



Legal Analysis of Rice Mill Liability for Farmers' Delivered Products Case Study: Rice Mills in Babol County

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Abstract

Rice mills constitute an important link in the rice production and processing chain in the northern regions of Iran. Following the harvest of paddy rice, farmers deliver their products to rice mills for drying, husking, polishing, and other processing operations. In addition to its economic dimension, this process establishes a legal relationship between the farmer and the rice mill, which may involve contractual and custodial obligations. The main issue addressed in this study is the examination of the legal grounds and scope of rice mills' liability for the loss, deterioration, quality reduction, commingling, delay in delivery, and failure to return the products entrusted to them by farmers. This study employs a descriptive-analytical method and draws upon library-based sources, laws and regulations, and legal literature. The findings indicate that, depending on the legal nature of the relationship between the parties, the liability of rice mills may be examined on the basis of contractual obligations, the general principles of civil liability, and the legal rules governing custodians. Pursuant to Articles 219 to 221 of the Iranian Civil Code, valid contracts are binding upon the parties, and a breach of contractual obligations, under the conditions prescribed by law, may give rise to liability for compensation. Furthermore, under Articles 612 and 614 of the Civil Code, a custodian is required to preserve the entrusted property in the prescribed or customary manner and, in the event of unauthorized interference or negligence, is liable for the loss or deterioration of the property (Civil Code, 1307, Articles 219–221 and 612–614). The findings demonstrate that accurately recording product specifications, weighing the delivered products, determining the customary rate of processing loss, keeping products properly segregated, and drafting clear contractual agreements can help prevent disputes between farmers and rice mills in Babol County.

Keywords: Civil Liability, Contractual Liability, Rice Mill, Farmer, Paddy Rice, Custody, Rice, Babol County.

1. Introduction

Rice is one of the most important agricultural products in Iran and is considered a strategic commodity for food security, employment, and the income of rural households, particularly in the northern provinces of the country. The rice production chain does not end with the harvesting of paddy rice. In order to become a consumable product, paddy rice requires specialized processes, including drying, husking, milling, grading, and separation. Rice mills play an important role in this value chain and serve as an intermediary between agricultural production and the supply of processed rice to the market. Their role is not limited to economic and technical functions, as in many cases the delivered product remains the property of the farmer, while the rice mill maintains physical possession and control over it until it is returned. Accordingly, the manner in which the product is stored and processed, the amount of processing loss, the prevention of commingling, and the return of the product have direct legal implications.

The relationship between a farmer and a rice mill cannot, in all cases, be analyzed solely within the framework of a specific nominate contract. Depending on the agreement between the parties and the manner in which the relationship is performed, it may involve elements of processing services, custody and protection of another person's property, as well as ancillary obligations. Pursuant to Article 219 of the Iranian Civil Code, valid contracts are binding upon the parties, while Article 220 obliges the parties not only to comply with the express terms of the contract but also with its customary and legally implied consequences. Article 225 further provides that, where a contract is made without express reference to a matter that is customarily understood to be included, such custom is regarded as though it had been expressly stipulated in the contract. Accordingly, matters such as the method of weighing, recording the type and quality of paddy rice, storage conditions, the permissible amount of processing loss, segregation of products, and the time of return may play an important role in determining the scope of the rice mill's obligations, provided that the applicable custom does not conflict with the law or the express provisions of the contract (Civil Code, 1307, Articles 219, 220, and 225; Katouzian, 2014).

From a legal perspective, where a rice mill, in addition to performing technical processing operations, stores a product belonging to a farmer for a certain period, the relationship may also possess a custodial or fiduciary character. However, this does not necessarily mean that the relationship should, in all cases, be classified as a deposit (Wadiah) within the meaning of Article 607 of the Civil Code. The rules governing custodians may nevertheless be relevant in determining the standard of conduct expected from the rice mill under such circumstances. According to Article 612, entrusted property must be preserved in the manner specified by the owner or, in the absence of specific instructions, in accordance with customary practice. Under Article 614, a custodian is generally not liable for the loss or deterioration of the property unless such loss results from unauthorized interference (ta'addi) or negligence (tafrit). Therefore, the mere occurrence of damage is insufficient, by itself, to establish liability; rather, the cause of the damage, the manner of storage, and the conduct attributable to the rice mill must be examined (Civil Code, 1307, Articles 612 and 614; Emami, 1998).

This issue is particularly significant in the rice-milling industry because of the existence of natural and technical processing losses. A reduction in the weight of paddy rice during its conversion into milled rice does not, in itself, constitute unauthorized damage, because part of the reduction results from the removal of husks, bran, and other inedible components. It is therefore necessary to distinguish between "customary natural and technical processing loss" and "shortages attributable to the rice mill." Where the

reduction in weight falls within the technically and customarily acceptable range of the processing operation, it does not, by itself, give rise to liability. However, where the loss results from improper storage, theft, commingling, unauthorized handling, inaccurate recording of weight, or other conduct attributable to the rice mill, liability may arise. In disputes, an examination of documentary evidence, technical industry practices, storage conditions, and, where necessary, expert opinion may be relevant to determining the source of the shortage.

A reduction in quality should also be examined separately. It is possible for nearly the entire quantity of the product to be returned while its quality has deteriorated as a result of improper storage, moisture, contamination, commingling, or inappropriate processing. In such circumstances, the quality of the product at the time of delivery, the agreed conditions, the manner of storage, and the condition of the product at the time of return should be compared. If the deterioration in quality is attributable to an act or omission of the rice mill, contractual or civil liability may arise, as appropriate. Article 221 of the Civil Code also recognizes liability for compensation where an obligation has been breached and the statutory requirements for liability are satisfied (Civil Code, 1307, Article 221; Shahidi, 2014).

Commingling of products is another important issue in professional rice-milling relationships. The commingling of paddy rice or milled rice belonging to different farmers may make it difficult to determine the ownership, quantity, and quality of the product that must be returned. Therefore, recording the specifications of each consignment and ensuring its traceability from the time of receipt to the time of release should be regarded not only as a managerial practice but also as an important mechanism for preventing disputes and establishing the obligations of the parties. The clearer the connection between the delivered product, weighing receipt, owner's identification, processing operations, and final product, the easier it becomes to determine the scope of liability.

The rice mill's obligation to protect the product is completed through its return. Pursuant to Articles 619 and 620 of the Civil Code, a custodian is required to return the property received and to do so in accordance with the conditions prescribed by law. Article 616 further establishes more stringent consequences where the owner demands the return of the property and the custodian refuses to return it. Accordingly, where the product is demanded after the agreed time for return has arrived or the conditions for its return have been fulfilled, an unjustified refusal by the rice mill may have significant legal consequences. Recording the date of the demand, the rice mill's response, and the actual date of delivery is therefore important from an evidentiary perspective (Civil Code, 1307, Articles 616, 619, and 620).

In addition to contractual liability and the rules governing custodianship, the principles of civil liability may also apply where appropriate. Pursuant to Article 1 of the Civil Liability Act, causing damage to another person's property or rights as a result of intentional conduct or negligence, subject to the statutory requirements, may give rise to an obligation to compensate for the damage. Accordingly, where the damage is attributable to the conduct or omission of the rice mill, establishing the existence of damage, attributable conduct, and a causal relationship is of fundamental importance (Civil Liability Act, 1339, Article 1; Safaei & Rahimi, 2017).

