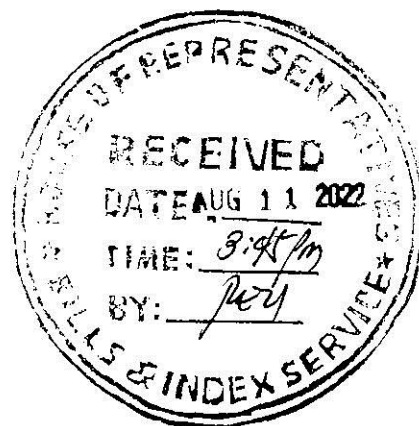




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**NINETEENTH CONGRESS**  
First Regular Session



**HOUSE BILL NO. 3546**

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**Introduced by Representative Lex Anthony Cris A. Colada**

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**EXPLANATORY NOTE**

This bill seeks to institutionalize a national program for the sustainable development and promotion of the cacao industry.

The cacao industry in the Philippines started in late 1930's when Jose Maria Antonio built a chocolate factory in Intramuros. In mid-1950's, special projects were organized under the Department of Agriculture with the support from the United States Agency for International Development. Since then, the industry progressed and rapidly grew commercially in the late 1970's to 1980's. However, it experienced a rapid decline in production in 1990's. In 2006, the Philippine cacao industry made a comeback with production volumes progressing again.

Republic Act No. 7900, otherwise known as the "*High-Value Crops Development Act of 1995*," identifies the intensification of cocoa production as one of its priorities. The law secures the industry's progress as well as the local farmers' increased interests in the cultivation of cacao due to the growing demand from local and international markets. Currently, the Philippines has a Cacao Industry Roadmap 2017-2022. The following are the programs that were designed to support the industry:

- (a) High Value Crops Development Program of the Department of Agriculture (DA);
- (b) Philippine Rural Development Program of the DA; (c) National Greening Program of the Department of Environment and Natural Resources; (d) Coconut-Cacao Enterprise Development Project of the Philippine Coconut Authority; (e) Industry Clustering, Market Assistance, Trade Promotion and Shared Service Facility Programs of the Department of Trade and Industry (DTI); (f) Market Resurgence Program (MRP) of DTI; (g) Agrarian Production Credit Program of the Department of Agrarian Reform; (h) Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD) Project; (i) Credit Program of the DA-Agricultural Credit Policy Council; (j) Small Enterprise

Technology Upgrading Program, Manufacturing Productivity Extension Program, and Consultancy for Agricultural Productivity Enhancement Program of the Department of Science and Technology; and (k) Research and Development Projects of the DA-Bureau of Plant Industry and academe.

The proposed bill institutionalizes a national program which will gather the government agencies and the private sector together, with the DA as the lead agency to educate and train all stakeholders in the cacao industry. The program aims to collect relevant researches, scientific studies and marketing strategies for cacao production. The bill also envisions to extend technologies and create international linkages for development, promotion and competitiveness of the cacao industry in the world market.

The proposed measure establishes the National Cacao Development Council to ensure a harmonized and synchronized industry development. The national council strengthens structural capability and control mechanism in the development and promotion of the cacao industry at the national level.

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



**LEX ANTHONY CRIS A. COLADA**  
AAMBIS-Owa Party-list



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**HOUSE BILL NO. 3546**

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**Introduced by Representative Lex Anthony Cris A. Colada**

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**AN ACT**  
**INSTITUTIONALIZING A NATIONAL PROGRAM FOR THE SUSTAINABLE**  
**DEVELOPMENT AND PROMOTION OF THE CACAO INDUSTRY AND**  
**APPROPRIATING FUNDS THEREFOR**

*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 "*Cacao Industry Development Act.*"

SEC. 2. **Declaration of Policy.** – It is the policy of the State to develop a sustainable and competitive cacao industry that optimizes local production capacity, applies sustainable agriculture practices that are environmentally sound, economically viable and socially desirable, and allows industry stakeholders to participate in the international cacao trade for the economic relief of smallholder farmers.

The State recognizes that establishing a sustainable and competitive cacao industry can spur development and create livelihood, generate jobs, and augment

16 income thereby contributing to poverty alleviation, inclusive growth, and peace and  
17 order attainment particularly in the rural areas.

18 SEC. 3. ***National Cacao Development Council; Composition.*** – The  
19 National Cacao Development Council, hereinafter referred to as the Council, is  
20 established to implement the provisions of this Act and shall exercise its powers and  
21 functions in accordance with Section 4 of this Act.

