

**DEPARTMENT ORDER NO. 20-86**  
Series of 2020

**SUBJECT: GUIDELINES FOR THE CONDUCT OF PRICE AND SUPPLY MONITORING OF BASIC NECESSITIES AND PRIME COMMODITIES PURSUANT TO THE MANDATE OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI)**

**WHEREAS**, Section 6 Art. 12 of the 1987 Constitution provides, “The use of property bears a social function, and all economic agents shall contribute to the common good. Individuals and private groups, including corporations, cooperatives, and similar collective organizations, shall have the right to own, establish, and operate economic enterprises, subject to the duty of the State to promote distributive justice and to intervene when the common good so demands;”

**WHEREAS**, pursuant to Art. 2 of Republic Act No. 7394 (RA7394), 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**, Section 2 of Republic Act No. 7581 (RA7581) or the Price Act as amended by RA 10623, states that it is the policy of the State to ensure the availability of basic necessities and price commodities at reasonable prices at all times without denying legitimate business a fair return on investment 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, especially during periods of calamity, emergency, widespread illegal price manipulation and other similar situations;

**WHEREAS**, the same section mandates the establishment of a mechanism that will readily protect consumers from inadequate supply and unreasonable price increases on occasions of calamities, emergencies, and like occurrences;

**WHEREAS**, Section 1, Rule IV of the DTI-DA-DOH-DENR Joint Administrative Order No. 01, Series of 1993 otherwise known as the “Implementing Rules and Regulations of RA7581”, mandates each implementing agency, which includes the Department of Trade and Industry (DTI), to conduct regular monitoring of basic necessities and prime commodities;

**WHEREAS**, the DTI issued Department Administrative Order No.17-09, Series of 2017 (DAO17-09 S.2017) to provide guidelines in the implementation of Suggested Retail Price (SRP) of basic necessities and prime commodities under the jurisdiction of the DTI;

**WHEREAS**, under Section 2, Chapter 1, Title X of Executive Order No. 292 (EO292) or the 1987 Administrative Code, “The Department of Trade and Industry shall be the primary coordinative, promotive, facilitative and regulatory arm of the Executive Branch of government in the area of trade, industry and investments;

**WHEREAS**, the DTI recognizes the need to further institutionalize standard and streamlined procedures for conducting price and supply monitoring in order to ensure systematic gathering and processing of price data, and to provide accurate information on prices and supply of products under the Price Act;

**NOW, THEREFORE**, the following guidelines are hereby issued for the information, guidance and compliance of all DTI personnel/officers designated/authorized to conduct price and supply monitoring activities.

## **RULE I GENERAL PROVISIONS**

**Section 1. *Short Title.*** This Order shall be referred to as “Price and Supply Monitoring Guidelines”.

**Section 2. *Objectives.*** This Order is issued to establish the guidelines for the conduct of price and supply monitoring activities of the DTI in order to:

- 2.1. Provide a basis for determining and issuing Suggested Retail Price (SRP);
- 2.2. Provide a basis for imposing price freeze, and price ceiling;
- 2.3. Determine price trends;
- 2.4. Develop a comprehensive database system for prices of covered products;
- 2.5. Identify and address causes of market and price irregularities; and
- 2.6. Formulate policies and develop programs and projects geared towards ensuring price reasonableness and supply adequacy.

**Section 3. *Definition of Terms.*** For purposes of this Order, the following terms shall be defined:

- 3.1. *Automatic Price Control* - refers to a situation which prices of basic necessities are frozen at their prevailing prices in an area in times of any of the cases provided under Section 6 of RA 7581;
- 3.2. *Average Price* - refers to the prices occurring the most number of times, i.e. the mode in particular, at which basic necessities and prime commodities are sold and monitored;
- 3.3. *Basic necessities* - are goods vital to the needs of consumers for their sustenance and existence in times of any of the cases provided under Section 6 or 7 of Republic Act No. 10623 (RA10623), but not limited to, rice, corn, root crops, bread, fresh, dried or canned fish and other marine products; fresh pork, beef and poultry meat, fresh eggs, potable water in bottles and containers, fresh and processed milk, fresh vegetables and fruits, locally manufactured instant noodles, coffee, sugar, cooking oil, salt, laundry soap and detergents, firewood;
- 3.4. *Distributor*- refers to any natural or juridical person that supplies goods to retail stores;