Consequently, the liability of a rice mill cannot be established automatically merely by observing loss, shortage, or deterioration in quality. First, the terms of the contract and the obligations of the parties must be examined; second, the storage conditions and the professional standard of conduct expected from the rice mill should be assessed; and finally, the amount of damage and the causal relationship must be determined. This approach, on the one hand, protects farmers' rights against losses attributable to the rice

mill and, on the other hand, prevents rice mills from being held liable without sufficient grounds for natural and technical losses inherent in the rice-milling process.

Accordingly, the main research question is: Under what conditions and on what legal grounds are rice mills liable for products delivered by farmers? Within this framework, the study examines liability for loss, shortages, and deterioration in quality; the distinction between natural and technical processing losses and attributable damage; the legal consequences of product commingling; and the role of documents and records such as delivery receipts, weighing slips, quality specifications, and records of incoming and outgoing products. The study also addresses the question of what contractual and documentation mechanisms can prevent disputes between farmers and rice mills, particularly in Babol County, or reduce the costs associated with their resolution.

The primary objective of this study is to explain the legal foundations of rice mills' liability for products delivered by farmers and to determine the scope of such liability, with particular emphasis on the law of contracts, the obligation to preserve another person's property, and the principles of civil liability. A secondary objective is to propose measures for clarifying the legal relationship between the parties, strengthening documentation practices, and reducing disputes concerning product loss and shortages. Babol County is considered in this study as the legal case study; that is, the proposed legal framework is analyzed within the context of relationships between farmers and rice mills in this county, rather than making statistical claims about the prevalence of violations or disputes without field research. This approach preserves the academic validity of the study and prevents the findings from being generalized beyond the available evidence.

2. Literature Review

2-1. Concept of Civil Liability

Civil liability, in its general sense, refers to the legal status arising from the infliction of harm upon another person, whereby, upon fulfillment of the legal requirements, the person causing the damage is obligated to compensate for the resulting loss. This legal institution is based on the fundamental elements of wrongful conduct, damage, causation, and the obligation to provide compensation. Under Iranian law, civil liability may arise either from a contractual relationship or independently of a contract. Determining the legal basis of liability is of fundamental importance in establishing the requirements for proof and the scope of the obligation to compensate for damage (Katouzian, 2011; Safaei & Rahimi, 2017).

In contractual liability, a contractual relationship and obligation exist between the parties prior to the occurrence of the damage, and the loss generally results from non-performance, incomplete performance, or improper performance of an obligation. Articles 219, 220, and 221 of the Iranian Civil Code are particularly relevant in this regard. Article 219 establishes the principle that contracts are binding upon the parties; Article 220 addresses the customary and legal effects of contracts; and Article 221 concerns liability arising from breach of an obligation. Accordingly, in the relationship between a farmer and a rice mill, the mill's obligations may extend beyond the performance of technical operations to include accurately receiving and recording the product, exercising reasonable care in its preservation, preventing commingling, complying with professional requirements, and returning the product. Some of these obligations may be expressly stipulated in the contract or delivery receipt, while others may arise implicitly from customary practice and the nature of the professional relationship (Civil Code, 1307, Articles 219, 220, and 225).

By contrast, non-contractual or tortious liability arises where the obligation to compensate is not based solely on a breach of contractual obligations, but where damage resulting from unlawful conduct or negligence satisfies the statutory requirements for liability. Pursuant to Article 1 of the Civil Liability Act of 1960, any person who, without legal authorization, intentionally or as a result of negligence causes damage to another person's property or rights is liable for compensation, provided that the statutory requirements are met. In rice-milling activities, for example, if negligence in storage results in moisture penetration, deterioration, or a reduction in the quality of the product, or if the absence of an appropriate system for segregating and storing products causes commingling, the matter may also be examined from the perspective of civil liability, subject to the fulfillment of the legal requirements.

Nevertheless, a mere reduction in the weight or quality of a product does not automatically establish the liability of the rice mill. For liability to arise, the existence of damage, attributable conduct or omission, a causal relationship, and other applicable legal requirements must be established. This issue is particularly important in the rice-milling industry because husking, polishing, and separation processes inherently involve a reduction in part of the product's weight. It is therefore necessary to distinguish between "natural and technical processing loss" and "shortage or damage attributable to the rice mill." If the loss falls within the customary technical range, the mere reduction in weight does not provide a sufficient basis for liability. However, in cases of improper storage, preventable loss, commingling, inaccurate weight records, or other attributable conduct, liability may arise.

The same distinction is necessary with regard to deterioration in quality. The initial quality of the product, its moisture content, and its condition at the time of delivery should be compared with its condition at the time of return. If the deterioration resulted from the initial condition of the product or from factors beyond the control of the rice mill, attributing the damage to the mill may be difficult. However, if the damage resulted from inappropriate storage conditions, inadequate moisture control, commingling, or improper processing, the causal relationship and potential liability of the rice mill should be examined. In this context, the concept of fault is also important, and carelessness, negligence, and failure to comply with professional requirements may be relevant in assessing the conduct of the rice mill.

From the perspective of commercial law, a rice mill, as a professional business enterprise, should maintain a standard of care and an appropriate system for recording and tracking products consistent with the nature of its activities. Delivery receipts, weighing slips, the type and quality of paddy rice, consignment numbers, dates of receipt, processing records, the quantity of output, and the date of return may play an important role in determining the source of damage and the scope of liability. Documentation in this context is not merely an administrative measure; rather, it constitutes an important instrument for managing legal risk and enhancing the security of commercial transactions.

Furthermore, where a rice mill stores a product belonging to a farmer, the rules concerning the preservation of another person's property and the liability of a custodian may also be relevant to the legal analysis. Accordingly, the degree of care exercised by the rice mill, compliance with professional standards, and the existence or absence of unauthorized interference or negligence become important considerations. Ultimately, the liability of rice mills cannot be explained solely under one of the headings of contractual or tortious liability, because the relationship between the parties may originate in a contract, while a breach of contractual obligations may, under certain circumstances, also produce consequences under the general principles of civil liability. The ultimate basis of liability depends on the

nature of the relationship, the contractual terms, the type of damage, the conduct of the rice mill, and the evidentiary circumstances of each case.

Accordingly, in the present study, the civil liability of a rice mill may be established where the damage suffered by the farmer's product, in light of the applicable legal basis, is connected to conduct or an omission attributable to the rice mill and the necessary elements of liability have been established. This approach, on the one hand, protects farmers' rights against attributable losses and, on the other hand, prevents rice mills from being held liable without sufficient grounds for natural and technical losses inherent in the rice-milling process.

2-2. Contractual Liability of Rice Mills

Contractual liability constitutes one of the most important bases for the liability of rice mills in relation to products delivered by farmers. When farmers deliver paddy rice for drying, husking, polishing, grading, or other services, a legal relationship is established between the parties. In addition to the performance of technical operations, this relationship may encompass obligations such as accurately recording the product, exercising reasonable care in its preservation, preventing commingling and abnormal loss, and returning the product in a timely manner.

Pursuant to Article 219 of the Iranian Civil Code, valid contracts are binding upon the parties, while Article 220 recognizes customary and legal consequences and obligations alongside the express terms of the contract. Article 225 also recognizes the relevance of customary practice in interpreting contracts. Therefore, even where matters such as storage procedures, product segregation, the amount of processing loss, or the method of return are not expressly stipulated, professional custom and legal requirements may contribute to determining the scope of the rice mill's obligations, provided that they do not conflict with the law or the express provisions of the contract (Civil Code, enacted on May 8, 1928, Articles 219, 220, and 225; Katouzian, 2014).

