



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



TWENTIETH CONGRESS
First Regular Session
House Bill No. **4846**

Introduced by *Representative Caroline L. Tanchay, KAMALAYAN Party-List*

EXPLANATORY NOTE

The Philippine coffee industry, once a regional powerhouse, is now beset with structural challenges that limit its potential to contribute meaningfully to rural development, farmer income, and national branding. Despite favorable agro-climatic conditions and a proud coffee heritage, local production satisfies less than one-third of domestic demand. This gap not only reflects low farm productivity but also the lack of robust infrastructure, quality standards, and value-adding enterprises across the coffee value chain.

To address these issues, the government, through the Department of Agriculture (DA), previously adopted the Philippine Coffee Industry Roadmap 2021–2025.¹ However, the gains of the roadmap remain constrained without strong legislative support, institutional coordination, and long-term funding.

Per the Philippine Statistics Authority's (PSA) 2024 Statistical Indicators on Philippine Development² – Chapter 5 Agriculture and Agribusiness,³ the likelihood of achieving the Philippine Development Plan (PDP) end-of-plan (EOP) target is low, with the increase of yield of major commodities (MT/ha, cumulative, baseline year 2021) set at 0.23 in 2023, 0.28 in 2024, and 1.0 in 2028. This means that as of date, the Philippines is far from reaching its goal in coffee production as set in the PDP.

A comparative perspective further highlights the urgency. Vietnam, with a GDP of USD 476 billion, produces 1.95 million metric tons of coffee annually, generating over USD 10 billion in economic value. Indonesia, with a GDP of USD 1.39 trillion, produces 758,700 metric tons, valued at nearly USD 3 billion. By contrast, the

¹ DA – Philippine Council for Agriculture and Fisheries (DA-PCAF) Philippine Coffee Industry Roadmap 2021-2025 (<https://pcaf.da.gov.ph/wp-content/uploads/2022/06/Philippine-Coffee-Industry-Roadmap-2021-2025.pdf>) last accessed August 19, 2025.

² 2024 Statistical Indicators on Philippine Development (<https://psa.gov.ph/node/1684077813>), last accessed August 19, 2025.

³ 2024 Statistical Indicators on Philippine Development – Chapter 5 Agriculture and Agribusiness (<https://psa.gov.ph/system/files/sdsd/Chapter%205%20-%20Agriculture%20and%20Agribusiness.pdf>) last accessed August 19, 2025.

Philippines, with a GDP of USD 461 billion, produces only 54,900 metric tons—equivalent to a modest USD 247 million. Coffee contributes 2.13 percent to Vietnam’s GDP and 18 percent to its agricultural GDP, while in the Philippines, coffee accounts for a mere 0.05 percent of GDP and 0.60 percent of agricultural GDP.

The disparity extends to land use: Vietnam cultivates over 730,000 hectares of coffee with the potential to expand to 2 million hectares, while the Philippines has barely 111,000 to 117,000 hectares planted with no clear projection for expansion. This stark contrast demonstrates how neighboring countries have turned coffee into a multi-billion-dollar driver of rural livelihoods, while the Philippines continues to underperform despite similar, if not more favorable, growing conditions.

Yet, signs of promise remain. PSA reports that in the first quarter of 2025, coffee production reached 13.06 thousand metric tons, an increase of 10.7 percent from the same period in the previous year. Prices for arabica, liberica, and robusta also indicate strong market demand. This shows that with the right interventions, the Philippine coffee sector can achieve robust growth and secure a stronger foothold in the global coffee market.

Nevertheless, the coffee industry in the Philippines has great promise. PSA recently reported that coffee (green coffee beans) Volume of Production and Average Farmgate Price, January to March 2025. The production of coffee in the first quarter of 2025 was registered at 13.06 thousand metric tons. This indicates an increment of 10.7 percent from previous year’s same quarter output of 11.80 thousand metric tons. From January to March 2025, the average farmgate price of coffee arabica (green coffee beans) was reported at PhP 290.97 per kilogram, coffee liberica at PhP 183.33 per kilogram, and coffee robusta at PhP 265.75 per kilogram.⁴

This bill seeks to strengthen the Philippine coffee industry through the creation of the **Philippine Coffee National Development Program**. It adopts a *farm-to-cup* approach, aiming to boost farmer productivity, reduce post-harvest losses, improve quality and traceability, and enable coffee farmers and cooperatives to participate more actively in value-added processing, direct marketing, and export.

