**Measures for the Administration of Local Grain and Oil Reserves in Zengcheng District**

(Revised in 2021)

Chapter I General Provisions

Article 1 In order to strengthen the management of local grain and oil reserves, ensure food security and the stability of the grain market, and improve the government's ability to regulate and control the grain market, these Measures are hereby formulated in accordance with the *Regulations on Food Security in Guangdong Province*, the *Measures for the Administration of Provincial Grain Reserves in Guangdong Province*, and the *Measures for the Administration of Grain and Oil Reserves at City-level in Guangzhou (Revised in 2020)*, as well as the actual situation in Zengcheng District.

Article 2 District local grain and oil reserves are specially made by the district government to regulate and control the grain and oil market and cope with the shortage of supply caused by abnormal market fluctuations due to major natural disasters and other emergencies.

Article 3 The ownership of local reserve grain and oil in the district belongs to the district people's government. Without the approval of the district government or its authorized grain administrative department, no institution or individual may use it, and may not carry out any economic guarantee, mortgage or pay off debts with the reserve grain and oil.

Article 4 The District Development and Reform Bureau (District Food and Strategic Reserves Bureau) is in charge of local grain and oil reserve in the district, and the District Finance Bureau and Guangzhou Zengcheng branch of Agricultural Development Bank of China (hereinafter referred to as ADBC Zengcheng) participate in the management according to their respective duties.

Article 5 Local grain and oil reserves in the district are entrusted to qualified grain and oil enterprises for storage. During the storage period, the responsible enterprises shall be given the cost of grain and oil reserve according to the standard, and the storage enterprise shall bear its own profits and losses.

Article 6 Institutions and individuals participating in the storage, supervision and other activities of local grain and oil reserves in the district shall abide by these Measures.

Chapter II Division of responsibilities

Article 7 The District Development and Reform Bureau is responsible for the administration and daily management of local grain and oil reserves; review and identification of the local grain and oil reserve storage units, and in charge of inspecting and supervising the implementation of the plan and storage safety of the local grain and oil reserve; government procurement bidding and competitive auction of grain and oil reserves; organizing the rotation of local grain and oil; the statistical work of local grain and oil reserves; participating in the formulation of reserve cost subsidy standards and measures; managing and using local grain and oil reserves according to the relevant provisions; promoting the application of advanced grain storage technology, carrying out the informatization of grain and oil reserve, and regularly or irregularly organizing the supervision and inspection of local grain and oil reserve in the storage area.

Article 8 The District Finance Bureau shall be responsible for the budget management of the grain risk fund, and shall formulate the subsidy standards and methods for reserve expenses together with the District Development and Reform Bureau; shall review the reserve fee audited by the competent department, interest subsidy for grain and oil reserve loans, and price difference subsidy for rotation quality, and then allocate financial funds in accordance with the regulations on centralized treasury payment management; shall implement financial fund supervision and overall performance evaluation within the scope of duties.

Article 9 The District Audit Bureau shall perform its audit duties according to laws and regulations.

Article 10 ADBC Zengcheng shall issue loans needed for grain and oil reserve according to the national grain and oil loan management policy, reserve scale and rotation plan issued by the government, and manage the grain and oil reserve funds.

Article 11 The reserve contractors shall, in accordance with the provisions of these Measures and the reserve contract, do a good job in storage and rotation operation of local reserved grain and oil, take the main responsibility for the quantity and safety of reserved grain and oil, ensure that the grain and oil can be stored properly, managed well, allocated timely and used exhaustively, and regularly report the reserve inventory and submit relevant statistical reports.

Chapter III Scale and Varieties

Article 12 The local grain and oil reserves in the district are important strategic materials stored by the district government all the year round. The reserve scale, varieties and layout principles shall be put forward by the District Development and Reform Bureau according to the tasks assigned by the municipal government or the needs of grain market regulation and control, and reported to the district government for approval. The layout of local grain and oil reserves in the district should conform to the principles of safe storage, flexible scheduling, convenient rotation and friendly economy.

Article 13 Local grain and oil reserve shall be made with varieties following emergency needs and market demands. Among them, paddy, rice and wheat are the main grain varieties, and the proportion is not less than 70% of the total scale; The reserve oil is mainly peanut oil, soybean oil and palm oil. The scale of local grain and oil reserves in the district should meet the market supply requirements of permanent residents for more than 15 days.

