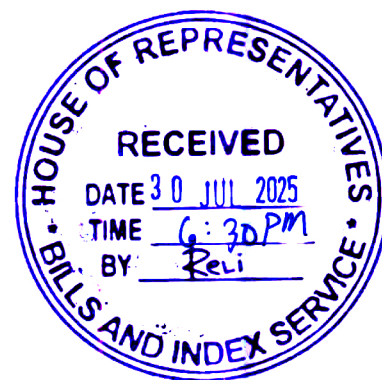


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **2740**



Introduced by Representative Julius Cesar "Jay" V. Vergara

EXPLANATORY NOTE

The wide array of agricultural crops that can thrive and be cultivated in the Philippines is truly astounding so much so that agricultural farming endures to be a viable source of a sustainable livelihood for many Filipinos and a promising catalyst for over-all socio-economic growth. Indeed, any effort less than full optimization of such potential would be most unwise.

One such cash crop would be onions, which have been lauded as the "most indispensable culinary ingredient in the world"¹ due to the diverse range of flavors that it can provide depending on the variety used. Closer to home, it is also among the choice ingredients recognized to "make our meals distinctly Filipino."² But remarkably, apart from its notable contributions to our recipes, onions have also been used to cure physiological disorders such as cough, obesity, insomnia, hemorrhoids and constipation.³ Hence, like the actual form of the vegetable, there may be indeed many more layers or useful facets to onion cultivation that just need to be further explored.

In the Philippines, the onion industry, particularly the local production of onions, has seen growth. Studies show onion production in the Philippines posted an average annual growth rate of 4.94% from 2004 to 2013.⁴ Moreover, compared to 134,161 metric tons (MT) of onions produced in 2013, the country produced about 240,314 MT of onions for the 2018-2019 cropping season.⁵ Now, after having seen the industry's promising potential and notable performance in recent years, our country

¹ Bureau of Agricultural Statistics – Philippine Statistics Authority (April 2014), "2013 Costs & Returns of Onion Production" < <https://psa.gov.ph/sites/default/files/2013%20CRS%20Onion%20Report.pdf> > (last accessed 03 August 2022)

² Department of Agriculture Communications Group (22 January 2020), "DA to keenly monitor production, import of onion and garlic to temper supply, prices", < <https://www.da.gov.ph/da-to-keenly-monitor-production-import-of-onion-and-garlic-to-temper-supply-prices/> > (last accessed 03 August 2022)

³ Bureau of Agricultural Statistics *op. cit.*, p.1.

⁴ *Ibid.*

⁵ Bureau of Agricultural Statistics *op. cit.* and Department of Agriculture Communications Group *op. cit.*

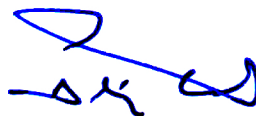
cannot therefore afford to regress on this opportunity. There is no other sound option but to build on our gains.

Also, it must be understood that such growth by the Philippine onion industry was not without its share of challenges. Hence, as issues, such as climate change, insect pests and diseases, price manipulation by cartels, and smuggling, also evolve, so must our country's effective response to these.

The creation of the proposed Philippine Onion Research and Development Center (hereinafter the "Center") is then envisioned to be at the forefront of our country's unified efforts at harnessing the potential of the onion industry for the ultimate benefit of our people. Strategically located in the Municipality of Bongabon in the Province of Nueva Ecija, which is also being proposed to be declared as the Onion Capital of the Philippines since it has long been hailed as the "Onion Basket of the Philippines,"⁶ the Center shall closely collaborate with stakeholders especially the onion farmer communities who heavily depend on the onion industry.

Anchored on a strong research component, the Center shall spearhead in the formulation of strategy and policy, implementation of programs and projects, and integration of both public and private sector efforts that hopefully will yield higher and sustainable income especially for our smallholder onion farmers, more effective price regulation mechanisms for consumers, a conducive environment for innovation and entrepreneurship for this industry, and increased over-all productivity and competitiveness in the global scale.

In view of the foregoing, the immediate adoption of this measure is earnestly sought.



JULIUS CESAR "JAY" V. VERGARA
Third District, Nueva Ecija

⁶ Marilyn Galang, "No overimportation of onion, N. Ecija farmers told" (Feb 23, 2020) <<https://www.pna.gov.ph/articles/1094596>> (last accessed 03 August 2022)

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1 **AN ACT DEVELOPING THE ONION INDUSTRY, ESTABLISHING FOR THE**
2 **PURPOSE THE PHILIPPINE ONION RESEARCH AND DEVELOPMENT**
3 **CENTER, DECLARING THE MUNICIPALITY OF BONGABON IN THE**
4 **PROVINCE OF NUEVA ECIJA AS THE ONION CAPITAL OF THE**
5 **PHILIPPINES, AND PROVIDING FUNDS THEREFOR**
6