The obligations of the rice mill include both primary and ancillary obligations. Proper performance of the rice-milling operations constitutes the primary obligation, while protection of the product, segregation of consignments, and ensuring the possibility of proper return may, depending on the circumstances, constitute ancillary and implied obligations. In this context, the delivery receipt and weighing slip are particularly important because recording the weight, type, quality, and specifications of the product at the time of delivery provides a basis for comparing its condition upon return and determining potential liability.

In analyzing the liability of a rice mill, it is necessary to distinguish between an obligation to achieve a result and an obligation to exercise due care or means. The nature of the obligation determines the scope of liability, and not every difference between the quantity of the incoming and outgoing product can be regarded as a breach. In particular, a reduction in weight resulting from the removal of husks, bran, and other inedible components, within the customary limits of the rice-milling process, constitutes a technical processing loss. However, a shortage exceeding the customary level, where attributable to improper storage, preventable loss, commingling, or other conduct of the rice mill, may constitute a contractual breach and give rise to liability.

Deterioration in quality and commingling of products may likewise constitute a breach of obligation where attributable to the performance of the rice mill. Improper storage, abnormal moisture levels, commingling with another product, or improper processing may give rise to liability where the causal relationship is established. Accordingly, recording the specifications of each consignment and

maintaining the traceability of the product from entry to exit have not only managerial value but also significant evidentiary and legal importance.

Delay in performing an obligation may also give rise to liability where the statutory requirements are satisfied. Pursuant to Articles 221 and 226 of the Civil Code, where an obligation is breached and the conditions for claiming damages are fulfilled, the injured party may seek compensation. However, not every delay necessarily results in liability; the due date of the obligation, demand for performance, the cause of the delay, circumstances beyond the control of the rice mill, and the causal relationship must be examined (Civil Code, 1307, Articles 221 and 226).

The contractual liability of a rice mill is not absolute. To determine liability, the contractual relationship, express and implied obligations, the conduct of the rice mill, the occurrence of damage, and the causal relationship between the breach and the damage must be established. Conversely, natural and technical processing losses, the initial condition of the product, and circumstances beyond the control of the rice mill must be distinguished from damage attributable to the mill.

Consequently, the contractual liability of rice mills, based on Articles 219, 220, 221, 225, and 226 of the Civil Code, concerns compliance with express and implied obligations relating to the processing, preservation, and return of the product. Therefore, whenever a rice mill acts contrary to its obligations and, as a result, causes attributable damage to a farmer, it may be liable for compensation if the statutory requirements are satisfied. In the relationships between farmers and rice mills in Babol, these criteria should likewise be assessed in light of the contract, delivery and weighing documents, technical customs, and the actual circumstances of each case.

2-3. Custodial Nature of the Delivered Product

One of the important issues in this relationship is determining the legal nature of the delivered product. If a farmer entrusts the product to a rice mill for processing while ownership of the product remains with the farmer, the rules governing custody may be relevant to the legal analysis of the relationship. Pursuant to Article 607 of the Iranian Civil Code, a deposit (Wadiah) is a contract whereby one person entrusts property to another for safekeeping without compensation. Although the relationship between a rice mill and a farmer does not necessarily constitute a complete deposit contract in every case, the rules concerning the obligations of a custodian may nevertheless be relevant when analyzing the custodial aspect of the relationship (Civil Code, 1307, Article 607). Article 612 further provides that a custodian must preserve the property in accordance with the owner's instructions and, in the absence of such instructions, in accordance with customary practice; otherwise, the custodian may become liable for the resulting loss (Civil Code, 1307, Article 612).

2-4. Unauthorized Interference and Negligence

In determining the liability of a rice mill, the concepts of ta'addi (unauthorized interference) and tafrīt (negligence or failure to exercise due care) are of fundamental importance. Where the nature of the relationship between the parties involves the custody of another person's property, Article 614 of the Iranian Civil Code provides that a custodian is generally not liable for the loss or deterioration of the property unless unauthorized interference or negligence is established. Articles 951 and 952 of the Civil Code define ta'addi as exceeding the limits of authorization or customary practice, and tafrīt as failing to perform an act that is required by contract or custom for the preservation of another person's property. Accordingly, in rice-milling activities, unauthorized interference may arise in cases such as unauthorized use of the product, transfer or commingling beyond the agreed limits, or dealing with the product contrary

to the owner's authorization. Negligence, on the other hand, may result from inadequate storage, failure to control moisture and warehouse conditions, use of unsuitable equipment, failure to segregate consignments, or failure to take customary measures to prevent deterioration and damage to the product. Therefore, the mere occurrence of loss or deterioration in quality is insufficient to establish the liability of the rice mill; rather, it must be examined whether the conduct or omission of the mill exceeded the level of care and the customary professional standard expected from a specialized business enterprise.

From the perspective of commercial law, the standard for determining unauthorized interference and negligence in the activities of a rice mill cannot be assessed solely by reference to the conduct of an ordinary person. The professional and specialized nature of the mill's activities, as well as the technical customs of the industry, are also relevant to evaluating its conduct. A rice mill that professionally receives and processes farmers' agricultural products should maintain appropriate systems for weighing, recording, segregating, storing, and tracking products in accordance with the nature of its activities. Failure to comply with such requirements, where connected to the damage, may contribute to establishing negligence. Conversely, if the damage results from an event beyond the mill's power and control and no unauthorized interference or negligence has occurred, the mere occurrence of the loss does not necessarily give rise to liability. Accordingly, delivery receipts, weighing documents, product specifications, records of incoming and outgoing products, storage conditions, and other professional records may play a decisive role in determining whether the damage resulted from natural processing loss or from unauthorized interference or negligence by the rice mill. This approach both protects farmers' rights and prevents the unjustified imposition of liability on rice mills for losses that cannot be attributed to their conduct.

2-5. Obligation to Return the Product

The obligation to return the product constitutes one of the most important obligations of a rice mill toward a farmer. The rice mill receives the product for specific operations such as drying, husking, polishing, and processing and must, upon completion, deliver the product or the processed output to its owner in accordance with the agreement and applicable conditions. Pursuant to Article 619 of the Iranian Civil Code, a custodian is obligated to return the property received, while Article 620 provides that the property must be returned in its existing condition at the time of restitution, and the custodian is not liable for deficiencies that are not attributable to the custodian's conduct. In the context of rice milling, given the nature of the processing operations, return should not be understood merely as the physical return of the original paddy rice. Rather, the type of service, the natural and technical processing loss, the quantity of product subject to return, and the quality agreed upon by the parties must be taken into consideration. Accordingly, accurately determining the quantity delivered, the type and quality of the product, and the processing conditions at the time of delivery plays an important role in defining the scope of the rice mill's obligation.

From the perspective of commercial law and professional business relationships, the obligation to return the product is not merely a simple duty to hand back the product; it is also an element of transactional security and commercial order between the farmer and the rice mill. The mill should use an appropriate system for recording, numbering, and tracking consignments so as to ensure that each farmer's product can be identified through to the stage of return and to prevent unauthorized commingling or transfer. Where a reduction in quantity or quality results from a customary and agreed processing procedure, the rice mill cannot be held liable merely because there is a difference between the initial and final product.

