

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 4245



Introduced by TUCP Partylist Representative
HON. RAYMOND DEMOCRITO C. MENDOZA

EXPLANATORY NOTE

The Philippine banana industry has been significantly contributing to the national economy, especially in Mindanao, in which the industry has been able to generate export revenue and provide livelihood for around 5.9 million farm households that relies on banana production as their primary source of income. The banana industry is one of the most exported products in the Philippines making the country one of the top exporters of bananas around the world. In 2024, the Philippines exported \$1.23B of bananas to main destinations such as Japan (\$635M), China (\$245M), South Korea (\$182), Iran (\$53.8M), and Saudi Arabia (\$42.6M). The industry is clearly a significant part of the country in which the economy, livelihood, and the Filipino people relies on.

However, the Philippine banana industry has been facing significant challenges, which have greatly affected its operations from production to export and sales. In recent years, there has been a shortfall in domestic supply and decline in export due to the increasing input costs, growing foreign competition, and land limit caused by the threat of pests and diseases. The Philippines slipped from second to fourth largest global banana exporter in 2024, reflecting the decline in its global market share to 2.28 million metric ton (MT), which is lower than the 3.216 million MT between 2018 and 2022. Particularly, the country's market share in the banana market of its primary export destinations, including China, Japan, and South Korea, have declined, especially with the intensifying competition with Cambodia and Vietnam. This decline may dilute the country's comparative advantage in the global market competitive landscape.

In Mindanao, where top producers are located, only 15,000 hectares from the original 89,000 hectares allotted for banana agriculture are utilized. Particularly, across Davao region, the Cavendish banana production, which is the most exported variety, has declined by 10 to 15 percent due to the outbreak of diseases. The challenge does not end here as the Philippines often experience inclement weather due to worsening climate change, affecting the quality of bananas and postharvest handling. With all these problems in the banana industry, many small growers opt to abandon banana farming, especially with the frequent disruptions and increasing costs involved.

While the industry had flourished with little to no assistance from the government, with the challenges constantly bombarding the banana industry, where many Filipinos rely for livelihood, the authority's assistance is now imperative more than ever. The Philippine banana industry has promising potential to contribute to rural development and alleviate poverty, especially with the blessings of fresh produce and livelihood it bestows upon many Filipinos.

A comprehensive Philippine Banana Industry Development Roadmap, which will be formulated and spearheaded by the Philippine Banana Industry Development Council, composed of government, private sector, banana farmers, and producers, will tackle various aspects of the industry and implement necessary programs, which will not only address any disruption but ultimately attain resilience, revitalizing the banana industry through collaborations between the public and private sector, technological modernization, and institutionalization of development programs.

The Roadmap aims to increase banana production, ensure sustainability in production and management, integrate environmental-friendly practices in banana farming, improve the accessibility to inputs and services, expand banana-farming lands, ensure funding and investments, establish cooperatives with the farmers and producers of banana, create a system for advanced market access and linkage, assist trade and exportation, and support training and capacity building, with the aid of research and development, to empower the banana industry in achieving self-sufficiency, productivity, and stronger global competitiveness.

This would require continuous investment in banana's research and development, especially with the current challenges in the industry such as the threats of pathogens and other diseases affecting crops that could potentially impact the job market in the future. Therefore, this act will establish a Philippine National Banana Research Center, under the Department of Agriculture, in Panabo City, Province of Davao del Norte, where the largest banana plantation is located. This research center aims to provide research and development techniques that will aim for crop improvement, protection, production, post-harvest handling, and the maintenance of germ plasm collection and gene bank that are capable of producing good quality bananas.

The banana industry in the country should adapt and modernize production that will ensure alternative methods and cost-effective techniques that can overcome existing challenges with diseases affecting the industry and help in anticipating future challenges that can mitigate its negative effects especially on the livelihood the industry supports. Through partnerships with relevant government agencies such as the Technical Education and Skills Development Authority (TESDA), ensuring inclusivity will be done by providing training programs that shall develop and upgrade the skills and competencies of Philippine banana producers. The modernization of banana production will be necessary in upgrading the global competitiveness of the local banana industry, while not leaving small-scale production and farmers behind.

The development of the Philippine banana industry is a step forward in ensuring the development of the country, both the economy and the lives of many Filipinos. The banana industry's contribution to national food security and economic stability underscores the importance of strengthening and safeguarding the industry, which is the source of living and sustenance for many Filipinos. The government's role is now more pronounced to promote the banana industry,

while uplifting the rights of the Filipino farmer workers. True sustainable development is ensuring that the Filipino workers rightfully benefit from the progress of the banana industry.

