Republic of the Philippines
Department of Agriculture
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
Quezon City 1100, Philippines

May 12, 2015

Department of Agriculture
Administrative Order No. 07 , Series of 2015

SUBJECT: RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT (RA) NO. 7581 IN RELATION TO AGRICULTURAL COMMODITIES

WHEREAS, it is declared in RA No. 7581, otherwise known as the "Price Act" of 1992, that the State shall ensure the availability of basic necessities and prime commodities at all times without denying legitimate business a fair return on investment, and at the same time, provide effective and sufficient protection to consumers against hoarding, profiteering and cartels with respect to the supply, distribution, marketing, and pricing of said goods, especially during periods of calamity, emergency, widespread illegal price manipulations and other similar situations.

WHEREAS, RA No. 10623 (of 2013) amended certain provisions of RA No. 7581, including and particularly, the law's provisions defining the terms "Basic Necessities" and "Prime Commodities".

WHEREAS, the Government Agencies tasked to implement the "Price Act", namely: the Department of Agriculture (DA), the Department of Health (DOH), the Department of Environment and Natural Resources (DENR), and the Department of Trade and Industries (DTI), pursuant to Section 10 of RA 7581, promulgated Joint Administrative Order No. 1, Series of 1993 (JAO 1, S. 1993), otherwise known as the Implementing Rules and Regulations (IRR) of RA No. 7581.

WHEREAS, on account of the enactment of RA No. 10623, the said implementing agencies together with the Department of Energy, which this law included in the Price Coordinating Council, adopted Joint Administrative Order No. 13-1, Series of 2013, amending JAO No. 1, S. 1993.

WHEREAS, as provided in RA 7581, as amended and its IRR (JAO 1, S. 1993 as amended by JAO 13-1, S. 2013), the DA has jurisdiction over the following commodities (hereinafter, may also be collectively referred to as "Agricultural Commodities"):

(A) Basic Necessities
- rice
- corn
- root crops
- fresh, dried fish and other marine products
- fresh pork, beef and poultry meat
- fresh eggs
- fresh milk
- fresh vegetables
- *fresh fruits*
- sugar
- cooking oil

(B) Prime Commodities
- dried pork
- dried beef and poultry meat
- fresh dairy products not falling under basic necessities
- onions, garlic
- fertilizers, pesticides, herbicides
- poultry, *livestock and fishery* feeds
- veterinary products

WHEREAS, under the said IRR, each implementing agency is mandated to conduct regular monitoring of the prices and supply of basic necessities and/or prime commodities by constituting its own task force/s for the purpose.

WHEREAS, under the same IRR, administrative actions for violations of RA 7581 and its IRR shall be in accordance with procedures provided by the concerned implementing agency.

WHEREAS, pursuant to the above mandate, there is a need for the DA to promulgate rules and regulations for the monitoring of the prices of Agricultural Commodities and the prosecution and adjudication of administrative cases instituted for violations of the Price Act in relation to Agricultural Commodities.

NOW, THEREFORE, pursuant to Section 10 of RA 7581 and considering the foregoing premises, the following rules and regulations to govern the monitoring of the price and supply of Agricultural Commodities, the enforcement of applicable laws and regulations in relation thereto, and the adjudication of administrative cases filed for the violation of the Price Act, its IRR and this Administrative Order, are hereby prescribed:

RULE I
DEFINITION OF TERMS

Section 1. Definition of Terms – Asused in this Order, the following terms and phrases shall have the sense or meaning correspondingly provided:

a. *"Department"* pertains to the Department of Agriculture

b. *"Mediation"* means an alternative mode of dispute resolution forming part of the adjudication process under Rule X of these Rules, under which the Adjudication Officer facilitates communication and negotiation between the parties in reaching a voluntary agreement regarding the dispute.

c. *"Complaint"* means a sworn written statement of ultimate facts filed by any consumer or any person (including any of the concerned offices/ attached agencies of the DA) charging any person (natural or juridical) with any violation of the Price Act and/or its IRR.

d. *"Formal Charge"* means a written statement of ultimate facts charging any person (natural or juridical) with any violation of the Price Act and/or its IRR, initiated / filed by any of the Bantay Presyo Monitoring Teams created under this Administrative Order and signed by a designated member of the concerned team.

RULE II
BANTAY PRESYO TECHNICAL COMMITEE

Section 1. Bantay Presyo Technical Committee (BPTC) – A Bantay Presyo Technical Committee is hereby created to be headed by an official with the rank of Assistant Secretary to be appointed by the Secretary of the DA, and which shall have a membership composed of the Assistant Secretary for Agribusiness and Marketing Assistance Service (AMAS); Assistant Directors of the Bureau of Plant Industry (BPI), the Bureau of Animal Industry (BAI), the Bureau of Fisheries and Aquatic Resources (BFAR); Deputy Director of the National Meat Inspection Service (NMIS); Deputy or Assistant Administrators of the National Dairy Authority (NDA) and the Sugar Regulatory Administration (SRA); and the National

Coordinators of the Rice Program and of the Corn Program. It shall meet at least once a month, or as often as may be necessary.

