

**[ DTI, DA, DOH, DENR JOINT ADMINISTRATIVE  
ORDER NO. 1-93, February 15, 1993 ]**

**RULES AND REGULATIONS IMPLEMENTING R.A. 7581 - AN ACT  
PROVIDING PROTECTION TO CONSUMERS BY STABILIZING THE  
PRICES OF BASIC NECESSITIES AND PRIME COMMODITIES AND  
BY PRESCRIBING MEASURES AGAINST UNDUE PRICE  
INCREASES DURING EMERGENCY SITUATIONS AND LIKE  
OCCASIONS**

WHEREAS, it is the policy of the State to ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate business a fair return on investment.

WHEREAS, it is likewise the concern of the State to provide protection to consumers against hoarding, profiteering and cartels of said goods especially during the occurrence of a calamity, emergency and widespread illegal manipulation, and similar situations;

NOW, THEREFORE, pursuant to the provisions of Section 10 of R.A. 7851, the following rules and regulations are hereby prescribed;

**RULE I  
Definition of Terms**

SECTION 1. Definition - as used herein, the following terms and phrases shall have the meaning herein provided:

1. Person means a natural person or a juridical person;
2. Implementing Agency means the department, agency or office of the Government which has jurisdiction over a basic necessity or prime commodity as defined in these Rules and Regulations, which shall be:
  - a. The Department of Agriculture, with reference to agricultural crops, fish and other marine products, fresh meat, fresh poultry and dairy products, fertilizers, and other farm inputs;
  - b. The Department of Health, with reference to drugs;
  - c. The Department of Environment and Natural Resources, with reference to wood and other forest products; and
  - d. The Department of Trade and Industry, with reference to all other basic necessities and prime commodities.

3. Buffer Fund means a contingent fund in the budget of the implementing agency which shall not be used in its normal or regular operations but only for purposes provided for in this Act;
4. Basic Necessities includes: rice, corn, bread, fresh, dried and canned fish and other marine products, fresh pork, beef and poultry meat, fresh eggs, fresh and processed milk, fresh vegetables, root crops, coffee, sugar, cooking oil, salt, laundry soap, detergents, firewood, charcoal, candles, and drugs classified as essential by the Department of Health.
5. Prime Commodities include fresh fruits, flour, dried, processed and canned pork, beef and poultry meat, dairy products not falling under basic necessities, noodles, onions, garlic, herbicides, poultry, swine and cattle feeds; veterinary products for poultry, swine and cattle; paper; school supplies; nipa shingles; plyboard; construction nails; batteries; electrical supplies; light bulbs; steel wire; and all drugs not classified as essential drugs by the Department of Health.
6. Price Ceiling means the maximum price at which any basic necessity or prime commodity may be sold to the general public.
7. Mandated Price Ceiling shall refer to the price imposed on any basic necessity or prime commodity by the President upon recommendation of the implementing agency or the Price Coordinating Council if any of the following conditions so warrant:
- Impending existence or effects of a calamity;
- Threat, existence or effects of an emergency;
- Prevalence of widespread acts of illegal manipulation; and
- Impendency, existence or effect of any event that cause artificial and unreasonable increases in prices of said commodities.
8. Prevailing Price means the average price at which any basic necessity has been sold in a given area within a month from the occurrence of any of the conditions enumerated under Section 6 of this Act.
9. Illegal Acts of Price Manipulation refers to acts of hoarding, profiteering, cartels committed by persons habitually engaged in production, manufacture, importation, storage, transport, distribution, sale, or other methods of disposition of basic necessity and prime commodity.
10. Panic Buying is the abnormal phenomenon where consumers buy basic necessities and prime commodities grossly in excess of their normal requirement resulting in undue shortages of such goods to the prejudice of less privileged consumers;

## RULE II

### Powers and Functions of Implementing Agency

SECTION 1. The implementing agencies enumerated in Rule I Sec. 1 par. (3)

thereof shall have jurisdiction over commodities enumerated hereunder:

1. Department of Agriculture

A. Basic Necessities

rice	fresh eggs
corn	fresh milk
cooking oil	fresh vegetables
fresh, dried fish, and other marine products	root crops
fresh pork, beef, and poultry meat	sugar"