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



HON. RAYMOND DEMOCRITO C. MENDOZA
TUCP Partylist Representative

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 4245

Introduced by TUCP Partylist Representative
HON. RAYMOND DEMOCRITO C. MENDOZA

**AN ACT STRENGTHENING AND REVITALIZING THE BANANA INDUSTRY IN
THE PHILIPPINES, 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 "Philippine Banana Industry Development Act]".

SECTION 2. Declaration of Policy. - It is the policy of the State to promote rural development based on sound agricultural productivity, increase in rural income through enterprises that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets.

For this purpose, the State shall provide support to develop and promote a globally competitive banana industry with the objective of addressing the banana-specific challenges of pest/disease control, international trade competitiveness, smallholder integration into value chains, and global market diversification towards increasing banana farmers' income, encouraging the production of export-quality fruits, and promoting international trade and industry. Through appropriate technology and research, and adequate financial, production, marketing, and other support services, the revitalization of the banana industry shall be pursued to attain increased production by banana farmers and banana producers, achieve banana self-sufficiency, and regain the position of being a top exporter of banana.

The State recognizes the importance of agriculture in making available food and other products necessary to sustain and enhance human life, and in providing livelihood to a major portion of

the population. It distinguishes the importance of food Security for every Filipino family and recognizes our farmers as one of its most important partners in reaching its goals. It also recognizes the rights of the farmer workers to be entitled to such benefits provided under the Labor Code. As provided in Art. II, Section. 18 of the Constitution, "The State affirms labor as a primary economic social force. It shall protect the rights of the workers and promote their welfare."

It is further the policy of the State to preserve, protect, and rehabilitate the natural environment in the actualization of its developmental policies.

SECTION 3. Definition of Terms. - For purposes of this Act:

(a) Banana any of several widely cultivated perennial often treelike herbs (genus *Musa* of the family Musaceae, the banana family) bearing bananas in compact pendent bunches;

(b) Smallholder banana producer refers to one who has 5 hectares or less of land devoted to banana production whether as monocrop or intercropped with other crops;

(c) Table banana refers to banana consumed raw which includes cavendish, lakatan, latundan, among others;

(d) Cooking banana refers to starchy banana consumed after cooking or processing such as Saba, Cardava, and others. This term may also be used to describe Plantains;

(e) Banana Cultivars are hybrids and polyploids of two wild, seeded banana species, *Musa acuminata* and *Musa balbisiana*. Cultivated bananas are almost always seedless (parthenocarpic) and hence sterile, so they are propagated vegetatively (cloned). These include the Cavendish, Cardava, Lakatan, Latundan, Bongulan, among others;

(f) Economically Important Banana Diseases are those that play a major role in the production of bananas both in small scale plantations and large commercial plantations. Among the most common banana diseases are the following:

- i. Banana bunchy top virus (BBTV),
- ii. black sigatoka,
- iii. bacterial wilt (bugtok and moko),
- iv. banana bract mosaic virus (BBBrMV) and
- v. Fusarium wilt (*Fusarium oxysporum* f.sp. *cubense* Tropical Race 4 or Foc TR4) are some of the major diseases of banana In the Philippines.;

(g) Banana farms refer to areas of land, including their buildings, machineries, and equipment, used in banana production. Banana farms may be classified as:

- i. Individual banana farm — banana farm of not more than fifty (50) hectares operated by a single individual; or
- ii. Corporate or cooperative/association banana farm — banana farm of more than fifty (50) hectares operated by a corporation, cooperative or association;

(h) Banana producer refers to an individual, corporation, cooperative or association involved in the production of banana. Local banana producers shall be categorized as follows:

- i. Subsistence Banana Farmer — a person or association engaged in the production, trade, and distribution of banana not exceeding two (2) metric tons (MT) per year;
- ii. Small Banana Farmer — a person, corporation, or association engaged in the production, trade and distribution of banana ranging from more than two (2) MT to three hundred (300) MT per year.
- iii. Medium Banana Producer — a person, corporation, or association engaged in the production, trade, and distribution of banana ranging from more than three hundred (300) MT to two thousand (2,000) MT per year; or
- iv. Large Banana producer — a person, corporation, or association engaged in the production, trade, and distribution of banana exceeding two thousand (2,000) MT per year; and

