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Department of Environment and Natural Resources
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MEMORANDUM

TO : The Directors
Ecosystems Research and Development Bureau
Land Management Bureau
Forest Management Bureau
Legal Affairs Service
Policy and Planning Service

FROM : The Assistant Secretary
Field Operations-Mindanao and Legislative Affairs

SUBJECT : **INVITATION FROM THE COMMITTEE ON AGRICULTURE
AND FOOD**

DATE : 13 May 2021

This pertains to the letter dated 12 May 2021, from **REP. WILFRIDO MARK M. ENVERGA**, Chairman, Committee on Agriculture and Food, inviting the DENR to a meeting on **19 May 2021 (Wednesday), 1:30PM via Zoom Video conferencing with Meeting ID: 83234703798 Password: 805053**, conduct its deliberation on the following measures:

1. Approval of the Substitute Bill, "*AN ACT INSTITUTIONALIZING A PHILIPPINE CACAO DEVELOPMENT PROGRAM, CREATING FOR THE PURPOSE THE PHILIPPINE CACAO INDUSTRY COUNCIL, AND APPROPRIATING FUNDS THEREFOR*" in substitution to House Bills Numbered 1495, 1771, 3252, 4082, 5344, 5584, 6429 and 7625; and
2. Initial deliberation of House Bill No.7439, "*AN ACT DEVELOPING THE ROOT CROPS INDUSTRY IN THE BICOL REGION, CREATING FOR THE PURPOSE THE ROOT CROPS RESEARCH AND DEVELOPMENT CENTER AND THE ROOT CROPS SUBSIDY FUND, AND APPROPRIATING FUNDS THEREFOR*", introduced by Rep. Fernando T. Cabredo

Kindly inform this Office of your attendance before the scheduled date of the meeting and submit presentation, comments and/or position paper in hard and soft copy at the Legislative Liaison Office at telephone number 8920-1761 and e-mail address denrlegislative@yahoo.com for consolidation.

Attached is a copy of the Bills, for your ready reference.


JOAN A. LAGUNDA, D.M., D.P.A.

MEMO NO. 2021 - 368



COMMITTEE ON AGRICULTURE & FOOD

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12 May 2021

SECRETARY ROY A. CIMATU

Department of Environment and Natural Resources

Dear Secretary Cimatu:

The Committee on Agriculture and Food will hold a virtual meeting via Zoom on **19 May 2021 (Wednesday), at 1:30 pm** to conduct its deliberation on the following measures:

1. Approval of the Substitute Bill, "*AN ACT INSTITUTIONALIZING A PHILIPPINE CACAO DEVELOPMENT PROGRAM, CREATING FOR THE PURPOSE THE PHILIPPINE CACAO INDUSTRY COUNCIL, AND APPROPRIATING FUNDS THEREFOR*" in substitution to House Bills Numbered 1495, 1771, 3252, 4082, 5344, 5584, 6429 and 7625; and
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Your participation in the meeting will be highly appreciated as your inputs will greatly help the Committee in its deliberation.

Below is the Zoom log-in details:

<https://us02web.zoom.us/j/83234703798?pwd=3DYUdBenI4cXB2dVJEMlg3UHBrbFFhZz09&h=AT1Xd4QG7taTxqdhXCHfJxsAmq>

Meeting ID: 83234703798

Password: 805053

Thank you.

Very truly yours,

REP. WILFRIDO MARK M. ENVERGA

Chairperson

For the Chairperson:

CONSOLACION P. GALANG

Committee Secretary

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. _____

Introduced by Representatives Angelina “Helen” D.L. Tan, M.D., Luis Raymund “LRay” F. Villafuerte, Jr., “Kuya” Jose Antonio R. Sy-Alvarado, Jumel Anthony I. Espino, Joseph “Jojo” L. Lara, Florencio G. Noel, Alfel M. Bascug, Sharon S. Garin, Deogracias Victor “DV” B. Savellano, Kristine Singson-Meehan, Carl Nicolas C. Cari, Evelina G. Escudero, Gabriel H. Bordado, Jr., Sandro L. Gonzalez, and Macnell M. Lusotan

AN ACT
INSTITUTIONALIZING A PHILIPPINE CACAO DEVELOPMENT PROGRAM, CREATING FOR THE PURPOSE THE PHILIPPINE CACAO INDUSTRY COUNCIL, AND APPROPRIATING FUNDS THEREFOR

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

1 **Section 1. Short Title.** This Act shall be known as the “Philippine Cacao Industry
2 Development Act”.