However, where a shortage, damage, commingling, or deterioration in quality results from a breach of contractual obligations, improper storage, or other conduct attributable to the rice mill, liability may arise. Therefore, recording the initial weight, product specifications, expected processing loss, processing method, return date, and delivery conditions in transaction documents not only protects farmers' rights but also clarifies the scope of the mill's professional liability and helps prevent commercial disputes.

3. Research Methodology

The present study is applied in terms of its purpose and employs a descriptive-analytical method with a legal-interpretive approach. The required information was collected through library-based research by examining relevant laws and regulations, books, academic articles, and scholarly sources concerning civil liability, contractual obligations, custody, and compensation for damages.

In the first stage, the relevant legal principles and rules governing the liability of rice mills were identified and examined, including contractual liability, the obligation to preserve and return property, unauthorized interference and negligence, and liability arising from the infliction of damage. Subsequently, through the interpretation and analysis of the relevant statutory provisions, the conditions for establishing liability and its scope were determined, and these rules were applied to the relationship between farmers and rice mills.

Babol County was selected as the legal case study. This means that the legal framework of the study was analyzed within the context of the relationships between farmers and rice-milling units in this county. Since the study is based on library research, its findings are limited to legal analysis and do not make statistical claims regarding the prevalence of violations or litigation involving rice mills in Babol. Accordingly, the final analysis was conducted on the basis of the sequence of the legal relationship, obligation, breach, occurrence of damage, causal relationship, and applicable legal remedy or sanction.

4. Findings

4-1. Delivery of the Product Creates Obligations for the Rice Mill

The first finding of the study is that the delivery of paddy rice to a rice mill and its acceptance by the mill, within the framework of the professional and contractual relationship between the parties, may create a set of legal obligations for the rice mill. These obligations are not limited to the performance of rice-milling operations. Depending on the terms of the agreement, professional custom, and the nature of the relationship, they may include the proper receipt of the product, recording its weight and specifications, exercising reasonable care in its preservation and storage, preventing commingling or damage, performing the processing in accordance with the agreement, and ultimately returning the processed product to its owner. From the perspective of commercial law, the acceptance of a product by a professional business enterprise should be analyzed within the framework of an ongoing economic and commercial relationship. Accordingly, the conduct of the rice mill is not merely a physical act of receiving goods but may give rise to multiple professional and contractual obligations.

Pursuant to Article 220 of the Iranian Civil Code, the parties to a contract are bound not only by their express obligations but also by the consequences arising from customary practice and law. Therefore, even if the delivery receipt does not specify all details concerning storage procedures, the amount of processing loss, product quality, or the liability of the rice mill, once a contractual relationship is established, professional custom and statutory provisions may contribute to determining the scope of the parties' obligations. Article 225 of the Civil Code is also relevant to the interpretation of contracts and the identification of matters that are customarily expected within a contractual relationship. Consequently, the

absence of a specific provision in a delivery document does not necessarily mean that the rice mill has no obligation to comply with customary professional requirements.

From the perspective of commercial law, the importance of this issue becomes more apparent when the activities of a rice mill are regarded as professional and organized business activities. A professional enterprise that continuously receives, processes, and returns agricultural products should not be evaluated solely according to the standard applicable to an ordinary individual. Rather, its conduct should be assessed in light of the nature of its profession, commercial customs, and the customary requirements of the industry. Accordingly, compliance with customary weighing procedures, recording of consignment specifications, segregation of products, appropriate storage, determination of technical processing loss, and recording the dates of receipt and release may have legal significance in determining the scope of the mill's obligations.

Furthermore, the delivery of a product should be distinguished from the simple delivery of goods to an ordinary individual, because in this case the product is placed in the possession of the rice mill for a specific purpose, namely processing and conversion into a final product. Therefore, the rice mill is bound by the limits of the authority granted to it to possess and process the product and may not deal with the product outside the framework of the agreement or professional custom. Any use, commingling, storage, or processing beyond the agreed limits may, where damage occurs, constitute a basis for examining contractual liability or, as appropriate, civil liability.

On the other hand, delivery receipts and documents relating to the receipt of products are of particular importance in commercial relationships. Recording the name of the owner, initial weight, type of paddy rice, quality, date of delivery, consignment number or specifications, and agreed conditions helps remove ambiguity concerning the subject matter of the parties' obligations. Such documents may also play an important evidentiary role in the event of disputes concerning the quantity of product received, the amount of processing loss, product quality, or the quantity subject to return. Accordingly, documenting the delivery of products can be regarded as an important requirement for establishing transparency and legal security in commercial relationships between farmers and rice mills.

Overall, the delivery and acceptance of paddy rice, where a contractual and professional relationship is established, constitutes the starting point of a set of obligations for the rice mill, the scope of which is determined by the contract, law, commercial custom, and the nature of the rice-milling operations. Accordingly, the liability of the rice mill is not limited to the processing stage but continues from the time the product is accepted until the processed product is returned. This approach not only protects farmers' rights but also clarifies the professional obligations of rice mills, thereby contributing to greater transactional security, fewer disputes, and stronger trust in commercial relationships within the rice-milling industry.

4-2. Liability for Loss of the Product

Where the delivered paddy rice is lost while in the possession and custody of the rice mill, determining liability requires an examination of the cause of the loss and whether the damage can be attributed to the mill's conduct. Where the relationship has custodial characteristics, pursuant to Article 615 of the Iranian Civil Code, if the loss results from an event beyond the mill's control and no unauthorized interference or negligence has occurred, the general principle is that the mill is not liable. Conversely, where the loss results from negligence, inadequate storage conditions, failure to comply with customary requirements, or other conduct attributable to the rice mill, its legal liability may arise. Therefore, the mere loss of the

product is insufficient to establish liability; the cause of the loss, the manner of storage, and the causal relationship between the mill's conduct and the damage must be established.

From the perspective of commercial law, a rice mill, as a professional business enterprise, is expected to exercise reasonable care appropriate to the nature of its commercial activities with respect to products received for processing and storage. Storage conditions, moisture and ventilation control, prevention of contamination or commingling of consignments, and documentation of the condition of the product may be relevant in assessing the professional conduct of the rice mill. Delivery receipts, the initial weight and quality of the product, and storage records may also contribute to determining the source of the loss and the scope of the parties' respective responsibilities. Accordingly, in commercial relationships between farmers and rice mills, liability for loss should be determined on the basis of the cause of the damage, contractual obligations, professional custom, and the degree of reasonable care exercised by the mill; the mere occurrence of loss cannot be regarded as conclusive evidence of liability.

4-3. Liability for Weight Reduction

A reduction in the weight of paddy rice during its processing and conversion into milled rice does not, in itself, constitute evidence of damage or establish the liability of the rice mill. Part of the weight reduction may result from the technical and customary nature of rice-milling operations, including the removal of husks, waste materials, and impurities. From the perspective of commercial law, the primary criterion is to determine the customary level of processing loss and distinguish it from an unjustifiable shortage. Where the weight reduction exceeds the amount agreed upon by the parties or the level reasonably justified by professional custom and the technical conditions of processing, the matter may be examined as a breach of contractual obligations or, as appropriate, as a basis for liability on the part of the rice mill. Accordingly, the contract, delivery receipt, weighing documents, and product specifications are of fundamental importance in determining the scope of the mill's commercial obligations.