(i) Banana production refers to the process of growing and harvesting raw banana for fresh fruit, snack food, or processed fruit whether for domestic use or for export;

(j) Banana-based Processed Products refers to the products of the process of converting fresh banana fruit to increase its palatability and shelf life through methods such as Individual Quick Freezing (IQF), Frying (banana chips), Drying (Banana flour), Pulping (Puree, Jam, Ketchup, Ice cream, Yogurt), Fermentation (Wine, Vinegar), Baking (Banana Cake, Bread);

(k) Agrarian Reform Beneficiaries as mandated by the Constitution, Republic Act No. 6657, as amended, and Republic Act No. 3844, as amended, are farmers (tenants or lessees) and regular farmworkers actually titling the lands, as certified under oath by the Barangay Agrarian Reform Council (BARC) and attested under oath by the landowners, who have been awarded a Certificate of Land Ownership Award (CLOA) under the Comprehensive Agrarian Reform Program (CARP).

(l) Cooperatives — refer to groups of individuals (either growers or workers or both) that engage in legitimate business within the banana industry.

(m) Consumers — they are the end user/buyer of banana as in the banana-importing or producing countries/farms.

(n) Secretariat Services — the officials or office entrusted with administrative duties, maintaining records, and overseeing or performing Secretarial duties

(o) Workers — All workers that are engaged in activities in banana plantations.

SECTION 4. Philippine Banana Industry Development Roadmap (Banana Roadmap). —

For the attainment of the objectives of this Act, there shall be formulated and established a Philippine Banana Industry Development Roadmap (Banana Roadmap), which shall include, but not limited to, programs, projects and interventions for the development and management, research, processing, utilization, business modernization, and commercialization of Philippine banana:

Provided, That the Banana Roadmap shall be updated every five (5) years aligned with five-year targets such as, but not limited to, in terms of hectares rehabilitated, export volumes, and farmer income gains.

Provided further, That the Banana Roadmap shall be aligned with the objectives and continued implementation of this Act:

(a) Increase banana production in order to attain banana self-sufficiency, and regain the position of being one of the top exporters of banana;

(b) Encourage banana farming and expand the number of banana producing areas;

(c) Ensure the sustainable production, management and harvesting, and soil and water conservation practices in banana-farming areas;

(d) Promote public and private investments in the banana industry development programs;

(e) Ensure the sustainability and viability of the banana industry through the establishment/strengthening of cooperatives among banana farmers and banana producers in order to optimize local production and improve access to government interventions, assistance and incentives;

(f) Advance market access for Philippine banana products locally and internationally;

- (g) Support research and development (R&D) activities for banana production and processing and introduce new and appropriate technology based on R&D outputs;
- (h) Ensure regular funding for banana production, processing, commercial and marketing programs and projects and provide technical and financial assistance in the local design and fabrication of high-capacity processing equipment and machines for the banana Industry and banana processing; and
- (i) Provide continuous training and capacity building in the banana Industry development.

SECTION 5. Creation of Philippine Banana Industry Development Council (Banana Council). - To ensure the unified and integrated implementation of the Banana Roadmap and accelerate the modernization and industrialization of the Philippine banana industry, a Banana Council is hereby created with the following composition:

- a. Secretary of the Department of Agriculture (DA), as Chairperson;
 - b. Secretary of the Department of Trade and Industry (DTI) as Vice-Chairperson;
- Members:
- c. Director of the Bureau of Plant Industry (BPI);
 - d. Secretary of the Department of Environment and Natural Resources (DENR);
 - e. Secretary of the Department of Labor and Employment (DOLE);
 - f. Chairperson of the Cooperative Development Authority (CDA);
 - g. Executive Director of National Commission on Indigenous People (NCIP);
 - h. Director of the Bureau of Customs (BoC);
 - i. One (1) representative each from the League of Provinces of the Philippines, League of Cities of the Philippines, and League of Municipalities of the Philippines of banana-producing areas;
 - j. One (1) representative from the private Sector engaged in banana-production; and
 - k. Three (3) representatives from the banana farmer cooperatives nominated by the banana cooperative Sector, one (1) representing Luzon, one (1) representing Visayas and one (1) representing Mindanao.