3
4 **Sec. 2. Declaration of Policy.** It is hereby declared the policy of the State to develop a
5 sustainable and competitive cacao industry that is environmentally sound, economically viable,
6 socially responsive and aimed to spur development through livelihood creation, job generation,
7 and income augmentation thereby contributing to poverty alleviation, inclusive growth, and
8 peace and order attainment particularly in the rural areas.

9
10 Towards this end, the State shall promote and support the sustained production of
11 Philippine cacao and increase value adding activities by allocating adequate financial resources
12 to the cacao industry towards the attainment of its full potential in the domestic and
13 international markets, and making cacao as one of the leading agricultural exports of the
14 country.

15
16 **Sec. 3. Objectives.** This Act aims to achieve the following objectives:

- 17 a. To enhance and increase the production of cacao through expansion and/or
18 rehabilitation of cacao production areas;
19 b. To formulate strategies and craft action plans, anchored on the value chain
20 approach that will provide development interventions from farm to market and
21 bean to bar for an enhanced and sustainable growth of the Philippine cacao
22 industry;
23 c. To improve the country’s cacao seed system and production of quality planting
24 materials to ensure traceability and reliability of cacao plantations;

- 1 d. To institutionalize adaptive sustainable land management system with the
2 participation of smallholders and private sector in nursery establishments and
3 commercial-scale plantations for inclusive agribusiness;
- 4 e. To optimize local production capacity by providing improved and climate resilient
5 technologies for cacao production and modern technologies for processing cacao
6 beans and the application of sustainable agricultural practices towards meeting
7 world standards for competitiveness;
- 8 f. To integrate and harmonize programs, projects, and activities of government
9 agencies and the private sector supportive of the short, medium, and long-term
10 agenda of the cacao industry;
- 11 g. To encourage private sector investment in agribusiness through policy reforms and
12 advocacy, investment promotion, access to financing, and cost-effective
13 incentives;
- 14 h. To promote Philippine cacao in the local market and in the international market by
15 providing the needed marketing support through a proactive product and market
16 development program that will position Philippine cacao in the local and global
17 markets;
- 18 i. To uplift the welfare and increase the income opportunities of the country's
19 smallholder cacao farmers, producers, processors, and retailers, including their
20 dependent families, by improving their productive capacities and enhancing
21 production quality towards attaining inclusive growth;
- 22 j. To provide technology upgrading and continuous innovation in the design,
23 manufacturing, and/or assembly of locally-produced farm equipment and post-
24 harvest tools for cacao production and processing to improve productivity and
25 efficiencies;
- 26 k. To create a proactive and responsive national implementing office that will review,
27 approve, implement, monitor and evaluate cacao-related programs, projects, and
28 activities to ensure the focused development of the cacao industry that is aligned
29 with the Philippine Cacao Industry Roadmap and subsequent program extension
30 and cacao industry development plans;
- 31 l. To strengthen research for development of the cacao industry; and
- 32 m. To harness, strengthen, and enhance existing participatory mechanisms to ensure
33 full engagement and active participation of various stakeholders in the
34 development of the cacao industry.

35 **Sec. 4. *The Philippine Cacao Industry Development Program.*** To ensure a harmonized
36 and collaborative implementation of policies, programs and projects for the advancement,
37 industry-wide development, and inclusive growth of the cacao industry through a value chain
38 approach, as well as increased and sustained yield and income; improved farm productivity
39 and quality; enhancement of farmers' capabilities and skills; and to achieve the objectives set
40 forth in this Act, the Philippine Cacao Industry Roadmap crafted in consultation with the cacao
41 industry stakeholders including any updates thereon, is hereby adopted.

