

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7202



Introduced by Hon. Julianne L. Baronda

EXPLANATORY NOTE

The Philippines is primarily an agricultural country. In fact, about a quarter of our employed *kababayans* work in the agricultural sector. Unfortunately, however, large scale smuggling of goods continues to hound what an otherwise vibrant sector. Just last year, a group of farmers cried for help when they lamented the continuous and worsening agricultural smuggling in the country despite the existence of a law punishing it and the creation of the anti-smuggling task force.

Statistics would not lie.

Between 2019 and 2022 alone, the DA estimates P667.5 million (\$11.64 million) of smuggled agri-fishery goods, while a total of 542 seizure cases were conducted by the Bureau of Customs. While a number of smugglers were apprehended, the continued and incessant rise in smuggling cases cannot be taken for granted.

Considering these asseverations, there is a need to re-assess our laws to ensure that the same remain foolproof so that our farmers are protected. Even the slightest hint of corruption or smuggling attempt by anyone should be punished.

The impact that the agricultural sector to the country's development cannot be overemphasized. Article XIII, Section 5, of the 1987 Constitution provides that:

"The State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers' organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services."

Proceeding from this Constitutional mandate, it is the intention of this bill to align Republic Act No. 10845 with the realities happening on the ground and hopefully, make it more in tune with the present times.

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

A handwritten signature in black ink, appearing to read 'JL Baronda', with a stylized flourish at the end.

Rep. Julianne “Jam” L. Baronda
District Representative

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AN ACT
AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 10845,
OTHERWISE KNOWN AS THE ANTI-AGRICULTURAL SMUGGLING ACT OF
2016, AND FOR OTHER PURPOSES

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

SECTION 1. The title of Republic Act No. 10845 is hereby amended to read as:

AN ACT DECLARING LARGE-SCALE AGRICULTURAL SMUGGLING, HOARDING,
PROFITEERING, CARTEL, AND OTHER ACTS OF MARKET ABUSES AS
ECONOMIC SABOTAGE, PRESCRIBING PENALTIES THEREFORE AND FOR OTHER
PURPOSES

Sec. 2. Section 1 of Republic Act no. 10845 is hereby amended to read as:

This Act shall be known as the “Anti-Agricultural [Smuggling] **ECONOMIC SABOTAGE**
Act of 2023.

Sec. 3. Section 2 of Republic Act No. 10845 is hereby amended to read as:

Section 2. *Declaration of Policy.* – It is the policy of the State to promote the productivity of the agriculture sector and to protect farmers from unscrupulous traders and importers, who by their illegal importation of

agricultural products, especially rice, significantly affect the production, availability of supply and stability of process and food security of the State.

FURTHERMORE, IT IS ALSO THE POLICY OF THE STATE TO PROMOTE THE AFFORDABILITY OF FOOD AND OTHER AGRICULTURAL COMMODITIES FOR FILIPINO CONSUMERS BY PREVENTING LARGE-SCALE ABUSE OF MARKET POWER, HOARDING AND OTHER PRACTICES TO MANIPULATE PRICES AND UNDULY RESTRAIN SUPPLY.

The State shall impose higher sanctions for large-scale smuggling of agricultural products **AND OTHER ABUSES OF MARKET POWER** as self-preservation measure to shield itself from the manipulative scheme of economic saboteurs, and to protect the livelihood of our farmers and to ensure their economic well-being **AND THAT OF CONSUMERS.**

Sec. 4. A new Section 3A shall be inserted after Section 3 of Republic Act. No. 10845 to read as:

SEC. 3-A. LARGE-SCALE AGRICULTURAL HOARDING, PROFITEERING, AND CARTEL AS ECONOMIC SABOTAGE. – HOARDING, PROFITEERING, OR CARTEL, AS DEFINED IN SECTION 5 OF REPUBLIC ACT NO. 7581, INsofar AS THEY INVOLVE SUGAR, CORN, PORK, POULTRY, GARLIC, ONION, CARROTS, FISH AND CRUCIFEROUS VEGETABLES, IN ITS RAW STATE, OR WHICH HAVE UNDERGONE THE SIMPLE PROCESSES OF PREPARATION OR PRESERVATION FOR THE MARKET, WITH A MINIMUM AMOUNT OF ONE MILLION PESOS (P1,000,000.00), OR RICE, WITH A MINIMUM AMOUNT OF TEN MILLION (P10,000,000.00), AS VALUED BY THE DEPARTMENT OF AGRICULTURE FOR DOMESTICALLY PRODUCED COMMODITIES, SHALL CONSTITUTE ECONOMIC SABOTAGE.