Resource Agencies that may be called upon as the need arises, such as:

- l. Secretary of the Department of Science and Technology (DOST);
- m. Secretary of the Department of Health (DOH);
- n. Secretary of the Department of Tourism (DOT);
- o. Secretary of the Department of Public Works and Highways (DPWH);

Provided, That the respective agencies may designate their permanent representatives whose rank shall not be lower than an Assistant Secretary;

Provided, further, That the representatives from business Sector shall come from the most active and recognized association engaged in the business of producing and exporting bananas and the representatives from the cooperatives shall be chosen by DA from a list of three (3) nominees each for Luzon, the Visayas and Mindanao submitted to it by the banana farmers' cooperatives;

Provided, finally, that one-third (1/3) of all the members of the Banana Council shall constitute a quorum.

SECTION 6. Functions of the Banana Council. - The Banana Council shall have the following powers and functions:

- (a) Formulate the five (5)-year Banana Roadmap, which shall contain the short-term, medium-term, and long-term development plan (Development Plan) for the industry, which shall be updated yearly, or earlier, as determined by the Banana Council;
- (b) Identify specific and priority programs and projects in support of, and in line, with, the Banana Roadmap;
- (c) Identify sources of financing and facilitate credit windows with government banks and the Agricultural Credit Policy Council (ACPC) to expand the banana industry development;
- (d) Increase production of local banana by identifying areas for expansion for increasing land area devoted to banana and improving farm productivity to meet foreign and local demands;
- (e) Enhance flow and quality of extension services for banana farming to facilitate adoption of Good Agriculture Practices for improved productivity and product quality in coordination with the appropriate government agency;
- (f) Institutionalize capacity building for banana farmers through the BPI provincial officers;
- (g) Improve access to, availability, use, and utilization of organic fertilizer and other inputs: while reducing environmental costs and production losses;
- (h) Strengthen market linkage and promotion of Philippine banana with the assistance of the DTI;
- (i) Conduct continuing R&D on Innovation and modernization of the banana Industry;

(j) Establish an agri-insurance program for banana producers in coordination with existing government insurance providers;

(k) Address issues pertaining to new diseases, tariffs, climate change challenges, regulations, among others;

(l) Protect and preserve the native Philippine banana varieties;

(m) Constitute Special Committees for important concerns such as:

(i) National Expansion Plans and Programs - The DA, DOST, state universities and colleges (SUCs) and other stakeholders shall encourage the conduct of research on banana, particularly in the areas of crop improvement (development of new varieties), crop protection, harvesting and postharvest handling, supply chain analysis, marketing and promotion. Model farm shall also be established in key banana growing areas of the country to showcase the latest technologies in banana propagation, production. Integrated Pest Management (IPM), Good Agricultural Practice (GAP) post-harvest handling, and processing, packaging and branding.

(ii) Investment Promotion and Facilitation - The DA and DTI shall establish linkages between stakeholders in the banana industry. Government Financial institutions (GFIs) and private financial entities. Programs to invite the private Sector to banana production and processing shall likewise be developed.

(iii) Export Promotion Support. - An integrated export strategy shall be created, to include branding, advertising, market research and analyses, and updated phyto- sanitary guidelines. Foreign trade and export promotion activities such as training, technical assistance, capacity building, information on export opportunities, export planning assistance, and participation in international agriculture food and events shall facilitated.

(iv) Formulation of Trade Policies. - The concerned committee shall adopt a consultative approach at every stage of the trade policy-making process, inviting all banana stakeholders. The DTI shall lead the negotiation of Free Trade Agreements (FTAs) to provide a competitive environment for Filipino banana exports overseas.

(v) Monitoring and Evaluation. - The PMO shall continuously monitor, and evaluate the results of the programs implemented by the various stakeholders and government agencies, providing overall coordination and end-to-end management of the export process.

(n) Submit annual reports, not later than June 30, to the Office of the President and to each House of Congress, on the status of the implementation of the Banana Roadmap and the banana industry development in the country;

(o) Recommend to the Department of Budget and Management (DBM) the required yearly appropriations for the plan and implementation of the banana development programs;

(p) Promulgate such rules and regulations, and exercise such other powers and functions, as may be necessary to carry out the objectives of this Act;

(q) Constitute the staffing complement of the Program Management Office Secretariat with the power to create and abolish positions; and

(r) Perform such other functions as may be necessary for the continued enhancement, growth and development of banana plantation and trade businesses in the country and for export.