42 The Philippine Cacao Industry Roadmap shall serve as a vital document to provide
43 direction to the cacao industry stakeholders for the optimal realization of the targets towards a
44 sustainable and globally competitive Philippine Cacao Industry that will likewise contribute to
45 attaining food security and poverty alleviation. The strategic interventions, programs and other
46 activities from the national down to the local levels shall be anchored on the Roadmap. It shall
47 be regularly reviewed and evaluated to determine the accomplishment of its targets. It shall
48 likewise be continually and regularly updated in consultation with industry stakeholders to
49 make it consistent with, and adaptive to, the current industry situation.

1 **Sec. 5** *The Philippine Cacao Industry Council.* For a focused and
2 harmonized implementation of the Philippine Cacao Industry Roadmap and of the provisions
3 of this Act, and to catalyze, provide leadership, and proactively engage stakeholders in
4 the promotion and development of a champion cacao industry, there is hereby created a
5 Philippine Cacao Industry Council, otherwise known as the Council. The Council, which shall
6 be constituted within sixty (60) days from the approval of this Act, shall be attached
7 administratively to the Department of Agriculture (DA) and shall have the following
8 composition:

- 9 a. Secretary of the Department of Agriculture (DA), as Chairman;
- 10 b. Secretary of the Department of Trade and Industry (DTI), as Vice-Chairman;
- 11 c. Secretary of the Department of Science and Technology (DOST), as member;
- 12 d. Secretary of Department of the Interior and Local Government (DILG), as
13 member;
- 14 e. Secretary of the Department of Agrarian Reform (DAR), as member;
- 15 f. Secretary of the Department of Environment and Natural Resources (DENR), as
16 member;
- 17 g. Secretary of the Department of Education (DepEd), as member;
- 18 h. Commissioner of the Commission on Higher Education (CHED), as member;
- 19 i. Director General of the Technical Education and Skills Development Authority
20 (TESDA), as member;
- 21 j. Administrator of the Philippine Coconut Authority (PCA);
- 22 k. Two (2) representatives from civil society organizations from Luzon;
- 23 l. Two (2) representatives from civil society organizations from Visayas; and
- 24 m. Two (2) representatives from civil society organizations from Mindanao.

25 The government sector representatives in the Council may appoint an official alternate
26 with a rank of an Undersecretary or its equivalent. The official alternate shall possess the same
27 powers as the Heads of the above-named government agencies and whose acts shall be
28 considered as acts of the heads of office being represented.

29 Representatives from the civil society organizations shall be appointed by the DA
30 Secretary from among the officers and members of existing regional cacao councils and
31 associations of cacao farmers and other private stakeholders of each island. They shall be
32 chosen based on the following minimum qualifications:

- 33 a. Must be a resident and citizen of the Philippines;
- 34 b. Must be an active member of a non-government cacao organization, association or
35 cooperative, or known and recognized in the cacao industry as an expert in cacao;
- 36 c. Must be engaged in cacao production, research and development, processing,
37 promotion, or in any activity in the cacao value chain from production to local
38 and/or international marketing; and
- 39 d. Must be a person of integrity, respected by the industry, and willing to serve with
40 utmost responsibility and efficiency.

41 Representatives from the civil society organizations shall serve for a period of two (2)
42 years. When a vacancy arises due to the resignation, removal for cause, death or incapacity of a
43 member, a replacement shall be appointed who shall serve for the remainder of the
44 representative's term of office.

45 Government sector representatives shall not be entitled to compensation in the
46 discharge of their functions in the Council but they shall be entitled to reimbursement of any

1 reasonable expenses incurred in the performance of their functions. Private sector
2 representatives shall be entitled to honoraria or allowances for the expenses incurred in the
3 discharge of their functions as members of the Council.