Section 2. Functions – The BPTC shall:

a. Recommend to the Secretary of the DA such measures as may be necessary and reasonable, under the conditions prescribed in the Price Act, to stabilize the prices and supply of Agricultural Commodities, such as, but not limited to, the imposition of a "Suggested Retail Prices" and/or "Price Ceilings" of Agricultural Commodities on a per region or area basis, rationing or limiting the quantity of individual household purchases, and such other measures that would assure consumers access to the said commodities;

b. Recommend to the Secretary of the DA the inclusion in the definition/ list of basic necessities or prime commodities, types or brands of Agricultural Commodities or the exclusion from the coverage of the Price Act, types or brands of the goods included in the definition of basic necessities and prime commodities, which may be deemed as nonessential goods or luxury goods for the Secretary's disposition in accordance with Section 4 of the Price Act and Sec. 2 of its IRR.

c. Set the criteria and mechanism for the determination of Suggested Retail Prices (SRPs) for Agricultural Commodities.

d. Coordinate with concerned agencies of government including Local Government Units (LGUs) in the performance of its functions.

e. Perform such other functions relative to the implementation of the Price Act, as may be assigned to it by the Secretary.

RULE III
MONITORING

Section 1. Monitoring Teams– Monitoring Teams, to be known as the "Bantay Presyo Monitoring Teams", shall be organized in the DA Central Office and in each Region within thirty (30) days from the effectivity of this Order.

The DA Central Office Monitoring Team (to be called the*Central Bantay Presyo Monitoring Team*) shall be composed of representatives from the AMAS, the BPI, the BAI, the BFAR, the NMIS, the NDA, the SRA, the DA Central Office National Rice Program and National Corn Program staff, and the Agriculture and Fisheries Council (AFC). It shall headed by theAssistant Secretary for AMAS who is hereby authorized to form other and such number of monitoring teams at the DA Central Office as may be necessary to effectively carry out the objectives of this Order.

The monitoring teams at the Regional Field Offices shall be referred to as the *Regional Bantay Presyo Monitoring Teams.* Thecomposition and number of monitoring teams per region shall be determined by the Regional Executive Director concerned; Provided that each Regional Bantay Presyo Monitoring Team shall include as member, a representative from the Regional Agriculture and Fisheries Council (RAFC).

Section 2. Duties and Responsibilities – Each Monitoring Team shall have the following duties and responsibilities:

a. Conduct regular price and supply monitoring of Agricultural Commodities at all levels of the supply chain, from the farm gate to various public and private markets, stores, supermarkets, and other establishments where the agricultural commodities are being sold and/or stored in order to:
   i. Determine price trends;
   ii. Provide basis for establishing suggested retail prices and/or price ceilings;
   iii. Develop a data system on prices;
   iv. Identify and investigate causes of market and price irregularities;
   v. Identify violations and violators of the Price Act, its IRR, and this Order as defined under Section 2, Rule V hereof.

   Data on prices and related matters may be collected through the inspection of price tags, interviews with sales personnel, buyers, consumers, surveys and like activities.

b. Prepare complaints and related documentation for violation of the Price Act, its IRR and this Order and file the same with the proper authorities.

c. Prepare Reports on monitoring activities conducted and submit the same to the Assistant Secretary forAMAS (for reports prepared by the Central BPMT) or the Regional Executive Director (with respect to reports prepared by the RBPMT), within Forty Eight (48) Hours after the conduct of each monitoring activity.

   The Report shall contain the following comparative price analyses:
   i. Prevailing Price vs. Prevailing Price a year ago;
   ii. Prevailing Price vs. Prevailing Price three (3) months ago;
   iii. Prevailing Price vs. Prevailing Price a month ago;
   iv. Prevailing Price vs. Prevailing Price a week ago;
   v. Prevailing Price vs. Suggested Retail Price.

   Causes of price changes, such as the increase of acquisition cost, increase in demand or shortage of supply, etc., must be indicated in the Report.

   For purposes of this Order, the AMAS is hereby directed to prepare a uniform format for the Report required to be submitted by the "Bantay Presyo Monitoring Team".

d. In the performance of their respective functions, the monitoring teams shall coordinate with the (National) Price Coordinating Council (NPCC), the concerned Local Price Coordinating Council (LPCC) and the Philippine Statistics Authority (PSA).

e. Cause the publication, at leastin the Department of Agriculture website of monitored prices and volume/ supply of Agricultural Commodities.

Section 3. Selection of Commodities – The Agricultural Commodities to be monitored shall be the basic necessities and prime commodities mentioned herein. The Secretary of the DA, however, may select a critical commodity or commodities among the Agricultural Commodities identified herein, to be especially monitored because of erratic price and supply movements affecting the same.

Section 4. Evaluation of the Report – The Reports submitted by the Monitoring Teams shall be evaluated by the Assistant Secretary for AMAS or the Regional Director concerned who shall submit a monthly Evaluation Report to the Bantay Presyo Technical Committee, together with appropriate recommendations, such as, but not limited to:

i. Issuance of suggested retail price in the specified area;
ii. Issuance and enforcement of price ceilings;
iii. Rationing or limiting the quantity of individual household purchases;
iv. Establishment of accredited retail outlets;
v. Such other similar measures designed to stabilize the price and supply of Agricultural Commodities.

RULE IV
SUGGESTED RETAIL PRICE

Section 1.Issuance of the Suggested Retail Price – Without prejudice to the provisions of Sections 6 and 7 of RA No. 7581,the Secretary of the Department of Agriculture may, upon the recommendation of the Bantay Presyo Technical Committee or the Regional Executive Directors, issue a "Suggested Retail Price" (SRP) for particular agricultural commodities on a national or per province and/or region basis.

