

FOURTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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} 7 JUL -3 25:32

SENATE
S. B. No. 869

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 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 and typhoons that hit the country last year, our coconut farmers are in desperate straits. In Southern Tagalog alone, copra sale went down from P22.40 per kg in 2004 to P18.28 per kg. in 2006. Government expects coconut production to stay flat this year at 2.4 million. Given the situation, 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 and production 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
Senator

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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:

1 **SECTION 1. *Title of the Act.*** - This Act shall be known as the
2 **Coconut Emergency Measures Act of 2007.**

3
4 **SECTION 2. *Purpose of the Act.*** - In order to immediately address
5 the abnormal price situation in the coconut industry sector brought by the
6 worldwide glut of fats and oils in the world market, there is a need to launch
7 an income supplement program for small coconut farmers, tillers, workers
8 and owner-cultivators who comprise the overwhelming majority of the people
9 in the coconut industry that will provide them immediate relief from the
10 adverse effects of extremely low prices of copra and husked nuts.

11
12 **SECTION 3. *Definition of Terms.*** - As used in this Act, "coconut
13 farmers" refers to small coconut farmers, tillers, workers and owner-
14 cultivators who comprise the overwhelming majority of the people in the
15 coconut industry.

16
17 **SECTION 4. *Assistance Provided to Coconut Farmers.***- By virtue
18 of this Act, coconut farmers and coconut processing sector shall be provided
19 the following assistance:

20 (a) Income Supplement Projects, for coconut farmers to sell their copra
21 and husked nuts at millgate price or better, as follows:

22 (1) Transport allowance to coconut farmers where government
23 shoulders the costs of transport of copra and husked nuts

1 from farm to mill until prices go beyond the production cost
2 of P6.04 per kilogram of copra;

- 3 (2) Marketing assistance to coconut fanners, including
4 transport equipment assistance to coconut farmer
5 organizations and accredited oil mills or desiccators;
- 6 (3) Direct buying of copra by the National Food Authority
7 (NFA) at a base price determined by the Philippine Coconut
8 Authority (PCA);
- 9 (4) Income support on regular sales of copra and husked nuts
10 directly benefiting coconut fanners through the issuance of
11 incentive coupons the value of which, as determined by PCA,
12 shall be based on the volume delivered; and
- 13 (5) Livestock and seedling dispersal through the PCA and
14 accredited fanner organizations;
- 15 (6) Informing, teaching, assisting and training them through
16 the Department of Science and Technology, to fully utilize
17 the coconut and its by-products;
- 18 (7) Providing them the skills for efficient marketing of their
19 coconut products and by-products;
- 20 (8) Helping them in the acquisition of fertilizers.

21
22 **SECTION 5. *Implementation of this Act.*** - The Philippine Coconut
23 Authority shall issue such rules and regulations in order to implement this
24 Act.

25
26 **SECTION 6. *Funding.*** - Assets acquired through the coconut levy
27 funds or by entities financed by the coconut levy funds identified by the
28 President of the Republic of the Philippines for appropriate disposal or sale,
29 shall be sold or disposed to generate a maximum fund of One Billion Pesos
30 (P1,000,000,000.00) which shall be managed by a Committee composed of a
31 Chairman and four (4) members to be appointed by the President whose term
32 shall be co-terminus with the Program. The Committee is authorized to
33 organize a Secretariat for the effective performance of its functions and
34 responsibilities.

35 The Committee may authorize the disbursement of an amount not to
36 exceed two percent (2%) of the fund to defray personnel and maintenance and

1 operating costs of the Committee and its Secretariat, consultative meetings
2 with coconut farmers and information dissemination of the Program.

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

7

8 **SECTION 7. *Audit of Fund and Submission of Report.***- The
9 Authority and the Commission of Audit shall immediately conduct a
10 thorough inventory of all assets funded by the coconut levy funds. Every
11 quarter after the effectivity of this Act, the Authority and the Commission on
12 Audit shall make a public disclosure of their fundings.

13

14 **SECTION 8. *Other Funds.*** - The President may, by appropriate
15 issuances and when the situation so warrants, provide additional funds
16 therefor.

17

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

21

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

24

25 *Approved,*