SECTION 7. Creation of a Program Management Office (PMO). - The DA shall lead in the implementation of the Development Plan. Towards this end, a PMO to oversee the overall implementation of the Development Plan and the monitoring of its execution by the implementing agencies and/or partners. Further, the PMO shall also assume and perform Secretariat functions such as to coordinate and manage the regular meetings of the Banana Council, prepare and/or consolidate reports, monitor the implementation of policy decisions that the Banana Council has adopted, and liaise with all the member departments and relevant agencies of the government. The Secretariat shall be constituted and be under the direct supervision of the Department of Agriculture under the High Value Crops Development Program (HVCDP) (RA 7900) which helps promote the production, processing, marketing and distribution of high value crops.

A position of an Executive Director shall be created to supervise the day-to-day operations of the Banana Industry Development Council

SECTION 8. Banana as an Agricultural Product. - Banana unprocessed or processed, is hereby classified as an Agricultural product and shall be exempt from all taxes arising from importation of farm inputs, farm machineries, post-harvest equipment, and other processing equipment.

The DA shall also ensure that banana is a priority commodity to be produced locally in areas or regions identified in this Act. The required resources shall be allocated by the DA for this purpose.

SECTION 9. Mapping and Determination of Public Lands for Banana Production; Role of the DENR, and DA. - The DA shall identify and map the areas suitable for the growing of bananas from the idle/degraded, and government lands in consultation with the DAR and DENR through its appropriate bureaus and its attached agency, the National Mapping and Resource Information Authority (NAMRIA) which is hereby mandated to map out, identify, and designate public lands, as banana production areas. They shall prioritize public lands situated in the following provinces that are identified as suitable for banana production, namely: Davao Region, Soccsargen Region, Caraga Region, Northern Mindanao Region, Maguindanao del Norte, Maguindanao del Sur, and Lanao del Sur, which are now hereby declared as priority areas for banana production. They shall finish the task within one (1) year from the effectivity of this Act: *Provided*, That public lands in other regions shall also be subsequently mapped out, identified and designated as potential banana production areas, within two (2) years from the effectivity of this Act: *Provided, further*, That the result of the mandatory mapping, identification, and designation of public lands for banana production shall be shared with the public, through the DENR website or otherwise, as their respective agency rules shall allow, so as to inform interested banana industry investors: *Provided, furthermore*, That they shall also provide a report on the completion of this mapping, identification, and designation to both Houses of Congress through the Congressional Oversight Committee on Agriculture and Fisheries Modernization (COCAFAM).

SECTION 10. Public Lands Identified and designated as Suitable for Banana Production from DENR designated for Banana Expansion. - The DENR is hereby mandated to identify and designate public lands and ancestral domains mapped out, as suitable for banana production under its administrative jurisdiction, subject to procedures under existing laws. It shall do so within one (1) year from the effectivity of this Act.

SECTION 11. Utilization of Public Lands Already Issued Community-Based Forest Management (CBFM), Integrated Forest Management Agreement(IFMA), Socialized Integrated Forest Management Agreement (SIFMA), and Timber license Agreements (TLAs) as tenurial instruments for Banana Production; Other Forms of Public Land Possession. - Tenurial Instruments issued by DENR before the enactment of this law may now include banana production as among the valid activities that may be undertaken by the tenure holder: *Provided*, that if the tenure holder so voluntarily and expressly decides to engage in banana production, such agreement, or such portion of that public land under the Tenurial Instrument to be used for banana production, shall be governed by the provisions of this Act. In such case, the already issued Tenurial Instrument shall be amended accordingly, in accordance to the guidelines of the DENR, to reflect banana production: *Provided*, That the period in the amended Tenurial Instrument for banana production shall state the full twenty-five (25)-year period.

SECTION 12. Registration as Banana Producer - Control Measures. - All banana producers, whether holders of BPTI or otherwise, shall be registered with the BPI: *Provided*, that all existing banana producers already registered with the BPI shall be automatically recognized as such without need for submission of additional documents; and that the Food and Drug Administration (FDA) shall retain its jurisdiction over the registration of banana for human consumption as provided under Republic Act No. 8172, and Republic Act No. 10611 or the "Food Safety Act of 2013". The following are the qualification requirements for new registrants:

(a) For Cooperatives/Associations New Registrants:

- (i) Certificate of Registration from CDA for cooperatives, or from LGU where the proposed farm site is located for farmer's association;
- (ii) Business plan;
- (iii) Farm Site Inspection Report from the Provincial Agriculture Officer (PAO); and
- (iv) Affidavit from applicant of existence of at least fifty (50) members.