For this purpose, the Bantay Presyo Technical Committee or the Regional Executive Directors may issue recommendations for the issuance of SRPs to the Secretary based on the submitted Reports of the Bantay Presyo Monitoring Teams. Before the submission of such recommendations, consultations with various stakeholders and concerned sectors to validate/ determine the SRP will be conducted by the Bantay Presyo Technical Committee or the Regional Offices. The SRP issued by the Secretary of Agriculture shall be in effect for a period of no longer than sixty (60) days unless the said SRP is earlier revoked/ lifted through an Order or superseded by a new SRP issued by the Secretary of the DA, upon the recommendation of the Bantay Presyo Technical Committee or the concerned Regional Director/s, as the case may be; Provided that a current SRP may also be extended through an Order of the Secretary, also upon the recommendation of the Bantay Presyo Technical Committee or the concerned Regional Director/s prior to the lapse of the effectivity period(whether the initial or subsequent/extension period).

Section 2. Procedure After the Issuance of the Suggested Retail Price – The following procedure shall be observed after the Secretary of Agriculture has issued the SRP.

a. The Bantay Presyo Technical Committee shall formally notify the National Price Coordinating Council (NPCC) of any SRP it has issued and/or lifted.

b. Within Twenty Four (24) Hours after the issuance of the SRP, the same shall be posted in the DA WEB SITE, and the Web Sites of other concerned agencies if available, and disseminate the same to the Central and Regional Monitoring Teams via electronic mail for further dissemination to the Offices of City/Municipal Mayors, Administrators of Public and Private Markets and other concerned entities in the provinces and cities/municipalities affected thereby.

c. Within Twenty Four (24) Hours from receipt of the SRP, the Bantay Presyo Monitoring Teams shall cause the same to be distributed in the affected localities, serving copies of the SRP issuance/ document to the above-mentioned offices and entities.

d. The SRP shall be posted in the Bulletin Board(s) of the City/Municipal Building, and Public/Private Markets and in other conspicuous places in the area covered. The same shall likewise be published in a newspaper of general circulation within the affected area/s.

e. The SRP shall be effective Twenty Four (24) Hours after the same has been posted in the Public/Private Markets of the affected localities.

Section 3. Violation of the Suggested Retail Price – The owner, proprietor, or agent of any establishment found selling or offering for sale to the general public any Agricultural Commodity at a price exceeding the SRP by more than ten percent (10%) shall constitute a prima facie evidence of Profiteering and shall be liable for the administrative sanctions herein provided. Provided, That, in the case of agricultural crops, fresh fish, fresh marine products, and other seasonal products as determined by the Secretary, the prima facie provision shall not apply;

This shall be without prejudice to the rules relative to administrative and criminal proceedings / sanctions for profiteering as provided under Section 5 of the Price Act and pertinent provisions of its IRR.

RULE V
ADMINISTRATIVE PROCEDURE FOR ADMINISTRATIVE ACTIONS FOR VIOLATIONS OF R.A. 7581

Section 1. Construction – The provisions under this Rule shall be liberally construed to carry out their objective of promoting the just, speedy, and inexpensive resolution of cases. Further, the best interest of the consumer shall be considered in the interpretation and implementation of the provisions of these Rules.

Section 2. Coverage – This Administrative Procedure shall govern all administrative actions initiated in the DA for violation of RA No. 7581,as amended, its Implementing Rules and Regulations, and/or this Order in relation to the jurisdiction of the DA over Agricultural Commodities.

"Violations of the Price Act"are infringements of the provisions of RA 7581, as amended, to include:

(a) Selling or offering for sale of any basic necessity above the level at which the same should have been frozen in areas subject to "Automatic Price Control" pursuant to Section 6 of RA No. 7581;[1]

(b) Selling or offering for sale of any basic necessity or prime commodity at a pricebeyond the mandated Price Ceilings as provided under Section 7 of the said Act:[2]

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[1] Section 2 of RA 7581 provides that ***"Automatic Price Control"*** shall refer to a situation where prices of basic necessities which, unless otherwise declared by the President, are automatically frozen at prevailing prices in areas which have been declared under any of the following conditions: (1) state of disaster; (2) state of emergency; (3) state of rebellion; (4) state of war; (5) privilege of writ of habeas corpus suspended. It also provides that the term disaster or calamity shall include those brought about by natural or man-made cause, whether local or foreign.

[2]**RA No. 7581,SECTION 7.** ***Mandated Price Ceiling.*** - The President, upon the recommendation of the implementing agency, or the Price Coordinating Council, may impose a price ceiling on any basic necessity or prime commodity if any of the following conditions so warrants:

1. The impendency, existence, or effects of a calamity;
2. The threat, existence, or effects of an emergency;
3. The prevalence or widespread acts of illegal price manipulation;
4. The impendency, existence, or effect of any event that causes artificial and unreasonable increase in the price of the basic necessity or prime commodity; and
5. Whenever the prevailing price of any basic necessity or prime commodity has risen to unreasonable levels.

(c) Hoarding, which is the undue accumulation by a person or combination of persons of any basic necessity or prime commodity beyond his or their normal inventory levels 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 production, trade, commerce, and industry.

