



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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **6589**



Introduced by:

HON. CHRISTOPHERSON “COCO” M. YAP

EXPLANATORY NOTE

The coconut industry remains a major source of livelihood across Southern Leyte, and municipalities such as Saint Bernard depend heavily on coconut farming as a primary economic activity. Despite this, local farmers continue to earn very little due to the absence of processing facilities within the province. Most raw coconuts are sold at low farm-gate prices to traders who transport them to mills located in other regions, depriving growers of better income opportunities and limiting the value that the province can derive from one of its most abundant resources.

Southern Leyte produces significant volumes of coconut annually, yet the lack of local value-adding infrastructure forces farmers into a cycle of dependency on intermediary buyers. This also translates to additional transport costs, reduced competitiveness, and lost potential for local employment generation. In Saint Bernard, where coconut farming covers wide agricultural lands, the community faces limited industrial activity and few agro-processing jobs. Without intervention, coconut farmers in the municipality will continue to face unstable prices, low margins, and limited economic mobility.

This bill seeks to establish a state-of-the-art coconut oil milling and refinery plant in the Municipality of Saint Bernard, under the supervision of the Philippine Coconut Authority. By introducing local processing capacity, the measure will enable the municipality and the province to retain higher value from coconut production through the manufacture of refined coconut oil and other high-value coconut-based products. The facility is expected to create new employment opportunities, stimulate local enterprise development, generate

downstream industries, and strengthen the domestic and export potential of the coconut sector.

The measure further empowers the PCA, in partnership with the Department of Agriculture, LGUs, and private stakeholders, to administer and operate the plant, enter into public-private partnerships, provide technical support to farmers, and ensure sustainable and environmentally responsible use of coconut by-products. Establishing this plant in Saint Bernard will not only uplift the livelihoods of coconut growers but also accelerate local economic activity and contribute to the long-term growth and resilience of Southern Leyte's agricultural sector.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.



CHRISTOPHERSON "COCO" M. YAP

Representative, Second District of Southern Leyte



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AN ACT
ESTABLISHING A COCONUT OIL MILLING AND REFINERY PLANT IN THE
MUNICIPALITY OF SAINT BERNARD, PROVINCE OF SOUTHERN LEYTE,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

Section 1. *Short Title.* – This Act shall be known as the "Southern Leyte Coconut Oil Milling 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 the Municipality of Saint Bernard, Southern Leyte 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 Saint Bernard in the Province of Southern Leyte. The exact location shall be determined by the PCA, in consultation with the Local Government Unit of Saint Bernard and the Provincial

Government of Southern Leyte, 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 Southern Leyte and nearby provinces, thereby increasing their income and improving their livelihood;
- (c) To generate employment opportunities in Southern Leyte 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. *Appropriations.* – 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 Southern Leyte 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 Southern Leyte 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, for any reason, any part or provision of this Act shall be declared as unconstitutional or invalid, the remaining parts or provisions not affected shall remain in full force and effect.

Section 12. *Repealing Clause.* – All laws, presidential decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, 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,