

Order of the State Council of the People' s Republic of China

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The Regulation on the Supervision and Administration of the Quality and Safety of Dairy Products, which was adopted at the 28th executive meeting the State Council on October 6, 2008, is hereby promulgated and shall come into force as of the date of promulgation.

Premier Wen Jiabao

October 9, 2008

Regulation on the Supervision and Administration of the Quality and Safety of Dairy Products

Chapter I General Provisions

Article 1 This Regulation is formulated to strengthen the supervision and administration of the quality and safety of dairy products, ensure the quality and safety of dairy products, ensure the health and life safety of the general public and promote the sound development of the dairy industry.

Article 2 The term “dairy products” as mentioned in this Regulation refers to fresh milk and dairy products.

This Regulation shall apply to the supervision and administration of the quality and safety of dairy products. If any law provides otherwise for the supervision and administration of the quality and safety of dairy products, such provision shall prevail.

Article 3 The dairy animal raisers, fresh milk purchasers, dairy product production enterprises and sellers shall be responsible for the quality and safety of the dairy products that they produce, purchase, transport or sell. They are the first responsible persons for the quality and safety of dairy products.

Article 4 The local people' s governments at and above the county level shall be responsible for the quality and safety of the dairy products within their respective administrative area.

The stockbreeding and veterinary administrative departments of the people' s governments at and above the county level shall be responsible for the supervision and administration over the raising of dairy animals and the production and purchase of fresh milk. The quality supervision, inspection and quarantine departments at and above the county level shall be responsible for the supervision and administration over the production, import and export of dairy products. The industry and commerce administrative departments at and above the county level shall be responsible for the supervision and administration over the sale of dairy products. The food and drug administrative departments at and above the county level shall be responsible for the supervision and administration over the catering services relating to dairy products. The health administrative departments of the people' s governments at and above the county level shall, according to their functions, be responsible for the comprehensive coordination of supervision and administration of the quality and safety of dairy products, investigate into and deal with major food safety accidents. Other relevant departments of the people' s governments at and above the county level shall, within their respective functions, be responsible for other tasks relevant to the supervision and administration over the quality and safety of dairy products.

Article 5 Any accident of quality and safety of dairy products shall be timely reported and handled in accordance with relevant laws and administrative provisions. Where severe or bad consequences are caused by such an accident, the persons-in-charge of the relevant people' s governments and those of the relevant departments who shoulder the leader' s responsibilities shall be subjected to liabilities.

Article 6 The fresh milk and dairy products shall conform to the national standards for the quality and safety of dairy products. The national standards for the quality and safety of dairy products shall be formulated by the health administrative department of the State Council and be timely amended on the basis of the risk monitoring and assessment results.

The national standards for the quality and safety of dairy products shall include limits on pathogenic microorganisms, pesticide residues, veterinary drug residues, heavy metals and other substances hazardous to human health, the sanitation requirements during the production and business operation of dairy products, the general methods and operating procedures for the inspection of dairy products, quality requirements relevant to the safety of dairy products and other contents which are necessary to be a component part of the national standards for the quality and safety of dairy products.

The physical characteristics and growth needs of infants shall be taken into full consideration during the formulation of national standards for the quality and safety of infant milk powder so as to ensure the indispensable nutritional ingredients for the growth of infants.

Where a health administrative department of the State Council finds, from the disease information and supervision information of the supervisory departments, etc., that a non-edible chemical substance or any other substance that may be hazardous to the human health is added or may have been added to a dairy product, it shall immediately organize a risk assessment and take corresponding monitoring, testing and supervisory measures. .

Article 7 It is forbidden to add any substance during the production, purchase, storage, transport and sale of fresh milk.

It is forbidden to add any a non-edible chemical substance or any other substance that may be hazardous to the human health during the production of dairy products.

Article 8 The stockbreeding and veterinary administrative department of the State Council shall, jointly with the development and reform department, the industry and information department and the commerce department of the State Council, formulate a national dairy industry development plan, strengthen the construction of dairy resource bases, improve the service system and promote the sound development of the dairy industry.

The local people' s governments at and above the county level shall, under the national dairy industry development plan, reasonably determine the dairy animal raising scale within their respective administrative area, scientifically arrange the production and purchase of fresh milk.