- 3.5. *DTI Suggested Retail Price List* - refers to the list of basic necessities and prime commodities with their corresponding SRPs issued by the DTI for the information and guidance of producers, manufacturers, traders, sellers, retailers, and consumers;
- 3.6. *e-Presyo* - refers to the DTI Online Price Monitoring System (OPMS) where consumers can check for the SRPs and monitored prices;
- 3.7. *Key cities* - refer to the major trading area of a province;
- 3.8. *Manufacturer* - refers to any person who produces, manufactures, assembles or processes consumer products, except that if the goods are manufactured, assembled or processed for another person who attaches his own brand name to the consumer products, the latter shall be deemed the manufacturer. In case of imported products, the manufacturer's representatives or, in his absence, the importer, shall be deemed the manufacturer;
- 3.9. *Prevailing Price* - means the average price at which any basic necessity has been sold in a given time within a month from the occurrence of any of the conditions enumerated under Section 6 of RA 7581;
- 3.10. *Price Ceiling* - refers to the maximum price at which any covered product may be sold to the general public;
- 3.11. *Price Freeze* - refers to the prevailing price at which any basic necessity is frozen within the affected area wherein any of the cases provided under Section 6 and 7 of RA 7581 is existent;
- 3.12. *Price Monitor* - refers to the authorized DTI personnel in charge of gathering report on the prices and supply of basic necessities and prime commodities from the business establishments covered under this Order;
- 3.13. *Price Trend* - refers to the movement of prices of basic necessities and prime commodities within a given period;
- 3.14. *Prime Commodities* - are goods not considered as basic necessities but are essential to consumers in times of any of the cases provided under Section 7 of Republic Act No. 10623 (RA10623) such as, but not limited to, flour; dried, processed or canned pork, beef and poultry meat; dairy products not falling under basic necessities; onions, garlic, vinegar, patis, soy sauce; toilet soap; fertilizer, pesticides and herbicides; poultry, livestock and fishery feeds and veterinary products; paper; school supplies; nipa shingles; sawali; cement; clinker; GI sheets; hollow blocks; plywood; plyboard; construction nails; batteries; electrical supplies; light bulbs; steel wire; all drugs not classified as essential drugs by the Department of Health and such other goods as may be included under Section 4 of RA10623;
- 3.15. *Private market* - refers to a market owned, operated and/or managed by private individuals or entities, cooperatives, an institution or corporation intended to serve the general public;
- 3.16. *Public market* - refers to a place, building or structure of any kind, owned or operated by a city or municipality designated as such by the Sanggunian of that city or municipality dedicated to the service of the general public, where basic food items and other commodities are displayed and offered for sale;
- 3.17. *Retailer* - refers to any natural or juridical person engaged in the business of selling consumer products directly to the public;

- 3.18. *Seasonal products* - refers to products that are either not available in the market during certain seasons or periods of the year or are available throughout the year but with regular fluctuations in their quantities and prices that are linked to the season or time of the year;
- 3.19. *Stalls in Public and Private Markets* - refer to a grocery-type store where majority or completeness of stocks of basic necessities and prime commodities are available. It refers to any allotted space or booth in the public and private market where merchandise of any kind is sold or offered for sale;
- 3.20. *Suggested Retail Price (SRP)* - refers to the price range issued by DTI based on the cost components to be used as reference and guidance of producers, manufacturers, traders, sellers, retailers and consumers.