(d) 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) has no price tag; (b) is misrepresented as to its weight or measurement; (c) is adulterated or diluted; 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 or of the Suggested Retail Price: Provided, That, in the case of agricultural crops, 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;

(e) Cartel, which is any combination of or agreement between two (2) or more persons engaged in the production, manufacture, processing, storage, supply, distribution, marketing, sale or disposition of any basic necessity or prime commodity designed to artificially and unreasonably increase or manipulate its price. There shall be prima facie evidence of engaging in a cartel whenever two (2) or more persons or business enterprises competing for the same market and dealing in the same basic necessity or prime commodity, perform uniform or complementary acts among themselves which tend to bring about artificial and unreasonable increase in the price of any basic necessity or prime commodity or when they simultaneously and unreasonably increase prices on their competing products thereby lessening competition among themselves.

Section 3. Designation of Adjudication Officers – Forpurposes of the implementation of pertinent provisions of this Rule, the Secretary shall designateAdjudication Officers upon the recommendation of the Assistant Secretary for AMAS or the Regional Executive Director, as the case may be.

Section 4. Jurisdiction / Powers and Duties of Adjudication Officers – Adjudication Officers shall have original and exclusive jurisdiction to determine and adjudicate Administrative Actions filed for the violation of the Price Act or its IRR, whether commenced through the filing of a complaint or a formal charge.

For this purpose, Adjudication Officers shall have the following powers and duties:

a. Issue summons;
b. Administer oaths and affirmations;
c. Conduct adjudication;
d. Regulate and maintain order during the proceedings;
e. Issue *subpoena ad testificandum or duces tecum*, *motu proprio* or when requested by any party to compel the attendance of witnesses or the production of documents, records or books during the hearing;
f. Take or receive all relevant evidence;
g. Rule upon offer of proofs;
h. Take or cause deposition to be taken whenever the ends of justice would be served thereby;
i. Rule on any procedural request;
j. Issue preliminary orders and preventive orders;

k. Issue temporary orders;
l. Exclude any party, witness, or any other person from the hearing room;
m. Impose administrative penalties upon persons found to have violated the Price Act or its IRR.
n. Render a decision within fifteen (15) days from the time the proceedings are terminated; and
o. Perform such functions as would contribute to the just, speedy, and inexpensive resolution of the case.

Section 5.Qualifications of Adjudication Officers – The Adjudication Officers for administrative actions covered by this Order must hold a permanent office at the DA and have a position of not lower than Division Chief.

Section 6. Commencement – All cases for violation of the Price Act and its implementing Rules and Regulations, or this Order shall commence upon the filing of a sworn complaint or a formal charge, which need not be under oath.

At least two (2) copies of the complaint or formal charge, and its annexes or attachments, and as many copies required to be served upon each of the defendants or respondents, shall be filed.

Complaints and Formal Charges shall be acted upon within a period of fifteen (15) days from receipt thereof by the proper office, as specifically provided for under Section 10 of this Rule.

Section 7.Contents of Complaint or Formal Charge

(a) The complaint or formal charge should be written in a clear, simple and concise language and in a systematic manner as to apprise the respondent of the nature and cause of the accusation against him/her and to enable him/her to intelligently prepare his defense or answer.

(b) The complaint / formal charge shall contain the following:

i. Full name and address of the complainant;
ii. Full name and address of the person complained of (respondent), if known, or any alias and/or sufficient description of the person and whereabouts/ location of store, stall, outlet, or place where the business of respondent is known to be customarily conducted;
iii. A narration of the relevant and material facts (including material dates) which shows the respondent's commission of acts or omissions allegedly in violation of the Price Act and/or its IRR;
iv. Reliefs sought.

(c) The following documents shall be attached to the complaint or formal charge, to form integral parts thereof:

i. All documentary evidence and affidavits of his witnesses, if any; and
ii. Certification or statement of "non-forum shopping" as detailed under Section 9 hereof. Provided, that, this certification/ statement may, instead of being appended to the complaint / formal charge, already be incorporated therein.

Section 8. Rule on Suit Against Associations Without Juridical Personality -- When two or more persons associated in any business, transact such business under a common name, whether it comprises the names of such persons or not, the association may be sued under such common name.Administrative sanctions shall be imposed upon any or all of

them found to have knowingly participated in the acts constituting any violation of the Price Act.

Section 9. Prosecution of a Separate Action/ Prohibition on Forum Shopping -- The complainant or the duly authorized officer signing the formal charge, as the case may be, shall certify under oath to the following statements incorporated into the complaint or formal charge or made in a separate document captioned "Certification of Non-Forum Shopping" appended to the complaint or formal charge and simultaneously filed therewith: (a) that the complainant or office or agency concerned has not theretofore commenced any action or filed any claim involving the same issue in any court, tribunal, quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such a pending action or claim, a complete statement of the present status thereof; and (c) if he should thereafter learn that the same or similar action or claim has been filed or pending, he shall report that fact within five (5) days therefrom to the Adjudication Officer before whom the complaint or formal charge is pending.

The failure to comply with the foregoing requirement shall not be curable by mere amendment of the complaint or of the formal charge, but shall be cause for the *motu proprio* dismissal without prejudice of the case by the Adjudication Officer.

Section 10. When and Where to File the Complaint / Formal Charge

(a)Except when otherwise provided for by law, a complaint for violation of the Price Act, shall be filed with the office (Regional Field Unit or AMAS at the National Capital Region) specified by the parties in a written agreement executed prior to the filing of the complaint.

(b) If there is no such written agreement, then the complaint shall be filed at the concerned office of the DA Regional Field Unit (DA RFU), or in the AMAS in the NCR, in any of the following places at the option of the complainant:

i. Place where the violation was committed, wholly or partially;
ii. Place of the residence of the complainant at the time of the violation;and
iii. Place of residence of the respondent, or where its principal office is located if the respondent is a juridical person, at the time of the violation.

