

DAIRY PROMOTION ACT

Wholly Amended by Act No. 5349, Aug. 22, 1997

Amended by Act No. 5763, Feb. 5, 1999

Act No. 6018, Sep. 7, 1999

Act No. 8852, Feb. 29, 2008

Act No. 9432, Feb. 6, 2009

Act No. 9660, May 8, 2009

Act No. 10310, May 25, 2010

Act No. 11690, Mar. 23, 2013

Act No. 12411, Mar. 11, 2014

Act No. 12950, Dec. 31, 2014

Act No. 17007, Feb. 18, 2020

Act No. 17271, May 19, 2020

Article 1 (Purpose)

The purpose of this Act is to contribute to the development of the dairy industry and dairy-related industries through the structural improvement of the dairy industry, adjustment of supply and demand for raw milk and dairy products, price stabilization, and the improvement of the distribution structure.

Article 2 (Definitions)

The definitions of terms used in this Act are as follows: <Amended on Mar. 11, 2014>

1. The term "dairy farming" means the breeding and management of milch cows for the production of raw milk;
2. The term "raw milk" means milk produced by milch cows and not processed;
3. The term "dairy products" means products for which raw milk has been treated and processed for sale;
4. The term "milk gathering" means gathering of raw milk produced by dairy farmers;
5. The term "milk gathering cooperatives" means cooperatives designated by the Korea Dairy Committee pursuant to Article 5 among cooperatives for the dairy farming business and the regional livestock industry established pursuant to the Agricultural Cooperatives Act and cooperatives for the dairy farming business established pursuant to the Framework Act on Cooperatives, for the purpose of

gathering raw milk;

6. The term "organizations related to dairy farming" means producers' organizations, the members of which are dairy farmers, and milk processing-related organizations, the members of which are milk processors, each of which meet the requirements prescribed by Presidential Decree.

Article 3 (Formulation of Dairy Farming Promotion Plan)

(1) The Minister of Agriculture, Food and Rural Affairs shall formulate a dairy farming promotion plan, including the following: *<Amended on Mar. 23, 2013; May 19, 2020>*

1. Matters concerning the current state and prospects of the dairy industry;
2. Matters concerning the improvement of the structure of the dairy industry;
3. Matters concerning directions for the improvement of dairy farming technology;
4. Matters concerning the stabilization of supply of and demand for raw milk and dairy products;
5. Matters concerning the improvement of the quality and distribution structure of raw milk;
6. Matters concerning gathering, conveyance and storage facilities and equipment for raw milk;
7. Matters concerning the increase of demand for dairy products, such as supply of milk as school meal and public relations for consumption;
8. Other matters necessary for the promotion of dairy farming.

(2) Matters necessary for the formulation of a dairy farming promotion plan pursuant to paragraph (1) and the execution thereof shall be prescribed by Presidential Decree.

(3) The State or a local government may fully or partially subsidize working expenses incurred in the promotion of a dairy farming promotion plan pursuant to paragraph (1).

Article 4 (Dairy Zone)

(1) The Minister of Agriculture, Food and Rural Affairs and the head of a local government may designate a place the regional conditions of which is deemed adequate for the operation of dairy farming centering around grassland prepared pursuant to Article 5 of the Grassland Act as a dairy zone. *<Amended on Mar. 23, 2013>*

(2) The Minister of Agriculture, Food and Rural Affairs and the head of a local government may provide funds necessary for promoting the development of a dairy zone designated pursuant to paragraph (1) in preference to other areas. *<Amended on Mar. 23, 2013>*

(3) Matters necessary for the development of, financial support to and management of dairy zones designated pursuant to paragraph (1) shall be prescribed by Ordinance of the Ministry of Agriculture, Food and Rural Affairs. *<Amended on Mar. 23, 2013>*

Article 5 (Establishment of Korea Dairy Committee)

(1) The Korea Dairy Committee (hereinafter referred to as the "Committee") shall be established in order to conduct business for the supply and demand or price stabilization of raw milk and dairy products.

(2) The Committee shall be composed of persons who intend to participate in the formation of the Committee, such as the National Agricultural Cooperative Federation established under the Agricultural Cooperatives Act (including an agricultural cooperative economic holding company; hereinafter referred to as the "National Federation") and organizations related to dairy farming. <Amended on Dec. 31, 2014>

(3) The Committee shall be a juristic person.

