

Voluntary Report – Voluntary - Public Distribution

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Report Name: Coconut Farmers and Industry Development Plan

Country: Philippines

Post: Manila

Report Category: Oilseeds and Products, National Plan

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Report Highlights:

Following the signing of Republic Act (RA) 11524, February 26, 2021, then President Rodrigo R. Duterte signed Executive Order (EO) 172, Series of 2022, on June 2, 2022, approving the Coconut Farmers and Industry Development Plan. This paves the way for the use of the PHP75 billion (\$1.4) fund to rehabilitate the coconut industry. The goal is to increase coconut production by at least 9 percent in 2025, however, the plan is already behind schedule by more than a year. Aligned industries, including corn, pork, poultry, dairy, coffee, cacao, and banana, are also expected to benefit.

President Rodrigo R. Duterte signs Republic Act (RA) No. 11524

On February 26, 2021, President Duterte signed into law [RA 11524](#), the “Coconut Farmers and Industry Trust Fund Act” which paved the way for the utilization of the coconut levy fund. Under Section 4 of RA No. 11524, the Philippines Coconut Authority (PCA) was directed to develop the [Coconut Farmers and Industry Development Plan \(CFIDP\)](#). CFIDP will provide national programs for the establishment of community-based enterprises; providing social protection for coconut farmers, farm workers and their families; organizing and developing coconut farmers; conducting innovative research on coconut processing, production, and distribution; and integrating the processing of coconut and downstream products. PCA contracted a team of University of the Philippines-Los Baños experts to craft the CFIDP. On February 28, 2022, the PCA Board adopted and endorsed the proposed CFIDP after a series of consultations with concerned government agencies, coconut farmers, and other stakeholders.

After undergoing final vetting by the Department of Finance (DOF), the Department of Budget and Management (DBM), the Department of Trade and Industry (DTI) and the National Economic Development Authority (NEDA), as provided for in the law, the final draft of the CFIDP was submitted to the President for approval on March 10, 2022.

President Duterte signs Executive Order (EO) No. 172

Finally, on June 2, 2022, President Duterte signed [EO 172, Series of 2022](#), which approved the CFIDP. EO 172 took effect immediately upon its publication in the Official Gazette on June 8, 2022. According to PCA, CFIDP is expected to increase coconut production by at least 9 percent from 14.5 billion in 2020 to 16 billion in 2025. However, the approval was delayed by more than a year so the plan is already behind schedule.

Fund Disbursements

The fund disbursement of P75 billion (\$1.4) over the next five years will be released in accordance with the CFIDP. Originally, this was projected to be from 2021-2025.

Immediately, upon the enactment of the Coco Levy Act, P10 billion (\$182 million) shall be disbursed from the Trust Fund, and for the succeeding years will follow the following schedule:

- P10 billion (\$182 million), second year;
- P15 billion (\$273 million), third year;
- P15 billion (\$273 million), fourth year; and
- P25 billion (\$455 million), fifth year, and any amount accruing, including interest.

The coco levy fund will be released immediately by the Trust Fund Management Committee, which is headed by the DOF, upon the submission of the necessary documents by PCA and other implementing partner agencies within the Department of Agriculture and other government agencies.

Through the proposed intercropping/livestock integration system contained in CFIDP to increase coconut farmers’ income, other agri-commodities expected to benefit from the fund are corn and other cash crops/ short-term crops, native pig, native chicken, dairy cattle, coffee, cacao, and banana.

Attachments:

No Attachments.