

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4595



Introduced by **Representative Ryan S. Recto**

EXPLANATORY NOTE

The enactment of Republic Act No. 11524 and the subsequent issuance of Executive Order No. 172 s. 2022 had provided the mandate and mechanism to utilize the Coconut Farmers and Industry Trust Fund (CFIDF) in various programs and projects for the benefit of the coconut farmers and the development of the coconut industry. The law, however, mandated a fifty (50)-year period for implementing programs and projects identified under the Coconut Farmers and Industry Development Plan. This protracted implementation period exposes the CFIDF to uncertainties and unknowns in development planning, a piecemeal approach to program and project implementation, and additional bureaucratic costs in the provision of government support.

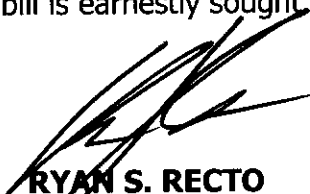
This bill seeks to mitigate such risks by shortening the implementation period of Republic Act No. 11524 from fifty (50) to ten (10) years. Through this intervention, planning uncertainties would be lessened, the adoption of high-impact programs and projects incentivized, the cost of government reduced, and the support for coconut farmers and the coconut industry timely and adequately provided. Ultimately, it is hoped that this intervention could aid in realizing the purpose of Republic Act No. 11524 to increase the income for coconut farmers, alleviate countryside poverty, and achieve social equality.

The proposed measure seeks to remove the percentage distribution of the annual allocation from the Trust Fund and the fixed list of implementing agencies to allow greater flexibility and ensure a more responsive and adaptive approach to the evolving needs of coconut farmers and the industry. This setup enables the Philippine Coconut Authority (PCA), as the lead agency, to collaborate with the most capable partners, whether national government agencies, local government units, state universities and colleges, or private and civil society organizations, depending on their relevance to specific interventions.

It also seeks to remove the five-year deadline for the disposition of Coconut Levy Assets to accommodate implementation challenges, particularly since certain assets are scheduled for disposition by 2026 but still face numerous unresolved legal and operational issues. Furthermore, this amendment provides room to account for unforeseen events and allows sufficient time for market conditions to recover, thereby ensuring better valuation and strategic timing of asset disposition. As there may be assets that can readily be disposed of or privatized without the need for assignment to a DDE, the proposed amendment also makes the designation of a DDE optional and subject to the review of the Trust Fund Manager.

The bill also requires the PCA to release an annual report. Currently, only the Trust Fund Management Committee (TFMC) is mandated to submit to the President and COCOFAM a report on the status of disposition of the Coconut Levy Assets. It is imperative that stakeholders, especially the intended beneficiaries, the coconut farmers, are provided with detailed and publicly accessible information on the status of projects, fund allocations, and accomplishments. The responsibility of preparing and disseminating such a comprehensive report properly falls on the PCA, as it is the lead implementing agency of the CFIDP. As the central coordinating body overseeing the implementation of various programs under the Plan, the PCA is in the best position to consolidate inputs from all participating agencies, ensure consistency in reporting, and provide an accurate, holistic view of the CFIDP's progress and outcomes.

In view of the foregoing, the approval of this bill is earnestly sought



RYAN S. RECTO
Representative
6th District, Batangas

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4595

Introduced by **Representative Ryan S. Recto**

AN ACT

EXPEDITING THE IMPLEMENTATION OF THE PROGRAMS AND PROJECTS UNDER THE COCONUT FARMERS AND INDUSTRY DEVELOPMENT PLAN, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11524, OTHERWISE KNOWN AS THE "COCONUT FARMERS AND INDUSTRY TRUST FUND ACT"

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

1 Section 1. Section 4 of Republic Act No. 11524, otherwise known as the Coconut
2 Farmers and Industry Trust Fund Act, is hereby amended to read as follows:

3 "Sec. 4. *Preparation of the Coconut Farmers and Industry*
4 *Development Plan.* – The Coconut Farmers and Industry Development
5 Plan shall be prepared by the Philippine Coconut Authority (PCA) and
6 approved by the President of the Philippines. The utilization of the Trust
7 Fund created under this Act, or any portion thereof, shall be in
8 accordance with the Development Plan. In the performance of its
9 functions, the PCA shall ~~consult coconut farmers and their~~
10 ~~organizations, industry associations, civil society organizations,~~
11 ~~academe, government agencies concerned, particularly the Land Bank~~
12 ~~of the Philippines (LBP), Development Bank of the Philippines (DBP),~~
13 ~~Cooperative Development Authority (CDA), Department of Science and~~
14 ~~Technology-Philippine Council for Agriculture, Aquatic and Natural~~
15 ~~Resources Research and Development (DOST-PCAARRD), Bureau of~~
16 ~~Micro, Small and Medium Enterprise Development under the~~

1 ~~Department of Trade and Industry (DTI), Commission on Higher~~
2 ~~Education (CHED), Technical Education and Skills Development~~
3 ~~Authority (TESDA), Agricultural Training Institute (ATI), Philippine~~
4 ~~Center for Post-harvest Development and Mechanization (PhilMech),~~
5 ~~Department of Agriculture's High Value Crops Development Program,~~
6 ~~Department of Agriculture's Bureau of Animal Industry's Philippine~~
7 ~~Native Animals Development Program, National Dairy Authority (NDA),~~
8 ~~Department of Public Works and Highways (DPWH) and other~~
9 ~~stockholders in the coconut industry. The Plan shall set the directions~~
10 ~~and policies for the development and rehabilitation of the coconut~~
11 ~~industry within fifty (50) years],~~ **IN CONSULTATION WITH THE**
12 **COCONUT FARMERS, INDUSTRY STAKEHOLDERS, CIVIL**
13 **SOCIETY ORGANIZATIONS, DEPARTMENT OF AGRICULTURE**
14 **(DA), DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST),**
15 **DEPARTMENT OF TRADE AND INDUSTRY (DTI), AND OTHER**
16 **RELEVANT GOVERNMENT AGENCIES, PREPARE AND**
17 **PERIODICALLY UPDATE A PHASED COCONUT FARMERS AND**
18 **INDUSTRY DEVELOPMENT PLAN THAT SETS THE STRATEGIC**
19 **DIRECTIONS, TARGETS, AND PRIORITY PROGRAMS FOR THE**
20 **EFFECTIVE AND EFFICIENT USE OF THE COCONUT FARMERS**
21 **AND INDUSTRY TRUST FUND.**

22 **"THE PLAN SHALL ADOPT A MULTI-YEAR, RESULTS-**
23 **BASED, AND INCLUSIVE APPROACH, AND SHALL BE**
24 **IMPLEMENTED OVER A PERIOD OF TEN (10) YEARS, IN PHASES**
25 **THAT CORRESPOND TO KEY INDUSTRY DEVELOPMENT STAGES**
26 **SUCH AS REHABILITATION, FARM PRODUCTIVITY**
27 **ENHANCEMENT, VALUE ADDITION, MARKET DEVELOPMENT,**
28 **AND INSTITUTIONAL STRENGTHENING.**

29 **"THE PLAN SHALL PRIORITIZE PROGRAMS THAT**
30 **DIRECTLY UPLIFT THE WELFARE AND INCOME OF COCONUT**

1 **FARMERS AND THEIR FAMILIES, INCLUDING BUT NOT**
2 **LIMITED TO:**

3 **(A) COCONUT REPLANTING, REHABILITATION, AND**
4 **INTERCROPPING;**

5 **(B) ESTABLISHMENT OF COCONUT SEED FARMS AND**
6 **NURSERIES;**

7 **(C) FARM MODERNIZATION AND CAPACITY-BUILDING;**

8 **(D) PROVISION OF SUPPORT FOR ENTERPRISE**
9 **DEVELOPMENT, SHARED PROCESSING FACILITIES, AND**
10 **MARKET EXPANSION;**

