

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Seventeenth Congress
Second Regular Session

HOUSE BILL NO. **6358**



Introduced by Representative Sharon S. Garin

EXPLANATORY NOTE

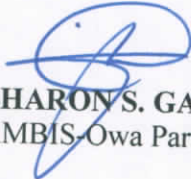
We are a nation of coffee drinkers. It is an undeniable fact that coffee has become a staple beverage among Filipinos. From consumer drinks from your favourite coffee shop chain, to high-class brews from specialty stores, to 3-in-1 coffee mixes sold by the packet – the demand for coffee bisects the class divide and coffee drinkers come from all over the economic spectrum.

In a research study from Kantar Worldpanel Philippines, a company specializing in consumer knowledge and insights based on continuous consumer panels, it was found out that Filipinos shifted from being moderate to heavy coffee drinkers. Filipinos are buying coffee products close to twice a week, or about 81 times a year, spending an average of P22 per shopping trip. Heavy coffee buyers, on the other hand, buy close to thrice a week, or 126 times in a year, spending an average of P28 per shopping trip. Tracking the shopping behavior of 3,000 households across the country from June 2014 to June 2015, it was discovered that 30% of beverage allowance is spent on coffee.

For being a nation filled with coffee drinkers, it is saddening to know that the local coffee industry, from coffee growers, processors and traders, is in such a sorry state. The Philippines produces around 30,000 metric tons of coffee per year but local demand is for 100,000 metric tons. Local supply cannot fulfill local demand that we have to import coffee just to meet it. Our coffee production ranks us 110th in the world in terms of output. For comparison, our South East Asian neighbor, Vietnam, ranks 2nd. The last time the Philippines was a leader in the coffee industry was when we were still under Spanish control – we were the 4th biggest exporter of coffee beans in 1880.

This bill seeks to revitalize our coffee industry, especially when it comes to export, by creating the National Coffee Board that will take charge of developing programs and instituting industry-wide improvements that would benefit farmers, processors, traders, consumers, and other industry partners.

In view of the forgoing, the passage of this bill is earnestly sought.


SHARON S. GARIN
AAMBIS-Owa Partylist

1 Republic of the Philippines
2 HOUSE OR REPRESENTATIVES
3 Quezon City, Metro Manila

4
5 Seventeenth Congress
6 Second Regular Session

7
8 HOUSE BILL NO. **6358**
9

10 **Introduced by Representative Sharon S. Garin**
11
12

13 **AN ACT**
14 **ESTABLISHING A NATIONAL PROGRAM FOR THE COFFEE INDUSTRY**
15 **PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

16 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
17 *assembled:*
18

19 **SECTION 1. Title.** – This act shall be known as the “**Coffee Industry Development**
20 **Act**”

21 **SEC. 2. Declaration of Policy** – It is hereby declared the policy of the State to
22 promote the coffee industry as an income source of farmers and increase farm productivity
23 for sustainable development.

24 **SEC. 3. Creation of a National Coffee Board** – There shall be a National Coffee
25 Board, hereinafter referred to as the Board, that shall direct, supervise and monitor the
26 development and promotion of the coffee industry. The board shall be composed of:

- 27 a. Secretary of the Department of Agriculture (DA) as Chairman;
28 b. Secretary of the Department of Trade and Industry (DTI) as Vice Chairman;
29 c. Secretary of Department of Science and Technology (DOST);
30 d. Secretary of Department of the Interior and Local Government (DILG);
31 e. One (1) representative from State Universities and Colleges;
32 f. One (1) representative from the League of Municipalities where coffee is primarily
33 grown;

- 1 g. One (1) representative from an Non-Governmental Organization (NGO) working on
- 2 coffee production, research and development, processing or promotion;
- 3 h. One (1) representative from coffee growers;
- 4 i. One (1) representative from coffee traders; and
- 5 j. One (1) representative from coffee processors.

6 **SEC. 4. *Development of the Coffee Industry*** – The Board, in consultation with the
7 Department of Science and Technology (DOST), state universities and colleges, farmer
8 groups, local government units, and the private sector, shall formulate necessary programs
9 and projects for the advancement and industry-wide development of coffee in the Philippines,
10 as follows:

- 11 a. Create and maintain a coffee industry roadmap that will outline the planned programs
- 12 and projects to develop the coffee industry on a national scale;
- 13 b. Organize systematic programs that could improve coffee production including the
- 14 development of effective production systems;
- 15 c. Promote the coffee industry to investors;
- 16 d. Provide technical assistance on planting systems and rehabilitation of farms;
- 17 e. Develop efficient and productive processing technologies for coffee beans;
- 18 f. Allow and facilitate the establishment of credit programs in government banks for
- 19 coffee farmers;
- 20 g. Conduct research and other scientific studies on coffee;
- 21 h. Establish and maintain a germplasm collection and gene bank for coffee;
- 22 i. Provide marketing and promotions of coffee for domestic and export markets;
- 23 j. Classify coffee as a high value crop;
- 24 k. Establish a coffee processing facilities for farmers and farmer's organizations; and

- 1 I. Coordinate and collaborate with other government and non-government agencies
2 involved in the development of the coffee industry.

3 **SEC. 5. *Secretariat of the Coffee Board*** – The Undersecretary of Agriculture in
4 Charge of Crops and the Head of the Bureau of Plant Industry shall be the Secretariat of the
5 Board. The Office of High Value Crops Development shall establish an office space for the
6 Coffee Board for their meetings.

7 **SEC. 6. *Appropriation*** – The amount of fifty million pesos (Php50,000.000.00) shall
8 be allocated from the Special Activities Fund of the President of the Republic of the
9 Philippines or from any other sources that may be identified for the purpose for the operation,
10 industry development as contained in Section 4 hereof. Thereafter, such sum required shall be
11 included in the annual General Appropriations Act of the Department of Agriculture.

12 **SEC. 7. *Separability Clause*** – If any provision or part hereof is held invalid or
13 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
14 valid and subsisting.

15 **SEC. 8. *Repealing Clause*** – All existing laws, rules and regulations or part thereof
16 inconsistent with the provisions of this Act are hereby repealed, superseded or modified
17 accordingly.

18 **SEC. 9. *Effectivity Clause*** – This Act shall take effect fifteen (15) days after its
19 complete publication in the Official Gazette or in two (2) newspaper of general circulation.

20 *Approved,*