

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 8424



Introduced by Honorable Representatives
ARLENE D. BROSAS (Gabriela Women's Party),
FRANCE L. CASTRO (ACT Teachers Partylist),
and **RAOUL DANNIEL A. MANUEL (Kabataan Partylist)**

**AN ACT DECLARING LARGE-SCALE AGRICULTURAL SMUGGLING AS
ECONOMIC SABOTAGE, PRESCRIBING PENALTIES THEREFORE
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

There is a need to strengthen Republic Act (R.A.) No. 10845 or the Anti-Agricultural Smuggling Act, as the law clearly lacks teeth in curbing rampant agricultural smuggling over the years. Aside from agricultural smuggling, horrid acts, including hoarding, profiteering, cartel, and other market abuses, must be declared as punishable acts.

No one is having a day in court, and worse, the ring leaders behind such barbaric acts can continue with their businesses and operations. Local farmers, food producers and agricultural stakeholders have suffered enough. We must apprehend and punish the masterminds and the entire network of organized mafia within the agriculture industry.

The State, especially the Department of Agriculture (DA), must also realize that such crimes of agricultural smuggling, hoarding, profiteering, and cartel have spawned from the state policy of unabated importation and liberalization.

In the past four (4) years of the Rice Liberalization Law, local rice farmers have lost PhP261 billion in income due to the influx of rice imports. In 2021, at the height of increasing pork prices, the government approved executive orders allowing the importation of an additional 250,000 MT of pork products. Recent sugar orders issued by the DA and Sugar Regulatory Administration (SRA) resulted in unlimited importation of sugar - 440,000 MT in 2022 and an additional 150,000 MT for this year. The DA even sold the smuggled sugar seized by the Bureau of Customs in ports.

The recent exposés regarding the possible hoarding and price manipulation of onions have led to outrageously priced onions in markets, and the series of sugar importation mess resulting from Sugar Orders issued by the SRA are just the tip of the iceberg. We must leave no stone unturned

in this battle against smuggling, hoarding, profiteering and cartel operations in the agriculture industry.

This proposed measure included the crime of large-scale agricultural smuggling, hoarding, profiteering, and cartel of rice and beef as economic sabotage. Furthermore, we propose to lower the threshold for rice from PhP10,000,000.00 to PhP1,000,000.00.

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



ARLENE D. BROSAS
Gabriela Women's Party



FRANCE L. CASTRO
Act Teachers Partylist



RAOUL DANNIEL A. MANUEL
Kabataan Partylist

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 8424

Introduced by Honorable Representatives
ARLENE D. BROSAS (Gabriela Women's Party),
FRANCE L. CASTRO (ACT Teachers Partylist),
and **RAOUL DANNIEL A. MANUEL (Kabataan Partylist)**

**AN ACT DECLARING LARGE-SCALE AGRICULTURAL SMUGGLING AS
ECONOMIC SABOTAGE, PRESCRIBING PENALTIES THEREFORE
AND FOR OTHER PURPOSES**

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

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

"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"

SECTION 2. Sec. 1 of Republic Act No. 10845 is hereby amended to read as follows:

"SECTION 1. **SHORT TITLE.** – This Act shall be known as the "Anti-Agricultural [~~Smuggling~~] **ECONOMIC SABOTAGE** Act of 2023".

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

"Sec. 2. *Declaration of Policy.* – It is the policy of the State to promote that 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 affects 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 LARGESCALE 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."**

SECTION 4. Section 3 of Republic Act No. 10845 is hereby amended to read as follows:

SECTION 3. *Large-Scale Agricultural Smuggling as Economic Sabotage.* – The crime of large-scale agricultural smuggling as economic sabotage, involving **RICE**, sugar, corn, **BEEF**, 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 pesos (P10,000,000.00),~~] as valued by the Bureau of Customs (BOC), is committed through any of the following acts:

