

CONTRACT FARMING PROMOTION AND DEVELOPMENT ACT,

B.E. 2560 (2017)

HIS MAJESTY KING MAHA VAJIRALONGKORN BODINDRADEBAYAVARANGKUN;

Given on the 22nd Day of May B.E. 2560;

Being the 2nd Year of the Present Reign.

His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun is graciously pleased to proclaim that:

Whereas it is expedient to have the law on contract farming promotion and development;

Be it, therefore, enacted by the King, by and with the advice and consent of the National Legislative Assembly, as follows.

Section 1. This Act is called the “Contract Farming Promotion and Development Act, B.E. 2560 (2017)”.

Section 2.¹ This Act shall come into force after the expiration of one hundred twenty days as from the date of its publication in the Government Gazette.

Section 3. In the case where any law specifically provides rules for making contracts and mediation or resolution of disputes with regard to contract farming, the provisions of law on such particular matter shall apply.

* Translated by Associate Professor Dr. Pinai Nanakorn under contract for the Office of the Council of State of Thailand's Law for ASEAN project. – Tentative Version – subject to final authorisation by the Office of the Council of State.

¹ Published in Government Gazette, Vol. 134, Part 56a, dated 26th May 2017.

Section 4. In this Act:

“contract farming” means the system for the production of agricultural produce or services arising from an agreement for producing the same kind of agricultural produce or services between, on one part, an agricultural business operator and, on the other part, at least ten natural persons who engage in an agricultural occupation or an agricultural co-operative or a group of farmers under the law on co-operatives or a community enterprise or a network of community enterprises under the law on community enterprise promotion, which engages in an agricultural occupation, whereby conditions are fixed as regards the production, distribution or employment for the purpose of producing any agricultural produce or services in a manner that farmers agree to produce, distribute or be employed to produce agricultural produce in accordance with the fixed quantity, quality, price or period of time and the agricultural business operator agrees to purchase such produce or pay remuneration fixed under the agreement, with the agricultural business operator having such involvement in the process of production as fixing methods of production or procuring varieties, seeds, agricultural products or production factors for farmers;

provided that, where it is necessary, a Royal Decree shall be issued for the application of contract farming under this Act to the conclusion of agreements for producing agricultural produce or services between an agricultural business operator and less than ten but not less than two natural persons engaging in an agricultural occupation of any type;

“agricultural business operator” means a person engaging in the business of producing, processing, distributing or exporting agricultural produce or providing services involving the system for producing agricultural goods or production factors on the basis of contract farming;

“farmer” means a natural person engaging in the agricultural occupation and shall include an agricultural co-operative or a group of farmers under the law on co-operatives and a community enterprise or a network of community enterprises under the law on community enterprise promotion, which engages in the agricultural occupation;

“agriculture” means plant husbandry, animal husbandry, aquatic animal husbandry or other agriculture prescribed in the Notification of the Commission;

“State agency” means central administration, provincial administration, local administration, a public organisation, a State enterprise or any other agency of the State established by law;

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“Commission” means the Contract Farming Promotion and Development Commission;

“Dispute Mediation Committee” means the Bangkok Dispute Mediation Committee or the Provincial Dispute Mediation Committee, as the case may be;

“dispute” means a challenge concerning rights, duties and liabilities in connection with a contract farming agreement;

“Minister” means the Minister having charge and control of the execution of this Act.

Section 5. The Minister of Agriculture and Co-operatives shall have charge and control of the execution of this Act and shall have the power to issue Rules or Notifications in the execution of this Act.

Such Rules and Notifications shall come into force upon their publication in the Government Gazette.

