

# [ PRESIDENTIAL DECREE NO. 1841, October 02, 1982 ]

## **PRESCRIBING A SYSTEM OF FINANCING THE SOCIO-ECONOMIC AND DEVELOPMENTAL PROGRAM FOR THE BENEFIT OF THE COCONUT FARMERS AND ACCORDINGLY AMENDING THE LAWS THEREIN.**

**WHEREAS**, on 10 September 1981, the Philippine Coconut Authority, in implementation of a Cabinet decision, suspended the collection of the Coconut Consumers Stabilization Fund levy, the Coconut Industry Development Fund levy, and the assessments on exporters of coconut products, all as authorized by PD 1468 and PD 1699;

**WHEREAS**, the suspension of the collections thereof triggered a sharp decline of the prices of coconut products in the world market and has been translated by market forces into a severe depression of copra farmgate prices to the extreme prejudice of the coconut farmers;

**WHEREAS**, the drastic decline of prices and the uncertainties of the situation have wrought havoc on the lives of more than sixteen million Filipinos who are directly or indirectly dependent for their source of livelihood on the coconut industry;

**WHEREAS**, the abrupt termination of the adequate and continuous source of financing of the different socio-economic and developmental projects for the benefit of the coconut farmers, such as the replanting, free insurance, scholarship and coconut industry rationalization program, have created serious doubts in the minds of the beneficiaries as to the sincerity of the Government in promoting their welfare;

**WHEREAS**, there is now a real and imminent explosive atmosphere in the coconut industry which is being seized upon by the subversives and other elements of society as a potent weapon to erode and destroy the confidence of the citizenry in the Government; and

**WHEREAS**, the Philippine Coconut Producers Federation, the only recognized association of coconut farmers composed of 964,496 members throughout the country, in a formal convention passed a resolution urgently requesting the President to immediately exercise his legislative powers pursuant to Amendment No. 6 of the 1973 Constitution, considering that the Batasang Pambansa is not in session and the daily deteriorating situation in the coconut industry has resulted in practically total stagnation and immobility since there is virtually no purchase by any of the usual brokers and dealers nor by the millers and exporters;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and the laws, do hereby decree and order the following:

**SECTION 1.** Section 1 and 2, Article III, of Presidential Decree No. 1468, are hereby substituted with the following:

**"SECTION 1. Coconut Industry Stabilization Fund.** — To ensure the viability and the stability of the coconut industry as a whole, the copra exporters, the oil millers, the refiners, the desiccators and other and-

users of copra or its equivalent in other coconut products are hereby assessed an amount equivalent to P50.00 for every 100 kilos of copra resecada or its equivalent in other coconut products delivered to, and/or purchased by, them which assessments are hereby constituted as the Coconut Industry Stabilization Fund. The assessments shall be collected and disbursed by the Authority as herein prescribed."

**"SECTION 2.** The collections of the Coconut Industry Stabilization Fund shall be utilized for, and the assessment of P50.00 per one hundred kilos of copra resecada or its equivalent in coconut products shall be proportionately allocated among, the following socio-economic and developmental programs for the benefit of the coconut farmers, in particular, and the coconut industry, as a whole:

- a. P20.00 — To finance the cost of the coconut hybrid re-planting program and, as such shall be paid by the Authority to the Coconut Industry Development Fund;
- b. P40.00 — To defray the cost of the scholarship program for the deserving and gifted children of the coconut farmers which amount shall be paid to the federation of the coconut farmers, the Philippine Coconut Producers Federation;
- c. P12.50 — To defray the cost of the life and accident insurance on the lives of the coconut farmers which amount the Authority shall pay to the bank acquired for the benefit of the coconut farmers under PD 755 which, in turn, shall utilize the amount to pay the required premium to the insurance company owned by the coconut farmers;
- d. P3.00 — To defray the operating expenses of the Philippine Coconut Producers Federation;
- e. P20.00 — To defray part of the operating expenses of the Philippine Coconut Authority; and
- f. P 8.50 — To defray the costs of the coconut industry rationalization program envisioned and prescribed by LOI 926, the provisions of which are hereby incorporated as part hereof, which shall be paid to, and utilized by, the bank acquired for the benefit of the coconut farmers under PD 755 to liquidate the liabilities of coconut oil mills/refineries, whose operations have been stopped to effect the rationalization program, to creditors that have agreed to a the guidelines prescribed by LOI 926; *Provided, however,* that the amount allocated for this purpose shall be collected for a maximum period of five (5) years and thereafter, the assessment fixed in Section 1 hereof shall be automatically reduced to the amount of P41.50 for every one hundred kilos of copra resecada or its equivalent in other coconut products."

**SECTION 2.** Sub-paragraph (a) of Section 3, Article III, of Presidential Decree No. 1468, is hereby deleted.

**SECTION 3.** Section 4, Article III, of Presidential Decree No. 1468, is hereby amended to read as follows:

**"SECTION 4.** *Financing of the Coconut Industry Development Fund.* — As the initial funds of the Coconut Industry Development Fund, the Authority is hereby directed to pay to the Coconut Industry Development Fund, the amount of the Hundred Million Pesos (P100,000,000.00) out of the Coconut Consumers Stabilization Fund. Hereafter, the Coconut