

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. 3804

EXPLANATORY NOTE

The coconut industry remains one of the backbone sectors of Philippine agriculture. It provides livelihood to approximately 3.5 million coconut farmers and contributes significantly to export earnings. However, the industry continues to face longstanding issues of low farm productivity, aging trees, lack of replanting programs, and supply chain inefficiencies — all of which compromise its long-term sustainability.

One overlooked challenge is the disconnect between the processing capacity of large-scale coconut processing facilities and the available and sustainable supply of raw coconuts within their sourcing zones. While investments in high-capacity processing plants are encouraged as part of rural industrialization, the unregulated proliferation of these facilities can lead to unsustainable competition over raw nuts, depletion of local supply, and price instability for farmers. This creates artificial shortages, contributes to poor farm-gate pricing, and discourages smallholders from replanting or maintaining their farms.

This proposed measure aims to promote strategic alignment between coconut production and processing by requiring large-scale coconut processing facilities to implement or support coconut planting or replanting programs proportionate to their rated capacities. This rationalization will ensure that, among others, processing facilities have sustainable supply sources that match their operational capacities.

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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Representative Maximo B. Rodriguez, Jr.*

House Bill No. 3804

AN ACT

**PROMOTING THE SUSTAINABLE DEVELOPMENT OF THE COCONUT INDUSTRY BY
REQUIRING LARGE-SCALE COCONUT PROCESSING FACILITIES TO RATIONALIZE
COCONUT PLANTING BASED ON THEIR RATED PROCESSING CAPACITIES, AND FOR
OTHER PURPOSES**

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

Section 1. Purpose and Objective. – This Act aims to promote sustainable development of the coconut industry in the Philippines by requiring large-scale coconut processing facilities to rationalize planting of coconut trees based on their rated capacities.

Section 2. Requirements for Large-Scale Coconut Processing Facilities. – Large-scale coconut processing facilities shall:

- a. Rationalize planting of coconut trees based on their rated capacities within the next three (3) years;
- b. Invest in buying coconut seed nuts from accredited suppliers, with technical assistance from the Department of Agriculture (DA) and Philippine Coconut Authority (PCA) to determine suitable varieties for each area; and
- c. Utilize the DA-PCA established digital monitoring system to track the growth of coconut trees planted, in collaboration with the LGUs and coconut farmers to facilitate annual monitoring and reporting system of the planted coconuts to the office of the DA secretary.

Section 3. Inter-Agency Collaboration. – The DA, PCA, Department of Agrarian Reform (DAR), and Department of Environment and Natural Resources (DENR) shall:

- a. Identify areas for planting and replanting of coconut trees, prioritizing public and private lands with senile or old coconut trees (more than 30 years or beyond 20 meters in height);
- b. Provide technical assistance to large-scale coconut processing facilities on suitable coconut varieties and planting techniques; and
- c. Develop a geolocation mapping system to monitor coconut tree plantations.

Section 4. Mobilization of Resources. – The DA, PCA, and Local Government Units (LGUs) shall:

- a. Mobilize State Colleges and Universities (SCUs) and colleges in the country to require graduating students to plant at least 10 coconut trees in identified areas.
- b. Leverage resources to support the coconut industry development program.

Section 5. Monitoring and Evaluation. – The DA-PCA shall monitor the progress of coconut tree planting and growth Using the digital monitoring and reporting system, and evaluate the impact of this policy on poverty reduction and sustainable development of the coconut industry.

Section 6. Implementing Rules and Regulations. – The DA-PCA, in consultation with relevant agencies and stakeholders, shall develop the implementing rules and regulations (IRR) for this Act within six (6) months from its enactment.

Section 7. Appropriations. – The funds necessary to implement this Act shall be included in the annual General Appropriations Act.

Section 8. 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.

Section 9. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,