

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

**EIGHTEENTH CONGRESS**  
First Regular Session



**HOUSE BILL NO. 4082**

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Introduced by **HON. JUMEL ANTHONY I. ESPINO**

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### EXPLANATORY NOTE

This bill seeks to revitalize and stimulate the Philippine cacao industry in order to penetrate the international chocolate market and increase the income of our farmers.

With the increase of the worldwide consumption of chocolate at 3% annually, and with emerging market demand growing steadily in Eastern Europe, China, Russia, India and Central Asia, there is an increase in cacao demand. This is due mainly on the discovery of the diversified use of cacao and chocolate because of their health benefits and its use in wellness, beverage, food and even in cosmetics and pharmaceuticals.

The Philippines is an ideal place to plant and produce cacao because our country has a tropical climate, and yet we have been importing large amounts annually. In fact the Philippines is only ranked 18th world-wide amongst cacao-producing nations. The country is currently producing from 10,000 to 12,000 MT of dried cacao beans which is not even enough to satisfy the local demand of 30,000 MT. International prices for cacao beans have been steadily rising. With increased production, it would certainly boost our cacao exports and generate dollar earnings for our farmers and local exporters which would help in the livelihood and generation of jobs for Filipinos.

The Department of Agriculture created the High Value Crops Development Program (HVCDP) to address food security, poverty alleviation and sustainable

growth. It helps to promote the production, processing, marketing and distribution of high value crops. It is envisioned to help increase income, create livelihood opportunity and contribute to national agricultural development of the Philippines. Through the HVCDP, the DA aims to raise local production of cacao to 100,000 MT by 2020, an amount that will enable the Philippines to make an impression in the global market. The DA also plans to improve cacao farmers' access to fertilizer and high-yielding varieties of cacao seeds. The agency promised to improve the flow and quality of extension services to cacao farmers to help them adopt good practices and produce high-quality beans.

According to the DA data, cacao is mostly grown in Mindanao as well as in Luzon ( Ilocos, Bulacan, Laguna, the Camarines provinces among others) and Visayas ( Iloilo, Bohol, Negros Occidental, among others).

This legislation envisions the creation of a national program which will have gather government agencies together with the DA as lead agency to do education and training of all stakeholders in the cacao industry, encourage more cacao growers, collecting relevant researches, scientific studies and market strategies, extending technologies and creating international linkages for development, promotion and be a major competitor in the world cacao market.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

  
HON. JEMEL ANTHONY I. ESPINO



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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 the House of Representatives of the Philippines in Congress assembled:*

SECTION 1. This Act shall be known as the "**Cacao Industry Development Act of 2019.**"

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 be composed of the:

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

9. One (1) representative from the group of cacao growers.

**SEC. 4. Objectives of the Program.** — Are as follows —

- a) Food Security by enhancing the ability to produce or procure cacao;
- b) Encourage Private Sector Investment - in agribusiness through policy reforms and advocacy, access to financing and cost-effective incentives
- c) Expand Income Opportunities - for producers and other entrepreneurs especially from value-adding activities.
- d) 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. Formulate the cacao development plan.
2. Educate and train all stakeholders of the cacao industry;
3. Conduct relevant research, scientific study and feasible marketing strategies;
4. Establish and develop effective production systems for cacao varieties;
5. Establish and maintain productive, high yielding and good quality cacao varieties;
6. Establish and maintain germplasm collection and gene bank for cacao;
7. Update cacao processing technologies; and
8. Develop effective and efficient marketing system for cacao;
9. Establish linkages with national and international organizations and development centers of the cacao industry.
10. 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*