CHAPTER I

CONTRACT FARMING PROMOTION AND DEVELOPMENT COMMISSION

Section 6. There shall be a commission called the “Contract Farming Promotion and Development Commission”, consisting of:

- (1) the Minister of Agriculture and Co-operatives, as Chairperson;
- (2) the Minister of Justice, as Vice Chairperson;
- (3) the Permanent Secretary for Agriculture and Co-operatives, Permanent Secretary for Natural Resources and Environment, Permanent Secretary for Commerce, Permanent Secretary for Interior, Permanent Secretary for Justice, Secretary-General of the Insurance Commission, Attorney-General, President of the National Farmers Council, President of the Federation of Thai Industries, President of the Thai Chamber of Commerce, President of the Operational Board of the Co-operatives League of Thailand, President of the Lawyers Council and the Manager of the Bank for Agriculture and Agricultural Co-operatives, as *ex officio* members;

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(4) not more than nine qualified members appointed by the Minister from three farmers, three agricultural business operators and not more than three persons possessing knowledge and expertise in business administration, agricultural technology or economics.

The representative of the Ministry of Agriculture and Co-operatives entrusted by Permanent Secretary for Agriculture and Co-operatives shall be the secretary.

The rules and procedures for the selection of persons to be appointed as qualified members shall be in accordance with the Rule prescribed by the Minister upon recommendation of the Commission.

Section 7. A qualified member must possess the qualifications and must not be under the prohibitions as follows:

a. Qualifications:

- (1) being of Thai nationality;
- (2) possessing knowledge, expertise or experience or working in the field of agriculture, agricultural business, business administration, agricultural technology or economics;

b. Prohibitions

- (1) being an incompetent person or a quasi-incompetent person;
- (2) being a bankrupt or having been a dishonest bankrupt;
- (3) having been sentenced by a final judgment to a term of imprisonment, except for an offence committed through negligence or a petty offence;
- (4) being a person expelled, dismissed or removed from the official service or employment by a State agency or a private organisation on the ground of dishonesty in the performance of duties or grave misconduct;
- (5) being a Government official or State official holding a permanent position or having permanent salaries, except a Government official or State official in a higher educational institution;
- (6) being a political Government official, a holder of a political position, a member of a local assembly, a local administrator, an executive member or a holder of any

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position responsible for the administration of a political party, an adviser to a political party or an official of a political party.

Section 8. A qualified member shall hold office for a term of three years.

In the case where a qualified member vacates office before the expiration of the term or in the case where the Minister appoints an additional member during the term of the members already appointed, the person appointed as the replacing or additional member shall hold office for the remaining term of the members already appointed.

Upon the expiration of the term under paragraph one, if the appointment of new qualified members has not yet been made, the qualified members who vacate office at the expiration of the term shall remain in office in the interest of the continuance of work until the qualified members newly appointed take office.

A qualified member who vacates office upon the expiration of the term may be re-appointed but may not serve for more than two consecutive terms.

Section 9. In addition to the vacation of office upon the expiration of the term, a qualified member vacates office upon:

- (1) death;
- (2) resignation;
- (3) being removed by the Minister on the ground of neglect of duties, misbehavior or lack of competence;
- (4) being disqualified or being under any prohibition under section 7.

Section 10. The Commission has the powers and duties as follows:

- (1) to propose the plan on contract farming development to the Council of Ministers for consideration and approval;
- (2) to determine directions or measures to be pursued by State agencies concerned in the implementation of the plan on contract farming development approved by the Council of Ministers under (1);
- (3) to prescribe forms of contract farming agreements and promote the use of such forms of agreements;

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(4) to promote the taking of an insurance in contract farming;

(5) to make recommendations to State agencies concerned for the purposes of enacting laws or amending laws, by-laws, rules or regulations in connection with the promotion and development of contract farming;

(6) to monitor, co-ordinate or accelerate operations of State agencies in the implementation of the plan on contract farming development;

(7) to give State agencies concerned advice on the resolution of problems and obstacles arising from the conclusion of contract farming agreements, having regard to statutory powers and duties of the State agencies as well;

(8) to give opinions to the Council of Ministers for giving directions in the case where a State agency fails to comply with (2) or (6);

(9) to issue Notifications prescribing rules and procedures on matters provided in this Act;

(10) to perform any other act in the execution of this Act or as entrusted by the Council of Ministers.

The Notifications under (9) shall come into force upon their publication in the Government Gazette.

Section 11. At a meeting of the Commission, the presence of not less than one-half of the total number of members is required to constitute a quorum.