In professional relationships between farmers and rice mills, determining the expected level of processing loss in advance can prevent disputes concerning the quantity of product subject to return. Recording the initial and final weights, the type and quality of the paddy rice, the agreed level of processing loss, and, in cases of dispute, obtaining a technical expert's opinion can facilitate the distinction between natural processing loss and a shortage attributable to the rice mill. Commercial and professional customs in the rice-milling industry may also contribute to determining the standard of reasonable conduct and assessing the amount of processing loss, provided that such customs do not conflict with a valid agreement between the parties or applicable legal provisions. Therefore, clarifying the amount of processing loss and the method of calculating it in the contract or delivery receipt not only protects farmers' rights but also enhances transactional security, reduces disputes, and precisely defines the professional liability of the rice mill.

4-4. Liability for Deterioration in Quality

A deterioration in the quality of paddy rice after delivery to the rice mill does not, in itself, establish the liability of the mill. The initial quality of the product may be affected by factors such as the type of rice, harvest time, moisture content, the condition of the product at the time of delivery, and storage conditions prior to its arrival at the mill. From the perspective of commercial law, attributing deterioration in quality to the rice mill requires a comparison between the condition of the product at the time of delivery and its condition during processing or at the time of return, together with an assessment of the cause of the change in quality. Where it is established that the deterioration resulted from improper storage,

commingling of consignments, failure to comply with technical requirements, or non-standard processing, contractual liability or liability arising from the custody of another person's property may arise, depending on the contractual terms and the nature of the relationship. In this regard, the mill's professional obligation to exercise reasonable care over the product is of particular importance in assessing its conduct.

Accordingly, recording the commercial and technical specifications of the product at the time of delivery, including the type of paddy rice, weight, moisture content, initial quality, and consignment specifications, is essential. In the event of a dispute, this information makes it possible to determine the source of the deterioration in quality and the scope of the parties' respective responsibilities and may, where necessary, be supplemented by a technical expert's opinion. The contract or delivery receipt may also specify the method for determining quality, storage conditions, and liability arising from deterioration in quality. Therefore, in commercial relationships between farmers and rice mills, determining and documenting the initial condition of the product not only protects farmers' rights but also clarifies the professional liability of the rice mill and helps prevent subsequent disputes concerning the source of deterioration in quality.

4-5. Commingling of Products

The commingling of paddy rice or milled rice belonging to different farmers is an important issue from the perspective of commercial law and the professional liability of rice mills because it may make it difficult to identify the ownership, quantity, quality, and quantity of product subject to return for each customer. As a professional enterprise that receives and processes products belonging to different individuals, a rice mill should maintain an appropriate system for segregating and tracking consignments. Recording receipt numbers, consignment codes, initial weights, quality specifications, delivery dates, and processing information not only enhances transparency in the commercial relationship but may also play an important role in establishing the quantity of the product and the mill's obligations. Within this framework, commingling resulting from a technical processing procedure or expressly agreed upon by the parties should be distinguished from commingling resulting from negligence or deficiencies in the storage and information-recording system.

Where products are commingled without consent or beyond the limits of the agreement and, as a result, the farmer suffers a reduction in quantity, deterioration in quality, or other damage, contractual or civil liability of the rice mill may arise, depending on the circumstances. Article 1 of the Civil Liability Act provides that damage caused intentionally or through negligence to another person's property or rights may give rise to an obligation to compensate. From this perspective, in commercial rice-milling relationships, a system for identifying and tracking each consignment constitutes part of legal risk management. Accurate documentation from the time of receipt through to the time of return both protects farmers' rights and makes it possible to determine the scope of the mill's liability. Accordingly, compliance with principles of product segregation, documentation, and traceability can be regarded as an important requirement for a professional enterprise seeking to enhance transactional security and reduce commercial disputes.

4-6. Delay in Delivery

A delay by a rice mill in returning the product may constitute a breach of contractual obligations where a specific deadline has been established in the contract, delivery receipt, or agreement between the parties. Pursuant to Article 226 of the Iranian Civil Code, where a period for performance has been specified, the expiry of the agreed period may provide a basis for claiming damages resulting from non-performance. Accordingly, specifying the time of delivery is of legal importance in professional relationships between

rice mills and farmers. Furthermore, under Articles 219 and 220 of the Civil Code, the obligations of the parties encompass not only the express terms of the contract but also its customary and legal consequences.

From the perspective of commercial law, a rice mill, as a professional enterprise, should organize the processes of receiving, storing, processing, and returning products in such a manner that unjustified delays do not cause damage to farmers. Recording the date of receipt, the estimated completion time of processing, and the return deadline in the receipt or contract not only enhances transactional transparency but also assists in determining the source and scope of liability. However, not every delay necessarily gives rise to liability. Where the delay results from an external cause beyond the control of the obligated party, the specific circumstances and the attribution of the delay must be examined. Therefore, accurately specifying deadlines and maintaining records relating to the receipt, processing, and release of products can play an important role in reducing disputes and ensuring legal security in commercial relationships.

4-7. Refusal to Return the Product

Refusal to return the product following a demand by the farmer is one of the circumstances that may significantly increase the legal liability of a rice mill. Where a rice mill possesses a product belonging to a farmer, it is obligated to preserve the product in accordance with the agreement and applicable legal provisions and to return it at the prescribed time. Article 619 of the Iranian Civil Code also emphasizes the custodian's obligation to return the property received.

Under ordinary circumstances, pursuant to Article 614 of the Civil Code, a custodian is not liable for the loss or deterioration of property unless unauthorized interference or negligence is established. Article 615 likewise excludes events beyond the custodian's control from the scope of liability. However, Article 616 establishes a different rule: where the property has been demanded and the custodian, without legal authorization, refuses to return it, the custodian becomes subject to a specific form of liability from the date of refusal for the loss, deficiency, or defect of the property, even where the damage is not directly caused by the custodian's own conduct.

Accordingly, in the relationship between the farmer and the rice mill, a distinction should be made between the period preceding the demand for return and the period following the refusal to return the product. The application of Article 616 requires the establishment of two matters: a valid demand by the owner and the custodian's refusal to return the property. Therefore, documenting the date of the demand, the rice mill's response, and the date on which the product was actually returned is of considerable evidentiary importance. Nevertheless, not every delay or failure to deliver necessarily falls within the scope of Article 616; the reason for the refusal, the existence of legal or contractual authorization, and the actual circumstances of each case must be examined.

In rice-milling activities, given the changes in the form and weight of the product during processing, delivery and weighing documents, the initial specifications of the product, the agreed processing loss, and the return receipt are also of particular importance. Pursuant to Article 620 of the Civil Code, the property must be returned in its existing condition at the time of restitution, and deficiencies not attributable to the custodian's conduct do not give rise to liability.

Consequently, the date of the demand for return and the subsequent refusal constitute important factors in determining the liability of the rice mill. Therefore, recording the dates of delivery, completion of processing, demand, and return in the documents relating to each consignment, and specifying the

deadline and procedure for return in the contract or delivery receipt, can help prevent legal disputes and ambiguities (Civil Code, enacted on May 8, 1928, Articles 614, 615, 616, 619, and 620).

4-8. Importance of Documentation in Establishing Liability

One of the most important findings of the study is that documenting the processes of delivery, storage, processing, and return of the product plays a significant role in determining the scope of the obligations and liabilities of rice mills. In the relationship between farmers and rice mills, the farmer's product is placed in the possession of the mill for processing, and disputes may arise during the period between delivery and return concerning the quantity, quality, amount of weight loss, method of storage, or time of delivery. Under such circumstances, documents and records relating to each stage play an important role in establishing the obligations of the parties and evaluating the claims raised.

