

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary  Public

**Date:** 3/4/2016

**GAIN Report Number:** CH16021

## China - Peoples Republic of

**Post:** Beijing

### China Collects Comments on Seed Production and Operation Licensing

**Report Categories:**

Planting Seeds

**Approved By:**

Andrew Anderson-Sprecher

**Prepared By:**

Zhang Lei

**Report Highlights:**

On February 17, 2016, the Ministry of Agriculture (MOA) released its Draft Administrative Measures for Crop Seed Production and Operation Licensing for public comment. The comment window will close on March 17, 2016. This report provides an unofficial translation of the full text of the document.

**Executive Summary:**

On February 17, 2016, MOA released its Draft Administrative Measures for Crop Seed Production and Operation Licensing for public comments. The comment window will close on March 17, 2016. Comments can be submitted via:

- 1) email: [zzjscjgc@agri.gov.cn](mailto:zzjscjgc@agri.gov.cn);
- 2) mail address: No. 11, Nongzhanguan Nanli, Chaoyang District, Beijing, 100125.  
Addressee: Market Supervision Division, Seed Administrative Bureau, MOA;
- 3) Chinese government legal website [www.chinalaw.gov.cn](http://www.chinalaw.gov.cn); and
- 4) MOA website [www.moa.gov.cn](http://www.moa.gov.cn).

This report provides an unofficial translation of the full text of the document. The current measure is attached in the Appendix for comparison.

The draft is developed in accordance with the new Seed Law. The following major modifications were made to seed production and operation licensing:

1. Seed Production License and Seed Operation License are merged into one Crop Seed Production and Operation License
1. Registration capital requirements were deleted

In order to apply for a Seed Production and Operation License, applicants will now have to have at least one self-owned seed variety. This will be very challenging requirement to meet for many small seed enterprise.

## **Administrative Measures for Crop Seed Production and Operation Licensing**

**(Revised Draft for Comments)**

### **Chapter I General Provisions**

**Article 1** These Measures are enacted in accordance with the Seed Law of the People's Republic of China for the purposes of strengthening the administration over the crop seed production and operation licensing and regulating the crop seed production and operation order.

**Article 2** These Measures shall apply to the application, examination and approval, issuance and regulation of the crop seed production and operation permit.

**Article 3** Competent agricultural departments of the people's government at the county level or above shall be responsible for the acceptance, examination and approval, issuance and regulation of the crop seed production and operation permit based on their segregation of duties.

**Article 4** The competent agricultural departments in charge of the examination and approval and issuance of the crop seed production and operation permits shall make public the handling conditions and procedures for crop seed production and operation permit at their offices and on any uniform governmental information publishing platform.

**Article 5** The competent agricultural departments shall legally strengthen the administration over the crop seed production and operation licensing based on the principles of safeguarding the agricultural production safety, improving the crop variety selective breeding, production and operation level, promoting fair competition and strengthening the concurrent and ex-post regulation.

### **Chapter II Application and Issuance**

**Article 6** Enterprises engaging in the crop seed production and operation and carrying out seed packaging in its own name shall legally obtain the crop seed production and operation permit (hereinafter referred to as the "Seed Production and Operation Permit").

Where a seed production and operation entity establishes any branch within the valid region indicated on the Seed Production and Operation Permit, or specializes in packaged seeds without sub-package, or produces and sells seeds on behalf of another seed production and operation entity with the Seed Production and Operation Permit under any written entrustment or authorization, or only engages in the production of non-main crop seeds, then such seed production and operation entity is not required to go through the formalities for the Seed Production and Operation Permit.

**Article 7** The Seed Production and Operation Permit will be examined, approved and issued level by level.

(1) For any enterprise which engages in the production and operation of normal seeds of main crops and the production and operation of non-main crop seeds, the Seed Production and Operation Permit of such enterprise shall be examined, approved and issued by the local competent agricultural department at the county level or above at the place of the enterprise;

(2) For any enterprise engaging in the production and operation of hybrid seeds of main crops and the parental seeds thereof or combining selective breeding, production and operation, the Seed Production and Operation Permit of such enterprise shall be examined and approved by the competent agricultural department at the county level or above at the place of the enterprise, and issued by the competent agricultural department of the province, autonomous region or municipality directly under central government where the enterprise locates; and

(3) For any enterprise engaging in the crop seed import and export business and for any foreign-invested enterprise engaging in the crop seed production and operation, the Seed Production and Operation Permit of such enterprise shall be examined and approved by the competent agricultural department of the province, autonomous region or municipality directly under central government where the enterprise locates, and issued by the Ministry of Agriculture.

**Article 8** The examination and approval authority shall complete the examination and approval work within 20 business days from the date of acceptance of application. The examination and approval authority shall carry out on-site survey of the office space and the seed processing, testing, storage and drying facilities and equipments of the applicant enterprise and the archives on research on scientific breeding and other related materials, and inspect the originals of such archives and materials. For applications which meet the conditions provided herein, the examination and approval opinions shall be signed and reported to the issuing authority; and where the applications fail the examination and approval, a written notice with explanation of reasons shall be given to the applicant.

The issuing authority shall complete the issuance work within 20 business days upon the date of receipt of application materials and examination and approval opinions. Where the issuing authority deems it necessary, it may carry out on-site survey. Where the required conditions are met, the Seed Production and Operation Permit shall be issued and announced; otherwise, a written notice with explanation of reasons shall be given to the applicant. Before issuing the Seed Production and Operation Permit for combination of selective breeding, production and operation and with a national valid region, an announcement thereof shall be published on <http://www.seedchina.com.cn/> for five business days.

**Article 9** The Seed Production and Operation Permit has one Original Certificate and one Duplicate Certificate (see Appendix 1 for samples). The Original Certificate indicates the permit number, name of enterprise, organization code, address, legal representative, scope of production and operation, method of production and operation, valid region, term of validity, issuing authority, date of issuance; and the Duplicate Certificate indicates the crop species, type of crop, variety name and approval (registration) number, and place of production, etc. of the seeds to be produced. A license information code will be added to the Seed Production and Operation Permit.

(1) The permit number shall be “\_\_\_ (xxxx) Nong Zhong Xu Zi (xxx) No. xxxx”. The type of production and operation shall be added on “\_\_\_” : A. the combination of selective breeding, production and operation; B. main crop hybrid seeds and their parental seeds; C. seeds of other main crops; D. seeds of non-main crops; E. import and export of seeds; W. foreign-invested enterprise; the abbreviation of the issuing authority shall be filled in the first bracket in the format of “province, prefecture and county”; the year of initial issuance of the permit shall be filled in the second bracket; “No. xxxx” shall be filled in a 4-digit number;

(2) The scope of production and operation shall be filled in based on the crop name of the seeds under production and operation, and vegetables, flowers and fiber crops shall be filled in based on their

types of crop;

(3) The method of production and operation shall be filled in new varieties selective breeding, production, processing, packaging, wholesale, retail or import and export;

(4) Valid Region. The valid region of the Seed Production and Operation Permit for combination of selective breeding, production and operation shall be the whole country. The valid region of other Seed Production and Operation Permits shall be determined by the issuing authority within the scope of its jurisdiction;

(5) The license information code will be automatically generated when the issuing authority prints the permit certificate, and the license information code shall include content relating to the Seed Production and Operation Permit; and

(6) The place of production means the place where the seeds are produced, and the place of production shall be filled in to the county administrative region for main crop hybrid seeds, or to the provincial administrative region for other crops.

