

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 2260



Introduced by Representative Raymond Adrian E. Salceda

AN ACT
AMENDING REPUBLIC ACT NO. 11524, OTHERWISE KNOWN AS THE
“COCONUT FARMERS AND INDUSTRY TRUST FUND ACT,” TO STRENGTHEN
ITS IMPLEMENTATION, ALIGN FUND UTILIZATION WITH INDUSTRY
EXPANSION AND FARMER NEEDS, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Republic Act No. 11524, or the Coconut Farmers and Industry Trust Fund Act, was enacted in 2021 to provide long-overdue restitution to coconut farmers through the creation of a long-term fund sourced from recovered coconut levy assets. It established the Coconut Farmers and Industry Trust Fund (CFITF), governed by a Trust Fund Management Committee (TFMC), and directed the formulation of a Coconut Farmers and Industry Development Plan (CFIDP) to guide annual disbursements.

The law assigns fixed percentage allocations to several national agencies to implement sectoral programs, including replanting, enterprise development, insurance, health care, scholarships, infrastructure, research, and credit. These allocations are drawn annually from the Trust Fund, subject to the preparation and approval of corresponding agency work programs.

Three years after its enactment, implementation of the law has revealed institutional and procedural constraints that hinder the full and timely utilization of the Fund. Although sufficient resources are available, obligation rates remain suboptimal in some agencies. Certain implementing agencies identified in the law have been unable to utilize their allocations due to procurement bottlenecks, incomplete submissions, or limited absorptive capacity. At the same time, other legally designated agencies have submitted technically sound and CFIDP-aligned proposals that remain unfunded or underfunded because their allocation shares under the law are already capped.

This bill seeks to address that implementation imbalance while preserving the integrity of the original allocation framework.

It introduces a limited corrective mechanism that allows the Trust Fund Management Committee, in consultation with the Philippine Coconut Authority, to reallocate unutilized funds in the following fiscal year to other agencies named in the law. This provision will apply only to funds that remain unutilized within a reasonable period and will prioritize agencies that have submitted eligible and underfunded proposals in support of the Coconut Farmers and Industry Development Plan.

Second, the bill supports the national objective of increasing coconut productivity and export competitiveness through an expanded planting and replanting effort. In his 2025 State of the Nation Address, President Ferdinand R. Marcos Jr. called on Congress to amend the law to make it more responsive to the needs of farmers. He emphasized the importance of accelerating the coconut replanting program as part of the country's broader agricultural modernization and export strategy. Following this directive, the Philippine Coconut Authority announced a national target of planting at least one hundred million coconut trees by 2028, with average annual targets of twenty million trees. The Trust Fund can play a catalytic role in achieving this goal.

To reinforce that national direction, the bill clarifies that a strategic share of annual disbursements shall be prioritized for programs that support planting, nursery development, hybrid seedling propagation, and related interventions. It also provides mechanisms for stronger coordination between implementing agencies and local government units, as well as participatory oversight by coconut farmers' organizations.

Finally, the bill corrects a procedural ambiguity by affirming that the power to promulgate implementing rules and regulations rests with the Trust Fund Management Committee, in accordance with Section 16 of Republic Act No. 11524. This amendment aligns the implementing provisions with the institutional authority structure set forth in the original law.

This measure does not alter the allocation structure nor the list of implementing agencies. It simply ensures that public funds are directed to programs that are ready, relevant, and aligned with national policy. It safeguards the intent of the law while unlocking its full potential for the benefit of smallholder coconut farmers.

Immediate passage of this measure is respectfully urged.



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

SECTION 1. Section 2 of Republic Act No. 11524 is hereby amended to read as follows:

“SEC. 2. Declaration of Policy. — It is hereby declared the policy of the State to consolidate and manage the coconut levy assets for the ultimate benefit of coconut farmers and the development of the coconut industry, and to use the fund for the rehabilitation and modernization of the industry, increased coconut productivity and income, poverty alleviation, and social equity.