## RULE II SCOPE AND COVERAGE

**Section 1. Scope and Coverage.** This Order shall apply to business establishments engaged in the distribution and sale of products covered by the Price Act and within the mandate of the DTI such as those mentioned below:

- 1.1. Business Establishments
- 1.1.1. Bakery;
  - 1.1.2. Convenience Stores;
  - 1.1.3. Flour Outlet;
  - 1.1.4. Grocery Store;
  - 1.1.5. Hardware Store;
  - 1.1.6. Hypermarket;
  - 1.1.7. School Supply Store/Outlet;
  - 1.1.8. Stalls in Public and Private Markets;
  - 1.1.9. Supermarket; and
  - 1.1.10. All other establishments as determined by the DTI.
- 1.2. Products

Basic Necessities	Prime Commodities
1) Bread	1) Flour
2) Canned fish and other marine products	2) Processed and canned pork
3) Potable water in bottles and containers	3) Processed and canned beef
4) Processed milk	4) Vinegar
5) Locally manufactured instant noodles	5) Fish Sauce ( <i>Patis</i> )
6) Coffee	6) Soy sauce
7) Salt	7) Toilet soap
8) Laundry soap	8) Paper
9) Detergent	9) School supplies
10) Candles	10) Cement
	11) Clinker
	12) G.I. Sheets
	13) Hollow blocks
	14) Construction nails
	15) Batteries
	16) Electrical supplies
	17) Light bulbs
	18) Steel wires

- 1.2.1. All basic necessities and prime commodities brands and variants available and frequently seen in the market within the determined cities/municipalities shall be included in the price monitoring.

### **RULE III DELINEATION OF RESPONSIBILITIES**

**Section 1. *DTI-Consumer Policy and Advocacy Bureau (DTI-CPAB).*** The DTI-CPAB shall perform the following responsibilities:

- 1.1. Publish DTI SRP list and advise FTEB, ROs/POs of any modification thereof as approved by the CPG Undersecretary and DTI Secretary;
- 1.2. Notify FTEB, ROs/POs, retailers, and the general public of any adjustment in the SRPs;
- 1.3. Analyze price trends and factors affecting price and supply situations;
- 1.4. Monitor, assess, and analyze the price movements of raw materials and other cost components of basic necessities and prime commodities;
- 1.5. Conduct supply chain studies to assess the reasonableness of SRPs;
- 1.6. Act as the over-all systems administrator of the e-Presyo such as but not limited to performing the following:
  - 1.6.1. Monitoring the implementation and usage of e-Presyo;
  - 1.6.2. Creating user accounts and passwords;
  - 1.6.3. Adding commodities, types of store, products, sizes and brands, cities/municipalities, and provinces;
  - 1.6.4. Adding notes as basis for the adjustments in the monitored prices of basic necessities and prime commodities; and
  - 1.6.5. Updating the SRPs of basic necessities and prime commodities.
- 1.7. Randomly monitor the accuracy of the OPMS entries from the regions.
- 1.8. Provide ROs/POs updates on meetings with manufacturers regarding adjustments, and other issues that may affect the prices of BNPCs.

**Section 2. *DTI-Fair Trade and Enforcement Bureau and Regional Operations Group.*** The FTEB and the ROG, shall perform the following responsibilities:

- 2.1. Identify and submit to CPAB within thirty (30) working days from the date of effectivity of this Order and every third week of January of the subsequent years, the list of business establishments with their addresses to be monitored;
- 2.2. Enroll in the e-Presyo all stores monitored per city/municipality;
- 2.3. Identify and submit to CPAB the available brands, variants and sizes of basic necessities and prime commodities for inclusion in the e-Presyo product list;
- 2.4. Create, modify, expand and append price monitoring templates in the e-Presyo containing the business establishment/s and products to be monitored based on their availability in the market;
- 2.5. Conduct price and supply monitoring of products covered by this DO on a regular basis and document the same;

- 2.6. Document and report possible causes of supply and/or price fluctuations observed;
- 2.7. Issue a letter inquiring on the observed supply and/or price fluctuations including other matters relevant thereto and may recommend or submit the report when necessary to the proper Division of the Bureaus of CPG;
- 2.8. Submit to CPAB a narrative analysis of price and supply monitoring reports every Friday of the week for key cities and every last Friday of the month for non-key cities, citing therein the factors attributing to the movement of prices and supply situation. During times of calamities/disasters, submit to CPAB daily price and supply monitoring reports of all affected cities and municipalities under its jurisdiction.