Article 9 The relevant industrial associations shall intensify industrial self-discipline, advocate good faith in the industry, direct and standardize the production and business operations of dairy animal raisers, fresh milk purchasers, dairy product production enterprises and sellers.

Chapter II Dairy Animal Raising

Article 10 The state shall take effective measures to encourage, direct and support dairy raisers to improve the quality and safety of fresh milk. The people' s governments at and above the province level shall arrange funds from the fiscal budget at the same level to support the dairy industry and encourage credit support to be given to dairy animal raisers and professional production cooperatives of dairy farmers.

The state shall establish a dairy animal policy insurance system and offer premium subsidies to dairy animal raisers who buy relevant insurances.

Article 11 Stockbreeding and veterinary technology popularization institutions shall provide the dairy animal raisers with such services as raising technology training, popularization of good breeds, prevention and control of diseases, etc.

The state shall encourage dairy product production enterprises and other relevant producers and business operators to offer dairy animal raisers services they need.

Article 12 To set up a dairy animal farm or community, the following requirements shall be satisfied:

1. conforming to the dairy animal raising scale determined by the local people' s government for the administrative area;
2. having a business site and relevant facilities commensurate with its raising scale;
3. having its own stockbreeding and veterinary technicians;
4. having the epidemic prevention conditions as prescribed by laws, administrative regulations, and provisions of the stockbreeding and veterinary administrative department of the State Council;
5. having facilities such as firedamp pool for the comprehensive utilization of the dairy animal dung, waste water and other solid wastes, or having other innocuous disposal facilities;
6. having bylaws on the management of production, sale and transport of fresh milk; and
7. meeting other requirements as prescribed by laws and administrative regulations.

The owner of a dairy animal farm or raising community shall report the name and address of the farm or raising community, breeds of the dairy animals as well as the raising scale to the stockbreeding and veterinary administrative department of the people' s government at the county level where the farm or raising community is located for archival purposes.

Article 13 A dairy animal farm shall establish raising archives, which shall contain:

1. the breeds, number, breeding records, labeling, sources, and dates of entering and exiting the farm;
2. the source, name, object, time, and quantity of the feed, feed additives, veterinary drugs, etc. ;
3. the information about the quarantine, disease immunity and sanitization;

4. the information about the diseases that attacked the dairy animals, the death and innocuous disposal of the dairy animals after the attack of the diseases;
5. the information about the production, testing and sale of fresh milk;
6. other contents as required by the stockbreeding and veterinary administrative department of the State Council.

The owner of a dairy animal raising community shall gradually establish raising archives.

Article 14 When raising dairy animals, it is forbidden to use the feed, feed additives, veterinary drugs and other substances which are banned by the state and which have direct or potential harm to animals and humans.

It is forbidden to sell fresh milk produced by dairy animals during the prescribed drug-using period and withdrawal period.

Article 15 A dairy animal raiser shall ensure that the dairy animals meet the health standards as prescribed by the stockbreeding and veterinary administrative department of the State Council and that the dairy animals receive compulsory immunity.

An animal epidemic prevention and control institution shall regularly test the health of dairy animals. Where any dairy animal does not conform to the health standards upon test, it shall immediately segregate it, give medical treatment to it or dispose of it innocuously.

Article 16 A dairy animal raiser shall do a good job in the animal epidemic prevention for the dairy animals and the raising sites. When finding any dairy animals which are attacked or may be attacked by an epidemic disease, he shall immediately report it, stop the production of fresh milk and take such control measures as segregation so as to prevent the spread of the epidemic disease.

A dairy animal raiser shall timely clear, transport and dispose of the egesta and waste produced in raising dairy animals.

Article 17 A dairy animal raiser shall abide by the fresh milk production technical procedures formulated by the stock-breeding veterinary administrative department of the State Council. A person directly engaging in milking shall have a valid health certificate.

A dairy animal raiser shall timely wash and disinfect the milking facilities and fresh milk storing facilities so as to avoid pollution to the fresh milk.

Article 18 The fresh milk shall be refrigerated. Any fresh milk which has not been refrigerated after the lapse of more than 2 hours shall not be sold.

Chapter III Purchase of Fresh Milk

Article 19 The stockbreeding and veterinary administrative department of the people' s government of a province, autonomous region or municipality directly under the Central Government shall, in light of the distribution of local dairy sources and under the principle of facilitating dairy animal raisers and promoting the dairy animal raising on a large scale, scientifically plan and reasonably arrange the construction of fresh milk purchase stations. Where necessary, the fresh milk may be purchased at a fixed place in a centralized manner.

