



Republic of the Philippines  
**House of Representatives**  
Batasan Hills, Quezon City

Eighteenth Congress  
First Regular Session

HOUSE BILL NO. 5585



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Introduced by Representative Florencio Gabriel "Bem" G. Noel

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#### EXPLANATORY NOTE

The consumption of chocolate around the world has been gradually increasing annually by three percent (3%), with its market demand growing steadily in regions like Central Asia and Eastern Europe, mainland China, India, and various states of the Russian Federation. Major chocolate processors such as Hershey's, Nestle, and Mars, have been a factor in the growing demand for chocolate.

The Philippines is known to import large amounts of chocolate every year. This is due to the very rich and fertile Philippine soil which is well suited for the production of cacao. As of 2008, the country reported 1.5 million cacao trees with production at 6,000 metric tons annually. However, the cacao industry in the Philippines has been steadily dwindling due to the complex economic, social, and environmental issues.

The state must have a hand in the growth of cacao production in the country. This bill seeks to address this issue by establishing a research and development center made specifically for cacao production, the country will be able to compete globally and possibly produce one of the best chocolates around the world.

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

**Florencio Gabriel "Bem" G. Noel**  
An Waray Party-list Representative



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**AN ACT CREATING A CACAO RESEARCH AND DEVELOPMENT CENTER,  
AUTHORIZING THE APPROPRIATION OF 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. ***Establishment of a Cacao Research and Development Center.*** — The Cacao Research and Development Center is hereby established.

Sec. 2. ***Powers and Functions.*** - The Center shall have the following general powers and functions in line with the research and development programs of the Department of Agriculture - Bureau of Agricultural, Research (DA-BAR), Department of Science and Technology (DOST), Department of Trade and Industry (DTI), and National Economic and Development Authority (NEDA):

- a) Educate and train ail stakeholders of the cacao industry;
- b) Conduct relevant research, scientific study, and feasible marketing strategies;
- c) Extend technologies; and
- d) Establish linkages with international organizations and other cacao development centers in other countries.

Sec. 3. ***Functions.*** — The Center shall have the specific powers and functions:

- a) Develop productive, high yielding, good quality varieties of cacao;
- b) Develop efficient, economic and productive cacao production technologies;
- c) Develop effective and sound cacao processing technologies for varieties "Forastero", "Criollo" and other outstanding varieties of cacao;
- d) Develop effective production systems for all cacao varieties;



- e) Establish and maintain germ plasm collection and gene bank for cacao;
- f) Develop effective and efficient marketing systems for cacao;
- g) Evolve productive cacao-based farming systems;
- h) Develop and implement appropriate and suitable technology packages and effective technology transfer schemes, especially the conduct of training programs;
- i) Upgrade the skills of development facilitators, extensionists and farmers through trainings, seminars, and workshops on cacao production and postharvest handling and processing;
- j) Establish national and international linkages for cacao research, development, extension and production activities; and
- k) Coordinate with other government/non-government agencies involved in the development of the cacao industry.

Sec. 4. ***Qualifications of the Executive Director.*** — The Center shall be headed by an Executive Director who shall be responsible for the planning, implementation, and supervision of the Center's program of activities. The Executive Director shall possess the following qualifications:

- a) Must be at least forty (40) years old;
- b) Must have completed substantial and relevant education and must have experience in cacao research and development; and
- c) Must be of good moral character and must not have been involved in a legal case involving moral turpitude.

All other officers and employees of the Center shall be appointed by the Executive Director consistent with the provisions of the Civil Service laws, rules and regulations.

Sec. 5. ***Advisory Board.*** — The plans and programs of the Center shall be reviewed annually by the Advisory Board composed of:

- a) The Secretary of the Department of Agriculture as Chairman;
- b) The Secretary of the Department of Trade and Industry, as Vice Chairman;
- c) One (1) representative from a non-governmental organization (NGO) working on cacao production, research and development and processing;
- d) One (1) representative from the group of cacao traders;
- e) One (1) representative from the group of cacao processors; and
- f) One (1) representative from the group of cacao growers.

Sec. 6. ***Quorum.*** — The presence of at least four (4) 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. 7. ***Power.*** — The Center is hereby authorized to plan, construct, develop, improve, acquire, or lease buildings, farms, fields and other facilities, to purchase machineries, equipment, materials and supplies locally or abroad as may be necessary to carry out its functions and objectives.

Moreover, the Center shall enjoy exemption from taxes and other duties in the importation of such machineries, development and extension programs, subject to the provisions of the Tariff and Customs Code, the National Internal Revenue Code and the provisions on Automatic Appropriations under the General Appropriations Act.

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.

Sec. 9. ***Revolving Fund.*** — Any and all savings and income of the Center shall constitute a revolving fund which shall not be reverted to the General Fund but shall be used by the Center in the furtherance of its goals and objectives.

Sec. 10. ***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. 7160, otherwise known as the Local Government Code.

Sec. 11. ***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. 12. ***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,