

FIFTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
*First Regular Session*

SENATE  
OFFICE OF THE SECRETARY

10 JUL -8 P2:40

**SENATE**

S. No. 1041

RECEIVED BY: 

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Introduced by Senator Manuel "Lito" M. Lapid

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### **EXPLANATORY NOTE**

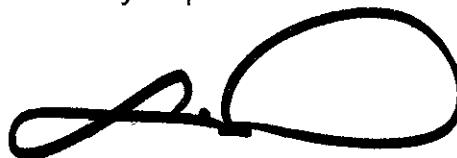
Of recent, coffee production has become a boom industry in the country. With the introduction in the market of Starbucks, Seattle's Best and other high-end coffee shops, the demand for the excellent varieties of coffee has reached unparalleled height. Even the country's pride, Figaro, has set standards of global competitiveness by opening satellite stores in Hongkong and in Southeast Asia.

True enough, the demand for coffee has outpaced harvests and production. The Makati Business Club (MBC) cited that local demand had already perked up to 55,000 tons while production stood at only 35,000 tons. Areas planted to coffee declined from about 100,000 hectares in 1986 to only 78,000 hectares at present.

In the province of Cavite, a new festivity called "Tahimis" is being touted as a coffee feast celebration in Amadeo. It is a tribute for the greatness of coffee, the town's bountiful and chief harvests. It is for this reason that the Province of Cavite and its municipalities and cities and the Cavite State University spearheaded the campaign for the creation of a Coffee Research, Development and Extension Center (CoRDEC).

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

In view of the foregoing, approval of this bill is earnestly requested.



**MANUEL "LITO" M. LAPID**  
*Senator*

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**AN ACT**  
**CREATING A COFFEE RESEARCH, DEVELOPMENT AND EXTENSION**  
**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 Coffee Research and Development Extension Center.*** - The Coffee Research and Development and Extension Center (hereinafter referred to as CoRDEC) based at the Cavite State University (CvSU), in the Municipality of Indang, Province of Cavite is hereby established.

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

- a. Educate and train all stakeholders of the coffee industry;
- b. Conduct relevant researches, scientific study and feasible marketing strategies;
- c. Extend technologies; and
- d. Linkage with international organizations and other coffee development centers in other countries.

**SEC. 3.** The Center shall have the specific powers and functions:

- a. Develop productive, high yielding, good quality varieties/trains of coffee;

- b. Develop efficient, economic and productive coffee production technologies;
- c. Develop effective and sound coffee processing technologies for varieties "Exelsa", "Liberica" and other outstanding varieties coffee;
- d. Develop effective production systems for all coffee varieties;
- e. Establish and maintain germplasm collection and gene bank for coffee;
- f. *Develop effective and efficient marketing systems for coffee;*
- g. Evolve productive coffee-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, estensionists and farmers through trainings, seminars and workshop on coffee production and postharvest handling and processing;
- j. Establish national and international linkages for coffee research, development, extension and production activities; and
- k. Coordinate with other government/non-government agencies involved in the development of the coffee 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:

- 4.1. Must not be more than fifty (50) years of age;
- 4.2. Must have completed substantial and relevant education and experience on coffee research and development; and
- 4.3. Must be of good moral character and has not 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 University President of the Cavite State University, as Vice Chairman;
- c. The Secretary of the Department of Trade and Industry, as Member;

- d. One (1) representative from a non-governmental organization (NGO) working on coffee production, research and development and processing;
- e. One (1) representative from the group of coffee traders;
- f. One (1) representative from the group of coffee processors; and
- g. One (1) representative from the group of coffee growers.

**SEC. 6. Quorum.** - The presence of at least five (5) members at the time of the meeting shall constitute the quorum: *Provided, however,* That the Chairman, in his/her absence, the Vice Chairman, shall preside.

**SEC. 7.** 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 Section 105(s) of the Tariff and Customs Code, Section 103(f) of the National Internal Revenue Code and to the provisions on Automatic Appropriations under the General Appropriations Act.

**SEC. 8. Main Office of the Center.** - The main offices, experimental area and nursery of the Center shall be located at the Cavite State University campus in Indang, Cavite. The Center may hereafter establish similar facilities in its other service areas in order to promote the development of the coffee industry in the country.

**SEC. 9. 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, development and extension activities shall be included in the annual General Appropriations Act.

**SEC. 10. 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 and which shall be used by the Center in the furtherance of its goals and objectives.

**SEC. 11. Repealing Clause.** - All existing laws, rules and regulations or part thereof 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. 12. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days of its complete publications in the Official Gazette or in at least two (2) newspapers of national circulation.

***Approved,***