The state shall encourage dairy product production enterprises to set up fresh milk purchase stations on their own initiative or purchase existing fresh milk purchase stations under the plan and arrangements.

Article 20 A fresh milk purchase station shall be set up by a dairy product production enterprise, dairy animal farm or professional production cooperative of dairy farmers that has made industrial and commercial registration, shall meet the following conditions and shall obtain a fresh milk purchase license issued by the stockbreeding and veterinary administrative department of the local people' s government at the county level:

1. conforming to the plan and arrangements for the construction of fresh milk purchase stations;
2. having a purchase site that meets the environmental protection and sanitation requirements;
3. having the cooling, refrigeration and fresh-keeping facilities and low temperature transport equipment which are commensurate with its purchased milk volume;
4. having the experiment, measurement and testing instruments and equipment which are commensurate with the test items;
5. having practitioners who have passed the training and who hold valid health certificates;
and
6. having rules on the sanitation management and on ensuring milk quality and safety.

A fresh milk purchase license shall be valid for 2 years. No fresh milk purchase station is required to go through the industrial and commercial registration.

It is forbidden for any other entity or individual to set up any fresh milk purchase station. It is forbidden for any other entity or individual to purchase fresh milk.

The state shall support and subsidize fresh milk purchase stations so as to improve their mechanical milking and fresh milk refrigeration transport capacities.

Article 21 A fresh milk purchase station shall timely wash and disinfect the milking facilities and fresh milk storage and transport facilities so as to avoid contaminating the fresh milk.

A fresh milk purchase station shall, under the national standards for the quality and safety of dairy products, regularly test the fresh milk it purchases. No test fee shall be collected from dairy animal raisers.

A fresh milk purchase station shall keep the quality of fresh milk.

Article 22 A fresh milk purchase station shall establish fresh milk purchase, sale and test records. The fresh milk purchase, sale and test records shall contain the animal owner's name, quantity of a single purchase, test result of fresh milk, where it is sold to, etc., and preserve such records for 2 years.

Article 23 The price administrative departments of the local people's governments at and above the county level shall strengthen the monitoring and circular reporting of the fresh milk prices, timely release the market supply and demand information and price information. Where necessary, a local people's government at or above the county level may establish a fresh milk price coordination committee consisting of the administrative departments of price and stockbreeding and veterinary, and representatives of the industrial association, dairy product production enterprises, fresh milk purchasers and dairy animal raisers so as to determine the reference prices for fresh milk transactions and make the said reference prices available for both the purchaser and seller to sign contracts.

The purchaser and seller of fresh milk shall sign a written contract. The model contract for the purchase of fresh milk shall be created and announced by the stockbreeding and veterinary administrative department of the State Council in conjunction with the industry and commerce administrative department of the State Council.

Article 24 It is forbidden to purchase the following fresh milks:

1. the fresh milk that does not meet the health standards upon test or that is produced by dairy animals failing to pass the quarantine;
2. the foremilk produced by a dairy animal within 7 days after giving birth to baby animals, except for the purchaser engaging in the production of dairy products with the foremilk as raw material;
3. the milk produced by a dairy animal during the drug-using period and withdrawal period; and
4. other milk which does not meet the national standards for the quality and safety of dairy products.

After being tested as inerrant, the fresh milk as described in the preceding paragraph shall be destroyed or subject to innocuous disposal by other means.

Article 25 A container storing fresh milk shall conform to the national hygiene standards and shall be refrigerated to 0-4°C within 2 hours after milking.

A fresh milk transport vehicle shall obtain a fresh milk transport permit issued by the stockbreeding and veterinary administrative department of the local people's government at or above the county level and shall be accompanied by a freight milk delivery receipt. The delivery receipt shall indicate the name of the fresh milk purchase station, quantity of fresh milk and time of delivery, and shall be signed by the responsible person of the fresh milk purchase station, supercargo, driver and recipient.

The delivery receipt shall be in duplicate, one of which shall be preserved by the fresh milk purchase station and the other by the producer for 2 years. The format for the transport permit and the delivery receipt shall be designed by the stockbreeding and veterinary administrative department of the people's government of the province, autonomous region or municipality directly under the Central Government.

