

Law of the People's Republic of China on Promotion of Agricultural Mechanization

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of the People's Republic of China**

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The Law of the People's Republic of China on Promotion of Agricultural Mechanization adopted at the Tenth Session of the Standing Committee of the Tenth National People's Congress on June 25, 2004 is now for public and will be effective as of November 1, 2004.

**Hu Jintao
President of the People's Republic of China
June 25, 2004**

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Chapter I General Principles

Article 1 This Law is enacted to encourage and support farmers as well as organizations engaged in agricultural production and management to employ advanced and applicable agricultural machinery, to promote agricultural mechanization and to develop modern agriculture.

Article 2 In accordance with this Law, **agricultural mechanization** means a process of improving agricultural production and management conditions and gradually increasing technical level as well as economic and ecological efficiency and benefits in agricultural production by utilization of advanced and appropriate agricultural machinery.

Agricultural machinery refers to the machines and equipments applied in agricultural production, processing of its primary products and other related agricultural practice.

Article 3 The People's Governments at and above county level shall incorporate the promotion of agricultural mechanization into a strategic plan of national economy and social development; take measures including increasing capital input, implementing the state preferential policies in rural taxes and providing financial support; gradually increase capital investment in the development of agricultural mechanization; fully exercise the function of market system to promote the development of agricultural mechanization based on considerations of local adaptability, cost-effectiveness, safety assurance and protection of environment.

Article 4 The State provides advice for and encourages farmers and organizations engaged in agricultural production and management to make self-decisions in adoption of advanced and suitable agricultural machinery. No organizations or individuals shall be allowed to force farmers and organizations engaged in agricultural production and management to purchase agricultural machinery products claimed by them.

Article 5 The State takes measures to carry out training programs and spread scientific and technical knowledge of agricultural mechanization, to train special personnel in agricultural mechanization, to enhance information service and to improve the level of agricultural mechanization.

Article 6 Agricultural administrative authorities of the State Council and other related organizations responsible for agricultural mechanization coordinate efforts to promote development of agricultural mechanization in accordance with respective responsibilities.

Authorities responsible for agricultural mechanization and other related organizations of the local people's governments at and above county level coordinate efforts to promote development of local agricultural mechanization according to respective responsibilities.

Chapter II Scientific Research and Development

Article 7 The People's governments and other relevant organizations at and above provincial level shall organize institutions concerned to take measures of conducting technical innovation, testing and demonstrating so as to promote basic, critical and public good scientific research in agricultural machinery as well as extension and utilization of advanced and suitable agricultural machinery.

Article 8 The State supports relevant scientific research institutions and institutions of higher learning to strengthen scientific and technological research in agricultural mechanization and develop advanced and suitable agricultural machinery pursuant to different agricultural production conditions and farmer's needs. The State encourages combination of scientific research and teaching with production and extension of agricultural machinery for the purpose of gearing the development of agricultural machinery with the progress of agricultural production technology.

Article 9 The State supports manufacturers of agricultural machinery to develop advanced and suitable agricultural machinery; to improve the quality and technical level of agricultural machinery and reduce production costs by adopting advanced technologies, techniques and materials; and to provide agricultural machinery products that are characterized with series of brands, standardization, multi-function and fine quality, energy-saving and reasonable price.

Article 10 The State supports to introduce and utilize advanced agricultural machinery, key components and technologies, and to encourage foreign investors to be engaged in research and development, manufacture and marketing of agricultural machinery.

Chapter III Quality Guarantee

Article 11 The State attaches great importance to establishment of standardization system of agricultural mechanization, makes and improves standards on quality, maintenance and operation of agricultural machinery products. In reference to the technical requirements relating to human safety, quality assurance of agricultural machinery products, and environmental protection, compulsory technical regulations shall be made in accordance with provisions of relevant laws and administrative regulations and rules.

Article 12 Authorities responsible for product quality supervision shall carry out quality evaluation by sampling agricultural machinery products according to law.

Administrative authorities of industry and commerce shall enhance monitoring and supervising of agricultural machinery market.

Agricultural administrative authorities of the State Council and authorities responsible for agricultural mechanization of the provincial people's government can conduct investigations into adaptability, safety, reliability and post-sale service of specific types of agricultural machinery products in use, on the basis of users' complaints or practical needs in agricultural production. Results of investigations shall be open to public.

Article 13 Producers and sellers of agricultural machinery shall be responsible for the quality of their products. In accordance with related state regulations, they shall also implement responsibility of providing post-sale services, which include supplying spare parts and components, and training users.