4
5 **Sec. 6. Powers and Functions.** The Council shall have the following general powers
6 and functions:

- 7 a. Formulate, adopt and implement sustainable and industry-wide development
8 policies and programs to steer the growth of the cacao industry towards increased
9 production of fine quality Philippine cacao and its intensive marketing and
10 promotions for domestic and export markets;
- 11 b. Through the Cacao Program Management Office, oversee the implementation of
12 the Philippine Cacao Industry Roadmap;
- 13 c. Ensure the availability of adequate funding for the accomplishment of the targets
14 in the roadmap, and compliance with the declared policies and attainment of the
15 objectives of this Act;
- 16 d. Formulate the criteria and guidelines for the establishment of Cacao Centers of
17 Excellence in major cacao producing regions or in areas suitable for cacao
18 production, and ensure the conduct of relevant research, scientific study and
19 feasible marketing strategies;
- 20 e. In collaboration with the Information and Communications Technology Services
21 of the implementing agencies, establish, maintain and integrate a web-based Cacao
22 Production and Farmers Information System which shall be linked to the Farmers
23 and Fisherfolk Enterprise Development Information System (FFEDIS) of the DA
24 established pursuant to Section 10 of Republic Act (R.A.) No. 11321 or the Sagip
25 Saka Act and its Implementing Rules and Regulations.
- 26 f. Ensure the establishment of cacao production and post-production/ value-adding
27 facilities; adoption and use of modern and advanced technologies for a more
28 profitable, efficient, safe, and environmentally friendly cacao production;
- 29 g. Establish a system for the conduct of capacity building, education, and training of
30 cacao farmers and their organizations;
- 31 h. Serve as the official platform/venue for convergence on policy-making and
32 operations relative to the cacao industry, and to call upon, coordinate and/or
33 collaborate with other agencies of the government, including bureaus, or
34 government-owned and -controlled corporation, local government units, other
35 concerned agencies, the private sector, and other stakeholders;
- 36 i. Formulate policies and programs to promote agribusiness ventures on cacao
37 industry;
- 38 j. Establish linkages and collaborate with national and international organizations,
39 development institutions and funding networks of the cacao industry;
- 40 k. In coordination with the Agricultural Credit Policy Council and other credit
41 facilities and the Philippine Crop Insurance Corporation, formulate and
42 recommend policies and programs on easy access credit programs and provision of
43 crop insurance for the cacao industry stakeholders;
- 44 l. Officially represent the industry in national and international cacao events and
45 fora;
- 46 m. Serve as the sole authorized body in the conduct of major cacao events and
47 activities such as cacao congress, conference, cacao cupping/ sensory and other
48 relevant activities for the promotion of the cacao industry;
- 49 n. Promote and pursue Philippine cacao branding such as denomination of origin,
50 Geographical Indications, etc.;

- 1 o. Develop efficient and effective marketing and promotions systems of cacao for
2 domestic and export markets;
- 3 p. Review, harmonize and update existing standards on cacao and direct or
4 recommend the crafting of additional standards, as necessary;
- 5 q. Review existing and recommend new legislation to develop the cacao industry and
6 promote the welfare of cacao stakeholders;
- 7 r. Formulate consultation mechanism to ensure that farmers, farm workers,
8 processors, and other stakeholders of the cacao industry may actively participate in
9 policy-making, strategic planning, implementation monitoring and feedback needs
10 and concerns of the cacao industry;
- 11 s. Mobilize existing nationwide network of consultative mechanisms to ensure
12 participation of multi-stakeholders in policy development, strategic planning, and
13 monitoring and feedback in the implementation of the Philippine Cacao Industry
14 Development Program;
- 15 t. Conduct an annual review and assessment of the implementation of the Roadmap
16 in consultation with the
17 Philippine Council for Agriculture and Fisheries (PCAF) and other relevant
18 stakeholders to determine the accomplishment of the cacao industry as provided in
19 the Roadmap, and to identify the gaps, issues and challenges in its
20 implementation; and
- 21 u. Perform other functions and duties as may be necessary.

22 **Sec. 7. Meetings.** The Council shall regularly meet at least once every quarter, or as
23 often as the Chairperson deems necessary. The presence of the majority of all the members of
24 the Council shall constitute a quorum. The use of digital technology in the conduct of
25 meetings and approval of Council Resolutions shall be allowed, subject to such security
26 measures as the Council shall implement.

