

SENATE
S.B. No. 870

'19 AUG -6 P1:32

Introduced by **SENATOR IMEE R. MARCOS**

RECEIVED BY: 

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 2018, the Philippines is the second largest exporter of banana in the world, trailing only Ecuador. The Philippines exported 2.95 million metric tons of bananas in 2018, generating a total export revenue of 1.4 billion US dollars. The country's largest export markets as of 2018 are China, Japan, and Korea.

Looking at the industry trend, production is slowly increasing. After a decrease in production last 2016, the banana industry rebounded and produced 9.4 million metric tons of banana last 2018. This is due to an increase in both acreage and the number of trees for the past 3 years. Acreage increased from 440 thousand hectares on 1st half of 2016 to 446 thousand hectares on 2nd half of 2018. The number of trees followed a similar pattern, with the number of trees increasing from 440 million trees on 1st half of 2016 to 446 million trees on 2nd half 2018.

Despite its standing in the global market, 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 is also having 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.

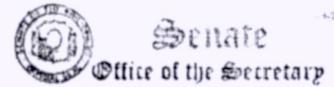
The biggest disadvantage that the banana export sector have are the Free Trade Agreements that the other exporters are signing with our trade partners. Japan already offers zero tariff rates on bananas imported from Viet Nam, Peru, Ecuador, and Indonesia. Korea already offers or is scheduled to offer 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.

A handwritten signature in black ink, appearing to read "Imee R. Marcos", with a long, sweeping horizontal line underneath it.

IMEE R. MARCOS
Senator

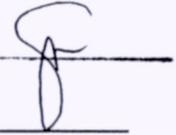
EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'19 AUG -6 P 1 :32

SENATE
S.B. No. 870

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**

*Be it enacted by the Senate and the 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 2019.”
2
3 Section 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
4 develop and promote a globally competitive banana industry with the objective of
5 increasing banana farmers’ income, encouraging the production of export-quality
6 fruits, and promoting international trade and industry.
7
8 Section 3. *Establishment of the Banana Export Promotion Council (BEPC).* – A council,
9 composed of the Secretary of the Department of Agriculture (DA) or his representative
10 as the Chairperson, the Secretary of the Department of Foreign Affairs (DFA) or his
11 representative, the Secretary of the Department of Trade and Industry (DTI) or his
12 representative, and one (1) each from the banana growers and commercial

1 processors' sectors to be designated by the Secretary of the DA shall be created
2 immediately upon the effectivity of this Act to ensure the government's, support, and
3 assistance to banana exporters. The Bureau of Plant Industry (BPI) under DA, through
4 the office which implements the High-Value Crops Development Program, shall be
5 designated as the BEPC'S Secretariat.

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

- 14
- 15 a. National Expansion Plans and Programs – The DA, DOST, state universities and
16 colleges (SUCs) and other stakeholders shall encourage the conduct of research
17 on banana, particularly in the areas of crop improvement (development of new
18 varieties), crop protection, harvesting and postharvest handling, supply chain
19 analysis, marketing and promotion. Model farm shall also be established in key
20 banana growing areas of the country to showcase the latest technologies in banana
21 propagation, production, Integrated Pest Management (IPM), Good Agricultural
22 Practise (GAP) post-harvest handling, and processing, packaging and branding.
- 23
- 24 b. Investment Promotion and Facilitation – The DA and DTI shall establish linkages
25 between stakeholders in the banana industry, Government Financial Institutions
26 (GFIs) and private financial entities. Programs to invite the private sector to banana
27 production and processing shall likewise be developed.
- 28
- 29 c. Export Promotion Support. – An integrated export strategy shall be created, to
30 include branding, advertising, market research and analyses, and updated phyto-
31 sanitary guidelines. Foreign trade and export promotion activities such as training,
32 technical assistance, capacity building, information on export opportunities, export

1 planning assistance, and participation in international agriculture food and events
2 shall facilitated.

3
4 d. Formulation of Trade Policies. – The BEPC shall a consultative approach at every
5 stage of the trade policy-making process, inviting all banana stakeholders. The DFA
6 shall lead the negotiation of Free Trade Agreements (FTAs) to provide a
7 competitive environment for Filipino banana exports overseas.

8
9 e. Monitoring and Evaluation. – The BEPC shall continuously monitor, and evaluate
10 the results programs implemented by the various stakeholders and government
11 agencies, providing overall coordination and end-to-end management of the export
12 process.

13 Section 6. *Appropriation.* – To provide for the funding requirements for aggressive
14 production programs, of the banana, for international export, there is hereby created
15 a Banana Export Development Fund (BEDF), with an initial amount of five hundred
16 million pesos (P500,000,000.00) to be taken from the existing budget of the
17 Department of Agriculture. Thereafter, the BEDF shall be sourced from the amounts
18 be appropriated in the General Appropriations Act in the year following its enactment
19 into law. Other sources of funds, including but not limited to borrowings from local
20 and international financial institutions, shall also be considered to further support the
21 BEDF. In addition, one (1) percent of the revenue from the banana export (as levy)
22 shall be allocated to research and development to address the priority problems of the
23 industry.

24 Section 7. *Repealing Clause.* – All laws or parts thereof, decrees, orders, rules and
25 regulations inconsistent with the provisions of this Act are hereby repealed or modified
26 accordingly: Provided, however, that nothing in this Act shall be construed or applied
27 as amending the CARP and other laws on agrarian reform.

28
29 Section 8. *Separability Clause.* – If any of the provisions of this Act is declared invalid,
30 the other provisions not affected thereby shall remain in full force and effect.

1 Section 9. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following its
2 publication in a newspaper of general circulation or in the Official Gazette, whichever
3 comes first.

Approved,

4