

[MEMORANDUM ORDER NO. 26, September 21, 2018]

DIRECTING THE DEPARTMENT OF AGRICULTURE AND THE DEPARTMENT OF TRADE AND INDUSTRY TO ADOPT MEASURES TO REDUCE THE GAP BETWEEN FARMGATE PRICES AND RETAIL PRICES OF AGRICULTURAL PRODUCTS

WHEREAS, Section 2 of Republic Act (RA) No. 7581, or the "Price Act," declares the policy of the State to (i) ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate business a fair return on investment; (ii) 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 manipulation and other similar situations; (iii) develop, adopt and promulgate measures to stabilize prices at reasonable levels; and (iv) establish a mechanism that will readily protect consumers from inadequate supply and unreasonable price increase on occasions of calamities, emergencies and like occurrences;

WHEREAS, under Executive Order (EO) No. 292, or the "Administrative Code of 1987," the Department of Agriculture (DA) is mandated to improve farm income and generate work opportunities for farmers, fisherfolk, and other rural workers, and to provide integrated services to farmers, fishermen, and other food producers on production, utilization, conservation and disposition of agricultural and fishery resources;

WHEREAS, under EO No. 292, the Department of Trade and Industry (DTI) is mandated to formulate and implement policies, plans and programs relative to the development, expansion, promotion and regulation of trade, industry and investments, and to protect consumers from trade malpractices and from substandard or hazardous products;

WHEREAS, certain administrative constraints and fees unduly add to the costs of importation of basic agricultural commodities, and contribute to price increases; and

WHEREAS, there is a need to promulgate measures to stabilize the prices of basic agricultural commodities at reasonable levels, to maintain their sufficient supply in the domestic market and to provide effective and sufficient protection to consumers against hoarding, profiteering and cartels with respect to the supply, distribution, marketing and pricing of said goods;

THEREFORE, I, SALVADOR C. MEDIALDEA, Executive Secretary, by virtue of the powers vested in me by law, hereby direct the DA and the DTI to adopt measures to reduce the gap between farmgate prices and retail prices of agricultural products, including the setting up of public outlets and cold storages where producers of