From the perspective of contract law, where the relationship between the farmer and the rice mill is established on the basis of a contract or agreement, the terms and conditions agreed upon by the parties constitute the primary basis for determining their obligations. Pursuant to Article 219 of the Civil Code, valid contracts are binding upon the parties, and under Article 220, the parties are bound not only by the express terms of the contract but also by the consequences arising from the contract according to custom and law. Furthermore, Article 225 of the Civil Code recognizes customary matters, under certain circumstances, as equivalent to implied contractual terms. Accordingly, recording conditions such as the quantity of the product, storage procedures, customary processing loss, and the time of return can contribute to the precise determination of the mill's obligations (Civil Code, 1307, Articles 219, 220, and 225).

The receipt issued upon delivery of the paddy is one of the most important initial documents in this relationship. The receipt should include the identity of the person making the delivery, the date of delivery, the type of product, the quantity of the product, and the specifications of the rice mill. Such a document provides a clear basis for establishing how much product, with what specifications, was delivered to the mill and on what date. In the absence of a valid delivery receipt or acknowledgment, proving the initial quantity of the product and comparing it with the quantity subsequently returned will be more difficult.

The weighing receipt is also of particular importance, because the weight recorded upon receipt constitutes the basis for calculating the amount of weight loss and the quantity of product to be returned. However, not every reduction in weight can necessarily be regarded as damage or a violation attributable to the mill, because part of the reduction may result from the technical and natural processes of drying and processing paddy. Therefore, the delivery documents should, to the extent possible, specify the initial condition of the product and the customary or agreed amount of processing loss. In this regard, Articles 220 and 225 of the Civil Code permit consideration of custom and the obligations arising therefrom in determining the scope of contractual obligations (Civil Code, 1307, Articles 220 and 225).

Recording the initial type and quality of the product is also important from an evidentiary perspective. Moisture content, impurities, the type of paddy, and its initial quality may affect the outcome of processing. If the condition of the product at the time of delivery is not recorded, then, in the event of a claim concerning a reduction in quality, it will be difficult to determine whether the deterioration resulted from the initial condition of the product, the normal processing process, or the manner in which the product was stored. Accordingly, recording the initial quality characteristics can contribute to establishing the causal relationship between the mill's conduct and the alleged damage.

Records of the receipt and release of products also enhance product traceability. This is particularly important in mills that simultaneously receive products belonging to multiple farmers. Accurate records of receipt, storage location, processing time, product quantity, and release date make it possible to segregate and trace each consignment and reduce the likelihood of disputes concerning commingling, shortages, or misplacement of products.

The date of delivery of the processed product should likewise be accurately recorded. Where a specific time for returning the product has been established, expiration of that period may be relevant in assessing a breach of the obligation. Article 226 of the Civil Code, concerning claims for damages arising from non-performance of an obligation, gives importance to the determination of a time limit for performance and, where no time limit has been established, to a demand for performance (Civil Code, 1307, Article 226).

Documents relating to rice-milling service fees, payments, and settlement of accounts are also important in determining the parties' financial rights and obligations. Such documents can establish the services performed, the relevant charges, amounts paid, and the status of settlement, and may serve as a basis for examining the parties' claims in the event of a financial dispute.

From the perspective of civil liability, documentation is also of fundamental importance. If a farmer claims that the product was lost, suffered an abnormal reduction in weight, or deteriorated in quality while being stored or processed, establishing the occurrence of damage and attributing it to the conduct or negligence of the rice mill becomes significant. Article 1 of the Civil Liability Act provides that causing damage to another person's property through intent or negligence, where the statutory conditions are satisfied, gives rise to an obligation to compensate for the damage. Article 2 of the same Act also recognizes compensation for material or non-material damage once the relevant matter has been established (Civil Liability Act, 1339, Articles 1 and 2).

On the other hand, where the relationship between the parties possesses characteristics of a deposit (Wadiah) or the custody of property belonging to another, documents relating to delivery and return can also contribute to determining the custodian's duties. In such circumstances, accurately recording the quantity and condition of the property at the time of delivery and return makes it possible to compare its initial and final condition and is important in determining whether any reduction or damage resulted from the ordinary processing process or from ta'addi (unauthorized interference) and tafrit (negligence or failure to exercise due care).

Accordingly, the documents used in the rice-milling process are not merely administrative and accounting records; they also have legal and evidentiary functions. The delivery receipt, weighing receipt, quality specifications of the product, agreement concerning the amount of processing loss, records of receipt and release, payment documents, and final delivery receipt collectively constitute a body of evidence that may be used to determine the extent of the obligation, the amount of damage, and the potential liability of the rice mill.

Therefore, it is recommended that a documented and traceable file be established for each paddy consignment from the time of receipt until final delivery. In addition to increasing transparency in the relationship between the farmer and the rice mill, this measure can reduce the likelihood of disputes and, in the event of litigation, provide a more appropriate basis for determining the obligations, amount of damage, and liability of each party.

4-9. Legal Status of Relationships Between Farmers and Rice Mills in Babol

The relationships between farmers and rice mills can be regarded, from the perspectives of commercial law, contract law, and civil liability, as professional and economic relationships in which the rice mill, in return for receiving the product, assumes a set of obligations relating to the receipt, storage, processing, segregation, preservation of quality, and return of the product or the product resulting from its processing. Precisely determining the nature of this relationship, the subject matter of the obligation, the scope of the mill's authority, the method of calculating processing loss, storage conditions, delivery time, and settlement procedures plays a fundamental role in determining the legal liability of the parties. Since this study did not collect field data concerning specific mills, actual contracts, judicial cases, or statistics on litigation in Babol County, Babol is treated in this research as a "legal case study", and the present discussion concerns an analysis of the legal framework governing these relationships rather than establishing the actual extent of violations or disputes in rice-milling units.

From the perspective of commercial law, the activity of a rice mill is not merely a simple relationship involving the custody of property; rather, in many cases, it takes the form of a professional and contractual relationship for the provision of processing services. Accordingly, a distinction should be made between a "processing contractual relationship," "an obligation to safeguard another's property," and, where applicable, a "custodial relationship." The mere delivery of paddy to a rice mill is not, by itself, sufficient to establish a deposit (Wadiah) contract or determine the applicable type of liability. Instead, the terms of the agreement, professional custom, delivery documents, method of calculating the service fee, quality of the product, and agreed obligations must be examined. The validity and legal effects of the parties' agreement are also important in determining their express and implied obligations, in light of Articles 219, 220, and 225 of the Civil Code. In a professional commercial relationship, industry custom may play an important role in interpreting obligations and determining the boundaries of the rice mill's customary conduct, provided that such custom does not conflict with the law or a valid agreement between the parties.

From this perspective, a rice mill may be regarded as having a "professional duty of care" toward the product delivered to it. This duty, in accordance with the nature of the mill's activities, includes taking reasonable measures to prevent loss, commingling, abnormal deterioration in quality, or preventable damage to the product. Where the relationship possesses the characteristics of a custodial relationship, Article 612 of the Civil Code is also relevant, because the property must be safeguarded in accordance with the owner's instructions and, in the absence of such instructions, in the customary manner. Accordingly, storage conditions, humidity, ventilation, temperature, duration of storage, and methods of segregating consignments may be relevant to assessing the mill's professional performance. This issue is of greater significance in commercial law because a professional business is expected, in accordance with the nature of its activities, to comply with customary standards and established professional practices.

