

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 3802

EXPLANATORY NOTE

The coconut industry is a vital pillar of the Philippine economy, providing livelihood to millions of Filipino farmers and contributing substantially to export earnings. While the country is one of the world's largest producers of coconuts, much of its potential remains untapped due to the underutilization of by-products, particularly coconut shells — a resource with immense potential for value-added processing.

Coconut shells, often treated as waste or sold at minimal value, can be transformed into high-value products such as activated carbon, biochar, composite materials, decorative items, and eco-friendly consumer goods. These products command strong domestic and international demand, offering significant opportunities for rural employment, small and medium enterprise (SME) development, and export growth.

However, the unregulated and extractive harvesting of coconut shells for export as raw material — without corresponding local processing — undermines both the economic potential of domestic value addition and the sustainability of supply chains. The indiscriminate buying of coconut shells, especially for bulk export in raw form, often deprives local processors, artisans, and microenterprises of affordable and accessible raw materials. This has led to increasing costs for local industries and threatens the viability of community-based enterprises that rely on coconut shell resources.

This proposed measure seeks to promote the sustainable and efficient utilization of coconut shell resources in a manner that prioritizes domestic processing and local value addition.

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


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

HOUSE OF REPRESENTATIVES

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AN ACT

**PROMOTING THE SUSTAINABLE UTILIZATION OF COCONUT SHELL RESOURCES,
ENCOURAGING VALUE-ADDED PROCESSING INTO HIGH-VALUE PRODUCTS, AND
PROTECTING THE LOCAL 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 as the “Coconut Shell Utilization and Export Regulation Act”.

SEC 2. Purpose and Objective. – This Act aims to promote the sustainable utilization of coconut shell resources, protect the local coconut industry, and encourage value-added processing of coconut shell into high-value products.

SEC 3. Prohibition on Exportation of Raw Coconut Shell. – The exportation of raw coconut shell is hereby prohibited, except for processed coconut shell products such as activated carbon, charcoal, and other value-added products.

SEC 4. Restriction on Use of Coconut Shell as Fuel. – The Department of Agriculture (DA) and Philippine Coconut Authority (PCA) shall restrict the use of coconut shell as raw material for fuel burners in boilers or heating systems, except if the process collects the carbon while utilizing the heat of gas through gasification.

SEC 5. Promotion of Coconut Shell Gasification. – The DA, PCA, and Philippine Center for Postharvest Development and Mechanization (PHilMech) shall:

1. Provide facilities and equipment for coconut shell gasification through pyrolysis, converting coconut shell into charcoal while utilizing the gas for heating purposes.
2. Invest in research and development of gasified systems for installation in major coconut processing facilities.

SEC 6. Research and Development. – The DA, PCA, and PHilMech shall conduct research and development on:

1. Improving the efficiency of coconut shell gasification systems;
2. Developing new value-added products from coconut shell; and
3. Enhancing the quality and yield of activated carbon and charcoal production.

SEC 7. Implementation and Monitoring. – The DA, PCA, and PHilMech shall:

1. Implement the provisions of this Act;
2. Monitor the compliance of coconut processing facilities with the requirements of this Act; and
3. Provide technical assistance and support to coconut farmers and processors.

SEC 8. Appropriations. – The funds necessary to implement this Act shall be included in the annual General Appropriations Act.

SEC 9. Separability Clause. - If any provision of this Act is held unconstitutional or invalid, the other provisions not so affected shall remain in full force and effect.

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,