XXX

(I) ALLOWING OR APPROVING IN ONE'S CAPACITY AS A PUBLIC EMPLOYEE OR OFFICER THE IMPORTATION INTO THE PHILIPPINES WITHOUT THE REQUIRED IMPORT PERMIT FROM THE REGULATORY AGENCIES, WHETHER OR NOT THERE IS PECUNIARY INTEREST OR MATERIAL BENEFIT OR ADVANTAGE ON THE PART OF THE PUBLIC EMPLOYEE OR OFFICER;

(J) APPROVING OR GRANTING ANY LICENSE, EXPORT DECLARATION, CLEARANCE, OR PERMIT KNOWING THAT THE SAME IS MANIFESTLY UNLAWFUL, INEQUITABLE OR IRREGULAR, WHETHER OR NOT THERE IS PECUNIARY INTEREST OR MATERIAL BENEFIT OR ADVANTAGE ON THE PART OF THE PUBLIC EMPLOYEE OR OFFICER;

AGRICULTURAL SMUGGLED PRODUCTS THAT WERE CONFISCATED SHALL BE IN THE JOINT CUSTODY AND POSSESSION OF THE BUREAU OF CUSTOMS, DEPARTMENT OF AGRICULTURE, AND DEPARTMENT OF TRADE AND INDUSTRY. THE BOC, DA, AND DTI SHALL CONDUCT INVENTORY AND DETERMINE THE VOLUME AND VALUE OF THE AGRICULTURAL SMUGGLED PRODUCTS.

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

SECTION. 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 RICE, SUGAR, CORN, BEEF, PORK, POULTRY, GARLIC, ONION, CARROTS, FISH AND CRUCIFEROUS VEGETABLES IN ITS RAW STATE, OR WHICH HAVE UNDERGONE THE SIMPLE PROCESSES OF PREPARATION OF**

PRESERVATION FOR THE MARKET, WITH A MINIMUM AMOUNT OF ONE MILLION PESOS (P1,000,000.00) AS VALUED BY THE DEPARTMENT OF AGRICULTURE AND THE BUREAU OF CUSTOMS FOR DOMESTICALLY PRODUCED COMMODITIES, SHALL CONSTITUTE ECONOMIC SABOTAGE.

HOARDED, PROFITEERED, OR CARTELLED AGRICULTURAL PRODUCTS THAT WERE CONFISCATED SHALL BE IN THE JOINT CUSTODY AND POSSESSION OF THE BUREAU OF CUSTOMS, DEPARTMENT OF AGRICULTURE, AND DEPARTMENT OF TRADE AND INDUSTRY. THE BOC, DA, AND DTI SHALL CONDUCT INVENTORY AND DETERMINE THE VOLUME AND VALUE OF THE HOARDED, PROFITEERED, OR CARTELLED AGRICULTURAL PRODUCTS.

SECTION 6. A new Section 4 shall be inserted after Section 3A to read as:

SECTION 4. *ANTI-AGRICULTURAL ECONOMIC SABOTAGE TASK FORCE.* –THERE IS HEREBY ESTABLISHED AN ANTI-AGRICULTURAL ECONOMIC SABOTAGE TASK FORCE TO BE HEADED BY THE OFFICE OF THE PRESIDENT AND TO BE COMPOSED OF THE FOLLOWING:

- (A) OFFICE OF THE PRESIDENT OR HIS APPOINTEE;**
- (B) REPRESENTATIVE FROM BUREAU OF CUSTOMS;**
- (C) REPRESENTATIVE FROM DEPARTMENT OF AGRICULTURE INSPECTORATE AND ENFORCEMENT;**
- (D) REPRESENTATIVE FROM THE DEPARTMENT OF TRADE AND INDUSTRY;**
- (E) REPRESENTATIVE FROM DEPARTMENT OF JUSTICE;**
- (F) REPRESENTATIVE FROM NATIONAL BUREAU OF INVESTIGATION;**
- (G) REPRESENTATIVE FROM THE PHILIPPINE NATIONAL POLICE;**
- (H) REPRESENTATIVE FROM PHILIPPINE COAST GUARD;**
- (I) REPRESENTATIVE FROM PHILIPPINE PORTS AUTHORITY;**
- (J) REPRESENTATIVES FROM THE PRIVATE AGRICULTURAL SECTOR WITH NATIONWIDE MEMBERSHIP EACH FROM LIVESTOCK, CROPS, AND FISHERIES SECTOR**

