

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




Senate
Office of the Secretary

13 JUL -1 P5:07

SENATE

S. No. 238

RECEIVED BY: 

Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

This bill seeks to revive the dwindling cacao industry of the country.

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. As of 2008, the country reported 1.5 million cacao trees with production at 6,000 metric tons annually. This placed the country as 18th ranked world-wide amongst cacao-producing nations. Southern Mindanao is the country's largest cacao-producing region with Davao Oriental registering nearly 4,000 hectares of cacao trees.

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 (DA-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 the foregoing, the immediate passage of this bill is earnestly sought.

MANUEL "LITO" M. LAPID



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S. No. 238

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AN ACT
CREATING A CACAO RESEARCH AND DEVELOPMENT 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:

1 **SEC. 1. Establishment of a Cacao Research and Development Center.** – The
2 Cacao Research and Development Center is hereby established.

3
4 **SEC. 2. Powers and Functions.** - The Center shall have the following general powers
5 and functions in line with the research and development programs of the Department of
6 Agriculture - Bureau of Agricultural, Research (DA-BAR), Department of Science
7 and Technology (DOST), Department of Trade and Industry (DTI), and National
8 Economic and Development Authority (NEDA):

- 9
10 a. Educate and train all stakeholders of the cacao industry;
- 11
12 b. Conduct relevant research, scientific study, and feasible marketing
13 strategies;
- 14
15 c. Extend technologies; and
- 16
17 d. Establish linkages with international organizations and other cacao
18 development centers in other countries.

19
20 **SEC. 3.** The Center shall have the specific powers and functions:

- 21
22 a. Develop productive, high yielding, good quality varieties of cacao;
- 23
24 b. Develop efficient, economic and productive cacao production
25 technologies;
- 26
27 c. Develop effective and sound cacao processing technologies for varieties
28 "Forastero", "Criollo" and other outstanding varieties of cacao;
- 29
30 d. Develop effective production systems for all cacao varieties;
- 31
32 e. Establish and maintain germplasm collection and gene bank for cacao;

- 1 f. Develop effective and efficient marketing systems for cacao;
2
3 g. Evolve productive cacao-based farming systems;
4
5 h. Develop and implement appropriate and suitable technology packages
6 and effective technology transfer schemes, especially the conduct of
7 training programs;
8
9 i. Upgrade the skills of development facilitators, extensionists and
10 farmers through trainings, seminars, and workshops on cacao production
11 and postharvest handling and processing;
12
13 j. Establish national and international linkages for cacao research,
14 development, extension and production activities; and
15
16 k. Coordinate with other government/non-government agencies involved in
17 the development of the cacao industry.
18

19 **SEC. 4. *Qualifications of the Executive Director.*** - The Center shall be headed by an
20 Executive Director who shall be responsible for the planning, implementation, and
21 supervision of the Center's program of activities. The Executive Director shall possess
22 the following qualifications:
23

- 24 a. Must not be more than fifty (50) years of age;
25
26 b. Must have completed substantial and relevant education and must
27 have experience in cacao research and development; and
28
29 c. Must be of good moral character and must not have been involved in a
30 legal case involving moral turpitude.
31

32 All other officers and employees of the Center shall be appointed by the
33 Executive Director consistent with the provisions of the Civil Service laws, rules and
34 regulations.
35

36 **SEC. 5. *Advisory Board.*** - The plans and programs of the Center shall be reviewed
37 annually by the Advisory Board composed of:
38

- 39 a. The Secretary of the Department of Agriculture as Chairman;
40
41 b. The Secretary of the Department of Trade and Industry, as Vice
42 Chairman;
43
44 c. One (1) representative from a non-governmental organization (NGO)
45 working on cacao production, research and development and processing;
46
47 d. One (1) representative from the group of cacao traders;
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49 e. One (1) representative from the group of cacao processors; and
50
51 f. One (1) representative from the group of cacao growers.
52

53 **SEC. 6. *Quorum.*** - The presence of at least four (4) members at the time of the
54 meeting shall constitute the quorum: Provided, however, that in the absence of the
55 Chairman, the Vice Chairman shall preside.
56

1 **SEC. 7.** The Center is hereby authorized to plan, construct, develop, improve,
2 acquire, or lease buildings, farms, fields and other facilities, to purchase
3 machineries, equipment, materials and supplies locally or abroad as may be
4 necessary to carry out its functions and objectives. Moreover, the Center shall enjoy
5 exemption from taxes and other duties in the importation of such machineries,
6 development and extension programs, subject to the provisions' of the Tariff and
7 Customs Code, the National Internal Revenue Code and the provisions on
8 Automatic Appropriations under the General Appropriations Act.
9

10 **SEC. 8. *Appropriation.*** - The amount of Fifty Million Pesos (Php50,000,000,00)
11 is hereby authorized to be appropriated from the Special Activities Fund of the
12 President of the Republic of the Philippines, or from any other sources that may be
13 identified for the purpose. Thereafter, such sum required for its operation,
14 maintenance, research, and development shall be included in the annual General
15 Appropriations Act.
16

17 **SEC. 9. *Revolving Fund.*** - Any and all savings and income of the Center shall
18 constitute a revolving fund which shall not be reverted to the General Fund but shall
19 be used by the Center in the furtherance of its goals and objectives.
20

21 **SEC. 10. *Repealing Clause.*** - All laws, presidential decrees, executive orders, rules
22 and regulations, or parts thereof which are inconsistent with the provisions of this Act
23 are hereby repealed, superseded or modified accordingly: Provided, however, That
24 nothing in this Act shall amend, modify or repeal the provisions of Republic Act No.
25 7160, otherwise known as the Local Government Code.
26

27 **SEC. 11. *Separability Clause.*** - If any part or provision of this Act shall be held
28 unconstitutional or invalid, other provisions hereof which are not affected shall continue
29 to be in full force and effect.
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31 **SEC. 12. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its
32 publication in the Official Gazette or in at least two (2) newspapers of general
33 circulation.

Approved,