

PHIL. DEPT. Agr. 25, 1992



REPUBLIC OF THE PHILIPPINES  
PHILIPPINE COCONUT AUTHORITY  
Elliptical Road, Diliman, Quezon City  
Tel. No. 928-45-01 to 09



ADMINISTRATIVE ORDER NO. 01  
Series of 1998

**AMENDED IMPLEMENTING RULES AND  
REGULATIONS OF REPUBLIC ACT NO. 8048**

**ARTICLE I - PRELIMINARY PROVISIONS**

**SECTION 1. Title.** - This Rules and Regulations is promulgated by the Philippine Coconut Authority pursuant to Section 7 of Republic Act No. 8048, entitled AN ACT PROVIDING FOR THE REGULATION OF THE CUTTING OF COCONUT TREES, ITS REPLENISHMENT, PROVIDING PENALTIES THEREFOR AND FOR OTHER PURPOSES, otherwise known as the "Coconut Preservation Act of 1995".

**SEC. 2. Declaration of Policy.** - Considering the importance of the coconut industry in nation building being one of the principal industries and one of the largest income earners of the country, it becomes mandatory for the Government to step-in and regulate the unabated and indiscriminate cutting of the coconut trees. For reasons of national interest, it is hereby declared the policy of the State to provide for the regulation of the cutting of coconut trees as well as to promote the growth of the industry by embarking on a sustainable and efficient replanting program.

**SEC. 3. Definition of Terms.** - In addition to Section 3 of the Act, the following terms and phrases shall mean:

- (a) **Disease Infested Tree** - refers to a severely impaired coconut tree due to bacteria, fungus, or virus, viroid and the chances of its survival and being economically productive is nil;
- (b) **Pest Infested Tree** - refers to a coconut tree damaged by rhino beetle, spike moth, caterpillar and other destructive insects and animals;
- (c) **Sound Management Practice** - refers to procedures and decisions which are scientifically proven; or accepted cultural practice that enhances farm production or productivity;
- (d) **Sawmill** - refers to a wood processing plant or implement operated mechanically and installed in a fixed site or mobile carrier where coconut wood, log or timber is cut, treated, sawn or ripped into lumber, slabs and other wood products of any size or form such as poles, piles, wall wood, boards pulp, or other finished coconut wood products;
- (e) **Lumber Dealer** - refers to a person or entity duly registered with PCA and engaged in the buying or selling, or both, of coconut logs, timber and/or coconut tree lumber;
- (f) **Lumber Processor** - refers to a person or entity engaged in the processing of coconut logs into lumber, slabs and other wood products of any size or form such as poles, piles, wall wood, boards pulp, or other finished coconut wood products;
- (g) **Registration** - refers to the registration certificate issued by PCA to coconut wood sawmills, coconut wood/lumber dealers/traders/processors;
- (h) **Implementing Rules and Regulations** - refers to the rules and regulations promulgated by PCA including guidelines, circulars, orders and memoranda issued to supplement the same.

**SEC. 4. Interpretation.** - This Rules shall be strictly interpreted to preserve productive coconut trees from unabated and indiscriminate cutting. Nothing in this Rules shall be applied, construed or interpreted to circumvent, or defeat the security of tenure or the rights and benefits of farmers, tenants, farm-lessees, tillers and regular farm workers prescribed by the Comprehensive Agrarian Reform Law (RA 6657).

**ARTICLE II - PROHIBITION**

**SEC. 5. General Rule.** - Consistent with the guiding policies, the cutting of coconut trees is hereby prohibited.

**SEC. 6. Exception.** - Coconut trees may be cut only if all the following requisites exist:  
(a) There exists a valid ground as enunciated in Section 4 of the Act.  
When the tree is sixty (60) years old or more;

for conversion shall at all times be covered by a Permit To Cut duly applied for by its owner and approved by the PCA.

**SEC. 14. Who May Apply.** - The following may apply for a permit to cut:  
(a) Landowner/s or duly authorized representative; in case of co-ownership, the controlling majority of the co-owners shall attach their written consent to the applications;  
(b) Tenant, tiller, farm worker with the consent of the owner;  
(c) Owner of land/property that is endangered by coconut tree/s in an adjacent land or farm.

**SEC. 15. Where to Apply.** - The application shall be filed with the Provincial Coconut Development Manager in the PCA Provincial Office or the PCA Agriculturist in the PCA Municipal station having responsibility over the area where the trees are situated.

