

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

First Regular Session

House Bill No: **4617**



Introduced by: Representative Mark Llandro L. Mendoza

EXPLANATORY NOTE

Rice and corn are considered staple food commodities of our population. Based on the Bureau of Agricultural Statistics' data as of 2012, per capita consumption of rice accounts to 117.14 kg/yr and 17.34 kg/yr for corn. While the country largely produces these agricultural products, we highly depend on importation to adequately meet the national requirement for rice and corn.

The insufficient production of rice and corn in the country is further exacerbated by illegal activities of some unscrupulous traders and dealers engage in hoarding to manipulate market prices of these products. Unfortunately, hoarding and profiteering activities proliferate during times of calamities and emergencies to control the price of basic commodities. These situations further aggravate the destitute situations of the victims in calamity-stricken areas.

This measure proposes to consider rice and corn hoarding and profiteering especially during calamity and emergency declared by the President as equivalent to economic sabotage. Also, the bill provides for stiffer penalties and sanctions for the violators of the Act, thereby, partially amending Republic Act No. 7581, otherwise known as the Price Act.

MARK LLANDRO L. MENDOZA
4th District, Province of Batangas

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**AN ACT CONSIDERING RICE OR CORN HOARDING AND
PROFITEERING DURING OR ON THE OCCASION OF ANY CALAMITY
OR EMERGENCY DECLARED AS SUCH BY THE PRESIDENT AS
EQUIVALENT TO ECONOMIC SABOTAGE, PARTLY AMENDING FOR
THE PURPOSE REPUBLIC ACT NO. 7581, OTHERWISE KNOWN AS
THE PRICE ACT, AND' FOR OTHER PURPOSES**

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

SECTION 1. *Short Title.* - This Act shall be known as the "Anti-Rice or Corn Hoarding and Profiteering Act".

SECTION 2. Section 3 of Republic Act 7581 is hereby amended to read as follows:

"SECTION 3. *Definition of Terms.* - For purposes of this Act, the term:

x x x x

(2a) "ECONOMIC SABOTAGE" IS ANY ACT OR ACTIVITY WHICH UNDERMINES, WEAKENS OR RENDERS INTO DISREPUTE THE ECONOMIC SYSTEM OR VIABILITY OF THE COUNTRY OR TENDS TO BRING ABOUT SUCH EFFECTS AND SHALL INCLUDE, INTER ALIA, PRICE MANIPULATION TO THE PREJUDICE OF THE PUBLIC ESPECIALLY IN THE SALE OF BASIC NECESSITIES AND PRIME COMMODITIES.

(3) "Implementing agency" means the department, agency or office of the Government, which has jurisdiction over a basic necessity or prime commodity as defined in this act, which shall be:

(a) The Department of Agriculture, with reference to any cultural crops, fish and other marine products, fresh meat, fresh poultry and dairy products, fertilizers and other farm inputs.

(A1) THE NATIONAL FOOD AUTHORITY, WITH REFERENCE TO RICE AND CORN;

x x x x"

SECTION 3. Section 5 of Republic Act 7581 is hereby amended to read as follows:

"SECTION 5. *Illegal Acts of Price Manipulation.* - Without prejudice to the provisions of existing laws on goods not covered by this Act, it shall be unlawful for any person habitually engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of goods to engage in the following acts of price of any necessity or prime commodity:

- 1) Hoarding, which is the undue accumulation **OR STORING/KEEPING** by a person or combination of persons of any basic necessity or prime commodity beyond his or their normal inventory levels **AS DETERMINED BY THE IMPLEMENTING AGENCY CONCERNED** or the unreasonable limitation or refusal to dispose of, sell or distribute the stocks of any basic necessity or prime commodity to the general public or the unjustified taking out of any basic necessity or prime commodity from the channels of production, trade, commerce and industry. There shall be prima facie evidence of hoarding when a person has stocks of any basic necessity or prime commodity fifty percent (50%) higher than his usual inventory and unreasonably limits, refuses or fails to sell the same to the general public at the time of discovery of the stocks. The determination of a person's usual inventory shall be reckoned from the third month immediately preceding before the discovery of the stocks in case the person has been engaged in the business for at least three (3) months, otherwise, it shall be reckoned from the time he started his business: **PROVIDED, HOWEVER, THAT IN THE CASE OF RICE OR CORN, A PERSON'S USUAL INVENTORY THEREOF SHALL BE RECKONED FROM THE MONTH IMMEDIATELY PRECEDING BEFORE THE DISCOVERY OF THE STOCKS IRRESPECTIVE OF THE DATE/TIME HE STARTED HIS BUSINESS;**
- 2) Profiteering, which is the sale or offering for sale of any basic necessity or prime commodity at a price grossly in excess of its true worth. There shall be prime facie evidence of profiteering whenever a basic necessity or prime commodity being sold;
 - (a) has no price tag;
 - (b) is misrepresented as to its weight or measurement;
 - (c) is adulterated or diluted **OR MIXED WITH LOWER QUALITY IN THE CASE OF RICE OR CORN;** or
 - (d) whenever a person raises the price of any basic necessity or prime commodity he sells or offers for sale to the general public by more than ten percent (10%) of its price in the immediately preceding month; Provided, That, in the case of agricultural crops, **EXCEPT RICE AND CORN**, fresh fish, fresh marine products, and other seasonal products covered by this Act and as determined by the implementing agency, the prima facie provision shall not apply; and

x x x x x

SECTION 4. A new section shall be added and immediately follow SECTION 13 of Republic Act 7581 to read as follows:

