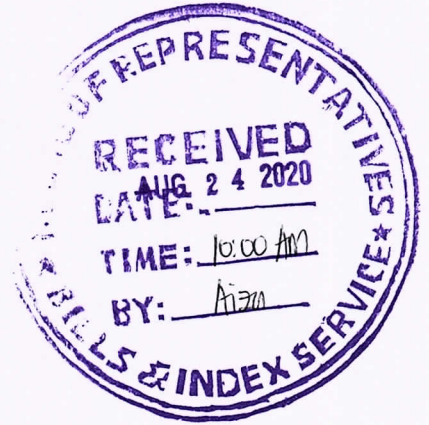


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 7460

Introduced by REP. CONRADO M. ESTRELLA III

**AN ACT TO
DECLARE THE CITY OF DAVAO AS THE CHOCOLATE AND CACAO
PRODUCTION CAPITAL OF THE PHILIPPINES
AND FOR OTHER PURPOSES**

Explanatory Note

Davao City has gained international recognition not only for producing world class cocoa beans which is the main ingredient in chocolate production but also for producing world class chocolate products. Davao City-based Malagos Chocolate won for the country the honor of winning second place for its 100% unsweetened dark chocolate under drinking category, and third place for its sweetened dark chocolates in the international chocolate competition conducted in 2017 by the Academy of Chocolate in London. To date, Malagos has won seven major international awards for its chocolate products thereby earning for the country international recognition as a world class chocolate producer.

The City of Davao and the provinces of Davao del Norte, Davao del Sur, Davao Oriental and Compostela Valley produce at least 81% of the country's

total cacao production. In 2016, data from the Philippine Statistics Authority (PSA) show that of the 6,262.77 metric tons (MT) of cacao produced in the Philippines, 5,073 metric tons (MT) were produced in the aforementioned localities. Of the total cacao production in the area, Davao City produced 1,806.80 MT, while Davao del Sur produced 1,702.54 MT, Davao del Norte produced 945.31 MT, Davao Oriental produced 507.26 MT and Compostela Valley produced 311.92 MT.

Cacao is the main ingredient in chocolate production. There are six (6) intermediate products that can be derived from cacao beans namely cocoa nibs, cocoa liquor (tablea), cocoa cake, cocoa butter, cocoa powder and chocolate confectionary blocs. Cacao is also used as health food since it is packed with vitamins and anti-oxidants that make it a super health food and even a natural multi-vitamin source. Cocoa-based products traded in the local and international market include (1) wet cacao beans, (2) ready-to-sow cacao seeds, (3) cocoa nibs (beans, whole/broken, raw/roast), (4) tablea (cocoa paste or liquor, not defatted), (5) cocoa powder (not containing added sugar or other sweetening matter), (6) cocoa butter, fat/oil, (7) chocolate, and (8) chocolate confectionery.

The diverse uses and products derived from cacao for both food and non-food purposes indicate broad market opportunities for cacao products. The success of Davao City-based Malagos Chocolates and the high cacao production in Davao City and contiguous provinces gives the Philippines a competitive advantage in high quality chocolate and cacao production in the Asian region.

The U.S. Department of Agriculture expects that global demand to reach between 4.7 Million MT to 5 Million MT by the year 2020 with an estimated 1 Million MT deficit. This has propelled the "Philippine Cacao Challenge" which commits the Philippines to producing 100,000 MTs by the year 2020.

Encouraging, supporting and recognizing the development of cacao production and chocolate production in the country is in consonance with the policy stated in *Article XII , Section 1* of the Constitution which recognizes that expanding productivity is key to raising the quality of life for all, especially the underprivileged, and upholds the promotion of industrialization and full employment based on sound agricultural development that make full and efficient use of human and natural resources , and which are competitive in both domestic and foreign markets to achieve this end.

This bill seeks to recognize the achievements of Davao City in attaining high volumes of quality cacao production and in producing high quality chocolate products that gained for the country international recognition, as well as opened a new frontier for higher trade and economic productivity in the country that can generate more employment, provide higher incomes and improve the quality of life of our people especially in the countryside.

Under the premises, approval of this bill is imperative.



CONRADO M. ESTRELLA III

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 7489

Introduced by DEPUTY SPEAKER CONRADO M. ESTRELLA III

**AN ACT TO
DECLARE THE CITY OF DAVAO AS THE
CHOCOLATE AND CACAO PRODUCTION CAPITAL
OF THE PHILIPPINES AND FOR OTHER PURPOSES**

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

Section 1. Declaration of Policy. – The State upholds as a goal of the national economy the sustained increase in the amount of goods and services produced by the nation for the benefit of the people, and recognizes that expanding productivity is the key to raising the quality of life for all, especially the underprivileged. The State shall promote industrialization and full employment based on sound agricultural development through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets (*Article XII, Section 1, Constitution*) .

Toward this end, the State recognizes the importance of cacao production as a driver of agricultural development and economic progress because of the tremendous potentials of cacao as a raw material for domestic production of diverse products that can increase the country's export earnings, generate employment, increase incomes of farmers and improve the quality of life of Filipinos in the countryside.

Section 2. *Cacao and Chocolate Production Capital.* –The City of Davao is hereby declared as the cacao and chocolate production capital of the Philippines in recognition of its sterling achievement as the country's biggest producer of high quality cacao and its vital contribution to making the Philippines a world renowned producer of high quality chocolate products sought after by chocolate makers in the USA, Europe and Asia.

Section 3. *Incentives.* – The Department of Agriculture (DA) and the Department of Trade and Industry (DTI) shall provide sustained programs for the grant of financial, technical, training, marketing and other necessary assistance to cacao farmers and entrepreneurs engaged in the production of chocolate products in Davao City and its contiguous localities.

Section 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,