**Article 10** The term of the Seed Production and Operation Permit shall be five (5) years.

In case of any change to the matters indicated on the Seed Production and Operation Permit, an application for change, together with the corresponding materials, shall be submitted to the original issuing authority, and the original issuing authority shall legally change the registration. Where the name, address or legal representative of the production and operation entity changes, an application for change of registration shall be filed with the original issuing authority within 30 days upon the date of change. In case of any change to the seed variety or place of production, the application for change shall be submitted 30 days prior to sowing; and where the application materials so submitted are complete and conform to the legal format, the original issuing authority shall change the registration on the spot.

Where any enterprise plans to continue engaging in the seed production and operation business upon expiry of the term of the Seed Production and Operation Permit, such enterprise shall re-file its application for that at least 6 months prior to the expiry of term.

**Article 11** The valid region indicated on the Seed Production and Operation Permit refers to the region where the enterprise establishes its branch.

The seed production place shall not be subject to the limitations of the valid region indicated on the Seed Production and Operation Permit, and shall be determined by the issuing authority in accordance with the seed production contract copies and the certificate of no quarantine pest submitted by the applicant.

The seed sale activity shall not be restricted by the valid region indicated on the Seed Production and Operation Permit, provided that the seeds to be sold shall be within the suitable region indicated in and on the variety approval, variety registration or label.

**Article 12** Where individual farmers have any surplus self-produced and self-used normal seeds, they may sell or swap the same on local fairs and markets without obtaining the Seed Production and Operation Permit. Individual farmers refer to farmers who have signed the rural land contracted management agreement in the form of household-responsibility system. Local fairs and markets refer to those markets within the countryside (township) regions where individual farmers live. The number of sold or swapped seeds shall not exceed the annual number of seeds to be used by such individual

farmers on their lands subject to the household-responsibility system.

### Chapter III License Conditions

**Article 13** Enterprises applying for obtaining the Seed Production and Operation Permit shall have facilities, equipments, varieties and personnel adequate to the seed production and operation, and meet the conditions provided herein.

**Article 14** Enterprises applying for obtaining the Seed Production and Operation Permit for the normal seeds of main crops and the non-main crop seeds shall meet the following conditions:

(1) Basic Facilities. Enterprises producing and operating normal seeds of main crops shall have an office space of an area of at least 150m<sup>2</sup>, a testing room of an area of at least 100m<sup>2</sup>, a processing plant of an area of at least 500m<sup>2</sup> and a warehouse of an area of at least 500m<sup>2</sup>; and enterprises producing and operating non-main crop seeds shall have an office space of an area of at least 100m<sup>2</sup>, a testing room of an area of at least 50m<sup>2</sup>, a processing plant of an area of at least 100m<sup>2</sup> and a warehouse of an area of at least 100m<sup>2</sup>;

(2) Testing Equipments. Having cleanliness analysis platform, electronic scale, sample crusher, oven, biological microscope, electronic balance, sampler, sample splitter, germination box and other testing instruments, and having the conditions and capacity for routine testing of seed quality;

(3) Processing Equipments. Having drying equipments or drying yard, seed processing and packaging equipments aligned with their scale. Of which, enterprises producing and engaging normal seeds of main crops shall have complete sets of seed processing equipments, and if applying for normal wheat seeds, the total processing capacity of the complete sets of equipments shall be 10 tons/hour or more; if applying for normal rice seeds, the total processing capacity of the complete sets of equipments shall be 5 tons/hour or more; if applying for normal soybean seeds, the total processing capacity of the complete sets of equipments shall be 3 tons/hour or more, and if applying for normal cotton seeds, the total processing capacity of the complete sets of equipments shall be 1 ton/hour or more;

(4) Personnel. There are respectively two or more professional technicians in terms of seed production, processing and storage and seed testing;

(5) Variety. Enterprises shall have at least one (1) variety corresponding with the crop species applied for production and operation, and such variety may be self-bred or resulted from cooperation on selective breeding or transfer of variety right, or may be variety with exclusive operation. The main crop varieties shall obtain the variety approval, and varieties listed in the registration category shall be registered, and varieties with plant variety rights shall require the written consent of the variety right holder;

(6) Production Environment. There is no quarantine pest at the place of production, and there are isolation and breeding conditions for seed production; and

(7) Other conditions as required by the Ministry of Agriculture.

**Article 15** Enterprises applying for obtaining the Seed Production and Operation Permit for the hybrid seeds of main crops and their parental seeds shall meet the following conditions:

(1) Basic Facilities. Having an office space of an area of at least 200m<sup>2</sup>, a testing room of an area of at least 150m<sup>2</sup>, a processing plant of an area of at least 500m<sup>2</sup>, a warehouse of an area of at least 500m<sup>2</sup> and a drying year of an area of at least 1,000m<sup>2</sup> or seed drying equipments and facilities;

(2) Testing Equipments. Except for the conditions set forth in Paragraph 2 of Article 13 hereof, there

shall be PCR instrument and products detection supporting equipments, acidometer, autoclave, magnetic stirring apparatus, thermostat water bath, high speed refrigerated centrifuge, complete sets of pipette and other instruments and equipments, and enterprises shall be able to carry out tests on the four indicators, namely, seed moisture content, purity, cleanliness and germination rate, and the variety molecular identification;

(3) Processing Equipments. Having complete sets of seed processing equipments, and if applying for hybrid corn seeds, the total processing capacity of the complete sets of equipments shall be 10 tons/hour or more; if applying for hybrid rice seeds, the total processing capacity of the complete sets of equipments shall be 5 tons/hour or more; and if applying for hybrid seeds of other main crops, the total processing capacity of the complete sets of equipments shall be 1 ton/hour or more;

(4) Personnel. There are respectively five or more professional technicians in terms of seed production, processing and storage and seed testing;

(5) Variety. Having self-bred variety or any one or more approved varieties for which the enterprise is the first selective breeder, or any two or more approved varieties resulted from cooperation on selective breeding, or having accepted the transfer of any three or more varieties with variety right, and varieties with plant variety right shall have the written consent of variety right holder;

(6) Having the conditions set forth in Paragraph 6 of Article 14 hereof; and

(7) Other conditions as required by the Ministry of Agriculture.

**Article 16** Enterprises applying for obtaining the Seed Production and Operation Permit for the combination of selective breeding, production and operation shall meet the following conditions:

(1) Basic Facilities. Having an office space of an area of at least 500 m<sup>2</sup>, and a refrigerated storage of an area of at least 200 m<sup>2</sup>. In case of applying for main crop seeds and seed potatoes, having a testing room of at least 300m<sup>2</sup>; and in case of applying for other crop seeds, having a testing room of an area of 200m<sup>2</sup>. In case of applying for hybrid corn, hybrid rice, wheat seed and seed potato, having a processing plant of an area of at least 1,000m<sup>2</sup> and a warehouse of an area of at least 2,000m<sup>2</sup>; and in case of applying for cotton or soybean seed, having a processing plant of an area of at least 500m<sup>2</sup> and a warehouse of an area of at least 500m<sup>2</sup>; and in case of applying for seeds of other crops, having a processing plant of an area of at least 200m<sup>2</sup> and a warehouse of an area of at least 500m<sup>2</sup>;

(2) Breeding Institution and Test Networks. Having specialized breeding institutions and corresponding breeding materials, and established complete archives on research of scientific breeding. In case of applying for hybrid corn and hybrid rice seeds, having at least 30 test sites in different ecological zones in China and corresponding sowing, harvesting and test facilities and equipments; and in case of applying for seeds of other crops, having at least 10 test sites in different ecological zones in China and corresponding sowing, harvesting and test facilities and equipments;

