

Republic Act No. 8486
**An Act Merging The Philippine Cotton Corporation And The Cotton Research And
Development Institute Into A Cotton Development Administration, Vesting It With
Regulatory Powers And Appropriating Funds For The Purpose**

SECTION 1. *Title.* — This Act shall be known as the "*Cotton Industry Development Law of 1998.*"

SECTION 2. *Declaration of principles and policy.* — Consistent with the priority placed by Government on developing the agricultural sector as the cornerstones of the Philippine economy, and cognizant of the potential contribution of cotton-growing to the nation, it is hereby declared a policy of the State to develop the cotton industry in the country to its fullest potential. In this connection, the State shall safeguard the interest of small cotton farmers.

The State shall provide the necessary support to cotton industry development through appropriate services in cotton production, research, extension and training, financial assistance and other support services. It shall prescribe and strictly enforce regulations and quality control standards needed to safeguard cotton-growers.

The State shall fully exploit the industry's potentials to increase the farmers' income, reduce imports of cotton lint and generate foreign exchange revenues.

SECTION 3. *Merger of the Philippine Cotton Corporation (PCC) and the Cotton Research and Development Institute (CRDI) into a Cotton Development Administration (CODA).* — The PCC is hereby merged with the CRDI to form a single entity to be known as the Cotton Development Administration (CODA) to serve as the country's cotton development authority. The CODA shall be an attached agency of the Department of Agriculture.

SECTION 4. *Objectives.* — The CODA shall have the following objectives:

- a. To improve the quality of life of Filipino farmers through cotton-growing in the areas suitable for the crop;
- b. To safeguard the profitability of cotton farmers through their adoption of prescribed technology; and
- c. To ensure that cotton is planted only during the times prescribed and only in areas specifically identified as suitable for cotton-growing; and that only properly certified seed is used.

SECTION 5. *Functions.* — The CODA shall have the following functions:

- a. To undertake research studies on all aspects of the industry, including pilot studies, and to ensure strong and effective linkages between research and extension;
- b. To package and disseminate recommended production technology to guide cotton production activities in the country;
- c. To design and implement a specialized extension program on cotton production, and other training and communications program for manpower development in the

various aspects of industry operations;

d. To promulgate and enforce rules and regulations to govern cotton production, particularly with regard to closed season planting; the production, distribution, and use of planting seeds; the areas for cotton-growing; pest control, and other quarantine measures;

e. To identify suitable areas for cotton-growing and promote production in such areas;

f. To support and enhance efforts of cotton farmers in organizing themselves into cotton farmers' association;

g. To produce breeder, foundation and registered seeds; set and enforce standards and procedures for seed production and marketing; supervise certified seed production by private cotton seed growers;

h. To provide ginning services to small cotton farmers;

i. To provide assistance to small farmers in the marketing of their cotton produce;

j. To design and implement an industry monitoring and information system;

k. To undertake industry manpower development;

l. To assist farmers in sourcing funds for cotton production;

m. To conduct regular consultations with the cotton farmers, growers, and all other sectors involved in the cotton industry;

n. To design and administer a package of incentives to promote private sector investments in the cotton industry;

o. To develop the export potentials of cotton; and

p. In general, to undertake all other functions as may be necessary to ensure the success of the cotton industry and promote the interests of small cotton growers.

SECTION 6. Powers. — The CODA shall have the following powers:

1. To administer and regulate the cotton industry in the Philippines;

2. To incur any obligation or enter into contract with any person, material or juridical, domestic or foreign, essential to the proper administration of its affairs and the accomplishment of its purposes and objectives;

3. To own, purchase, lease, mortgage, encumber or otherwise dispose of real and personal property in accordance with its purposes and objectives;

4. To accept and receive financial and other support from private and other sources for the development and promotion of the cotton industry;

5. To promulgate and enforce rules and regulations on the production of cotton;

6. To impose administrative sanctions for violation of the rules and regulations issued by the CODA;

7. To establish, operate and maintain testing and experimental stations;

8. To accredit associations/confederations of cotton farmers, growers, textile millers, ginnerers and other associations involved with the cotton industry; and

9. To undertake measures to ensure that small farmers receive a fair price for their produce.

SECTION 7. *The Governing Board of the CODA.* — The CODA shall be governed by a Board, composed as follows:

a. Secretary of Agriculture, as *ex-officio* Chairman;

b. Secretary of Trade and Industry;

c. Secretary of Agrarian Reform;

d. Executive Director, Philippine Textile Research Institute;

e. Director, Philippine Council for Agriculture and Resources Research and Development;

f. One (1) representative from among the government financial institutions to be appointed by the President of the Philippines upon the recommendation of the Secretary of Agriculture;

g. One (1) representative from among the textile millers to be appointed by the President of the Philippines upon the recommendation of the association of textile millers duly accredited by the CODA;

h. One (1) representative from among the ginnerers appointed by the President of the Philippines upon the recommendation of the association of ginnerers duly accredited by the CODA; and

i. Three (3) representatives from the cotton farmers associations to be appointed by the President of the Philippines upon the recommendation of their respective confederations in Luzon, Visayas and Mindanao duly accredited by the CODA.