#### **RULE IV PROCEDURES FOR PRICE AND SUPPLY MONITORING**

**Section 1. *Price and Supply Monitoring During Normal Times.*** Price and supply monitoring of basic necessities, prime commodities, and other products shall be in accordance with the following procedures:

- 1.1. Products under DTI's Jurisdiction
  - 1.1.1. The FTEB and ROs/POs shall determine the cities/municipalities and specific stores to be monitored based on the presence of majority of basic necessities and prime commodities carried by the store. In cases where companies have multiple branches, all companies must be equally represented;
  - 1.1.2. The DTI Director concerned shall issue a Bureau/Office Order authorizing their respective price monitor/s to conduct price and supply monitoring, a template of which is hereto attached as Annex A;
  - 1.1.3. All price monitors, shall at all times, wear their DTI ID and present a copy of the signed Bureau/Office Order to the representative of the business establishment;
  - 1.1.4. Each price monitor shall collect, record and whenever possible input at least five (5) price quotations for every brand, size, and variant of all basic necessities and prime commodities in the determined cities/municipalities within the day. Otherwise, all encoding shall be at least one (1) day before the prescribed cut-off period for submission of narrative analysis of price and supply monitoring reports;
  - 1.1.5. Data on prices and supply may be collected through actual inspection of price tags, price verification scanner, point of sale terminal; surveys conducted through e-mail or phone interview; or monitoring of online market places;
  - 1.1.6. Whenever the monitored price of any basic necessity or prime commodity is above the current SRP or lower or higher than the previous monitored price, the reason provided by the store shall be indicated in the remarks column of the e-Presyo;
  - 1.1.7. In case the monitored price of any basic necessity, prime commodity or seasonal product has increased by more than 10% in the immediately preceding month, or is above the current SRP, the price monitor shall inform the business establishment of the

same and report it to the SMD Head/Provincial Office for appropriate action;

- 1.1.8. In case should there be any unusual incident or occurrence during the monitoring activity such as, but not limited to, prices are above the SRPs or have increased by more than 10% from the immediately preceding month, stocks and inventory are limited, pulling out of goods from the shelves, panic buying, existing promos, change in product packaging, product size, and new and phased-out basic necessities and prime commodities variants shall likewise be reported to the SMD Head/Provincial Office for appropriate action;
- 1.1.9. When circumstances warrant, the head of the Bureau/Provincial Office concerned shall, within five (5) working days from receipt of the report issue a letter to the concerned business establishment inquiring on the reported incident or occurrence, a template is hereto attached as Annex B;
- 1.1.10. The FTEB/PO shall evaluate the reply submitted by the business establishment and shall act accordingly in accordance with applicable DTI Rules depending on the result of evaluation. The Template Evaluation Sheet is hereto attached as Annex C;
- 1.1.11. The encoded prices shall be validated and submitted by the SMD Head/Provincial Officers in the e-Presyo by submitting a weekly report every Thursday of the week for key cities and monthly report every last Thursday of the month for the rest of the municipalities.

**Section 2. Price and Supply Monitoring During Times of Calamity or Emergency.** Price and supply monitoring in times of any of the cases provided under Sections 6 and 7 of RA 7581 which mandates the application of automatic price freeze or the imposition of price ceilings, as the case may be, shall be in accordance with the following procedures:

2.1. Automatic Price Control of Products Under DTI's Jurisdiction.

- 2.1.1. Guided by the duly issued declaration of state of calamity or other conditions mentioned under the Price Act, the FTEB, ROs/POs shall disseminate and publish the latest weekly or monthly monitored prevailing prices of basic necessities gathered prior to the declaration of state of calamity or emergency as the price freeze in the affected area.