(3) Breeding Base. Having land for scientific research on breeding that is owned or leased on a long lease by the enterprise (and in case of lease, with a lease term of no less than 10 years, and the enterprise shall have leased the underlying land for at least 5 years). In case of applying for hybrid corn and hybrid rice seeds, having at least five (5) breeding bases in different ecological zones with a total area of at least 200 mu; and in case of applying for other crop seeds, having at least three (3) breeding bases in different ecological zones with a total area of at least 100 mu;

(4) Scientific Research Input. Within three (3) years from the date of application, the annual average scientific research input shall not be lower than 5% of the annual revenue from sale of seeds, and if applying for hybrid corn seed, the annual average scientific research input shall not be lower than RMB15,000,000, and if applying for hybrid rice seed, the annual average scientific research input shall

not be lower than RMB8,000,000, and if applying for other seeds, the annual average scientific research input shall not be lower than RMB3,000,000;

(5) Variety. In case of applying for main crop seeds, having at least three (3) national approved varieties for which the enterprise is the first breeder, or at least six (6) provincial approved varieties (including at least approved by three (3) provinces), or two (2) national approved varieties and at least three (3) provincial approved varieties. In case of applying for seeds of non-main crops, having at least five (5) varieties with plant variety rights obtained by the enterprise in its own name and by itself;

(VI) Production Scale. For the annual average seed production area in recent three (3) years, if applying for hybrid corn seed, 20,000 mu or more; if applying for hybrid rice seeds, 10,000 mu or more; and if applying for seeds of other crops, the quantity of the seed so produced shall not be lower than the quantity of the qualified seeds of such crop used in 1,000,000 mu land;

(7) Seed Operation. Having established and sound sales network and after-sale service system. If applying for hybrid corn seeds, the sales amount of hybrid corn seed shall reach RMB200,000,000 or more or account for 1% or more of the national market share of such seed, in any one (1) year of the three (3) years prior to the date of application; if applying for hybrid rice seeds, the sales amount of hybrid rice seed shall reach RMB120,000,000 or more or account for 1% or more of the national market share of such seed, in any one (1) year of the three (3) years prior to the date of application; if applying for vegetable seeds, the sales amount of such seed shall reach RMB80,000,000 or more or the sales amount of the self-bred vegetable varieties accounts for 1% or more of the national market share of such seed, in any one (1) year of the three (3) years prior to the date of application; if applying for seeds of other crops, the sales amount of any seed shall account for 1% or more of the national market share of such seed in any one (1) year of the three (3) years prior to the date of application;

(8) Seed Processing. Having complete set of seed processing equipments, and in case of applying for hybrid corn and wheat seeds, the total processing capacity shall not be lower than 20 tons/hour; in case of applying for hybrid rice seeds, the total processing capacity shall not be lower than 10 tons/hour (including indent equipments); in case of applying for soybean seeds, the total processing capacity shall not be lower than 5 tons/hour; and in case of applying for seeds of other crops, the total processing capacity shall not be lower than 1 ton/hour. If applying for hybrid corn, hybrid rice or wheat seeds, having the corresponding drying equipments;

(9) Personnel. In case of applying for hybrid corn seeds and hybrid rice seeds, having 10 or more professional breeding personnel with bachelor degree or above or intermediate professional titles; and in case of applying for seeds of other crops, having 6 or more breeding researchers with bachelor degree or above or intermediate professional titles. If applying for seeds of main crops, having at least 5 full-time professional technicians respectively for production, processing and storage, and testing; and if applying for seeds of non-main crops, having at least 3 full-time professional technicians respectively for production, processing and storage, and testing;

(10) Having the conditions set forth in Paragraph 6 of Article 14 hereof and Paragraph 2 of Article 15; and

(11) Other conditions as required by the Ministry of Agriculture.

**Article 17** Enterprises engaging in seed import and export business shall, when applying for obtaining the Seed Production and Operation Permit, in addition to the corresponding conditions for issuance of the Seed Production and Operation Permit provided herein, meet other conditions provided in relevant laws and regulations.

**Article 18** Foreign-invested enterprises shall, when applying for obtaining the Seed Production and



Operation Permit, in addition to the corresponding conditions for issuance of the Seed Production and Operation Permit provided herein, meet other conditions provided in relevant laws and regulations.

**Article 19** The following materials shall be submitted when applying for obtaining the Seed Production and Operation Permit:

- (1) Application Form for Crop Seed Production and Operation Permit (see Appendix 2 for format);
- (2) Nature of organization, shareholding structure and other basic information, copies of the articles of association and the business license, and description on establishment of branch, entrusted production of seeds and entrusted sale of seeds on a commission basis, and sale of seeds by means of buying and selling;
- (3) Basic information of the seed production, processing and storage and testing technicians, and copies of certificates of social insurance paid by the enterprise, name list of legal representative and senior executives of the applicant enterprise and their seed industry experience;
- (4) Copies of property certificates for their ownership of the office space, seed testing room, processing plant, warehouse or other facilities; copies of the list and purchase invoice of seed testing and processing equipments; description and photos of relevant facilities and equipments;
- (5) Copies of variety approval certificate, and in case of producing and operating seeds of any authorized variety, the copy of certificate of plant variety right and the certificate on the written consent given by the variety holder;
- (6) Copy of the seed production contract (except for the newly established enterprises);
- (7) Quarantine certificate of the place of production of seeds; and
- (8) Other conditions as required by the Ministry of Agriculture.

**Article 20** In case of applying for the Seed Production and Operation Permit for combination of selective breeding, production and operation, in addition to the materials provided in Article 19 hereof, the following materials shall also be submitted:

- (1) Photocopy of the certificate of self-owned land for scientific research on breeding or contract for lease of the land for scientific research on breeding;
- (2) Situation of the variety testing network and the testing sites, and the copies and photos of the property certificate of the corresponding self-owned sowing, harvesting and drying equipments and facilities;
- (3) Situation of breeding institution, scientific research input, breeding materials and scientific research activities, basic information of the breeding personnel and the copies of certificates of social insurance paid by the enterprise;
- (4) Statement on the seed production places in the recent 3 years and their area and the contact person the base, and relevant proof materials;
- (5) Proof materials on seed operation volume, turnover and its market share; and
- (6) Construction situation of the sales network and after-sale service system.

#### **Chapter IV Filing Administration**

**Article 21** Where an enterprise establishes any branch within the valid region indicated on the Seed Production and Operation Permit, or specializes in packaged seed without sub-package, or produces and sells seeds on behalf of another enterprise with Seed Production and Operation Permit under any written entrustment or authorization, such enterprise shall file the same with the competent agricultural department at the county level where it locates.

The filing content includes the basic situation of the filing entity and relevant information on the seeds produced and operated by such filing entity. The filing entity shall submit the materials required for filing and fill in and report the relevant information on <http://www.seedchina.com.cn/>.

**Article 22** Where an enterprise establishes any branch within the valid region indicated on the Seed Production and Operation Permit, such enterprise shall file with the original issuing authority within 15 days upon obtaining or changing the business license of the branch.

The filing content includes the name, domicile, principal and contacts of the branch, copies of business license of the branch and the copies of the Seed Production and Operation Permit of the enterprise that establishes such branch (see Appendix 3 for the format).

**Article 23** Where an enterprise specializes in packaged seed without sub-package, or produces and sells seeds on behalf of another enterprise with Seed Production and Operation Permit under any written entrustment or authorization, the filing shall be completed before the sale of seeds.

