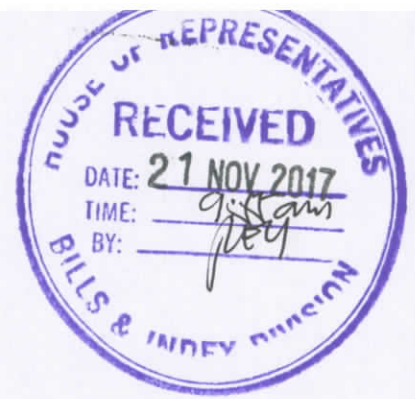


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 6664



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

The Native Abaca, endemic to the Philippines, had already been cultivated as far back as pre-Colonial period¹, with its fibers being woven into fabric. At present, the fibers have evolved into a number of uses, such as a substitute for synthetic materials like plastic². Its high tensile strength and versatility for manufacture into a wide-range of products has propelled the Philippines to being the largest producer of Abaca fibers, supplying about 87% of the world's requirement for the product³. The Abaca industry has recorded an annual average of PhP 4.7 Billion in export earnings, per the Philippine Fiber Industry Development Authority (PhilFIDA)⁴.

Internationally known as "Manila hemp", the Abaca continues to be one of the priority agricultural commodities of the Department of Agriculture⁵. This legislation intends to support the growth of this industry by institutionalizing the Philippine Abaca Industry Development Program, a 10-year framework for plans, projects, and policies for scientific propagation, processing utilization, and expansion of trade of Philippine Abaca. This aims to also help solve problems in the cultivation of Abaca plants and ensure its competitiveness.

¹ <http://www.abacaphilippines.com/abaca.php?go=about>

² <http://www.philfida.da.gov.ph/index.php/archived-articles/19-philippine-abaca-helps-in-global-environment-conservation>

³ Ibid.

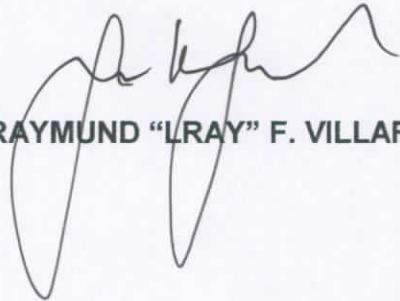
⁴ Ibid.

⁵ <http://www.philstar.com/agriculture/2017/01/08/1660512/new-hybrid-varieties-tighten-abaca-industry>

Reportedly, demand for the commodity is increasing while production has slowed⁶. In addressing this, the bill proposes for the production extension and infrastructure development for the industry to provide adequate technologies and facilities for production and strengthen the sectors involved in the development of the Philippine Abaca. The bill proposed also ensures that this development program is sufficiently funded by creating a Philippine Abaca Development Fund for needed technologies for the program, in addition to PhilFIDA's existing allocation under the General Appropriations Act.

The future is filled with opportunities for the Abaca industry, with new hybrid varieties being produced and studied by experts in the country⁷. And with demand not showing signs of slowing down, focus on the sustainability of the Abaca plant and the industry in general is imperative. The State is here to push this progress forward through meaningful legislation and keep the country's place in the world market.

The approval of this bill is earnestly sought.



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

⁶ <http://www.philstar.com/business/2016/09/09/1621741/abaca-shortage-pulling-price>

⁷ <http://www.philstar.com/agriculture/2017/01/08/1660512/new-hybrid-varieties-tighten-abaca-industry>

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HOUSE BILL NO. 6664

Introduced by HONORABLE LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

AN ACT

INSITUTIONALIZING THE PHILIPPINE ABACA INDUSTRY DEVELOPMENT
PROGRAM, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* – This Act shall be known as the "Philippine Abaca Industry Development Program of 2017".

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and promote the right of the Filipino people to a better quality of life, improve their living conditions, through programs that provide sustainable livelihood, increase employment and protect the environment.

SECTION 3. *Definition of Terms.* – For the purpose of this Act, the following terms shall refer to:

- a) Program – the Philippine Abaca Industry Development Program designed to promote competitiveness of the Abaca Industry worldwide.
- b) Philippine Abaca Industry Development Council (PAIDC) – the Council established herewith.
- c) Secretariat – the Secretariat of the PAIDC as contained herewith shall be PhilFIDA.

SECTION 4. There is hereby created a Philippine Abaca Industry Development Coordinating Council (PAIDCC), hereinafter referred to as the Council, administratively attached to the Department of Agriculture, charged with the main function of coordinating the activities of various agencies and instrumentalities to ensure the accomplishment of the Philippine Abaca Framework for Development.

The Chairman of the Council shall submit an annual report to both Houses of Congress on the status of the implementation of this Act.

SECTION 5. *Composition.* – The Philippine Abaca Industry Development Coordination Council shall be composed of the following:

- a) Secretary of the Department of Agriculture as Chairman (DA);
- b) The Executive Director of PhilFIDA as Head of the Council Secretariat;
- c) Head of the National Abaca Research Center (NARC);
- d) Secretary of the Department of Environment and Natural Resources (DENR);
- e) Secretary of the Department of Agrarian Reform (DAR);
- f) Secretary of the Department of Science and Technology (DOST);
- g) Secretary of the Department of Trade and Industry (DTI);
- h) Representative from the League of Municipalities of the Philippines;
- i) Representative from the League of Provinces;
- j) Representative from a reputable Private Abaca Industry Association;
- k) Two (2) Representatives from Abaca Farmers'/Producers'/Processors' Associations;
- l) One (1) Representative from Non-Governmental Organizations (NGOs).

