

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

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 754

HOUSE OF REPRESENTATIVES

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Introduced by **DIWA Party-list Representative Emmeline Y. Aglipay – Villar**

EXPLANATORY NOTE

The act of denying our countrymen access to basic necessities such as rice and corn is one that implies clear malice and one that poses a clear danger to the well-being of Filipinos. To perform such an act during a time of calamity, when there are people for whom access to those necessities can spell the difference between life and death, is a truly heinous act which must be classified and punished as such.

The hoarding of basic necessities is not a new phenomenon. In 2008, a special NBI task force was assembled to address the problem of rice hoarding, and cases were filed against traders under Republic Act 7581. A 2011 paper by the Philippine Institute of Development Studies stated that in the period of 1994–2009, the country's rice production was actually more than our rice consumption, yet we remained the world's largest rice importer, and one of the factors may be due to "hoarding" behavior. Hoarding not only keeps necessities off the market and out of distribution, but it can create an artificial shortage that drives up the prices of goods already on the market, potentially making them just as unavailable for the poor, even if they are technically "available."

The hoarding of rice and corn is clearly a pernicious practice that has gone on for far too long, in spite of deleterious consequences to the nation as a whole. Action must be taken, particularly to discourage such crimes during times of calamity. To this end, this bill, which we filed in the 16th Congress as House Bill No. 4637, seeks to increase the penalty for hoarding and profiteering rice and/or corn during times of calamity or emergency by categorizing the same as acts of economic sabotage.

Emmeline Y. Aglipay

EMMELINE Y. AGLIPAY – VILLAR
Representative, DIWA Party-list

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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 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 Republic 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:

X X X X

(2a) “**ECONOMIC SABOTAGE**” IS ANY ACT OR ACTIVITY WHICH UNDERMINES, WEAKENS OR RENDERS INTO DISREPUTE THE ECONOMIC SYSTEM OR WIABILITY 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/OR 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) 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;

X X X X”

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 DETERMINED 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 **GIVEN THE SEASONTIME OF THE YEAR**, and unreasonably limits, refuses or fails to sell the same to the general public **OR MAKE THE SAME AVAILABLE IN THE REGULAR CHANNELS OF PRDUCTION, 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 PRECEIDING BFFORE THE DISCOVERY OF THE STOCKSIRRESPECTIVE 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 prime facie evidence of profiteering whenever a basic necessity or 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 FUNCTIONS. – WITH RESPECT TO RICE AND CORN, THERE SHALL BE CREATED AN ANTIRICE 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 REPEESENTATIVES TO OONIOUCTMONITORING AOTIVITY 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 ESTABLISHEMENTS ARE OWNED BY JURIDICAL PERSONS, CRIMINAL LIABILITY FOR VIOLATION OF THIS SECTION SHALL ATTACH TO THE PERSONS WHO HAVE DIRECT SUPERVISION AND CONTROL OF SUCH ESTABLISHMENTS, INLCUDING 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