(b) For Corporations New Registrants:

- (i) Certificate of registration;
- (ii) Business plan; and
- (iii) Farm Site Inspection Report from the Provincial Agriculture Officer (PAO).

(c) For Individuals/Artisanal New Registrants:

- (i) Business plan; and
- (ii) Farm/Production Site Inspection Report from the Provincial Agriculture Officer (PAO).

Registration shall be renewed every ten (10) years.

Upon complete submission of the qualification requirements, BPI shall issue the Certificate of Registration as a banana producer, or a notice of the denial of the application for registration, accompanied by an explanation for such denial, within forty-five (45) days from completion. The failure of BPI to issue a Notice of Denial within the stated time period will render the application

deemed approved, and it shall immediately issue the said Certificate of Registration. An appeal for such denial shall be filed with the BPI Director within fifteen (15) days from receipt of Notice of Denial, which in turn shall be decided with administrative finality by the Director, within fifteen (15) days from filing.

SECTION 13. Support for the Development of Banana Farms and Banana Producers. -

The DA-BPI, in consultation with the individuals, corporations, associations, and cooperatives from the banana industry, shall provide technical support in the development and operation of existing banana farms. It shall assist in the design of banana farms of cooperatives/associations, if needed.

BPI is hereby mandated and authorized to grant material and technical assistance to banana farms of cooperatives/associations through Its own projects and programs for the banana industry, on the following concerns:

- (a) Establishment of banana farmer warehouses;
- (b) Provision of inputs for banana development, machinery, and equipment;
- (c) Conduct of extension services;
- (d) Establishment and strengthening of banana producer's cooperative; and
- (e) Development of modern banana production and processing technology.

This mandate shall be funded out of the budget allocation. The BPI shall institutionalize the Development of Banana Industry Program (DBIP) as a regular program funded by the General Appropriations Act (GAA) and shall cover the interventions that are not included for funding over and above the regular budget of BPI under the GAA.

SECTION 14. Construction of Banana Farm Roads. - Consistent with the Banana Roadmap and the Farm-to-Market Road Master Plan, the DA-BPI, in coordination with the LGUs, the DPWH, and the resident banana producers, shall identify priority locations of roads linking the banana farms to the market, which shall be known as Daan Sagingan. In the construction of the Daan Sagingan, the LGU and DA-BPI shall consider the investment cost for banana production in the area, the number of banana producers and their families who shall benefit from the venture, and the amount of banana produced or to be potentially produced in the banana production areas. Thereafter, the LGU and DA-BPI shall coordinate with the DPWH for the latter to undertake the construction, improvement, and maintenance of the Daan Sagingan.

SECTION 15. Network for Research and Promotion of Banana Farming Methodologies and Techniques. - The DA-NFRDI, in close coordination with the SUCs, DA-BAR, and DA-Philippine Center for Postharvest Development and Mechanizations (DA-PhilMech), shall spearhead the development of the latest technology in banana production, particularly technology that allows year-round production of banana even under erratic weather patterns. It shall also encourage the mechanization of banana production from pre- to post-harvest and develop technologies that promote alternative methods and cost-effective techniques in banana production.

The DA-NFRDI shall immediately transfer the results of their completed study/technology/product to banana producers/manufacturers.

SECTION 16. Extension Programs. - The BPI, in coordination with the DA, DTI, DOST, DOLE, Technical Education and Skills Development Authority (TESDA) and other relevant government agencies, shall provide complementary training programs that shall develop and upgrade skills and competencies of Philippine banana producers, ensure product traceability and compliance to food safety, hasten technology acquisition including product labelling and packaging, enhance skills on market positioning for Philippine Fresh Fruit and Processed bananas and such other capabilities necessary in the maintenance and development of the local banana industry.

SECTION 17. Corps of Banana Production Trainers. - Within thirty (30) days from the effectivity of this Act, BPI shall form the Corps of Trainers for banana production, whose members shall be recruited from BPI personnel in the provinces; experts from state universities and colleges (SUCs) with a track record for studying and researching on banana production and post-production techniques and technology; experts from Agricultural Training Institute (ATI); and from practitioners in actual banana farm production in the country. The corps members shall be tasked to help out in the establishment of banana farms in areas designated as such by this Act. BPI shall spend for their travel, lodging, honoraria and other necessary expenses, within existing budgetary rules.

