

PROHIBITED ACTS IN THE DISTRIBUTION AND SALE OF RICE AND CORN

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Pursuant to Presidential Decree No. 4, as amended, to protect the public interest, promote the general welfare in order to assure adequate and continuous supply of rice and/or corn grits at reasonable prices within the reach of low-income families, the following acts are hereby declared illegal and prohibited:

1. Engaging in grains business without valid NFA license.
2. Shortweighing/Mislabelling in the sale of rice and/or corn.
3. No/Non-display of Price Tags.
4. Unauthorized possession of government rice and/or corn shall be subject to seizure and/or confiscation.
5. Diversion of Government stocks (referring to the National Food Authority (NFA) stocks of rice and corn grits by a Bigasang Bayan or Grains Retailer(s), cooperatives or associations(s) registered with appropriate government agencies and duly accredited and authorized by the NFA to sell government stocks.

For purposes of this Letter-Circular, the following acts or a combination thereof constitute and shall be deemed prima facie evidence of diversion:

- a. Unreasonable depletion of the stock allocation(s) in the business establishment or stall duly approved by the NFA to sell the government stocks to the consuming public;
 - b. Selling, lending or any other means of disposition of the government stocks without written approval of the NFA Administrator;
 - c. Selling or offering to sell the government stocks beyond the maximum quantity allowed by the NFA;
 - d. Storing and/or selling the government stocks in other place(s)/stalls other than that duly approved by the NFA.
6. Storing and/or selling commercial stocks of rice/corn grits in the same establishment/stall duly approved by the NFA where the government stocks are to be stored and sold to the consuming public.
 7. Rebagging or resacking of the government stocks in commercial sacks.
 8. Mixing and/or adulterating the government stocks with commercial rice.
 9. Remilling of government stocks without written authority or approval by the NFA.
 10. Selling or offering to sell the government stocks at a price beyond that authorized by the NFA.

To be accredited as NFA outlet in the sale of government rice is not a matter of right but only a privilege.

Violation of this Letter-Circular shall subject the offender to prosecution under Section 29 of Presidential Decree No. 4, as amended, other applicable laws, and/or without prejudice to the imposition of administrative sanctions at the discretion of the NFA Administrator like warning, perpetual disqualification to distribute government rice

and/or corn, cancellation of NFA rice and or corn allocation, suspension and/or cancellation of NFA license, or a fine ranging from One Thousand Pesos (P1,000.00) to Four Thousand Pesos (P4,000.00). The NFA Administrator may likewise issue preventive orders pending investigation.

If the violation is committed by a corporation, partnership or association, the president, Directors, Mangers, Manging Partners, shall be held liable for such violation.

This Letter-Circular is urgent and shall take effect immediately once published in a newspaper of general circulation and filed with the U.P. Law Center.

Adopted: 1 July 1993

(Sgd.) ROMEO G. DAVID
Administrator

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