IT IS LIKEWISE THE POLICY OF THE STATE TO ENSURE THAT FUND UTILIZATION UNDER THIS ACT IS STRATEGIC, RESPONSIVE TO THE NEEDS OF COCONUT FARMERS, AND SUPPORTIVE OF NATIONAL GOALS FOR INDUSTRY EXPANSION, RURAL DEVELOPMENT, AND AGRICULTURAL EXPORT GROWTH.”

SEC. 2. Section 4 of Republic Act No. 11524 is hereby amended to read as follows:

“SEC. 4. Objectives. — The Coconut Farmers and Industry Development Plan shall be formulated to accomplish the following objectives:

(a) Increase the income and productivity of coconut farmers;

(b) Promote poverty alleviation, education, and social equity;
(c) Modernize and industrialize the coconut industry;
(d) Ensure sustainable and equitable development of coconut-based enterprises;

(e) Provide support to coconut farmers, farm workers, and their families, **INCLUDING THROUGH EMERGENCY SUPPORT; AND**

(f) INSTITUTIONALIZE AND IMPLEMENT A NATIONWIDE COCONUT PLANTING AND REPLANTING PROGRAM, INCLUDING THE ESTABLISHMENT AND EXPANSION OF SEED FARMS AND NURSERIES, THE PRODUCTION AND DISTRIBUTION OF HIGH-YIELDING AND HYBRID COCONUT SEEDLINGS, AND THE PROVISION OF TECHNICAL AND LOGISTICAL SUPPORT FOR COCONUT REHABILITATION.”

SEC. 3. Section 8 of Republic Act No. 11524 is hereby amended by inserting a new paragraph after the second paragraph, to read as follows:

“SEC. 8. Trust Fund Management Committee. — The Trust Fund Management Committee shall be composed of the Secretary of Finance as Chairperson, the Secretary of Budget and Management as Vice Chairperson, and the Secretary of Agriculture as member.

The Committee shall approve disbursements from the Trust Fund only in accordance with the Coconut Farmers and Industry Development Plan, as prepared, approved, and validated in accordance with Sections 3 and 6 of this Act.

THE TRUST FUND MANAGEMENT COMMITTEE SHALL ENSURE THE PRIORITIZATION AND INCLUSION IN EACH YEAR’S DISBURSEMENT PLAN OF A STRATEGIC PROGRAM ALLOCATION FOR COCONUT INDUSTRY EXPANSION, FOCUSING ON NATIONWIDE PLANTING AND REPLANTING, HYBRID SEEDLING PROPAGATION, SEED FARM ESTABLISHMENT, AND EXPORT-ORIENTED ENTERPRISE SUPPORT. THE COMMITTEE SHALL COORDINATE CLOSELY WITH THE PHILIPPINE COCONUT AUTHORITY IN DETERMINING THESE PRIORITIES BASED ON THE TARGETS OF THE COCONUT FARMERS AND INDUSTRY DEVELOPMENT PLAN.”

SEC. 4. Section 9 of Republic Act No. 11524 is hereby amended by inserting a new paragraph at the end thereof, to read as follows:

“SEC. 9. Allocation and Use of the Trust Fund. — The utilization of the Trust Fund shall be in accordance with the Coconut Farmers and Industry Development Plan.

The initial allocation from the Trust Fund shall be utilized as follows:

(a) Fifteen percent (15%) for the planting and replanting of hybrid coconut seedlings by the Philippine Coconut Authority (PCA);

(b) Five percent (5%) for the training of coconut farmers and their families as listed in the Coconut Farmers Registry in farm schools through the Technical Education and Skills Development Authority (TESDA) and Agricultural Training Institute (ATI);

(c) Five percent (5%) for research and development by the Department of Science and Technology – Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (DOST-PCAARRD), PCA, and the Department of Agriculture – Bureau of Agricultural Research (DA-BAR);

(d) Ten percent (10%) for crop insurance through the Philippine Crop Insurance Corporation (PCIC);

(e) Ten percent (10%) for farm-to-market roads through the Department of Public Works and Highways (DPWH);

(f) Five percent (5%) for scholarships for farmers and their families through the Commission on Higher Education (CHED);

(g) Five percent (5%) for health and medical programs for farmers and their families through the Department of Health (DOH);

(h) Five percent (5%) for credit programs through the Development Bank of the Philippines (DBP) and the Land Bank of the Philippines (LBP); and

(i) Thirty percent (30%) for shared facilities programs through the PCA.