Sec. 5. A new Section 5 shall be inserted after Section 3 of Republic Act. No. 10845 to read as:

SEC. 5. THERE IS HEREBY CREATED AN INTER-AGENCY COUNCIL ON ECONOMIC INTELLIGENCE, HEREINAFTER REFERRED TO AS COUNCIL, WHICH IS MANDATED TO ENFORCE THE PROVISIONS OF THIS ACT AND TO PRINCIPALLY COMBAT SMUGGLING, HOARDING, PROFITEERING, AND CARTEL: PROVIDED, THAT, THE TASK FORCE SHALL BE CO-CHAIRLED BY THE DEPARTMENT OF AGRICULTURE (DA), DEPARTMENT OF TRADE AND INDUSTRY (DTI) AND THE BUREAU OF CUSTOMS (BOC), AND SHALL INCLUDE AS MEMBERS THE DEPARTMENT OF JUSTICE (DOJ), NATIONAL BUREAU OF INVESTIGATION (NBI), DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG), PHILIPPINE NATIONAL POLICE (PNP), PHILIPPINE COMPETITION COMMISSION (PCC), NATIONAL SECURITY COUNCIL (NSC), AND NATIONAL INTELLIGENCE COORDINATING AGENCY (NICA).

Sec. 6. Section 4 of Republic Act. 10845 is hereby amended to read as:

Section 4. Penalties. - (a) The penalty of life imprisonment and a fine of twice the fair value of smuggled agricultural product **OR THE PRODUCT SUBJECT TO HOARDING, PROFITEERING, OR CARTEL** and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on any person who commits any of the acts enumerated under Sections **3 AND 3-A** of this Act.

(b) The penalty of imprisonment of not less than seventeen (17) years but not more than twenty (20) years, and a fine of twice the fair value of the smuggled, **PROFITEERED, HOARDED, OR CARTELLED** agricultural product and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on the officers of dummy corporations, non-government organizations,

associations, cooperatives, or single proprietorships who knowingly sell, lend, lease, assign, consent or allow the unauthorized use of their import permits for purposes of smuggling, **PROFITEERING, HOARDING, OR CARTELLING.**

(c) The penalty of imprisonment of not less than fourteen (14) years but not more than seventeen (17) years, and a fine of twice the fair value of the smuggled, **PROFITEERED, HOARDED, OR CARTELLED** agricultural product and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on the following:

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(3) The registered owner and lessee of a warehouse, or any property, who knowingly stores the smuggled, **PROFITEERED, HOARDED, OR CARTELLED** agricultural product subject to economic sabotage; or

(4) The registered owner, lessee, president or chief executive officer of the private port, fish port, fish landing sites, resorts, and airports who knowingly allows the agricultural product to be smuggled into the country, **OR TO BE HOARDED WITHIN THEIR FACILITIES.**

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Sec 7. Section 7 of Republic Act No. 10845 is hereby amended to read as:

Section. 7. Prescription of Crimes. – The crimes punishable under this Act shall prescribe in twenty (20) years.

Sec 8. *Implementing Rules and Regulations.* – The Department of Agriculture, Department of Trade and Industry and the Bureau of Customs, in consultation with concerned agencies, shall promulgate the implementing rules and regulations of this Act within thirty (30) days upon its effectivity.

Sec 9. *Separability Clause.* – If any portion of this Act is declared unconstitutional or invalid, the portions or provisions which are not affected shall continue to be in full force and effect.

Sec. 10. *Repealing Clause.* – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed and/or modified accordingly.

Sec. 11. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,