



SEVENTEENTH CONGRESS )  
REPUBLIC OF THE PHILIPPINES )  
FIRST REGULAR SESSION )

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RECEIVED BY: 

**SENATE**

**S.B. NO. 1206**

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**Introduced by SENATOR CYNTHIA VILLAR**

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**“AN ACT CREATING THE BANANA INDUSTRY DEVELOPMENT COUNCIL  
AND PROVIDING FUNDS THEREOF AND FOR OTHER PURPOSES”**

**Explanatory Note**

The Philippines is said to be one of the largest producers of bananas throughout the world. India has the first rank in the list, delivering around 29.8 million tons. The other top producers are - China (11.6 MT), Uganda, (11.2 MT) and Philippines (9.2MT). (1)

Philippines bananas exports by country plummeted in value to US\$439.9 million for 2015, down drastically by -61.3% from \$1.1 billion in 2014. As a world-class banana supplier, the Philippines dropped from third place in 2014 to sixth place behind Ecuador, Belgium, Costa Rica, Guatemala and the United States.

Among continents, Asian countries bought 98% of overall exported Filipino bananas paying \$432.2 billion for their import purchases. Far behind in second place of banana exporters were New Zealand and Australia which, together, consumed 1.5% worth of Filipino bananas shipments. Just 0.3% of Filipino bananas were exported to Europe while 0.2% arrived in North America.

The fastest-growing consumers of Philippine bananas exports since 2011 were: Bahrain (up 822.2% in value), Saudi Arabia (up 638.1%), Malaysia (up 312.3%) and Kuwait (up 195.4%). (2)

Over a five-year time, span, the value of Filipino exported bananas declined - 6.6% from \$471.2 million in 2011.

Based on the Department of Agriculture annual report in 2014, banana is the second largest agricultural export item. Our quality produce comes with a low production cost, thereby making the country one of the largest exporters in Asia. The Bureau of Agricultural Studies said that in 2011, the Philippines has an existing production area of 450,125 hectares that has produced a volume of 9,165,046 MT. The top five producers of banana include the regions of Southern Mindanao, followed by Cagayan Valley, Central Mindanao, and the ARMM. In terms of yield per hectare, the Mindanao region recorded the highest yield. Southern Mindanao recorded an average yield of 34.3 t/ ha; Central Mindanao had 33.94 t/ ha; whereas Northern Mindanao and the ARMM had more than 10 t/ha. The national average yield was 11 t/ha.

The top producers in Southern Mindanao include Davao del Norte, Davao del Sur, and Davao City. Compostela Valley has ventured into large-scale commercial production. Central Mindanao, Lanao del Norte contributed around 78% of the total production in the region. The rest came from North Cotabato and Sultan Kuradat. More than 70% of the total produce of ARMM came from Maguindanao.

It is safe to say that we produce one of the best bananas in the world—but this doesn't spare us from threats affecting the industry. Issues surrounding the banana plantation production have been constantly mounting since time immemorial- this includes labor disputes, environmental hazards, food safety, and sustainable development among others.

### **Health and Ecological Impact of Banana Plantations**

Mendis and Van Bers (2001) noted several health effects brought about by chemical use in banana plantations. Health problems associated with exposure to toxic chemicals among farm workers. About 55% of total production cost of banana was spent on fertilizer and chemicals. The use of fertilizer led to depletion of the soil. Soil analysts reported that intensive land cultivation and overuse of chemicals gravely damaged the land of banana growers in Davao, Philippines. Most banana companies are now on the lookout for more land because the existing plantations have become less productive through the years, a consequence of intensive use of fertilizer and chemicals (JCDB, 1979 as cited in Tabien,2000).

The effects of chemicals, particularly pesticides used in banana plantation, on the environment and public health have been studied throughout the world, specifically in areas where banana plantations have existed for a long period of time. Some of these showed adverse effects of banana plantations.

A study by Foro Emaús (1998) showed the effect of chemicals primarily pesticides, used in banana plantations. Consumer demand for perfect bananas in industrialized countries led to transnational companies producing unblemished bananas of uniform size and color. To be able to produce these perfect bananas, plantations depend on high levels of agrochemical use.

One of the most serious pesticide problems in banana plantations is brought about by the practice of aerial fumigation with products such as benomyl (brand name, Benlate), propiconazole (Tilt 250 EC), chlorothalonil (Bravo 500), and tridemorph (Calixin). In addition to contaminating nearby homes and water, aerial fumigation poisons plantation workers when spraying occurs while they are working.