Chapter IV Storage Management

Article 14 District-level grain and oil storage conditions should meet the following requirements:

(a) The warehouse capacity reaches the prescribed standards;

(b) The storage facilities have the functions of storage, ventilation, entrance, pest control, etc., and conform to the technical specifications stipulated by the state, province and city;

(c) Have the ability to meet the requirements of food quality inspection and monitoring conditions for food storage temperature, moisture, pest status, etc.;

(d) Obtain the corresponding qualification certificates of food storage, quality inspection, pest control and other management and technical personnel;

(d) With good management and reputation, no illegal business record, not included in the joint disciplinary object of dishonesty.

Article 15 District-level grain and oil reserve tasks shall be assigned through direct entrustment and bidding entrustment.

(a) Direct entrustment means that the district-level grain and oil reserve management department directly entrusts qualified grain and oil enterprises and grain depots to undertake tasks. The entrusted objects are generally state-owned grain and oil enterprises with large-scale grain and oil reserve facilities and capabilities. The reserve grain and oil directly entrusted for storage shall be purchased by the district-level reserve grain and oil management department through public bidding.

(b) Bidding entrustment refers to the district local grain and oil reserve management department combines the storage service with the reserve grain and oil procurement for public bidding. The bidding objects are the all grain and oil enterprises that meet the storage conditions.

Article 16 Before the expiration of the storage period, the storage enterprise shall implement the reserve grain and oil stocks in advance according to the variety, quantity and quality requirements stipulated in the storage contract. The District Development and Reform Bureau entrusts a qualified third-party inspection institution for grain and oil quality to inspect the inventory, organize public bidding sales after being qualified, and terminate the storage task after settling the relevant expenses.

Article 17 When the storage period expires, in case of large fluctuations in the grain and oil market or the need for emergency use of grain and oil reserves, the storage period may be appropriately extended and the storage contract may be re-concluded with the approval of the district government. In principle, the varieties, prices and storage location of storage will remain unchanged.

Chapter V Quality Management

Article 18 The quality and safety standards of district-level grain and oil reserves shall be determined by the District Development and Reform Bureau according to the national grain and oil standards and the requirements of the higher-level grain administrative department, among which:

(a) Rice and wheat must meet the national standard of medium (third class) or above, and rice must meet the national standard of second class or above, in line with food hygiene standards.

(b) Edible oil must meet the national standard level or above, and meet the hygienic standards for edible oil.

Article 19 The quality of grain and oil stored in storage shall be inspected and certified by a qualified third-party inspection institution for grain and oil quality entrusted by the District Development and Reform Bureau. The inspection expense shall be covered by the storage enterprise.

Article 20 The management system of "inspection and report for every batch" shall be implemented for the warehousing quality of reserve grain and oil, which means for every batch to be put into storage, inspection shall be carried out and report shall be issued. The inspection report shall be filed by the District Development and Reform Bureau, the inspection institution and the storage enterprise for future reference.

Article 21 The District Development and Reform Bureau shall establish and improve the quality and safety record of district-level grain and oil reserves, realize the quality traceability of the procurement, storage and delivery of grain and oil reserves, and improve the quality and safety management ability of grain and oil reserves.

Article 22 Reserve contractors shall, within 5 working days after the storage of grain and oil reserves, notify the third-party inspection institution for grain and oil quality to take samples. The third-party institution for grain and oil quality inspection shall complete sampling, inspection and issue report within 15 working days after receiving the sampling notice.

Article 23 Reserve contractors shall establish a quality and safety management system, regularly inspect the quality and safety items related to grain and oil reserves in the warehouse in accordance with grain and oil quality standards and food safety standards and relevant regulations, and truthfully fill in the quality and safety files. The preservation period of quality and safety files shall not be less than 5 years from the date of grain and oil sales.

Article 24 Reserve contractors shall establish a quality and safety inspection system for the rotation of grain and oil reserves. When the reserve grain and oil are rotated out of the warehouse, the storage enterprise shall entrust a third-party institution for grain and oil quality inspection to inspect and issue an inspection report.

Article 25 Reserve contractors shall formulate the disposal plan of quality and safety accidents of grain and oil reserves, implement quality and safety risk prevention measures, and eliminate hidden dangers of quality and safety accidents in a timely manner. Efforts shall be made to identify the quality and safety problems of grain and oil reserves, timely and properly handle them according to regulations and policy requirements.

Chapter VI Storage Management

Article 26 Reserve contractors are the first responsible subjects for the safe storage and production of grain and oil reserves, and should strictly implement the *Interim Provisions on the Safety Responsibility of Grain and Oil Storage*, *Code for Safe Storage of Grain and Oil*, *Code for Safe Production of Grain Depots*, *Technical Specifications for Grain and Oil Storage* and other industry laws and regulations to ensure the safety and good quality of grain and oil reserves.