**SEC. 16. Supporting Documents.** - The application shall be accompanied with the following supporting documents:  
(a) Any document which sufficiently identifies the applicant (i.e. Community/Residence Certificates, Voter's I.D.s, Driver's License, Barangay I.D./Certificate);  
(b) Proof of ownership or legal possession of the affected land (TCTs, Tax Declaration, Tenancy/Leasehold Agreement, Transfer Certificate from DAR Notarized Deeds of Conveyance or Mortgage, etc.);  
(c) Other supporting documents/certificates hereinafter required under this Rules.

**ARTICLE V - PROCESSING OF APPLICATION**

**SEC. 17. Completeness of Application.** - (a) The PCA Agriculturist shall ascertain the completeness of the application on its face and its supporting documents.  
(b) Applications failing to comply strictly with the requirements in the preceding Article shall not be acted on and shall be returned to the applicant with the corresponding notice stating the reasons therefor.

**SEC. 18. Verification.** - After ascertaining the completeness of the application, the PCA officer concerned shall verify the truth of the information contained therein, and conduct the necessary field and ocular inspection or investigation, as well as the consultations hereinafter required.  
(b) The PCA Agriculturist shall inform the applicant, farmers or representatives of their organization and the Barangay Chairman of the date and time of the inspection and invite them to attend as witnesses. Their non-appearance after due notice shall be deemed as a waiver to witness the inspection.  
(c) The PCA Agriculturist shall confirm and certify the existence or non-existence of the causes and circumstances to warrant the issuance or non-issuance of a permit.

**SEC. 19. Consultations.** - Before any final recommendation may be made by the PCA Agriculturist, he must further satisfactorily show that:  
(a) Consultations have been made with -  
i. the farmer-tenants, tillers and regular workers occupying or working on the affected farm;  
ii. the Barangay Chairman;  
iii. the Municipal Agrarian Reform Officer, in case of conversion to other uses;  
iv. at least one (1) Small Coconut Farmers' Organization (SCFO) or other PCA recognized/accrued farmer's organization or Non-Government Organization, whichever is existing in the locality, representing and promoting the interest of coconut farmers.  
(b) Proof of actual consultation must be shown in the form of a certification duly signed by the persons/organization representatives mentioned in the preceding subparagraph.

**SEC. 20. Report and Recommendation.** - (a) After the verification and field investigation, the PCA Agriculturist shall prepare and submit to the Provincial Coconut Development Manager his full Findings and Recommendations certifying the existence or non-existence of the causes, circumstances and reasons which may warrant the issuance or non-issuance of the permit, the location and area of the land, and the number of trees recommended for cutting.  
(b) The PCA Agriculturist shall ascertain that the trees recommended for cutting are properly marked and identified.  
(c) The Regional Manager and the affected tenant/tiller/regular farm workers shall be furnished copies of the findings and recommendations.

**ARTICLE VI - PROTEST**

**SEC. 21. Who May Protest.** - An applicant, tenant, tiller, regular farm worker, or the farmer/non-governmental organization acting for and in their behalf adversely affected by the findings and recommendations of the PCA Agriculturist, may file a written protest with the Provincial Manager of the PCA Provincial Office within five (5) days from receipt of such findings and recommendations.

relating thereto.

**SEC. 34. Report of Violations.** - The PCA Agriculturist and the Small Coconut Farmers Organizations (SCFOs) and other PCA-accrued farmers/non-government organizations shall inquire into all incidents of violations of the Act and this Rules by conducting spot-investigations thereof, and by gathering, receiving, verifying such incidents and reports, including persons involved, and shall immediately inform the City or Municipal Mayor, Barangay Chairman, and the deputized law enforcement agent for their appropriate preventive action. Furthermore, the PCA Agriculturist shall submit a complete report simultaneously to the PCA Provincial and Regional Manager with a copy of such report duly furnished the PCA Administrator.

**SEC. 35. Transport Clearance.** - (a) For the effective monitoring of the movement and transport of coconut logs or lumber, transporters shall be required to secure the necessary transport clearance from the PCA Provincial Office having jurisdiction over the point of origin of coconut logs or lumber.  
(b) Any transport or movement of coconut logs or lumber shall at all times be covered by the original or duplicate originals of the Permit To Cut and Transport Clearance. Machine or xerox copies of Permits To Cut or Transport Clearance shall not be valid as proof of compliance with the Act.