27 **Sec. 8. Cacao Program Management Office.** To manage, oversee and ensure the
28 implementation of the Philippine Cacao Industry Roadmap, the Cacao Program Management
29 Office (Cacao PMO) is hereby created. It shall be headed by an Executive Director to be
30 designated by the Chairperson of the Council and shall be under the supervision of the DA
31 Undersecretary in charge of High Value Crops.

32 The Executive Director shall identify the personnel of the Cacao PMO, subject to the
33 approval of the Secretary of DA. The salaries and positions of the personnel of the Cacao
34 PMO shall be based on the Revised Compensation and Position Classification System and
35 other civil service rules and regulations.

36 **Sec. 9. Functions of the Cacao Program Management Office.** The Cacao PMO shall
37 manage and ensure the implementation of the Philippine Cacao Industry Roadmap and shall
38 identify and recommend to the Council the strategic programs, projects, and interventions to be
39 prioritized for implementation. It shall further:

- 40 a. Provide support services for the coordination and monitoring of the implementation
41 of the programs, policies and plans formulated pursuant to this Act;
- 42 b. Ensure that the roadmaps and other programs are implemented and targets
43 accomplished;
- 44 c. Establish a monitoring and evaluation system by which the Cacao Development
45 Programs shall be evaluated;
- 46 d. Execute policy decision of the Council;

- 1 e. Prepare quarterly report on the implementation of the roadmap to be submitted to
- 2 the Council;
- 3 f. Prepare annual work plan and operating budget of the Council and the Cacao PMO
- 4 for approval of the Council;
- 5 g. Recommend policies and procedures for Council approval;
- 6 h. Function as the Secretariat of the Council and provide general administrative and
- 7 technical support;
- 8 i. Coordinate with the appropriate government agency and private institutions in the
- 9 establishment of an accurate cacao industry data; and
- 10 j. Perform other related functions as may be assigned by the Council.

11 **Sec. 10. Regional Cacao Councils (RCC).** For an effective and efficient implementation
12 of the provisions of this Act, the Council shall create Regional Cacao Councils in cacao-
13 producing regions which shall be composed of the following:

- 14 a. Regional Director of DA, as Chairman;
- 15 b. Regional Director of DTI, as Vice-Chairman;
- 16 c. Regional Director of DOST, as member;
- 17 d. Regional Director of the DILG, as member;
- 18 e. Three (3) representatives from civil society organizations of the cacao industry in
- 19 the region, who shall be chosen by the government representatives of the RCC from
- 20 a list of at least three (3) nominees from the Regional Agriculture and Fisheries
- 21 Council. They shall have the same term and qualifications as the government
- 22 representatives in the Council.

23 The functions of the RCC shall include but not limited to the following:

- 24 a. Localization and implementation of the Philippine Cacao Industry Roadmap,
- 25 including any revisions and updates thereof in the region;
- 26 b. Coordinate and collaborate with partner agencies in the region and with the local
- 27 government units;
- 28 c. Monitor and assess the implementation of the roadmap in their respective region;
- 29 d. Prepare the Annual Work and Financial Plan of the RCC;
- 30 e. Regularly submit a report to the Council on the status of the implementation of the
- 31 roadmap to include the issues and challenges encountered;
- 32 f. Upon consultation with the cacao industry stakeholders, make policy
- 33 recommendations that will enhance existing practices;
- 34 g. Subject to the provisions of Section 13 hereof, and in coordination and
- 35 collaboration with agricultural extension workers (AEWs) of the concerned local
- 36 government unit, assist in the conduct of survey, profiling, review, and evaluation
- 37 of information/data for the regional cacao industry database; and
- 38 h. Perform such other necessary functions that may be assigned by the Council.