(c) Formal charges shall be filed in accordance with the rule under paragraph (b) hereof.

Section 11. Filing of Pleadings and Other Papers – All pleadings and papers in connection with the case shall be filed with the records/docketing office of the concerned Regional Field Unit or of the DA Central Office, as the case may be.

Section12. Service of Summons, Notices, Orders, Resolutions, Decisions -- Summons, Notices / Processes, Orders, Resolutions, and Decisions shall be served, personally or by registered mailupon the parties to the case.

Section 13.Prohibited Pleadings and Motions –For purposes of these Rules, the following pleadings and motions shall be prohibited:

a. Motion to dismiss, except a motion to dismiss based on lack of jurisdiction, which must be raised at the earliest opportunity;
b. Motion for judgment on the pleadings;
c. Motion for summary judgment;
d. Motion for bill of particulars;
e. Motion for extension of time to file any required pleading;
f. Counterclaim;

g. Cross-claim;
h. Reply;**and**
i. Rejoinder.

Section 14. Motion for Postponement – No dilatory motions for postponement shall be allowed. During the mediation stage, however, the parties shall be allowed a maximum of two (2) postponements: Provided, That these shall be for the purpose of seriously seeking the amicable settlement of the case. Provided, further, That such postponements shall cover a period of not more than a total of thirty (30) days.

Section 15. Prescription of Actions – A complaint or formal charge for the violation of the Price Act, Its IRR or this Order, shall be filed within one (1) year from the date of the commission of the violation/offense, or if such date is unknown at that time, then within one (1) year from the date of discovery thereof. Otherwise, such action is barred.

Section 16. Docketing and Assignment –All complaints and formal charges shall be docketed and assigned a Docket Number. After docketing, the Director for AMAS, in cases filed in the National Capital Region, or the Regional Executive Director in cases filed before it, shall assign the complaint to an Adjudication Officerwho shall determine:

a. Whether or not the complaint falls within the jurisdiction of the Department in accordance with these Rules;
b. Whether the complaint or formal charge is sufficient in form and substance, and a cause of action or the charge is sufficiently alleged, as the case may be;
c. Whether or not the action has prescribed.

Should the Adjudication Officer find that any or some of the elements prescribed for a complaint or formal charge do not exist, or that the complaint or formal charge is filed without the required attachments, he/she shall *motu proprio* dismiss the action without prejudice. However, the Adjudication Officer shall, upon ascertaining that the Department has no jurisdiction over the subject matter of the action or that the action has prescribed in accordance with these Rules, dismiss the compliant/formal charge with prejudice.

Section 17. Summons – If, on the basis of the allegations of the complaint or of the formal charge and the supporting evidence initially submitted, the Adjudication Officer determines that the complaint/ formal charge complies with or fulfills all the requirements heretofore mentioned, he/she shall issue a summons and cause the same, along with a copy of the complaint or formal charge, to be served upon the respondent, copy furnished the complainant. The summons shall require the respondent to file an answer to the complaint or formal charge within fifteen (15) days from receipt of the summons.

The summons shall be served by personal service or by registered mail.

Section 18. Answer – The respondent shall answer the complaint in writing and under oath, denying specifically the material allegations of the complaint and/or alleging lawful defense. All affirmative defenses not pleaded in the answer shall be deemed waived.

Section 19. Mediation – Within five (5) days from the filing of the answer or the lapse of the period to answer if none has been filed, the Adjudication Officer shall issue a notice of mediation, which shall be served upon each of the parties concerned at least five (5) days before the holding thereof. During mediation, the Adjudication Officer shall:

a. Explain to the parties the nature of the action;
b. Clarify from the parties the relief/s sought;

c. Encourage the parties to settle the case and ask for the parties' offers and counter offers;
d. In all cases, endeavor to facilitate the amicable settlement by the parties, by stressing on the advantages thereof;
e. Propose to the parties alternative solutions and encourage counter offers;
f. Employ other means toward the speedy and impartial disposition of the case.

A successful mediation shall operate as a dismissal with prejudice of the case and is immediately final and executory.

Section 20. Compromise and Execution During Mediation – If, during the mediation stage, the parties agree to an amicable settlement of the case, they shall sign an agreement containing the terms and conditions thereof. The agreement must not be contrary to law, morals, good customs, public order, or public policy. The Adjudication Officer shall thereafter render a decision based on the compromise agreement, which shall be immediately final and executory.

Section 21. Mandatory Preliminary Conference – Should mediation fail to resolve the case, the Adjudication Officer shall conduct a preliminary conference to consider the following:
a. The simplification of the issues;
b. The necessity or desirability of amendments to the pleadings;
c. The possibility of obtaining stipulations or admission of facts and of documents to avoid unnecessary proof;
d. The limitation of the number of affiant-witnesses; and
e. Such other matters as may aid in the prompt disposition of the case.

Thereafter, the Adjudication Officer shall issue a Preliminary Conference Order stating: (a) the admitted facts, if any; (b) the issues of fact and/or law agreed upon, if any; and (c) other matters taken up during the preliminary conference.

