

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

SENATE



SENATE
Office of the Secretary

S. No. 899

'19 AUG 13 P1 :09

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

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



MANUEL "LITO" M. LAPID
Senator

SENATE



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REGISTERED

**AN ACT
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OTHER PURPOSES**

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

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

3

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

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

14

15 Sec. 3. The Center shall have the specific powers and functions:

16

- 17 a. Develop productive, high yielding, good quality varieties of cacao;
18 b. Develop efficient, economic and productive cacao production technologies;

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

17

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

- 22 a. Must be at least forty (40) years old;
- 23 b. Must have completed substantial and relevant education and must have
- 24 experience in cacao research and development; and
- 25 c. Must be of good moral character and must not have been involved in a legal
- 26 case involving moral turpitude.

27

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

30

31 *Sec. 5. Advisory Board.* — The plans and programs of the Center shall be
32 reviewed annually by the Advisory Board composed of:

- 1 a. The Secretary of the Department of Agriculture as Chairman;
- 2 b. The Secretary of the Department of Trade and Industry, as Vice Chairman;
- 3 c. One (1) representative from a non-governmental organization (NGO) working
- 4 on cacao production, research and development and processing;
- 5 d. One (1) representative from the group of cacao traders;
- 6 e. One (1) representative from the group of cacao processors; and
- 7 f. One (1) representative from the group of cacao growers.

8

9 Sec. 6. *Quorum.* — The presence of at least four (4) members at the time of

10 the meeting shall constitute the quorum: Provided, however, that in the absence of

11 the Chairman, the Vice Chairman shall preside.

12

13 Sec. 7. The Center is hereby authorized to plan, construct, develop, improve,

14 acquire, or lease buildings, farms, fields and other facilities, to purchase

15 machineries, equipment, materials and supplies locally or abroad as may be

16 necessary to carry out its functions and objectives. Moreover, the Center shall enjoy

17 exemption from taxes and other duties in the importation of such machineries,

18 development and extension programs, subject to the provisions of the Tariff and

19 Customs Code, the National Internal Revenue Code and the provisions on Automatic

20 Appropriations under the General Appropriations Act.

21

22 Sec. 8. *Appropriation.* - The amount of Fifty Million Pesos (Php50,000,000,00)

23 is hereby authorized to be appropriated from the Special Activities Fund of the

24 President of the Republic of the Philippines, or from any other sources that may be

25 identified for the purpose. Thereafter, such sum required for its operation,

26 maintenance, research, and development shall be included in the annual

27 General Appropriations Act.

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29 Sec. 9. *Revolving Fund.* — Any and all savings and income of the Center shall

30 constitute a revolving fund which shall not be reverted to the General Fund but shall

31 be used by the Center in the furtherance of its goals and objectives.

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1 Sec. 10. *Repealing Clause.* — All laws, presidential decrees, executive orders,
2 rules and regulations, or parts thereof which are inconsistent with the provisions of
3 this Act are hereby repealed, superseded or modified accordingly: Provided, however,
4 That nothing in this Act shall amend, modify or repeal the provisions of Republic Act
5 No. 7160, otherwise known as the Local Government Code.

6
7 Sec. 11. *Separability Clause.* — If any part or provision of this Act shall
8 be held unconstitutional or invalid, other provisions hereof which are not affected
9 shall continue to be in full force and effect.

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11 Sec. 12. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its
12 publication in the Official Gazette or in at least two (2) newspapers of
13 general circulation.

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15 *Approved,*

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