39 The RCC shall be assisted by a support staff to be determined and approved by the
40 RCC.

41 **Sec. 11. Establishment of Cacao Centers of Excellence (Centers).** For the enhanced
42 development of the Philippine Cacao Industry, the DA shall establish and maintain Cacao
43 Centers of Excellence in major cacao-producing regions and in areas suitable for cacao
44 production. The establishment and operations of the Center shall be subject to such criteria and
45 guidelines as may be formulated by the Council. In coordination and collaboration with the
46 DOST and the Food and Drug Administration (FDA), relevant government agencies and State
47 Universities and Colleges, the Centers shall function as follows:

- 1 a. Organize systematic programs to improve cacao production including the
- 2 development of effective production and post-production systems to produce fine
- 3 cacao;
- 4 b. Serve as cacao farmer resource center for cacao production from farm to market and
- 5 from bean to bar, to include best practices aligned with the world standards in the
- 6 cacao value and supply chains;
- 7 c. Serve as product development hub for value-added cacao and cacao by-products as
- 8 results of continuous research and development;
- 9 d. Serve as the central site for networking and training;
- 10 e. Develop capacity building programs and initiatives for cacao farmers and other
- 11 stakeholders in the cacao value chain;
- 12 f. Assess, establish, and conduct collaborative research on emerging technology on
- 13 cacao;
- 14 g. Establish and maintain cacao bean grading laboratory to improve and maintain
- 15 cacao quality;
- 16 h. Develop pool of experts of certified cacao graders and promote culture of cacao
- 17 bean profiling and grading using the globally accepted standards and protocols with
- 18 the following core implementing functions: cacao research and development,
- 19 technology transfer and capacity building, socio-economics evaluation, and policy
- 20 research;
- 21 i. Develop new clonal varieties which are high yielding, good quality, and pest and
- 22 disease-resistant cacao varieties which can be easily mass propagated.
- 23 j. Provide technical assistance on nursery establishment, planting systems and
- 24 rehabilitation of farms;
- 25 k. Develop efficient, sustainable, productive, modern and advanced post-harvest and
- 26 processing technologies for cacao beans;
- 27 l. Establish and conduct collaborative research and other scientific studies;
- 28 m. Partner with accredited training centers and implement cacao farming schools as the
- 29 major channels for technology transfer;
- 30 n. Develop and implement programs on capacity-building activities for cacao farmers
- 31 and other stakeholders in the cacao value chain;
- 32 o. Establish and maintain a germplasm collection and gene bank for cacao; and
- 33 p. Perform other functions as may be necessary.

34 The Council shall prioritize the establishment of Centers in existing facilities of the DA,
35 DTI, and of State Universities and Colleges. It may likewise collaborate and partner with the
36 private sector in the establishment of Centers.

37
38 **Sec. 12. *Whole of Government Approach.*** To further strengthen the convergence and
39 the consultative and collaborative mechanism particularly in the regions, all departments,
40 agencies, and instrumentalities of government, including government-owned or –controlled
41 corporations (GOCCs), shall give their support, perform their functions and deliver the
42 required services under this Act in accordance with their respective mandates as provided in
43 their charters and under existing laws, provide assistance and cooperation to the Council in
44 discharging its functions and more importantly, in implementing the Philippine Cacao Industry
45 Roadmap, to include but not limited to the following:

- 46
- 47 a. National Economic Development Authority (NEDA);
- 48 b. Food and Drug Administration (FDA)
- 49 c. State Universities and Colleges;
- 50 d. Philippine Statistics Authority (PSA);
- 51 e. Government financing institutions;
- 52 f. Other agencies or institutions as may be deemed necessary.

1
2 The Council shall ensure that an effective platform is established for the active
3 participation of all stakeholders in the cacao industry for consultative and continuing
4 discussions affecting the cacao industry from the national level to the regional, provincial, and
5 municipal levels.
6

7 **Sec. 13. *The Role of Local Government Units (LGUs).*** Recognizing the role,
8 participation and support of the LGUs in the delivery and implementation of agricultural
9 projects and programs, the Council and the RCC shall coordinate and establish partnerships
10 with the LGUs for the implementation of this Act.
11

12 This shall include coordination and collaboration works of the LGUs' AEWs and the
13 relevant agencies' personnel to ensure the collection of accurate production and post-harvest or
14 processing data, conduct of survey and profiling of cacao farmers, geo-tagging of farms and
15 other relevant sites, and review and evaluation of the gathered cacao farmers' data and related
16 production data and other information.
17

18 For this purpose, Congress shall ensure appropriate funding for the efficient discharge
19 of the critical functions of the AEWs under this Act.
20