11 **(E) FARM IMPROVEMENTS THROUGH DIVERSIFICATION**
12 **WITH LIVESTOCK, DAIRY, AND POULTRY;**

13 **(F) ACCESS TO CREDIT, INSURANCE, HEALTH, AND**
14 **EDUCATION;**

15 **(G) RESEARCH AND DEVELOPMENT; AND**

16 **(H) STRENGTHENING OF FARMER ORGANIZATIONS AND**
17 **COOPERATIVES.**

18 **"THE PLAN SHALL BE REVIEWED AND UPDATED EVERY**
19 **THREE (3) YEARS, TAKING INTO ACCOUNT THE RESULTS OF**
20 **MONITORING AND EVALUATION, EMERGING CHALLENGES**
21 **AND OPPORTUNITIES, STAKEHOLDER FEEDBACK, AND**
22 **EVOLVING LOCAL AND GLOBAL INDUSTRY CONDITIONS.**

23 **"AT THE NINTH (9TH) YEAR OF IMPLEMENTATION, THE**
24 **CONGRESSIONAL OVERSIGHT COMMITTEE ON AGRICULTURE**
25 **AND FISHERIES MODERNIZATION (COCAFAM) MUST**
26 **CONDUCT A MANDATORY REVIEW TO DETERMINE WHETHER**
27 **THE FUND AND ITS USE AS PROVIDED UNDER THIS ACT SHALL**
28 **BE CONTINUED, AMENDED OR TERMINATED. THE COCAFAM**

1 **SHALL CONSIDER, AS THE PRIMARY BENCHMARK, THE**
2 **INCREASE IN THE AVERAGE ANNUAL NET INCOME OF**
3 **COCONUT FARMERS AS COMPARED TO BASELINE DATA**
4 **ESTABLISHED AT THE START OF THE PLAN'S**
5 **IMPLEMENTATION.**

6 ~~"[In the formulation of the Plan, the PCA shall be guided by the~~
7 ~~following objectives:~~

8 ~~(a) Increased productivity and income of coconut farmers;~~

9 ~~(b) Poverty alleviation, education, and social equity; and~~

10 ~~(c) Rehabilitation and modernization of the coconut industry~~
11 ~~towards farm productivity.]~~

12 ~~"[The Plan shall include a national program for:~~

13 ~~(a) Community based enterprises, including integrated~~
14 ~~processing of products and downstream products intended to increase~~
15 ~~incomes of coconut farmers;~~

16 ~~(b) Social protection that directly benefit coconut farmers, farm~~
17 ~~workers, and their families, taking into consideration existing social~~
18 ~~protection programs of the government;~~

19 ~~(c) Coconut farmers organization and development;~~

20 ~~(d) Innovative research projects and their practical application on~~
21 ~~coconut processing, production and distribution towards developing the~~
22 ~~local coconut industry; and~~

23 ~~(e) Integrated processing of coconut and downstream products.]~~

24 ~~"[The Plan shall provide the criteria for targeting beneficiaries,~~
25 ~~the indicators in determining the attainment of the abovementioned~~
26 ~~objectives, and the mechanisms for monitoring and evaluating the~~
27 ~~impact of the different components of the program.]~~

1 ~~“[The Plan shall provide an indicative funding requirement or~~
2 ~~allocation for the implementation of any and all of the programs and~~
3 ~~projects to be funded by the Trust Fund which funding or allocation shall~~
4 ~~be itemized or broken down on a project to project basis: *Provided,*~~
5 ~~That,~~

6 ~~(i) For projects which are recurring, or to be implemented on a~~
7 ~~regular basis, the allocation shall indicate the annual amount that may~~
8 ~~be required to implement said project;~~

