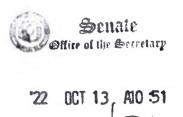
NINETEENTH CONGRESS OF THE) REPUBLIC OF THE PHILIPPINES) *First Regular Session*)



RECEIVED BY:

SENATE

S. No. <u>1387</u>

Introduced by Senator MANUEL "LITO" M. LAPID

AN ACT CREATING A CACAO RESEARCH AND DEVELOPMENT CENTER, AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Constitution, Art. XIII, Section 5, provides that, "[t]he State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers' organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services."

Cacao is a small evergreen plant introduced by the Spaniards to the Philippines in 1674 to 1680. Its seeds or beans are used to make cocoa and chocolate, which has medicinal uses as well as culinary purposes.

Worldwide consumption of chocolate has been gradually increasing by 3% annually with new market demand growing steadily in regions like Central Asia and Eastern Europe. Particular increases in demand have been observed in mainland China, India, and various states of the Russian Federation. Major cocoa bean processors include Hershey's, Nestle, and Mars, all of which purchase cocoa beans via various sources.

The very rich and fertile Philippine soil is well suited for the production of cacao yet the country has been observed to import large amounts annually. In 2018, the Philippines produced 7,983.20 metric tons of cacao and exported 2,732.6 metric tons of cacao beans.

Production is highest in the Davao region, representing 82% of total production.¹

International prices for cacao beans have been steadily rising. A boost in exports would generate dollar earnings for local exporters. Moreover, growth in the cacao industry would increase livelihood and jobs for Filipinos.

The legislation envisions the creation of a center that will have general powers and functions in line with the research and development of the Department of Agriculture-Bureau of Agricultural Research (OA-BAR), Department of Science and Technology (DOST), Department of Trade and Industry (DTI), and the National Economic and Development Authority (NEDA). The Center will be in the forefront of educating and training all stakeholders in the cacao industry; conducting relevant researches, scientific study and feasible marketing strategies; extending technologies; and creating linkages with international organizations and other cacao development centers in other countries,

In view of this, early passage of this bill is sought.

MANUEL "LITO" M. LAPID Senator

¹ https://www.vancouverpcg.org/wp-content/uploads/2020/09/7-The-Philippine-Cacao-Industry-Rev3.pdf

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

SENATE

s. No. 1387

Introduced by Senator Manuel "Lito" M. Lapid

1 AN ACT 2 CREATING A CACAO RESEARCH AND DEVELOPMENT CENTER, 3 AUTHORIZING THE APPROPRIATION OF FUNDS THEREFOR, AND FOR 4 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. *General 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;
- 15 c. Extend technologies; and
- d. Establish linkages with international organizations and other cacao
 development centers in other countries.

18 Sec. 3. *Specific Powers and Functions*. - The Center shall have the following 19 specific powers and functions:

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2	a.	Develop productive, high yielding, good quality varieties of cacao;
3	b.	Develop efficient, economic and productive cacao production
4		technologies;
5	с.	Develop effective and sound cacao processing technologies for varieties
6		"Forastero", "Criollo" and other outstanding varieties of cacao;
7	d.	Develop effective production systems for all cacao varieties;
8	e.	Establish and maintain germ plasm collection and gene bank for cacao;
9	f.	Develop effective and efficient marketing systems for cacao;
10	g.	Evolve productive cacao-based farming systems;
11	h.	Develop and implement appropriate and suitable technology packages
12		and effective technology transfer schemes, especially the conduct of
13		training programs;
14	i.	Upgrade the skills of development facilitators, extensionists and farmers
15		through trainings, seminars, and workshops on cacao production and
16		postharvest handling and processing;
17	j.	Establish national and international linkages for cacao research,
18		development, extension and production activities; and
19	k.	Coordinate with other government/non-government agencies involved
20		in the development of the cacao industry.
21	Sec. 4. Qualifications of the Executive Director. — The Center shall be headed	
22	by an Executive Director who shall be responsible for the planning, implementation,	
23	and supervision of the Center's program of activities. The Executive Director shall	
24	possess the	following qualifications:
25	a.	Must be at least forty (40) years old;
26	b.	Must have completed substantial and relevant education and must have
27		experience in cacao research and development; and
28	с.	Must be of good moral character and must not have been involved in a
29		legal case involving moral turpitude.

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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;
- 9 c. One (1) representative from a non-governmental organization (NGO) 10 working on cacao production, research and development and 11 processing;
- 12 d. One (1) representative from the group of cacao traders;
- 13
- e. One (1) representative from the group of cacao processors; and
- 14 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. *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. 8. *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.

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Sec. 9. *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. 10. *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.

7 Approved,

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