

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 4179



Introduced by **DIWA Party-list Representative Emmeline Y. Aglipay – Villar**

EXPLANATORY NOTE

Global demand for cacao has surged since the 1970s, with Asia serving as one of the fastest growing consumers of cacao. This coincides with a decrease in the worldwide supply of cacao based on a variety of factors, with a global shortage of cocoa (from the beans that are the seeds of the cacao tree) projected to reach one million metric tons (MT) by the year 2020.¹

According to the Department of Agriculture, the increasing global cacao demand is due to: the rising public awareness of its health benefits, as well as a hunger for chocolate, as well as new uses for cacao and its seeds that are not related to food. The very rich and fertile Philippine soil is well suited for the production of cacao, and we only rank 18th world-wide amongst cacao-producing nations. The country is currently producing from 10,000 to 12,000 MT of dried cacao beans not even enough to satisfy the local demand of 30,000 MT.

This bill -- filed as a counterpart of Senate Bill No. 320 with the support of its author, Senator Cynthia Villar -- seeks to establish a national program which will gather government agencies together under the Department of Agriculture, in order to enhance education and training of all stakeholders in the cacao industry, collecting relevant research, scientific studies and market strategies, extending technologies and creating international linkages for development, and promotion of the industry and its products, in order for the Philippines to become a competitor in the world cacao market.

Emmeline Y. Aglipay
EMMELINE Y. AGLIPAY – VILLAR
Representative, DIWA Party-list

¹ <http://www.mb.com.ph/cacao-industry-starts-getting-more-attention/>

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AN ACT
ESTABLISHING A NATIONAL PROGRAM FOR THE CACAO INDUSTRY
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Republic of the Philippines in Congress assembled:

SECTION 1. This Act shall be known as the “Cacao industry Development Act of 2016.”

SEC. 2. Declaration of Policy. It is hereby declared the policy of the state to develop a sustainable cacao industry optimizing local production capacity, the application of sustainable agriculture practices, securing quality raw materials and the processing, marketing of cacao beans in its raw or processed form and to be able to participate in the international cacao trade for the economic relief of smallholder farmers.

SEC. 3. National Cacao Development Council. The National Cacao Development Council shall composed of the Department of Agriculture (DA) Undersecretary in Charge of Crops.

1. High Value Crops Development Program Head,
2. DA-Bureau of Agricultural Research.
3. Department of Science and Technology (DOST);
4. Department of Trade and Industry (DTI)
5. National Economic and Development Authority (NEDA);
6. One (1) representative from the group of cacao traders;
7. One (1) representative from the group of cacao processors; and
8. One (1) representative from the group of cacao growers.

SEC. 4 Objectives of the Program - The National Cacao Development Council shall develop programs with the following objectives:

- a) To achieve food security, by enhancing the ability to produce or procure cacao;
- b) To encourage private sector investment in agribusiness through policy reforms and advocacy, access to financing and cost-effective incentives.
- c) To expand income opportunities for producers and other entrepreneurs especially from value-adding activities.
- d) To provide improved technologies for fresh and processed cacao beans towards meeting world standards for competitiveness.

SEC. 5. Powers and Functions - The Council shall have the following general powers and functions:

- 1. To formulate the cacao development plan.
- 2. To educate and train all stakeholders of the cacao industry;
- 3. To conduct relevant research, scientific study and feasible marketing strategies;
- 4. To establish and develop effective production systems for cacao varieties;
- 5. To establish and maintain productive, high yielding and good quality cacao varieties;
- 6. To establish and maintain germplasm collection and gene bank for cacao;
- 7. To update cacao processing technologies; and
- 8. To develop effective and efficient marketing system for cacao;
- 9. To establish linkages with national and international organizations and development centers of the cacao industry.
- 10. To coordinate with other government and non-government agencies involved in the development of the cacao industry.

SEC. 6. Meetings - The Council shall meet once every quarter or may call on a special meeting as needed upon a week's notice in writing.

SEC. 7. Quorum - The presence of at least five (5) members at the time of the meeting shall constitute the quorum: Provided, however, that in the absence of the Chairman, the Vice Chairman shall preside.

SEC. 8. Appropriation - The amount of Fifty Million Pesos (Php50, 000, 000. 00) is hereby authorized to be appropriated from the Special Activities Fund of the President of the Republic of the Philippines, or from any other sources that may be identified for the purpose. Thereafter, such sum required for its operation, maintenance, research, and development shall be included in the annual General Appropriations Act of the Agencies involved.

SEC. 9. Repealing Clause - All laws, presidential decrees, executive orders, rules and regulations, or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, superseded or modified accordingly: Provided, however, that nothing in this Act shall amend, modify or repeal the provisions of Republic Act No. 7900, otherwise known as Republic Act No. 7900 or An Act to Promote the Production, Processing, Marketing and Distribution of High-Valued Crops.

SEC. 10. Separability Clause - If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected shall continue to be in full force and effect.

SEC. 11. Effectivity Clause - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,