SECTION 18. Banana Farmers Cooperatives and Associations. - The CDA shall assist in the formation, organizational strengthening, and financial literacy of cooperatives and their local banana farmer-members and producers. It shall aim to build capabilities of cooperatives and associations to leverage their own resources, run sustainable operations, and increase the number of successful cooperative-managed banana farms in the country.

SECTION 19. Trade and Export Assistance. - The DTI and the DA shall assist and support local banana producers in the trade and exportation of their product through a dedicated Banana Export Promotion Fund, trade defense strategy such as against non-tariff barriers (NTBs), and

market intelligence system under DTI/DA. It shall enhance the capabilities and global competitiveness of potential and exiting producers and exporters through export financing; business matching; provision of trade and market information; promotion of locally produced banana to local and international markets; organization of trade fairs and business missions; conduct of seminars, workshops, conferences and symposium on export-related subjects, including export documentation and procedures; product design and development; and market and product consultancy. The government shall give preference to locally produced bananas in government purchases.

SECTION 20. Role of LGUs. - LGUs shall, as far as practicable, establish their respective Banana Industry Development Task Force (Banana Task Force), provide extension services, disease quarantine enforcement, and co-financing of infrastructure with DA. LGUs shall regularly conduct a survey of existing banana farms and banana processing enterprises in their respective localities.

LGUs, in cooperation with the DENR, BPI, DA-NFRDI, and DTI and the appropriate DOST Regional Office, shall identify appropriate areas for local banana production in their respective localities.

SECTION 21. Importation of Banana. - No person shall import banana without first Securing a permit from the following agencies through a single-window permit system for banana imports managed by DA-BPI with DOH-FDA technical clearance:

- (a) DA-BPI and DOH-FDA for food grade banana; and
- (b) DA-BPI for non-food grade banana.

The DOH-FDA and DA-BPI are hereby mandated to harmonize and streamline their processes.

SECTION 22. Preferential use of Domestically Produced Banana. - The government shall encourage the use of domestically produced banana in its programs.

SECTION 23. Categorization of Domestically Produced Banana. - The banana produced by banana farmers shall be automatically categorized as food grade, nor shall the burden of categorizing banana be on the banana farmers.

Food grade banana may be sold by farmers to banana processors in compliance with this Act provided that FDA compliance shall be done by the processors.

SECTION 24. Labeling of Banana Made in the Philippines - All banana produced or manufactured in the Philippines for export shall be labeled as "Product of the Philippines" in a prominent and conspicuous manner on the product, its packaging, and accompanying documentation, and shall comply with the requirements of Republic Act No. 7394, otherwise known as the "Consumer Act of the Philippines".

For domestically produced bananas intended for the local market, banana manufacturers, producers or farmers are encouraged to provide a label "Product of the Philippines".

The DTI shall assist domestic banana manufacturers, producers or farmers on this labeling requirement.

SECTION 25. Incentives. - The following incentives shall be provided to investors in banana farms development and banana processing facilities:

- a. Disease-resistant planting material subsidy;
- b. Farm Mechanization support from PhilMech;
- c. The Board of Investments shall classify banana farms as preferred areas of investment under its Investment Priorities Plan (IPP) subject to pertinent rules and regulations;
- d. Banana farm owners, banana processors and other related businesses shall be exempt from the payment of import duties for imported machines and equipment to be actually and directly used in their businesses, subject to pertinent rules and regulations;
- e. The banana producers and processors shall be given priority to access credit assistance and guarantee schemes granted by government financial institutions (GFIs), special lending programs of the DA such as the Agricultural Competitiveness Enhancement Fund (ACEF), financing programs from Special Projects such as the Philippine Rural Development Programme (PRDP), among others, pursuant to RA 10000, otherwise known as the Agri-Agra Reform Credit Act of 2009; and
- f. Banana farm development and their equipment shall be covered by the Philippine Crop Insurance Corporation.

SECTION 26. Philippine National Banana Research Center. - The Philippine National Banana Research Center, hereinafter referred to as the Center, is hereby established in Panabo City, Province of Davao del Norte under the Department of Agriculture to provide research and development techniques for crop improvement, protection, production, post-harvest handling and the maintenance of germ plasm collection and gene bank that are capable of producing good quality varieties of banana. It shall closely work with the Network for Research and Promotion of Banana Farming Methodologies and Techniques as defined in Section 15.