The Council shall regularly meet every two (2) months and may hold special meetings, whenever the need arises, to consider urgent matters upon the call of the Chairman or any seven (7) Council members.

SECTION 6. Institutionalizing the Philippine Abaca Industry Development Program (PAIDP). – There is hereby established the Philippine Abaca Industry Development Program within the mandate of the Philippine Fiber Development Authority

(PhilFIDA) which shall be a ten (10) year Framework for Development, to be validated and updated annually. Such Framework shall serve as guide to the formulation and implementation of plans, projects, programs, and policies for the scientific propagation, processing, utilization, and expansion of trade of Philippine Abaca. The Framework shall likewise provide for the following:

- a) Site Identification – The Department of Environment and Natural Resources in coordination with the Department of Agriculture, Department of Agrarian Reform and the local government units, shall identify the broad areas suitable for the planting and propagation of Philippine Abaca, within six (6) months after the effectivity of this Act.
- b) Scientific Propagation and Development – The Department of Environment and Natural Resources and the Department of Science and Technology shall establish cultivation and propagation of Philippine disease free and disease resistant varieties of abaca. The DOST shall also provide for the transfer and improvement of appropriate technology and techniques, which will be utilized in the production, processing, marketing and distribution. Particular emphasis shall also be made on adoption and upgrading of post-harvest technology;
- c) Production Support and Extension – The Department of Environment and Natural Resources, Department of Agriculture, Department of Trade and Industry, and the Department of Science and Technology in coordination with the local government units and non-governmental organizations, Technical Education and Skills Development Authority (TESDA), Cooperative Development Authority (CDA), state universities and colleges (SUCs), and other relevant government agencies, shall establish programs which promote and provide adequate training on adapting technologies to individuals engaged in propagation, production, processing, marketing and distribution of Philippine abaca, strengthen farmers'/producers'/processors' cooperatives and organizations involved in the sustainable and viable development of Philippine abaca.
- d) Market Promotion and Expansion of Trade – The Department of Trade and Industry, in coordination with Private Industry Associations, shall linkup agribusiness cooperatives and organizations directly with consumers' cooperatives and organizations, agro-processing companies, or exporters to

provide marketing outlets and assure relatively higher and stable prices of abaca. This also includes exploring national and international markets and facilitating the participation of local farmers, growers, and exporters in local and international conferences, trade fairs, expositions, and exhibits;

- e) Infrastructure Development – Access to post harvest facilities, storage and distribution/transport facilities of existing government agencies shall be facilitated by the Department of Environment and Natural Resources, local government units, and the Department of Agriculture.
- f) Quality Assurance – To ensure health and proper trading, the Department of trade and Industry, Department of Science and Technology, and PhilFIDA, respectively, shall establish and enforce standards in grading, sampling and inspection, tests and analysis, specifications, nomenclature, units of measurement, packaging, preservation, conservation or transportation of Philippine abaca products and by-products; and
- g) Philippine Abaca Information Center – The Department of Trade and Industry in coordination with Local Government Units shall establish a Philippine Abaca Information Center in areas where they are abundant.

SECTION 7. *Philippine Abaca Development Fund.* – To provide for the funding requirements for the propagation, production, processing, marketing, promotion and distribution of Philippine abaca, there is hereby created a Philippine Abaca Development Fund (PADF), with an initial amount of Five Hundred Million Pesos (Php 500,000,000.00) upon the approval of this Act and every year thereafter, to be provided by the Department of Budget and Management in the PhilFIDA's budget. This is in addition to PhilFIDA's existing allocation under the General Appropriations Act for the development of other fibers and its administrative, regulatory and operational expenses. Of this amount, Fifty Million Pesos (Php 50,000,000.00) shall be allocated for the Philippine Abaca Research Center, Visayas State University in Baybay, Leyte, for the abaca research and development and extension program.

For the succeeding years, for the next nine (9) years from the approval of this Act, a minimum amount of not less than Five Hundred Million Pesos (Php 500,000,000.00) annually shall be allocated for the development and sustainability of the Abaca

Industry. The requirements of cooperating agencies shall be incorporated in their respective budget from the General Appropriations fund.

SECTION 8. *The Council Secretariat.* – The Council Secretariat shall be headed by the Executive Director of the PhilFIDA. The Secretariat and technical staff shall be detailed from their existing personnel without prejudice to the designation by the Council of such additional staff members as it may deem necessary for the proper discharge of its function and responsibilities.

SECTION 9. *Implementing Rules and Regulations.* – The Philippine Abaca Industry Development Coordinating Council shall formulate and prescribe the necessary implementing rules and regulations to carry out the provisions of this Act.

SECTION 10. *Repealing Clause.* – All laws, decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 11. *Separability Clause.* – If any provision of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SECTION 12. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,