22 The Council is composed of representatives from the government and the  
23 private sector, as follows:

24 (a) Representatives from the government:

25 (1) Undersecretary of Agriculture for High Value Crops and Rural Credit,  
26 as chairperson;

27 (2) Undersecretary of Trade and Industry, as vice chairperson;

28 (3) Undersecretary from the Department of Science and Technology;

29 (4) Undersecretary from the Department of Environment and Natural  
30 Resources;

31 (5) Undersecretary from the Department of Agrarian Reform;

32 (6) Undersecretary from the Mindanao Development Authority;

33 (7) Director of the Bureau of Agricultural Research;

34 (8) One (1) representative from the Land Bank of the Philippines;

35 (9) One (1) representative from the Philippine Coconut Authority; and

36 (10) One (1) representative from the Small Business Corporation.

37 (b) Representatives from the private sector who shall be appointed by the  
38 Secretary of Agriculture:

39           (1) Six (6) representatives from among the Regional Cacao Industry  
40           Development Councils with two (2) representatives each from Luzon, Visayas,  
41           and Mindanao;

42           (2) One (1) representative from the group of cacao traders, exporters,  
43           and importers;

44           (3) One (1) representative from the group of cacao processors; and

45           (4) Two (2) representatives from the academe.

46           The representatives from the private sector shall elect from among them a co-  
47           chairperson and a co-vice chairperson. All members of the Council from the private  
48           sector shall hold office for a period of two (2) years.

49           The members of the Council shall serve without any compensation but shall be  
50           reimbursed for actual and necessary expenses incurred by them in carrying out their  
51           duties under this Act.

52           The Council shall meet at least four (4) times a year and hold such other  
53           meetings at the call of the chairperson or a majority of the members.

54           SEC. 4.       ***Powers and Functions.*** – The Council shall exercise the following  
55           powers and functions:

56           (a)       Formulate the cacao development plan and other industry-related  
57           policies;

58           (b)       Educate and train all stakeholders of the cacao industry;

59           (c)       Conduct relevant research, scientific study and feasible marketing  
60           strategies;

- 61 (d) Establish and develop effective production systems for cacao varieties;
- 62 (e) Establish and maintain productive, high yielding and good quality cacao
- 63 varieties;
- 64 (f) Update cacao processing technologies;
- 65 (g) Develop effective and efficient marketing system for cacao;
- 66 (h) Integrate and harmonize development efforts, programs, and projects
- 67 of the private sector and the government;
- 68 (i) Establish linkages with national and international organizations and
- 69 development centers of the cacao industry; and
- 70 (j) Coordinate with other government and non-government agencies
- 71 involved in the development of the cacao industry.

72 SEC. 5. ***Secretariat.*** – A Secretariat composed of existing personnel from  
73 the Department of Trade and Industry, supported by personnel from the Bureau of  
74 Plant Industry of the Department of Agriculture, shall assist the Council in executing  
75 its policies and programs, and in providing the necessary technical and administrative  
76 support.

77 SEC. 6. ***Consultative Mechanism for Industry Governance.*** – The  
78 Council shall consult and coordinate with the Regional Cacao Industry Development  
79 Councils from the private sector in the development of the cacao industry in their  
80 respective regions to attain the following organizational objectives:

- 81 (a) Provide leadership in the cacao industry development;

82 (b) Strengthen structural capability and control mechanism in the  
83 development and promotion of the cacao industry at the national level;

84 (c) Forge or strengthen public and private sector partnership for better  
85 coordination of development initiatives; and

86 (d) Represent the industry to international cacao governing bodies.

87 SEC. 7. **Appropriations.** – The amount necessary for the initial  
88 implementation of this Act shall be charged to the current year's appropriations of the  
89 Department of Agriculture. Thereafter, such sum as may be necessary for the  
90 continued implementation of this Act shall be included in the annual General  
91 Appropriations Act.

92 SEC. 8. **Implementing Rules and Regulations.** – The National Cacao  
93 Development Council shall be constituted within ninety (90) days from the approval  
94 of this Act. Within sixty (60) days after the National Cacao Development Council is  
95 organized, it shall promulgate the necessary rules and regulations for the effective  
96 implementation of this Act.

97 SEC. 9. **Separability Clause.** – If any provision or part of this Act is  
98 declared invalid or unconstitutional, the remaining parts or provisions not affected  
99 shall remain in full force and effect.

100 SEC. 10. **Repealing Clause.** – All laws, executive orders, presidential  
101 decrees, rules and regulations, issuances, and parts thereof inconsistent with or  
102 contrary to the provisions of this Act, are repealed, amended or modified accordingly.

103 SEC. 11. ***Effectivity.*** – This Act shall take effect fifteen (15) days after its  
104 publication in the *Official Gazette* or in a newspaper of general circulation.

105 Approved,