

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

EIGHTEENTH CONGRESS  
3<sup>rd</sup> Regular Session

House Bill No. 10514



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**Introduced by Representative ERIC GO YAP**

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**EXPLANATORY NOTE**

Hoarding, price manipulation, and engagement in cartels with the goal to influence the demand and supply in the country harm both the farmers and the consumers. It disturbs the rice security and stability in the country, leading to rice crisis which only benefits the unscrupulous rice traders and importers.

As the country is still coping with the effects brought about by the Coronavirus Disease 2019 (COVID-19), the rice industry must be protected from those who engage in these deceitful activities. This bill seeks to penalize hoarding, profiteering, cartels, and price manipulation of rice. All rice products confiscated and forfeited in the favor of the National Government shall be appropriated for the immediate distribution to those areas which are in need of relief. It is high time that we put in place stricter measures to protect the interest of local farmers who have been struggling to stay afloat due to unfair practices and the like.

In view of the foregoing, approval of this bill is earnestly sought.

  
ERIC GO YAP

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**AN ACT**  
**PENALIZING THE HOARDING, PROFITEERING, PRICE MANIPULATION OF**  
**RICE, AND ENGAGING IN CARTEL OPERATIONS IN ORDER TO INFLUENCE**  
**THE DEMAND AND SUPPLY OF RICE IN THE COUNTRY**

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

**SECTION 1. *Short Title.*** This Act shall be known as the “Rice Security and Stability Act of 2021.”

**SEC. 2. *Declaration of Policy.*** The 1987 Constitution provides that “the State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.”

Further, the Constitution states that “The State shall promote comprehensive rural development and agrarian reform.”

Finally, it is the recognized policy of the State to promote the productivity of the agriculture sector and to protect farmers from unscrupulous traders and importers, who alone or in cooperation with others directly or indirectly manipulate the price and supply of rice in the Country which affects the food security of the State.”

Consistent with these principles, it is the duty of the State to ensure that the welfare and interests of its citizens is protected.

**SEC. 3. *Definition of Terms.*** As used in this Act, the following terms are defined as follows:

a. Rice – refers to polished/ husked rice, crops, palay in its original state and whether it has undergone processing and milling.

b. Person – refers to a natural or juridical person engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of rice.

**SEC. 4. Coverage.** This Act shall apply to all persons engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of rice.

**SEC. 5. Prohibited Acts.** The following shall be punishable under this Act, to wit:

- a. Hoarding. – refers to the undue accumulation by a person or combination of persons of rice beyond his or their normal inventory levels or the unreasonable limitation or refusal to dispose of, sell or distribute the stocks of rice to the general public or by the unjustified taking/ purchasing of rice from the National Food Authority (“NFA”). There shall be prima facie evidence of hoarding when a person has stocks of rice thirty percent (30%) higher than his usual inventory and unreasonably limits, refuses or fails to sell the same to the general public at any given time. 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.
- b. Profiteering. – refers to the sale or offering for sale of rice at a price grossly in excess of its market value. There shall be prima facie evidence of profiteering whenever the rice being sold: (a) is adulterated or diluted through the mixing of commercial rice with NFA rice or any combination thereof; or (b) whenever a person raises the price of rice for sale to the general public by more than five percent (5%) of its price in the immediately preceding month:
- c. Cartel. – refers to any combination of or agreement between two (2) or more persons engaged in the production, manufacture, processing, storage, supply, distribution, marketing, sale or disposition of rice designed to artificially and unreasonably increase or manipulate its price. There shall be prima facie evidence in engaging in a cartel whenever two (2) or more persons perform uniform or complementary acts among themselves which tend to bring about artificial and unreasonable increase in the price of rice or when they simultaneously and unreasonably increase prices on their competing products thereby lessening competition among themselves.
- d. Price Manipulation. – is any act committed by any person engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of rice, which seeks to control and influence the price of rice at any given time.

**SEC. 6. *Penalties.*** A fine of Fifty Million Pesos (P 50,000,000.00) and imprisonment for a period not less than six (6) years but not exceeding twelve (12) years shall be imposed on any person who commits any of the prohibited acts.

A fine of One Hundred Million Pesos (P 100,000,000.00) and imprisonment for a period not less than twelve (12) years but not exceeding twenty (20) years shall be imposed on any person for a violation of this Act for the second offense.

In addition, a single violation of this Act shall result in the revocation of all licenses, permits and registration given to any person as well as the confiscation and forfeiture of all rice products in favor of the National Government.

**SEC. 7. *Disposal of Confiscated Rice.*** All rice products confiscated and forfeited in favor of the National Government shall be appropriated for the immediate distribution primarily to those areas which are in need of relief, including but not limited to those areas hit by calamities and/or in war conflict zones. Any excess shall be sold in duly accredited market places by representatives of the DA and NFA. All proceeds of which will be remitted to the National Treasury to be utilized solely for the development and production of the local rice farmers.

**SEC. 8. *Implementing Rules and Regulations and Standard Forms.*** Within sixty (60) days from the promulgation of this Act, the necessary rules and regulations for the proper implementation of its provisions shall be formulated by the Department of Agriculture ("DA") in coordination with the National Food Authority ("NFA").

**SEC. 9. *Repealing Clause.*** All laws, ordinances, executive orders, administrative orders, rules, regulations, decrees, and other issuances or parts thereof, which are inconsistent with the provisions of this Act are hereby revoked, repealed, or modified accordingly.

**SEC. 10. *Separability Clause.*** If any provision of this Act is held unconstitutional or invalid, the other provisions not affected thereby shall continue in operation and remain in full force and effect.

**SEC. 11. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation or the Official Gazette.

Approved,