One of the most important legal issues is distinguishing between "technical and customary processing loss" and a "shortage or damage attributable to the rice mill." The difference between the weight of the delivered paddy and the final product does not, in itself, establish liability, because the drying process, removal of husks, elimination of impurities, and other processing stages may naturally result in a reduction in weight. Conversely, if the reduction in weight exceeds the expected technical and customary limits and its cause is attributable to the manner of storage, processing, commingling, or negligence of the rice mill, the issue of legal liability arises. In professional relationships, determining the customary or agreed amount of processing loss is not merely a technical matter; it is also an important legal instrument

for defining the scope of obligations and reducing disputes. Where the relationship possesses the characteristics of a custodial relationship, Article 614 of the Civil Code also constitutes an important criterion for assessing the custodian's liability for the loss of or damage to the property.

The rice mill's obligation to return the product is also a fundamental element of the legal relationship. Pursuant to Articles 619 and 620 of the Civil Code, in relationships to which the rules governing custody are applicable, the property must be returned to its owner in accordance with the legal status and conditions of the relationship. In the rice-milling industry, return does not necessarily mean returning the same paddy in its original physical condition, because the subject matter of the contract may be the processing of paddy and delivery of the resulting product. Therefore, the principal criteria should be the contract, professional custom, and the characteristics of the product recorded at the time of delivery. Recording the initial weight, type and quality of the paddy, the agreed amount of processing loss, the quantity of the final product, and the date of return makes it possible to determine the mill's obligations precisely and prevents technical disputes from developing into legal disputes.

From the perspective of commercial law, documents relating to the delivery and processing of the product are also of particular importance. The delivery receipt or acknowledgment, weighing sheet, quality specifications, date of receipt, consignment number, agreed amount of processing loss, processing fee, date of release, and settlement documents are not merely administrative records; rather, they may play a fundamental role in establishing the scope of the parties' obligations and determining their liability. The more complex the professional relationship, the greater the need to establish a documented and traceable system for each consignment. This is particularly important where multiple consignments are stored or processed simultaneously at the mill, in order to prevent commingling and disputes concerning the identity and quantity of the products.

The liability of the rice mill for loss, damage, or deterioration in quality is not absolute and must be assessed on the basis of the actual cause of the damage. Where *ta'addi* (unauthorized interference) or *tafrit* (negligence or failure to exercise due care) is established—that is, exceeding customary limits or failing to take the customary and professional precautions necessary to preserve the product—liability may arise. For example, storing the product under inappropriate conditions, failing to comply with customary storage requirements, unauthorized commingling of consignments, or negligence during processing may constitute grounds for liability if a causal relationship between the mill's conduct and the damage is established. Conversely, where the damage results from an event beyond the mill's reasonable power and control, Article 615 of the Civil Code should be taken into consideration. Accordingly, the important principle is that the "occurrence of damage" is not, by itself, equivalent to the "liability of the rice mill"; rather, the source of the damage, its attributable nature, and the scope of the mill's professional obligations must be established.

Where a valid contract or agreement exists, breach of the mill's obligations may give rise to contractual liability, and Articles 219, 220, 221, and 226 of the Civil Code are relevant to determining the consequences of non-performance of contractual obligations. In addition, where an intentional act or negligence on the part of the mill causes damage to the farmer's property or rights, the provisions of the Civil Liability Act may, depending on the circumstances, also apply. Accordingly, contractual liability and civil liability should not in every case be regarded as two completely separate grounds of liability. Rather, the appropriate legal basis of liability should be determined by considering the source of the obligation, the nature of the harmful conduct, the existence of a contract, and the causal relationship.

Commercial and professional custom also occupies an important position in these relationships. The manner of weighing, recording consignments, determining processing loss, segregating products, storage conditions, processing procedures, and customary delivery time may be relevant to interpreting the parties' obligations and determining the customary professional standard of conduct. Nevertheless, custom cannot replace an express agreement or a statutory provision. Where a valid contract exists, its terms should first be considered, followed by the applicable legal provisions and relevant customary practices. From this perspective, drafting clear and standardized contracts for rice-milling services, precisely defining the subject matter of the obligation, specifying the acceptable amount of processing loss, determining the liability of each party, establishing procedures for resolving technical and expert disputes, and recording the specifications of each consignment can play an important role in reducing litigation.

Accordingly, the legal status of the relationships between farmers and rice mills in Babol can be analyzed on the basis of three fundamental dimensions: first, the mill's professional obligation to properly safeguard, store, and process the product; second, the obligation to deliver the product or the product resulting from processing in accordance with the contract, customary practices, and applicable legal provisions; and third, liability arising from loss, damage, deterioration in quality, or delay where the damage is attributable to the conduct of the rice mill. Within this framework, Articles 612, 614, 615, 616, 619, and 620 of the Civil Code, where the rules governing custody and the safekeeping of another's property apply to the relationship, constitute an important basis for analyzing liability alongside the general rules of contract and civil liability. However, determining liability in each case requires establishing the nature of the relationship, the terms of the agreement, the condition of the product at the time of delivery, the customary amount of processing loss, the actual cause of the damage, and the existence or absence of ta'addi and tafrit.

Accordingly, the most important legal conclusion concerning the relationships between farmers and rice mills in Babol is the need to move from relationships based on oral custom and incomplete documentation toward professional, documented, and traceable relationships. A clear contract, valid receipt, accurate recording of weight and quality, determination of technical processing loss, identification of each consignment, documentation of the processing stages, and specification of the return date not only protect the rights of farmers but also clarify the scope of the rice mill's liability. From the perspective of commercial law, such an approach increases transaction security, reduces the costs associated with disputes, and strengthens trust in professional relationships between producers and processing units. Consequently, Babol is considered in this study not as a statistical sample representing the extent of violations, but as a setting for explaining and applying the legal rules governing relationships between farmers and rice mills.

5. Discussion and Conclusion

The findings of this study indicate that the legal liability of rice mills toward products delivered by farmers is not based on a single legal ground. Rather, it must be examined from several perspectives, taking into account the nature of the parties' legal relationship, the terms of their agreement, the type of obligation undertaken by the rice mill, the condition of the product, the cause of the damage, and the manner in which the product is stored and returned. From this perspective, determining the liability of a rice mill requires simultaneous consideration of the general rules of contract law, the provisions governing the custody of another's property, and the rules of civil liability.

The first basis of liability consists of the contractual obligations and agreements between the parties. When a farmer delivers his or her product to a rice mill for drying, processing, storage, or other related services, a legal relationship is established between the parties, the scope of which may be determined through the contract, delivery receipt, weighing receipt, provable oral agreements, professional custom, and other relevant documents. Pursuant to Article 219 of the Civil Code, contracts validly concluded in accordance with the law are binding upon the parties, while Article 220 requires the parties to comply not only with the express terms of the contract but also with the consequences arising from the contract according to custom, practice, or law. Article 225 of the Civil Code is also relevant to the recognition of customary and ordinary contractual conditions (Civil Code, 1307, Articles 219, 220, and 225). Accordingly, where the rice mill has undertaken to process the product within a specified period and return it at a specified time, failure to perform or improper performance of that obligation may, subject to the statutory requirements, give rise to contractual liability.