Article 26 The people's governments at and above the county level shall intensify the construction of the fresh milk quality and safety monitoring system and prepare corresponding personnel and equipment so as to ensure that the monitoring capacity be commensurate with the monitoring tasks.

Article 27 The stockbreeding and veterinary administrative department of the people's governments at or above the county level shall intensify the monitoring of the quality and safety of fresh milk, create and execute the fresh milk quality and safety monitoring plan, supervise and randomly check the fresh milk and timely announce the results of supervisory and selective checks according to their statutory powers.

No monitoring fee or selective check fee shall be collected from any party subject to random check. The necessary expenses shall be disbursed from the treasury at the same level.

Chapter IV Production of Dairy Products

Article 28 To engage in the production of dairy products, the following requirements shall be met and a food production license issued by the local quality supervision department shall be obtained:

1. conforming to the policies of the state on the dairy industry;
2. the selection of factory site and design of the factory buildings which meet the relevant provisions of the state;
3. having the production, packing and test equipment commensurate to the types and quantities of the dairy products to be produced;
4. having corresponding professional technicians and quality inspectors;
5. having the facilities which satisfy the environmental protection requirements for disposal of waste water, exhaust gas, garbage and other pollutants;
6. having practitioners who have passed the training and who hold a valid health certificate;
and
7. Other requirements as prescribed by any law or administrative regulation.

To issue a food production license to a dairy product production enterprise, the quality supervision department shall solicit the comments of the local industrial administrative department.

No entity or individual shall, without a food production license, engage in the production of dairy products.

Article 29 A dairy product production enterprise shall establish a quality management system, take quality and safety management measures and control the quality during the whole process of production of dairy products from raw materials' entering the factory to the finished products' leaving the factory so as to ensure the quality and safety of the products.

Article 30 A dairy product production enterprise shall comply with the requirements for good production practice. The state shall encourage dairy product production enterprises to comply

with the hazard analysis and critical control point system (hereinafter referred to as the HACCP) to improve the dairy product safety management level. An infant milk powder production enterprise shall be subject to the HACCP system.

For a dairy product production enterprise that has passed the certification of good production practices and the HACCP system, the certification institution shall legally conduct follow-up investigations. For an enterprise that no longer meets the certification requirements, the certification institution shall revoke the certification and timely report it to the administrative department.

Article 31 A dairy product production enterprise shall establish a system for the inspection of purchased fresh milk, test each batch of the purchased fresh milk, faithfully record the quality test results, name and contact information of the suppliers, date of purchase, etc., and verify the delivery receipts of the fresh milk transport vehicles. The inspection records and the fresh milk delivery receipts shall be preserved for 2 years. No dairy product production enterprise shall purchase fresh milk from any entity or individual without a fresh milk purchase license.

No dairy product production enterprise shall purchase any fresh milk that does not meet the national standards for the quality and safety of dairy products because of containing excessive residues of veterinary drugs or other chemical substances, or containing heavy metals, or other toxic and hazardous substances, or pathogenic parasites or microorganism, or biological toxins.

Article 32 The fresh milk, supplementary materials, additives, etc. for the production of dairy products shall conform to the laws, administrative regulations, and national standards for the quality and safety of dairy products.

The dairy products shall be pasteurized or be sterilized by high temperature or ultra high temperature or by other effective means.

The bacteria species for the production of fermented dairy products shall be pure, good and harmless and be verified regularly so as to prevent the pollution of other bacteria.

Infant milk powder shall ensure the essential nutritional ingredients for the growth of infants. No substance that may be hazardous to the health and growth of infants shall be added to the infant milk powder.

Article 33 The package of a dairy product shall bear a label. The label shall faithfully state the name, specifications, net weight, production date and table of ingredients or composition of the product, name, address and contact information of the production enterprise, quality guarantee period, product standard code, storage conditions, common chemical names of the food additives used, serial number of the food production license, other matters that must be stated according to laws, administrative regulations or national standards for the quality and safety

of dairy product.

The fluid milk processed with milk powder, butter, whey powder and other raw materials shall be given an indication on the package. The fluid milk produced with reconstituted milk shall be given an indication of the words "Reconstituted Milk" and be faithfully given an indication of the raw materials of the reconstituted milk and the proportion thereof under the product composition.