21 The LGUs with areas suitable for cacao production are mandated to align their cacao
22 production projects with the Roadmap. They are likewise mandated to provide counterpart
23 funding and services to boost the production of cacao in their jurisdiction.
24

25 **Sec. 14. *Local Chocolate Shops.*** All shops serving cocoa or chocolate drink, including
26 local and foreign franchises, restaurants and hotels are encouraged to serve and include in their
27 menus cacao/chocolate that are grown, produced, sourced and manufactured locally.
28

29 For purposes of this Section, the DTI, shall conduct a separate consultation with relevant
30 stakeholders, including cacao shop owners and franchisees, for the formulation of the
31 guidelines to implement this section. The guidelines shall be incorporated in the
32 Implementing Rules and Regulations of this Act.
33

34 The DTI shall be the lead agency in the implementation of this Section.
35

36 **Sec. 15. *Tax Incentives.*** Any donation, contribution, grant, in cash or in kind, whether
37 local or foreign, which may be made by individuals and organizations, including private
38 entities, which shall provide the appropriate services, technology, facilities, materials and
39 other inputs, and delivery support services for the promotion and development of the
40 Philippine cacao industry, shall be exempt from the donor's tax and the cost of which shall be
41 considered as an allowable deduction from the gross income of the donor in accordance with
42 the provisions of the National Internal Revenue Code of 1997, as amended.
43

44 **Sec. 16. *Review of the Roadmap.*** The Council, in coordination with the Philippine
45 Council for Agriculture and Fisheries (PCAF) and other relevant stakeholders, shall update the
46 Philippine Cacao Industry Roadmap every five (5) years, or sooner as may be deemed
47 necessary.
48

49 **Sec. 17. *Mandatory Review and Impact Assessment.*** The Council, in partnership with the
50 PCAF and other concerned government agencies, the private sector and other stakeholders,
51 shall conduct a mandatory review of the implementation of this Act, and submit such report to
52 Congress to assess its impact and measure its effectiveness. The mandatory review and impact

1 assessment shall be conducted not later than five (5) years from the effectivity of this Act, and
2 , every five (5) years thereafter.

3
4 **Sec. 18. Appropriation.** The funds necessary to carry out the initial implementation of
5 this Act shall be charged against the respective budget of concerned agencies for the current
6 year. Thereafter, such sums as may be necessary for the continued implementation of this Act
7 shall be included in the annual General Appropriations Act.

8
9 **Sec. 19. Implementing Rules and Regulations.** Within one hundred twenty (120) days
10 from the effectivity of this Act, the Secretary of the DA, in collaboration with the DTI,
11 DOST, DILG, ULAP, and CHED, and in consultation the DAR, DENR, PCA, FDA, cacao
12 farmers' organization and association, and other relevant stakeholders shall promulgate and
13 issue the necessary implementing rules and regulations for the effective implementation of
14 this Act. The implementing rules and regulations issued pursuant to this section shall take
15 effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of
16 general circulation.

17
18 **Sec. 20. Separability Clause.** If any provision of this Act is declared invalid or
19 unconstitutional, the other provisions not affected by such declaration shall remain in full force
20 and effect.

21
22 **Sec. 21. Repealing Clause.** All laws, executive orders, administrative orders, and rules and
23 regulations inconsistent with this act are hereby repealed or amended accordingly.

24
25 Nothing in this Act shall amend, modify or repeal the provisions of Republic Act 7900,
26 otherwise known as High-Value Crops Development Act of 1995.

27 **Section 22. Effectivity Clause.** This Act shall take effect fifteen (15) days after the
28 completion of its publication in the Official Gazette or in two (2) newspapers of general
29 circulation.

30
31 *Approved,*

E-FILED



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7439

Introduced by **HON. FERNANDO T. CABREDO**

EXPLANATORY NOTE

This measure seeks to develop the root crops industry in the Bicol Region through the establishment of a Root Crops Research and Development Center in the City of Ligao in the Province of Albay. The Center shall among others, undertake and conduct research and technical studies on the development, production, management, marketing and promotion of root crops and its by-products. It shall also provide technical assistance to root crops farmers and other stakeholders in the Region.

