (1) of the Act.

Article 13 (Revocation of Designation of Wide-Area Direct Trade Centers)

(1) "Grounds prescribed by Presidential Decree" in Article 19 (4) 4 of the Act means any of the following grounds:

- 1. Where a wide-area direct trade center has been designated by deception or other fraudulent means;
- 2. Where a wide-area direct trade center has failed to facilitate direct trade in agricultural products for at least one year without any justifiable ground.

(2) Where the Mayor/Do Governor revokes the designation of a wide-area direct trade center pursuant to Article 19 (4) of the Act, he/she shall post a notice of the revocation of the designation thereof on a

comprehensive information management system.

Article 14 (Revocation, etc. of Certification)

(1) Guidelines for taking measures, such as the revocation of the certification of the place of business for direct trade in good agricultural products under Article 25 (1) of the Act, shall be as specified in attached Table 3.

(2) Where the Minister of Agriculture, Food and Rural Affairs revokes certification pursuant to Article 25 (1) of the Act, he/she shall order a certified business operator to remove a certification mark simultaneously with the revocation of certification.

(3) Where the Minister of Agriculture, Food and Rural Affairs revokes certification or orders a certified business operator to remove, suspend the use of, or alter a certification mark, or to take corrective action pursuant to Article 25 (1) of the Act, he/she shall post the fact on a comprehensive information management system.

Article 15 (Entrustment of Affairs)

(1) The Minister of Agriculture, Food and Rural Affairs may entrust the following affairs to the corresponding trustees, pursuant to Article 30 (2) of the Act:

1. Affairs under Article 30 (2) 1 through 3 of the Act: The President of Korea Agro-Fisheries and Food Trade Corporation under the Korea Agro-Fisheries and Food Trade Corporation Act or the head of a specialized institution under Article 10 (1) of the Act;

2. Affairs under Article 30 (2) 4 of the Act: The President of Korea Agro-Fisheries and Food Trade Corporation under the Korea Agro-Fisheries and Food Trade Corporation Act or the head of a certification agency under Article 28 (1) of the Act.

(2) Where the Minister of Agriculture, Food and Rural Affairs entrusts affairs pursuant to paragraph (1), he/she shall announce the trustee and affairs entrusted.

Article 16 (Guidelines for Imposition of Administrative Fines)

Guidelines for the imposition of administrative fines under Article 34 (1) and (2) of the Act shall be as specified in attached Table 4.

ADDENDUM

This Decree shall enter into force on June 23, 2016.