Therefore, rice-milling contracts should not be limited merely to specifying the service fee. They should also clearly address matters such as the quantity of the product, its initial condition, quality, storage method, customary amount of processing loss, method of calculating the loss, processing period, return deadline, service charges, and liability arising from loss of or damage to the product. The clearer these matters are, the less likely it will be that differing interpretations and disputes will arise in the future.

The second basis of liability consists of the rules governing the custody of property belonging to another. Where ownership of the product remains with the farmer and the rice mill merely possesses the product for the purpose of carrying out specified operations, the rules applicable to custodians and persons safeguarding another's property may be considered in analyzing the relationship. Pursuant to Article 614 of the Civil Code, a custodian is generally not liable for the loss of or damage to the property entrusted to him or her unless *ta'addi* or *tafrīt* is established. Therefore, the mere occurrence of a reduction in weight or damage to the product is not, by itself, sufficient to establish the rice mill's liability, and the actual cause of the damage must be determined (Civil Code, 1307, Article 614).

This issue is particularly important in rice-milling activities because the drying and processing of paddy inherently involve changes in the weight and physical characteristics of the product. Accordingly, a distinction must be made between natural and technical loss resulting from processing and abnormal loss attributable to the mill's conduct. For example, a reduction in weight resulting from the removal of husks or impurities cannot, without examining the relevant technical conditions, be regarded as damage caused by the mill. However, where an abnormal reduction in weight results from improper storage, commingling of products, negligence, or other conduct attributable to the mill, the matter may give rise to legal liability.

From this perspective, determining the "customary amount of processing loss" is of considerable importance. If the agreed amount of loss or its technical standard is specified at the time of delivery, the initial and final quantities of the product can be compared against a clear benchmark at the time of return. Otherwise, any difference in weight may develop into a legal dispute concerning the source of the reduction in the product. Therefore, documenting the initial and final weights and specifying the method for calculating processing loss constitute one of the most important mechanisms for preventing disputes between farmers and rice mills.

Civil liability also constitutes another basis for analyzing the conduct of the rice mill. Pursuant to Article 1 of the Civil Liability Act, any person who, without legal authorization, intentionally or as a result of

negligence causes harm to the property or rights of another and thereby causes damage is liable to compensate for the damage. Accordingly, where the intentional conduct or negligence of a rice mill results in the loss, abnormal reduction in weight, damage, or deterioration in the quality of a farmer's product, the rules of civil liability may, depending on the circumstances, be invoked (Civil Liability Act, 1339, Article 1). In such cases, establishing the occurrence of damage, attributable conduct, fault or negligence, and a causal relationship between the conduct and the damage is of fundamental importance. In addition, the rice mill's obligation to return the product constitutes an essential element of the legal relationship. Pursuant to Article 619 of the Civil Code, a custodian is required to return the property received, while Article 620 addresses the conditions governing the return of the property (Civil Code, 1307, Articles 619 and 620). In rice-milling activities, because paddy undergoes physical changes during processing, the contract or delivery documents should specify precisely what quantity and type of processed product the rice mill is obligated to return. Accordingly, recording the initial weight, product specifications, amount of processing loss, and quantity of the final product is of considerable legal importance.

Furthermore, where a farmer demands the return of the product and the rice mill refuses to return it without legal authorization, Article 616 of the Civil Code becomes particularly significant. This provision establishes specific legal consequences for a custodian who, after the property has been demanded, refuses to return it. Therefore, the date on which the product was demanded and the date on which the rice mill refused to return it may be important in determining the commencement of the custodian's special liability (Civil Code, 1307, Article 616). Accordingly, it is recommended that the demand for return and the rice mill's response be documented in writing and in a verifiable manner whenever possible.

One of the most important findings of this study is that documenting the processes of delivery, storage, processing, and return of the product plays an important role in preventing and resolving disputes. The delivery receipt, weighing receipt, specifications concerning the type and quality of the product, delivery date, agreed amount of processing loss, service charges, records of receipt and release, return date, and payment and settlement documents collectively constitute a body of evidence capable of clarifying the legal status of the relationship between the parties. These documents not only protect the rights of farmers but also have significant evidentiary and defensive value for the rice mill, because the mill can use them to demonstrate how it performed its obligations and to explain the reasons for changes occurring in the product.

With regard to Babol County, the findings of this study should be interpreted in light of the methodological limitations of the research. This study did not collect field data concerning the number of disputes, the volume of litigation, the amount of damages, or the legal performance of specific rice mills in Babol County. Therefore, no statistical claim can be made regarding the actual extent of violations or disputes among rice mills in this county. The selection of Babol in this study signifies the application and contextualization of the legal framework developed in the research within an important rice-producing and rice-processing region. Accordingly, the legal provisions examined are capable of being applied to the analysis of relationships between farmers and rice mills in this county, without statistically generalizing the findings to all rice-milling units.

Based on the findings of the study, the most important approach to reducing disputes is to increase transparency at the stages of product delivery and return. An official delivery receipt should be issued for each consignment, and its weight, type, and initial quality condition should be recorded. The technical

and customary amount of processing loss should also be determined and documented, to the extent possible, from the outset. Each consignment should preferably be registered with a specific and traceable identification code to prevent the commingling of products belonging to different farmers. Storage conditions, processing duration, return deadline, and liability arising from loss, damage, or abnormal deterioration in quality should also be specified in the contract or delivery documents. Maintaining records of the receipt, processing, and release of the product can likewise play an important role in determining the condition of the product and the source of damage in the event of a dispute.

Furthermore, establishing a dispute-resolution mechanism in the contract can prevent disputes from becoming unnecessarily prolonged. In disputes concerning weight, processing loss, or product quality, referring the matter to a specialized expert or an official judicial expert can be effective in determining the technical cause of the alleged damage. In some cases, the parties may also agree to establish conciliation or arbitration mechanisms for resolving disputes.

Overall, it can be concluded that the liability of rice mills toward products delivered by farmers is multifaceted and dependent on the circumstances of each legal relationship. The existence of a contract, the type of obligation, the custodial status of the product, the manner of storage, the cause of loss or damage, the customary amount of processing loss, the time of demand, and the manner of return all affect the determination of liability. Therefore, a mere reduction in weight or deterioration in quality cannot automatically constitute a basis for holding the rice mill liable; rather, the source of the reduction or damage and the extent to which it can be attributed to the mill's conduct must be examined.

The most important practical implication of the study is that preventing disputes through clarification and documentation is more effective than resolving disputes after they have occurred. Drafting clear contracts, issuing valid receipts, recording the initial weight and quality of the product, determining the customary amount of processing loss, segregating and tracing products, specifying the return deadline, and maintaining complete records of the processing stages can significantly reduce ambiguities in the relationships between farmers and rice mills. These measures, on the one hand, provide more effective protection for farmers' rights and, on the other hand, precisely define the scope of the mill's obligations and reduce ambiguous liabilities and unsupported claims against rice mills.

Ultimately, the existing legal framework provides an appropriate capacity for simultaneously protecting farmers' proprietary rights, transaction security, and the professional activities of rice mills. Achieving this objective requires transforming the relationship between the parties from a relationship based merely on customary and oral practices into one that is transparent, documented, and traceable. From this perspective, establishing a systematic information-recording system from the delivery of paddy until the return of the processed product is not merely a managerial measure; it is also an important mechanism for reducing legal risk and increasing trust between farmers and rice mills.

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