(4) The Committee shall draft the articles of association and obtain approval of the Minister of Agriculture, Food and Rural Affairs. The same shall also apply when it amends the articles of association. <Amended on Mar. 23, 2013>

Article 6 (Business Affairs)

The Committee shall conduct the following business affairs:

1. Formulation of a supply and demand plan for raw milk and dairy products;
2. Business concerning purchase or sale of raw milk;
3. Business concerning improvement in quality of raw milk;
4. Business concerning purchase, storage, sale and export and import of dairy products;
5. Business concerning the promotion of consumption, public relations and development of a market of milk and dairy products;
6. Other business necessary for the promotion of dairy farming.

Article 7 (Application Mutatis Mutandis of the Civil Act)

Except as otherwise prescribed in this Act, the provisions on incorporated associations of the Civil Act shall apply mutatis mutandis to the Committee.

Article 8 (Formulation of Supply and Demand Plan for Raw Milk, etc.)

(1) The Committee shall formulate a supply and demand plan for raw milk and dairy products for the following year by not later than one month before each business year begins.

(2) A supply and demand plan under paragraph (1) shall include the following matters: <Amended on May 25, 2010; Mar. 23, 2013>

1. Outlook for the breeding of milch cows;
2. Production of raw milk and consumption of dairy products;
3. Planned quantity of production of raw milk by milk gathering cooperatives under Article 13;
4. A plan to supply raw milk to milk processing business entities permitted pursuant to Article 22 of the Livestock Products Sanitary Control Act and other persons who intend to purchase raw milk (hereinafter referred to as "raw milk consumers");
5. Matters necessary for the stabilization of supply and demand for raw milk and dairy products;
6. Other matters prescribed by Ordinance of the Ministry of Agriculture, Food and Rural Affairs in connection with a supply and demand plan for raw milk and dairy products.

(3) The Committee may, if deemed necessary for the formulation of a supply and demand plan for raw milk, etc. pursuant to paragraph (1), request milk gathering cooperatives and raw milk consumers to submit necessary material, such as a supply and demand plan for raw milk, and actual sales performance.

(4) If milk gathering cooperatives and raw milk consumers are requested to submit necessary material by the Committee pursuant to paragraph (3), they shall comply with such request: Provided, That this shall not apply if any circumstance arises, as prescribed by Ordinance of the Ministry of Agriculture, Food and Rural Affairs. <Amended on Mar. 23, 2013>

Article 9 (Production of Raw Milk according to Contract)

(1) In order to secure the stabilization of the production and supply and demand for raw milk, the Committee may have dairy farmers produce raw milk in accordance with a contract, and then purchase it.

(2) The term of a contract, the contracted production of raw milk, the raw milk purchase price of the Committee, and other matters prescribed by Presidential Decree shall be included in a contract pursuant to paragraph (1) (hereinafter referred to as "contract for raw milk production").

(3) The Committee shall determine the raw milk purchase price pursuant to paragraph (2) in consideration of the raw milk production cost to dairy farmers, dairy product production cost to raw milk consumers, etc.

Article 10 (Modification of Terms of Contract for Raw Milk Production)

(1) If a dairy farmer who concludes a contract for raw milk production (hereinafter referred to as "contracted dairy farmer") intends to modify the terms thereof, such as the contracted production of raw milk, he/she shall notify the Committee of the same and obtain its consent: Provided, That if he/she is unable to fulfill the contract due to a natural calamity or any other extenuating circumstance prescribed by Presidential Decree, he/she may modify the terms thereof by his/her notice to the Committee only.

(2) If a contracted dairy farmer intends to cease or reduce dairy farming, he/she may have other dairy farmers succeed to all or part of the relevant contract with the consent of the Committee.

Article 11 (Purchase of Raw Milk)

The Committee shall purchase all raw milk produced by a dairy farmer in accordance with a contract for raw milk production: Provided, That this shall not apply to raw milk found unfit for use as raw materials for dairy products as a result of the inspection pursuant to Article 14.

Article 12 (Supply of Raw Milk according to Contract)

(1) In order to supply raw milk purchased from contracted dairy farmers continuously and stably, the Committee may conclude a supply contract with a raw milk consumer (hereinafter referred to as "contract for supply of raw milk") and sell raw milk.

(2) The terms of a contract, sales volume and the selling price of raw milk, and other matters prescribed by Presidential Decree shall be included in the terms of a contract pursuant to paragraph (1).

(3) The Committee shall determine the selling price of raw milk pursuant to paragraph (2) in consideration of the purchase price of raw milk and expenses incurred in milk gathering and sales.

(4) When concluding a contract for supply of raw milk, the Committee may have a raw milk consumer pay a contract deposit, as prescribed by Ordinance of the Ministry of Agriculture, Food and Rural Affairs.

