

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1866



**INTRODUCED BY ANAKPAWIS PARTY-LIST REPRESENTATIVE
FERNANDO L. HICAP**

EXPLANATORY NOTE

Coconut production constitutes one of the four major sectors of Philippine agriculture, the others being rice, corn and sugar. Coconut is planted in 2.7 million hectares which accounts for 23% of the total croplands, and 74% of commercial croplands.

The country is exporting about 85% of coconut production in the form of copra, coconut oil and desiccated coconut. Copra is the dried meat of the nut with moisture removed by sun-drying or by baking. It is processed on the farm level using manual tools and equipment.

More than eight (8) million of the country's population are coconut farmers while another one-third (1/3) is dependent on the coconut industry for their livelihood.

Coconut farmers, like farmers in other plantations, are also suffering from excessive land rentals, high cost of production, usurious practices of landlords, low prices of agricultural products, among others. During the Marcos regime, coconut farmers were levied an amount of Php 15.00 per 100 kilogram of dried copra and this was imposed for a period of ten (10) years, from August 1973 to August 1982. The abolition of the aforesaid levy however, did not spare coconut farmers from capricious monetary impositions. They were subjected to another kind of burden that is known in the provinces as "resicada". "Resicada" is the amount deducted from the prices of copra by reason of its moisture content which exceeded the established standards. It has been established by traders into a scheme to deceive coconut farmers of the real value of their copra produce.

Coconut farmers are now tired of these arbitrary impositions. They are asserting that it is high time that the development of the coconut industry which the government is promoting will include the uplifting of socio-economic status of coconut farmers and that the benefits of every program involving the coconut industry accrue to them.

In view of the foregoing, the approval of this measure is earnestly requested.



FERNANDO L. HICAP

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1866

**INTRODUCED BY ANAKPAWIS PARTY-LIST REPRESENTATIVE
FERNANDO L. HICAP**

**AN ACT
PROHIBITING RESICADA SYSTEM IN THE COCONUT INDUSTRY
AND FOR OTHER PURPOSES**

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

SECTION 1. Short Title. – This Act shall be known and cited as the
“Resicada System Prohibition Act of 2013.”

SECTION 2. Declaration of Principles and Policies. – It is hereby
declared the policy of the State to accelerate the development of the coconut
industry in all its aspects, giving more attention to the promotion of welfare of
coconut farmers being the key players in the industry and direct beneficiaries of
all programs relative to the development of the industry.

To this end, the State shall provide mechanisms that shall develop the
socio-economic condition of coconut farmers and adopt measures that are
designed to free and protect coconut farmers from pernicious institutional,
public or private, restraints and practices.

The State shall also encourage active participation of local government
units in the development of the coconut industry through implementation of
formulated rules and regulations.

SECTION 3. Prohibition. – No amount shall be deducted from the prices
of copra for reason that its moisture content exceeded the established
standards.

SECTION 4. Buying of Copra. – The buying price of copra in barangays,
municipalities and provinces shall be in accordance with the latest price index
of copra in the local and international markets as provided by the regional
offices of the Philippine Coconut Authority (PCA).

SECTION 5. Philippine Coconut Authority (PCA). – The Philippine
Coconut Authority (PCA) being the agency tasked to regulate the marketing of
copra and its by products, through its regional offices, shall provide every
provincial government in its assigned area, copies of the latest price index of

copra in the local and international markets. The distribution of the copies of the latest prices of copra shall be made on a monthly basis or as often as there are changes in the prices of copra.

SECTION 6. *Provincial Governments.* – Provincial governments for purposes of this Act shall:

1. Provide every municipality within its jurisdiction copies of the latest price index of copra in the local and international markets which the regional offices of the Philippine Coconut Authority (PCA) had furnished them;
2. Cause the posting of copies of latest price index of copra in the local and international markets in at least two (2) conspicuous places in the provincial hall;
3. Monitor the implementation of this Act in every municipality within its area; and
4. May promulgate rules and regulations in accordance with this Act.

SECTION 7. *Municipal Governments.* – In municipalities with existing copra trading, municipal governments for purposes of this Act shall:

1. Designate a place wherein the buying and selling of copra shall be made. The designated place shall be within the municipal market and accessible to the public at all times;
2. Maintain a duly calibrated weighing scale and moisture meter in the designated place for buying and selling of copra;
3. Cause the posting of copies of latest price index of copra in the local and international markets in at least two (2) conspicuous places in the municipal hall and two (2) conspicuous places in the municipal market;
4. Provide every barangay within its jurisdiction copies of the latest price index of copra in the local and international markets which the provincial government had provided;
5. Provide every coconut farmers' organization copies of the latest price index of copra in the local and international markets which the provincial government had provided; and
6. May promulgate rules and regulations in accordance with this Act.

SECTION 8. *Barangays.* – In barangays with existing copra trading, barangay councils for purposes of this Act shall:

1. Designate a place in the barangay where the buying and selling of copra shall be made;
2. Cause the posting of the copies of the latest price index of copra in the local and international markets which the municipal government had provided in the barangay hall;
3. Provide every coconut farmers' organization within its jurisdiction copies of the latest price index of copra in the local and international markets which the municipal government had provided; and
4. Maintain a duly calibrated weighing scale in the designated place for buying and selling of copra.

SECTION 9. Penalties. – Notwithstanding the imposition of applicable administrative sanctions, any person or persons found to be violating the provisions of this Act shall be penalized with a fine of not less than One Hundred Thousand Pesos (P100,000.00) but not more than Five Hundred Thousand Pesos (P500,000.00) or imprisonment of not less than five (5) years but not more than fifteen (15) years or both.

SECTION 10. Implementing Guidelines. – In consultation with coconut farmers or their organizations, the Philippine Coconut Authority (PCA) shall, in accordance with this Act, formulate and publish the implementing rules and regulations for the effective implementation of this Act, within ninety (90) days from its enactment.

SECTION 11. Suppletory Application. – All previous or existing laws, decrees, executive orders, rules and regulations not inconsistent with this Act shall have suppletory effect.

SECTION 12. Repealing Clause. – All previous or existing laws, decrees, executive orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SECTION 13. Separability Clause. – If, for any reason, any section or provision of this Act is declared null and void, no other sections, provision, or part hereof shall be affected and the same shall remain in full force and effect.

SECTION 14. Effectivity Clause. – This Act shall take effect immediately after publication in at least two (2) newspapers of general circulation.

Approved.