Section 22. Preliminary Order – At any time after the conduct of the mandatory preliminary conference and before judgment, the Adjudication Officer may *motu proprio* or upon verified application by the complainant, or by the officer who signed the formal charge, issue a preliminary order requiring any person to refrain from doing a particular act or, otherwise, to perform a particular act, if the Adjudication Officer is satisfied that the commission or the continuance of the act complained of during the pendency of the action or the non-performance of the act directed to be carried out would probably work injustice to the complainant or the general public. The Preliminary Order may include reasonable measures to prevent the disposition or tampering of evidence and to compel the attendance of the respondent in the proceedings.

The Adjudication Officer may require the complainant to file with the office of the Adjudication Officer, a bond executed to the respondent, in an amount to be fixed by the Adjudication Officer, to the effect that the complainant will pay to such party all damages that he/she may sustain by reason of the preliminary order should the Adjudication Officer finally decide that the complainant was not entitled thereto. No bond shall be required in cases initiated by a formal charge.

The preliminary order may only be granted upon prior notice and hearing on the application for issuance of preliminary order.

The preliminary order may be dissolved fully or partially at anytime by the Adjudication Officer *motu proprio*, or upon application by the respondent after prior notice and hearing on

the application for the dissolution thereof. The grounds for objecting to or for a motion for dissolution, of any injunctive relief under Section 6, Rule 58 of the Rules of Court shall be applicable.

Section 23. Temporary Order –Any of the following temporary orders may also be issued by the Adjudication Officer upon the filing of complaint or formal charge:

a. Temporary Closure Order (TCO) for a period not exceeding ten (10) days; and
b. Temporary Restraining Order (TRO) for a period not exceeding ten (10) days *(Section 10 (11), Price Act)*.

Section 24.Position Paper and Supporting Evidence – The Adjudication Officer shall direct the parties to simultaneously submit their respective position papers with supporting affidavits and other documentary evidence not later than fifteen (15) days from the conduct of the Preliminary Conference.

The supporting affidavits shall take the place of direct testimony. Affidavits and supporting documentary evidence which were annexed to the complaint or formal charge, and the answer, as the case may be, and forming part of the records of the case, are deemed automatically reproduced for purposes of presentation of evidence and need not be annexed to the position papers. They shall, however, be distinctly identified for reference in the position paper.

Upon the submission of the position papers, or upon the expiration of the fifteen (15) day period, the case shall be deemed submitted for decision, unless the Adjudication Officer deems it proper or necessary to still call the parties to clarificatory hearings.

In any event, the Adjudication Officer shall notify the parties within a reasonable time from the submission of the position papers or the expiration of the period for the submission thereof, that the case is deemed submitted for decision or, otherwise, that clarificatory hearings are set or going to be called. In the latter instance, the case shall be deemed submitted for decision as provided under the following section. In all cases, further proceedings shall be concluded within a period of fifteen (15) days from the lapse of the period to file position papers.

Section 25.Proceedings Before the Adjudication Officer – The proceedings before the Adjudication Officer shall be non-litigious in nature. Subject to the essential requirements of due process, the technicalities of law and procedures and the rules governing the admissibility and sufficiency of evidence obtained in the courts of law shall not apply. The Adjudication Officer shall employ reasonable means to ascertain the facts of the controversy including a thorough examination or re-examination of witnesses. The case is deemed submitted for decision upon the conclusion of the proceedings before the Adjudication Officer.

Section 26. Decision – Within fifteen (15) days after the case is submitted for decision, the Adjudication Officer shall issue a decision in writing stating clearly and distinctly the facts and the law on which it is based.

Section 27.Motion for Reconsideration – Only one (1) Motion for Reconsideration is allowed within the period to appeal.

Section 28. Appeal – Appeal from a final decision, judgement or order of the Adjudication Officer which completely disposes of a case, may be taken by the party adversely affected thereby (Appellant) by filing a Memorandum of Appeal with the Secretary of the DA, copy furnished Adjudication Officer and the other party (Appellee), within fifteen (15) days from

receipt of the Decision or the order denying the motion for reconsideration, on any of the following grounds:

- Grave abuse of discretion;
- The decision/order is in excess of jurisdiction or authority of the Adjudication Officer; and
- The decision/order is not supported by the evidence or there is serious error in the findings of facts.

Section 29. Comment on Memorandum of Appeal– The Appellee shall have thirty (30) days from receipt of his/her copy of the Memorandum of Appeal to file a Comment thereon.

Section 30. Instances When Case on Appeal is Deemed Submitted for Resolution– Upon the submission of the Comment on the Memorandum of Appeal or upon the expiration of the period within which to file the same, the case on appeal shall be deemed submitted for resolution, unless the DA Secretary deems it necessary to call the parties to clarificatory hearing/s.

In any event, the DA Secretary shall notify the parties within a reasonable time from the submission of the Comment on the Memorandum of Appeal or the expiration of the period for the submission thereof, that the case on appeal is deemed submitted for resolution or, otherwise, that clarificatory hearing/s are set or going to be called. In the latter instance, the case shall be deemed submitted for resolution upon the conclusion of the said hearing/s.

Section 31. Submission of Position Papers Upon Agreement of the Parties – At any time after the submission of the Comment or the lapse of the period within which to file the same, but before the DA Secretary issues a resolution or decision on the appeal, the parties may, upon agreement and through a manifestation to the Secretary,simultaneously submit their respective position papers. In any event, the parties' position papers shall be filed only within the thirty-day period after the case is deemed submitted for resolution.