The measure aligns with constitutional and statutory mandates supporting agriculture and rural development. Sections 1 and 3, Article XII of the 1987 Constitution provides and enjoins the equitable distribution of opportunities, income, and wealth, while emphasizing support for agriculture as the backbone of the economy. The State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets. However, the State shall protect Filipino enterprises against unfair foreign competition and trade practices.

Relatedly, Republic Act No. 7900, or the High-Value Crops Development Act of 1995, promotes the production, processing, and marketing of crops such as coffee. Republic Act No. 8435, the Agriculture and Fisheries Modernization Act of 1997

⁴ <https://www.facebook.com/PSAgovph/posts/coffee-green-coffee-beans-volume-of-production-and-average-farmgate-price-januar/1047669744131468/>

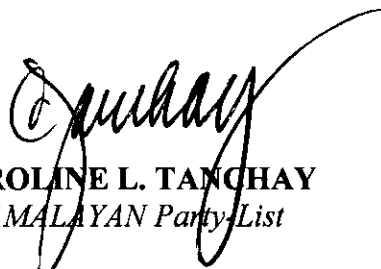
(AFMA), underscores the importance of sustainability, research, and innovation. Republic Act No. 10000, the Agri-Agra Reform Credit Act of 2010, ensures financing access for farmers and fisherfolk. Likewise, Republic Act No. 10659, the Sugarcane Industry Development Act of 2015, provides a model for crop-specific institutional support, while Republic Act No. 11511, which amends the Organic Agriculture Act, promotes sustainable farming, particularly relevant to the specialty coffee sector.

Together, these laws, complemented by initiatives of the Department of Agriculture (DA) and the Department of Trade and Industry (DTI), form a strong legal foundation upon which the Philippine Coffee Industry Roadmap 2021–2025 and this proposed measure can be implemented.

This proposed legislation draws inspiration from the world's most successful coffee programs while adapting them to Philippine conditions. We studied Colombia's extension service model, where 1,011 officers serve 500,000 farmers, ensuring consistent quality that commands premium prices globally. We examined Vietnam's transformation from minor producer to world's second-largest exporter through systematic government support and massive replanting programs. We learned from Brazil's cooperative system that enables even small farmers to access credit, technology, and markets. These proven strategies, combined with our unique advantages, can restore Philippine coffee to greatness.

At the heart of this bill lies the creation of the Philippine Coffee Board, a powerful new institution under the Department of Agriculture that will unify the fragmented efforts currently scattered across multiple agencies. This board will absorb the functions of the existing private sector-led Philippine Coffee Board Inc., ensuring continuity while adding government resources and authority. With representation from key government departments, farmer cooperatives, processors, academia, and retailers, the PCB will provide the coordinated leadership our coffee industry desperately needs.

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



CAROLINE L. TANCHAY
KAMALAYAN Party-List



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**AN ACT ESTABLISHING THE PHILIPPINE NATIONAL COFFEE
INDUSTRY DEVELOPMENT PROGRAM, CREATING THE PHILIPPINE
COFFEE BOARD, PROVIDING COMPREHENSIVE SUPPORT
MECHANISMS FOR THE COFFEE SECTOR, AND APPROPRIATING
FUNDS THEREFOR**

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

ARTICLE I - GENERAL PROVISIONS

Section 1. Short Title. - This Act shall be known as the "Philippine National Coffee Industry Development Act of 2025."

Section 2. Declaration of Policy. - It is hereby declared the policy of the State to:

- a) Transform the Philippines into a globally competitive coffee producer and net exporter by 2035;
- b) Improve the livelihood of smallholder coffee farmers operating 95% of the country's coffee farms through comprehensive support systems;
- c) Preserve and enhance the country's unique coffee varieties including Barako, Robusta, Arabica, and Excelsa;
- d) Ensure sustainable and climate-resilient coffee production across the archipelago;
- e) Develop world-class quality standards and value-added processing capabilities;
- f) Create an institutional framework for coordinated sectoral development.

Section 3. Objectives. - This Act aims to:

- a) Increase national coffee production from 37,000 metric tons to 300,000 metric tons by 2035;
- b) Achieve average yields of 1.2 metric tons per hectare from current 0.3 metric tons;

- c) Expand coffee cultivation to 250,000 hectares;
- d) Develop specialty coffee exports targeting 30% of total production;
- e) Create direct and indirect employment opportunities;
- f) Achieve 100% self-sufficiency in domestic coffee consumption from current 30%.