9 ~~(ii) For projects that are to be implemented or concluded within~~
10 ~~a period of time, the allocation shall indicate the total amount that may~~
11 ~~be required for the implementation of the whole project, itemized~~
12 ~~according to the phases or stage of said project; and~~

13 ~~(iii) All projects shall be evaluated on the basis of financial returns~~
14 ~~and increased farmers income.]~~

15 ~~“[Programs relating to planting, replanting, fertilization, research~~
16 ~~and development, market promotion, and farm to market roads in~~
17 ~~coconut producing provinces, shall also be funded through regular~~
18 ~~appropriations.]~~

19 ~~“[The Plan shall take into account the distribution of the annual~~
20 ~~allocation from the Trust Fund, as follows:~~

21 ~~(a) Development of hybrid coconut seed farms, and nursery for~~
22 ~~planting and replanting, twenty percent (20%): to be implemented by~~
23 ~~the PCA fifteen percent (15%) and the Department of Science and~~
24 ~~Technology Philippine Council for Agriculture, Aquatic and Natural~~
25 ~~Resources Research and Development (DOST-PCAARRD) at five percent~~
26 ~~(5%) for research respectively;~~

27 ~~(b) Training of farmers and their families, as listed in the coconut~~
28 ~~farmers registry, in farm schools, the training shall be on coconut~~
29 ~~production and processing technologies, value addition of coconut~~

1 ~~products, diversification and sustainable farming methods, including~~
2 ~~organic farming, financial literacy, and farm business schools programs~~
3 ~~among others through the TESDA and the ATI, eight percent (8%), to~~
4 ~~be shared equally;~~

5 ~~(c) Research, marketing, and promotion, five percent (5%), to be~~
6 ~~implemented by the Bureau of Micro, Small and Medium Enterprise~~
7 ~~Development under the DTI;~~

8 ~~(d) Crop Insurance, four percent (4%), to be implemented by the~~
9 ~~Philippine Crop Insurance Corporation (PCIC);~~

10 ~~(e) Farm improvements through diversification and/or~~
11 ~~intercropping with livestock, dairy, poultry, coffee, cacao production, ten~~
12 ~~percent (10%), to be implemented by the NDA, the Department of~~
13 ~~Agriculture's High Value Crops Development Program, and the~~
14 ~~Department of Agriculture's Bureau of Animal Industry, Native Animal~~
15 ~~Program to be shared equally;~~

16 ~~(f) Shared facilities for processing, ten percent (10%), to be~~
17 ~~implemented by the PhilMech, the beneficiaries of which are coconut~~
18 ~~farmers cooperatives and LGUs for coconut farmer organizations. LGUs~~
19 ~~shall create local small farmers councils to provide mechanisms for~~
20 ~~consultation and participation;~~

21 ~~(h) Credit programs through the DBP and LBP, ten percent (10%)~~
22 ~~to be shared equally;~~

23 ~~(i) Infrastructure development, ten percent (10%), to be~~
24 ~~implemented by the DPWH, in identified coconut producing LGUs. The~~
25 ~~DPWH shall give priority to the use of coconut coir or coconut bio-~~
26 ~~engineering solutions in controlling soil erosion and slope stabilization in~~
27 ~~the construction of roads and in other applicable projects;~~

28 ~~(j) Scholarship program for farmers and their families, eight~~
29 ~~percent (8%), to be implemented by the CHED; and~~

1 ~~(k) Health and medical program for farmers and their families,~~
2 ~~ten percent (10%), thereby creating a special unit within the agency for~~
3 ~~the purpose.]~~

4 ~~"[Within one hundred twenty (120) days from the effectivity of~~
5 ~~this Act, the PCA Board shall enter into a memorandum of agreement~~
6 ~~with the following agencies, as identified in this section: DOST-~~
7 ~~PCAARRD, TESDA, ATI, NDA, PhilMech, CDA, LBP, DBP, CHED, STI, and~~
8 ~~DPWH, to ensure a coordinated implementation of the programs under~~
9 ~~the Development Plan, proper utilization of the allocations provided in~~
10 ~~this section, and submission of periodic accomplishment report of these~~
11 ~~implementing agencies to the PCA Board.]~~