**ARTICLE X - REGISTRATION**

**SEC. 36. Applicability of PCA Administrative Orders No. 001 Series of 1982 and 1993.** - (a) Pursuant to Section 7 of the Act, the registration of persons and entities dealing with coconut products and by-products in accordance with PCA Administrative Orders No. 001 Series of 1982 and 1993, shall except as hereinafter provided, be applicable to operators of sawmills, lumberyards, processors and dealers of coconut wood products; Provided, however, that registration under this Section shall not be issued to sawmills and lumber processors whose licenses have been withdrawn or canceled by the Department of Environment and Natural Resources (DENR).

(b) For purposes of this Rules only, the rates of registration fees based on authorized capitalization provided for in PCA Administrative Orders No. 001 Series of 1993, are hereby amended as follows:

Less than P1,000,000.00	NEW	P1,000.00
	RENEWAL	500.00
P1,000,000.00 up to P5,000,000.00	NEW	3,000.00
	RENEWAL	1,500.00
Over P5,000,000.00	NEW	5,000.00
	RENEWAL	2,500.00

For purposes of this Rules only, sawmills and lumberyards operators, as well as processors and dealers of coconut wood shall register annually with the PCA Provincial Office where they operate.

**SEC. 37. Annual Registration of Powersaws/Chainsaws with the PCA.** - (a) Immediately upon effectivity of this Rules, all powersaws and or chainsaws intended for the cutting of coconut trees shall be individually registered by their owners with any PCA Provincial Office. For this purpose, owners are given until April 30, 1998 to register their powersaws/chainsaws for the year 1998 which shall be renewed in December of 1998 and of every year thereafter.

(b) A registration fee of P500.00 per unit shall be paid by the owner of the powersaw/chainsaw to the PCA Provincial Office where the original registration is being made. A fee of P250.00 shall thereafter be charged for renewals. Late payments shall incur a surcharge of 15% per annum.

(c) The PCA Provincial Managers shall record the make and serial number of each powersaw/chainsaw being registered and issue the corresponding registration receipts and stickers and the latter shall be attached thereto by the owner.

(d) Unregistered powersaws/chainsaws used in the cutting and ripping of coconut trees shall be impounded by the PNP or the PCA and shall be released to their owner only upon payment of the registration fee and a fine of P5,000.00 per unit.

(e) Regardless of registration, powersaws/chainsaws used in the illegal cutting of coconut trees shall be confiscated in favor of the government pursuant to Section 7 of the Act.

**SEC. 38. Coordination with Local Government Units and Other Agencies.** - (a) To update the PCA of the existence, identity, and operations of sawmills, lumberyards, processors and dealers of coconut wood products in the area of his jurisdiction, the PCA Provincial Manager shall from time to time consult with the City or Municipal Mayors or other agencies such as the Department of Trade and Industry - Bureau of Domestic Trade (DTI-BDT), the Securities and Exchange Commission (SEC), and the Bureau of Internal Revenue (BIR), and seek such information relevant in the investigation or prosecution of

coconut trees from unabated and indiscriminate cutting. Nothing in this Rules shall be applied, construed or interpreted to circumvent, or defeat the security of tenure or the rights and benefits of farmers, tenants, farm-lessees, tillers and regular farm workers prescribed by the Comprehensive Agrarian Reform Law (RA 6657).