7 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
8 *assembled:*
9

10 **SECTION 1. Title** - This Act shall be known as the “Onion Industry
11 Development Act.”
12

13 **SECTION 2. Declaration of Policy** - It is hereby declared the policy of the
14 State to develop a robust agricultural sector in the country and provide full support
15 for the sustainable growth of its component industries such as the onion industry,
16 particularly in its leading producer, the Municipality of Bongabon in the Province of
17 Nueva Ecija. Towards this end, the State shall institutionalize sound policies and
18 effective measures to promote, protect, and harness the potential of the local onion
19 industry for the benefit of its critical stakeholders, especially the onion farmers, and
20 the entire country.
21

22 **SECTION 3. Definition of Terms** -
23

24 a) “Onion” refers to the vegetable that is scientifically known as *allium cepa* L.
25 and locally identified as “sibuyas”;
26

27 b) “Smallholder onion farmer” refers to a farmer owning and/or cultivating
28 (5) hectares or less of onion farms;
29

30 **SECTION 4. Establishment of the Philippine Onion Research and**
31 **Development Center** - Within a year from the approval of this Act, there shall be
32 established the *Philippine Onion Research and Development Center*, hereinafter referred

1 to as the Center. The Center shall be under the supervision and control of the
2 Department of Agriculture (DA).

3
4 The Center shall maintain its principal office in the Municipality of Bongabon
5 in the Province of Nueva Ecija. It may create satellite offices, as may be subsequently
6 deemed necessary, in other identified localities.

7
8 **SECTION 5. *Powers and Functions of the Center*** – The Center shall:
9

- 10 a) Conduct research and technical studies on the development, production,
11 processing, management and marketing of onions;
12 b) Develop appropriate technologies that are beneficial to the onion industry;
13 c) Enable onion farmers, especially smallholder onion farmers, to have
14 convenient access to quality onion seeds, modern production techniques,
15 technical assistance, and other support services, including but not limited
16 to providing assistance in securing crop insurance as well as in establishing
17 linkages with other stakeholders in the domestic and international onion
18 industry;
19 d) Undertake training and capacity-building programs for onion farmers and
20 cooperatives in order to increase production of high-quality onions and
21 raise the level of income especially of poor smallholder onion farmers;
22 e) Train personnel who will undertake research and development work on
23 onions;
24 f) Assist in the establishment of community-based onion enterprises to
25 generate livelihood opportunities;
26 g) Encourage cooperative development among smallholder onion farmers and
27 provide them access to resources, technological know-how, as well as
28 decision-making processes for the enhancement of their onion enterprises
29 and the protection of their welfare;
30 h) Assist in the monitoring of the domestic supply of onions and, when
31 necessary, submit recommendations for the grant of related importation
32 permits;
33 i) Publish research studies, papers, articles, and other works or writings
34 relating to the onion industry on a regular basis with the end goal of
35 benefiting onion farmers and other industry stakeholders;
36 j) Coordinate with the DA, Department of Trade and Industry (DTI),
37 Department of Science and Technology (DOST), and the Department of
38 Environment and Natural Resources (DENR) to consolidate all policies,
39 programs, and projects on onion research and development;
40 k) Receive and manage grants, aid, donations, contributions, or any kind of
41 assistance through the DA, upon recommendation of the Advisory Board;
42 and
43 l) Such other functions and duties necessary or incidental to the promotion
44 and development of the onion industry.
45

1 **SECTION 6. *Executive Director of the Center*** – The Executive Director shall
2 head the Center and shall report directly to the Advisory Board.
3

4 The Executive Director shall be a recognized expert in onion research and
5 policy development, with at least three (3) years of experience in the onion industry,
6 and shall have a strong organizational management background. The Executive
7 Director shall be appointed by the DA Secretary within sixty (60) calendar days after
8 the effectivity of the implementing rules and regulations of this Act and upon the
9 recommendation of the Advisory Board. The Executive Director shall serve in a full
10 time capacity for a term of five (5) years which may be renewed.
11

12 The Executive Director shall strictly avoid any conflict of interest in the conduct
13 and performance of duties for the duration of the term.
14

15 **SECTION 7. *Powers and Functions of the Executive Director of the Center*** –
16 The Executive Director of the Center shall:
17