At a meeting of the Commission, if the Chairperson is not present or is unable to perform the duty, the Vice Chairman shall preside over it. If the Chairperson and Vice Chairpersons are not present or are unable to perform the duty, one member shall be elected at the meeting to preside over it.

A decision of a meeting shall be by a majority of votes. In casting votes, each member shall have one vote. In the case of an equality of votes, the person presiding over the meeting shall have an additional vote as a casting vote.

Section 12. The Commission shall have the power to appoint a sub-committee for performing any particular act on behalf of the Commission or as entrusted by the Commission.

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The provisions of section 11 shall apply to a meeting of a sub-committee *mutatis mutandis*.

Section 13. In the performance of duties under this Act, the Commission or a sub-committee may invite any person to provide facts, opinions or technical advice or to furnish relevant documents or evidence to assist its consideration as it may deem appropriate.

Section 14. The Office of the Permanent Secretary for Agriculture and Co-operatives shall serve as the secretariat of the Commission and shall also have the powers and duties as follows:

- (1) to be responsible for clerical work of the Commission and sub-committees;
- (2) to gather and analyse information and problems in connection with contract farming agriculture for submission to the Commission to assist its consideration in pursuit of its powers and duties;
- (3) to procure studies and research or support studies and research for the purpose of developing fair contract farming;
- (4) to consider problems in connection with contract farming and refer them to the Commission for proceeding under section 10 (7);
- (5) to disseminate knowledge and give advice to farmers on making agreements, access to sources of funds, agricultural technology involving contract farming and the conduct of contract farming agriculture;
- (6) to perform any other act as entrusted by the Commission.

Section 15. In the case where there has been violation of the provisions of this Act and the case has become final or where it appears that any contractual party has pursued conduct unfairly taking advantage of the other contractual party, the Commission has the power to publish details of the violation or the conduct, with an indication of names of persons concerned, for public information, in accordance with the rules and procedures prescribed in the Notification of the Commission.

In the case where the action under paragraph one has been taken in good faith, the Commission, the Office of the Permanent Secretary for Agriculture and Co-operatives and officials concerned shall not be liable despite any damage caused to any person, unless it is

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proved that it is the act deliberately committed with a view to causing the damage or it is the act committed through grave negligence.

CHAPTER II
CONTRACT FARMING

PART I
AGRICULTURAL BUSINESS OPERATORS

Section 16. For the purpose of supervising the pursuit of contract farming agriculture, an agricultural business operator who intends to operate the contract farming business shall notify the operation of business to the Office of the Permanent Secretary for Agriculture and Co-operatives prior to the commencement thereof.

The rules and procedures for making the notification shall be as prescribed in the Notification of the Minister.

Section 17. The Office of the Permanent Secretary for Agriculture and Co-operatives shall prepare a register of agricultural business operators and disclose the same for public inspection, provided that the preparation and disclosure thereof must be made on information systems as well as other media feasibly accessible by the public and the register system must be consistently updated.

Section 18. In the case where an agricultural business operator intends to cease the operation of contract farming business, a prior notification must be made in writing to the Office of the Permanent Secretary for Agriculture and Co-operatives not less than thirty days prior to the date of the intended cessation thereof.

The rules and procedures for the notification shall be as prescribed in the Notification of the Minister.

Section 19. The cessation of the operation of the contract farming business or the dissolution of a juristic person engaging in the contract farming business, whether the

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notification is made under section 18 or not, has no effect of terminating contract farming agreements.

PART II

CONCLUSION OF CONTRACT FARMING AGREEMENTS

Section 20. Prior to the conclusion of a contract farming agreement, the agricultural business operator must prepare a prospectus and a draft agreement in order to enable farmers who will enter into a contract farming agreement to have knowledge thereof in advance and must also certify accuracy of information presented in the prospectus and furnish one copy of such prospectus to the Office of the Permanent Secretary for Agriculture and Co-operatives for retention and reference in the interest of examination.

The furnishing and retention of the document under paragraph one shall be in accordance with the rules prescribed in the Notification of the Minister.