Producers of agricultural machinery shall set up necessary protective equipment on products, and warning signs with descriptions in Chinese, in accordance with state standard, professional standard and requirements for guaranteeing human safety.

Article 14 Producers and sellers of agricultural machinery shall be responsible for repairing, replacing or returning of the product that is proved to be in poor quality. Compensation shall be made by law for the losses caused by using poor quality of agricultural machinery in agricultural production or in other cases. Users of agricultural machinery have legal rights to claim pre-compensation from the sellers. Following pre-compensation, the sellers have rights to claim compensation from the producers provided it is their responsibility.

Producers and sellers of agricultural machinery shall pay compensation by law for individual injury and property damage due to defects of products.

Article 15 Products of agricultural machinery that are listed in authenticated catalogues according to law, shall be prohibited from producing, selling or importing if they are not authenticated and do not bear authenticated marks.

Agricultural machinery products that do not conform to the state's compulsory requirements for technical standards shall be prohibited from producing or selling.

It shall be prohibited to assemble agricultural machinery products by using defective parts and components or those of scrapped implements.

Chapter IV Extension and Utilization

Article 16 The State provides support to introduce and extend advanced and suitable agricultural machinery to farmers and organizations engaged in agricultural production and management. The extension of agricultural machinery shall meet the needs of local agricultural development. Pursuant to the provisions of Law on Extension of Agricultural Technology, the agricultural machinery products for extension shall be tested and proved of advanced level and adaptability in extension areas.

Producers and sellers of agricultural machinery can entrust testing and appraising agencies of agricultural machinery to conduct technical evaluation of adaptability, safety and reliability of the agricultural machinery which is currently sold or produced after design finalization. Testing and appraising agencies shall make public the result of the technical evaluation of the agricultural machinery products that are qualified in adaptability, safety and reliability, and provide information for farmers and organizations engaged in agricultural production and management to purchase advanced and suitable agricultural machinery.

Article 17 People's governments at and above county level can establish demonstration bases

of agricultural mechanization in different rural areas in line with local conditions. Producers and sellers of agricultural machinery are encouraged to set up pilot plants of agricultural machinery to instruct farmers and organizations engaged in agricultural production and management to purchase advanced and suitable agricultural machinery.

Article 18 Pursuant to the principle of facilitating agricultural structure adjustment, protecting natural resources and ecological environment, spreading new agricultural technology and speeding up replacement of obsolete farm tools, agricultural administrative authorities of the State Council shall identify and issue product catalogues of advanced and suitable agricultural machinery, in coordination with financial authorities of the State Council and authorities responsible for integrated macro-management of the nation's economy. The catalogues shall be updated regularly. In accordance with the principle hereinabove, authorities responsible for agricultural mechanization of provincial people's government shall identify and issue product catalogues of advanced and suitable agricultural machinery, in coordination with financial authorities and authorities at their equivalent level, responsible for integrated macro-management of provincial economy. The catalogues shall be updated regularly.

Products to be listed in catalogues hereinabove shall be those that producers of agricultural machinery apply for voluntarily after appraisal of advancement, adaptability, safety and reliability conducted by testing and appraising agencies of agricultural machinery.

Article 19 The State encourages and supports farmers to employ agricultural machinery cooperatively so as to increase utilization and work efficiency of agricultural machinery as well as reduce operation cost.

In adhering to the system of household contract responsibility, the State supports and protects farmers' initiatives to adopt regional and standardized planting voluntarily to improve work efficiency of agricultural machinery. No organizations or individuals shall be allowed to infringe upon farmers' rights of having land contract in the name of so-called regional and standardized planting.

Article 20 Agricultural administrative authorities of the State Council and authorities responsible for agricultural mechanization of local people's governments at and above county level shall enhance publicity, education and management on safety operation of agricultural machinery, in line with the principle of production safety and prevention first.

Users of agricultural machinery shall comply with regulations of safety operation in manipulating agricultural machines, and shall have protective equipment or warning signs in dangerous positions of machines and working sites.

Chapter V Socialized Service

Article 21 On the principle of equal discussion and mutual consent, farmers and service organizations of agricultural machinery can provide various paid services of using agricultural machinery for local farmers, immigrant farmers and organizations engaged in agricultural production and management. Such services shall be provided in compliance with quality

standards worked out by the State or local governments.

The State encourages providing services of using agricultural machinery across regions. People's governments at all levels and relevant organizations shall support such services by establishing working system, offering good services, and executing supervision and management on safety operation by law.