Article 27 Reserve contractors shall store grain and oil reserves in special warehouses (tanks), keep them by special personnel, record them in special accounts, use unified accounts, forms, cards and warehouse cards, and fill in relevant statistical reports in a timely, accurate and complete manner; set up reserve grain and oil storage record, statistical accounts and financial accounts, record the purchase, sale and storage of reserve grain and oil regularly every month for future reference, and make sure that the records are consistent with the facts, accounts, cards and accounts. Once the storage location of grain and oil reserves is determined, it shall not be changed at will without the approval of the District Development and Reform Bureau.

Article 28 Reserve contractors should establish and improve the system of safe storage and safe production of grain and oil reserves, improve safety protection measures, and regularly carry out safety inspections and remediation for hidden danger. If problems related to safe storage and production are identified, they should be properly handled according to regulations and policy requirements to avoid the expansion of losses.

Article 29 Reserve contractors should actively promote the application of new technologies, new processes and new equipment for grain storage, and improve the level of scientific grain storage; carry out the informatization of grain and oil reserve management, equipped with corresponding facilities, manage and use the information platform according to regulations.

Chapter VII Rotation Management

Article 30 The rice and wheat in the local grain and oil reserves in the district shall be rotated by the District Development and Reform Bureau according to the annual rotation plan. The price shall be determined according to the comprehensive transaction price of 10 recent transactions of similar varieties in Guangdong South China Grain Trading Center as the base price for the sale or purchase of this batch of grain. In the meantime, according to the actual market price trend at the time of starting auction, the starting price can be determined by ±5% floating. After being reported to the district government for examination and approval, the reserve contractors will implement it according to the bidding transaction results and the contract agreement. The rotation of finished grain and oil (rice, refined oil) shall be organized and implemented by the reserve contractors according to the market demand and the relevant provisions of these Measures. It must be based on the quality status of grain and oil, storage quality control indicators and storage period, and take the opportunity to rotate according to the principles of [FIFO(first in first out)](http://www.youdao.com/w/FIFO(first%20in%20first%20out)/" \l "keyfrom=E2Ctranslation), balanced and orderly management, quality assurance and cost reduction.

Article 31 District-level grain and oil reserve rotation regards storage quality, storage period as the main basis for the arrangement of rotation plan. The storage period of rice, high-quality rice and edible oil shall not exceed 1 year; the storage period of ordinary rice shall not exceed 2 years; the storage period of wheat shall not exceed 3 years. Finished grain and oil shall not be stored over 1 year and shall be rotated before the expiration of the shelf life, and other varieties shall be implemented according to the relevant provisions of the State. After reaching the storage period, if the quality index still meets the suitable storage standard, the rotation can be postponed appropriately with the approval of the District Development and Reform Bureau.

Article 32 District grain and oil reserve rotation shall implement planned management. The annual rotation plan is issued by the District Development and Reform Bureau and ADBC Zengcheng. Regular rotation of local grain and oil reserves in the district shall be organized by the District Development and Reform Bureau according to the annual rotation plan, and the reserve contractors shall organize the implementation according to the storage contract; independent rotation of grain and oil reserves shall be declared by the reserve contractors, and shall be organized and implemented after being approved by the District Development and Reform Bureau. The examination and approval shall be sent to ADBC Zengcheng for record.

Article 33 Rotation of local grain and oil reserves

(1) Rice rotation

Three-level rice shall be rotated regularly, once every two years, and the District Development and Reform Bureau shall organize bidding for procurement and sales. The rotation time shall not exceed the rotation time stipulated by the superior reserve.

(2) Rice rotation

Independent rotation shall be carried out more than once a year, and the rotation mode of reserve finished grain (rice) is organized by the reserve contractors in multiple batches by means of constant current period, and the rotation entry and exit time of each batch shall not exceed the rotation time stipulated by the superior reserve; in every Gregorian calendar year, all the finished grain (rice) stored must be rotated more than once, and the rice inventory scale should be maintained at 100% before the end of December every year, so as to ensure the completion of the inventory assessment task of the reserved finished grain (rice).

(3) Wheat rotation

Wheat shall be rotated regularly, once every three years, and the District Development and Reform Bureau organizes bidding for procurement and sales. The rotation time of each batch shall not exceed the rotation time specified by the superior reserve, and ensure the completion of the assessment task of grain reserve inventory.

