

SENATE

COMMITTEE REPORT NO. 433

'18 SEP -4 P5:00

Submitted Jointly by the Committee on Agriculture and Food and the
Committee on Finance on SEP - 4 2018

Re: Senate Bill No. 1976 (Prepared by the Committees)

Recommending its approval in substitution of S. No. 1913

Sponsor: Senator Cynthia A. Villar

Mr. President:

The Committee on Agriculture and Food and the Committee on Finance to which was primarily and secondarily referred Senate Bill No. 1913, introduced by Senator Cynthia A. Villar, entitled:

"AN ACT

TO FURTHER STRENGTHEN THE PHILIPPINE COCONUT AUTHORITY,
REPEALING PD NO. 1468 OTHERWISE KNOWN AS THE REVISED COCONUT
INDUSTRY CODE OF 1978, AS AMENDED "

have considered the same and have the honor to report back to the Senate with the recommendation that the attached bill, S. No. 1976, prepared by the Committees, entitled:

"AN ACT

TO FURTHER STRENGTHEN THE PHILIPPINE COCONUT AUTHORITY (PCA),
REPEALING PD NO. 1468, OTHERWISE KNOWN AS THE REVISED COCONUT
INDUSTRY CODE OF 1978, AS AMENDED"

be approved in substitution of S. No. 1913 with Senator Cynthia A. Villar as author thereof.

RESPECTFULLY SUBMITTED:



LOREN B. LEGARDA

Chairperson, Committee on Finance
Member, Committee on Agriculture and Food



CYNTHIA A. VILLAR

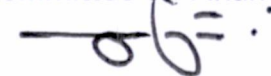
Chairperson, Committee on Agriculture and Food
Vice Chair, Committee on Finance

Vice Chairpersons



SONNY ANGARA

Committee on Finance



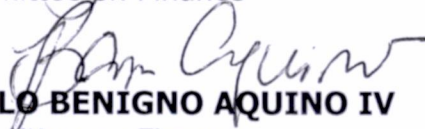
JOSEPH VICTOR G. EJERCITO

Committee on Finance



PANFILO M. LACSON

Committee on Finance



PAOLO BENIGNO AQUINO IV

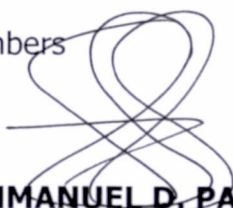
Committee on Finance



GREGORIO B. HONASAN II

Finance

Members



EMMANUEL D. PACQUIAO

Finance



GRACE POE

Agriculture and Food; Finance



MARIA LOURDES NANCY S. BINAY

Agriculture and Food; Finance

RICHARD J. GORDON
Agriculture and Food; Finance



FRANCIS G. ESCUDERO
Agriculture and Food; Finance



JOEL VILLANUEVA
Finance



WIN GATCHALIAN
Finance

ANTONIO F. TRILLANES IV
Agriculture and Food; Finance

FRANCIS PANGILINAN
Agriculture and Food; Finance



RISA HONTIVEROS
Finance



AQUILINO PIMENTEL III
Finance

may it be called }
propose amendments.

Ex-Officio Members

RALPH G. RECTO
President Pro-tempore

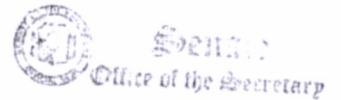


JUAN MIGUEL F. ZUBIRI
Majority Leader



FRANKLIN M. DRILON
Minority Leader

HON. VICENTE C. SOTTO III
President
Senate of the Philippines



SENATE

Senate Bill No. 1976

(In substitution of Senate Bill No. 1913)

'18 SEP -4 P5:00

RECEIVED

Prepared jointly by the Committee on Agriculture and Food and the Committee on Finance with Senator Villar as author

AN ACT
TO FURTHER STRENGTHEN THE PHILIPPINE COCONUT AUTHORITY (PCA),
REPEALING PD NO. 1468, OTHERWISE KNOWN AS THE REVISED COCONUT
INDUSTRY CODE OF 1978, AS AMENDED

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

ARTICLE I
TITLE AND DECLARATION OF POLICY

1 Section 1. *Short Title.* – This law shall be known as the “Strengthened Philippine
2 Coconut Authority (PCA) Law”.

3
4 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
5 promote the integrated development and growth of the coconut industry in all its
6 aspects and to ensure that the coconut farmers become direct participants in, and
7 beneficiaries of, such development and growth through increased farm income and
8 productivity by modernizing and making competitive the coconut industry.