In addition, an infant milk powder label shall state the major nutritional ingredients and the proportion thereof, details of how to use the said infant milk powder, and points of attention.

Article 34 The dairy products to leave the factory shall conform to the national standards for the quality and safety of dairy products.

A dairy product production enterprise shall inspect each batch of dairy products that leave the factory and preserve the inspection report and keep the samples. The inspection shall cover the organoleptic indicators, physical and chemical indicators, hygiene indicators, the additives and stability agent used in the dairy products, the bacteria species used in the yoghurt, etc. Moreover, the nutritional ingredients shall be tested before the infant milk powder leaves the factory. The qualified dairy products shall, upon inspection, be marked with an inspection compliance certificate number. No dairy product that fails to pass the inspection shall leave the factory. An inspection report shall be kept for 2 years.

Article 35 A dairy product production enterprise shall faithfully record the name, quantity, production date, production batch number, inspection compliance certificate number, name of the purchaser and the contact information thereof, date of sale, etc.

Article 36 Where a dairy product production enterprise finds that any of its dairy products fails to meet the national standards for the quality and safety of dairy products or may harm human health and life safety or may harm the health or growth of infants, it shall immediately stop the production, report it to the relevant administrative department, inform the sellers and consumers, recall the dairy products that have already left the factory and are on the market, and record the recall information.

The dairy product enterprise shall destroy or innocuously dispose of the recalled dairy products so as to prevent their return to the market.

Chapter V Sale of Dairy Products

Article 37 To engage in the sale of dairy products, the applicant shall have obtained a relevant license from the industry and commerce administrative department under the pertinent provisions on the supervision and administration of food safety.

Article 38 A dairy product seller shall establish and execute a system for the inspection of the purchased goods, examine and verify the business operation qualifications of the supplier, verify the dairy product compliance certificate and product mark, and establish a purchased dairy product ledgers to faithfully record the name, specifications, quantity, supplier and the contact information thereof, and purchase time of the dairy products. An enterprise engaging in the wholesale of dairy products shall establish a dairy product sales ledgers to faithfully record the type, specifications, quantity of the dairy products and where they are sold to. The purchase ledgers and sales ledgers shall be preserved for at least 2 years.

Article 39 A dairy product seller shall take measures to keep the quality of the dairy products it sells.

It shall prepare refrigeration equipment or take refrigeration measures if it sells dairy products that should be preserved under low temperature.

Article 40 It is forbidden to purchase or sell any dairy product without a quality compliance certificate, without a label or with a mutilated and illegible label.

It is forbidden to purchase or sell any dairy product of which the quality guarantee period has expired or which has gone bad or does not comply with the national standards for the quality and safety of dairy products.

Article 41 No dairy product seller shall fabricate the place of production, forge the factory name and address, illegally use the factory name and address of any other producer, fabricate a certification sign or any other quality mark or illegally use a certification mark or any other quality mark.

Article 42 A seller shall immediately stop selling the dairy products that do not meet the national standards for the quality and safety of dairy products or may harm human health and life safety or may harm the health or growth of infants and recall the already sold dairy products and record the recall information.

Where a dairy product seller finds by itself (himself) that any of the dairy products it (he) sells is under the circumstance as described in the preceding paragraph, it shall immediately report it to the local industry and commerce administrative department and other relevant

departments and inform the dairy product production enterprise.

Article 43 A dairy product seller shall produce purchase vouchers to consumers and perform the obligations to replace and receive returned non-compliance dairy products.

After having performed the obligations to change and receive the returned non-compliance dairy products in accordance with the provision of the preceding paragraph, if the dairy product production enterprise or supplier is liable, the seller may recourse against the dairy product production enterprise or supplier.

Article 44 The imported dairy products shall be inspected under the national standards for quality and safety purposes. For any item which is not included in the national standards for the quality and safety of dairy products, an inspection shall be made by reference to the relevant foreign standards as designated by the relevant department of the state.

Article 45 At the same time of meeting the national standards for the quality and safety of dairy products, an export dairy product producer or seller shall ensure its exported dairy products meet the standards of the import country (region) or the contractual requirements.

