

**[ EXECUTIVE ORDER NO. 854, December 06, 1982 ]**

**PROVIDING FOR THE RATIONALIZATION OF THE DESICCATED COCONUT INDUSTRY**

WHEREAS, it is the declared policy of the State to promote the rapid integrated development and growth of the coconut and other palm oils industry in all its aspects;

WHEREAS, the coconut industry is one of the major earners of foreign exchange for the country and, therefore, its continued survival, growth and development is vital to the national economy;

WHEREAS, a major sector of the coconut industry, the desiccated coconut industry, is presently in a state of financial distress brought about, among others, by:

- a) The overcapacity of the existing desiccated coconut processing plants;
- b) The cutthroat competition for desiccated coconut; and
- c) Underselling and smuggling of poor quality products.

WHEREAS, the state of financial distress of the desiccated coconut industry is of such serious nature that most, if not all, of the persons or entities engaged in the said business will be rendered insolvent to the ultimate prejudice of the coconut farmers, in particular, and of the country, as a whole, if not rationalized;

WHEREAS, the Philippine Coconut Authority ("Authority") was authorized under Executive Order No. 826 to regulate the capacity of existing desiccated coconut processing plants as a solution to the problem of overcapacity which threatens the very existence of the aforesaid labor intensive industry;

WHEREAS, studies conducted by the Authority under Section 3 of Executive Order No. 826 which directed the latter to formulate and recommend measures to further insure the viability of the industry, have shown that a mere freeze in the present capacity of existing plants will not afford a viable solution to the problem considering that the total available limited market is not adequate to support all the existing processing plants, making it imperative to reduce the number of existing processing plants;

WHEREAS, it appears that there are processing plants which are willing to sell out their production facilities;

WHEREAS, it is to the national interest that the government rationalize the desiccated coconut industry in order to insure its survival, growth and viability;