<Amended on Mar. 23, 2013>

Article 13 (Designation of Milk Gathering Cooperative)

The Committee may entrust gathering of raw milk purchased from contracted dairy farmers to a milk gathering cooperative. In such cases, the Committee shall determine the standards necessary for designation of a milk gathering cooperative and the decision on milk gathering areas according to milk gathering cooperatives, etc.

Article 14 (Inspection of Raw Milk)

(1) The Special Metropolitan City Mayor, a Metropolitan City Mayor, a Special Self-Governing City Mayor, a Do Governor, or a Special Self-Governing Province Governor (hereinafter referred to as "raw milk inspection agency") shall inspect raw milk produced by dairy farmers. *<Amended on Mar. 23, 2013; Feb. 18, 2020>*

(2) Matters concerning an inspection of raw milk shall be prescribed by the Livestock Products Sanitary Control Act. *<Amended on May 25, 2010>*

(3) A raw milk inspection agency shall inform milk gathering cooperatives and raw milk consumers of the results of an inspection of raw milk pursuant to paragraphs (1) and (2).

(4) If a milk gathering cooperative is informed of the result of an inspection of raw milk by a raw milk inspection agency pursuant to paragraph (3), it shall individually inform contracted dairy farmers thereof.

Article 15 (Seizing of Circumstances of Dairy Farming)

The Committee may, if necessary for a contract for raw milk production, have a milk gathering cooperative seize and report circumstances of dairy farming, such as the head of milch cows and production of raw milk of dairy farmers in the milk gathering area concerned.

Article 16 (Raising of Objection on Milk Gathering, Delivery of Raw Milk, etc.)

If any dairy farmer, raw milk consumer or milk gathering cooperative is dissatisfied with matters prescribed in Article 13, he/she or it may raise an objection to the Committee. In such cases, the Committee shall promptly examine the said objection and advance its opinion.

Article 17 (Reporting and Supervision)

(1) The Minister of Agriculture, Food and Rural Affairs may have the Committee, a raw milk consumer, a milk gathering cooperative, and the head of a local government report necessary matters, as prescribed by Ordinance of the Ministry of Agriculture, Food and Rural Affairs. <Amended on Mar. 23, 2013>

(2) The Minister of Agriculture, Food and Rural Affairs may, if deemed necessary for the stabilization of supply and demand for raw milk and dairy products, order the Committee, a raw milk consumer, and a milk gathering cooperative to take measures falling under any of the following, as prescribed by Presidential Decree: <Amended on Mar. 23, 2013>

1. Matters concerning the maintenance of order in the distribution of raw milk;
2. Matters concerning the maintenance of fairness of contracts for raw milk production and contracts for raw milk supply;
3. Matters concerning the maintenance of fairness in the delivery of raw milk to raw milk consumers by a milk gathering cooperative;
4. Other matters prescribed by Presidential Decree in order to stabilize the supply and demand for raw milk and dairy products.

(3) The Minister of Agriculture, Food and Rural Affairs may have a public official under his/her control inspect relevant documents of the Committee, such as books, and the conditions of its execution of orders issued under this Act and order it to take necessary measures. <Amended on Mar. 23, 2013>

(4) A public official pursuant to paragraph (3) shall carry a certificate indicating his/her authority and produce it to persons concerned.

Article 18 (Delegation or Entrustment of Authority)

(1) The Minister of Agriculture, Food and Rural Affairs may delegate or entrust part of his/her authority under this Act to the Special Metropolitan City Mayor, a Metropolitan City Mayor, a Special Self-Governing City Mayor, a Do Governor, a Special Self-Governing Province Governor, or the Committee, as prescribed by Presidential Decree. <Amended on Mar. 23, 2013; Feb. 18, 2020>

(2) The Committee may, if necessary to facilitate the performance of affairs concerning the production of raw milk, a supply contract, etc. under this Act, entrust the National Federation or a milk gathering cooperative with some of the affairs referred to in the following, as prescribed by the articles of association:

1. A contract for raw milk production with a contracted dairy farmer pursuant to Article 9 (1) and (2) (the raw milk purchase price shall be the price determined by the Committee);
2. Consent to a modification of the terms of a contract for raw milk production with a contracted dairy farmer pursuant to Article 10;
3. Purchase of raw milk from a contracted dairy farmer pursuant to Article 11;
4. A contract for supply of raw milk with and sale to a raw milk consumer on the basis of the raw milk sale price and the sale quantity according to raw milk consumers determined by the Committee pursuant

to Article 12;

5. Designation of milk gathering areas according to milk gathering cooperatives under Article 13;

6. Other affairs prescribed by Presidential Decree.

Article 19 (Administrative Fines)

(1) Any of the following persons shall be subject to an administrative fine not exceeding five million won:

1. A person who refuses to report pursuant to Article 17 (1) or falsely reports;

2. A person who violates an order pursuant to Article 17 (2);

3. A person who refuses, interferes with or evades an inspection pursuant to Article 17 (3) or violates an order pursuant to the same paragraph.

