Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

15 January 1998 [shall come into force on 11 February 1998];

14 October 1999 [shall come into force on 17 November 1999];

10 February 2000 [shall come into force on 10 March 2000];

20 January 2011 [shall come into force on 22 February 2011].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima* 1 has adopted and

the President has proclaimed the following law:

**On the Settlement of Accounts with the Producers of Unprocessed Agricultural Produce**

**Section 1.** The following terms are used in the Law:

1) **unprocessed agricultural produce** – initial produce of plant or animal origin consumed directly or used as a raw material in the production of food products and other products;

2) **producers (suppliers) of unprocessed agricultural produce** – natural or legal persons engaged in agriculture and marketing their own initial produce of plant or animal origin in an unprocessed state, and also the corresponding cooperative societies of agricultural services.

[*20 January 2011; 22 February 2011*]

**Section 2.** (1) The Law prescribes the procedures by which the settlement of accounts shall be made between the producers (suppliers) of unprocessed agricultural produce (hereinafter – the produce) and merchants engaged in the processing, trade of produce or using the produce for the performance of their economic activities (hereinafter – the merchant).

(2) The term of payment provided for in the contracts concluded shall not exceed 30 days from the date of delivery of the produce. This term of payment shall not be applicable to grain supply contracts.

[*20 January 2011*]

**Section 3.** The settlement of accounts between the producers (suppliers) of produce and the merchants shall be made within 10 days of the date of delivery of the produce. The settlement period referred to in this Section shall not apply to contracts in which the term of payment has been determined in accordance with Section 2, Paragraph two of this Law.

[*20 January 2011*]

**Section 4.** If the settlement of accounts regarding the supply of the produce has not been made within a period of 10 days from the date of delivery of the produce or within the time period specified in the concluded contract, the merchant shall pay the interest rate for the delay in accordance with the Civil Law.

[*20 January 2011*]

**Section 5.** The Rural Support Service of the Ministry of Agriculture is entitled to receive information from the merchants regarding the produce supplied and not paid for within the time period and to submit a claim to court for the defence of the rights of the producers (suppliers) of the produce.

[*15 January 1998; 10 February 2000; 20 January 2011*]

**Section 6.** If the amount recovered from the merchants is not sufficient to satisfy all claims according to the enforcement documents, the claims of the producers (suppliers) of the produce regarding the non-payment for the produce shall be satisfied after the claims of the employees have been satisfied regarding:

1) work remuneration for the first three months from the date of the termination of salary payments;

2) holiday pay and social benefits for one year prior to the initiation of the debt recovery case;

3) the remuneration to be paid for the whole period of non-payment in relation to mutilation at work or damage caused by occupational diseases;

4) social tax and personal income tax payments which ensure receipt of the unemployment benefit.

[*15 January 1998; 20 January 2011*]

The Law has been adopted by the *Saeima* on 2 November 1995.

President G. Ulmanis

Rīga, 15 November 1995