



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Eighteenth Congress

First Regular Session

House Bill No. 2852

Introduced by

**HON. ANNA MARIE VILLARAZA-SUAREZ and
HON. DAVID C. SUAREZ**

EXPLANATORY NOTE

Among Filipinos, rice primarily, and secondarily corn, are considered staple crops or food. A staple food is one that is consumed routinely and in such quantities that it constitutes a dominant portion of a standard diet for a given people taken as often as every day. Hence, not only their biological, but as well as economic importance cannot be underestimated.

The efficient operation of the rice and corn markets depends on free and fair competition throughout the value chain. Malicious hoarding of and profiteering on these basic crops keep these commodities off the markets and distribution chain creating artificial shortages that drive their prices up. Aggravating the perennial insufficient production of rice and corn in the country, these illegal activities of unscrupulous traders and dealers manipulate market prices at the expense of public economic welfare. And this is not to overlook their obstructive impacts to the national objective of attaining food security and agricultural development in the country.

Meanwhile, agriculture is inherently sensitive to climate conditions and is among the sectors most vulnerable to natural disasters, particularly rice and

corn production. Consequentially, disasters and natural calamities have significant negative effects on the regular consumption of these staple crops by people in the affected areas. But these occurrences also present opportunities for cunning traders and businessmen to generate windfall profits through hoarding of their goods and commodities, uncaring for the greater difficulties they are causing to the already suffering people. It is therefore high-time that defensive mechanisms be put in place to protect the people in their times of need.

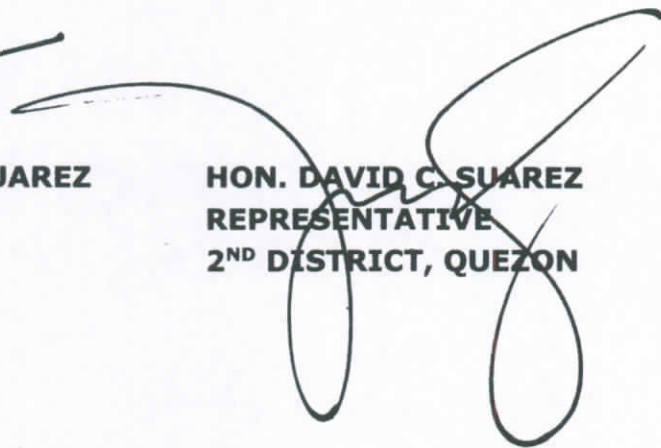
Republic Act No. 7581, or the 'Price Act' defines and penalizes rice or corn hoarding or profiteering. This measure proposes that when the acts of rice or corn hoarding and profiteering are committed on the occasion of any calamity, disaster or any emergency declared by the President, they shall be deemed equivalent to economic sabotage and punishable by *reclusion perpetua* to serve as a stronger deterrent. In addition, hoarded rice or corn shall be confiscated and forfeited in favor of the government.

Moreover, to ensure the effective implementation of the objectives of the bill, an 'Anti Rice or Corn Hoarding and Profiteering Task Force' shall be established in every province, city and municipality to monitor the inventory levels of all rice or corn mills, warehouses and stockhouses and oversee any possible violation of the law. The refusal to allow the task force or its duly authorized representatives to conduct monitoring activity in an establishment shall be prima facie evidence of the act of rice or corn hoarding and profiteering being perpetrated.

For the foregoing reasons, the immediate consideration and approval of this bill is earnestly urged.



HON. ANNA MARIE VILLARAZA-SUAREZ
REPRESENTATIVE
ALONA PARTYLIST



HON. DAVID C. SUAREZ
REPRESENTATIVE
2ND DISTRICT, QUEZON



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Introduced by

**HON. ANNA MARIE VILLARAZA-SUAREZ and
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**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 ECONOMIC SABOTAGE, 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 No. 7581 is hereby amended to read as
follows :

Section 3. *Definition of Terms* – For purposes of this Act, the term :

1) xxxx

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 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) xxxx

A2) THE NATIONAL FOOD AUTHORITY, WITH REFERENCE TO RICE AND CORN;

xxxx

SECTION 3. Section 5 of Republic Act No. 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 the price of any basic necessity or prime commodity:

- (1) Hoarding, which is the undue accumulation, **STORING OR KEEPING** by a person or combination of persons of any basic commodity beyond his or their normal inventory levels **AS DETERMINED BY THE IMPLEMENTING AGENCY CONCERNED** or 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 the unjustified taking out of any basic necessity or prime commodity from the channels of reproduction, trade, commerce and industry. There shall be prima facie evidence of hoarding when a person has stocks of any basic necessity or prime commodity fifty percent (50%) higher than his usual inventory and unreasonably limits, refuses or fails to sell the same to the general public at the time of discovery of the excess. 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 IRRESPECTIVE 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 prima facie evidence of profiteering whenever a basic necessity or prime commodity being sold:

(a) xxxx

xxxx

- (c) is adulterated, [øf] diluted **OR MIXED WITH 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 provisions shall not apply; and

SECTION 4. A new Section shall be added immediately following Section 13 of Republic Act No. 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 ANY OR 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: *PROVIDED, FURTHER*, THAT 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 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 RESPECTIVE PRESIDENTS, CHIEF OPERATING OFFICERS OR MANAGERS THEREOF.

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 SHALL BE REQUIRED TO SUBMIT TO THE TASK FORCE A DULY CERTIFIED AND SWORN MONTHLY REPORT OF ITS INVENTORY OF RICE OR CORN STOCKS: *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 No. 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) nor more than Two million pesos (P2,000,000)[-]: ***PROVIDED, THAT THE ACTS OF RICE OR CORN HOARDING OR PROFITEERING SHALL BE PUNISHED BY IMPRISONMENT OF NOT LESS THAN TEN (10) YEARS BUT NOT MORE THAN TWENTY (20) YEARS, AND A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P 100,000.00) BUT NOT 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 AS ECONOMIC SABOTAGE AND PUNISHABLE BY RECLUSION PERPETUA: PROVIDED, FINALLY, THAT WHEN THE OFFENDER IS A JURIDICAL PERSON, CRIMINAL LIABILITY SHALL ATTACH TO ITS PRESIDENT, CHIEF OPERATING OFFICER OR MANAGER.

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* - Within sixty (60) days from its effectivity, the National Food Authority shall promulgate the rules and regulations necessary for the effective implementation of this Act.

SECTION 7. *Separability Clause* - Any provision of this Act declared unconstitutional shall not affect the validity of the remaining provisions hereof.

SECTION 8. *Repealing Clause* - All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 9. *Effectivity Clause* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved.