



NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

23 JAN 17 P4:59

SENATE

RECEIVED BY:

S. No. 1688

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

**AN ACT
AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 10845,
OTHERWISE KNOWN AS THE ANTI-AGRICULTURAL SMUGGLING ACT OF
2016, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Republic Act No. 10845 otherwise known as the Anti-Agricultural Smuggling Act of 2016 was passed into law with the primary objective of protecting the Filipino farmers and their families with the rise of agricultural smuggling in the country.

However, since the law's passage in 2016, even if there have been several reports of seizure of smuggled products, there have been no prosecution of individual, groups or corporations under the law. It may appear that some have mastered how to circumvent the law in order not to be punished.

Needless to say, the law's potential to finally end illegal activities that sabotage the country's economy and the livelihood of farmers have not been fully utilized over the years. The present condition of our farmers and the rising price of agricultural products because of its scarcity reflect the failure of national government agencies to fully implement the law.

In the recent Economist's 2021 Global Food Security Index (GFSI), the Philippines ranked 64th out of 113 countries in terms of four dimensions of food

security – food availability, food accessibility, food utilization and stability.¹ The difficulty of the country to cope with other countries in terms of food security is apparent in the rising prices of basic commodities and the scarcity and shortage of such.

Recently, the country has been experiencing the highest price of onion in history - an all-time high of P700 per kilogram. This was made worse by reports of smuggling and price manipulations by unscrupulous people.

From the records of the Bureau of Customs, a total value of P1.2 billion smuggled agricultural products have been confiscated in 2022. In connection with this is the millions worth of revenues that the government is losing as a result of smuggling which is revealed to be P250 million per year.²

Even President Bongbong Marcos recognized the widespread smuggling with his recent call for significant reforms in the bureaucracy in order to thwart and curtail the proliferation of the same.

As the principal author of the Anti-Agricultural Smuggling law, I envisioned that this will be a big boost to the agricultural sector. In light of this, it is high time to introduce amendments to the law, in order to address and hopefully end not only smuggling, but also the issues of hoarding, profiteering and cartel of agricultural products. Our ultimate goal is safeguarding our farmers, consumers and the agricultural sector, and attaining the goal of food security for the country.


In view of this, the proposed legislation will consider as economic sabotage the hoarding, profiteering and cartel of sugar, corn, pork, poultry, garlic, onion, carrots, fish and cruciferous vegetables in the amount of one million pesos (P1,000,000.00) or rice in the amount of ten million pesos (P10,000,000).

¹ <https://www.pids.gov.ph/publication/discussion-papers/is-food-supply-accessible-affordable-and-stable-the-state-of-food-security-in-the-philippines>

² <https://business.inquirer.net/378574/business-group-calls-for-united-front-vs-smuggling-thats-crippling-local-industriesbusiness-group-calls-for-united-front-against-smuggling-that-is-crippling-local-industries>

Furthermore , in order to strengthen the enforcement and implementation of the law, an Inter-Agency Council on Economic Intelligence will be created. This will be co-chaired by the Department of Agriculture, Department of Trade and Industry, and the Bureau of Customs, and will include Department Of Justice (DOJ), National Bureau Of Investigation (NBI), Department Of Interior And Local Government (DILG), Philippine National Police (PNP), Philippine Competition Commission (PCC), National Security Council (NSC), And National Intelligence Coordinating Agency (NICA).

It is fervently hoped for the immediate consideration and passage of this bill is highly sought.

A handwritten signature in black ink, appearing to read 'J. Ejercito', with a horizontal line extending to the left.

JOSEPH VICTOR G. EJERCITO

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AN ACT
AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 10845,
OTHERWISE KNOWN AS THE ANTI-AGRICULTURAL SMUGGLING ACT OF
2016, AND FOR OTHER PURPOSES

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

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

2

3 AN ACT DECLARING LARGE-SCALE AGRICULTURAL SMUGGLING,
4 **HOARDING, PROFITEERING, CARTEL, AND OTHER ACTS OF**
5 **MARKET ABUSES** AS ECONOMIC SABOTAGE, PRESCRIBING PENALTIES
6 THEREFORE AND FOR OTHER PURPOSES

7

8 Sec. 2. Section 1 of Republic Act no. 10845 is hereby amended to read as:

9

10 This Act shall be known as the "Anti-Agricultural [Smuggling] **ECONOMIC**
11 **SABOTAGE** Act of 2023.

12

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

14

15 Section 2. *Declaration of Policy.* – It is the policy of the State to promote
16 that productivity of the agriculture sector and to protect farmers from

1 unscrupulous traders and importers, who by their illegal importation of
2 agricultural products, especially rice, significantly affects the production,
3 availability of supply and stability of process and food security of the State.
4

5 **FURTHERMORE, IT IS ALSO THE POLICY OF THE STATE TO**
6 **PROMOTE THE AFFORDABILITY OF FOOD AND OTHER**
7 **AGRICULTURAL COMMODITIES FOR FILIPINO CONSUMERS BY**
8 **PREVENTING LARGE-SCALE ABUSE OF MARKET POWER,**
9 **HOARDING AND OTHER PRACTICES TO MANIPULATE PRICES**
10 **AND UNDULY RESTRAIN SUPPLY.**

11
12 The State shall impose higher sanctions for large-scale smuggling of
13 agricultural products **AND OTHER ABUSES OF MARKET POWER** as
14 self-preservation measure to shield itself from the manipulative scheme
15 of economic saboteurs, and to protect the livelihood of our farmers and
16 to ensure their economic well-being **AND THAT OF CONSUMERS.**

17
18 Sec. 4. A new Section 3A shall be inserted after Section 3 of Republic Act. No.
19 10845 to read as:

