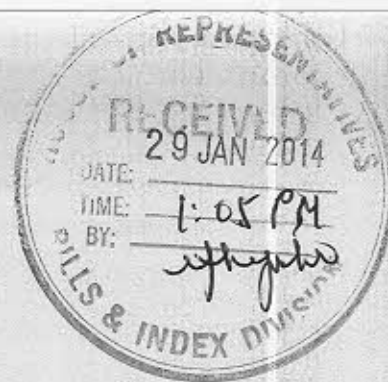


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 3770



Introduced by **Hon. Joseph Gilbert F. Violago**

Explanatory Note

It's a very serious societal malady, and not a just a simple festering sore in our socio-economic landscape. It even seems that we're all engulfed by a never-ending vicious cycle or hobbled by a recurring wicked curse....

For just as when the new administration had robustly pursued and implanted the needed measures to restore our country back to its strong and stable rice-sufficiency program, powerful smuggling syndicates, in collusion with corrupt government officials, had repeatedly struck to derail such program to the detriment of not just the national economy, but also the future of our country's food security.

Also, in recent months, rice---the country's staple food which is consumed at an average of 11.9 million metric tons annually---swiftly went into short supply, and its prices had soared to an all record high because of a dwindling domestic rice production brought about by devastating storms and floods and the hoarding and profiteering of nefarious traders.

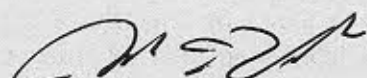
Furthermore, it is common knowledge that unscrupulous rice traders are into the practice of re-milling imported sub-quality rice to transform old stocks and to make these appear as newly milled rice, while others mix these old imported rice stocks with new local stocks to artificially improve the former's quality and taste in order to fetch higher market prices, thereby deceiving millions of Filipino consumers in the process. The supply of NFA rice for the benefit of the larger segments of our populace has also been seriously compromised because of such practices.

Clearly, these reprehensible, deleterious and unconscionable commercial and trade practices undermines the rights of all consumers and farmers, as well as our legitimate millers, traders and retailers.

To effectively address these problems, the passage of various measures now pending in Congress to curb smuggling and to strengthen existing tariff and customs laws, as well as numerous programs to further improve agricultural productivity is a paramount imperative. It is also high time that we declare rice hoarding and profiteering as economic sabotage and to protect the country against the importation of sub-standard rice and to provide for safety measures in the storage, sale and distribution of imported rice for the protection of the consumers.

In view of the foregoing, the immediate passage of this proposed measure is most earnestly sought.

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JOSEPH GILBERT F. VIOLAGO

Republic of the Philippines
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SIXTEENTH CONGRESS
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House Bill No. **3770**

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AN ACT
DECLARING CERTAIN ILLEGAL PRACTICES OF RICE TRADERS AS ECONOMIC SABOTAGE AND IMPOSING STRICTER GUIDELINES IN THE IMPORTATION, PROCESSING, STORAGE AND DISTRIBUTION OF RICE AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Congress of the Philippines in session assembled:

SECTION 1. It shall be unlawful for any person, natural or juridical, to import rice which are over one (1) month old from the time it has been milled from the country of origin.

SEC. 2. The following unfair trade practices are also prohibited and are hereby declared as acts of economic sabotage:

- (a) stock-piling of imported milled rice unless duly authorized by the National Food Authority (NFA);
- (b) re-milling imported milled rice;
- (c) repacking or mixing imported milled rice with any local variety;
- (d) trading or causing the distribution or sale of imported milled rice to the public without any authority from the NFA;
- (e) trading or causing the distribution or sale of imported milled rice mixed with any local variety.
- (f) mislabeling and misrepresenting imported milled rice as a local rice variety;
- (g) selling NFA rice at prices over and above government-mandated prices;

SEC. 3. No person or entity shall be allowed to buy or possess rice polishing or rice color sorting machines unless authorized by the Department of Agriculture (DA) and other appropriate government agencies. Rice polishing or rice color sorting machines being used or operated by any rice miller prior to the enactment of this Act shall be submitted to the NFA for inspection and recording, and shall not be used or operated unless duly authorized by the NFA.

SEC. 4. No person or entity shall be allowed to import unmilled rice grains, except upon a proper showing by the importer that the same shall be used exclusively for agricultural or scientific purposes as duly certified by the DA and the Department of Science and Technology (DOST), and proper publication thereof in a newspaper of general circulation for three (3) consecutive Mondays of the month immediately preceding its importation.

SEC. 5. Rice polishing machines and rice color sorting machines found to be used in re-polishing or re-milling imported rice or used in color-sorting of rice after the promulgation of this Act shall be confiscated in favor the government. Confiscated rice stocks, on the other hand, shall be immediately donated to government hospitals, jails, PNP and AFP outposts and detachments through the Department of Social Welfare and Development (DSWD) in the areas where the same were confiscated.

SEC. 6. Penalties.-- Any person shall suffer the penalty of:

- a) For violation of Section 1 of this Act, a fine of not less than Three Hundred Thousand Pesos (P 300,000.00) if the imported milled rice totals one hundred (100) sacks and below, and a fine of Five Hundred Thousand Pesos (P 500,000.00) if the quantity of imported milled rice totals two hundred (200) sacks or more than a hundred, and a fine of not less than One Million Pesos (P 1,000,000.00) for more than two (200) sacks of imported milled rice;
- b) For violation of Section 2, life imprisonment, if committed in a period where the country or province (where the hoarding or profiteering activity took place) is under a state of calamity, and the penalty of reclusion temporal under normal conditions;
- c) For violation of Section 3, *prision correctional* and a penalty of not less than Five Hundred Thousand Pesos (P 500,000.00);
- d) For violation of Section 4, *prision mayor* and a penalty of One Million Pesos (P 1,000,000.00)

SEC. 7. Any person found in possession of the articles and goods which are the subjects of the acts herein declared as unlawful shall be presumed to be the one to have violated the law, unless he can adequately present convincing evidence showing the regularity of his/her possession and lawful acquisition of the same as well as his/her engagement in the covered activity;

SEC. 8. Prosecution under this Act shall be without prejudice to any liability for violation of the Revised Penal Code and current consumer laws.

SEC. 9. The necessary rules and regulations for the effective implementation of this Act shall be issued sixty (60) days after its approval.

SEC. 10. If any provision of this Act or parts hereof is declared to be unconstitutional, the remaining provisions not affected by such declaration shall continue to be in full force and effect.

SEC. 10. All laws, decrees, orders and issuances inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 11. This Act shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation.

Approved.