


THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

SENATE
OFFICE OF THE SECRETARY

'04 JUN 30 P.03:17

SENATE

S. No. 1071

RECEIVED BY: 

Introduced by Senator Edgardo J. Angara

EXPLANATORY NOTE

Coconut products are still the number one agricultural export earner of our country. More than twenty million Filipinos in 65 provinces all over the country depend on the planting and harvesting of coconuts for their living.

Due to the recent glut of palm oil in the world market, our coconut farmers are in desperate straits. Copra is now selling between P2.50 to P3.00 per kg. While production cost is at P5.00 per kg. With breakeven at P6.04 per kg. farmgate price, farmers are no longer harvesting coconuts. More farmers cut trees and sell them as lumber, instead of harvesting the coconut.

If this low copra selling price continues, the coconut industry will collapse. This calamity requires emergency action, in order to provide immediate and long-term relief to coconut farmers suffering from the effects of abnormally low prices of copra and other coconut products.

The proposed emergency measure Program will involve the following projects:

- *Income Supplement Projects*, for coconut farmers to sell their copra and whole nuts at millgate price or better, as follows:
- *Transport allowance* to coconut farmers, for government to shoulder the difference between farmgate and millgate prices, worth P38.25 million a month;
- *Marketing assistance* to coconut farmers, including transport equipment assistance to coconut farmer organizations and accredited oil mills, worth P236.2 million;
- *Direct buying of copra* by National Food Authority at a threshold price determined by the Philippine Coconut Authority;
- *Income support* on regular sales of copra and whole nuts, directly benefiting 1.6 million coconut farmers through the issuance of coupons.

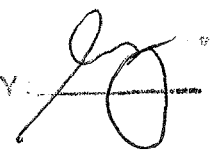
It is only through a timely and critical intervention can we save the coconut industry – and the farmers who depend on this industry for their living – and help them overcome this debilitating crisis.

For the above-mentioned reasons, approval of this bill is earnestly urged.


EDGARDO J. ANGARA

THIRTEENTH CONGRESS OF THE REPUBLIC }
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RECEIVED BY: 

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S. No. 1071

Introduced by Senator Edgardo J. Angara

AN ACT
ESTABLISHING AN EMERGENCY MEASURE TO ALLEVIATE THE PLIGHT
OF COCONUT FARMERS ADVERSELY AFFECTED BY LOW PRICES OF
COPRA AND OTHER COCONUT PRODUCTS, AND PROVIDING FUNDS
THEREFOR

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

SECTION 1. Title of the Act. – This Act shall be known as the Coconut Emergency Measures Act of 2001.

SEC. 2. Purpose of the Act. – In order to immediately address the abnormal price situation in the coconut industry sector brought by the worldwide glut of fats and oils in the world market, there is a need to launch an income supplement program for small coconut farmers, tillers, workers and owner-cultivators who comprise the overwhelming majority of the people in the coconut industry that will provide them immediate relief from the adverse effects of extremely low prices of copra and husked nuts.

SEC. 3. Definition of Terms. – As used in this Act, “coconut farmers” refers to small coconut farmers, tillers, workers and owner-cultivators who comprise the overwhelming majority of the people in the coconut industry.

- (7) Providing them the skills for efficient Marketing of their coconut products and by-products;
- (8) Helping them in the acquisition of fertilizers;

Section 5 Implementation of this Act. – The Philippine Coconut Authority shall issue such rules and regulations in order to implement this Act.

Section 6. Funding. - Assets acquired through the coconut levy funds or by entities financed by the coconut levy funds identified by the President of the Republic of the Philippines for appropriate disposal or sale, shall be sold or disposed to generate a maximum fund of One Billion Pesos (P1,000,000,000.00) which shall be managed by a Committee composed of a Chairman and four (4) members to be appointed by the President whose term shall be co-terminus with the Program. The Committee is authorized to organize a Secretariat for the effective performance of its functions and responsibilities.

The Committee may authorize the disbursement of an amount not to exceed two percent (2%) of the fund to defray personnel and maintenance and operating costs of the Committee and its Secretariat, consultative meetings with coconut farmers and information dissemination of the Program.

The Philippine Commission on Good Government, Office of the Solicitor General and other appropriate government instrumentality are hereby directed to take all necessary steps to implement the purposes and objectives of this Act.

Sec. 7. Audit of Fund and Submission of Report.- The Authority and the Commission of Audit shall immediately conduct a thorough inventory of all assets or funded by the coconut levy funds. And every quarter after the effectivity of this Act, the Authority and the Commission on Audit shall make a public disclosure of their findings.

Sec. 4 .Assistance Provided to Coconut Farmers.- By virtue of this Act, coconut farmers and coconut processing sector shall be provided the following assistance:

- (a) Income Supplement Projects, for coconut farmers to sell their copra and husked nuts at millgate price or better, as follows:
 - (1) Transport allowance to coconut farmers where government shoulders the costs of transport of copra and husked nuts from farm to mill until prices go beyond the production cost of P6.04 per kilogram of copra;
 - (2) Marketing assistance to coconut farmers, including transport equipment assistance to coconut farmer organizations and accredited oil mills or desiccators;
 - (3) Direct buying of copra by the National Food Authority (NFA) at a base price determined by the Philippine Coconut Authority (PCA);
 - (4) Income support on regular sales of copra and husked nuts directly benefiting coconut farmers through the issuance of incentive coupons the value of which, as determined by PCA, shall be based on the volume delivered; and
 - (5) Livestock and seedling dispersal through the PCA and accredited farmer organizations.
 - (6) Informing, teaching, assisting and training them through the Department of Science and Technology, to fully utilize the coconut and its by-products;

Sec. 8. Other Funds. - The President may, by appropriate issuances and when the situation so warrants, provide additional funds therefor.

Sec. 9 Separability Clause. - If any provision of this Act shall be declared unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect. :

Sec. 10. Effectivity Clause. - This Act shall take effect fifteen days after its publication in two (2) newspapers of general circulation.

Approved.