This bill also creates a Root Crops Subsidy Fund that shall be used to financially support the root crops industry in the Bicol Region. The fund shall be directly and exclusively used for root crops planting and cultivation, research and technical studies, and skills training and capital development.

Root crops, like sweet potato or "kamote", peanuts, cassava, taro, and others, have broad adaptability that allows them to be produced even under unfavourable conditions such as drought, poor soils and even typhoons. They are also a rich source of nutrition, are affordable, and are a primary source of sustenance for many people, especially in developing countries. It provides important sources of income through direct sale and value-addition via processing for food and non-food uses.

While coconut is one of the major produce in the Bicol Region, it is notable that root crops such as sweet potatoes have shown resilience in recent typhoons, contributing directly to food security during difficult times, particularly in Albay. Bicol Region, due to its locations, frequently experiences typhoons, floods, and drought that it leads to severe damages of properties and loss of livelihoods in agriculture.

Given the different climatic conditions in the country, the Department of Agriculture adopted a crop diversification scheme wherein planting cash crops and permanent crops increases farming productivity and generates higher yields

According to Secretary William Dar of the Department of Agriculture, there is a need to diversify crop production in the Philippines as about 80% of the country's farmlands are devoted to only three (3) crops such as rice, corn, and coconut. Thus, crop diversification is a strategic plan to increase crop portfolio so that farmers will not solely depend on a single crop like coconut to generate income. DA Secretary Dar believes that aside from its economic benefits to farmers, diversified crops will enhance natural biodiversity, strengthen agro-ecosystem, reduce risk of total crop failures, and provide farmers with alternative source of income.

Crop diversification means the simultaneous growing of cash crops or permanent crops wherein a wide range of crops can be grown under a main crop. Permanent crops like coffee, cacao, abaca, lanzones and other fruit trees can be established. Cash crops, on the other hand, include corn, peanut, sweet potato, arrowroot, ramie and vegetables, among others. High-value crops like cassava, sweet potato, radish also aid in crop diversification.

It is therefore high time that an alternative source of income such as root crops should be developed in the Region that will provide higher profitability and stability in production.

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


FERNANDO T. CABREDO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7439

Introduced by **HON. FERNANDO T. CABREDO**

AN ACT
DEVELOPING THE ROOT CROPS INDUSTRY IN THE BICOL REGION,
CREATING FOR THE PURPOSE THE ROOT CROPS RESEARCH AND
DEVELOPMENT CENTER AND THE ROOT CROPS SUBSIDY FUND, AND
APPROPRIATING FUNDS THEREFOR

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

SECTION 1. Title. - This Act shall be known as the "Root Crops Research and Development Center in the Bicol Region Act."

SECTION 2. Declaration of Policy. - It is hereby declared the policy of the State to promote, support, and strengthen the root crops industry in the Bicol Region, thus providing livelihood opportunities to root crops farmers in the Region.

SECTION 3. Creation of the Root Crops Research and Development Center. - Within a year from the approval of this Act, there shall be established the Root Crops Research and Development Center in the City of Ligao, Province of Albay. The Center shall be attached to the Bicol University.

SECTION 4. Functions of the Root Crops Research and Development Center. - The Root Crops Research and Development Center shall perform the following functions and duties:

- a Undertake and conduct research and technical studies on the development, production, management, marketing and promotion of root crops and its by-products;

SECTION 6. Implementing Rules and Regulations. - The DA and DENR, in collaboration with DTI, DOST, and the Bicol University, shall issue and promulgate the necessary rules and regulations to implement the provisions of the Act.

SECTION 7. Appropriations. - For effective implementation of this Act, the amount of Two Hundred Million Pesos (Php 200,000,000.00) is hereby appropriated from the current and annual budgetary allocations of the DA, fifty percent (50%) of which shall serve as the initial amount for the Root Crops Subsidy Fund under Section 5 of this Act. Thereafter, such sums as may be necessary for its continued implementation shall be included in the annual budget of the DA and under the General Appropriations Act.

SECTION 8. Repealing Clause. - All laws, decrees, executive issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby deemed repealed, amended or modified accordingly.

SECTION 9. 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,