Unless sooner lifted by the President, price control of basic necessities shall remain effective for the duration of the condition that brought it about, but not more than sixty (60) days.

- 2.1.2. Following the onset of any of the cases provided under Sections 6 and 7 of RA7581, the bureau/office concerned shall provide a copy of the declaration of state of calamity and price freeze list to CPAB;
- 2.1.3. By virtue of the authority to conduct monitoring issued by the head of office, monitors shall immediately conduct daily price and supply monitoring of basic necessities and prime commodities, and submit

daily monitoring report to CPAB for the preparation of situational reports.

Frequency of monitoring may be reduced as soon as prices and supply situation have stabilized and only commodities with price changes and supply problems shall be included in the monitoring reports.

All price monitors, shall at all times, wear their DTI ID and present a copy of the signed Bureau/Office Order to the representative of the business establishment.

- 2.1.4. CPAB shall submit situational reports to the Offices of the Undersecretary for CPG and ROG, Office of the Secretary and to the Office of the President, which shall include, among others, the following:
  - 2.1.4.1. Price and supply situation;
  - 2.1.4.2. Road and market condition;
  - 2.1.4.3. Inventory level and status of distribution;
  - 2.1.4.4. Issues/concerns encountered such as power supply, internet and communication services; and
  - 2.1.4.5. Any action/assistance needed from the DTI Head Office or other government agencies.
- 2.1.5. In case a basic necessity is sold at a price higher than the price freeze, it may result to the issuance of a Show Cause Order or Notice of Violation.
- 2.1.6. A written report shall be submitted to the head of the division concerned.

## 2.2. Mandated Price Ceiling

- 2.2.1. If based on the price and supply monitoring reports submitted, the prevailing price of any basic necessity or prime commodity is excessive or unreasonable, or if any of the conditions stated under Section 7 of RA7581 is existent, a mandated price ceiling if recommended and issued, the DTI shall disseminate and publish the same;
- 2.2.2. Following the publication of the mandated price ceiling, the bureau/office concerned shall provide a copy thereof to CPAB;
- 2.2.3. By virtue of the authority to conduct monitoring issued by the head of office, monitors shall conduct daily price and supply monitoring of basic necessities and prime commodities, and submit to CPAB the monitoring reports not later than the day following the conduct of monitoring activity for the preparation of situational reports;

Frequency of monitoring may be reduced as soon as prices and supply situation have stabilized and only commodities with price changes and supply problems shall be included in the monitoring reports.

All price monitors, shall at all times, wear their DTI ID and present a copy of the signed Bureau/Office Order to the representative of the business establishment.

- 2.2.4. CPAB shall submit situational reports to the Offices of the Undersecretary for CPG and ROG, Office of the Secretary and to the Office of the President, which shall include, among others, the following:
- 2.2.4.1. Price and supply situation;
  - 2.2.4.2. Road and market condition;
  - 2.2.4.3. Inventory level and status of distribution;
  - 2.2.4.4. Issues/concerns encountered such as power supply, internet and communication services; and
  - 2.2.4.5. Any action/assistance needed from the DTI Head Office or other government agencies.
- 2.2.5. In case a basic necessity or prime commodity is sold at a price higher than the mandated price ceiling, the conduct of enforcement pursuant to applicable DTI rules shall proceed;
- 2.2.6. A written report shall be submitted to the head of the division concerned.