(2) Administrative fines under paragraph (1) shall be imposed and collected by the Minister of Agriculture, Food and Rural Affairs, as prescribed by Presidential Decree. <Amended on Mar. 23, 2013>

ADDENDA <Act No. 5349, Aug. 22, 1997>

Article 1 (Enforcement Date)

This Act shall enter into force on January 1, 1999.

Article 2 (Preparation for Establishment of Promotion Association)

(1) Even before this Act enters into force, the Minister of Agriculture and Forestry may appoint seven or less commissioners for establishment including the representatives of the Livestock Cooperatives Federation and organizations related to dairy farming and have them perform the affairs concerning the establishment of the Promotion Association.

(2) The commissioners for establishment shall prepare the articles of incorporation of the Promotion Association, and make the registration of incorporation thereof after obtaining the authorization of the Minister of Agriculture and Forestry.

(3) The commissioners for establishment shall, without delay after the registration of incorporation as prescribed in paragraph (2), hand over the duties and property concerned to the Promotion Association, and when such hand-over is completed, they shall be deemed to be dismissed from their offices.

Article 3 (Amendments of Other Acts)

(1) Omitted.

(2) If the provisions of the previous Dairy Promotion Act are cited in other Acts and subordinate statutes at the time when this Act enters into force and there exist provisions corresponding to those so cited in this Act, this Act or the corresponding Articles of this Act shall be deemed to be cited, in lieu of the previous provisions.

ADDENDA <Act No. 5763, Feb. 5, 1999>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation.

Articles 2 and 3 Omitted.

ADDENDA <Act No. 6018, Sep. 7, 1999>

Article 1 (Enforcement Date)

This Act shall enter into force on July 1, 2000. (Proviso Omitted.)

Articles 2 through 21 Omitted.

ADDENDA <Act No. 8852, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Act No. 9432, Feb. 6, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Act No. 9660, May 8, 2009>

(1) (Enforcement Date) This Act shall enter into force on the date of its promulgation.

(2) (Transitional Measures concerning Designation of Milk Gathering Cooperative) Designation of a milk gathering cooperative and the establishment of standards necessary for determination of a milk gathering area by milk gathering cooperative and designation of a milk gathering cooperative, etc. by the chairperson of the Korea Dairy Committee pursuant to the previous provisions before this Act enters into force shall be deemed to have been conducted by the Committee under this Act.

ADDENDA <Act No. 10310, May 25, 2010>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 14 Omitted.

ADDENDA <Act No. 11690, Mar. 23, 2013>

Article 1 (Enforcement Date)

- (1) This Act shall enter into force on the date of its promulgation.
- (2) Omitted.

Articles 2 through 7 Omitted.

ADDENDUM <Act No. 12411, Mar. 11, 2014>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 12950, Dec. 31, 2014>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 and 3 Omitted.

ADDENDA <Act No. 17007, Feb. 18, 2020>

Article 1 (Enforcement Date)

This Act shall enter into force on January 1, 2021. (Proviso Omitted.)

Article 2 (Preliminary Measures to Transfer Affairs)

- (1) The head of a relevant central administrative agency shall formulate necessary measures to provide required personnel and financial resources necessary for a full-scale transfer of the central administrative authority and affairs under this Act to a local government and shall report said measures to the relevant standing committee of the National Assembly not later than three months before the date this Act enters into force.
- (2) The Committee on Autonomous Decentralization under Article 44 of the Special Act on Local Autonomy and Decentralization, and Restructuring of Local Administrative Systems may conduct specialized investigation and evaluation of required personnel and financial resources under paragraph (1), in advance.

Article 3 (General Transitional Measures concerning Administrative Dispositions)

Any disposition or any other act taken or conducted by an administrative agency under the previous provisions as at the time this Act enters into force shall be deemed a disposition or an act taken or conducted by an administrative agency under the provisions of this Act; and any application or report or any other act filed with or conducted toward an administrative agency under the previous provisions

shall be deemed an application, a report, or any other act filed with or conducted toward an administrative agency under the provisions of this Act.

Article 4 Omitted.

ADDENDUM <Act No. 17271, May 19, 2020>

This Act shall enter into force on the date of its promulgation.

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