SECTION 27. Duties and Functions. - The Center shall exercise the following duties and functions:

- (a) Integrate, collate and support research programs and studies on the banana industry;
- (b) Conduct continuing research on developing productive, high yielding, disease-resistant and good varieties of banana;
- (c) Conduct comprehensive studies and research on banana diseases and how to efficiently and effectively address the same;
- (d) Undertake research and generate relevant, efficient, cost effective, and scientific approaches to achieve sustainable banana farming;
- (e) Establish and maintain germplasm collection and gene bank for banana;
- (f) Accelerate the transfer of improved banana technologies to farmers and other stakeholders through on-farm research;
- (g) Upgrade the skills of development facilitators and banana farmers through trainings, seminars and workshops on farming techniques, banana production and postharvest handling and processing;
- (h) Establish national and international linkages for banana research, development and production activities;
- (i) Coordinate with local government units, non-government organizations and the private Sector involved in the development of the banana industry; and
- (j) Receive and manage grants, aid, donations or any kind of assistance from donors, either foreign or domestic, to achieve the Center's objectives.

SECTION 28. Executive Director. - The Center shall be headed by an Executive Director who shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Agriculture. The Executive Director shall be a recognized agriculturist with experience in banana research/development or a specialist banana grower actively involved in banana farming and production technologies. All other officers and employees of the Center shall be appointed by the Secretary of Agriculture upon the recommendation of the Executive Director and in accordance with existing Civil Service law and rules and regulations.

SECTION 29. Duties and Responsibilities. - The Executive Director shall exercise the following duties and responsibilities:

- (a) Exercise over-all supervision and direction over the implementation of all research and development programs of the Center and in general to supervise and direct its management, operation and administration;
- (b) Execute contracts, incur obligations, acquire and dispose of assets and deliver documents on behalf of the Center;
- (c) Approve the organizational structure, staffing pattern, operating and capital expenditures of the Center;
- (d) Recommend the appointment of the officers and employees of the Center on the basis of the highest possible standards of merit and fitness for public servants subject to the civil service laws, rules and regulations;
- (e) Implement and enforce policies, decisions, orders, rules and regulations issued by the Department of Agriculture; and
- (f) Exercise such other powers and functions and perform such other duties as may be authorized, delegated, or assigned by law.

SECTION 30. Annual Report. - The Executive Director shall submit to the President of the Philippines, through the Secretary of Agriculture, an annual report generally dealing with the activities and operations of the Center, together with the audit report on the relevant accounts.

SECTION 31. Donations and Solicitations. - The Center may solicit and receive donations or endowments of money, property or services which shall be exempt from income or gift taxes and all other taxes, charges or fees imposed by the government or any political subdivision or instrumentality thereof. Government corporations are hereby authorized to give grants to the Center from the unimpaired surplus of funds at their discretion.

SECTION 32. Reporting. - The various departments and agencies specified in this Act shall provide regular updates to the banana Council on the progress of their programs and activities toward the realization of the objectives of this Act.

SECTION 33. Congressional Oversight. - The COCAFm shall regularly exercise its oversight powers to ensure the full implementation of this Act.

SECTION 34. Agencies Regular Programs. - The additional mandates, functions and activities of the various departments and agencies provided for and identified in this Act shall be considered regular programs and shall be funded accordingly in their annual budgets as particularly provided in Sections 15, 19, and 20 of this Act.

SECTION 35. Appropriations. - To provide for the funding requirements for aggressive production programs of banana for international export, there is hereby created a Banana Industry Development Fund (BIDF), with an initial amount of five hundred million pesos (P500,000,000.00) to be taken from the existing budget of the Department of Agriculture. Thereafter, the BIDF shall be sourced from the amounts be appropriated in the General Appropriations Act in the year following its enactment into law. Other sources of funds, including but not limited to borrowings from local and international financial institutions, shall also be considered to further support the BIDF.

Provided, that the DA BPMO shall prepare a Medium-Term Banana Investment Plan before fund release; earmark percentages for R&D, credit, infrastructure, disease control, and export promotion.

Provided further, that private sector cost-sharing shall be allowed and encouraged to the extent possible.

SECTION 36. Separability Clause. - If any provision of this Act is declared invalid or unconstitutional, the other provisions of this Act not affected by such declaration shall remain in full force and effect.

SECTION 37. Repealing Clause. - All laws, decrees, orders, rules and regulations or other issuances or parts inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 38. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official gazette or in two (2) newspapers of general circulation.

Approved,