DURING THE YEAR, IF ANY OF THE IMPLEMENTING AGENCIES IDENTIFIED IN THIS SECTION IS UNABLE TO UTILIZE OR OBLIGATE ITS PROGRAMMED ALLOCATION WITHIN A REASONABLE PERIOD, THE TRUST FUND MANAGEMENT COMMITTEE MAY, IN CONSULTATION WITH THE PHILIPPINE COCONUT AUTHORITY, REALLOCATE SUCH UNUTILIZED FUNDS IN THE NEXT FISCAL YEAR TO OTHER PROGRAMS AND PROJECTS CONSISTENT WITH THE OBJECTIVES OF THE COCONUT FARMERS AND INDUSTRY DEVELOPMENT PLAN. IN SUCH CASES, PRIORITY SHALL BE GIVEN TO OTHER IMPLEMENTING AGENCIES ALSO IDENTIFIED UNDER THIS ACT THAT HAVE SUBMITTED QUALIFIED BUT UNFUNDED OR UNDERFUNDED PROPOSALS DUE TO LIMITED INITIAL ALLOCATIONS.”

SEC. 5. A new section is hereby inserted after Section 11 of Republic Act No. 11524 to read as follows:

“SEC. 11-A. INTER-AGENCY IMPLEMENTATION. — THE PHILIPPINE COCONUT AUTHORITY, IN COORDINATION WITH THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF

TRADE AND INDUSTRY, AND LOCAL GOVERNMENT UNITS IN COCONUT-PRODUCING AREAS, SHALL IMPLEMENT THE COCONUT PLANTING AND REPLANTING PROGRAM AND RELATED SUPPORT PROGRAMS UNDER THIS ACT.

THE IMPLEMENTING AGENCIES SHALL ENSURE THE ESTABLISHMENT AND OPERATION OF SEED FARMS AND NURSERIES, THE TIMELY PROCUREMENT AND DISTRIBUTION OF HYBRID SEEDLINGS, AND THE PROMOTION OF VALUE-ADDED AND EXPORT-ORIENTED COCONUT PRODUCTS.

AN ANNUAL IMPLEMENTATION REPORT SHALL BE SUBMITTED TO THE TRUST FUND MANAGEMENT COMMITTEE AND TO CONGRESS, INDICATING PLANTING PERFORMANCE, FUND UTILIZATION, AND MEASURABLE FARMER OUTCOMES.”

SEC. 6. Section 15 of Republic Act No. 11524 is hereby amended to read as follows:

“SEC. 15. Participation of Coconut Farmers. — Recognized and accredited coconut farmers’ organizations shall be consulted in the formulation and updating of the Coconut Farmers and Industry Development Plan and shall be represented in the monitoring of implementation.

THEIR PARTICIPATION SHALL BE INSTITUTIONALIZED IN THE PLANNING AND PRIORITIZATION OF PROGRAMS FUNDED UNDER THIS ACT, PARTICULARLY IN PLANTING AND REPLANTING INITIATIVES, AND IN THE IDENTIFICATION OF COMMUNITY-BASED PROJECT SITES AND RECIPIENTS.”

SEC. 7. Implementing Rules and Regulations. – Within ninety (90) days from the effectivity of this Act, the Trust Fund Management Committee shall promulgate the implementing rules and regulations necessary for the implementation of this Act.

SEC. 8. Separability Clause. – If any provision of this Act is declared unconstitutional or invalid, the remainder shall not be affected and shall remain in full force and effect.

SEC. 9. Repealing Clause. – All laws, decrees, executive orders, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 10. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,