The filing content includes the name, domicile, operation method, principal, and contacts of the seed operator and place of sale of seeds, variety name, quantity of seeds, source of seeds and other relevant information (see Appendix 4 for the format), and copies of business license of the seed operator, copies of the seed purchase and sale vouchers or the commission sale contract, and copies of the Seed Production and Operation Permit of the seed packaging enterprise. Where the seed provider has no Seed Production and Operation Permit, the seed provider shall submit proof materials for its completion of filing.

**Article 24** Where an enterprise is entrusted by another enterprise with the Seed Production and Operation Permit in writing to produce its seeds, the filing shall be completed before sowing of the seeds.

The filing content includes the name, domicile, principal and contacts of the seed producer, and the variety name, place of production, production area and other content of the seed produced (see Appendix 5 for format), and the copies of Seed Production and Operation Permit of the entrusting enterprise. In case of producing hybrid corn or rice seeds under entrustment, the certificate on consent to production issued by the local village committee at the place of production of seeds shall be submitted.

## **Chapter V Supervision and Administration**

**Article 25** Enterprises shall establish and retain seed production and operation archives, and the information recorded in the archives shall be continuous, complete and authentic, and the retention period of archives shall be at least five (5) years to ensure the traceability.

Enterprises shall keep the samples of seeds produced and operated hereunder batch by batch, and the samples shall at least be kept for two (2) production cycles of such crops.

**Article 26** The seed production and operation archives shall include the original recording and vouchers generated from the field production, processing and package, sales and circulation as well as other links of and relating to the seeds. Where the archive materials include photocopies, the copying time shall be

indicated and signed or sealed by the relevant persons in charge thereof.

The field production recording shall include: technical director, crop species, variety name, name of parental (original) seed, source of parental (original) seed, place of production, production area, sowing date, segregation measures, production area quarantine, meteorological records, field inspection, management measures, harvest date, airing and drying (only limited to kernel seeds), seed yield, and quality inspection report, etc. In case of seed production under entrustment, the seed production entrustment contract shall also be included.

Processing and packaging records shall include technical director, variety name, place of production, processing time, processing place, processing procedures, package specifications, batch of the seeds, marks and labels, warehouse-in time, quantity of seeds, vouchers, storage bin number, quality inspection report, seeds source, etc., warehouse-out time, quantity of seeds, vouchers, storage bin number, quality inspection report, and the whereabouts of seeds.

Circulation and sales records shall include handler, source of purchased (transferred) seeds and their variety names, quantities, package specifications, purchase (warehouse-in) time, place of storage, purchase vouchers, name and address of the seed sale target, variety name, package specifications, sales volume, selling time, sales vouchers, etc. In case of purchase and sale in bulk, the purchase and sale contract and seed shipping records shall also be included.

**Article 27** Where the applicant intentionally conceals relevant situation or provides false materials when applying for the Seed Production and Operation Permit, the competent agricultural department shall put such misconduct of the applicant on record and include the same into the credit system, and the applicant may not apply for the Seed Production and Operation Permit within three (3) years from the date of discovery of such misconduct.

Where the applicant obtains the Seed Production and Operation Permit by improper means such as cheat or bribery, the competent agricultural department shall revoke the Seed Production and Operation Permit, and put the misconduct of the applicant on record and include the same into the credit system, and the applicant may not apply for the Seed Production and Operation Permit within three (3) years from the date of discovery of such misconduct.

**Article 28** Where during the validity term of the Seed Production and Operation Permit, any of the following circumstances occurs, the issuing authority shall revoke the permit and announce the same:

(1) Where the enterprise concerned ceases its production and operation activities for one year or more;

(2) Where the enterprise concerned has not possessed the license conditions provided herein, and still fails to do so upon correction within prescribed time limit.

**Article 29** For enterprises, the Seed Production and Operation Permits of which are revoked, their legal representatives and directly responsible executives may not hold office as legal representative or senior executive within five (5) years from the date when the punishment decision is made.

Where the legal representatives or directly responsible executives of the enterprises or other entities are sentenced to set term of imprisonment or severer criminal punishment due to the Crime of Production or

Operation of Fake or Substandard Seeds, such legal representatives or executives may not hold office as legal representative or executive within five (5) years from the date of completion of the enforcement of the criminal punishment.

**Article 30** The competent agricultural departments at the county level or above shall carry out supervision and inspection of the seed production and operation activities within their jurisdiction. When supervising and inspecting, they may consult or demand the seed production and operation entity to submit and report the relevant materials, in which case the seed production and operation entity shall truthfully provide relevant situation and materials. The supervision and inspection include:

- (1) The seed production and operation license qualification conditions and seed production and operation situation of the enterprise;
- (2) The situation on establishment and retention of the seed production and operation archives of the enterprise;
- (3) The situation of retention of samples of seeds produced and operated by the enterprise;
- (4) The situation of the online reporting of the seed production and operation by the enterprise; and
- (5) The situation of the seed production and operation filing.

**Article 31** The superior competent agricultural departments shall carry out supervision and inspection over the seed production and operation licensing conducts of the inferior competent agricultural departments. Under any of the following circumstances, an order for correction will be issued, and the directly responsible executive and other direct responsible persons shall be legally given administrative discipline; and where it constitutes a crime, they shall be legally transferred to the judicial authority to be investigated for criminal liability:

- (1) Where they issue any Seed Production and Operation Permit not in compliance with their issuance powers and authorities;
- (2) Where they arbitrarily lower the issuance criteria to issue Seed Production and Operation Permit; or
- (3) Where they commit any other activity to illegally issue the Seed Production and Operation Permit.

**Article 32** Competent agricultural departments shall legally issue and change (only limited to the matters indicated on the main page of the Seed Production and Operation Permit), and revoke (cancel, deregister) the Seed Production and Operation Permit, and make timely announcement to society, and timely update the relevant information on the <http://www.seedchina.com.cn/>.

The competent agricultural departments and their personnel shall legally keep in confidential the trade secrets of the enterprise during the course of the issuance, supervision and administration of license.

### **Chapter 6 Supplementary Provisions**

**Article 33** The seed production and operation mentioned herein refers to activities of sowing, harvesting, drying, cleaning, classifying, coating, packaging, labeling, storing and selling seeds; and the seed production shall be limited to field production activities of seeds breeding (production).

**Article 34** The complete sets of seed processing equipments mentioned herein refer to the processing system that the main equipments and the supporting systems mutually match each other and are

mounted and installed within the processing plant, to realize the selecting, coating, measurement and packaging of seeds. The main equipments mainly includes the air-screen separator (the winnowing part shall have front and rear air suction ducts, double settling chambers; the screen part shall have three or more screen pieces), gravity separator, coating machine and computer measurement packing equipments; the supporting system mainly includes the transporting system, storage system, dust removal system, cleaning system and electronic control system.

**Article 35** Seeds without sub-package mentioned herein refer to the seeds packed by the enterprises with the Seed Production and Operation Permit in its own name and in accordance with relevant regulations..The seed production and operation entity shall guarantee the intactness of the packing bag of the seeds, and the packing bag may not be broken, demolished or encapsulated for a second time.

**Article 36** The facilities and equipments for scientific research on breeding, production, processing, testing and storage, and the office spaces shall be self-owned by the applicant enterprise or a subsidiary in which it has absolute majority shareholding. The self-owned office spaces shall be within the administrative region of the issuing authority of the Seed Production and Operation Permit. The self-owned variety of a subsidiary in which the applicant enterprise has absolute majority shareholding may be deemed as the self-owned variety of the applicant enterprise. The subsidiary which the applicant enterprise has absolute majority shareholding may not take advantage of the said permit obtaining conditions to repeatedly apply for obtaining the Seed Production and Operation Permit.