SECTION 8. *Term of office of the members of the Governing Board.* — Unless sooner removed for cause by their respective associations, appointed members of the Governing Board shall hold office for a period of two (2) years from the date of their appointments.

SECTION 9. *Powers and functions of the Board.* — The Governing Board shall act as the policy making body of CODA to formulate policies, promulgate regulations and prescribe rules to attain CODA's purposes and objectives.

SECTION 10. *Organization.* — An Administrator who shall be appointed by the President of the Philippines, upon the recommendation of the Secretary of Agriculture shall be the Chief Executive Officer of CODA. He shall be assisted by two (2) Deputy Administrators to be appointed by the President upon recommendation of the Secretary of Agriculture.

The Board shall determine and create the organizational structure of CODA to achieve its objectives, and shall appoint all other officers of the CODA.

SECTION 11. *Promulgation of rules and regulations.* — The Governing Board shall promulgate rules and regulations for the full implementation of this Act within ninety (90) days of its effectivity. Such rules and regulations shall take effect upon publication in a newspaper of general circulation and shall be amended by the Governing Board from time to time as it may deem appropriate.

SECTION 12. *Prohibited acts.* — The following acts are expressly prohibited:

(a) Planting of cotton at times other than those prescribed by CODA; and

(b) Sale, distribution, and planting of cotton seeds not previously certified by the Bureau of Plant Industry.

SECTION 13. *Authority to cut and burn.* — For the purpose of safeguarding the interest of other affected farmers and the long-term survival of the industry, the CODA, after thorough investigation and upon observance of due process, shall cut and burn all cotton planted outside the prescribed planting season or with seeds not previously certified by the Bureau of Plant Industry.

SECTION 14. *Dissolution of the Philippine Cotton Corporation (PCC) and the Cotton Research and Development Institute (CRDI).* — Subject to the provisions of existing laws, the PCC and the CRDI, are hereby dissolved. All functions, assets, liabilities, records, appropriation, properties, facilities and equipment of PCC and the CRDI are hereby transferred to CODA except those under the administration of the APT.

SECTION 15. *Transitory provisions.* — Upon approval of this Act, the officers and employees of the Philippine Cotton Corporation (PCC) and the Cotton Research and Development Institute (CRDI) shall continue to serve in a hold-over capacity, perform their respective duties and responsibilities, and receive the corresponding salaries and benefits, until a new staffing pattern shall have been approved by the Governing Board.

The new position structure and staffing pattern of CODA shall be approved and implemented by the Governing Board within one hundred twenty (120) days from the approval of this Act, and the authorized positions created thereunder shall be filled with regular appointments by the Board or by the Administrator, as the case may be. Those incumbents whose positions are not included therein or are not reappointed shall be paid retirement or separation benefits equivalent to one and one-fourth (1¼) month basic salary for every year of their respective government service or the nearest equivalent fraction thereof favorable to them on the basis of the highest salary which they respectively received in the course of their employment in the government: *Provided*, That in no case shall the benefit to be paid to any official or employee be less than Ten thousand pesos (P10,000.00): *Provided, further*, That any official or employee who has previously been found guilty in an administrative proceeding and whose rank or salary has been reduced shall be paid on the basis of his last salary.

In addition to the benefits herein authorized, the covered officials and employees shall be entitled to the return of GSIS personnel contributions pertaining to the retirement only and the payment of the corresponding share of the Government with the interest earned pursuant to existing rules and regulations of the Government Service Insurance System.

They shall likewise be entitled to the commutation of unused vacation and sick leaves in accordance with existing rules and regulations: *Provided*, That those who retire after rendering government services for thirty-one (31) years or more and avail themselves of the incentive benefits provided in this Act shall be entitled to an additional ten percent (10%) of the amount corresponding to what they receive from thirty-first year onward.

The application for retirement or voluntary separation shall be accepted unless the services of the applicant shall be deemed necessary.

SECTION 16. *Appropriation.* — There is hereby authorized to be appropriated from the National Treasury not otherwise appropriated, the sums necessary to carry into effect the provisions of this Act: *Provided*, That thereafter, it shall be included in the General Appropriations Act.

SECTION 17. *Separability clause.* — If, for any reason, any section or provision of this Act shall be held unconstitutional, other provisions hereof shall not be affected and shall remain in full force and effect.

SECTION 18. *Suppletory application of existing legislation.* — All existing legislation regarding the cotton industry, not inconsistent with this law shall have suppletory effect.

SECTION 19. *Repealing clause.* — All laws, issuances, decrees or parts thereof inconsistent with the provisions of this Act are hereby repealed.

SECTION 20. *Effectivity clause.* — This Act shall take effect upon its approval.

Approved: February 11, 1998