



JOINT MEMORANDUM CIRCULAR NO. 03
Series of 2020

SUBJECT: STRENGTHENING THE ROLE OF LOCAL PRICE COORDINATING COUNCILS AND THE LGUs IN MANAGING UNREASONABLE AND EXCESSIVE PRICE INCREASE OF BASIC NECESSITIES AND PRIME COMMODITIES

WHEREAS, pursuant to Art. 2 of Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines, the State shall protect the interests of the consumer against hazards to health and safety and against deceptive, unfair and unconscionable sales acts and practices; promote his general welfare; and establish standards of conduct for business and industry;

WHEREAS, Republic Act No. 7581, otherwise known as the Price Act, as amended, declared as one of its basic policy that the State shall ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate businesses a fair return on investment;

WHEREAS, the Department of Agriculture (DA), the Department of Health (DOH), the Department of Environment and Natural Resources (DENR), and the Department of Trade and Industry (DTI) are the implementing agencies which have jurisdiction over a basic necessity or prime commodity as defined in the Price Act;

WHEREAS, the Department of the Interior and Local Government (DILG), as member of the National Price Coordinating Council, and the National Government Agency responsible for strengthening local government capabilities aimed toward the effective delivery of basic services, has jurisdiction over the local government units (LGUs) with regard to the reactivation Local Price Coordinating Councils (LPCCs), as embodied in DILG Memorandum Circular No. 2018-128 issued 14 August 2018;

WHEREAS, Rule VI of the implementing rules and regulations (IRR) of the Price Act created the LPCCs its powers and functions;

**"RULE VI - CREATION OF THE LOCAL PRICE COORDINATING COUNCIL
ITS POWER AND FUNCTIONS**

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Section 5. Powers and Functions

1. Coordinate and rationalize the programs to stabilize prices and supply of member agencies in the respective provinces, municipalities and cities.
2. Recommend to the National Price Coordinating Council (NPCC) or to the implementing agencies SRPs and/or the price ceilings for certain basic necessities and/or prime commodities in their respective areas.

3. To conduct in-depth analysis on causes for price fluctuations.
4. To recommend action steps to correct unwarranted price increases and supply shortages”.

WHEREAS, there is a need for the implementing agencies under the Price Act to work closely with the LPCCs, and to harmonize the monitoring of supply and prices of basic necessities and prime commodities, especially business establishments' compliance with Automatic Price Control or Price Freeze, or mandated price ceiling, if any, during a declared state of calamity, emergency, and the like;

WHEREAS, the DILG shall promote and monitor the active role of LPCCs in the implementation as far as prices and supplies of basic necessities and prime commodities pursuant to the different market forces by adopting measures to address or at least mitigate unreasonable price increases of basic necessities and prime commodities;

WHEREAS, Rule III of the IRR of the Price Act provides that each implementing agency shall allocate a buffer fund in the annual appropriation of the department.

“RULE III – ALLOCATION AND UTILIZATION OF BUFFER FUND

Each Implementing agency shall allocate a buffer fund in the annual appropriation for 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.

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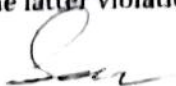
WHEREFORE, considering the foregoing, this Joint Memorandum Circular (JMC) is issued to strengthen the LPCCs pursuant to the Price Act and to provide guidance in the performance of its duties, in accordance with the established guidelines of DA, DOH, DENR, and DTI with regard to the monitoring of basic necessities and prime commodities and the establishment of suggested retail prices (SRPs).

Section 1. Objective – The JMC is executed to strengthen the LPCCs in its implementation of the Price Act, particularly the coordination of relevant activities within their respective localities by the implementing agencies.

Section 2. Scope and Coverage – This JMC shall apply to all activities relevant to the implementation of the provisions of the Price Act, its amendments and the Rules and Regulations implementing the same, either conducted separately by the implementing agencies, solely by the LPCC or jointly or in coordination with one another.

Section 3. Powers and Responsibilities of Implementing Agencies – To carry out the intents and purposes of the Price Act, the powers and responsibilities of the implementing agencies of the Price Act are set forth in Section 10 thereof.

In the instance of *prima facie* administrative findings of violations of the Price Act, and the alleged violations thereof also give rise to other administrative and/or criminal liabilities punishable under different laws, the implementing agency concerned shall coordinate with and/or assist the administrative agency having primary jurisdiction over the latter violations.