Article 22 People's governments at all levels shall take measures to encourage and assist in setting up various kinds of service organizations of agricultural machinery, to promote the development of information network, and to improve service system of agricultural mechanization. In the light of needs of farmers and organizations engaged in agricultural production and management, service organizations of agricultural machinery shall provide them socialized services, which include demonstration and extension, maintenance and repairing, information and intermediary service of agricultural machinery, and training of applied technology.

Article 23 The state-established extension agencies of agricultural machinery technology at grassroots level shall provide free public services, by relying on the testing and demonstration bases, in extension and training of agricultural machinery technology, for farmers and organizations in agricultural production and management.

Article 24 Agencies engaged in maintenance and repairing of agricultural machinery shall be equipped with relevant instruments and equipments as well as technical personnel with professional skills, to ensure quality of maintenance and repair. Because of ill quality in maintenance and repair, the repairmen shall provide free services of the agricultural machinery. The repairmen shall assume responsibility of compensation, by law, for causing personal injury or property damage.

Article 25 In accordance with provisions of related laws and administrative legislations, producers, sellers and repairmen of agricultural machinery can establish a professional association voluntarily, to exercise professional self-discipline, provide service for its members and protect their legal rights.

VI Supporting Measures

Article 26 The State takes measures to encourage and support producers of agricultural machinery to increase investment in research and development of new products, new technologies and techniques, and implement preferential tax policies in research and development, and production of agricultural machinery.

Funds for research and development of science and technology, allocated by the central and local financial budget authorities, shall be used to provide support for technical innovation in agricultural machinery industry.

Article 27 The central and provincial financial authorities shall earmark a special fund respectively for subsidizing farmers and organizations engaged in agricultural production and management to purchase advanced and suitable agricultural machinery introduced by the State. The subsidized funds shall be used on the principle of openness, equity, timeliness and

effectiveness. They can either be granted directly to farmers and organizations engaged in agricultural production and management or assist financial organizations in granting a loan with discount interest to farmers and organizations engaged in agricultural production and management to purchase advanced and suitable agricultural machinery. Procedures of implementation shall be laid down by the State Council.

Article 28 In accordance with income tax regulations of the State, preferential policies shall be executed on earnings obtained from services for using agricultural machinery

In order to meet the demands of agricultural development and rural economy, the State shall allot financial subsidies for fuel cost in operating agricultural machinery in agricultural production. The fuel subsidies shall be delivered directly to farmers and organizations engaged in agricultural production and management to provide services of operating agricultural machinery. Implementation procedures shall be drawn out by the State Council.

Article 29 People's governments at all local levels shall take measures to enhance construction and maintenance of infrastructures including rural roads, to create conditions for agricultural mechanization.

Authorities of people's governments at and above county level, responsible for agricultural mechanization, shall establish a system of collecting, processing and distributing information of agricultural mechanization, provide free information service for farmers and organizations engaged in agricultural production and management.

Chapter VII Legal Liability

Article 30 In violation of provisions of Article 15 of this Law, punishment shall be imposed in accordance with related provisions of Law on Product Quality. Criminal responsibility shall be investigated and affixed according to law if the case constitutes a crime.

Article 31 Drivers and operators of agricultural machinery who violate rules of safety operation of the State shall be ordered to correct wrong doings and shall be imposed punishment in accordance with relevant laws and administrative regulations. Criminal responsibility shall be investigated and affixed according to law if the case constitutes a crime.

Article 32 Testing and appraising organizations of agricultural machinery shall take responsibilities for compensation according to law if they don't follow regulations to perform testing and appraising, or forge a certificate with counterfeit appraisal results, which causes losses of producers and sellers of agricultural machinery.

Article 33 Agricultural administrative authorities of the State Council or authorities responsible for agricultural mechanization of the local people's governments at and above county level, who violate provisions of this Law by forcing or covertly compelling producers and sellers of agricultural machinery to have their agricultural machinery products appraised, shall be ordered to make correction within a time limit by their upper responsible authorities or supervisory authorities. Administrative sanctions shall be imposed on those who are immediate chief persons in charge and those who are directly responsible individuals.

Article 34 In violation of provisions of Article 27 and Article 28 of this Law, those who withhold or divert subsidized funds shall be ordered by their upper authorities in charge to return the funds within a time limit and their illegal property and articles shall be confiscated. Administrative sanctions shall be imposed on those who are immediate chief persons in charge and those who are directly responsible individuals, by their upper competent authorities, supervisory authorities or their own organizations. Criminal responsibility shall be investigated and affixed according to law if the case constitutes a crime.

Chapter VIII Supplementary Provision

Article 35 This Law shall enter into force as of November 1, 2004.