**Section 3. *Prevailing Price.*** In monitoring basic necessities and prime commodities, the prices occurring the most number of times for each commodity at the latest given monitoring period in stores or areas as determined by the concerned implementing agencies shall be considered as their prevailing price as shown below:

Canned Sardines:	Store 1 = P17.00
	Store 2 = P16.50
	Store 3 = P17.00
	Store 4 = P17.25
	Store 5 = P17.00

P17.00 Prevailing price

In the absence of prices occurring the most number of times, the following shall apply:

For those products with SRP, the latest and highest actual monitored prices shall be the prevailing price, provided, this is not more than the latest SRP. Otherwise, the latest SRP shall be the prevailing price.

For those products with no SRP, the latest and highest actual monitored prices shall be the prevailing price.

**Section 4. *Frequency of Monitoring.*** The monitoring of prices of basic necessities and prime commodities shall be conducted during reasonable hours of business operations, as follows:

- 4.1. In normal times, monitoring and collection of prices of basic necessities and prime commodities shall be on a weekly basis for key cities and monthly basis for non-key cities.
- 4.2. For seasonal products, monitoring and collection of prices shall be as follows:

Products	Frequency of Monitoring
School Supplies	Weekly for key cities and monthly for non-key cities within a period of two (2) months before the opening of classes as determined by the proper government agencies and notified by DTI
Noche Buena Products	Weekly for key cities and monthly for non-key cities from October to December

4.3. During a state of calamity or emergency, monitoring and collection of prices of basic necessities and prime commodities shall be in accordance with Section 2 hereof.

**Section 5. *Special Monitoring.*** Pursuant to EO 292, the DTI Official concerned may order the FTEB, ROs/POs to assist other agencies implementing the Price Act through the conduct of special monitoring of the prices and supply of basic necessities and prime commodities in accordance with the following:

- 5.1. The conduct of special monitoring may be in coordination with the implementing agency and/or Local Price Coordinating Council (LPCC);
- 5.2. The monitoring team shall upon prior notice to the Director, prepare an itinerary specifying the date, time, location and the product focus;
- 5.3. All price monitors, shall at all times, wear their DTI ID and present a copy of the signed Bureau/Office Order to the representative of the business establishment;
- 5.4. Each price monitor shall collect and record pertinent information, data, and observation gathered using the attached Annex D;
- 5.5. Data on prices and/or supply may be collected through inspection of price tags, bar code scanner, and whenever necessary, interview of sales clerk or consumers;
- 5.6. In case should there be any unusual incident or occurrence during the monitoring activity such as, but not limited to, prices are above the SRPs, if applicable, stocks and inventory are limited, pulling out of goods from the shelves and panic buying, shall likewise be recorded;
- 5.7. The monitoring team shall submit a report a day after the conduct of monitoring activity to the Director through the Division Head concerned and provide the CPAB with a copy thereof for appropriate action.

## RULE V OTHER PROVISIONS

**Section 1. *Repealing Clause.*** All rules and regulations of the DTI not consistent with this Order are hereby repealed or amended accordingly.

**Section 2. *Separability Clause.*** In the event that any provision of this rule is declared unconstitutional or invalid, the validity of the other provisions shall not be affected by such declaration.

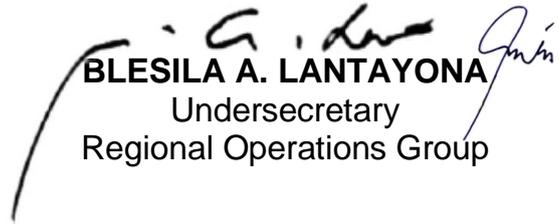
**Section 3. *Effectivity.*** This Order shall take effect immediately.

Issued this 11th day of December 2020, Makati City.

  
**RAMON M. LOPEZ**  
Secretary

RECOMMENDING APPROVAL:

  
**ATTY. RUTH B. CASTELO**  
Undersecretary  
Consumer Protection Group

  
**BLESILA A. LANTAYONA**  
Undersecretary  
Regional Operations Group

RECOMMENDED BY:

  
**Atty. Marimel D. Porciuncula**  
Director  
Consumer Policy and Advocacy Bureau