Chapter VI Supervision and Inspection

Article 46 The stockbreeding and veterinary administrative departments of the people's governments at and above the county level shall strengthen the supervision and inspection of the raising of dairy animals and the production and purchase of fresh milk. The quality supervision, inspection and quarantine departments at and above the county level shall intensify the supervision and inspection over the production, import and export of dairy products. The industry and commerce administrative departments at and above the county level shall strengthen the supervision and inspection of the sale of dairy products. The food and drug supervisory departments at and above the county level shall strengthen the supervision and administration of the catering services relating to dairy products. The information about the supervision and administration of the quality and safety of dairy products shall be timely circulated through notices between supervision and inspection departments, and between the supervision and inspection departments and other relevant departments.

The stockbreeding and veterinary, quality supervision, industry and commerce and other administrative departments shall regularly conduct random checks and record information about the selective checks and treatment results. If it is necessary to conduct a random check of dairy products, no fee shall be charged and the necessary expenses shall be disbursed from the

treasury at the same level.

Article 47 The administrative departments of stockbreeding, quality supervision, and industry and commerce, etc. shall exercise the following functions during the supervision and inspection according to their respective functions:

1. to conduct on-the-spot inspections;
2. to inquire the relevant persons about the pertinent information;
3. to consult and copy relevant contracts, instruments, account books, inspection reports and other materials;
4. to seal up and detain the dairy products proved to fail to the national standards for the quality and safety of dairy products, and the illegally used fresh milk, supplementary materials and additives;
5. to close down the sites suspected of involvement in the production and business operation of dairy products, and detain the devices and equipment used in the illegal production and business operation; and
6. other functions as prescribed in any law or administrative regulation.

Article 48 During the process of supervision and inspection, the quality supervision department and industry and commerce administrative department at or above the county level shall order the production enterprise to recall and the sellers to stop selling the dairy products that do not meet the national standards for the quality and safety of dairy products or may harm human health and life safety or may harm the health or growth of infants.

Article 49 The price administrative department of the people' s government at or above the county level shall tighten the supervision and inspection of the improper price-related acts during the purchase and sale of fresh milk, such as forcing down the grades or prices, fraudulent pricing and price-rigging, etc..

Article 50 The stockbreeding and veterinary administrative departments, quality supervision departments, and industry and commerce administrative departments shall establish records of violations of dairy product producers and operators and timely furnish such records to the People' s Bank of China, who shall put them into the basic database of enterprises' credit information.

Article 51 The stockbreeding and veterinary administrative departments, quality supervision departments, and industry and commerce administrative departments of the people' s governments at and above the province level shall, under their respective functions, disclose the supervision and administration information about the quality and safety of dairy products. The relevant supervisory departments shall timely notify the health administrative department at the same level of the information about the dairy product quality and safety accidents. The information about any major dairy product quality and safety accident shall be disclosed by the health administrative department of the people' s government at and above the province level.

Article 52 Where a supervisory department finds any dairy animal raiser, fresh milk purchaser or dairy product production enterprise or seller suspected of committing a crime, it shall timely transfer the case to the public security organ for investigation.

Article 53 Any entity or individual has the right to expose the violations committed during the production and business operation of dairy products to the administrative departments of stockbreeding and veterinary, health, quality supervision, industry and commerce, food and drug, etc.. The aforesaid departments shall disclose their respective email address and exposure telephone number. Where any of them receives a tip-off, it shall completely record and preserve it.

A department that has received a tip-off shall timely deal with the matter if it falls within its own scope of functions and shall give a timely reply to the informant who offers the tip-off in its (his) real name. If the matter does not fall within its scope of functions, it shall timely transfer it to the competent department. The competent department shall deal with it immediately and shall not pass the buck.

Chapter VII Legal Liabilities

Article 54 Where a fresh milk purchaser or dairy product production enterprise adds any non-edible chemical substance or any other substance that may be hazardous to the human health during the purchase of fresh milk or during the production of dairy products, it shall, under Article 144 of the Criminal Law, be subject to criminal liabilities and have its license revoked by the issuing organ if any crime is constituted. If no crime is constituted yet, the stockbreeding and veterinary administrative department and the quality supervision department shall, under their respective functions, confiscate the illegal gains, the illegal dairy products and relevant tools, equipment and other articles, fine it 15 up to 30 times the value of the illegal dairy products and have its license revoked by the issuing organ.