"SECTION 13-A. THE ANTI RICE OR CORN HOARDING AND PROFITEERING TASK FORCE: COMPOSITION AND FUNCTIONS. - WITH RESPECT TO RICE AND CORN, THERE SHALL BE CREATED AN ANTI-RICE OR

CORN HOARDING AND PROFITEERING TASK FORCE IN EVERY PROVINCE, CITY AND MUNICIPALITY TASKED WITH MONITORING THE INVENTORY LEVEL OF ALL RICE OR CORN MILLS, WAREHOUSES AND STOCKHOUSES TO DETERMINE THEIR RESPECTIVE MONTHLY STOCKS OF RICE OR CORN THEREIN: PROVIDED, THAT AN INVENTORY REPORT OF ANY OR EVERY MONITORING ACTIVITY SHALL BE RENDERED BY THE TASK FORCE TO THE IMPLEMENTING AGENCY CONCERNED, NOT LATER THAN TEN (10) DAYS FROM THE CONCLUSION THEREOF: PROVIDED, FURTHER, THAT THE REFUSAL TO ALLOW THE TASK FORCE OR ITS DULY AUTHORIZED REPRESENTATIVES TO CONDUCT MONITORING ACTIVITY IN THESE ESTABLISHMENTS SHALL BE PRIMA FACIE EVIDENCE OF THE ACT OF RICE OR CORN HOARDING AND PROFITEERING BEING PERPETRATED THEREAT: PROVIDED, FINALLY, THAT IF THESE ESTABLISHMENTS ARE OWNED BY JURIDICAL PERSONS, CRIMINAL LIABILITY, FOR VIOLATION OF THIS SECTION SHALL ATTACH TO THE RESPECTIVE PRESIDENTS, CHIEF OPERATING OFFICERS OR MANAGERS THEREOF.

THE ANTI-RICE OR CORN HOARDING AND PROFITEERING TASK FORCE SHALL BE COMPOSED OF THE LOCAL CHIEF EXECUTIVE OF THE LOCAL GOVERNMENT UNIT CONCERNED, WHO SHALL ACT AS ITS CHAIR; ONE (1) REPRESENTATIVE FROM THE PROVINCIAL/CITY FIELD/BRANCH OFFICE OF THE IMPLEMENTING AGENCY CONCERNED; ONE (1) REPRESENTATIVE FROM THE FARMER'S SECTOR; ONE (1) REPRESENTATIVE FROM THE LOCAL CONSUMER'S ORGANIZATION/GROUP, IF ANY, AND THE LOCAL CHIEF OF POLICE, AS MEMBERS.

THE OWNER/OPERATOR/MANAGEMENT OF EVERY RICE OR CORN MILL, WAREHOUSE OR STOCKHOUSE IS REQUIRED TO SUBMIT TO THE TASK FORCE A DULY-CERTIFIED AND SWORN MONTHLY REPORT OF ITS INVENTORY OF RICE OR CORN STOCKS; PROVIDED THAT, FAILURE TO DO SO SHALL BE PRIMA FACIE EVIDENCE OF THE ACT OF RICE OR CORN HOARDING AND PROFITEERING BEING PERPETRATED IN THE ESTABLISHMENT CONCERNED.

SECTION 5. Section 15 of Republic Act 7581 is hereby amended to read as follows:

"Section 15. Penalty for acts of Illegal Price Manipulation. – Any person who commits any act of illegal price manipulation of any basic necessity or prime commodity under Section 5 hereof shall suffer the penalty of imprisonment for a period of not less than five (5) years nor more than fifteen (15) years, and shall be imposed a fine of not less than Five Thousand Pesos (P 5,000) nor more than Two Million Pesos (P 2,000,000): PROVIDED, THAT THE ACTS OF RICE OR CORN HOARDING OR PROFITEERING SHALL BE PUNISHABLE BY IMPRISONMENT FOR A PERIOD OF NOT LESS THAN TEN (10) YEARS NOR MORE THAN TWENTY (20) YEARS AND A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P 100,000) NOR MORE THAN FIVE MILLION PESOS (P5,000,000): PROVIDED, FURTHER, THAT WHEN THE ACTS OF RICE OR CORN HOARDING AND PROFITEERING ARE COMMITTED DURING OR ON THE OCCASION OF ANY CALAMITY, DISASTER OR ANY EMERGENCY DECLARED AS SUCH BY THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES, THEY SHALL BE DEEMED EQUIVALENT TO ECONOMIC SABOTAGE AND PUNISHABLE BY RECLUSION PERPETUA: PROVIDED, FINALLY THAT WHEN THE OFFENDER IS A JURIDICAL PERSON, CRIMINAL LIABILITY SHALL ATTACH TO ITS PRESIDENT, CHIEF OPERATING OFFICER OR MANAGER.

IN ADDITION TO THE PENALTY IMPOSED FOR RICE OR CORN HOARDING AND PROFITEERING UNDER THIS ACT, HOARDED RICE OR CORN STOCKS SHALL BE CONFISCATED AND FORFEITED IN FAVOR OF THE GOVERNMENT.

SECTION 6. *Implementing Rules and Regulations.* – The implementing agency concerned shall promulgate the pertinent rules and regulations for the effective implementation of this Act, within sixty (60) days from its effectivity.

SECTION 7. *Separability Clause.* - The provisions of this Act are hereby declared to be separable from, and independent of, one another and that should one or more of such provisions be declared unconstitutional, the validity of the remaining provisions shall not be affected thereby.

SECTION 8. *Repealing Clause.* - All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed and/ or modified accordingly.

SECTION 9. *Effectivity Clause.*- This Act shall take effect immediately upon its approval.

Approved,