Section 4. Coverage. This Act shall cover all coffee farmers including smallholders who comprise 95% of farms (under 5 hectares each), processors, traders, exporters, and other stakeholders in the coffee value chain across all regions of the Philippines.

ARTICLE II - INSTITUTIONAL FRAMEWORK

Section 5. Creation of the Philippine Coffee Board (PCB). - There is hereby created the Philippine Coffee Board under the Department of Agriculture, which shall serve as the primary government agency for coffee industry development. This shall supersede and absorb the functions of the existing private sector-led Philippine Coffee Board Inc. (PCBI) established in 2002, with PCBI members given priority representation in the new Board.

Section 6. Composition of the Board. - The PCB shall be composed of:

- a) Secretary of Agriculture - Chairperson
- b) Secretary of Trade and Industry - Co-Chairperson
- c) Secretary of Science and Technology - Member
- d) Secretary of Environment and Natural Resources - Member
- e) Secretary of Agrarian Reform - Member
- f) Secretary of Department of Economy, Planning, and Development - Member
- g) Three (3) representatives from coffee farmer cooperatives
- h) Two (2) representatives from coffee processors/exporters
- i) One (1) representative from the academe
- j) One (1) representative from coffee retailers

Section 7. Powers and Functions. The PCB shall:

- a) Formulate and implement the National Coffee Development Master Plan;
- b) Coordinate all government programs related to coffee;
- c) Establish quality standards and certification systems in coordination with present and future global partners, both public and private;
- d) Oversee research and development programs;
- e) Facilitate market linkages and export promotion;
- f) Monitor and evaluate program implementation.

Section 8. Regional Coffee Development Councils. Regional councils shall be established in major coffee-producing regions:

- Cordillera Administrative Region (Benguet, Mountain Province)
- Southern Luzon (Batangas, Cavite - historical Barako centers)
- Mindanao (Davao, Bukidnon, Sultan Kudarat, Cotabato)
- SOCCSKSARGEN
- Other emerging coffee areas

ARTICLE III - PRODUCTION SUPPORT PROGRAMS

Section 9. National Coffee Replanting and Rehabilitation Program. A comprehensive program targeting expansion to 250,000 hectares over 10 years shall include:

- a) Free distribution of 150 million high-yielding, climate-resilient seedlings;
- b) Technical assistance for proper planting and cultivation;
- c) Subsidy of ₱50,000 per hectare for establishment costs;
- d) Insurance coverage for the first three years of cultivation;

Section 10. Coffee Farm Productivity Enhancement. Support services shall include:

- a) Soil testing and customized fertilization programs;
- b) Integrated pest and disease management;
- c) Provision of farm equipment and post-harvest facilities;
- d) Establishment of 500 community-based nurseries;
- e) Solar-powered irrigation systems.

A study for this fulfillment of Coffee Farm Productivity Enhancement shall be conducted by the PCB to assess the volume and the applicable beneficiaries of the program.

Section 11. Extension Services Network. Following *Colombia's* model: The PCB, as implementor of this program, shall initiate and facilitate the following extension services, to improve the coffee industry

- a) Deploy 1,500 Coffee Development Officers nationwide to promote sustainable farming practices, enhance coffee quality, and to foster market development;
- b) Establish Farmer Field Schools in all coffee-producing municipalities;
- c) Conduct monthly farm visits and technical consultations;
- d) Develop mobile applications for real-time technical support.

ARTICLE IV - FINANCIAL SUPPORT MECHANISMS

Section 12. Coffee Credit and Insurance Program. There shall be a coffee credit and insurance program available for application of coffee farmers, producers, and traders. The rules and regulations for the coffee credit and insurance program shall be the released by the PCB within a year from the passage of this Act.

- a) ₱10 billion annual allocation for production loans at 3% interest;
- b) ₱5 billion for processing and marketing loans at 4% interest;
- c) Crop insurance covering 100% of production costs;
- d) Calamity assistance fund of ₱2 billion annually.