(4) Rotation of reserve oil

Rotation mode: independent rotation, organized by the storage enterprise in multiple batches by means of constant demand, and the rotation entry and exit time of each batch shall not exceed the rotation time specified by the superior reserve; in each Gregorian calendar year, all the stored oil must be rotated more than once. And the scale of reserve oil inventory must be maintained at 100% before the end of December every year, so as to ensure the completion of the assessment task of reserve oil inventory.

Article 34 In the event of force majeure such as disasters, epidemics, emergencies, etc., the district-level grain and oil reserve management department may suspend the rotation and require the reserve contractors to organize the replenishment in time to ensure sufficient grain sources for emergency supply.

Chapter Ⅷ Financial management

Article 35 The District Finance Bureau according to the requirements of financial fund management, and the provisions of centralized treasury payment, shall timely allocate funds needed for grain and oil reserves.

Article 36 Reserve contractors shall open basic deposit account, payment return households and financial subsidy accounts in the Agricultural Development Bank, accept the supervision of funds, and implement the relevant provisions of the Agricultural Development Bank on the management of grain and oil reserve loans.

Article 37 Reserve grain and oil purchase price and loan issuance.

1. Rice and wheat are based on the bid-winning warehousing price, and ADBC Zengcheng issues loans to reserve contractors based on the bid-winning price.
2. Rice: Guangzhou Zengcheng Grain Reserve Management Co., Ltd. organizes the first bidding in Guangdong South China Grain Trading Center within 15 days from the date of issuance of these Measures as the approved benchmark price, and ADBC Zengcheng issues loans to reserve contractors based on this standard, which will remain unchanged for three years.
3. Refined oil: According to the approval document ([2020] No.301) submitted by Zengcheng District People's Government Office, the purchase price of reserve oil shall be implemented according to the standard of 15,500 yuan/ton, and ADBC Zengcheng shall issue loans to reserve contractors based on this standard, which will remain unchanged for three years.

Article 38 Grain and oil reserve costs include reserve fees, reserve grain and oil loan interest subsidies and rotation quality price difference subsidies.

(a) The standard of grain and oil reserve fee shall be implemented according to the standard of Guangzhou municipal grain and oil reserve in the same period.

(b) The interest subsidy standard for grain and oil reserve loans is calculated according to the approved bid-winning warehousing price for grain and oil reserve purchases and the interest rate of grain and oil reserve loans of Agricultural Development Bank of China, and the reserve contractors are fully subsidized with reference to the interest subsidy method for municipal grain and oil reserve loans.

(c) Rotation price difference

1. Rice and wheat: If the quality rotation price difference has been caused by bidding procurement and bidding sales organized by the local grain and oil authorities in the district, the district-level grain risk fund will give a one-time subsidy in full; In case of surplus, it shall be paid into the supplementary district-level grain risk fund in full.

2. Rice and reserve oil: refer to the municipal rotation price difference standard in Guangzhou during the same period.

Article 39 Grain and oil reserve expenses shall be subject to quarterly pre-allocation and annual liquidation system. Reserve fees and interest subsidies for reserve grain and oil loans are pre-allocated quarterly, and rotation quality price difference subsidies are pre-allocated according to the completion progress of rotation. The application is submitted by reserve contractors, and after being audited by the District Development and Reform Bureau and the District Finance Bureau, it is allocated to the storage enterprise account in accordance with the Regulations on Centralized Treasury Payment Management. Reserved grain and oil that is not in its rotation period but is included in the annual rotation plan will not be subsidized by the rotation quality price difference in the year of rotation. The annual liquidation is organized by the District Development and Reform Bureau.

Article 40 The district-level grain and oil reserve management business shall be accounted for in accordance with the Provisions on Accounting Treatment of Grain and Oil Business in the Implementation of Accounting Standards by Grain Enterprises.

Article 41 After the storage period ends, the District Development and Reform Bureau shall organize liquidation according to the approved bid-winning warehousing price and competitive sales outbound price of grain and oil reserves. In case of losses, the district-level grain risk fund shall make up for them; In case of surplus, it shall be paid into the supplementary district-level grain risk fund in full. During the period of bidding sales and warehousing of reserve grain and oil, the reserve cost shall be calculated based on the actual quantity of reserve grain and oil in the warehouse.

Chapter Ⅸ Supervision and inspection

Article 42 District-level grain and oil reserve management departments shall supervise and inspect the reserve contractors in accordance with these Measures and the provisions of relevant laws, regulations and rules. Supervision and inspection can be carried out by means of routine inspection, regular inspection, special inspection, spot check and special investigation, and joint routine inspection can be organized at least once every quarter.