SECTION 7. A new Section 5 shall be inserted after Section 4 to read as:

SECTION 5. *POWERS AND FUNCTIONS.* – THE TASK FORCE SHALL HAVE THE FOLLOWING POWERS AND FUNCTIONS:

(A) TO EFFECT SEARCHES, SEIZURES, AND ARRESTS, AND TO EXCLUSIVELY FILE ADMINISTRATIVE AND CRIMINAL CASES BEFORE THE PROSECUTOR

(B) TO INSPECT WAREHOUSES WHERE SEIZED COMMODITIES ARE STORED TO ENSURE THAT SUCH COMMODITIES ARE NOT BEING FERRETED OUT OR REMOVED WITHOUT PROPER DOCUMENTATION; AND

(C) TO SECURE COPIES OF DOCUMENTS PERTAINING TO THE NATURE AND PARTICULARS OF THE COMMODITY OR GOODS SUBJECT OF IMPORTATION, I.E. QUANTITY OR VOLUME, TECHNICAL OR QUALITATIVE SPECIFICATIONS, PORT OF DESTINATION/ESTIMATED DATE OF ARRIVAL IN THE PHILIPPINES, CARGO MANIFEST, REFERENCE VALUES FROM THE BUREAU OF CUSTOMS, TRANSACTION VALUES OF IMPORTERS, AMONG OTHERS, FROM GOVERNMENT AGENCIES CONCERNED, INCLUDING BUT NOT LIMITED TO THE BUREAU OF CUSTOMS, DEPARTMENT OF AGRICULTURE, AND ALSO FROM NON GOVERNMENT SOURCES LIKE PRE-SHIPMENT COMPANIES AT THE PORT OF ORIGIN, AND COMMERCIAL BANKS IN ACCORDANCE WITH THE EXISTING LAWS, RULES, AND REGULATIONS.

SECTION 8. A new Section 6 shall be inserted after Section 5 to read as:

SECTION 6. *PERIODIC CONSULTATION.* – THE REPRESENTATIVES FROM THE PRIVATE AGRICULTURAL SECTORS UNDER SECTION 4 (J) OF THIS ACT MAY CONDUCT PERIODIC CONSULTATIONS WITH THE LOCAL PRODUCERS AND STAKEHOLDERS OF THEIR RESPECTIVE SECTORS.

SECTION 9. A new Section 7 shall be inserted after Section 6 to read as:

SECTION 8. *REPORTING REQUIREMENT.* – THE TASK FORCE SHALL SUBMIT A QUARTERLY REPORT TO THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE PHILIPPINES ON THE PROGRESS AND ACCOMPLISHMENTS MADE IN THE IMPLEMENTATION OF THIS ACT.

SECTION 10. Section 4 of Republic Act No. 10845 is hereby amended to read as follows:

"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 (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:

XXX

(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."**

SECTION 11. Section 7 of Republic Act No. 10845 is hereby amended to read as:

"Sec. 7. *Prescription of Crimes.* – The crimeS punishable under this Act shall prescribe in twenty (20) years."

SECTION 12. *Implementing Rules and Regulations.* – The DA, DTI AND BOC, in consultation with concerned agencies, shall promulgate the implementing rules and regulations of this Act within thirty (30) days upon its effectivity.

SECTION 13. *Separability Clause.* – If any portion of this Act is declared invalid or unconstitutional, the portions or provisions which are not affected shall continue to be in full force and effect.

SECTION 14. *Repealing Clause.* – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed and/or modified accordingly.

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

Approved,