

[PRESIDENTIAL DECREE NO. 627, December 28, 1974]

AUTHORIZING THE PHILIPPINE TOBACCO BOARD TO FIX FLOOR PRICES OF PHILIPPINE GROWN TOBACCO.

WHEREAS, tobacco is one of the country's principal agricultural products upon which a substantial number of the people depend on for their livelihood;

WHEREAS, there is an imperative need to protect the interest of tobacco farmers considering the rising cost of production and prices of prime commodities caused by unprecedented world-wide inflation;

WHEREAS, the Philippine Tobacco Board has been reorganized as the sole policy-making body of the Philippine Tobacco Industry;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order:

SECTION 1. The Philippine Tobacco Board, upon recommendation of the agencies concerned, shall fix a reasonable and flexible floor price at which tobacco traders may buy all types of tobacco, except flue-cured Virginia tobacco, from the farmers based on prevailing factors and conditions such as:

- a. prevailing world market situations;
- b. production costs;
- c. reasonable margin of profit for the farmers, dealers, manufacturers and exporters;
- d. growing conditions which affect quality of production such as soil and weather, pest infestations; and
- e. other relevant factors and conditions

The said floor prices may be amended by the Philippine Tobacco Board as it may deem necessary and warranted for the good of the tobacco industry and warranted for the good of the tobacco industry.

SEC. 2. Only persons duly authorized by the government agencies concerned shall be allowed to buy leaf tobacco directly from the farmers.

SEC. 3. The Agencies concerned shall issue the necessary rules and regulations to implement this Decree relative to the enforcement and implementation of floor prices, subject to the approval of the Philippine Tobacco Board.

SEC. 4. Violation by any person of the floor price policy fixed by the Board or of any implementing rules and/or regulations issued thereunder shall be sufficient ground for the cancellation or revocation of his or its permit to trade, and shall be punishable with a fine of not more than P2,000 or imprisonment of not more than one year or both at the discretion of the court.

If the violation is committed by a corporation or association, the penalty shall be imposed upon the president, director or directors, manager, managing partner, or other officials thereof responsible for such violation. Any alien violating or responsible for the violation of this Decree or its implementing rules and regulations shall, upon completion of the service of sentence, be deported without any further