The prospectus under paragraph one must at least contain statements or representations in regard to the following information for the purpose of assisting decisions to make investment and conclude agreements:

(1) the agricultural business operator's commercial information or any other commercially useful information in connection with contract farming agreements intended to be used in the solicitation towards farmers;

(2) information on production plans, investment funds, the quality and estimated quantity or volume of agricultural produce or services to be produced or provided under the agreement, the appropriate distance for transportation of agricultural produce, the estimated payback period, production worthiness and risks possibly involving separation of liability or joint liability;

(3) information necessary for processes of production of agricultural produce or services concerned under the agreement, including information on qualities and standards of plant varieties or animal varieties, food, drugs, production factors, chemicals, tools, devices or articles to be used in the production of agricultural produce or services under such agreement, which must be of no lower qualities and standards than those prescribed by law;

(4) any other information as prescribed in the Notification of the Commission.

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The prospectus under paragraph one shall be deemed to be an integral part of the contract farming agreement.

If any statement of an agreement which an agricultural business operator has made with a farmer is contrary to or inconsistent with statements in the prospectus, it shall be construed in favour of the farmer.

Section 21. A contract farming agreement must be in writing, in the easy-to-understand Thai language and, where it contains technical terms, accompanied by explanatory notes, and must at least contain the following details:

(1) names of contractual parties, contacting addresses of the contractual parties and the date of the agreement;

(2) purposes of the agreement, with an indication of the nature or type of the production of agricultural produce or services as well as the qualities of agricultural produce or services;

(3) the period for the contractual performance, which must be in line with the period for the production of agricultural produce or services or the estimated payback period;

(4) details as to places of production of agricultural produce or services, with an indication of the area size and the location of such places;

(5) duties of contractual parties;

(6) prices and methods for calculating prices of raw materials and agricultural produce, provided that, if prices are fixed by reference to market prices, a clear indication must be made as to how such market prices are fixed and at which time market prices are to be referred to, and in the case of an agreement for providing agricultural services, a clear indication must be made of remuneration and methods for the calculation thereof;

(7) dates and places for the delivery of agricultural produce or services and the payment, with a clear indication as to whether payment is required to be made prior to delivery, on the date of delivery or within specified days as from the date of delivery;

(8) exceptions to contractual performance in the event of *force majeure* or an unexpected or unavoidable situation beyond control of contractual parties;

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(9) an indication as to which contractual party has ownership in the property involved in processes of production of agricultural produce or services;

(10) persons bearing risks in agricultural produce and trade risks in the case where agricultural produce is incapable of distribution at the prices fixed;

(11) remedies for loss from breach of the agreement;

(12) contractual parties' rights to terminate the agreement;

(13) other details as prescribed in the Notification of the Commission.

The agricultural business operator shall be obliged to hand over the agreement to the farmer on the date of the agreement.

Section 22. In the case where a contract farming agreement which has been prepared fails to contain the details as provided under section 21, the farmer shall have the right to elect whether to have statements provided under section 21 fully added to the agreement in order for the agreement to remain in effect or whether to terminate such agreement, provided that the farmer must exercise the right to elect within thirty days as from the date of the agreement or prior to delivery of agricultural produce, whichever is shorter. At the expiration of such period, the agreement shall continue to be in effect.

The termination of the agreement under paragraph one does not preclude the farmer's right to claim damages or compensation for loss arising from making arrangements or taking action under the agreement in good faith.

Section 23. In the case where the conclusion of any contract farming agreement may have material impacts on the economy, society or environment, the Commission shall have the power to require such agreement to be made in the form prescribed in the Notification of the Commission.

In prescribing the form of the agreement under paragraph one, the Commission must at least clearly determine rights, duties and liabilities of contractual parties for preventing and remedying impacts likely to occur to the economy, society or environment.

The prescription of the form of the agreement has no prejudice to agreements made by contractual parties prior to the date on which the Notification under paragraph one comes into force.

