# Legal Issues about Online Sales of Agricultural Products in the Development of Rural E-commerce in China

# Qiuping Zhang 1,2\*

<sup>1</sup>Heilongjiang Academy of Agricultural Sciences Postdoctoral Programme, Harbin 150086, China <sup>2</sup>Harbin University of Commerce, School of Economics, Harbin 150028, China 369407890@qq.com

\*Corresponding author

Abstract: The agricultural products such as sweet corn are one of the important exchange contents in rural E-commerce, and it is also an important way to increase farmers' income and revitalize rural areas in China. However, there are many legal issues in the current E-commerce of online sales of agricultural products. These problems make it impossible to guarantee the various links in agricultural products. This article discusses relevant legal issues encountered in the process of online sales of agricultural products and on this basis, there are many suggestions for farmers to trade agricultural products on some trading platforms with effective laws and regulations. The purpose is to provide a certain reference for the smooth development of agricultural products in rural E-commerce.

Keywords: Rural E-commerce, Online sales of agricultural products, Legal issues

E-commerce has development rapidly like mushrooms especially rural E-commerce. There are two main forms of rural E-commerce emerging in China rural areas: one is entry of industrial products that provide more convenience in rural areas, and the other one is the online sales of agricultural products that provide farmers with more opportunities to increase income. In the process of online sales of agricultural products relying on E-commerce, E-commerce companies with farmers as the main E-commerce operators encountered many legal problems. Therefore, it is meaningful to analyze the legal problems encountered in the process of online sales of agricultural products, such can promote the development of rural E-commerce.

#### 1. Legal Issues Existing in the Online Sales of Agricultural Products

#### 1.1 Weak Legal Awareness of Rural E-commerce Operators

The main business entities of rural E-commerce are family-based farmers, rural cooperatives composed of farmers and rural enterprises [1]. Among them, farmers and rural cooperatives are different from rural enterprises in the operation of rural E-commerce. Because the farmers and rural cooperatives are not registered in the industrial and commercial department, and they lack legal awareness in the operation process, so they cannot use effective legal tools to maintain their own legitimate rights and interests. When legal disputes occur during the transactions, they cannot be reasonably resolved through legal methods. At the same time, since farmers and rural cooperatives do not have legal personality, it is also difficult for the industrial and commercial departments to effectively supervise them to ensure orderly operation of rural E-commerce [2].

# 1.2 Lack Guard for Agricultural Products

In rural E-commerce, some agricultural products traded are fresh, fruits and vegetables. These products are based on their small garden and cannot be effectively certified for quality. At the same time, due to the weak legal consciousness of some farmers, the phenomenon of "shitty good" and no trace-ability will appear in the process of agricultural products trading [3]. In addition, transaction products by E-commerce are surplus products from farmers'. These products do not have a unified price and a unified brand and so on. As a result, some farmers do not follow the market rules and it is easy to lead to chaos in agricultural product E-commerce platform transactions. Moreover, the relevant

ISSN 2706-6827 Vol. 3, Issue 16: 31-34, DOI: 10.25236/IJFS.2021.031605

departments cannot effectively protect it.

#### 1.3 Morel Risks in the Agricultural Product Trading Platforms

Compared with traditional agricultural products transactions, the use of E-commerce for transactions breaks the time and space restrictions between agricultural product sellers and consumers [4]. Therefore, in the process of rural E-commerce transaction process, in addition to the traditional thirty-party trading platforms such as Taobao, Pinduoduo, many proprietary trading platforms have begun to emerge. Meanwhile some other software applications also carry out online trading functions. However, the uneven quality of these trading platforms has caused some legal problems in the agricultural product E-commerce trading platform during the transaction. For example, If the platform is not compliant, it will not be able to effectively protect the rights and interests of both consumers and farmers[5]; there are too many malicious competitions among trading platforms; the payment methods used by various trading platforms are different, making the interests of some merchants unable to be protected; regarding the after-sales service after the transaction is completed, some platforms cannot provide effective services, such as delayed delivery, which has caused some legal disputes.

#### 1.4 Few Laws Related to Rural E-commerce

The online sales of agricultural products in rural E-commerce is different from traditional E-commerce [6]. Because agricultural products have obvious characteristics, they are not included in the specific regulations in the "E-Commerce Law". For example: how to deal with the deterioration of agricultural products during transportation, how to conduct quarantine and inspection for agricultural and sideline products of poultry, and how to conduct quality control for the initial processing of some agricultural products [7]. However, some farmers and rural cooperatives mainly carry out quality control through non-standard forms such as word of mouth and trace-ability. In fact, the form cannot be unified. At the same time, there are a wide variety of agricultural products and the quality of agricultural products will be affected by many factors such as climate, soil, and water quality. This makes it more difficult to implement uniform laws and regulations for unified supervision.

## 2. Suggestions on Improving the Legal Protection of Agricultural Products

## 2.1 Improving the Legal Literacy of Rural E-commerce Employees

At this stage, most of the trading models adopted of the online sales of agricultural products in rural E-commerce are mainly sales farmer-based sales entities, enterprise-based trading platforms, and consumers urban residents-based consumers, that is, a C2C-based model. In this model, in addition to standardized E-commerce companies, neither farmers nor urban residents have the interpretation and understanding of the laws related to E-commerce in the process of E-commerce transactions. Coupled with the special nature of agricultural products, this kind of C2C model will encounter more legal disputes in actual operation. Therefore, it is imperative to improve the legal literacy of rural E-commerce personnel. In other words, farmers continue to increase their legal knowledge in the process of engaging in E-commerce [8], so as to effectively regulate their behaviors, standards, and procedures for engaging in rural E-commerce products. Continuously improve the legal awareness of urban resident when they purchase products through E-commerce to effectively protect their legal rights. And continuously enhance the standardization of the trading platforms through legal means to maintain the order of rural E-commerce [9].