12 ~~"[To facilitate the implementation of these programs and the~~
13 ~~identification of beneficiaries, the PCA shall, within ninety (90) days from~~
14 ~~the effectivity of this Act, complete the Coconut Farmers Registry:~~
15 ~~*Provided*, That an annual verification of the registry shall be conducted~~
16 ~~by the LGUs in coordination with the PCA and the Department of~~
17 ~~Agriculture (DA) to ensure its veracity.]~~

18 ~~"xxx~~

19 ~~"[Before the Plan is finalized and submitted to the President for~~
20 ~~approval, the Department of Budget and Management (DBM), DOF, DTI,~~
21 ~~and the National Economic and Development Authority (NEDA) shall~~
22 ~~provide their advisory opinions on the following matters:~~

23 ~~(a) Whether the Plan is supportive and consistent with socio-~~
24 ~~economic development plans and oriented towards the achievement of~~
25 ~~explicit objectives and expected results, to ensure that the utilization of~~
26 ~~Coconut Levy Fund is conducted effectively;~~

27 ~~(b) Whether the Plan manages Coconut Levy Assets and Funds~~
28 ~~judiciously and in a manner supportive of development objectives;~~

1 ~~(c) Whether the Plan accelerates and sustains economic growth~~
2 ~~for the coconut industry; and~~

3 ~~(d) Whether the Plan is programmed within the context of well-~~
4 ~~formulated and consistent long, medium and short term development~~
5 ~~plans and policies that will promote both the growth of the economy and~~
6 ~~the equitable distribution of the benefits of said growth to various~~
7 ~~members of the society.]”~~

8 Sec. 2. Section 7 of Republic Act No. 11524 is hereby amended to read as
9 follows:

10 “Sec. 7. *The Coconut Farmers and Industry Trust Fund.* – There
11 is hereby created a Trust Fund to be known as the “Coconut Farmers
12 and Industry Trust Fund”, referred to in this Act as the “Trust Fund,”
13 which shall be capitalized, managed, invested, utilized and accounted
14 for in the manner provided in this Act.

15 “The Trust Fund shall be maintained in such manner for [~~fifty~~
16 ~~(50)] **TEN (10)** years under the Coconut Farmers and Industry~~
17 ~~Development Plan to be formulated under Section 4 of this Act, and shall~~
18 ~~be used for the benefit of the coconut farmers and the development of~~
19 ~~the coconut industry.”~~

20 Sec. 3. Section 8 of Republic Act No. 11524 is hereby amended to read as
21 follows:

22 “Sec. 8. *Nature and Capitalization of the Trust Fund.* – The
23 Coconut Farmers and Industry Trust Fund is separate and distinct from
24 the regular funds appropriated to the PCA through the annual General
25 Appropriations Act (GAA). As such, the PCA shall continue to pursue its
26 mandate of implementing programs and projects from the regular GAA
27 appropriations and from funds under the Trust Fund.

28 “xxx

1 "Any amount of the Trust Fund Income shall be available for
2 disbursement by the implementing agencies, which shall be utilized in
3 accordance with the Development Plan for a period of [~~fifty (50)~~] **TEN**
4 **(10)** years: *Provided*, That the amount in the Trust Fund account for
5 disposition by the designated government implementing agencies under
6 the Development Plan, which shall be released directly to them, shall
7 not be lower than Five billion pesos (P5,000,000,000.00) for any given
8 year."

9 Sec. 4. Section 13 of Republic Act No. 11524 is hereby amended to read
10 as follows:

11 "Sec. 13. *Disposition of Non-Cash Coconut Levy Assets.* –
12 Coconut Levy Assets defined in Section 3 hereof [~~, which are assigned~~
13 ~~by the Trust Fund Management Committee to DDEs~~] shall be privatized
14 or disposed subject to the regulatory approvals as required by law
15 [~~within the period of five (5) years from the effectivity of this Act~~].

