

Republic of the Philippines
House of Representatives
Quezon City

Fifteenth Congress
Second Regular Session

HOUSE BILL NO. 5221



Introduced by **RAYMOND DEMOCRITO C. MENDOZA**

EXPLANATORY NOTE

The most promising agriculture-based industry that has a great potential to boost rural development, particularly in Mindanao, where the poverty rate is high is the *export banana industry*. Since its inception 44 years ago, and up until now, the Philippine export banana industry continues to provide livelihood to three hundred twenty thousand (320,000) workers and their families. The industry pays an average of P30 billion per year for workers' salaries and wages excluding benefits.

The industry pays an estimated total of PhP1.78 Billion in local taxes per year. This is in addition to the estimated PhP1.2 Billion in annual tax payments of industry contractors and suppliers.

Because of the banana industry the peace and order situation has improved and better governance became possible where people's livelihood is sustainable.

Presently, only 80,000 hectares of croplands in Mindanao are being utilized for export bananas. This is only 0.8% of Mindanao's total land area of 10,204,300 hectares. Yet, the export banana industry is the country's' second biggest dollar-earning agricultural enterprise next to the coconut industry which uses 4.5 million hectares. Annually, the industry's average foreign exchange earnings is US\$720 million.

Moreover, the export banana industry also provides huge income opportunities for some 30,000 agrarian reform beneficiaries. The Government's Comprehensive Agrarian Reform Program has nowhere found a more progressive and hospitable ally than the export banana industry.

Needless to say, the industry has become a potent instrument of development and empowerment for almost two million residents of Mindanao who depend on it. They were able to improve the quality of their lives with the help of the industry. Truly, the export banana industry is a great blessing to many people in Mindanao.

Now, it is ironic that the strategic value of the industry was built with little or no assistance from Government. The industry's global competitiveness must be strengthened with the assistance from the Government in the area of research and development. This is what the small growers need most.

Funds must be allotted for the research and development programs of the industry. A National Research, Development and Extension Center for Banana (NRDECB) can be created to assist the industry for more advanced and scientific farm operations in such areas such as land preparation, plant breeding, planting, crop-protection, harvesting and processing.

Most importantly, a banana research institute is necessary in addressing banana pests and diseases that threatens the viability of Philippine bananas. Black sigatoka, banana bunchy top or *bugtok* and the most dreaded notorious infection called Fusarium wilt or Panama Disease are just some of the diseases that could cripple both the small growers and corporate farms.

There is, we feel, an urgent need for research and development facilities, scientific and environment-friendly interventions, to enable the banana industry to cope with global standards for productivity and food safety without sacrificing people's health and the environment.

In view of the foregoing, approval hereof is highly recommended.



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- d. Develop effective and sound banana processing technologies for outstanding banana varieties;
- e. Develop effective and efficient production systems for all banana varieties;
- f. Establish and maintain germplasm collection and gene bank for banana;
- g. Assist in the development of effective and efficient marketing systems for banana;
- h. Evolve productive banana-based farming systems;
- i. Develop and implement appropriate and suitable technology packages and effective technology transfer schemes, especially the conduct of training programs;
- j. Upgrade the skills of development facilitators, extension workers and farmers through trainings, seminars and workshops on banana production and postharvest handling and processing;
- k. Establish national and international linkages for banana research, development, extension and production activities; and
- l. Coordinate with other government/ non-government agencies involved in the development of the banana industry.

Section 4. 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:

- a. Must have completed substantial and relevant education and experience on banana research and development; and
- b. Must be of good moral character and has not been involved in a legal case involving moral turpitude.
- c. 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.

Section 5. The plans and programs of the Center shall be reviewed annually by the Advisory Board which shall be composed of:

- a. The Secretary of the Department of Agriculture as Chairman;
- b. The Secretary of the Department of Science and Technology as Vice Chairman;
- c. The Secretary of the Department of Trade and Industry as Member;
- d. The Secretary of the Department of Environment and Natural Resources as Member;
- e. The University President of the University of Southeastern Philippines as Member;
- f. One (1) representative from a non-governmental organization (NGO) working on banana production, research and development and processing;
- g. One (1) representative from the industry group of the banana exporters; and
- h. One (1) representative from the labor unions or cooperatives present in the industry.

Section 6. The presence of at least five (5) members of the Advisory Board at the time of the meeting shall constitute a quorum: Provided however, that in case of the absence of the Chairman, the Vice Chairman shall preside the meeting.

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2 **Section 7.** The Center is hereby authorized to plan, construct, develop, improve,
3 acquire or lease buildings, farms, fields, and other facilities, to purchase
4 machineries, equipment, materials and supplies locally or abroad as may be
5 necessary to carry out its functions and objectives. Moreover, the Center shall enjoy
6 exemption from taxes and other duties in the importation of machineries,
7 development and extension programs, subject to the provisions of Section 105(s) of
8 the Tariff and Customs Code, Section 103(f) of the National Internal Revenue Code
9 and to the provisions on Automatic Appropriations under the General Appropriations
10 Act.

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12 **Section 8.** The main offices, experimental area and nursery of the Center shall be
13 located at the University of Southeastern Philippines in Davao City. The Center may
14 hereafter establish similar such facilities in its other service areas in order to promote
15 the development of the banana industry in the country.

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17 **Section 9.** To carry out the provisions of this Act, the amount of THREE HUNDRED
18 MILLION PESOS (Php300,000,000.00) is hereby appropriated from the funds of the
19 National Treasury. Thereafter, such sums as may be necessary to maintain the
20 operations of the Center shall be included in the General Appropriations Act.

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22 **Section 10.** Any and all savings and income of the Center shall constitute a
23 revolving fund which shall not be reverted to the General Fund and which shall be
24 used by the Center in the furtherance of its goals and objectives.

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26 **Section 11. Implementing Rules and Regulations.** The Advisory Board shall
27 promulgate rules and regulations to implement the provisions of this Act.

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29 **Section 12. Repealing Clause.** All laws, decrees, orders, rules and regulations
30 inconsistent with or contrary to the provisions of this Act are hereby amended or
31 repealed accordingly.

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33 **Section 13. Effectivity Clause.** This Act shall take effect fifteen (15) days following
34 its complete publication in the National Gazette or in at least two (2) newspapers of
35 general circulation, whichever comes earlier.

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