# 2.2 Increasing the Legal Certification Method of Agricultural Products

For agricultural product quality certification methods, the traditional word-of-mouth certification should be discarded. Especially there is fierce competition brought by a large number of the current E-commerce platforms. In addition, due to the differences in agricultural products caused by the regions, climates and varieties, it is more necessary to standardize the certification methods of agricultural products [10]. Although there are certain difficulties, the certification of agricultural products can be completed through many methods such as the certification of farmer qualification, the certification of soil quality, and the trace-ability of the entire planting of agricultural products; the certification methods for the same types of agricultural products should be unified. Make the certification content and process transparent by formulating relevant regulations and rules. Only in this

## ISSN 2706-6827 Vol. 3, Issue 16: 31-34, DOI: 10.25236/IJFS.2021.031605

way, we can make the similar agricultural products comparable. Therefore, increasing the legal certification method for agricultural products is a key move to improve the online sales of agricultural products in rural E-commerce.

### 2.3 Regulating the Trading Platform through Laws

Although different types of trading platforms have their own trading orders and rules, it is still necessary to regulate the qualifications of E-commerce farmers on each platform by laws. This can prevent shoddy farmers from entering the platform. In order to avoid malicious competition on the same platform, standardized regulations can be used to regulate the marketing model of merchants. Regulate the dispute settlement of merchants and consumers through relevant standards to improve consumer confidence. At the same time, self-operated E-commerce platforms and social media-based sales models should also strengthen legal regulations, so that the rights and interests of both farmers and consumers are protected.

#### 2.4 Promulgating Relevant Laws and Regulations on Rural E-commerce

Different regions and departments should formulate laws or regulations related to rural E-commerce according to the characteristics of agricultural products in each region, and even refine them to different types of products. This standardized management can ensure product quality, expand sales, and reduce disputes. At the same time, relevant departments should also issue relevant laws and regulations on the online sales of agricultural products based on the type of platform. The ultimate goal is to protect the interests of farmers, increase their confidence in rural E-commerce, and truly achieve the purpose of increasing income through E-commerce.

#### 3. Conclusions

In order to ensure that the online sales of agricultural products become an important magic way for farmers' income increase and rural revitalization, it is necessary to recognize the legal issues in the operation of rural E-commerce. Only the contents of farmers, trading platforms and agricultural products are regulated through legal methods, we can truly achieve the vigorous development of agricultural products upward model in rural E-commerce. Therefore, the current important measures to ensure the smooth development of the online sales of agricultural products are the introduction of relevant laws and regulations on rural E-commerce, improving the legal literacy of rural E-commerce employees, increasing legal certification methods for agricultural products, and standardizing trading platforms.

## References

- [1] Sriyadi, Heri Akhmadi, Ananti Yekti. Impact of Agrotourism Development on Increasing Value Added of Agricultural Products and Farmers' Income Levels (A Study in Karangtengah, Bantul, Yogyakarta). E3S Web of Conferences, 2021, 232(232):02-13.
- [2] Sousa Rui, Horta Carolina, Ribeiro Ricardo, Rabinovich Elliot. How to serve online consumers in rural markets: Evidence-based recommendations. Business Horizons, 2020, 63 (3):351-362.
- [3] Eduard Cristobal-Fransi, Yolanda Montegut-Salla, Berta Ferrer-Rosell, Natalia Daries. Rural cooperatives in the digital age: An analysis of the Internet presence and degree of maturity of agri-food cooperatives' e-commerce. Journal of Rural Studies, 2020, 74(74):55-66.
- [4] R Siddharth Meyyappan, T N Gokul Nivash, J Ariharan. Rural E-Commerce and Last Mile Delivery: Challenges and Solutions in the Indian Context.International Journal of Management, IT and Engineering, 2019, 9(9):164-170.
- [5] Vukić Jana, Balić Anđela, Bilić Josip, Kalinić Antea, Nekić Magdalena, Štih Ema, Rajčić Lora. Digitizing of agricultural products sale towards the resilience of local communities to crisis situations. Agroeconomia Croatica, 2020, 10(01):96-105.
- [6] Yoo TaeWoong, Oh IlSeok. Time Series Forecasting of Agricultural Products' Sales Volumes Based on Seasonal Long Short-Term Memory. Applied Sciences, 2020, 10(22):8169-8170.
- [7] Kwaku Amponsah Randy, Fan Qibing. Effect of Good Product Design and Packaging on Market Value and the Performance of Agricultural Products in the Ghanaian Market. Open Access Library Journal, 2020, 07(09):1-14.
- [8] Adil Hassan Ibrahim, Eko Priyo Purnomo, Ajree D. Malawani. The Most Important Agricultural

## International Journal of Frontiers in Sociology

ISSN 2706-6827 Vol. 3, Issue 16: 31-34, DOI: 10.25236/IJFS.2021.031605

Products that Sudan Exports and the Mechanisms to Develop. Asian Journal of Agricultural Extension, Economics & Sociology, 2020(08):121-133.

[9] Anish Shrestha, Samata Baral. Consumers' willingness to pay for organic agriculture products: a case study of Nepalgunj city, Banke. International Journal of Agriculture, Environment and Food Sciences, 2019(02):58-61.

[10] Alina Proshchalykina, Yevhenii Kyryliuk, Iryna Kyryliuk. Prerequisites for the development and prospects of organic agricultural products market. Entrepreneurship and Sustainability Issues, 2019(04):1307-1317.