Article 55 For any violator which produces or sells dairy products that fails the national standards for the quality and safety of dairy products, it shall, under Article 143 of the Criminal Law, be subject to the criminal liabilities and have its license revoked by the issuing organ if any crime is constituted. If no crime is constituted yet, the stockbreeding and veterinary administrative department, the quality supervision department, and the industry and commerce administrative department shall, under their respective functions, confiscate the illegal gains, the illegal dairy products and relevant tools, equipment and other articles, fine it 10 up to 20 times the value of the illegal dairy products and have the license revoked by the issuing organ.

Article 56 Where a dairy product production enterprise in violation of Article 36 of this Regulation does not stop production or does not recall the dairy products that do not meet the national standards for the quality and safety of dairy products or may harm human health and life safety or may harm the health or growth of infants, the quality supervision department shall order it to stop production and recall the aforesaid products. If it refuses to comply with the order, the quality supervision department shall confiscate its illegal gains, illegal dairy products and relevant tools, equipment and other articles, fine it 15 up to 30 times the value of the illegal dairy products and have its license revoked by the issuing organ.

Article 57 Where a dairy product seller in violation of Article 42 of this Regulation does not stop selling or does not recall the dairy products that do not meet the national standards for the quality and safety of dairy products or may harm human health and life safety or may harm the health or growth of infants, the industry and commerce administrative departments shall order it to stop selling and recall the aforesaid products. If it refuses to comply with the order, the industry and commerce administrative department shall confiscate its illegal gains, its illegal dairy products and relevant tools, equipment and other articles, fine it 15 times up to 30 times the value of the illegal dairy products and have its license revoked by the issuing organ.

Article 58 For a violator of this Regulation who adds any non-edible chemical substance or any other substance that may be hazardous to the human health during the production of infant milk powder or produces or sells any infant milk powder that does not contain enough nutritional ingredients or does not meet the national standards for the quality and safety of dairy products, it (he) shall be given a heavier punishment under this Regulation.

Article 59 After the occurrence of a dairy product quality accident, if a dairy animal raiser, fresh milk purchaser, dairy product producer or seller fails to report or deal with it, the department of stockbreeding, quality supervision, industry and commerce, and food and drug shall, according to its functions, order it (him) to make a correction and give it (him) a warning. If

the violator has destroyed the relevant proofs, it shall order it (him) to stop production or business operations and fine it (him) 100, 000 up to 200, 000 yuan. If any severe consequences have been produced, its (his) license shall be revoked by the issuing organ. If any crime is constituted, it (he) shall be subject to criminal liabilities.

Article 60 For a violator under any of the following circumstances, the stockbreeding and veterinary administrative department of the local people's government at or above the county level shall confiscate its illegal gains, its illegally purchased fresh milk and relevant equipment, facilities and other articles and fine it (him) 5 times up to 10 times the value of the illegal dairy products. If it (he) has a license, the license shall be revoked by the issuing organ:

1. It (he) purchases fresh milk without a fresh milk purchase license;
2. After having obtained a fresh milk purchase license, the fresh milk purchase station does not meet the licensing requirements for continuing the purchase of fresh milk; or
3. The fresh milk station purchases any fresh milk as banned in Article 24 of this Regulation.

Article 61 Where a dairy product production enterprise or seller engages in the production or sales activities without a license or fails to comply with the statutory conditions or requirements in the production and sales activities after having obtained a license, the local quality supervision department or industry and commerce administrative department at or above the county level shall punish it (him) in pursuance of the Special Rules of the State Council on Strengthening the Supervision and Management of the Safety of Food and Other Products, laws and administrative regulations.

Article 62 Where a department of stockbreeding, health, quality supervision or industry and commerce has failed to exercise its functions as prescribed in this Regulation and thus caused bad consequences, or abused its powers or committed any other malfeasance, the supervisory organ or appointment and removal organ shall impose a sanction of serious demerit or demotion on the principals, directly liable persons-in-charge and other directly liable persons. If serious consequences are caused, it shall impose a sanction of removal from office or dismissal on them. If a crime is constituted, it shall make them subject to the criminal liabilities.

Chapter VIII Supplementary Provisions

Article 63 The measures for the purchase of fresh milk produced by cows grazed and raised in a meadow shall be separately formulated by the local people's government of the province,

autonomous region or municipality directly under the Central Government with reference to the present Regulation.

Article 64 This Regulation shall come into force as of the date of promulgation.