

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 4337



Introduced by **Representative RAYMOND ADRIAN SALCEDA**

**AN ACT
PROMOTING THE DEVELOPMENT OF THE CACAO INDUSTRY, CREATING
THE CACAO INDUSTRY DEVELOPMENT PROGRAM, PROVIDING FUNDS
THEREFOR, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Cacao has long been recognized as one of the world's most valuable agricultural commodities, with growing demand in the chocolate, confectionery, beverage, cosmetics, and nutraceutical industries. The global cacao market is projected to reach a value of over USD 15 billion in the next decade, driven by increasing consumer preference for chocolate and cacao-based products. The Philippines, with its favorable climate and fertile soils, is geographically positioned to take advantage of this opportunity.

Despite its potential, the Philippine cacao industry remains underdeveloped. According to the Philippine Statistics Authority (PSA), cacao production has fluctuated over the past decade, averaging less than 10,000 metric tons annually. This falls significantly short of both domestic demand and global market potential. While Mindanao accounts for more than 80% of the country's cacao production, major regions like Bicol, Davao, and parts of Visayas and Luzon have untapped potential for cacao cultivation.

The challenges confronting the industry include the limited availability of high-yielding and disease-resistant cacao varieties, inadequate post-harvest and processing facilities, lack of access to credit and crop insurance, weak market linkages, and minimal investment in research and development. Farmers are unable to scale production and improve quality without institutional support. At the same time, the average age of Filipino farmers is rising, and few young people are entering cacao farming and entrepreneurship due to low profitability and insufficient infrastructure.

If addressed, cacao could become a driver of inclusive rural development. The industry generates both farm-level employment and downstream processing opportunities, such as

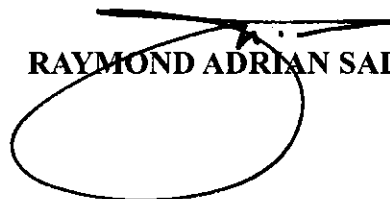
chocolate manufacturing and value-added product development. In Bicol, for example, cacao intercropped with coconut provides farmers with diversified income sources while promoting climate-resilient farming systems. Internationally, Philippine cacao already enjoys recognition for its fine flavor and unique varietal characteristics, which can position the country as a niche exporter in premium markets.

This proposed measure, to be known as the Cacao Industry Development Act, seeks to establish a comprehensive framework for cacao industry growth. It mandates the creation of a Cacao Industry Development Program (CIDP) to provide farmer training, research and development support, nursery and planting material distribution, crop insurance, credit facilities, and post-harvest infrastructure. It also creates a Cacao Industry Development Council (CIDC) composed of government agencies, farmer representatives, and private processors to oversee program implementation and align it with a regularly updated Cacao Industry Roadmap.

Funding support is likewise provided under this Act, including an initial appropriation of ₱500 million and access to existing national financing programs such as the Sagip Saka Act, Land Bank credit facilities, and Agricultural Credit Policy Council windows. The measure also ensures collaboration with the Department of Trade and Industry (DTI) and the Philippine Export Development Council to brand cacao as a globally competitive Philippine product.

By integrating farmer support, research, value chain development, and market promotion, this measure ensures that cacao becomes a pillar of inclusive growth, food security, and export competitiveness. The bill will empower farmers, attract young agripreneurs, and secure the Philippines' place in the global cacao and chocolate industry.

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


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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 promote the inclusive and sustainable development of the Philippine cacao industry. Recognizing the country’s comparative advantage in cacao production, the State shall:

- (a) Strengthen research, development, and extension services to increase cacao productivity and quality;
- (b) Support farmers and cooperatives through access to credit, crop insurance, post-harvest facilities, and market linkages;
- (c) Promote value-adding activities, including local chocolate and cacao-based enterprises;
- (d) Position Philippine cacao in domestic and global value chains through branding, quality assurance, and compliance with international standards; and
- (e) Ensure environmental sustainability and climate resilience in cacao farming systems.

SEC. 3. *Cacao Industry Development Program.* There is hereby established a Cacao Industry Development Program (CIDP) to be implemented by the Department of Agriculture (DA), in coordination with the Department of Trade and Industry (DTI), Department of Science and Technology (DOST), and other concerned agencies.

The CIDP shall cover:

- (a) Research and Development on high-yielding, disease-resistant cacao varieties and sustainable farming practices;
- (b) Nursery and planting material support to cacao farmers;
- (c) Training, extension, and capacity-building programs through DA-Agricultural Training Institute (ATI) and TESDA;
- (d) Construction and upgrading of post-harvest and processing facilities such as fermentation centers, drying facilities, and shared service facilities;
- (e) Credit support through Land Bank of the Philippines and Agricultural Credit Policy Council (ACPC) programs;
- (f) Crop insurance schemes for cacao farmers through the Philippine Crop Insurance Corporation (PCIC);
- (g) Establishment of local cacao processing and chocolate-making enterprises, particularly in rural communities; and
- (h) Export promotion, product branding, and quality certification for global competitiveness.

SEC. 4. *Cacao Industry Development Council.* There is hereby created a Cacao Industry Development Council (CIDC) to oversee the planning, implementation, and monitoring of the CIDP. The Council shall be chaired by the Secretary of Agriculture and co-chaired by the Secretary of Trade and Industry, with the following members:

- (a) Secretary of Science and Technology;
- (b) Secretary of Finance;
- (c) President of the Land Bank of the Philippines;
- (d) Administrator of the Philippine Crop Insurance Corporation;
- (e) Representative from the Cooperative Development Authority;
- (f) Three representatives from cacao farmers' federations or cooperatives, to be appointed by the President; and
- (g) Two representatives from cacao processors or chocolate manufacturers.

The Council shall prepare a Cacao Industry Roadmap updated every five (5) years, aligned with the Philippine Development Plan.

SEC. 5. *Funding.* The initial amount of Five Hundred Million Pesos (₱500,000,000.00) shall be allocated for the first year of implementation, sourced from the unprogrammed funds of the national government. Thereafter, the necessary funds shall be included in the annual General Appropriations Act.

SEC. 6. *Implementing Rules and Regulations.* Within ninety (90) days from the effectivity of this Act, the Department of Agriculture, in consultation with DTI, DOST, farmer cooperatives, and industry stakeholders, shall promulgate the necessary rules and regulations.

SEC. 7. *Separability Clause.* If any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall remain in full force and effect.

SEC. 8. *Repealing Clause.* All laws, decrees, executive orders, rules and regulations inconsistent with this Act are repealed or modified accordingly.

SEC. 9. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,