- 18 a) Implement and enforce research and policy direction and priorities,
19 policies, decisions, orders, rules, and regulations determined by the
20 Advisory Board;
21
- 22 b) Exercise administrative and supervisory functions over the planning,
23 implementation, and evaluation of the policies, programs, and projects of
24 the Center;
25
- 26 c) Recommend to the Advisory Board, the following:
27
 - 28 i. Organizational structure of the Center;
 - 29 ii. Appointment of personnel, including research fellows, officers, and
30 employees; and
 - 31 iii. Overall budget of the Center;
32
- 33 d) Submit to the Advisory Board, regular reports on the Center to include
34 annual reports on operations, status of programs and projects, and the
35 financial condition of the Center;
36
- 37 e) Execute contracts, incur obligations, acquire and dispose of assets, and
38 deliver documents on behalf of the Center within the limits of the authority
39 determined by the Advisory Board;
40
- 41 f) Generate and obtain logistical and financial support for the programs and
42 component units of the Center with the assistance of the Advisory Board:
43 *Provided, That in so doing, no conflict of interest exists with the objectives of*
44 *this Act and the functions of the Center; and*
45
46

- 1 g) Exercise and perform such other powers, functions, and duties as may be
2 authorized or assigned by the Advisory Board and in accordance with the
3 objectives of this Act.
4

5 **SECTION 8. *Advisory Board*** - There is hereby created an Advisory Board,
6 which is principally mandated to develop strategies, policies and programs aimed at
7 effectively harnessing the potential of the Philippine onion industry and improving
8 the state of technologies to produce, process and/or market high-quality onions to
9 meet global standards for competitiveness and product quality.
10

11 The Advisory Board shall be composed of the following:
12

- 13 a) DA Secretary or his/her representative, as Chairperson;
14 b) DTI Secretary or his/her representative, as Vice Chairperson;
15 c) DOST Secretary or his/her representative;
16 d) DENR Secretary or his/her representative;
17 e) Mayor of the Municipality of Bongabon, Nueva Ecija or his/her
18 representative;
19 f) One (1) representative from the onion farmers to be appointed by the
20 President of the Philippines, upon the recommendation of the DA Secretary,
21 for a term of three (3) years.
22

23 **SECTION 9. *Powers and Functions of the Advisory Board*** - The Advisory
24 Board shall:
25

- 26 a) Provide the general direction and priorities of the Center in accordance with
27 this Act;
28 b) Determine research and policy areas for study by the Center and an annual
29 research agenda, in consultation with the Executive Director, based on the
30 regular assessment of local and international developments affecting the
31 onion industry;
32 c) Provide advice to the Center on any matter relating to the development of
33 a research or policy area and the administration of research programs;
34 d) Approve the organizational structure, appointment of personnel, and over-
35 all budget of the Center;
36 e) Monitor and evaluate the implementation, efficiency and, effectiveness of
37 the programs and projects undertaken by the Center;
38 f) Assist the Executive Director in generating resources and obtaining
39 logistical and financial support for the programs and component units of
40 the Center: *Provided*, That in so doing, no conflict of interest exists with the
41 objectives of this Act and the functions of the Center; and
42 g) Assign additional powers, functions, and duties of the Executive Director
43 in accordance with the objectives of this Act.
44

1 **SECTION 10. *Onion Capital of the Philippines*** - The Municipality of
2 Bongabon in the Province of Nueva Ecija is hereby declared, or granted the official
3 designation as the Onion Capital of the Philippines.
4

5 **SECTION 11. *Special Account for Onion Research*** - A Special Account in the
6 General Fund (SAGF) for onion research, which shall be maintained and managed by
7 the Bureau of Treasury, shall be established to support the research undertaken by the
8 Center. The SAGF for onion research shall recognize and accept grants, aid, donations,
9 and contributions collected for onion research, for purposes of executing its mandate
10 and functions: *Provided*, That in so doing, no conflict of interest exists with the
11 objectives of this Act and the functions of the Center.
12

13 **SECTION 12. *Appropriations*** - The amount necessary to carry out the
14 provisions of this Act shall be included in the General Appropriations Act of the year
15 following its enactment into law and thereafter.
16

17 **SECTION 13. *Implementing Rules and Regulations*** - Within ninety (90)
18 calendar days from the effectivity of this Act, the DA shall, in collaboration with the
19 DTI, DOST, DENR, the Local Government Unit of the Municipality of Bongabon in
20 the Province of Nueva Ecija, members of the academe, and other public and private
21 stakeholders, issue and promulgate the necessary rules and regulations to implement
22 the provisions of this Act.
23

24 **SECTION 14. *Separability Clause*** - If any portion or provision of this Act is
25 declared unconstitutional or invalid, the remainder of this Act or any provision not
26 affected thereby, shall remain in force and effect.
27

28 **SECTION 15. *Repealing Clause*** - Any law, decree, issuance, order, letter of
29 instruction, rule and regulation or parts thereof, which are inconsistent with or
30 contrary to the provisions of this Act, are hereby repealed, amended or modified
31 accordingly.
32

33 **SECTION 16. *Effectivity*** - This Act shall take effect fifteen (15) days following
34 its complete publication in the Official Gazette or a newspaper of general circulation.
35

36 *Approved,*
37
38