Section 32. Decision/ Resolution on Appeal -- The Secretary shall resolve the appeal within a period of thirty (30) days after the case is submitted/ deemed submitted for resolution. The Decision of the Secretary shall become final and executory if no further appeal is made to the Office of the President within the reglementary period of fifteen (15) days from receipt of notice by the aggrieved party of the decision/resolution appealed from, or of the denial of a motion for reconsideration therefrom.

Section 33. Execution – After the decision becomes final and executory, the Adjudication Officer shall, on motion of the interested party or *motu proprio*, issue an Order of Execution with the corresponding Writ of Execution requesting the proper Office of the Sheriff to execute said decision. No deputation is necessary.

Section 34. Applicability of the Revised Rules of Court

(a) Subject to the requirements of due process, the technical rules of Evidence prevailing in the courts of law shall not be strictly applied hereto.

(b) In the absence of any applicable provisions in these Rules, the pertinent provisions of the Rules of Court shall apply suppletorily.

RULE VI
ADMINISTRATIVE PENALTIES

Section 1. Imposable Administrative Penalties. -- The Adjudication Officer may impose the following administrative penalties to those that may be found to have violated the Price Act:

a. The permanent closure of the establishment;
b. The confiscation/ seizure and forfeiture of all products and/or effects subject of the violation;
c. The confiscation/ seizure and forfeiture of all paraphernalia used in the culpable actions;
d. The suspension, revocation or cancellation of any permit, license, authority, or registration issued by the Department;
e. The issuance of cease and desist orders;
f. Censure;
g. Reprimand; and
h. The imposition of administrative fine of not less than One Thousand pesos (Php 1,000.00) but not more than One Million pesos (Php 1,000,000.00) following the schedule provided under Section 2 of this Rule.

Section 2. **Schedule of Imposable Fines** – (a) In determining the imposable fine for violation of the Price Act and/or its IRR, the following schedule of fines shall be applicable:

(a) For Violations of ***Section 5 (2) (Profiteering), 6 (Automatic Price Control) and 7 (Mandated Price Ceiling) of Republic Act No. 7581*** otherwise known as the Price Act, the schedule of imposable fines is as follows;

RETAILERS	**Percentage of Excess in Prescribed Price**	**MINIMUM**	**MEDIUM**	**MAXIMUM**
	11% - 30%	20,000.00	30,000.00	40,000.00
	31% - 50%	40,000.00	60,000.00	80,000.00
	51% - 70%	100,000.00	150,000.00	200,000.00
	71% - 80%	200,000.00	300,000.00	400,000.00
	81% - 90%	400,000.00	500,000.00	600,000.00
	91% - 100% or more	600,000.00	800,000.00	1 Million

WHOLESALER, DISTRIBUTOR, MANUFACTURER, IMPORTER	**Percentage of Excess in Prescribed Price**	**MINIMUM**	**MEDIUM**	**MAXIMUM**
	11% - 30%	40,000.00	60,000.00	80,000.00
	31% - 50%	100,000.00	150,000.00	200,000.00
	51% - 70%	200,000.00	300,000.00	400,000.00
	71% - 80%	400,000.00	500,000.00	600,000.00
	81% - 100% or more	600,000.00	800,000.00	1 Million

(b) For Violations of ***Section 5 (1) (hoarding) of Republic Act No. 7581*** otherwise known as the Price Act, the schedule of imposable fines is as follows;

	Percentage of Excess Stocks	MINIMUM	MEDIUM	MAXIMUM
RETAILERS	51% - 60%	20,000.00	30,000.00	40,000.00
	61% - 70%	40,000.00	60,000.00	80,000.00
	71% - 80%	100,000.00	150,000.00	200,000.00
	81% - 90%	200,000.00	300,000.00	400,000.00
	91% - 95%	400,000.00	500,000.00	600,000.00
	96% - 100% or more	600,000.00	800,000.00	1 Million

	Percentage of Excess Stocks	MINIMUM	MEDIUM	MAXIMUM
WHOLESALER, DISTRIBUTOR, MANUFACTURER, IMPORTER	51% - 60%	40,000.00	60,000.00	80,000.00
	61% - 70%	100,000.00	150,000.00	200,000.00
	71% - 80%	200,000.00	300,000.00	400,000.00
	81% - 90%	400,000.00	500,000.00	600,000.00
	91% - 100% or more	600,000.00	800,000.00	1 Million

"Excess stocks" pertains to stocks beyond the respondent's usual inventory. The determination of a person's usual inventory shall be reckoned from the third month immediately preceding 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.

(c) For Violations of ***Section 5 (c) (cartel) of Republic Act No. 7581*** otherwise known as the Price Act, the schedule of imposable fines is as follows;

	Range of Capitalization	MINIMUM	MEDIUM	MAXIMUM
RETAILERS	Below 100,000.00	20,000.00	30,000.00	40,000.00
	100,000 to 300,000.00	40,000.00	60,000.00	80,000.00
	Above 300,000.00 to 1 Million	100,000.00	150,000.00	200,000.00
	Above 1 Million to 5 Million	200,000.00	300,000.00	400,000.00
	Above 5 Million to 10 Million	400,000.00	500,000.00	600,000.00
	Above 10 Million	600,000.00	800,000.00	1 Million

	Range of Capitalization	MINIMUM	MEDIUM	MAXIMUM
WHOLESALER, DISTRIBUTOR, MANUFACTURER, IMPORTER	300,000.00 and below	40,000.00	60,000.00	80,000.00
	Above 300,000.00 to 1 Million	100,000.00	150,000.00	200,000.00
	Above 1 Million to 5 Million	200,000.00	300,000.00	400,000.00
	Above 5 Million to 10 Million	400,000.00	500,000.00	600,000.00
	Above 10 Million	600,000.00	800,000.00	1 Million

(d) Whenever the offender is engaged in two or more activities (e.g. retail and wholesale), the fine applicable to the activity to which a higher fine (level) is attached shall be imposed, subject to all other requirements of the law.

