

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3466



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

This bill seeks to expand the scope of rice and corn hoarding, and strengthen the penal sanctions for such, as provided for under Republic Act 7581 or the Price Act of 1992. This Representation is steadfast in addressing food insecurity and rice shortage, and we recognize that different measures must be undertaken to solve country's food problem.

The act of rice and corn hoarding to manipulate the interplay of supply and demand in the market is a crime. It triggers a domino effect of unfortunate events. By creating an artificial shortage of rice and corn, the costs of the same shoot up, there is panic buying in the markets, government agencies are under fire for allegations of corruption and mismanagement, poor Filipino families cannot afford these basic commodities, and many go hungry. In sum, it is a dangerous crime that may potentially sabotage the economy and render our people desperate and hungry.

It is high time that pertinent laws are amended to ensure that our legislation stays apposite to the realities of today. More importantly, we have to make rice and corn hoarders answerable under the law. To this end, this bill seeks to increase the penalty for rice hoarding and profiteering, and to cover acts and practices not previously included under the original law passed 30 years ago.

In consideration of the foregoing premises, the swift passage of this bill is sought.


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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HOUSE BILL NO. 3466

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AN ACT

CONSIDERING RICE OR CORN HOARDING AND PROFITEERING DURING OR ON THE OCCASION OF ANY CALAMITY OF 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 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 :

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(2a) "ECONOMIC SABOTAGE" IS ANY ACT OR ACTIVITY WHICH UNDERMINES, WEAKENS OR RENDERS INTO DIRESPUTE THE ECONOMIC SYSTEM OR VIABILITY OF THE COUNTRY OR TENDS TO BRING ABOUT SUCH EFFECTS AND SHALL INCLUDE, INTERAL, 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 the 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;

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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 DETERMIND 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 **GIEN THE SEASONTIME OF THE YEAR**, the 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 STOCKS RESPECTIVE OF THE DATE/TIME HE STARTED HIS BUSINESS;**

2) Profiteering, which is the same or offering for sale of any basic necessity or prime commodity at a price grossly in excess of its true worth. There shall be prima facie evidence of profiteering whenever a basic necessity of 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

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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 FUCTIONS. – 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 ACTIVITES 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 THE 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 AND 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 (P5,000.00) nor more than Two Million Pesos (P2,000,000.00): 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 (P100,000.00) NOR MORE THAN FIVE MILLION PESOS (P 5,000,000.00): 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 THE ECONOMIC SABOTAGE, AND PUNISHABLE BY RECLUSION PERPETUA: PROVIDED, 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.

SECTION 6. 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.

SECTION 7. *Separability Clause.* – If, for any reason, any part of provision of this
Act is declared invalid, such declaration shall not affect the other provisions of this
Act.

SECTION 8. *Repealing Clause.* – All laws, presidential decrees or issuances,
executive orders, rules and regulations or parts thereof contrary to or consistent with
the provisions of this Act are hereby repealed, modified or amended accordingly.

SECTION 9. *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,