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Section 24. In the case where the agricultural business operator has made an agreement which, in a material part, fails to conform to the form prescribed in the Notification of the Commission under section 23, such part of the agreement shall be deemed to have no effect and the provisions in the form prescribed by the Commission shall apply instead, without precluding the farmer's right to claim damages or compensation for loss arising from making arrangements or taking action under the agreement, in the part which has no effect, in good faith.

Section 25. The agricultural business operator shall not sever an agreement between the agricultural business operator and a farmer or do any act with a view to preventing the conclusion of the agreement from constituting a contract farming agreement under this Act.

In the case of the conclusion of an agreement in a manner under paragraph one, such agreement shall be deemed to be a contract farming agreement.

Section 26. The following terms or conditions in a contract farming agreement shall be deemed to be of no effect:

(1) a term obliging the farmer to take plant varieties or animal varieties, food, drugs, production factors, chemicals, tools, devices or articles needed to be used in the production of any agricultural produce or services, which lack the quality as procured by the agricultural business operator or fail to conform to contractual requirements or contain no labels or fail to conform to such standards of goods as provided by the law on particular matters;

(2) a term excluding or limiting the agricultural business operator's liability to farmers for defects or failure to meet standards of plant varieties or animal varieties, food, drugs, chemicals, tools, devices, production factors or articles needed to be used in the production of any agricultural produce or services as procured by the agricultural business operator to farmers;

(3) a term or condition requiring the distribution, disposal or transfer of any property or right of the farmer to the agricultural business operator subsequent to the termination of the agreement or in the event of a breach of the agreement;

(4) a term or condition requiring the farmer to be contractually liable despite *force majeure* or a disaster not attributable to any party;

(5) a term entitling the agricultural business operator to terminate the agreement without the farmer committing a material breach of the agreement;

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(6) a term demanding or requiring the farmer to assume greater burdens than those stipulated at the time of the agreement;

(7) a term requiring the farmer to give Government compensation or insurance compensation received by the farmer to the agricultural business operator;

(8) a term allowing the agricultural business operator to change prices of raw materials for the production of agricultural produce or services or remuneration for the production of agricultural produce or services unilaterally;

(9) a term which has the characteristic or effect of causing the farmer to take such greater performance or assume greater burdens than usually expected, as prescribed in the Notification of the Commission.

Section 27. Termination, by an agricultural business operator or a farmer, of a contract farming agreement prior to the expiration of the term specified therein by reason of a change in the area for the production of agricultural produce or services under the contract farming agreement or a change in market conditions of such agricultural produce or services is not permitted unless agreement has been made for fairly determining compensation for the investment or any other expenses payable to the other party.

Section 28. Any term preventing the application of the provisions of this Act in whole or in part shall be void.

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CHAPTER III
DISPUTE MEDIATION

Section 29. When a dispute arises from the performance of a contract farming agreement, if any party intends to resort to dispute mediation proceedings, both contractual parties shall first embark upon dispute mediation proceedings as provided in this Chapter before referring the dispute to arbitration or bringing an action before the Court.

The contractual party who intends to resort to dispute mediation proceedings shall submit a request to the Chairperson of the Dispute Mediation Committee together with documents and evidence related to disputed issues.

The submission of a request shall be in accordance with the rules and procedures prescribed in the Notification of the Commission.

Section 30. There shall be the Bangkok Dispute Mediation Committee, consisting of the Permanent Secretary for Agriculture and Co-operatives, as Chairperson, a representative of the Office of the Attorney-General, a representative of the Ministry of Commerce, a representative of the Ministry of Justice, Director of Khet Office of the Bangkok Metropolitan Administration in the locality in which the dispute arises and not more than three qualified persons possessing knowledge and expertise in agriculture or business administration appointed by the Permanent Secretary for Agriculture and Co-operatives, as members.

The representative of the Office of the Permanent Secretary for Agriculture and Co-operatives shall be a member and secretary.

Section 31. There shall be the Provincial Dispute Mediation Committee, consisting of the *Changwat* Governor as Chairperson, the entrusted Provincial Public Prosecutor, Provincial Commercial Official, a representative of the Ministry of Justice, *Nai Amphoe* in the locality in which the dispute arises and not more than three qualified persons possessing knowledge and expertise in agriculture or business administration appointed by the *Changwat* Governor, as members.

