



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 9966

Introduced by Representative Lorenz R. Defensor

EXPLANATORY NOTE

This bill seeks to institutionalize a national program for the sustainable development and promotion of the cacao industry.

Section 1, Article XII of the 1987 Constitution mandates the State to promote an expanding productivity as the key to raising the quality of life for all, especially the underprivileged, and to ensure a more equitable distribution of opportunities, income, and wealth. Consistent with this constitutional policy, the State must support agricultural industries that generate employment, increase farmers' incomes, and contribute to sustainable economic growth.

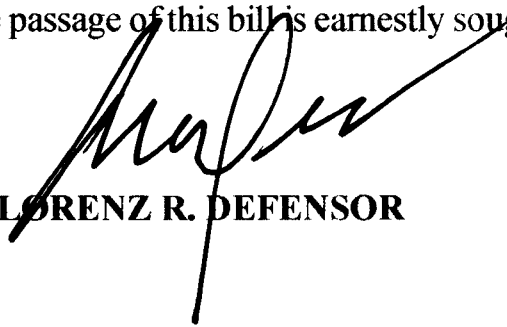
The cacao industry presents a significant opportunity to advance rural development, create sustainable livelihood and employment opportunities, and strengthen the country's position in the global market for high-value agricultural products. The Philippines possesses favorable conditions for cacao production and has gained recognition for producing quality cacao and fine-flavor cocoa products. The Philippine Statistics Authority reported that national cacao production reached 2.98 thousand metric tons in the first quarter of 2025, reflecting a 23.6% increase compared to the same period in the previous year.

Despite its growth potential, the industry continues to face challenges such as low productivity, limited access to quality planting materials, inadequate post-harvest and processing facilities, insufficient research and development, fragmented marketing systems, and weak institutional coordination. The Philippine Cacao Industry Roadmap 2021–2025 identified these constraints and emphasized the need for increased productivity, improved post-harvest practices, strengthened research and development, industry clustering, value-chain enhancement, and the establishment of a strong Philippine cacao brand in the global market.

This measure seeks to institutionalize a National Cacao Industry Development Program to provide a comprehensive and coordinated framework for the sustainable growth and promotion of the cacao industry. It also proposes the creation of a National Cacao Development Council tasked to formulate and periodically update the Philippine Cacao Industry Development Roadmap, coordinate government and private sector initiatives, strengthen research and extension services, improve production and processing systems, expand market opportunities, and enhance the competitiveness of Philippine cacao products.

By institutionalizing a comprehensive and sustainable development program for the cacao industry, the State can harness the sector's potential as a driver of countryside development, job creation, and economic growth, while improving the lives of thousands of Filipino farmers and their families.

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



LORENZ R. DEFENSOR



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 9966

Introduced by Representative Lorenz R. Defensor

1 **AN ACT**
2 **INSTITUTIONALIZING A NATIONAL PROGRAM FOR THE**
3 **SUSTAINABLE DEVELOPMENT AND PROMOTION OF THE CACAO**
4 **INDUSTRY AND APPROPRIATING FUNDS THEREFOR**

5
6 *Be it enacted by the Senate and House of Representatives of the Philippines in*
7 *Congress assembled:*
8

9 SECTION 1. **Short Title.** – This Act shall be known as the “*Cacao*
10 *Industry Development Act.*”

11 SEC. 2. **Declaration of Policy.** – It is the declared policy of the State to
12 develop a sustainable, productive, and globally competitive cacao industry by
13 increasing local production, improving product quality, expanding market
14 opportunities, and encouraging the adoption of environmentally sound and
15 economically viable farming and production practices.

16 The State further recognizes the cacao industry as a strategic contributor to
17 rural development, food security, employment generation and inclusive economic

growth. Toward this end, the State shall promote and support programs and initiatives that enhance productivity and value addition, strengthen the competitiveness of cacao farmers and enterprises, generate sustainable livelihood opportunities, increase farmers' incomes, contribute to poverty reduction, and promote inclusive and equitable growth, particularly in rural and underserved communities.