## ARTICLE II - PROHIBITION

**SEC. 5. General Rule.** - Consistent with the guiding policies, the cutting of coconut trees is hereby prohibited.

**SEC. 6. Exception.** - Coconut trees may be cut only if all the following requisites exist:

- (a) There exists a valid ground as enunciated in Section 4 of the Act:
  - i. When the tree is sixty (60) years old or more;
  - ii. When the tree is no longer economically productive;
  - iii. When the tree is severely disease-infested and/or pest-infested;
  - iv. When the tree is damaged by typhoon or lightning;
  - v. When the agricultural land devoted to coconut production shall have been approved for conversion into residential, commercial or industrial areas by the Department of Agrarian Reform;
  - vi. When the land devoted to coconut production shall be converted into other agricultural uses or other agriculture-related activities pursuant to a conversion duly applied for by the owner and approved by the proper authorities: Provided, That a Permit to Cut shall not be issued by the PCA until after it shall have been verified and certified that for a period of at least three (3) years the majority of the coconut trees have become senescent and economically unproductive or where the coconut is not adaptable to sound management practices on account of geographical location, topography, drainage and other conditions rendering the farm economically unproductive; and
  - vii. When the tree would cause hazard to life and property;
- (b) A valid application has been made and the corresponding application fee of Twenty-Five (P25.00) Pesos for every tree applied for cutting has been paid.
- (c) The applicant has already planted the equivalent number of coconut trees applied for cutting as attested by the PCA Agriculturist, the Barangay Chairman and the head of the Small Coconut Farmers Organization (SCFO) or other PCA-recognized/accredited farmers/non-government organization in a Certification of Field Planting, except when the ground for cutting is conversion of the area into industrial, commercial or residential sites or that the land on which the coconut trees are grown has been converted into other agricultural purposes in accordance with law.
- (d) A valid permit to cut has been issued by PCA or a city or municipal mayor to whom the authority to issue permit to cut has been delegated by the PCA.  
For this purpose, illegal cutting of coconut trees shall include any form of circumvention such as uprooting or felling, poisoning, burning, and the like which lead to their eventual destruction, death or removal.

**SEC. 7. Evidence of Dispossession.** - (a) Cutting of coconut trees in tenanted farms in violation of this Rules shall be deemed prima facie evidence of dispossession, unlawful ejection or deprivation of the rights and benefits of the farmer-tenants, tillers or regular farmworkers under the Comprehensive Agrarian Reform Law or its Implementing Rules.  
(b) Such incidence of dispossession, ejection or deprivation shall be reported and recommended by PCA to the Department of Agrarian Reform (DAR) for prioritization in land acquisition and distribution under the Comprehensive Agrarian Reform Law.  
(c) The PCA shall further recommend to DAR as a reasonable award in favor of the farmer such amount of income on the part of the farmer, tiller or farmworker.

## ARTICLE III - STANDARDS

**SEC. 8. Economically Unproductive.** - (a) Coconut trees are deemed no longer productive if:

- i. They have reached the age or condition of senescence which begins at the age of sixty (60) years, and that for the last preceding three (3) calendar years, there has been no improvement or increase in their nut-bearing capacity.
  - ii. Due to senescence as described in the preceding subparagraph, or the non-suitability of the land or area, the yield of the tree is eighteen (18) nuts or less per year.
- (b) For conversion to other agricultural uses or other agriculture-related activities, it shall be the duty of the authorized PCA Agriculturist to examine, evaluate and verify whether or the period of three (3) calendar years immediately preceding the application, the majority of the trees in the land are senescent and economically unproductive as described in paragraph (a) [i] and [ii] of this Section.  
No permit shall be issued unless all the aforementioned conditions are duly established and certified by the authorized PCA Official.

**SEC. 9. Cost of Production.** - To determine economic gain as a measure of productivity of a coconut tree or farm, the following shall be deducted:

- a) If the final product is copra: i) cost of harvesting which includes picking and piling; ii) cost of loading and hauling; and iii) cost of processing, which includes husking, splitting, scooping, and drying.
- b) If the final product is green nuts, the cost items above shall be deducted except cost of processing.
- c) If the final product is husked nuts, the costs in items a.i and a.ii, and cost of husking shall be deducted. This Section shall neither apply to nor include secondary crops other than coconut.

issuance of the permit, the location and area of the land, and the number of trees recommended for cutting.

(b) The PCA Agriculturist shall ascertain that the trees recommended for cutting are properly marked and identified.

(c) The Regional Manager and the affected tenant/tiller/regular farm workers shall be furnished copies of the findings and recommendations.

## ARTICLE VI - PROTEST

**SEC. 21. Who May Protest.** - An applicant, tenant, tiller, regular farm worker, or the farmer/non-governmental organization acting for and in their behalf adversely affected by the findings and recommendations of the PCA Agriculturist, may file a written protest with the Provincial Manager of the PCA Provincial Office within five (5) days from receipt of such findings and recommendations.

**SEC. 22. Grounds for Protest.** - A protest may be made on any of the following grounds:

- (a) Where the findings and recommendations are not in accordance with the Act or this Rules;
- (b) Where the findings and recommendations are attended by fraud, threat or coercion;
- (c) Misrepresentation or serious mistake in the appreciation of facts;
- (d) Grave abuse of discretion on the part of the Agriculturist; and
- (e) Where the implementation of the recommendation will cause excessive injury and unreasonable damage to the protesting party.