**Article 37** The rules governing the licensing administration of the production and operation of genetically modified crop seeds shall be otherwise formulated by the Ministry of Agriculture.

**Article 38** In case of applying for obtaining the Seed Production and Operation Permit for fresh corn seeds and popcorn seeds, it shall be handled in accordance with the licensing conditions for non-main crop seeds.

**Article 39** In case of producing and operating seedlings, rice seedlings, virus-free seed potato (seedling) or other non-kernel seeds, there shall be appropriate facilities, equipments, varieties and personnel, and the specific measures for that shall be formulated by the provincial competent agricultural departments.

**Article 40** For administrative regions without any established competent agricultural department, the Seed Production and Operation Permit shall be examined, approved and issued by the competent agricultural department of the superior administrative region.

**Article 41** The Seed Production and Operation Permit shall be uniformly printed and formulated by the Ministry of Agriculture, and the formats and samples of relevant forms are uniformly prepared by the Ministry of Agriculture. The application for, and the acceptance, examination and approval, issuance and printing of the Seed Production and Operation Permit, as well as the seed production and operation filing administration shall be carried out uniformly on <http://www.seedchina.com.cn/>.

**Article 42** These Measures shall come into effect on [Month] [Day], 2016.The Administrative Measures on Crop Seed Production and Operation Licensing (Order of the Ministry of Agriculture [2015] No.1) revised on April 29, 2015 shall be simultaneously repealed. Where any regulation published by the Ministry of Agriculture prior to the entry into effect of these Measures, which relates to the seed

production and operation licensing, is inconsistent with these Measures, these Measures shall prevail.

The validity term of the crop seed production or operation permits that have been obtained prior to the entry into effect of these Measures shall remain the same, and for enterprises that hold permits with an expired date somewhere between the date of publication of these Measures and June 30, 2016, the validity term of their original seed production or operation permits shall be automatically extended to June 30, 2016.

## Appendix

### MEASURES FOR ADMINISTRATION OF PRODUCTION AND BUSINESS LICENSE OF CROP SEEDS

#### CHAPTER I GENERAL PROVISIONS

**Article 1** These Measures are formulated to strengthen the administration of production and operation of crop seeds, and to regulate the orders of production and operation of crop seeds, in accordance with the relevant provisions of the *Seeds Law of the People's Republic of China*.

**Article 2** These Measures apply to the application, examination, issuance and supervision of the production and business licenses of crop seeds.

**Article 3** The agricultural administrative authorities of the people's governments at the county or higher level shall be in charge of collection of applications, examination, issuance and supervision of the crop seed production and business licenses.

**Article 4** The agricultural administrative authorities responsible for examining, verifying and issuing the crop seed production license and business license shall issue a public bulletin on the requirements and procedures for applying for the crop seed production and business licenses at the office site.

**Article 5** The agricultural administrative authorities shall issue the crop seed production license and business license according to law and based on the principles of being conducive to ensure the safety of agricultural production, enhance the level of selection, cultivation and production of crop varieties and promote the fair competition.

#### CHAPTER II PRODUCTION LICENSE

**Article 6** A primary crop [1] seed production license (hereinafter referred to as "**Seed Production License**") shall be lawfully obtained for the production of commercial seeds of primary crops.

A production license of primary crop hybrid seeds and their parental seeds, as well as the foundation seeds of conventional varieties, shall be examined by the agricultural administrative authorities of the people's government at the county level of the production site and be issued by agricultural administrative authorities of the people's government at the provincial level. A seed production license for other primary crops shall be issued by the agricultural administrative authorities of the people's government at the county or higher level of the production site.

If a producer, who applies for a seed production license, has its non-primary crops at the production site but has its primary crops at any other province (autonomous region or municipality directly under the Central Government), the application shall be accepted and the production license shall be issued according to law by the agricultural administrative authorities at the production site.

**Article 7** An applicant who applies for a seed production license shall meet the requirements as follows:

- (1) It shall have the registration capital of no less than RMB 30 million for the application of a seed production license for hybrid rice seed, hybrid corn seed and their parental seeds; and have the registration capital of no less than RMB 5 million for the application of a seed production license for other primary crops;
- (2) The produced variety shall have passed the variety registration; the production of seeds with new plant variety right shall also have obtained the written consent of the variety owner;
- (3) It shall have at least one set of purity analysis desk, electronic scale, counting and planting equipment, electrophoresis system, electrophoresis tank, sample muller, oven, bio-microscope and refrigerator respectively in good conditions, at least one set of electronic balance (reciprocal sensibility 1/100, 1/1000 and 1/10000), and at least two sets of sampling devices, sample distributors and germination boxes respectively; for the application of a hybrid rice or hybrid corn seed production license, the applicant shall have at least one set of PCR amplification instrument, pH meter, high-pressure sterilizing pot, magnetic stirring apparatus, constant temperature water bath, high-speed refrigerated centrifuge and complete pipette respectively;
- (4) It shall have a laboratory of more than 100m<sup>2</sup>; for the application of a seed production license for hybrid rice seed, hybrid corn seed and their parental seeds, the applicant shall have a laboratory of more than 150m<sup>2</sup>;
- (5) It shall have a warehouse of more than 500m<sup>2</sup>, a drying yard of more than 1,000m<sup>2</sup>, or an equivalent seed dryer or equipment;
- (6) It shall employ at least three full-time seed production technicians, storage technicians, and seed inspectors (covering farm test, sampling and indoor test similarly hereinafter) who have successfully passed an exam by the agricultural administrative authorities of the people's government at the provincial or higher level respectively; moreover, for the production of hybrid rice seed, hybrid corn seed and their parental seeds, the applicant shall employ at least five seed production technicians and seed inspectors respectively;
- (7) It has no harmful quarantine organism at the production site;
- (8) It shall comply with the separation and production conditions required by the good seed production practices; and
- (9) Other requirements prescribed by the Ministry of Agriculture.

**Article 8** An applicant who applies for the seed production license shall submit the following materials:

- (1) A crop seed production license application form;
- (2) The photocopy of Business License; a list of seed inspection equipment and other equipment, and photocopy of purchase invoices thereof; photocopy of the property certificate of the seed laboratory and warehouse in the province (autonomous region or municipality directly under the Central Government) at the production site; photocopy of the certificate of title (or lease agreement) of the drying yard in the province (autonomous region or municipality directly under the Central Government) at the production site; or photocopy of the certificate of title of the seed dryer and equipment; photocopy of the testing certificate of the inspection equipment involving the measurement issued by the measurement testing institution; and description and field photos of the relevant facilities and equipment;
- (3) Photocopy of qualification certificates and labor contracts of the seed production, storage and inspection technicians;

- (4) Quarantine certificate of the seed production site;
- (5) Photocopy of variety registration certificate;
- (6) For the production of any seed with a new plant variety right, the written consent of the variety right holder is required;
- (7) Description of the safety separation and production conditions for seed production; and
- (8) Other materials required by the Ministry of Agriculture.

Where the applicant of a seed production license has obtained a seed business license of the corresponding crop, the applicant shall be exempted from submitting the materials required in the preceding Paragraph (2) as well as the photocopy of qualification certificates and labor contracts of the seed storage and inspection technicians, but the photocopy of the seed business license is required.