SEC. 3. ***National Cacao Industry Development Program.*** – A National Cacao Industry Development Program, hereinafter referred to as the *Program*, is hereby established to promote the sustainable development, modernization, competitiveness, and global recognition of the Philippine cacao industry.

The Program shall serve as the national framework for the development of the cacao industry and provide for the implementation, coordination, and integration of policies, plans, programs, projects and activities to increase cacao production and productivity, improve the quality of cacao and cacao-based products, strengthen the cacao value chain, promote research and innovation, expand domestic and international market opportunities, and enhance the income, welfare, and livelihood of cacao farmers and other stakeholders throughout the cacao value chain.

The Program shall 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.

1 SEC. 4. ***Philippine Cacao Industry Development Roadmap.*** - The

2 Program shall be implemented in accordance with a Philippine Cacao Industry
3 Development Roadmap, which shall serve as the Program's strategic planning
4 and implementation guide. The roadmap must identify the industry's strategic
5 priorities, measurable targets and key interventions for a period of five (5) years.
6 It shall be reviewed annually and updated every five (5) years, or earlier as may
7 be deemed necessary by the National Cacao Development Council created under
8 this Act to respond to emerging opportunities, challenges, and developments
9 affecting the cacao industry.

10 SEC. 5. ***National Cacao Development Council; Composition.*** – The

11 National Cacao Development Council, hereinafter referred to as the *Council*, is
12 established to implement the provisions of this Act and shall exercise its powers
13 and functions in accordance with Section 6 of this Act.

14 The Council is composed of representatives from the government and the
15 private sector, as follows:

16 (a) Representatives from the government:

17 (1) Undersecretary of Agriculture for High Value Crops and Rural
18 Credit, as chairperson;

19 (2) Undersecretary of Trade and Industry, as vice chairperson;

20 (3) Undersecretary from the Department of Science and
21 Technology;

(4) Undersecretary from the Department of Environment and Natural Resources;

(5) Undersecretary from the Department of Agrarian Reform;

(6) Undersecretary from the Mindanao Development Authority;

(7) Director of the Bureau of Agricultural Research;

(8) One (1) representative from the Land Bank of the Philippines;

(9) One (1) representative from the Philippine Coconut Authority;

and

(10) One (1) representative from the Small Business Corporation, as members.

(b) Representatives from the private sector who shall be appointed by the Secretary of Agriculture:

(1) Six (6) representatives from among the Regional Cacao Industry Development Councils with two (2) representatives each from Luzon, Visayas, and Mindanao;

(2) One (1) representative from the group of cacao traders, exporters, and importers;

(3) One (1) representative from the group of cacao processors; and

(4) Two (2) representatives from the academe.

The private sector representatives shall elect from among themselves a co-chairperson and a co-vice chairperson. The private sector members of the Council shall serve for a term of two (2) years.

1 The members of the Council shall serve without any compensation but
2 shall be entitled to reimbursement of actual and necessary expenses incurred in
3 the performance of their duties under this Act.

4 The Council shall convene at least once every quarter, or four (4) times
5 annually and may hold special meetings upon the call of the chairperson or upon
6 the request of a majority of its members.

7 **SEC. 6. *Powers and Functions.*** – The Council shall exercise the following
8 powers and functions:

9 (a) Formulate, adopt, monitor, and oversee the implementation of the
10 Philippine Cacao Industry Development Roadmap and other industry-related
11 policies;

12 (b) Promote and support education, training, and capacity-building for
13 cacao farmers and other industry stakeholders;

14 (c) Promote, coordinate, and support research, innovation, and market
15 development initiatives;

16 (d) Advance the adoption of improved production systems, technologies,
17 and best practices in cacao cultivation and post-harvest management;

18 (e) Encourage the propagation and utilization of high-yielding, good-
19 quality, and disease-resistant cacao varieties;

20 (f) Facilitate the modernization and upgrading of cacao processing
21 technologies and facilities;

(g) Strengthen marketing systems and expand market opportunities for cacao and cacao-based products;

(h) Integrate and harmonize the programs, projects, and initiatives of government agencies, local government units, and private sector stakeholders involved in the cacao industry;

(i) Formulate guidelines for the establishment, designation, and operation of the Cacao Centers of Excellence;

(j) Establish partnerships and collaborative arrangements with local and international institutions, organizations, and development centers engaged in cacao research, production, and trade; and

(k) Perform such other functions as may be necessary to carry out the provisions of this Act.

