

[PRESIDENTIAL DECREE NO. 961, July 14, 1976]

AN ACT TO CODIFY THE LAWS DEALING WITH THE DEVELOPMENT OF THE COCONUT AND OTHER PALM OIL INDUSTRY AND FOR OTHER PURPOSES

WHEREAS, the Philippine Coconut Authority (Authority) was created by P.D. No. 232 to integrate and coordinate the then diffuse efforts of the Government of promoting the accelerated growth of the coconut and other palm oil industry;

WHEREAS, the experience accumulated by the Authority in the performance of its delegated duties indubitably affirms the wisdom of the national policy of making the coconut farmers direct participants in, beneficiaries of, all the aspects of the development and growth of the coconut and other palm oil industry; and

WHEREAS, to make more meaningful the participation of the coconut farmers in the resulting benefits from the growth and development of the industry and to re-affirm the intention of the Government in restricting its role therein to the performance of purely governmental functions and in allowing the coconut farmers to own coconut commercial and industrial enterprises there is an imperative necessity of accordingly re-structuring the various laws that have been enacted to promote the rapid development of the industry and integrate said laws into a single codified law;

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

ARTICLE I. — Title and Policy of the State

SEC. 1. Title. — This Decree shall be known as the "Coconut Industry Code."

SEC. 2. Declaration of Policy. — It is hereby declared to be the policy of the State to promote the rapid integrated development and growth of the coconut and other palm oil industry in all its aspects and to ensure that the coconut farmers become direct participants in, and beneficiaries of, such development and growth.

ARTICLE II. — The Philippine Coconut Authority

SEC. 1. Creation of a Philippine Coconut Authority. — To Implement and attain the declared national policy, there is hereby created an independent public corporation to be known as the Philippine Coconut Authority, hereinafter referred to as Authority, directly reporting to, and supervised by, the President of the Philippines.

SEC. 2. Principal Office. — The Authority shall maintain its principal office in the Greater Manila Area but it may establish branches and agencies within the Philippines as may be necessary for the proper conduct of its business.

SEC. 3. Powers. — In the implementation of the declared national policy, the Authority shall have the following powers and functions:

(a) To formulate and adopt a general program of development for the coconut and other palm oil industry in all its aspects;

(b) To formulate and implement a nationwide replanting program using precocious high-yielding hybrid seednuts and, in the discretion of the Authority, the program may include new areas provided that existing coconut farmers shall always be given priority;

(c) To distribute, for free, to coconut farmers the hybrid coconut seednuts herein authorized to be acquired;

(d) To review and revise, and thereafter integrate into the adopted general program of development, the existing policies, projects and activities of all other governmental agencies directly relating to the development of the industry;

(e) In coordination with the hybrid coconut seed farm herein authorized to be established, to conduct genetical and agricultural researches and investigations for the improvement of the coconut palm productivity;

(f) To establish, operate and maintain one central experiment station and such sub-stations as it may prescribe to undertake extensive research in the control and eradication of coconut diseases and pests and in the method of making copra; and in connection therewith, all research stations and centers, facilities and equipment operated by any government agency or instrumentality in the researches on genetical, agronomical and disease control relating to coconut culture are all hereby transferred to the Authority;

(g) To explore and expand the domestic and foreign market for coconut products and by-products;

(h) To regulate the marketing and the exportation of copra and its by products by establishing standards for domestic trade and export and, thereafter, to conduct an inspection of all copra and its by-products proposed for export to determine if they conform to the standards established;

(i) To advise and thereafter prescribe by means of rules and regulations a method of measuring the moisture content of copra at its first domestic sale and a scale of deduction according to the percentage of the moisture content;

(j) To impose and collect the levies herein authorized to be collected;

(k) To impose and collect, under such rules that it may promulgate, a fee of ten centavos for every one hundred kilos of desiccated coconut, to be paid by the desiccating factory, coconut oil to be paid by the oil mills and copra to be paid by the exporters, which shall be used exclusively to defray its operating expenses; and

(l) To enter into, make and execute contracts of any kind as may be necessary or incidental to the attainment of its purposes and, generally, to exercise all the powers necessary to achieve the purposes and objectives for which it is organized; provided, however, it shall not engage in commercial/industrial activities including the commercial production of hybrid coconut seednuts.

SEC. 4. Governing Board. — The corporate powers and duties of the Authority shall be vested in, and exercised by, Board of seven (7) members to be appointed by the President, as follows:

(a) Two representative of the Government, one of whom shall be designated by the President as Chairman and the other as Vice-Chairman;

- (b) Three members recommended by the Philippine Coconut Producers Federation;
- (c) One member recommended by the United Coconut Associations of the Philippines;
- (d) One member recommended by the owner and operator of the hybrid coconut seednut farm herein authorized to be established.

The Board shall have the following additional powers and duties:

- (a) To direct and manage the affairs of the Authority;
- (b) To prepare and adopt an annual budget;
- (c) To disburse the proceeds of the levies for the purposes herein authorized; and
- (d) To establish the internal organization of the Authority and fix the salaries and other compensation of its officers and employees.

SEC. 5. *Meeting and Quorum.* — The Board shall meet as often as the exigencies of the service may demand. The presence of at least four members shall constitute a quorum, and the vote of four members shall be necessary for the adoption of any rules, resolution of decision or any other act of the Board.

SEC. 6. *Compensation of the Members of the Board.* — The members of the Board shall receive per diem of Two hundred pesos for each meeting actually attended; Provided, That such per diems shall not exceed One thousand pesos during any month for each member; Provided further, That no other allowance or any form of compensation shall be paid to them, except actual expenses in travelling to and from their residences to attend board meetings.

SEC. 7. *Executive Officers and Personnel.* — The chief executive officer of the Authority shall be the Administrator assisted by such Deputy Administrators as the Board may prescribe, all of whom shall be appointed, or removed, by the Board and delegated with such powers and duties as it may prescribe.

All officers and employees of the Authority shall be selected and appointed by the Board on the basis or merit and fitness.

SEC. 8. *Departments.* — The Board may establish such departments as it may be convenient for the discharge of its duties; Provided, That only one agronomical research department shall be created.

ARTICLE III. — Levies

SEC. 1. *Coconut Consumers Stabilization Fund Levy.* — The Authority is hereby empowered to impose and collect a levy, to be known as the Coconut Consumers Stabilization Fund Levy, on every one hundred kilos of copra resecada, or its equivalent in other coconut products delivered to, and/or purchased by, copra exporters, oil millers, desiccators and other end-users of copra or its equivalent in other coconut products. The levy shall be paid by such copra exporters, oil millers, desiccators and other end-users of copra or its equivalent in other coconut products under such rules and regulations as the Authority may prescribe. Until otherwise prescribed by the Authority, the current levy being collected shall be continued.