Republic of the Philippines

HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9029

Introduced by Representative Shirlyn L. Bañas-Nograles

EXPLANATORY NOTE

This bill seeks to set a ceiling on the prices of different varieties of rice to ensure the affordability of rice and protect the consumers from rice cartels.

The Philippines is an agricultural country filled with a variety of food resources. It is even known once as the rice capital of Asia. The International Rice Research Institute was even established here in the Philippines. Foreign rice researchers had studied the kind of rice we produced because of the bountiful harvest of our rice fields.

Nowadays, as the Philippines, along with the rest of the world, is currently experiencing a national health emergency or pandemic, we are again reminded of the importance of the basic commodity that is rice. It feels as if something is missing on our table without this staple. However, because of the massive development projects that have swept our land, local rice production has dwindled. We are now dependent on rice importation to maintain our buffer stock of rice.

For a long time, concerns have been raised on some practices of big rice importers and traders of manipulating the prices of rice in the market by controlling the rice supply. Thus, it is imperative to institute measures that will protect consumers from these unfair practices. At the very least, we need to
establish a ceiling or cap on the prices of rice to protect the people from unreasonable price increases.

The core principle of this bill is the protection of consumers. It aims to protect them from corrupt individuals who manipulate the prices of rice in the land. This measure will also guarantee the affordability of rice in our country.

In view of the foregoing, approval of this bill is highly recommended.

SHIRLYN L. BANAS-NOGRALES
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AN ACT

PROVIDING FOR MECHANISMS TO SET A CEILING ON THE
PRICES OF DIFFERENT VARIETIES OF RICE TO ENSURE THE
AFFORDABILITY OF RICE AND PROTECT THE CONSUMERS
FROM RICE CARTELS

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 "Rice
Price Ceiling Act."

SEC. 2. Declaration of Policy. – It is hereby declared the policy of
the State to ensure the availability of rice at affordable prices and protect the
consumers against unscrupulous practices of rice traders and rice cartels.
Towards this end, the State shall establish measures to regulate the prices of
different varieties of rice and set a ceiling on their prices to ensure their
affordability and to protect the consumers from unreasonable price increase and cartels.

SEC. 3. *Mandatory Rice Price Ceiling.* — The Department of Agriculture, in coordination with the Price Coordinating Council, shall determine and set a ceiling on the price of different varieties of rice at the regional or national level every three (3) months.

The Price Coordinating Council shall cause the immediate dissemination of the mandated price ceiling and its effective duration through broadcast by radio, television, social media, and other effective information dissemination system. The information on the rice price ceiling shall also be disseminated and posted in public markets, supermarkets, or other public places. If necessary, the Price Coordinating Council shall cause its publication in a newspaper of general circulation.

SEC. 4. *Determination of Price Ceiling.* — In determining the reasonable price ceiling, the following factors shall be taken into consideration:

(a) The average price of rice in the last three (3) months immediately preceding the proclamation of the new price ceiling;

(b) The price ceiling in the preceding month;

(c) The supply available in the markets;
(d) The cost to the producer, manufacturer, importer, distributor, or seller including:

   (1) The exchange rate of the peso to the foreign currency with which rice commodity or any component, ingredient or raw material thereof was paid for;

   (2) Any change in the amortization cost of machinery brought about by any change in the exchange rate of the peso to the foreign currency with which the machinery was bought through credit facilities;

   (3) Any change in the cost of labor brought about by a change in the minimum wage; and

   (4) Any increase in the cost of transporting or distributing the rice to the area of destination.

(e) Such other factors or conditions which will aid in arriving at a just and reasonable price ceiling.

SEC. 5. **Penalties.** – Any person who sells rice in violation of the price ceiling prescribed by the Price Coordinating Council shall be punished with the penalty of imprisonment of not less than one (1) year but not more than ten (10) years, or a fine of not less than Fifty thousand pesos (P50,000.00) but not more than Five hundred thousand pesos (P500,000.00), or both, at the discretion of the court.
If the offender is a juridical person, the president, manager or officer who
is responsible for the violation shall be held liable.

SEC. 6. **Implementing Rules and Regulations.** – The Department of
Agriculture shall, in coordination with the Price Coordinating Council, issue the
necessary rules and regulations for the effective implementation of this Act.

SEC. 7. **Repealing Clause.** – All laws, decrees, orders, or rules and
regulations which are inconsistent or contrary to the provisions of this Act are
hereby amended or repealed accordingly.

SEC. 8. **Effectivity.** – This Act shall take effect fifteen (15) days after
its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,