

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

Seventeenth Congress
Second Regular Session

House Bill No. **7369**



Introduced by **Honorable Cesar V. Sarmiento**

EXPLANATORY NOTE

This bill declares the province of Catanduanes as the Abaca Capital of the Philippines with the corresponding government support and budget allocation.

Section 1, Article XII of the 1987 Constitution of the Philippines provides that the State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets. Pursuant to such pronouncement, the State recognizes that one of the means by which socio-economic advancement can be attained is through agricultural development.

According to the Philippine Fiber Industry Development Authority (PhilFIDA), the Philippines has produced a total of 496,069.10 bales (1 bale = 125 kilograms) of abaca in 2016. Additionally, in the first quarter of 2017, the country has already produced 130,090.30 bales of abaca.¹ Statistics from the Department of Agriculture (DA) show that from 2009-2013 the Bicol Region is the top producer of abaca fiber having produced 22,987 metric tons which comprise 39% of the national produce.²

Furthermore, the province of Catanduanes produces roughly 92.3% of the total abaca production of the Bicol Region and comprises 34.9% of the total abaca production of the country.³ Reportedly, Catanduanes has a total of over 35,500 hectares of abaca land and 15,454 Catandunganon farmers use this for their livelihood. Thus, Catanduanes has earned the title "abaca county" for being the biggest abaca-producing province in the Philippines.

Not only that, Catanduanes can also be considered as the top abaca producer in the world, providing 87.17% of global output. By itself, Catanduanes produces 23,540 metric tonnes of abaca. Our small island province even beats Ecuador which only ranks second in abaca production with a total produce of 8,555 metric tonnes. Our abaca exports are also worth \$114.79 million which is bought by countries such as the United States, United Kingdom, and Germany.⁴

Despite being the top producer in the Philippines and of the world and despite the global demand, very little support is given by the national government to the abaca industry as a whole, much less to the abaca industry in Catanduanes. For years, the DA and PhilFIDA have not realized the global potential of abaca and have not prioritized the development of the local abaca industry.

¹ Philippine Fiber Industry Development Authority. Fiber Statistics 2016 and 2017.

² Department of Agriculture Region V. Philippine Rural Development Program (PRDP) at 14.

³ Id. at 15.

⁴ PhilFIDA, 2015 figures

What is worse, we do not only fail to promote the said industry but we also have no mechanisms in place for its protection. In December 2016, abaca plantations in Catanduanes were heavily devastated by Typhoon *Nina*. The total damage has amounted to PhP 206.4 million. The abaca rehabilitation fund, which amounted to a meager Php 5 million, only came more than a year later in spite of the earnest appeals for immediate government support.

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

A handwritten signature in black ink, appearing to read 'Cesar V. Sarmiento', with a stylized flourish at the end.

CESAR V. SARMIENTO

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**AN ACT DECLARING THE PROVINCE OF CATANDUANES AS THE ABACA
CAPITAL OF THE PHILIPPINES AND FOR OTHER PURPOSES**

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

SECTION 1. SHORT TITLE. – This Act shall be known as “**Catanduanes as Abaca Capital Act.**”

SECTION 2. DECLARATION OF POLICIES. – It is hereby declared the policy of the State to promote and support the abaca industry in the country, especially in the Province of Catanduanes. As the country’s highest producer of abaca fiber, utmost priority shall be given to increase the quantity, develop the quality and sustain the production of abaca fiber in Catanduanes in order to adequately meet local and global market demands.

In addition, measures must be taken to safeguard the country’s abaca industry from external factors brought about by typhoons, earthquakes, pests and various crop diseases, and other calamities.

SECTION 3. ABACA CAPITAL OF THE PHILIPPINES. – Pursuant to the abovementioned public policy, the Province of Catanduanes is hereby declared or granted the official designation as the Abaca Capital of the Philippines.

SECTION 4. CREATION OF AN ABACA RESEARCH AND DEVELOPMENT CENTER. – Within a year from the approval of this Act, there shall be created an Abaca Research and Development Center in Catanduanes which shall be attached to the Catanduanes State University-College of Agriculture and Fisheries.

SECTION 5. FUNCTIONS OF THE ABACA RESEARCH AND DEVELOPMENT CENTER. – The Abaca Research and Development Center shall perform the following functions:

- a. Undertake and conduct researches and technical studies on the development, production, management, and marketing of abaca fiber;
- b. Provide technical assistance and support to abaca farmers and other stakeholders nationwide;
- c. Develop appropriate technologies beneficial to the abaca industry;
- d. Train faculty members and other research personnel who will undertake research and development work on abaca;

- e. Publish research studies, papers, articles, and other works or writings relating to abaca R&D on a regular basis with the end goal of benefitting abaca farmers and other stakeholders nationwide;
- f. Coordinate with the Department of Agriculture, the Philippine Fiber Industry Development Authority, the Provincial Government of Catanduanes, and with the National Abaca Research Center to consolidate all policies, programs, and projects on abaca research and development.

SECTION 6. IMPLEMENTING RULES AND REGULATIONS. – The Department of Agriculture and the Philippine Fiber Industry Development Authority, in collaboration with the Catanduanes State University, shall issue and promulgate the necessary rules and regulations to accordingly implement the said Act.

SECTION 7. APPROPRIATIONS. – For the effective implementation of this Act, the amount of One Hundred Million Pesos (PhP100,000,000.00) is hereby appropriated from the unappropriated funds of the National Treasury. Thereafter, such sums as may be necessary for its continued implementation shall be included in the General Appropriations Fund.

The amount to be appropriated shall be used primarily to increase the quantity of abaca plants through planting of more seedlings or increasing hectarage; to develop abaca fiber quality through the use of technological innovations; to market abaca fiber and products derived from it; and to support the operation of the Abaca Research and Development Center in Catanduanes.

SECTION 8. ESTABLISHMENT OF ABACA CALAMITY FUND. – Notwithstanding and without suspending other fund sources for rehabilitation of abaca farms, an Abaca Calamity Fund shall be established and shall serve as a special fund for the purpose of rehabilitation of future damages to the abaca industry in the Province of Catanduanes caused by typhoons, pests and other calamities.

This fund shall comprise 10% of the total initial appropriation for the implementation of this Act. Thereafter, 10% of the succeeding annual appropriations for the implementation of this Act shall be reserved as Abaca Calamity Fund.

SECTION 9. SEPARABILITY CLAUSE. – If any provision of this Act shall be unconstitutional, any other provision not otherwise affected shall remain in full force and effect.

SECTION 10. REPEALING CLAUSE. – All laws, decrees, ordinances, rules, and regulations, executive or administrative orders, and other presidential issuances inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SECTION 11. EFFECTIVITY. – This Act shall take effect fifteen (15) days after publication in at least two (2) newspapers of general publication.

Approved,