9
10 **ARTICLE II**
11 **THE PHILIPPINE COCONUT AUTHORITY**

12
13 Sec. 3. *The Philippine Coconut Authority (PCA).* - The PCA shall continue to be
14 an independent public corporation with principal office in the National Capital Region
15 with branches and agencies within the country, as may be necessarily maintained or
16 created for the proper conduct of its business. As a Government Corporation its
17 existence shall be consistent with the intentions of Republic Act 10149 of 2011,

1 otherwise known as "An Act to Promote Financial Viability and Fiscal Discipline in
2 Government-Owned or Controlled Corporations and to Strengthen the Role of the State
3 in its Governance and Management to Make Them More Responsive to the Needs of
4 Public Interest and for Other Purposes". The PCA shall retain its classification, under
5 Agriculture, Fisheries & Food Sector, as provided by the Governance Commission for
6 GOCCs (GCG). As such, the performance and relevance of the Authority shall also be
7 evaluated by the GCG.

8
9 Sec. 4. *Powers and Functions.* - The PCA shall have the following powers and
10 functions:

- 11
- 12 a. Prepare and adopt the PCA's annual budget;
 - 13 b. Formulate and implement a general program of development for the coconut
14 sector in all its aspects;
 - 15 c. Formulate and implement a nationwide replanting program using high-
16 yielding hybrid seed nuts;
 - 17 d. Make available, for free, to coconut farmers the hybrid coconut planting
18 materials;
 - 19 e. Conduct researches for coconut seed nuts variety improvements;
 - 20 f. Undertake extensive research and programs for farmers in the prevention,
21 control, and eradication of coconut diseases and pests;
 - 22 g. Fertilize and/or replace senile coconut trees as needed;
 - 23 h. Promote the development of new coconut products and by-products and all
24 derivatives of coconut oil locally and internationally;
 - 25 i. Keep and publish on the PCA website an annual update of a coconut farmers
26 registry;
 - 27 j. In coordination with other government agencies, provide extension services
28 to coconut farmers for better farming techniques, modern technologies and
29 mechanization;
 - 30 k. Promote integrated farming system in coconut areas by introducing
31 intercropping (cacao, coffee, high value crops) and livestock raising;
 - 32 l. Promote the empowerment of coconut farmers as groups, associations and
33 cooperatives to facilitate the strengthening of networks, economies of scale
34 and farm support mechanism such as shared facilities and infrastructure
35 program;

- 1 m. Promote the establishment of coco hubs all over the country for farmer
2 organizations, equipped with machines and facilities for use by all coconut
3 farmers for the production of high-value products like virgin coconut oil,
4 coconut water, coco sugar, and coco coir, among others;
- 5 n. Establish a credit program through LandBank and Development Bank of the
6 Philippines for coconut farmers;
- 7 o. Establish a system of providing scholarship and health benefits to farmers
8 and their dependents;
- 9 p. Promote the disposition or utilization of the Trust Fund or any portion thereof
10 in accordance with the Coconut Farmers and Industry Development Plan;
- 11 q. Regulate the marketing and the exportation of copra and its by-products by
12 establishing standards for domestic trade and export; conduct inspection of
13 all copra and its by-products for exports to determine conformity to the
14 standards so established;
- 15 r. Implement the provisions of RA 8048, as amended by RA 10593;
- 16 s. Continue to oversee and regulate the development of the palm oil industry as
17 declared in PD 1468; and
- 18 t. Exercise such other powers as mandated by law and as may be necessary
19 and proper for the effective implementation of its mandate.
20

21 Sec. 5. *Governing Board.* – The corporate powers and duties of the Authority
22 shall be vested in and exercised by a governing board. Pursuant to Republic Act , the
23 governing board of the PCA is hereby reconstituted to be composed of eleven (11)
24 members as follows:
25

- 26 a. Four (4) representatives of the government, the Secretary of the Department of
27 Agriculture (DA) as the Chairperson; the Secretary of the Department of Finance
28 (DOF) as the Vice Chairperson; and as members, the Secretary of the
29 Department of Budget and Management (DBM), and the Administrator of the
30 PCA who will be appointed by the President;
- 31 b. One (1) representative from the coconut industry sector, who is a Filipino citizen,
32 with considerable experience, and reputable track record in promoting the
33 industry's welfare and interest and has been active in the industry for the past
34 three (3) years and who shall be nominated by industry organizations or
35 associations. The President shall appoint the sector representative from a list of
36 four (4) nominees submitted by the PCA Board. The sector representative may

