

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **1339**



Introduced by Rep. Cielo Krisel B. Lagman

EXPLANATORY NOTE

This bill seeks to fully develop and modernize the Pili Industry, principally in the Bicol Region. For this purpose, a Pili Industry Subsidy Fund is proposed to be established.

As we earnestly search for and validate indigenous products with potential to help speed up our economic recovery, there is the versatile pili nut waiting to be cracked for domestic and global markets.

The pili tree is indigenous to the Philippines, Indonesia, Malaysia, Papua New Guinea, and Australia's Northern Territories. But it is in the Philippines, more particularly in the fertile volcanic soils of Bicolandia, where it is grown commercially. The Department of Trade and Industry reports that "the Philippines is the only country capable of the commercial production and processing of pili-based food and by-products, with Bicol supplying 80% of the total output volume."

The pili nut is the veritable "King of Nuts". It is better in nutrients, texture, and delicacy to macadamia, pistachio, almond, and other internationally known nuts, even as the other nuts are packaged more attractively and marketed more aggressively.

Pili nuts are: 1) loaded with magnesium, potassium, and calcium; 2) rich in omega-3 fatty acids, phosphorus, and protein, promoting heart health and balancing cholesterol levels; 3) full of all eight essential amino acids which increase satiety, thus helping in weight loss; 4) abundant in Vitamin E for healthy skin and hair; and 5) helpful in treating insomnia because their high magnesium content promotes restful sleep.

The enviable versatility of the pili includes the following: 1) the kernel can be eaten raw or sugar-coated, roasted or salted, and it is also used in confections like candies, cakes, and ice creams; 2) both the kernel and the pulp are excellent sources of oil, and reputedly even better than olive oil; (3) pili oil is a natural germicide and has anti-bacterial and anti-inflammatory properties for treating wounds and allergies; 4) the fragrant pili tree sap, known worldwide as *Manila elemi*, is used in perfumes, aromatherapy oils, and anti-aging products; 5) the hardy shells make excellent charcoal briquettes for commercial bakeries; 5) the pili tree is also a hardwood for furniture and home décor; and 6) the full-grown pili tree which averages 20

meters tall is a natural wind breaker, ideal in the typhoon-prone Bicol Region, and can also be used for massive reforestation.

In his more than 30 years as a Bicolano legislator, the esteemed late representative of the First District of Albay, Hon. Edcel C. Lagman, had always strongly supported and campaigned for the growth and expansion of the pili industry, improvement in pili production, and protection of pili planters and entrepreneurs.

The modernization of pili cultivation and the development of the pili industry were already in his agenda even when he was a first-term legislator in the 8th Congress. Hon. Lagman wrote to then Secretary of Agriculture Carlos Dominguez to earmark funds to jumpstart the pili industry. When Senator Edgardo Angara was the Agriculture Secretary of then President Joseph Estrada, he informed the late senator about his concern that the pili was not getting the funding and attention it deserved as a valuable resource.

Twenty-eight years ago, Hon. Lagman sponsored the establishment of what is now the Albay Research and Development Center under the Department of Agriculture, twelve kilometers from the foot of the Mayon Volcano in Tabaco City. It has been promoting pili as the Bicol Region's flagship crop. Moreover, it has achieved 85-90% success in asexual propagation; identified eight superior varieties; and distributed thousands of grafted pili and pili seedlings regionwide.

When he was Chairperson of the Committee on Appropriations in the 14th Congress, Hon. Lagman allocated P500-M for the development of indigenous Philippine products, a sizeable amount of which was budgeted for pili cultivation and production. The pili seedlings planted with this fund are now full-grown fruit-bearing trees.

In September 2020, Hon. Lagman wrote twice to Agriculture Secretary William Dar proposing the establishment and funding of a "Pili Industry Development Program" for harnessing the potential of the pili and the full development of the pili industry in the Provinces of Albay, Sorsogon, and Camarines Sur and other parts of the Bicol Region and the country which are suitable for pili cultivation. Secretary Dar initially allocated P30-M which should be sustained annually in much bigger amounts.

Since pili is endemic to the entire Bicol Region, no one province can claim to be the "Pili Capital of the Philippines", an appellation that is both counterproductive and discriminatory.

Importantly, the regionwide Bicol University, under the able stewardship of its President, Dr. Baby Boy Benjamin D. Nebres III, is immensely contributing to the research and development of the pili industry.

There is critical need for sufficient and continuing government support and private sector investments to address the following concerns: 1) establishment of pili plantations because the current supply of pili raw materials principally comes from backyard trees; 2) prolonging the shelf-life of pili products to increase their competitiveness with other nuts; 3)

enhancing the quality of pili products and improving their packaging to make them more competitive and attractive; 4) massively promoting the export potential of pili products; and 5) prohibiting the exportation of the raw pili shell, grafted pili and pili seedlings to maintain the country's dominance in pili production.

Verily, the export potential of pili is propelled by the country's comparative advantage as the sole commercial producer of pili products. Let us seize and maximize this singular opportunity.

We must not miss the great potential and unmatched versatility of the pili nut which we must commercially crack, so to speak, for more domestic consumption and global export. Consumers abroad will surely go nuts over the pili.

Approval of this bill is earnestly urged.

A handwritten signature in black ink, appearing to read 'Kll', with a stylized, flowing script.