**Article 9** The examining authority shall complete the examination within 20 working days after accepting the application. During the examination, the examining authority shall conduct a field survey on the production site, drying yard, drying facilities and equipments, storage facilities, inspection facilities and equipments, and shall examine the relevant certificates and materials (only conduct a field survey on the production site if the applicant has obtained the seed business license of the corresponding crops). If all requirements prescribed herein are satisfied, the examining authority shall sign an examining opinion and submit it to the issuing authority; if the examination is not passed, it shall give a written notice to the applicant explaining reasons. .

The issuing authority shall complete the issuance within 20 working days after receiving the examining opinion and the application materials. If the issuing authority considers it necessary, it may conduct a field survey. If all requirements prescribed herein are satisfied, it shall issue a seed production license and make an official announcement; otherwise, it shall give a written notice to the applicant explaining reasons.

**Article 10** The seed production license shall indicate the license number, name, domicile, legal representative and registered capital of the license holder, the name of issuing authority, announcement number, date of issuance, as well as the varieties of crop seeds produced, variety name, registration number, new plant variety right code, production site and valid term of the license. etc.

The license number shall be in the format of “\_\_ (X) Nong Zhong Sheng Xu Zi (X) No.X”. Here, the content in the first bracket shall be the abbreviation of the issuing authority; the second bracket shall be the year of first issuance; the third number shall be the serial number in four digits; “\_\_” shall be filled in with the type of the crop seed produced thereunder, of which, b represents hybrid rice seeds, hybrid corn seeds and their parental seeds, and c represents other primary crop seeds.

**Article 11** The valid term of a seed production license is three years. During the valid term of the seed production license, if the same license holder submits an application to the same issuing authority for any additional variety of similar crops, the issuing authority shall add the new plant variety on the original license and will not issue a separate seed production license.

Upon expiration of a seed production license, if the seed producer intends to apply for a new license with the same issuing authority, it shall submit a new application at least 70 days prior to the expiration of the seed production license.

### **CHAPTER III BUSINESS LICENSE**

**Article 12** A crop seed business license (hereinafter referred to as “**Seed Business license**”) shall be lawfully obtained for the operation of crop seeds.

An business license of primary crop hybrid seeds and their parental seeds, as well as the foundation seeds of conventional varieties, shall be examined by the agricultural administrative authorities of the people’s government at the county level of



the production site and be issued by agricultural administrative authorities of the people's government at the provincial level.

The following seed business licenses shall be examined by the agricultural administrative authorities of the people's government at the provincial level of the domicile of the seed operator and shall be issued by the Ministry of Agriculture:

- (1) The seed business license to be held by a company, who engages in the business of seeds importing and exporting; and
- (2) The seed business license to be held by a company, who carries out the integrated businesses of breeding, production and operation and has the registered capital of more than RMB 100 million.

A seed business license for other crops shall be issued by the agricultural administrative authorities of the people's government at the county or higher level of the domicile of the seed operator.

**Article 13** An applicant who applies for a seed business license of the hybrid rice seed, hybrid corn seed and their parental seeds shall meet the following requirements:

- (1) It shall have the registered capital of no less than RMB 30 million and have the fixed assets of no less than RMB 10 million;
- (2) It shall have at least one set of purity analysis desk, electronic scale, counting and planting equipment, electrophoresis system, electrophoresis tank, sample muller, oven, bio-microscope and refrigerator respectively in good conditions, at least one set of electronic balance (reciprocal sensibility 1/100, 1/1000 and 1/10000), at least two sets of sampling devices, sample distributors and germination boxes respectively, at least one set of PCR amplification instrument, pH meter, high-pressure sterilizing pot, magnetic stirring apparatus, constant temperature water bath, high-speed refrigerated centrifuge and complete pipette respectively, and have a laboratory of more than 150m<sup>2</sup>;
- (3) It shall have the seed warehouse, drying yard or other appropriate drying facilities and equipments meeting the requirements prescribed in Paragraph (5) of Article 7 above, and have a business office of more than 300m<sup>2</sup>;
- (4) It shall have the whole-set seed processing equipment with total processing capacity of no less than 10 t/h for hybrid corn seeds, 5 t/h for hybrid rice seeds, and a processing workshop of more than 500m<sup>2</sup>;
- (5) It shall have at least five full-time seed processing technicians, at least three full-time seed storage technicians, and at least five seed inspectors who have passed the exam of the agricultural administrative authorities of the people's government at the provincial or higher level; and
- (6) Other requirements prescribed by the Ministry of Agriculture.

**Article 14** An applicant who applies for a seed business license of the crop seeds other than the hybrid rice seed, hybrid corn seed and their parental seeds, if such crop seeds shall be processed and packed, shall meet the following requirements:

- (1) For a primary crop seed business license, it shall have the registered capital of no less than RMB 5 million and the fixed assets of no less than RMB 2.5 million; for the non-primary crop seed business license, it shall have the registered capital of no less than RMB 2 million and the fixed assets of no less than RMB 1 million;
- (2) It shall have at least one set of purity analysis desk, electronic scale, counting and planting equipment, electrophoresis system, electrophoresis tank, sample muller, oven, bio-microscope and refrigerator respectively in good conditions, at least one set of electronic balance (reciprocal sensibility 1/100, 1/1000 and 1/10000), at least two sets of sampling devices, sample distributors and germination boxes respectively, and have a laboratory of more than 100m<sup>2</sup>;
- (3) For the operation of primary crop seeds, it shall have the seed warehouse, drying yard or other appropriate drying facilities and equipments meeting the requirements prescribed in Paragraph (5) of Article 7 above, and have a business office of more than 200m<sup>2</sup>; for the operation of non-primary crop seeds, it shall have a seed warehouse of more than 300m<sup>2</sup>, a

drying yard of more than 500m<sup>2</sup> or other appropriate dryers and equipments, and have a business office of more than 200m<sup>2</sup>;

(4) For the operation of conventional rice and wheat seeds, it shall have the whole-set seed processing equipment with the processing capacity of 10 t/h or higher; for operation of soybean seeds, it shall have the whole-set seed processing equipment with the processing capacity of 3 t/h or higher; for operation of cotton seeds or canola seeds, it shall have the whole-set seed processing equipment with the processing capacity of 1 t/h or higher; for operation of other crop seeds, it shall have the appropriate seed processing equipment;

(5) For operation of primary crop seeds, it shall have a seed processing workshop of more than 500m<sup>2</sup>; for operation of non-primary crop seeds, it shall have a seed processing workshop of more than 200m<sup>2</sup>; and

(6) It shall have at least three full-time seed processing technicians, three full-time seed storage technicians, and three seed inspectors who have passed the exam of the agricultural administrative authorities of the people's government at the provincial or higher level.

For application of a crop seed business license without requirement of processing and packaging as prescribed by the Ministry of Agriculture, the registered capital and fixed assets of the applicant shall meet the requirements prescribed in Paragraph (1) of Article 14 above, and the specific requirements regarding seed inspection, storage facilities and equipments and personnel shall be prescribed by the agricultural administrative authorities of the people's government at the provincial level and be reported to the Ministry of Agriculture for filing.

**Article 15** A company who engages in the businesses of importing and exporting seeds and applies for a seed business license shall meet the following requirements:

(1) It shall have the registered capital of no less than RMB 30 million and have the fixed assets of no less than RMB 10 million;

(2) Other requirements for issuance of the corresponding crop seed business license provided for herein.

