



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No **114**



Introduced by HONORABLE MARCELINO C. LIBANAN

AN

**ACT ESTABLISHING A COCONUT OIL MILLING AND REFINERY PLANT IN THE
MUNICIPALITY OF SULAT, PROVINCE OF EASTERN SAMAR, APPROPRIATING
FUNDS THEREFOR, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Eastern Samar is one of the provinces in the Philippines with vast tracts of land devoted to coconut farming. The coconut industry plays a significant role in the livelihoods of many residents, with the majority of the province's agricultural sector being centered on coconut production. However, despite the province's abundant coconut resources, much of the raw coconut produce is exported to other regions for processing. This limits the value-added benefits that could be retained within the local economy, thereby constraining the province's economic growth.

However, by establishing a coconut oil mill and refinery, the province can transform raw coconuts into high-value products such as coconut oil, which can be sold domestically and internationally. This will increase the income of coconut farmers and create new opportunities for small and medium enterprises (SMEs) involved in the supply chain.

Further, the establishment of a coconut oil mill and refinery will generate employment opportunities for local residents, not only in the operation of the facility but also in ancillary industries such as transportation, packaging, and distribution. This can significantly reduce poverty levels in the province by providing stable and well-paying jobs.

Besides, the presence of a local processing facility will encourage more intensive and diversified coconut farming practices. Farmers will be incentivized to increase production and improve the quality of their produce, knowing that there is a readily accessible market for their coconuts within the province.

With the ability to produce refined coconut oil, Eastern Samar can tap into the growing global demand for coconut-based products. This will enhance the province's contribution to the national economy by increasing its export earnings and helping to stabilize the balance of trade. The establishment of a local processing facility will contribute to the country's food security by ensuring a stable supply of coconut oil, a vital ingredient in the Filipino diet and an important export commodity.

The proposed facility will also provide opportunities to utilize coconut by-products, such as coconut husks and shells, which can be processed into coir, charcoal, and other eco-friendly products. This will contribute to waste reduction and promote environmental sustainability in the province.

The coconut oil mill and refinery can incorporate green technologies, such as using coconut husks and shells as biofuel, thereby reducing the facility's carbon footprint and promoting sustainable energy practices.

Consequently, the establishment of a coconut oil mill and refinery in Eastern Samar represents a strategic investment in the province's future. This project will unlock the full potential of the local coconut industry, drive economic development, create jobs, and improve the standard of living for residents. It will also position Eastern Samar as a key player in the national and global coconut oil market. The proposed bill is, therefore, a critical step toward realizing these goals, and its passage is essential for the sustained progress and prosperity of Eastern Samar.

This was filed in the 19th Congress of the Philippines and still pending in the House Committee on Agriculture since 03 September 2024.



MARCELINO C. LIBANAN

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

SECTION 1. This Act shall be known as the *“Eastern Samar Coconut Oil Milling and Refinery Plant Act.”*

SECTION 2. Declaration of Policy. It is hereby declared the policy of the State to promote the development and growth of the coconut industry as a vital component of the national economy. In line with this policy, the State shall establish a coconut oil milling and refinery plant in Eastern Samar to enhance the value-added processing of coconut products, create employment, and stimulate economic development in the province and in nearby provinces.

SECTION 3. Establishment of the Coconut Oil Milling and Refinery Plant. There shall be established, under the supervision of the Philippine Coconut Authority (PCA), a state-of-the-art coconut oil milling and refinery plant in a strategic location within the Municipality of Sulat in the Province of Eastern Samar. The exact location shall be determined by the PCA, in consultation with the Local Government Unit of Sulat and the Provincial Government of Eastern Samar, based on the availability of land, proximity to coconut production areas, and accessibility to transportation infrastructure.

SECTION 4. Objectives. The coconut oil milling and refinery plant shall have the following objectives:

- (a) To process raw coconuts into coconut oil and other high-value coconut-based products for domestic and international markets;
- (b) To provide a stable and profitable market for coconut farmers in Eastern Samar and nearby provinces, thereby increasing their income and improving their livelihood;
- (c) To generate employment opportunities in Eastern Samar and neighboring provinces;
- (d) To contribute to the national economy by enhancing the export potential of the country's coconut products; and
- (e) To promote the sustainable and environmentally friendly use of coconut by-products.

SECTION 5. Administration and Management. The Department of Agriculture, through the Philippine Coconut Authority (PCA) shall oversee the establishment, operation, and management of the coconut oil milling and refinery plant. The PCA is authorized to enter into public-private partnerships (PPP), joint ventures, or other cooperative arrangements with private entities, local government units (LGUs), and other relevant stakeholders to ensure the efficient and effective operation of the facility.

SECTION 6. Appropriation of Funds. The initial funding for the establishment of the coconut oil milling and refinery plant shall be charged against the current appropriations of the Philippine Coconut Authority (PCA) and the Department of Agriculture (DA). Thereafter, the amount necessary for the continued operation and maintenance of the plant shall be included in the annual General Appropriations Act (GAA).

SECTION 7. Incentives. The plant, along with its investors and operators, shall be entitled to tax incentives and other benefits as provided under existing laws, including, but not limited to, the following:

- (a) Income tax holidays for the first five (5) years of operation;
- (b) Exemption from customs duties and national taxes on importation of capital equipment, raw materials, and other inputs necessary for the plant's operations; and
- (c) Priority access to financing programs and credit facilities offered by government financial institutions.

SECTION 8. Support to Coconut Farmers. The PCA, in coordination with the Department of Agriculture (DA) and the Department of Trade and Industry (DTI), shall implement programs to support and capacitate coconut farmers in Eastern Samar and nearby provinces. These programs shall include technical assistance, training on sustainable farming practices, and access to affordable credit and inputs.

SECTION 9. Monitoring and Evaluation. The PCA shall regularly monitor and evaluate the performance of the coconut oil milling and refinery plant to ensure that it meets its objectives.

The PCA shall submit an annual report to Congress on the plant's operations, including its economic impact on Eastern Samar and the surrounding areas.

SECTION 10. Implementing Rules and Regulations. Within ninety (90) days from the effectivity of this Act, the Philippine Coconut Authority (PCA), in consultation with the Department of Agriculture (DA) and other relevant government agencies, shall promulgate the necessary rules and regulations to implement the provisions of this Act.

SECTION 11. Separability Clause. If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 12. Repealing Clause. All laws, decrees, executive orders, rules, and regulations, or parts thereof that are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 13. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,