16 **"FOR PURPOSES OF THIS ACT, DISPOSITION AND**
17 **PRIVATIZATION SHALL ENCOMPASS, WHERE APPROPRIATE,**
18 **THE DISSOLUTION OR SALE OF COCO LEVY ASSETS, AS WELL**
19 **AS THE ACQUISITION OR RETENTION OF SUCH ASSETS BY THE**
20 **NATIONAL GOVERNMENT, IF DETERMINED TO BE NECESSARY**
21 **TO ADVANCE THE BROADER INTEREST AND LONG-TERM**
22 **DEVELOPMENT OF THE COCONUT INDUSTRY.**

23 **"THE NON-CASH COCONUT LEVY ASSETS MAY, UPON**
24 **REVIEW AND RECOMMENDATION OF THE TRUST FUND**
25 **MANAGER, BE ASSIGNED BY THE TRUST FUND MANAGEMENT**
26 **COMMITTEE TO THE DESIGNATED DISPOSING ENTITIES**
27 **(DDES) FOR THE PURPOSE OF FACILITATING THEIR**
28 **DISPOSITION.**

29 "xxx"

1 Sec. 5. Section 16 of Republic Act No. 11524 is hereby amended to read
2 as follows:

3 "Sec. 16. *Reporting Requirements.* – The Trust Fund
4 Management Committee shall, on a semi-annual basis, submit to the
5 President and to the Congressional Oversight Committee on Agriculture
6 and Fisheries Modernization (COCAFAM) a report on the status of
7 disposition of the Coconut Levy Assets, which shall include, among
8 others, a description of the individual assets disposed of, their
9 purchasers, the consideration received, and the agreed terms of
10 payment.

11 "xxx

12 **"TO ENSURE TRANSPARENCY, ACCOUNTABILITY, AND**
13 **PUBLIC PARTICIPATION IN THE IMPLEMENTATION OF THE**
14 **CFIDP, THE PCA SHALL RELEASE AN ANNUAL REPORT ON THE**
15 **FOLLOWING INFORMATION, INCLUDING BUT NOT LIMITED**
16 **TO:**

17 **(A) ANNUAL AND QUARTERLY BUDGETS, ALLOCATIONS,**
18 **AND RELEASES BY IMPLEMENTING AGENCIES;**

19 **(B) STATUS OF PROJECT IMPLEMENTATION, INCLUDING**
20 **PHYSICAL AND FINANCIAL ACCOMPLISHMENTS;**

21 **(C) NAMES OF BENEFICIARY COOPERATIVES,**
22 **ORGANIZATIONS, OR INDIVIDUALS, SUBJECT TO APPLICABLE**
23 **DATA PRIVACY LAWS; AND**

24 **(D) AUDIT FINDINGS, EVALUATION REPORTS, AND**
25 **OTHER RELEVANT DOCUMENTS."**

26 *Sec. 6. Implementing Rules and Regulations.* – Within thirty (30) days from the
27 effectivity of this Act, the PCA shall, in coordination with the Trust Fund Management
28 Committee created under Section 10 of Republic Act No. 11524, promulgate the
29 necessary rules and regulations for its effective implementation.

1 *Sec. 7. Separability Clause.* – The provisions of the Act are hereby declared to
2 be separable. If any provision of this Act shall be held unconstitutional, the remainder
3 of the Act not otherwise affected thereby shall remain in full force and effect.

4 *Sec. 8. Repealing Clause.* – All laws, executive orders, rules and regulations, or
5 parts thereof, inconsistent herewith are hereby repealed, amended or modified
6 accordingly.

7 *Sec. 9. Effectivity Clause.* - This Act shall take effect within fifteen (15) days
8 from its publication in at least two (2) national newspapers of general circulation or in
9 the Official Gazette.

Approved,