The banana is an ecologically demanding species that requires abundant humidity, high temperatures, and soil with diverse nutrients. If bananas are cultivated without rotation - on the same land - over a given period, it is common to find all-too-noticeable mineral deficiencies in the soil, especially of calcium, iron, magnesium, nitrogen, phosphorus, potassium, and zinc (Astorga, 1996). The agroecological consequences of intensive monoculture, the total alteration of the biological properties of the soil, and the effects of pesticides on the natural enemies of the pests carry a high price both in terms of regeneration of the soil and appearance of secondary pests.

### **Other problems of the Banana Industry**

The world is now facing a global banana crisis. This disease is called the “Panama Disease” or “Fusarium Wilt”—one which causes wilting and mass plant die-offs, making it the deadliest banana disease in the world. It has already spread from Asia, to parts of Australia, Africa and the Middle East. Last 2014, about 3,000 hectares of banana plantation was abandoned in Mindanao alone. Another challenge faced by this industry is the alleged production of sub-standard crop contaminated with a high residue of pesticide, which threatens our role in the world trade.

In 2009 it was reported that in Quirino, only 7,000 hectares are left; out of the 12,000 hectares planted to the crop in the early 1990s. This is due to bunchy top disease. (4) (Banana Farming: A lucrative, yet dying industry, PhilStar, 2009).

The high potential of our banana industry alongside the pressing issues make it necessary for the Government to focus on how to improve our banana produce and to eliminate these posed threats to make our position in the trade both effective and efficient for the economy and our banana farmers (3).

### **Why is banana a high value crop**

Saba banana is a triploid hybrid (ABB) banana cultivar originating from the Philippines. It is primarily a cooking banana though it can also be eaten raw. It is one of the most important banana varieties in Philippine cuisine. It is also sometimes known as the cardaba banana, though the latter name may be more correctly applied to a very similar cultivar also classified within the saba subgroup. Other commonly grown bananas in the Philippines aside from Cavendish banana are Lakatan bananas, also called Bungulan, Latundan and Señorita bananas.

In Luzon under ideal conditions, lakatan is highly profitable compared to rice, according to research made by the Isabela State University-Santiago campus.

At the high end, a one hectare irrigated farm with 2,000 banana plants produces about 20 kilos per banana plant per harvest. When sold at P30 per kilo (the current average price), this means P600 per bunch. With an average of two to three harvests a year, this translates to P1.2 million per hectare per year.

In comparison, a hectare of irrigated rice produces P40,000 per harvest. At twice a year, this amounts to only P80,000.

The high-yield, high-profit figures come from bananas planted in irrigated farms with high inputs of fertilizer, pest control and deleafing to control pests and diseases.

In non-irrigated areas, a hectare with 2,000 banana plants yields about 15 kilos per bunch. When sold at just P15 per kilo, for instance, it still amounts to P450,000 per hectare per year; still considerably higher than what a farmer can expect to earn from rice farming.

Banana is a major crop in the Cagayan Valley, third after corn and rice.

  
**CYNTHIA A. VILLAR**  
Senator

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- (3) (<http://www.mindanews.com/top-stories/2016/10/da-to-set-up-p100-m-one-stop-shop-lab-in-bago-oshiro/>)
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
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**“AN ACT CREATING THE BANANA INDUSTRY DEVELOPMENT COUNCIL AND PROVIDING FUNDS THEREOF AND FOR OTHER PURPOSES”**

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

1 **Section 1. Title.** - This Act shall be known as the “Banana Industry Development Act  
2 of 2016”

3 **Section 2. Declaration of Policy.** –The State recognizes the importance of agriculture  
4 in making available food and other products necessary to sustain and enhance human  
5 life, and in providing livelihood to a major portion of the population.

6 It distinguishes the importance of food security for every Filipino family and recognizes  
7 our farmers as one of its most important partners in reaching its goals.

8 It also recognizes the rights of the farmer workers to be entitled to such benefits provided  
9 under the Labor Code. As provided in Art. II, Sec. 18 of the Constitution, “The State affirms  
10 labor as a primary economic social force. It shall protect the rights of the workers and  
11 promote their welfare”.

12 **Section 3. Definition of Terms.** – As used in this Act, the following words and phrases  
13 shall mean as follows:

14 **A. Cooperatives**– refer to groups of individuals (either growers or workers or both)  
15 that engage in legitimate business within the banana industry.

16 **B. Consumers**– they are the end user/buyer of bananas in the banana-importing or  
17 producing countries/farms.