**Article 16** A company who carries out the integrated businesses of breeding, production and operation, has the registered capital of more than RMB 100 million and applies for a seed business license shall meet the following requirements:

(1) It shall have the fixed assets of no less than RMB 50 million;

(2) It shall have at least two sets of purity analysis desk, electronic scale, counting and planting equipment, electrophoresis system, electrophoresis tank, sample muller, oven, bio-microscope and refrigerator respectively in good conditions, at least two sets of electronic balance (reciprocal sensibility 1/100, 1/1000 and 1/10000), at least three sets of sampling devices, sample distributors and germination boxes respectively, at least two sets of PCR amplification instrument, pH meter, high-pressure sterilizing pot, magnetic stirring apparatus, constant temperature water bath, high-speed refrigerated centrifuge and complete pipette respectively, and have a laboratory of more than 200m<sup>2</sup>;

(3) For the operation of primary crop seeds, it shall have a seed warehouse of more than 1,500m<sup>2</sup>, a drying yard of more than 3,000m<sup>2</sup> or other drying facilities and equipments, and have a business office of more than 500m<sup>2</sup>; for the operation of non-primary crop seeds, it shall have a seed warehouse of more than 300m<sup>2</sup>, a drying yard of more than 500m<sup>2</sup> or other drying facilities and equipments, and have a business office of more than 300m<sup>2</sup>;

(4) For the operation of hybrid rice seeds, hybrid corn seeds and their parental seeds, it shall have the seed dryer and equipment matching its seed operation scale, the whole-set processing equipment for hybrid rice seeds and their parental seeds with the total processing capacity of more than 10 t/h, the whole-set processing equipment for hybrid corn seeds and their parental seeds with the total processing capacity of more than 20 t/h and the processing workshop of more than 800m<sup>2</sup>; for the operation of other crop seeds, its processing capacity and processing workshop shall meet the requirements specified in Paragraph (4) and Paragraph (5) of Article 14 above;

(5) It shall have at least five full-time seed production, processing and storage technicians respectively, and five seed inspectors who have passed the exam of the agricultural administrative authorities of the people's government at the provincial or higher level;

(6) It shall have a specialized breeding department, full-time breeding personnel and operating budget; the annual R&D spending shall be no less than 10% of the annual profit of the applicant; it shall have an independently owned research lab of more than 300m<sup>2</sup> and a stable breeding land of more than 100 *mu*, of which, it shall have more than three testing places at more than three different ecological zones nationwide respectively and have more than 10 *mu* of testing land and the appropriate sowing, harvesting and testing facilities and equipments in each testing place; it shall have at least five full-time breeding researchers holding the professional qualification of intermediate or higher level (or at the bachelor degree or higher in the relevant subject area); for production and operation of primary crop seeds, it shall have at least one full-time breeding researcher holding the professional qualification of senior level (or at the master degree or higher in the relevant subject area) for each variety of crop;

(7) It shall have a stable seed production base. Including a base of more than 5,000 *mu* for operation of primary crop seeds, and a base of more than 500 *mu* for operation of other crop seeds.

(8) It shall have a sound after-sale service system;

(9) For operation of primary crop seeds, it shall have two or more varieties that have been filed an application in its own name and have passed the national variety registration, or five or more varieties that have been filed an application in its own name and at least three of them have passed the variety registration at the province (or autonomous region or municipality directly under the Central Government) level; for operation of non-primary crop seeds, it shall have five or more varieties that have been granted the new plant variety right in its own name;

(10) For operation of crop seeds, the business volume of the subject seed shall account for more than 1% of the national market share of such crop seed in more than one year of the three years (excluding the year of application) prior to the date of application, and the business volume of the varieties in which the applicant has its independent intellectual property right shall account for more than 10% of the applicant's total business volume;

(11) Other requirements prescribed by the Ministry of Agriculture.

**Article 17** An applicant who applies for the seed business license shall submit the following materials:

(1) A crop seed business license application form;

(2) Photocopy of Business License;

(3) A list of seed inspection and processing facilities and equipments, and photocopy of purchase invoices thereof; photocopy of property certificate of the seed laboratory, processing workshop and warehouse; photocopy of the certificate of title (or lease agreement) of the drying yard; or photocopy of the certificate of title of the seed dryer and equipment; photocopy of the testing certificate of the inspection and packaging equipment involving the measurement issued by the measurement testing institution; and description and field photos of the relevant facilities and equipment;

(4) Photocopy of qualification certificates and labor contracts of the seed inspection, processing and storage technicians; and

(5) Other materials required by the Ministry of Agriculture.

**Article 18** When a company engaged in integrated business of breeding, production and operation applies for a crop seed business license to be issued by the Ministry of Agriculture, shall also submit the following materials, in addition to the materials prescribed in Article 17 above:

(1) Description of its breeding department; photocopy of the property certificate and field photos of its own researching and

breeding facilities and equipment; photocopy of the transfer agreement with a term of more than five years for the researching, breeding and variety testing lands;

(2) Photocopy of the certificate of professional title (or academic degree) and the labor contract of its breeding personnel;

(3) Photocopy of the variety registration certificate or new plant variety right certificate, and the certificate of its independent variety production and operation right; description and relevant certificates of seed business volume, business amount and share on the national market of the subject crop within three years prior to the application date; description and relevant certificate of the business volume and business amount of the variety in which it has independent intellectual property right;

(4) Certificates regarding its seed production bases within three years prior to the application date, including the seed production places (with the detailed name of villages), seed production area, contacts at the base village (or group) and the phone list of the commissioned seed growers, and photocopy of ten seed production contracts, or photocopy of the land transfer agreement;

(5) Certificates of sound after-sale service system, including the description of after-sale service system and construction of after-sale service network;

(6) In case of a renewal application prior to the expiration of the existing seed business license, it shall also submit the certificates regarding the seed production, operation, researching and breeding during the valid term of the existing license.

**Article 19** The examining authority shall complete the examination within 20 working days after accepting the application. The examining authority shall conduct a field survey on the business office, processing and warehousing facilities, inspection facilities and equipment, and examine the originals of the relevant certificates. If all requirements prescribed herein are satisfied, the examining authority shall sign an examining opinion and submit it to the issuing authority; if the examination is not passed, it shall give a written notice to the applicant explaining reasons.

The issuing authority shall complete the issuance within 20 working days after receiving the examining opinion and the application materials. If the issuing authority considers it is necessary, it may conduct a field survey. If all requirements prescribed herein are satisfied, it shall issue a seed business license and make an official announcement; otherwise, it shall give a written notice to the applicant explaining reasons.

**Article 20** The seed business license shall indicate the license number, name, domicile, legal representative and registered capital of the license holder, the name of issuing authority, announcement number, date of issuance, as well as the scope of permitted crops, operation mode, applicable territory and valid term of the license etc.:

(1) The license number shall be in the format of “\_\_ (X) Nong Zhong Jing Xu Zi (X) No.X”. Here, the content in the first bracket shall be the abbreviation of the issuing authority; the second bracket shall be the year of first issuance; the third number shall be the serial number in four digits; “\_\_” shall be filled in with the type of operation, of which, a represents issuance by the Ministry of Agriculture, where the license holder engages in the integrated businesses of breeding, production and operation; b represents hybrid rice seeds, hybrid corn seeds and their parental seeds; c represents primary crop seeds other than hybrid rice seeds and hybrid corn seeds; d represents non-primary crop seed; and e represents seeds importing and exporting businesses;

(2) With respect to the scope of business crop, it shall be filled in with the name of crops in case of primary crops, or indicated as vegetable, flower or bast fiber plant in case of non-primary crops;

(3) With respect to the seed operation mode, it shall be filled in with processing, packaging, wholesale, retailing or import & export;

(4) With respect to the applicable territory, it shall be the actual administrative region, but not beyond the jurisdiction of the issuing authority as determined by the issuing authority.

