

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 SEP 12 P 1 :26

SENATE

S.B. No. 1304

RECEIVED BY: _____

Introduced by **SENATOR IMEE R. MARCOS**

AN ACT
URGING THE PLANNING, EVALUATION, AND PROMOTION OF BANANA FOR
INTERNATIONAL EXPORT, ESTABLISHING THE BANANA EXPORT
DEVELOPMENT COUNCIL, AND PROVIDING FUNDS THEREFOR

EXPLANATORY NOTE

Bananas are one of the primary agricultural exports of the Philippines. The Philippines started exporting bananas in 1968, with Japan being the primary destination. As of 2021, the Philippines, previously the second largest exporter in the world, is now third, trailing Ecuador and Costa Rica. This is due to a reduction in the banana exports, from USD 1.93 billion in 2019 to USD 1.12 billion in 2021. The country's largest export markets are China, Japan, and Korea.

Looking at the industry trend, production is decreasing due to the prevalence of the Panama disease or *Fusarium* wilt. From 2018 to 2021, total production decreased by more than 260 thousand metric tons due to a decrease in total acreage, from 445 thousand hectares in 2018 to 444 thousand hectares in 2021. As such, there is a need for government to provide assistance to the sector in order to address the Panama disease outbreak in the country.

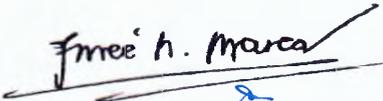
The banana export sector of the country has several disadvantages. On the processed sector, the lack of processing equipment for the production of banana chips and other processed products hinder the growth of the sector. There is a need for the

Department of Agriculture to organize the small farmers, provide them with access to processing facilities, and link them with exporters.

The Philippines also has difficulties complying on the stringent regulations of the major markets in the region. In particular, complying with Sanitary and Phytosanitary (SPS) permit and Good Agricultural Practice (GAP) remains problematic. There is a need for the Department of Agriculture to provide the farmers with the necessary training and assistance needed to comply with SPS and GAP standards. The Department of Foreign Affairs also need to negotiate with our trade partners in order to facilitate the process of granting of the said permits.

The biggest disadvantage of the banana export sector is the Free Trade Agreements that the other exporters are signing with our trade partners. Japan already offers zero tariff rates on bananas imported from Viet Nam, Peru, Ecuador, and Indonesia. Korea already offers or is scheduled to offer zero tariff rates on bananas imported from Peru, Costa Rica, El Salvador, Honduras, Nicaragua, Panama, Columbia and Viet Nam, reducing the competitiveness of our banana exports. There is a need for the Department of Foreign Affairs and the Department of Agriculture to negotiate with our trade partners to preserve the competitiveness of Philippine Banana exports in the region.

Given the abovementioned circumstances, the immediate passage of this bill is necessary.


IMEE R. MARCOS

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

1 **SECTION 1. Short Title.** – This Act shall be known as the "Banana Export Act of
2 2022."
3

4 **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to
5 develop and promote a globally competitive banana industry with the objective of
6 increasing banana farmers' income, encouraging the production of export-quality fruits,
7 and promoting international trade and industry.
8

9 **SEC. 3. Establishment of the Banana Export Promotion Council (BEPC).** – A
10 council, composed of the Secretary of the Department of Agriculture (DA) or his
11 representative as the Chairperson, the Secretary of the Department of Foreign Affairs
12 (DFA) or his representative, the Secretary of the Department of Trade and Industry
13 (DTI) or his representative, and one (1) each from the banana growers and commercial
14 processors' sectors to be designated by the Secretary of the DA shall be created
15 immediately upon the effectivity of this Act to ensure the government's, support, and
16 assistance to banana exporters. The Bureau of Plant Industry (BPI) under DA, through
17 the office which implements the High-Value Crops Development Program, shall be
18 designated as the BEPC'S Secretariat.
19

1 **SEC. 4. Functions of the BEPC.** – The BEPC, in consultation with the Department
2 of Environment and Natural Resources (DENR), Department of Science and Technology
3 (DOST), state universities and colleges, banana growers' and processors cooperatives
4 and organizations, local government units, and the private sector, shall formulate a (10)
5 year framework to be validated and updated annually. Such Framework shall serve as
6 guide to the formulation and implementation of plans, programs and projects for the
7 production, processing and marketing of banana for export worldwide, as envisioned in
8 this Act. The Framework shall likewise provide for the following:

9
10 *a. National Expansion Plans and Programs* – The DA, DOST, state universities
11 and colleges (SUCs) and other stakeholders shall encourage the conduct of research on
12 banana, particularly in the areas of crop improvement (development of new varieties),
13 crop protection, harvesting and postharvest handling, supply chain analysis, marketing
14 and promotion. Model farm shall also be established in key banana growing areas of
15 the country to showcase the latest technologies in banana propagation, production,
16 Integrated Pest Management (IPM), Good Agricultural Practice (GAP) post-harvest
17 handling, and processing, packaging and branding.

18
19 *b. Investment Promotion and Facilitation* – The DA and DTI shall establish
20 linkages between stakeholders in the banana industry, Government Financial
21 Institutions (GFIs) and private financial entities. Programs to invite the private sector to
22 banana production and processing shall likewise be developed.

23
24 *c. Export Promotion Support* – An integrated export strategy shall be created, to
25 include branding, advertising, market research and analyses, and updated phyto-
26 sanitary guidelines. Foreign trade and export promotion activities such as training,
27 technical assistance, capacity building, information on export opportunities, export
28 planning assistance, and participation in international agriculture food and events shall
29 be facilitated.

30
31 *d. Formulation of Trade Policies* – The BEPC shall a consultative approach at
32 every stage of the trade policy-making process, inviting all banana stakeholders. The
33 DFA shall lead the negotiation of Free Trade Agreements (FTAs) to provide a
34 competitive environment for Filipino banana exports overseas.

35
36 *e. Monitoring and Evaluation* – The BEPC shall continuously monitor, and
37 evaluate the results programs implemented by the various stakeholders and

1 government agencies, providing overall coordination and end-to-end management of
2 the export process.

3
4 **SEC. 5. *Appropriation.*** – The amount necessary to implement this Act shall be
5 included in the annual General Appropriations Act (GAA). Thereafter, such funds as may
6 be necessary for the continued implementation of this Act shall be included in the
7 succeeding annual GAA.

8
9 **SEC. 6. *Repealing Clause.*** – All provisions of existing laws, orders and
10 regulations contrary to or inconsistent with this Act are hereby repealed or modified
11 accordingly.

12
13 **SEC. 7. *Separability Clause.*** – If for any reason any part or provision of this Act
14 shall be deemed unconstitutional or invalid, the other sections or provisions hereof shall
15 not be affected and shall remain in force and effect.

16
17 **SEC. 8. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
18 publication in the Official Gazette or in a newspaper of general circulation.

Approved,