18 **C. Secretariat Services**- the officials or office entrusted with administrative duties,  
19 maintaining records, and overseeing or performing secretarial duties

20 **D. Workers**- All workers that are engaged in activities in banana plantations.  
21

22 **Section 4. Objectives.** - This Act seeks to attain the following objectives:  
23

24 A. To give the people involved in banana farming a fair share of the country's  
25 wealth through empowered government assistance, training, and support;

- 1 B. To mandate the owners of banana plantations to comply with laws, conform to
- 2 environmental standards and use a reasonable or limited amount of pesticides
- 3 and chemical fertilizers;
- 4 C. To assist these farmers/farm owners to obtain the highest yield of return
- 5 possible; and
- 6 D. To promote the import and export of bananas.

7  
8 **Section 5. Creation of the Banana Industry Development Council (BIDC).** – To carry  
9 out the policy and program provided in this Act, a Banana Industry Council (BIDC) shall  
10 be formed to organize, plan, and implement necessary guidelines and regulations to  
11 achieve these objectives.

12  
13 The BIDC shall ensure the full participation of the Local Government Units involved,  
14 cooperatives, NGOs and the private sectors to attain its objectives.

15  
16 **Section 6. Composition of the BIDC** – The BIDC shall be composed of the following:

- 17 A. The Secretary of Agriculture or his designated undersecretary as chairperson;
- 18 B. The Secretary of the DENR or his duly authorized representative possessing
- 19 similar skills and qualifications;
- 20 C. Fifteen (15) representatives from legitimate banana plantation/farmers'
- 21 cooperative who shall own or till not more than five (5) hectares of banana
- 22 plantation. Each island group must be at least be represented by three. They shall
- 23 be nominated by the farmers group in their respective island group and who shall
- 24 be chosen by the chairperson from the list of five (5) nominees.
- 25 D. Three (3) representatives from the business/industry sector chosen by their peers.

26 **Section 7. Powers and Functions of the BIDC.** – The BIDC shall have the following  
27 powers, functions, and obligations:

- 28 A. Formulate policies, plans, programs and projects to better assist, train and support
- 29 the Banana Industry for its competitiveness and sustainability and the
- 30 establishment of an efficient and integrated supply chain;
- 31 B. Call upon private sectors, cooperatives, academe to provide information and
- 32 guidance pertaining to the banana industry farming;
- 33 C. Adequate supply and widespread use of tissue cultured planting materials to
- 34 minimize risks and stronger resistance to disease and pests' infestation;
- 35 D. Submit annual and other periodic report to be submitted to the Department of
- 36 Agriculture of the accomplishment of the Industry;
- 37 E. Identify areas for expansion to meet foreign and local demands;
- 38 F. Address issues pertaining to new diseases, tariffs, climate change challenges,
- 39 regulations, among others.
- 40 G. Provide development framework and implementation mechanisms for the optimum
- 41 development of the banana industry in the Philippines.
- 42 H. Protect and preserve the native Philippine banana varieties.

- 1 I. Enhanced flow and quality of extension services for banana farming to facilitate  
2 adoption of Good Agriculture Practices for improved productivity and product  
3 quality;  
4 J. Improved access to, availability, use, and utilization of organic fertilizer and other  
5 inputs; while reducing environmental costs and production losses;  
6 K. Perform such other functions as may be necessary for the continued  
7 enhancement, growth and development of banana plantation and trade  
8 businesses in the country and for export.

9 **Section 8. Secretariat of the BIDC.** – The BIDC Secretariat shall be constituted and be  
10 under the direct supervision of the Department of Agriculture under the High Value Crops  
11 Development Program (HVCDP) (RA 7900) which helps promote the production,  
12 processing, marketing and distribution of high value crops. A position of an Executive  
13 Director shall be created to supervise the day-to-day operations of the Banana Industry  
14 Development Council.

15 **Section 9. Implementing Rules and Regulations.** – The BIDC shall be constituted  
16 within ninety (90) days from the approval of this Act.

17 **Section 10. Repealing Clause.** – All laws, Presidential Decrees, Executive Orders and  
18 Memoranda contrary or inconsistent to this Act are hereby repealed, amended or modified  
19 accordingly.

20 **Section 11. Separability Clause.** - If any part or provision of this Act is held to be  
21 unconstitutional or void, the remaining parts not declared as such shall be considered as  
22 valid and shall remain in full force and effect.

23 **Section 12. Effectivity.** - This Act shall become effective fifteen (15) days after its full  
24 publication in the official Gazette or newspaper of general circulation.