

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
First Regular Session



House Bill No. 4637

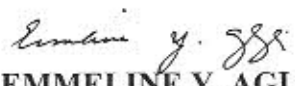
Introduced by **Representative Emmeline Y. Aglipay**

EXPLANATORY NOTE

The act of denying our countrymen access to basic necessities such as rice and corn is one that implies clear malice and one that poses a clear danger to the well-being of Filipinos. To perform such an act during a time of calamity, when there are people for whom access to those necessities can spell the difference between life and death, is a truly heinous act which must be classified and punished as such.

The hoarding of basic necessities is not a new phenomenon. In 2008, a special NBI task force was assembled to address the problem of rice hoarding, and cases were filed against traders under Republic Act 7581. A 2011 paper by the Philippine Institute of Development Studies stated that in the period of 1994-2009, the country's rice production was actually more than our rice consumption, yet we remained the world's largest rice importer, and one of the factors may be due to "hoarding" behavior. Hoarding not only keeps necessities off the market and out of distribution, but it can create an artificial shortage that drives up the prices of goods already on the market, potentially making them just as unavailable for the poor, even if they are technically "available."

The hoarding of rice and corn is clearly a pernicious practice that has gone on for far too long, in spite of deleterious consequences to the nation as a whole. Action must be taken, particularly to discourage such crimes during times of calamity. To this end, this bill seeks to increase the penalty for hoarding and profiteering rice and/or corn during times of calamity or emergency by categorizing the same as acts of economic sabotage.


EMMELINE Y. AGLIPAY
Representative, DIWA Party-list

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HOUSE BILL NO. 4637

Introduced by **Representative Emmeline Y. Aglipay**

**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/OR 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 manipulation of any necessity or prime commodity:

- (1) Hoarding, which is (A) the undue accumulation, **STORAGE, OR POSSESSION** 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 (B) 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 (C) the unjustified **REMOVAL** 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 **IN A QUANTITY THAT IS** fifty percent (50%) higher than his usual inventory **GIVEN THE SEASON/TIME OF THE YEAR,** and unreasonably limits, refuses or fails to sell the same to the general public **OR MAKE THE SAME AVAILABLE IN THE REGULAR CHANNELS OF PRODUCTION, TRADE, COMMERCE, AND INDUSTRY** 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 STOCKSIRRESPECTIVE 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 ITEMS OF 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 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, WHETHER IN PHYSICAL OR DIGITAL FORM: 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/OR 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 PERSONS WHO HAVE DIRECT SUPERVISION AND CONTROL OF SUCH ESTABLISHMENTS, INCLUDING THE RESPECTIVE PRESIDENTS, CHIEF

OPERATING OFFICERS OR MANAGERS THEREOF SHOULD THE SAME BE RESPONSIBLE FOR THE HOARDING AND/OR PROFITEERING.

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, WHETHER IN PHYSICAL OR DIGITAL FORM; 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 THE PERSONS WHO HAVE DIRECT SUPERVISION AND CONTROL OF SUCH ESTABLISHMENTS, INCLUDING THE RESPECTIVE PRESIDENTS, CHIEF OPERATING**

OFFICERS OR MANAGERS THEREOF SHOULD THE SAME BE RESPONSIBLE FOR THE HOARDING AND/OR PROFITEERING.

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.

SEC. 10. *Implementing Rules and Regulations.* – The Department of Agriculture shall promulgate the necessary implementing rules and regulations within sixty (60) days from the effectivity of this Act.

SEC. 11. *Separability Clause.* – If, for any reason, any part or provision of this Act is declared invalid, such declaration shall not affect the other provisions of this Act.

SEC. 12 *Repealing Clause.* – All laws, executive orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 13. *Effectivity.* – This Act shall take effect thirty (30) days after its complete publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.
Approved,

Approved.