20
21 **SEC. 3-A. LARGE-SCALE AGRICULTURAL HOARDING,**
22 **PROFITEERING, AND CARTEL AS ECONOMIC SABOTAGE. –**
23 **HOARDING, PROFITEERING, OR CARTEL, AS DEFINED IN**
24 **SECTION 5 OF REPUBLIC ACT NO. 7518, INsofar AS THEY**
25 **INVOLVE SUGAR, CORN, PORK, POULTRY, GARLIC, ONION,**
26 **CARROTS, FISH AND CRUCIFEROUS VEGETABLES, IN ITS RAW**
27 **STATE, OR WHICH HAVE UNDERGONE THE SIMPLE PROCESSES**
28 **OF PREPARATION OR PRESERVATION FOR THE MARKET, WITH**
29 **A MINIMUM AMOUNT OF ONE MILLION PESOS (P1,000,000.00),**
30 **OR RICE, WITH A MINIMUM AMOUNT OF TEN MILLION**
31 **(P10,000,000.00), AS VALUED BY THE DEPARTMENT OF**

1 **AGRICULTURE FOR DOMESTICALLY PRODUCED COMMODITIES,**
2 **SHALL CONSTITUTE ECONOMIC SABOTAGE.**

3
4 Sec. 4. A new Section 5 shall be inserted after Section 3 of Republic Act. No.
5 10845 to read as:

6
7 **SEC. 5. THERE IS HEREBY CREATED AN INTER-AGENCY COUNCIL**
8 **ON ECONOMIC INTELLIGENCE, HEREINAFTER REFERRED TO AS**
9 **COUNCIL, WHICH IS MANDATED TO ENFORCE THE PROVISIONS**
10 **OF THIS ACT AND TO PRINCIPALLY COMBAT SMUGGLING,**
11 **HOARDING, PROFITEERING, AND CARTEL: *PROVIDED*, THAT,**
12 **THE TASK FORCE SHALL BE CO-CHAired BY THE DEPARTMENT**
13 **OF AGRICULTURE (DA), DEPARTMENT OF TRADE AND INDUSTRY**
14 **(DTI) AND THE BUREAU OF CUSTOMS (BOC), AND SHALL**
15 **INCLUDE AS MEMBERS THE DEPARTMENT OF JUSTICE (DOJ),**
16 **NATIONAL BUREAU OF INVESTIGATION (NBI), DEPARTMENT OF**
17 **INTERIOR AND LOCAL GOVERNMENT (DILG), PHILIPPINE**
18 **NATIONAL POLICE (PNP), PHILIPPINE COMPETITION**
19 **COMMISSION (PCC), NATIONAL SECURITY COUNCIL (NSC), AND**
20 **NATIONAL INTELLIGENCE COORDINATING AGENCY (NICA).**

21
22 Sec. 5. Section 4 of Republic Act. 10845 is hereby amended to read as:

23
24 Section 4. Penalties. - (a) The penalty of life imprisonment and a fine of
25 twice the fair value of smuggled agricultural product **OR THE PRODUCT**
26 **SUBJECT TO HOARDING, PROFITEERING, OR CARTEL** and the
27 aggregate amount of the taxes, duties and other charges avoided shall be
28 imposed on any person who commits any of the acts enumerated under
29 Section **S 3 AND 3-A** of this Act.

30
31 (b) The penalty of imprisonment of not less than seventeen (17) years
32 but not more than twenty (20) years, and a fine of twice the fair value of

1 the smuggled, **PROFITEERED, HOARDED, OR CARTELLED**
2 agricultural product and the aggregate amount of the taxes, duties and
3 other charges avoided shall be imposed on the officers of dummy
4 corporations, nongovernment organizations, associations, cooperatives,
5 or single proprietorships who knowingly sell, lend, lease, assign, consent
6 or allow the unauthorized use of their import permits for purposes of
7 smuggling, **PROFITEERING, HOARDING, OR CARTELLING.**

8
9 (c) The penalty of imprisonment of not less than fourteen (14) years but
10 not more than seventeen (17) years, and a fine of twice the fair value of
11 the smuggled, **PROFITEERED, HOARDED, OR CARTELLED**
12 agricultural product and the aggregate amount of the taxes, duties and
13 other charges avoided shall be imposed on the following:

14
15 XXX

16 (3) The registered owner and lessee of a warehouse, or any property,
17 who knowingly stores the smuggled, **PROFITEERED, HOARDED, OR**
18 **CARTELLED** agricultural product subject to economic sabotage; or

19 (4) The registered owner, lessee, president or chief executive officer of
20 the private port, fish port, fish landing sites, resorts, and airports who
21 knowingly allows the agricultural product to be smuggled into the
22 country, **OR TO BE HOARDED WITHIN THEIR FACILITIES.**

23 XXX

24 Sec 6. Section 7 of Republic Act No. 10845 is hereby amended to read as:

25 Section. 7. Prescription of Crimes. – The crimes punishable under this Act shall
26 prescribe in twenty (20) years.

1 *Sec 7. Implementing Rules and Regulations.* – The **DA, DTI AND** BOC, in
2 consultation with concerned agencies, shall promulgate the implementing rules and
3 regulations of this Act within thirty (30) days upon its effectivity.

4 *Sec 8. Separability Clause.* – If any portion of this Act is declared
5 unconstitutional or invalid, the portions or provisions which are not affected shall
6 continue to be in full force and effect.

7 *Sec. 9. Repealing Clause.* – All laws, decrees, executive issuances, rules and
8 regulations inconsistent with this Act are hereby repealed and/or modified accordingly.

9 *Sec. 10. Effectivity Clause.* – This Act shall take effect after fifteen (15) days
10 following its publication in the Official Gazette or in two (2) newspapers of general
11 circulation.

12 Approved,