B. Prime Commodities

fresh fruits	onions, garlic
dried pork	fertilizer (chemical and organic), pesticides, herbicides
	poultry, swine and cattle feeds
dried beef and poultry meat	fresh dairy products not falling under basic necessities
veterinary products for poultry, swine, and cattle	

2. Department of Health

A. Basic Necessities

drugs classified as essential by the DOH

B. Prime Commodities

drugs not classified as essential by the DOH

3. Department of Environment and Natural Resources

A. Basic Necessities

firewood  
charcoal

B. Prime Commodities

Plywood	Nipa Shingles
Plyboard	Sawali

4. Department of Trade and Industry

A. Basic Necessities

canned fish and other marine products	detergent
processed milk	candles

coffee  
laundry soap

bread  
salt

B. Prime Commodities

flour

processed and canned pork  
processed and canned beef and poultry  
meat  
noodles

vinegar, patis, soy sauce  
toilet soap

cement, clinker, G.I.  
Sheets  
hollow blocks  
construction nails

batteries, electrical  
supplies, light bulbs  
steel wires  
paper, school supplies

SECTION 2. Exclusion From the Coverage of this Act - Upon petition of the concerned parties and after public hearing, the implementing agency, with the approval of the President, may exclude from the coverage of this Act, types or brands of the goods included in the definition of basic necessities and prime commodities, which may be deemed as non-essential goods or luxury goods: Provided, That, any type or brand so excluded may be reinstated by the implementing agency during occasions of acute shortage in the supply of the basic necessity or prime commodity to which the excluded type or brand used to belong.

SECTION 3. Each implementing agency shall adopt programs designed to:

1. promote productivity in basic necessities and prime commodities,
2. improve efficient transport and distribution system,
3. protect consumers from inadequate supply and unreasonable price increases on occasion of calamities, emergencies and like occurrences.

SECTION 4. The implementing agency may, whenever necessary, issue suggested retail prices.

SECTION 5. The implementing agency may, whenever necessary, determine, recommend, and enforce price ceilings.

SECTION 6. During instances of panic buying, the implementing agency shall, upon approval of the President, institute temporary measures to ensure the orderly and equitable distribution to consumers of basic necessities or prime commodities in the affected area.

For this purpose, the following measures may be adopted:

1. establishment of accredited retail outlets.
2. rationing or limiting the quantity of individual household purchases
3. such other similar measures that would assure consumers access to buy said commodities.

## SECTION 7. Ancillary Powers of Implementing Agencies-

1. The implementing agencies shall have the power to issue subpoena and subpoena duces tecum.
2. Notwithstanding the provisions of Sections 91, 347 and 349, of the National Internal Revenue Code, it shall require the Bureau of Internal Revenue to submit any sales, income or other tax returns filed by producer, manufacturer, or retailer of essential articles or commodities whenever relevant to any public hearing or any inquiry under R.A. 7581.
3. Perform such other functions and ancillary powers as may be necessary to implement R.A. 7581.

SECTION 8. The functions of implementing agencies enumerated herein will not preclude implementing agencies to exercise their powers and functions under existing laws.

### RULE III Allocation and Utilization of Buffer Fund

Each implementing agency shall allocate a buffer fund in the annual appropriation of the department. Said amount shall be used exclusively to procure, purchase, import, or stockpile any basic necessity or prime commodity.

The commodities shall be distributed for sale to the areas where there is shortage of supply or where there is a need to effect changes in the prevailing prices after consultation with the concerned sectors. The implementing agency shall determine the volume/quantity of the commodities needed for stockpiling in the affected area. For this purpose, the implementing agency may enter into contracts, agreements with concerned supplier, distributor, or retailer.

In the distribution of the commodities for sale, the following shall be followed:

1. Preference shall be given to government agencies authorized to handle sale of the commodities.
2. Establishments of retail outlets that are duly accredited by implementing agency, e.g. accredited Bantay Bilihin Tindahan.
3. Retail outlets and cooperatives duly registered with the Cooperatives Development Authority and accredited by the implementing agency.
4. Consumer groups and similar associations duly registered with the Securities and Exchange Commission and accredited by the implementing agency. The above criteria, however, shall be without prejudice to the paramount consideration of the financial capacity of the recipient entity or organization to pay for the purchase. Further, they should sell commodities at prices within the ceiling mandated by government.

Proceeds from the sale shall revert to the buffer fund of the implementing agency. A trust fund shall be constituted for this purpose, subject to existing rules and