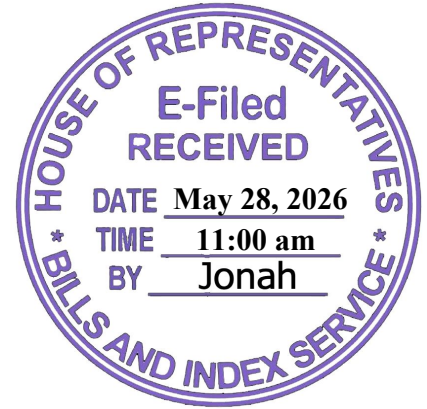




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 9495



Introduced by Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Andrew Julian K. Romualdez and Jude A. Acidre

AN ACT
STRENGTHENING THE PHILIPPINE COFFEE AND CACAO INDUSTRIES, ESTABLISHING SUPPORT MECHANISMS FOR PRODUCTION, PROCESSING, MARKETING, AND EXPORT DEVELOPMENT, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

The Philippine coffee and cacao industries possess significant potential to contribute to rural development, employment generation, value-added agriculture, and export growth. Many upland and highland areas in the country are well-suited for coffee and cacao production, yet farmers continue to face challenges such as limited access to quality planting materials, inadequate post-harvest facilities, weak market linkages, and insufficient technical support.

Despite increasing global demand for premium coffee and cacao products, many local farmers and small enterprises are unable to maximize economic opportunities due to low productivity and limited access to processing and marketing support. Strengthening these industries will not only improve farmer incomes but also promote sustainable agricultural development and countryside enterprise growth.

This bill seeks to institutionalize government support for the coffee and cacao sectors through the establishment of regional nurseries for quality seedlings, provision of marketing grants and processing support, strengthening of

buyer linkages, and expanded technical and capacity-building assistance for farmers, cooperatives, and micro, small, and medium enterprises (MSMEs). By enhancing productivity, processing, and market access, this measure aims to develop globally competitive Philippine coffee and cacao industries while creating sustainable livelihood opportunities in rural communities.

In view of the foregoing, approval of this bill is earnestly requested.



FERDINAND MARTIN G. ROMUALDEZ



YEDDA MARIE K. ROMUALDEZ



ANDREW JULIAN K. ROMUALDEZ



JUDE A. ACIDRE



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DEVELOPMENT, AND APPROPRIATING FUNDS THEREFOR**

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

**CHAPTER 1
GENERAL PROVISIONS**

SECTION 1. *Short Title.* – This Act shall be known as the “Coffee and Cacao Development Act.”

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to promote the sustainable development and global competitiveness of the Philippine coffee and cacao industries as drivers of rural development, employment generation, environmental sustainability, value-added agriculture, and export growth.

The State shall support the development of these sectors through the provision of quality planting materials, research and development, financing assistance, processing support, marketing programs, and stronger farm-to-market connectivity, while promoting climate-resilient and agroforestry-based farming systems.

SEC. 3. *Definition of Terms.* – For purposes of this Act, the following terms are hereby defined:

- a) “Coffee and Cacao Farmer” refers to any individual, cooperative, association, or juridical entity engaged in the cultivation and production of coffee or cacao;
- b) “MSMEs” refers to micro, small, and medium enterprises as defined under existing laws;
- c) “Shared Service Facility (SSF)” refers to common service facilities, machinery, equipment, or processing centers shared by farmer groups, cooperatives, associations, or MSMEs for production and post-harvest activities;
- d) “Post-Harvest Facilities” refers to equipment and infrastructure used for drying, fermentation, roasting, storage, packaging, grading, and processing of coffee and cacao products;
- e) “Sustainable Farming” refers to agricultural practices that protect natural resources, improve productivity, promote biodiversity, and ensure long-term environmental and economic viability;
- f) “Value-Added Processing” refers to activities that enhance the quality, marketability, or commercial value of coffee and cacao products through roasting, fermentation, chocolate-making, packaging, branding, and related processes.

SEC. 4. *Objectives.* – This Act aims to:

- a) Promote sustainable and climate-resilient farming systems for coffee and cacao, particularly in upland and highland areas suitable for cultivation;
- b) Enhance productivity, quality, and competitiveness of locally produced coffee and cacao products;
- c) Strengthen local processing capacities and value-added enterprises;
- d) Improve market access and establish direct linkages between farmers, processors, traders, exporters, and institutional buyers;
- e) Expand access to financing, insurance, and technical assistance for coffee and cacao stakeholders;
- f) Encourage research, innovation, and technology adoption in coffee and cacao production and processing; and
- g) Generate rural employment opportunities and increase farmer incomes.

SEC. 5. *Establishment of Coffee and Cacao Nurseries.* –

(a) The Department of Agriculture (DA), through its High Value Crops Development Program (HVCDP), in partnership with Local Government Units (LGUs), State Universities and Colleges (SUCs), accredited farmers' cooperatives, and private sector stakeholders, shall establish and maintain regional and provincial nurseries for high-quality coffee and cacao seedlings.