Section 13. Coffee Farmer Subsidy Program. Direct support includes:

- a) Fertilizer subsidy of ₱5,000 per hectare annually;
- b) Price support mechanism guaranteeing minimum farmgate prices;

- c) Transport subsidy for remote highland areas;

ARTICLE V - QUALITY AND STANDARDS

Section 14. Philippine Coffee Quality Standards. The PCB shall establish comprehensive standards including: a) Moisture content maximum; b) Defect classification system aligned with international standards; c) Cupping score requirements for export grades; d) Geographic indication protection for regional varieties; e) Variety-specific standards recognizing that 90% of current production is Robusta; f) Premium standards for Arabica, Barako (Liberica), and Excelsa varieties.

ARTICLE VI - RESEARCH AND DEVELOPMENT

Section 15. National Coffee Research Institute. Establish under DOST with mandate to:

- a) Develop climate-resilient varieties;
- b) Improve processing technologies;
- c) Conduct market and consumer research;
- d) Coordinate with international research institutions.

Focus areas for research shall include: a) Breeding programs for high-yield, disease-resistant varieties; b) Climate change adaptation strategies; c) Value-addition technologies; d) Precision agriculture applications; e) Carbon sequestration potential of coffee systems.

ARTICLE VII - PROCESSING AND VALUE ADDITION

Section 16. Coffee Processing Hub Development. The PCB shall establish facilities including:

- a) Regional processing centers with modern equipment;
- b) Instant coffee manufacturing plants;
- c) Community-level processing facilities;
- d) Specialty coffee roasting centers.

Section 17. Value Chain Integration. The PCB shall establish support programs for:

- a) Farm-to-market roads in coffee areas;
- b) Cold chain infrastructure;
- c) Export facilitation centers;
- d) E-commerce platforms for direct marketing.

ARTICLE VIII - MARKET DEVELOPMENT AND TRADE

Section 18. Domestic Market Development. . The PCB's Domestic Market Development strategies shall include the following:

- a) Philippine Coffee campaign targeting 100% local supply of 100,000 MT annual consumption;
- b) Coffee consumption promotion building on current 2.5 cups per day average (80% of Filipinos);
- c) Coffee tourism circuits in production areas;
- d) Promotion of traditional brewing methods for native varieties;
- e) School and workplace coffee programs capitalizing on 90% household penetration.

Section 19. Export Promotion. The PCB's Export Promotion Programs includes:

- a) Participation in international coffee exhibitions;
- b) Trade missions to importing countries;
- c) Export subsidy of ₱10 per kilogram for specialty coffee;
- d) Brand development for Philippine coffee varieties.

ARTICLE IX - SUSTAINABILITY AND CLIMATE RESILIENCE

Section 20. Carbon Credit Program The PCB shall establish a Carbon Credit Program, which shall have mechanisms for:

- a) Carbon footprint assessment of coffee farms;
- b) Participation in voluntary carbon markets;
- c) Payment for ecosystem services;
- d) Green bonds for sustainable coffee projects.

ARTICLE X - FUNDING AND APPROPRIATIONS

Section 21. Appropriations. The amount necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act under the Department of Agriculture in no case less than the initial appropriation of P50 billion per year for the first five years.

The distribution of the funds will be determined by available capacity of coffee production.

Section 22. Fund Allocation Distribution. Distribution of the fund allocation as mentioned under the National Coffee Development Fund in Section 21 shall be as follows:

- a) Production support - 40%
- b) Research and development - 15%
- c) Processing and infrastructure - 20%
- d) Marketing and promotion - 10%
- e) Institutional support - 10%
- f) Emergency and calamity fund - 5%

ARTICLE XI - FINAL PROVISIONS

Section 23. Implementing Rules and Regulations. Within ninety (90) days from the effectivity of this Act, the Secretary of DA, in collaboration with the DTI, DOST, DENR, DAR, and DepDev, and in consultation with the representatives of the PCB and relevant stakeholders, shall promulgate and issue the necessary implementing rules and regulations for the effective implementation of this Act. The implementing rules and regulations issued pursuant to this section shall take effect thirty (30) days after the publication in the Official Gazette or in two (2) newspapers of general circulation.

Section 24. Repealing Clause. All laws, decrees, orders, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

Section 25. Separability Clause. If any provision is declared unconstitutional, other provisions not affected shall remain in force.

Section 26. Effectivity. This Act shall take effect fifteen days after publication in the Official Gazette or newspaper of general circulation.

Approved.