Article 43 In the process of supervision and inspection, the district-level grain and oil reserve management department may exercise the following functions and powers:

1. Enter the storage enterprise to check the storage safety and production safety of grain and oil reserves;
2. Ask the relevant institutions and personnel to understand the reserve grain and oil storage, sales, rotation plan and the implementation of the use order;
3. Access to the relevant materials and vouchers for the management of grain and oil reserves.

Article 44 No institution or individual may refuse, obstruct or interfere with the supervision and inspection personnel in performing their duties according to law. The supervision and inspection personnel shall promptly deal with the problems found in the inspection process in accordance with these Measures and relevant laws, regulations and rules.

Article 45 The District Development and Reform Bureau is responsible for the annual performance evaluation and management of district-level grain and oil reserves, and evaluates the management of grain and oil reserves.

Article 46 ADBC Zengcheng shall supervise the district-level grain and oil reserve loans in accordance with the regulations on the closed management of funds, and conduct regular inventory inspections.

Chapter Ⅹ Utilization management

Article 47 In the cases of disaster relief, emergency rescue and other special circumstances when the grain and oil reserves need to be used, the local grain and oil reserves usage procedures shall be started by the District Development and Reform Bureau in accordance with the relevant provisions of the *Zengcheng District Food Emergency Plan*.

Article 48 For the reserve grain and oil that the district government needs to put on the market in order to stabilize the market grain price, the District Development and Reform Bureau shall take the lead in formulating the implementation plan, specify the variety, quantity, price and storage location of the reserve grain and oil, and report it to the district people's government for approval before implementation.

Article 49 In cases of selling grain and oil reserves according to the government instructions, for any losses caused, the district grain risk fund shall give subsidy; for any profits gained, the profits shall be given to the district food risk fund in full.

Chapter XI Legal Liability

Article 50 After inspection, if the reserve contractor commits one of the following acts, the District Development and Reform Bureau shall order it to make rectification within a time limit, and if there is illegal income, it shall be confiscated according to law; for any suspected crime, it shall be promptly transferred to judicial organs and investigated for criminal responsibility according to law.

(a) The district-level reserve grain and oil has not been stored in a special warehouse (tank), kept by special personnel, and recorded in a special account, and the district-level reserve grain and oil accounts are inconsistent and the accounts are inconsistent;

(b) Problems identified about quantity, quality and storage safety of district-level grain and oil reserves have not been dealt with in a timely manner, and major issues have not been reported in a timely manner or the facts have been concealed;

(c) Unauthorized use, misappropriation of district-level reserve grain and oil, or arbitrarily change the variety and quality grade of district-level reserve grain and oil, or change the storage location without consent;

(d) Falsely reporting, concealing or refusing to report the quantity and quality of district-level grain and oil stocks;

(e) Refusing to implement or arbitrarily changing the district-level reserve grain and oil storage, sales, rotation plan and order for usage;

(f) The use of district-level grain and oil reserves or their loan funds to engage in business activities unrelated to district-level grain and oil reserves, or to provide economic guarantee, mortgage or pay off debts with district-level grain and oil reserves;

(g) In violation of the relevant provisions of the closed management of funds, misappropriation of district-level reserve grain and oil procurement funds, interest and financial subsidies;

(h) Refusing, obstructing or interfering with the supervision and inspection personnel of the district-level grain and oil reserve management departments and audit institutions to perform their duties according to law.

Article 51 If the staff of district-level grain and oil reserve management departments and relevant functional departments violate the provisions of these Measures, or the reserve contractor fails to perform its duties of supervision and inspection or finds that it violates these Measures and fails to correct it in time, or abuses its power, engages in malpractices for personal gain, neglects its duties, and asks for bribes, the responsible person in charge and the directly responsible personnel shall be given administrative sanctions according to law; for any suspected crime, the person shall be transferred to judicial organs according to law.

Chapter XII Supplementary Provisions

Article 52 The District Development and Reform Bureau shall be responsible for the interpretation of these Measures.

Article 53 These Measures shall come into force as of the date of promulgation and shall be valid for 3 years. The management of grain and oil reserves before the date of issuance shall still be implemented according to the previous management measures. Relevant laws and policies shall be evaluated and revised according to the implementation according to the change of basis or the expiration of validity period. The original Measures for the *Administration of Local Reserved Oil in Zengcheng District* shall be abolished at the same time.