(b) These nurseries shall:

- 1. Produce certified planting materials of recommended and climate-resilient coffee and cacao varieties;
- 2. Provide seedlings to smallholder farmers at subsidized rates or under cost-sharing arrangements;
- 3. Conduct trainings on nursery management, farm establishment, and sustainable cultivation practices; and

4. Support replanting and rehabilitation programs in areas affected by pests, diseases, or natural calamities.

Priority shall be given to smallholder farmers, agrarian reform beneficiaries, indigenous peoples, and farmer cooperatives.

SEC. 6. *Research and Development.* – The DA, in coordination with the Agricultural Training Institute (ATI), SUCs, research institutions, and industry stakeholders, shall support research and development programs for the coffee and cacao industries, including:

- a) Development of high-yielding, disease-resistant, and climate-resilient varieties;
- b) Soil health and sustainable nutrient management;
- c) Pest and disease prevention and control;
- d) Post-harvest innovation and quality enhancement technologies;
- e) Product diversification and value-added processing; and
- f) Digital traceability and quality certification systems.

SEC. 7. *Marketing Grants and Local Processing Incentives.* – (a) The DA shall establish a Coffee and Cacao Marketing Grant Fund to support:

1. Development of shared service facilities (SSF) and post-harvest processing centers;
2. Participation in domestic and international trade fairs, exhibits, and business missions;
3. Branding, packaging, quality certification, and traceability initiatives, including organic and fair-trade certification;
4. Development of specialty coffee, artisanal chocolate, and other value-added products; and

5. Promotion of direct farmer-to-market and farmer-to-exporter arrangements.

(b) Preference shall be given to farmer cooperatives, associations, and MSMEs engaged in local processing and direct marketing.

SEC. 8. *Buyer Linkages and Market Development Program.* – The DA, through the Agribusiness and Marketing Assistance Service (AMAS), shall establish a Coffee and Cacao Buyer Linkages and Market Development Program which shall:

- a) Organize regular buyer-seller forums, trade fairs, business matching activities, and investment promotion initiatives;
- b) Develop and maintain an online platform to facilitate transactions, market information, and product traceability;
- c) Coordinate with the Department of Trade and Industry (DTI), export promotion agencies, and international market networks to identify and develop new domestic and export markets;
- d) Promote fair trade practices and transparent pricing mechanisms; and
- e) Encourage institutional procurement of locally produced coffee and cacao products.

SEC. 9. *Capacity Building and Technical Assistance.* – The DA shall coordinate with the ATI, SUCs, LGUs, and relevant industry stakeholders to provide continuous capacity-building and technical assistance programs on:

- a) Sustainable and climate-resilient cultivation practices;
- b) Agroforestry and biodiversity conservation approaches;
- c) Farm management and entrepreneurship;
- d) Post-harvest quality control and standards compliance;

- e) Value-added product development and marketing; and
- f) Digital marketing and e-commerce strategies.

SEC. 10. *Access to Credit and Financing.* – Government financial institutions, including the Land Bank of the Philippines, the Development Bank of the Philippines, and the Agricultural Credit Policy Council (ACPC), shall develop accessible financing programs and credit windows for coffee and cacao farmers, cooperatives, associations, and MSMEs.

Such financing programs may include concessional loans, credit guarantees, startup financing, equipment financing, and rehabilitation assistance.

SEC. 11. *Crop Insurance Coverage.* – The Philippine Crop Insurance Corporation (PCIC) shall prioritize eligible coffee and cacao farmers for crop insurance coverage against losses arising from natural calamities, pests, diseases, and climate-related risks.

SEC. 12. *Roles of Local Government Units.* – LGUs shall assist in the implementation of this Act by:

- a) Identifying priority coffee and cacao production areas;
- b) Providing extension and technical support services;
- c) Assisting in the organization of farmer cooperatives and associations;
- d) Supporting local market development initiatives; and
- e) Integrating coffee and cacao development programs into local agricultural development plans.

SEC. 13. *Annual Report to Congress.* – The DA shall submit an annual report to Congress on the implementation of this Act, including information on:

- a) Production and productivity statistics;
- b) Number of farmer beneficiaries and supported enterprises;
- c) Nursery and processing facility outputs;
- d) Marketing grants and financing assistance provided;
- e) Export performance and market development initiatives; and
- f) Recommendations for policy and program improvements.

SEC. 14. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the Department of Agriculture. Thereafter, such sums as may be necessary shall be included in the annual General Appropriations Act.

LGUs may allocate additional funds from their respective local budgets for the implementation of coffee and cacao development programs.

SEC. 15. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the DA, in consultation with the DTI, Department of Environment and Natural Resources (DENR), Department of Science and Technology (DOST), SUCs, farmer organizations, cooperatives, and industry stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 16. *Separability Clause.* – If any provision or part of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall remain in full force and effect.

SEC. 17. *Repealing Clause.* – All laws, decrees, executive orders, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,