The Provincial Agriculture and Co-operatives Official shall be a member and secretary.

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Section 32. The provisions of section 8, section 9 and section 11 shall apply to the term of office and the vacation of office of qualified members and a meeting of the Dispute Mediation Committee *mutatis mutandis*.

Section 33. In the case where the area for the production of agricultural produce or services under the contract farming agreement from which the dispute arises covers two provinces upwards, the Dispute Mediation Committee of the province in which the majority of area for the production of agricultural produce or services from which the dispute arises is located shall be in charge of the dispute mediation, unless the Commission otherwise prescribes the rules in connection with the competence of the Dispute Mediation Committee in this case.

In the case where a dispute arises from the performance of an agreement between one agricultural business operator and several farmers on the same issue and the contractual parties have made a request for dispute mediation proceedings to be merged, the provisions of paragraph one shall apply *mutatis mutandis*.

Section 34. The Dispute Mediation Committee shall complete the dispute mediation within twenty days as from the day on which the Chairperson of the Dispute Mediation Committee receives the request, except that where a necessary cause prevents the completion thereof within such period of time, the Dispute Mediation Committee shall give a written notification to the contractual parties before the expiration of such period. In this instance, the period of time for the dispute mediation shall be extended for not more than ten days as from the expiration thereof.

Section 35. The Dispute Mediation Committee may request persons concerned to give statements or furnish documents or any other evidence for assisting its consideration within the specified period of time.

Section 36. During the dispute mediation proceedings, as from the day on which the Chairperson of the Dispute Mediation Committee has received the request under section 29 up to the day on which the Dispute Mediation Committee issues an order dismissing the request or the day on which the contractual parties enter into a compromise agreement, as the case may be, any contractual party shall not:

(1) withhold, suspend or discontinue the performance of the duties under the agreement and thereby cause damage to the other party;

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(2) in the case where the agreement terminates during the dispute mediation proceedings, do any act directly or indirectly causing detriment to the other contractual party;

(3) enter into any additional agreement or amend the agreement in order to impose on any party additional risks, burdens or duties without fair remuneration.

In the case of any conclusion of the agreement or amendment to the agreement under (3), it shall be deemed that such agreement is of no effect.

Section 37. In the case where both contractual parties can agree, the Dispute Mediation Committee shall cause a compromise agreement to be concluded between the contractual parties and the agreed terms of the compromise agreement shall be binding upon both contractual parties. In the case where the contractual parties do not agree, the Dispute Mediation Committee shall issue an order dismissing such dispute.

The order dismissing the dispute under paragraph one does not preclude the contractual party's right to refer the dispute to arbitration or to institute an action before the Court and, in the case where there are several farmers suffering loss from the performance of contract farming agreements and the farmers make a request for class action proceedings, the Dispute Mediation Committee shall notify, in writing, the Rights and Liberties Protection Department to carry out co-ordination for the purpose of further class action proceedings.

In the case where any contractual party fails to comply with the compromise agreement, the other contractual party shall make a request to the competent Public Prosecutor and the Public Prosecutor shall file a request to the competent Court for issuing a decree enforcing such compromise agreement, provided that the law on arbitration shall apply *mutatis mutandis*.

When the Dispute Mediation Committee has received a dispute for consideration, the period of prescription for instituting an action shall be interrupted as from the day on which the Chairperson of the Dispute Mediation Committee has received the dispute up to the date on which the Dispute Mediation Committee issues an order dismissing the dispute or the date on which the contractual parties conclude a compromise agreement, as the case may be.

The rules and procedures for dispute mediation proceedings and the conclusion of a compromise agreement shall be as prescribed in the Notification of the Commission.

CHAPTER IV

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PENALTIES

Section 38. Any agricultural business operator who fails to comply with section 16, section 18, section 20 or section 21 paragraph two or violates section 25 shall be liable to a fine not exceeding three hundred thousand Baht.