SEC. 7. *Secretariat.* – A Secretariat composed of existing personnel from the Bureau of Plant Industry of the DA, supported by personnel from the DTI, shall assist the Council in executing its policies and programs, and in providing the necessary technical and administrative support.

SEC. 8. *Industry Consultation and Coordination.* – The Council shall regularly consult and coordinate with the Regional Cacao Industry Development Councils and other stakeholders to promote the development of the cacao industry in their respective regions to achieve the following objectives:

(a) Provide leadership and strategic direction for the development of the cacao industry;

(b) Ensure participatory, evidence-based, and region-responsive industry planning;

(c) Harmonize government and private sector initiatives and investments;

(d) Strengthen public-private and multi-stakeholder partnerships;

(e) Enhance productivity, quality, innovation, and competitiveness across the cacao value chain;

(f) Improve the incomes and livelihoods of cacao farmers and industry stakeholders;

(g) Strengthen research, extension, and industry information systems;

(h) Promote effective implementation and monitoring at the regional level; and

(i) Advance the interests of the Philippine cacao industry in international markets and institutions.

SEC. 9. *Cacao Centers of Excellence.* – The Council shall, in coordination with the DA, DOST, Commission on Higher Education, and State Universities and Colleges, establish and designate Cacao Centers of Excellence in strategic cacao-producing areas to serve as hubs for research, development, innovation, and capacity-building.

The Cacao Centers of Excellence shall:

(a) Conduct and support research and development across the cacao value chain;

(b) Develop, validate, and promote appropriate technologies and best practices for cacao production, processing, and product development;

(c) Provide training, extension, and capacity-building services to farmers and other industry stakeholders; and

(d) Foster collaboration among government agencies, academic research institutions, the private sector, and local and international partners engaged in cacao development.

SEC. 10. ***Participation of Local Government Units.*** – Local government units, as frontliners of agricultural development, shall:

(a) Identify priority cacao production areas;

(b) Provide extension and technical support services;

(c) Assist in the organization of farmer cooperatives and associations;

(d) Support local market development initiatives; and

(e) Integrate cacao development programs into local agricultural development plans.

SEC. 11. ***Mandatory Review and Submission of Report to Congress.*** –

The Council shall, in partnership with the Philippine Cacao Industry Association, Inc., concerned government agencies, and other stakeholders, conduct a mandatory review and assessment of the implementation of this Act not later than five (5) years from its effectivity and every five (5) years thereafter. The report shall be submitted to the Senate and the House of Representatives and shall

1 include recommendations for policy and legislative measures to strengthen the
2 Philippine cacao industry.

3 SEC. 12. ***Appropriations.*** – The amount necessary for the initial
4 implementation of this Act shall be charged against the current year's
5 appropriations of the Department of Agriculture. Thereafter, such amount as may
6 be necessary for the continued implementation of this Act shall be included in the
7 annual General Appropriations Act.

8 SEC. 13. ***Implementing Rules and Regulations.*** – Within ninety (90) days
9 from the effectivity of this Act and constitution of the Council, the Council shall
10 promulgate the necessary rules and regulations for the effective implementation
11 of this Act.

12 SEC. 14. ***Repealing Clause.*** – All laws, executive orders, and regulations
13 inconsistent with the provisions of this Act are repealed or modified accordingly.

14 SEC. 15. ***Separability Clause.*** – If any provision or part of this Act is
15 declared unconstitutional, the provisions or parts not affected shall remain in full
16 force and effect.

17 SEC. 16. ***Effectivity.*** – This Act shall take effect fifteen (15) days after its
18 publication in the *Official Gazette* or in a newspaper of general circulation.

19 Approved,