1 be reappointed once. Any appointment to fill the vacancy arising from death,
2 permanent disability, removal, retirement or resignation of the industry
3 representative shall only be for the unexpired term; and

- 4 c. Six (6) representatives from the coconut farmers sector, divided into two (2)
5 representatives each for the island groups of Luzon, Visayas and Mindanao:
6 *Provided*, That the six (6) representatives from the coconut farmers sector must
7 be Filipino citizens, registered with the Coconut Farmers Registry, have
8 considerable experience and reputable track record in promoting coconut
9 farmer's interest and welfare, and nominated by coconut farmers organizations
10 or cooperatives that are active in organizing and developing coconut farmers or
11 in community enterprise development for the past three (3) years. They shall be
12 appointed by the President from a shortlist of four (4) nominees for each island
13 grouping, as submitted by the PCA Board. They shall hold a term of three (3)
14 years, and may be reappointed once. Any appointment to fill the vacancy arising
15 from death, permanent disability, removal, retirement or resignation of the
16 representative of the coconut farmer sector shall only be for the unexpired term.

17
18 Within thirty (30) days from the occurrence of any vacancy in the Board,
19 the PCA shall submit its short list to the President for the latter's consideration.

20
21 *Sec. 6. Organizational Matters.* - The PCA shall strengthen its organization, by
22 creating additional units and *plantilla* positions, necessary for the planning, monitoring
23 and evaluation of the Coconut Farmers and Industry Trust Fund (CFITF) funded
24 programs, under the Coconut Farmers and Industry Development Act of 2018, Republic
25 Act , and it's new, strengthened programs to hasten the development of the coconut
26 industry.

27
28 The PCA shall submit a Governing Board approved organizational strengthening
29 Plan and staffing pattern to the GCG and the Department of Budget and Management
30 for review and approval: *Provided*, That no transfer, reassignment and other similar
31 movement of PCA personnel, demotion or diminution in rank and salary and other
32 emoluments shall be effected without the consent and approval of the GCG and the
33 DBM.

34
35 The approved personnel complement of the PCA shall be provided for in the
36 General Appropriations Act.

1
2 *Sec. 7. Roadmap.* - The PCA shall formulate a coconut industry roadmap which
3 shall be the basis of its performance and evaluation.
4

5 *Sec. 8. Reports.* – The PCA shall submit to both House of Congress its annual
6 accomplishment report and annually publish the same in the PCA website.
7

8 **Article III**
9 **TRANSITORY PROVISION**
10

11 *Sec. 9. Transition Committee* – The Government Representatives (viz. DA, DOF,
12 DBM) in the reconstituted PCA Board, together with a representative from the GCG,
13 shall constitute the Transition Committee. The Committee shall convene immediately
14 from the enactment of this law.
15

16 *Sec. 10. Functions* – The Transition Committee shall spearhead the following:
17

- 18 a. Designate a temporary representative from PCA/Facilitate the immediate
19 appointment of an Administrator;
20 b. Update and publish the farmer’s registry by Municipality/City, province, region
21 and nationwide;
22 c. Approve the screening process and nomination for the farmer representatives
23 and for the industry sector representative and submit the shortlists to the
24 President;
25 d. Approve the proposed organizational strengthening plan;
26 e. Approve the Corporate Operating Budget and Strategic Plan of PCA for the
27 immediately succeeding year.
28

29 *Sec. 11. Period.* – The transition committee shall complete and finish its task
30 within one hundred and twenty (120) days from the approval of this Act. After which,
31 the Committee shall be automatically dissolved.
32

33 **Article IV**
34 **MISCELLANEOUS**
35

1 Sec. 12. *Congressional Oversight.* - A Congressional Oversight Committee to be
2 called Coconut Farmers and Industry Fund Oversight Committee, composed of five
3 members each from the House of Representatives and the Senate shall exercise
4 oversight and shall watch over the PCA in the implementation of this Act.

5
6 Sec. 13. *Separability Clause.* - If any provision of this Act is declared
7 unconstitutional, the same shall not affect the validity and effectivity of the other
8 provisions thereof.

9
10 Sec. 14. *Repealing Clause.* - Presidential Decree 1468 as amended is hereby
11 repealed. All laws, decrees, orders, and issuances or portions thereof, which are
12 inconsistent with the provisions of this Act, are hereby repealed, revoked, amended or
13 modified accordingly.

14
15 Sec. 15. *Effectivity.* - This Act shall take effect fifteen (15) days following its
16 publication in the Official Gazette or in at least two newspapers of general circulation.

17
18 Approved,
19