

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

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 11124



Introduced by **Representative Jose Manuel "JM" F. Lagdameo**

AN ACT
ESTABLISHING A COCONUT OIL MILLING AND REFINERY PLANT IN THE
MUNICIPALITY OF CARMEN, PROVINCE OF DAVAO DEL NORTE,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Municipality of Carmen in Davao del Norte stands as a vibrant agricultural hub primarily recognized for its banana production, yet it holds significant untapped potential within its coconut sector. It also hosts significant rice, corn and coconut farming activities. Despite this productivity, the local coconut industry remains underdeveloped because products are largely sold raw, which severely limits the value-added economic benefits that could otherwise stay within the community. Carmen has the potential to transform from a simple raw material provider into a strategic hub for agro-industrialization. By establishing a localized milling and refinery facility, the government can solve the persistent issue of the income of the 2,530 farmers caused by raw material price fluctuations and a lack of processing infrastructure.

A coconut oil mill and refinery, the province can transform raw coconuts into high-value products such as coconut oil, which can be sold domestically and internationally. This will increase the income of coconut farmers and create new opportunities for small and medium enterprises (SMEs) involved in the supply chain. This facility will also generate employment not only in the operation of the facility but also in ancillary industries such as transportation, packaging, and distribution, reducing poverty levels in the province by providing stable and better-paying jobs. Moreover, a coconut oil mill and refinery will incorporate green technologies, such as using coconut husks and shells as biofuel, thereby reducing the facility's carbon footprint and promoting sustainable energy practices.

This coconut oil mill and refinery will promote inclusive growth and economic resilience. It will position Carmen as an active participant in the national coconut value chain.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

A stylized handwritten signature in black ink, likely belonging to Jose Manuel "JM" F. Lagdameo.

JOSE MANUEL "JM" F. LAGDAMEO
Representative
Second District, Davao del Norte

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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 "*Carmen, Davao Del Norte Coconut Oil Milling and Refinery Plant Act.*"

SEC. 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 Carmen, Davao Del Norte, to enhance the value-added processing of coconut products, create employment, and stimulate economic development in the province and in nearby provinces.

SEC. 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 Carmen in the Province of Davao Del Norte. The exact location shall be determined by the PCA, in consultation with the Local Government Unit of Carmen and the Provincial Government of Davao Del Norte, based on the availability of land, proximity to coconut production areas, and accessibility to transportation infrastructure.

SEC. 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 Carmen, Davao Del Norte and nearby provinces, thereby increasing their income and improving their livelihood;
- (c) To generate employment opportunities in Carmen, Davao Del Norte, 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.

SEC. 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.

SEC. 6. *Appropriation of Funds.* 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).

SEC. 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.

SEC. 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 Carmen, Davao Del Norte, and nearby provinces. These programs shall include technical assistance, training on sustainable farming practices, and access to affordable credit and inputs.

SEC. 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 Carmen, Davao Del Norte, and the surrounding areas.

SEC. 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.

SEC. 11. *Separability Clause.* If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 12. *Repealing Clause.* All laws, decrees, executive orders, and rules, and regulations, or parts thereof that are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 14. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,