**Article 21** The valid term of a seed business license is five years. If there is any change to any particular contained in a license during its valid term the license holder shall complete the change procedures same as the original application procedures and shall provide the relevant supporting materials.

If a license holder intends to continue its seed operation after expiration of the seed business license, it shall submit a new application at least six months prior to expiration.

**Article 22** If a seed operator engages in the special business of packed seeds without requirement of further sub-packaging , or is authorized by a seed operator with a valid seed business license in written form to distribute the latter's seeds, it is not required to obtain a seed business license, but it shall have its fixed business office.

If a seed operator engages in the special business of packed seeds without requirement of further sub-packaging , it shall sign a purchase and sale contract with another seed operator with a valid seed business license when it is purchasing the seeds.

If a seed operator is authorized by another seed operator with a valid seed business license to sell the seeds, it shall sign a commission contract with another seed operator.

**Article 23** Before establishment of a branch in the applicable territory defined in the seed business license, the seed operator shall register the branch with the local competent administration of industry and commerce, and shall file with the local agricultural administrative authorities of the people's government at the county level and the original issuing authority for reference within 15 days upon receipt or change of the business license. For the purpose of file, the seed operator shall submit the photocopy of its seed business license and business license, as well as the certificates regarding the domicile, operation mode, name of responsible person and contact telephone of the branch, etc.

#### **CHAPTER IV SUPERVISION AND MANAGEMENT**

**Article 24** Primary crop seed producers shall organize the production of seeds in accordance with their seed production licenses. Each seed producer shall set up a seed production archive, report information such as production sites, names of varieties and production area to the local agricultural administrative authorities of the people's government at the county level within 30 days aftersowing . The agricultural administrative authorities of the people's government at the county level shall summarize the production information and report it to the Ministry of Agriculture level by level.

**Article 25** The seed operator shall set up a seed operation archive, recording the source of seed, brief description of seed processing, storage, transportation and quality inspection, as well as responsible persons and identities of purchasers, etc.

The seed operator shall report the main operation activities in the previous year to the issuing authority before the end of May in each year. The issuing authority shall summarize the seed operation information and report it to the Ministry of Agriculture.

**Article 26** The agricultural administrative authorities of the people's government at the county or higher level shall supervise and inspect the seed production and operation activities carried out by the seed producers and operators.

**Article 27** Upon occurrence of any of the following circumstances during the valid term of a license, the issuing authority shall cancel the license and publicly announce the cancellation:

- (1) Any seed producer or operator have suspended its production or operation activities for more than one year; or
- (2) Any seed producer or operator fails to meet the requirements specified herein, and still fails to meet such requirements after rectification within a prescribed time period.

**Article 28** If an applicant conceals related information or submits falsified materials in applying for a seed production or business license, the agricultural administrative authority shall reject the application and make a notification on related situation. The said applicant may not submit another application for a seed production or business license within one year

subsequently.

If an applicant acquires a seed production or business license by improper means, such as fraud or bribery, the agricultural administrative authority shall revoke its license and make a notification on related situation. The said applicant may not submit another application for a seed production or business license within three years subsequently.

**Article 29** The superior agricultural administrative authorities shall supervise and inspect the activities of granting and issuing the seed production and business licenses carried out by the inferior agricultural administrative authorities. Upon occurrence of any of the following circumstances, it shall be ordered to make correction, and the directly responsible persons-in-charge and other directly responsible persons shall be imposed an administrative sanction according to law; where it constitutes a criminal offence, it shall be transferred to the judicial authorities for prosecution of criminal liabilities:

- (1) Any seed production or business license is issued beyond the authority of examining and issuing authority;
- (2) Any seed production or business license is issued as per the lower examining and approving standard without authorization; or
- (3) Any seed production or business license is issued illegally. .

**Article 30** Where an agricultural administrative authority suspends, revokes or cancels the seed production or business license held by an offender, it shall, within five working days upon its decision, notify the competent administration for industry and commerce to cancel or change the business license of the offender according to law.

**Article 31** The agricultural administrative authorities shall establish an online inquiry system for the management of seed production and business licenses and shall publish the relevant license issuing information, except for the information subject to confidentiality requirement under the laws.

The agricultural administrative authorities and their working personnel shall lawfully keep confidentiality of any and all trade secrets received from the seed producers and operators during the administrative activities hereunder.

## **CHAPTER V SUPPLEMENTARY PROVISIONS**

**Article 32** “Seed Production” referred to herein shall mean the activities relating to planting, harvesting, air drying or stoving of seeds.

“Seed Business” referred to herein shall mean the activities relating to processing and treatment of the produced seeds through conditioning , grading, drying and coating, as well as packaging , labeling and marketing.

**Article 33** “Whole-set Seed Processing Equipment” referred to herein shall mean the seed processing system, in which the host machine and auxiliary system are compatible with each other and installed in a processing workshop to fulfill the flow processes and functions of seed conditioning, measurement and packaging . The host machine mainly includes Air Screen Cleaner (the air separation unit shall be equipped with front and rear suction channels and twin deposition chambers; the screening unit shall be equipped with more than three layers of sieve plates), gravity separator , computerized measuring, packaging and code spraying equipment; and the auxiliary system mainly includes the conveyor system, storage system, duster system, impurity removal system and electric control system. The whole-set processing equipment for hybrid rice seeds shall also include a pocket cylinder separator that can complete separating operation for length. .

“Fixed Assets” referred to herein shall mean the non-monetary assets that are held by enterprises for production of products, rendering of services, leasing or business management and have a service life of more than 12 months, including premises , buildings, machines, machinery, transport vehicles and other equipments, instruments and tools relating to the production and operation activities.

**Article 34** The seed researching, production, processing, inspection and storage personnel referred to herein shall have

signed labor contract with their employers for a term of more than three years.

The seed production, processing and inspection facilities and equipments, and the seed laboratory, warehouse, seed drying facilities and equipments referred to herein shall be the properties owned by the applicants respectively.

**Article 35** The measures for the seed production and business license of GM crops shall be otherwise formulated by the Ministry of Agriculture.

**Article 36** With respect to any district (or county or city) which does not have an agricultural administrative authority, all applications for the seed production and business license shall be examined by the agricultural administrative authority of the people's government at the prefecture (or municipal) level.

**Article 37** The crop seed production and business licenses shall be uniformly printed and the relevant forms shall be uniformly formulated by the Ministry of Agriculture.

**Article 38** These Measures shall be enacted as of September 25, 2011. The *Measures for Administration of Production and Business license of Crop Seeds* (No.48 Decree of the Ministry of Agriculture) promulgated on February 26, 2001 and revised on July 1, 2004 by the Ministry of Agriculture shall be abolished as of enactment date of these Measures. In case of any discrepancies between these Measures and the measures regarding the production and business license of seeds promulgated by the Ministry of Agriculture prior to the enactment of these Measures, these Measures shall prevail.

For license holder whose crop seed production license has been issued prior to the enactment date of these Measures and the valid term of which will expire after the enactment date of these Measures but before April 1, 2012, the valid term of such seed production license shall be automatically extended to April 1, 2012; for license holder whose crop seed business license which has been issued and the valid term of which will expire after the enactment date of these Measures but before September 25, 2012, the valid term of such seed business license shall be automatically extended to September 25, 2012.

<sup>[1]</sup> According to Seed Law of China, primary crops refer to rice, wheat, corn, soybean, cotton. The Seed Law also authorizes the Ministry of Agriculture and provincial agricultural authorities to further add one to two local primary crops to the definition. For example, the Ministry of Agriculture has also added rapeseed and potato as primary crops.