(e) The following considerations shall guide the Adjudication Officer in determining the fine range (minimum, medium, or maximum) of the applicable fine level to impose upon the culpable respondent.

i. Whether the subject of the violations is a basic necessity or a prime commodity; violations involving basic necessities shall be deemed more serious;
ii. Whether the subject of the violation is under price control under Sections 6 and 7 of the Price Act; violations involving basic necessities and prime commodities under price control shall be deemed more serious;
iii. The number of violations committed, respondents who had previously been found to have violated any of the provisions of the Price Act shall be imposed a higher fine; and
iv. Such other considerations as may be deemed necessary to carry out the intents, purposes and provisions of the Price Act.

Section 3. **Circumstances for the imposition of Fines** – In addition to the considerations under item (e) above, circumstances such as mitigating, aggravating and alternative,as hereafter provided,shall be taken into account to arrive at the appropriate fine for Price Act violations.

Section 4.**Mitigating Circumstances** – The following are considered mitigating circumstances:

- First offense;
- Voluntary admission of guilt;
- As far as retailers are concerned, willingness to furnish evidence and/or testify against a supplier/wholesaler/grower;
- Willingness to execute an Undertaking to cease and desist from further committing acts in violation of the Price Act;
- Voluntary Compliance with any preventive measure or preliminary order issued by DA;
- Any analogous circumstances.

Section5. **Aggravating Circumstances** – The following circumstances are considered aggravating:

- Second or habitual violation of the Price Act.
- The violation was committed by means of deceit and/or misrepresentation;
- Falsification of documents or evidence or submission thereof to hide violation;
- Non–issuance and/or refusal to issue Official Receipts and/or pertinent documents as required by law;
- Unjustified absence or unjustified refusal to comply with any lawful orders or directives issued during hearing;
- Non-compliance and/or refusal to comply with preliminary agreements entered into during pre-hearing/preliminary investigation and/or hearing;
- Employment of force, violence, intimidation by the respondent against the complainant or any enforcement officer;
- Taking advantage of the lack of knowledge or education of the complainant;

- Bribery or attempt to bribe adjudication officers or any DA official or personnel in connection with a DA case, without prejudice to the filing of appropriate criminal charge against the respondent and administrative and/or criminal charges against the public official or employee;
- Concealment or attempt to conceal any evidence, such as but not limited to refusal of access to business premises or business records;
- Engagement in trade by respondent without a valid business license or permit or whose license or permit had expired, been cancelled or revoked by any government entity;
- When offender is a government employee or official or a public official;
- Connivance of a private respondent with a government personnel or official;
- Resisting public officer from validly enforcing a lawful order;
- Failure or refusal without justifiable reason to submit any undertaking (e.g. to desist from further violating the Price Act when required.)
- Assault upon the person, property or relatives within the fourth (4^{th}) civil degree of the adjudication officer, approving DA official or enforcement officer, by reason of their respective functions, without prejudice to the filing of appropriate criminal charges against the respondent;
- Respondent, by means of fraudulent misrepresentation, orally or in writing, shall procure from any Bureau or agency of the DA, license, authority and/or permit to conduct its business.
- Any other analogous circumstances.

Section 6. **Alternative Circumstances** – The following circumstances are considered alternative or may either be mitigating or aggravating:

- First offense, if involving small quantity is considered mitigating; otherwise, aggravating.
- Quantity/Volume of goods, if small, is considered mitigating, otherwise, aggravating.

RULE VII
GENERAL PROVISIONS

Section 1. **Criminal Action Procedure** -- In the enforcement of penal provisions under RA 7581, the usual procedure for prosecution under special laws will be observed and such prosecution shall be conducted by the appropriate provincial/city fiscal. Provided, that the Secretary or his authorized representatives, in coordination with law enforcement agencies, may pursue criminal actions against violators of the penal provisions of the Price Act.

Section 2.**Applicability of the Price Act Joint Implementing Rules and Regulations** -- The implementation of the provisions of the Price Act in relation to Agricultural Commodities not covered by these Rules *(e.g. Buffer Fund, Determination of Price Ceilings, Inclusion and Exclusion of Agricultural Commodities)* shall be governed by the rules and procedures provided under the Price Act Joint IRR, specifically DTI-DA-DOH-DENR JAO No. 1, Series of 1993, as amended byDTI-DA-DOH-DENR-DOE JAO No. 13-1, Series of 2013.

Section 3.**Separability Clause** – If for any reason any section, provision, or part of this Order, or the application of such section, provision, or part to any person, group, or circumstance is declared invalid or unconstitutional, the remainder of this Order shall not be affected by such declaration.

Section 4. **Repealing Clause** – All other Department Administrative Orders, Joint Department Administrative Orders, Department Orders, other issuances, or parts thereof which are inconsistent with this Order are hereby repealed or amended accordingly.

Section 5. **Effectivity** – This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation and registration with the UP Law Register.

Quezon City, May 13, 2015.

PROCESO J. ALCALA
Secretary

DEPARTMENT OF AGRICULTURE
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