Section 39. Any contractual party who violates section 36 (1) or (2) shall be liable to a fine not exceeding three hundred thousand Baht and to an additional fine not exceeding five thousand Baht a day throughout the period in which the violation occurs.

Section 40. In the case where the offender is a juristic person, if the commission of the offence by such juristic person has resulted from the instruction or an action of a director or a manager or any person responsible for the operation of such juristic person or in the case where such person has the duty to give instructions or take action and refrains from giving instructions or taking action, thereby leading to the commission of the offence by such juristic person, such person shall also be liable to the penalty as provided for such offence.

Section 41. In the case where the production of agricultural produce or service under any contract farming causes impacts on the environmental quality and public health in consequence of the use of production factors or processes of production under the conditions fixed by the agricultural business operator, the agricultural business operator shall be liable to make compensation or damages therefor, unless it is proved that such impacts result from *force majeure* or the farmer's act or omission involving failure to comply with procedures or conditions fixed by the agricultural business operator.

Compensation or damages in respect of which the agricultural business operator is liable under paragraph one shall include all expenses actually incurred by the Government in the eradication of pollutions or rehabilitation of the environmental quality.

Section 42. All offences under this Act may be settled by the Settlement Committee.

The Settlement Committee under paragraph one shall consist of a representative of the Office of the Attorney-General as Chairperson, a representative of the Bureau of the Royal Thai Police as a member and a representative of the Ministry of Agriculture and Co-operatives as a member

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and secretary. There may be the Settlement Committee in Bangkok and in provincial areas as appropriately determined by the Minister.

The rules and procedures for the consideration of the Settlement Committee shall be as prescribed in the Notification of the Minister, having regard to the gravity of the commission of the offence, the repetition of the commission of the offence and the prevention of the offender from repeating the commission of the offence.

Upon payment of a fine by the alleged offender, in an amount required for the settlement, within thirty days as from the date of the settlement, the case shall be deemed to have been extinguished under the Criminal Procedure Code.

TRANSITORY PROVISIONS

Section 43. When the Notification prescribing the rules and procedures for making the notification under section 16 has been issued, agricultural business operators who currently engage in the business characterised as the contract farming business under this Act and intend to continue the operation of the business under the contract farming shall make the notification of the operation of business under section 16 within thirty days as from the date of the Notification of the Minister.

Section 44. In the initial period, the Office of the Permanent Secretary for Agriculture and Co-operatives shall complete the preparation of a register of agricultural business operators under section 17 within one hundred twenty days as from the date on which the Minister issues the Notification prescribing the rules and procedures for making the notification under section 16.

Section 45. In the initial period, the qualified members under the Rule of the Office of the Prime Minister on Fair Contract Farming Promotion and Development Commission, B.E. 2559 (2016) who hold office on the date on which this Act comes into force shall perform the duty as the qualified members under this Act *pro tempore* until the appointment of qualified members under section 6 (4) has been made, provided that this shall not exceed ninety days as from the date on which this Act comes into force.

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Section 46. Subject to section 26, contract farming agreements which remain in force shall continue to be binding upon contractual parties until their termination and, in the case where disputes arise from the performance of such agreements, the provisions of Chapter 3, Dispute Mediation, and the penalties under section 39 shall apply.

Section 47. All complaints made under the Rule of the Office of the Prime Minister on Fair Contract Farming Promotion and Development Commission, B.E. 2559 (2016) which have been received by the Office of the Permanent Secretary for Agriculture and Co-operatives prior to the date on which this Act comes into force and pending the proceedings under the Rule of the Office of the Prime Minister on Fair Contract Farming Promotion and Development Commission, B.E. 2559 (2016) shall be proceeded with under this Act by the Office of the Permanent Secretary for Agriculture and Co-operatives.

Section 48. The Ministry of Agriculture and Co-operatives shall complete issuance of the Notifications or Rules under this Act within one hundred twenty days as from the date on which this Act comes into force. If their completion cannot be achieved, the Minister shall report the reasons therefor to the Council of Ministers for information.

Countersigned by:

General Prayut Chan-o-cha
Prime Minister

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