CIELO KRISEL B. LAGMAN

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TWENTIETH CONGRESS
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House Bill No. **1339**

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AN ACT
ESTABLISHING THE PILI INDUSTRY SUBSIDY FUND TO ENHANCE
THE CULTIVATION, PRODUCTION, AND MARKETING OF PILI FOR
DOMESTIC AND EXPORT TRADE

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 “Pili Industry Subsidy Fund Act”.

SECTION 2. **Declaration of Policy.** – It is hereby declared the policy of the State to promote the cultivation, production, and marketing for domestic consumption and global trade of indigenous products where the Philippines has comparative advantage, like the pili of the Bicol Region.

To achieve this objective, the State shall establish a Pili Industry Subsidy Fund to promote the development of pili for domestic and export trade; undertake extensive and comprehensive research on the selection of the most productive and superior pili specimens, manufacture of innovative and novel pili products, extend the shelf life of pili products; and finance deserving and qualified pili farmers and entrepreneurs.

SECTION 3. **Pili Industry Subsidy Fund.** – A Pili Industry Subsidy Fund is hereby created with an initial amount of Three Hundred Million Pesos (P300,000,000) which shall be annually replenished in the General Appropriations Act. The Subsidy Fund shall be administered by the Department of Agriculture (DA) in coordination with the Department of Science and Technology (DOST) and the Department of Trade and Industry (DTI). The Subsidy Fund shall be principally downloaded by the DA to its Regional Field Office 5 as well as to the DOST and DTI, as necessary.

SECTION 4. **Utilization of the Pili Industry Subsidy Fund.** – The Pili Industry Subsidy Fund shall be used exclusively for the following:

- (a) Development of pili culture, production, packaging, extension of the shelf life of pili products, and marketing for domestic and foreign trade of both food and non-food pili products;
- (b) Financial assistance at concessionary interest rates to pili

farmers and entrepreneurs. For this purpose, the DA has the option to open loan windows in the various branches of the Land Bank of the Philippines in the Bicol Region, particularly in Albay, Camarines Sur, and Sorsogon;

(c) Purchase of fertilizers as well as farm and production implements for free distribution to pili farmers and entrepreneurs;

(d) The establishment of large pili plantations to achieve economy of scale;

(e) To attract private investment in the pili industry; and

(f) Other allied programs and activities to fully achieve the goals of this Act.

SECTION 5. Regional Pili Capital. – The Bicol Region consisting of the Provinces of Albay, Camarines Norte, Camarines Sur, Catanduanes, Masbate, and Sorsogon is hereby declared as the Pili Regional Capital of the Philippines, without prejudice to assisting financially and technically the pili farmers and producers in other parts of the country suitable to pili culture.

SECTION 6. Pili Regional Research and Technology Development Center. – The Albay Research and Development Center in Tabaco City, Province of Albay, is hereby acknowledged as the premier and principal center for pili research and development and is renamed as the “Pili Regional Research and Technology Development Center” under the DA Regional Field Office 5 (DA RFO 5). Satellite research centers in the Bicol University, Central Bicol State University of Agriculture, and Sorsogon State University shall likewise be established to assist the Pili Regional Research and Technology Development Center.

SECTION 7. Functions of the Pili Regional Research and Technology Development Center. – The Pili Regional Research and Technology Development Center shall have the following functions:

(a) Undertake extensive research and continuing technical studies on the cultivation, production, development, and marketing of pili and allied products;

(b) Extend technical assistance and support to pili farmers and entrepreneurs in the Bicol Region and in other parts of the Philippines suitable to pili culture;

(c) Develop, propagate, and improve high-yielding and quality pili seedlings for free distribution to pili farmers;

(d) Coordinate with the Bicol University, Central Bicol State University of Agriculture, and Sorsogon State University in training faculty members and research personnel on the development of the pili industry;

(e) Publish and disseminate to pili stakeholders research studies, monographs, academic papers, dissertations, articles, and other writings relative to the pili industry; and

(f) Discharge all other allied functions and duties relevant to the promotion and development of the pili industry.

SECTION 8. Role of the Department of Science and Technology.

– The Department of Science and Technology shall coordinate with the DA in prolonging the shelf-life of pili products comparable to other nuts worldwide. It shall also assist the DA, more particularly the Pili Regional Research and Technology Development Center, in developing both food and non-food pili products like soaps, cosmetics, perfumery, charcoal briquettes, and other novelty items as well as technology solutions to improve pili production and processing.

SECTION 9. Role of the Department of Trade and Industry. – The Department of Trade and Industry shall assist the DA in the packaging and marketing of pili food and non-food products for competitive domestic and foreign trade. It shall also mandate its foreign posts, as well as its Regional Offices, to assist in the promotion of pili products.

SECTION 10. Prohibitions and Penalties. – To maintain the Philippines' dominance in pili culture and production, it shall be a criminal offense to export and/or carry out of the country raw pili and/or intact pili shells, pili seedlings and saplings, and grafted pili in any quantity which can germinate culture and propagation in other countries. Penalty of five (5) years imprisonment and a fine of Five Hundred Thousand Pesos (P500,000.00) shall be imposed by the competent court on any violator of this provision.

SECTION 11. Implementing Rules and Regulations. – Within thirty (30) days from the effectivity of this Act, the DA in collaboration with the DOST, DTI and the Bicol University shall promulgate and issue the Implementing Rules and Regulations (IRR) of this Act.

SECTION 12. Separability Clause. – If any provision of this Act is declared unconstitutional, the other provisions not affected shall remain constitutional and valid.

SECTION 13. Repealing Clause. – All laws and parts thereof which are inconsistent with any provision/s of this Act shall be deemed repealed or modified accordingly.

SECTION 14. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,