

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
Second Regular Session



**HOUSE BILL NO. 7793**

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Introduced by: **"KUYA" JOSE ANTONIO R. SY-ALVARADO**

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**EXPLANATORY NOTE**

Cacao or cocoa is a small evergreen plant introduced by the Spanish in the year 1600. It is primarily used as the main ingredient for making cocoa, which in turn is used in making delicious chocolates. During the colonial era, it was considered a cash crop since it was produced for its commercial value rather than for use by the grower.

The data according to the Department of Agriculture shows that the demand for cacao is exponentially rising since it has a lot of health benefits and has a wide use for food beverage, medicine, cosmetics and a good source of income for the farmers. The climate of the Philippines is best suitable for the growing of these crops. However, local production is declining since it is only home grown into small and medium scale enterprise.

The purpose of this bill is to provide a national program for education and training, scientific research and development and providing market strategies growing and selling this valuable cacao to serve the local and international demand for the product.

Hence, this proposal is submitted for consideration.

**"KUYA" JOSE ANTONIO R. SY-ALVARADO**  
*Representative*  
*First District of Bulacan*

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**AN ACT**  
**ESTABLISHING A NATIONAL PROGRAM FOR THE CACAO INDUSTRY**  
**PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

Section 1. This Act shall be known as the "Cacao Industry Development Act of 2017".

Section 2. ***Declaration of Policy.*** – it is hereby declared the policy of the state to develop a sustainable cacao industry optimizing local production capacity, the application of sustainable agriculture practices, securing quality raw materials and the processing, marketing of cacao beans in its raw or processed form and to be able to participate in the international cacao trade for the economic relief of smallholder farmers.

Section 3. ***National Cacao Development Council.*** - The National Cacao Development Council shall be composed of the Department of Agriculture (DA) Undersecretary in Charges of Crops,

1. High Value Crops Development Program Head;
2. DA — Bureau of Agricultural Research;
3. Department of Science and Technology (DOST);
4. Department of Trade and Industry (DTI);
5. National Economic and Development Authority (NEDA);
6. One (1) representative from the group of cacao traders;
7. One (1) representative from the group of cacao processors; and
8. One (1) representative from the group of cacao growers.

Section 4. ***The Objectives of the Program are as follows -***

- a) Impose Food Security by enhancing the ability to produce or procure cacao;
- b) Encourage Private Sector Investment in agribusiness through policy reforms and advocacy, access to financing and cost-effective incentives.
- c) Expand Income Opportunities for producers and other entrepreneurs especially from value-adding activities.

d) Provide Improved Technologies for fresh and processed cacao beans towards meeting world standards for competitiveness.

Section 5. **Powers and Functions.** - The Council shall have the following general powers and functions:

1. Formulate the cacao development plan;
2. Educate and train all stakeholders of the cacao industry;
3. Conduct the relevant research, scientific study and feasible marketing strategies;
4. Establish and develop effective production systems for cacao varieties;
5. Establish and maintain productive, high yielding and good quality cacao varieties;
6. Establish and maintain germplasm collection and gene bank for cacao;
7. Update cacao processing technologies;
8. Develop effective and efficient marketing system for cacao;
9. Establish linkages with national and international organizations and development centers of the cacao industry; and
10. Coordinate with other government and non-government agencies involved in the development of the cacao industry.

Section 6. **Meetings.** - The Council shall meet once every quarter or may call on a special meeting, as needed, upon a week's notice in writing.

Section 7. **Quorum.** - The presence of at least five (5) members at the time of the meeting shall constitute the quorum; provided, however, that in the absence of the Chairman, the Vice Chairman shall preside.

Section 8. **Role of the Local Government Units (LGUS).** - The full implementation of the objectives of this Act shall be with the partnership and cooperation of the concerned LGU, which may also be release counterpart funding or provide other services should it deem necessary or available. This role is pursuant to the enshrined principle in the Local Government Code that capabilities of local government units shall be enhanced by providing them with opportunities to participate actively in the implementation of national programs and projects.

Section 9. **Appropriation.** - The amount of Fifty Million Pesos (PHP 50,000,000.00) is hereby authorized to be appropriated from the Special Activities Fund of the President of the Republic of the Philippines, or from any other sources that may be identified for the purpose. Thereafter, such sum required for its operation, maintenance, research, and development shall be included in the annual General Appropriations Act of the Agencies involved.

Section 10. **Repealing Clause.** - All laws, presidential decrees, executive orders, rules and regulations, or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, superseded or modified accordingly: Provided, however, that nothing in this Act shall amend, modify or repeal the provisions of Republic Act No. 7900, otherwise known as "An Act to Promote the Production Processing, Marketing, and Distribution of High-Valued Crops".

Section 11. ***Separability Clause.*** – If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected shall continue in full force and effect.

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

*Approved,*