Section 4. Powers and Functions of LPCCs – Pursuant to Section 5, Rule VI of the IRR of Price Act, LPCC shall have the following powers and functions:

- 4.1 Coordinate and rationalize the programs to stabilize prices and supply of member agencies in the respective provinces, cities, and municipalities;
- 4.2 Recommend to the National Price Coordinating Council (NPCC) or to the Department of Agriculture or the Department of Environment and Natural Resources Suggested Retail Prices and/or the price ceilings for certain basic necessities and/or prime commodities in their respective areas;
- 4.3 Conduct in-depth analysis on causes for price fluctuations;
- 4.4 Recommend action steps to correct unwarranted price increases and supply shortages.
- 4.5 Undertake measures during emergencies (i.e. crisis, calamity, or state of emergency) to coordinate the implementation of the rules issued by implementing agencies, such as but not limited to the following emergency measures enumerated in Rule VII Section 1 of the IRR of the Price Act:
 - 4.5.1. Price/supply monitoring activities of basic and prime commodities should be conducted immediately following the calamity or state of emergency;
 - 4.5.2. Specific items identified as basic necessities/prime commodities not part of the regular may be covered;
 - 4.5.3. Frequency of price/supply monitoring may be increased. Only items with price change and supply problems should be reported;
 - 4.5.4. Reports must be submitted to the Secretariat of the NPCC for coordination;
 - 4.5.5. Frequency of the price/supply report may be reduced as soon as prices and supply have stabilized.
- 4.6. In accordance with the deputation or enlistment by implementing agencies of other government agencies during emergencies, provide assistance in the monitoring, transport, movement, and distribution of commodities.

Section 5. General Guidelines – All Local Chief Executives are hereby encouraged to adopt the following measures to address exorbitant, excessive and unreasonable price increase of basic necessities and prime commodities, especially those with Suggested Retail Prices:

- 5.1. Conduct of regular inspections of public and private markets;
- 5.2. Deputation of Barangay Officials and Non-Government Organizations (NGOs) to monitor abnormal price increases;
- 5.3. Submission of regular reports on violations of the Price Act to the Secretariat of NPCC;



- 5.4. Provide stalls, kiosks and/or spaces for the KADIWA ni ANI at KITA Program of DA and Diskwento Caravan of DTI in the public markets, including flea market at the barangay level, under its jurisdiction and control.

Copies of the aforementioned reports shall be provided or submitted to the DILG, through its Field Offices. The reports shall be consolidated at the DILG Provincial Office, in the case of component cities and component municipalities, and eventually at the DILG Regional Office prior to its submission to the Secretary..

Section 6. LPCC May Recommend SRPs – The LPCCs may, using the result of their monitoring activities as basis, recommend to the NPCC, through the NPCC Secretariat, the issuance of SRP for certain agricultural basic necessities and/or prime commodities.

Section 7. Monitoring and Enforcement During Normal Times – The LPCCs shall continue to monitor prices of all basic necessities and prime commodities and shall enforce SRPs even during normal times to make sure that business establishments do not take advantage of the consumer.

All Regional Directors of the respective implementing agencies shall take active participation in their LPCCs, shall assist the latter in computing recommended retail prices and in monitoring compliance of business establishments with the SRPs implemented by the concerned government agencies.

Section 8. Determination and Recommendation of Price Ceilings – In accordance with Rule VIII of the IRR of the Price Act, the LPCCs shall call for a public hearing or conduct dialogues with representatives of DILG, producers, manufacturers, distributors, sellers, and consumers in order to arrive at a reasonable price ceiling when circumstances so warrant under the law.

In determining the reasonable price ceilings, the factors provided for under Section 8 of the Price Act may be taken into consideration.

Section 9. Allocation and Utilization of the Buffer Fund – The implementing agency may procure, purchase, import, or stockpile any basic necessity or prime commodity, devise ways and means of distributing them for sale at reasonable prices in areas where there is shortage of supply or a need to effect changes in its prevailing price. For any or all of these purposes, a buffer fund shall be allocated in the annual appropriations of the implementing agencies.

Section 10. Effectivity – This JMC shall be effective immediately and shall remain in force unless terminated, in whole or in part, by either of the Parties.

Section 11. Separability – If any of the provisions of this JMC shall become unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or any portion of them, shall remain unaffected.

All DA, DOH, DENR, DTI, and DILG, and their respective Regional Directors are likewise hereby directed to disseminate this JMC to all Local Chief Executives within the regional assignments and to see that the intent of this JMC is accordingly complied with.



Issued this 10th day of August 2020 in _____, Philippines.



RAMON M. LOPEZ

Secretary of Trade and Industry



DR. FRANCISCO T. DUQUE III

Secretary of Health



WILLIAM D. DAR, Ph.D.

Secretary of Agriculture



ROY A. CIMATU

Secretary of Environment and
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EDUARDO M. AÑO

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