



SUMMARY OF SENATE BILL ON SECOND READING*

Second Regular Session, Eighteenth Congress

S. NO 1396 AN ACT CREATING THE COCONUT FARMERS AND INDUSTRY TRUST FUND, PROVIDING FOR ITS MANAGEMENT AND UTILIZATION, RECONSTITUTING FOR THE PURPOSE THE PHILIPPINE COCONUT AUTHORITY BOARD, AND FOR OTHER PURPOSES

(In substitution of Senate Bills Nos. 31, 266, 1052 and 1127)

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Referred to: Committee on Agriculture, Food and Agrarian Reform

Key words: coconut farmer, coconut levy assets/funds, designated disposition entity, Philippine Coconut Authority, Industry Trust Funds, CIIF-Oil Mills Group, CIIF Holding Companies

This bill seeks to create a coconut industry fund which would allow coconut farmers and workers to directly benefit from coco levy funds. It also aims to reconstitute the Philippine Coconut Authority (PCA) to reflect the proposed membership of the Trust Committee tasked to manage the coconut levy trust fund based on the Coconut Farmers and Industry Development Plan and as approved by the President of the Philippines. The trust fund will be utilized for coconut farm improvements, to encourage self-sufficiency among farmers, programs for shared facilities, and scholarship programs and initiatives for the empowerment of coconut farmers’ organizations and their cooperatives.

The PCA Board shall be appointed by the President and shall be composed of the following:

1. The Secretary of the Department of Agriculture (DA), as Chairperson;
2. The Secretary of the Department of Finance (DOF), as Vice Chairperson;
3. The Secretary of the Department of Budget and Management (DBM);

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4. The Secretary of the Department of Science and Technology (DOST);
5. The Secretary of the Department of Trade and Industry (DTI);
6. The Administrator of the Authority; and
7. Three (3) members from the coconut farmers sector (one each from Luzon, Visayas, and Mindanao).

In the formulation of the Coconut Farmers and Industry Trust Plan, the PCA shall be guided by the following objectives:

1. Increased incomes of coconut farmers;
2. Poverty alleviation and social equity; and
3. Rehabilitation and modernization of the coconut industry towards farm productivity.

Also, under the bill, a Trust Fund Management Committee shall be created comprising authorized representatives from the DOF and DOJ which shall be responsible for setting the Investment Strategy of the Trust Fund. The Committee shall submit to the President a report on the disposition of the Coconut Levy Assets on a semi-annual basis.

(Summary prepared by: Elizabeth A. Casao, 16 September 2020)

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