**SEC. 23. Hearing.** - (a) The PCA Provincial Manager shall have thirty (30) days from receipt of the protest to immediately notify the parties, hear the protest and resolve the same.

(b) In the hearing, the contending parties shall submit their respective sworn statements and other documentary evidence in support of or in reply to the protest, which shall be the basis for the resolution.

(c) The parties may be assisted by counsel of their own choice, provided that the hearing shall not be bound by the technical rules of procedure and evidence as prescribed by the Rules of Court.

**SEC. 24. Appeal.** - Any affected party may within ten (10) days from receipt of the Resolution of the Provincial Manager appeal the same to the Regional Manager who shall in turn resolve the appeal within thirty (30) days from receipt thereof. The Resolution of the Regional Manager shall be final and executory for purposes of issuance or non-issuance of the permit to cut under this Rules.

**SEC. 25. Reports.** - All protests, appeals, actions and resolutions by the Provincial and Regional Managers shall be reported to the PCA Administrator with corresponding certified copies thereof.

## ARTICLE VII - ISSUANCE OF PERMIT TO CUT

**SEC. 26. Approving Authority.** - The Permit to Cut may be issued after review of the recommendations of the PCA Agriculturist which may be adopted or modified by the approving and issuing authorities hereinafter provided:

- (a) PCA Provincial Manager - application for not more than 1,000 trees or a corresponding area not exceeding ten (10) hectares;
- (b) PCA Regional Manager - application for more than 1,000 trees up to 2,400 trees or a corresponding area of more than ten (10) hectares but not exceeding twenty four (24) hectares.
- (c) PCA Administrator or in his absence, the Deputy Administrator for Field Operations Branch (FOB) - application for more than 2,400 trees or a corresponding area of twenty-four (24) hectares.

To prevent circumvention of the aforementioned approving and issuing authorities, only one (1) permit shall be issued at any given time for a single application.

**SEC. 27. Form of Permit To Cut.** - The Permit to Cut shall be in a serialized form containing, among others, the grounds for its issuance, the number of trees to be cut, the area or locality, the names of owners/tenants and their addresses.

**SEC. 28. Release of Permit Upon Presentation of Certification of Field Planting.** - The Permit shall be released to the applicant upon compliance with the following conditions:

- (a) Presentation of a Certification of Field Planting attesting that the applicant has already planted the equivalent number of trees in replacement of those trees approved for cutting. The Certification of Field Planting shall be issued by the PCA Agriculturist and attested to by the Barangay Chairman and the Small Coconut Farmers' Organization (SCFO) or other PCA recognized/accredited farmers or non-government organization having responsibility over the place where the applicant has replanted. The applicant shall have the obligation to exert best efforts to ensure the growth and productivity of the replacement coconut trees.
- (b) Once released to the applicant, the issuing officer shall furnish copies of the Permit to the following:

- i. Office of the Municipal Treasurer
- ii. Office of the Barangay Chairman
- iii. Department of Agrarian Reform thru the Municipal Agrarian Reform Officer (MARO); and
- iv. PCA Regional Office

trees shall be impounded by the PNP or the PCA and shall be released to their owner only upon payment of the registration fee and a fine of P5,000.00 per unit.

(e) Regardless of registration, powersaws/chainsaws used in the illegal cutting of coconut trees shall be confiscated in favor of the government pursuant to Section 7 of the Act.

**SEC. 38. Coordination with Local Government Units and Other Agencies.** - (a) To update the PCA of the existence, identity, and operations of sawmills, lumberyards, processors and dealers of coconut wood products in the area of his jurisdiction, the PCA Provincial Manager shall from time to time consult with the City or Municipal Mayors or other agencies such as the Department of Trade and Industry - Bureau of Domestic Trade (DTI-BDT), the Securities and Exchange Commission (SEC), and the Bureau of Internal Revenue (BIR), and seek such information relevant in the investigation or prosecution of violations of the Act or this Rules.

(b) In the event that the aforementioned persons or entities are found to have violated any provision of the Act or this Rules, the PCA may recommend to the appropriate agencies the cancellation of their registrations and other sanctions authorized by law, charters, or municipal ordinances.

## ARTICLE XI - ENFORCEMENT

**SEC. 39. Deputation of Members of the Philippine National Police.** - All members of the Philippine National Police (PNP) nationwide are hereby deputized to assist in the enforcement of the Act and this Rules by investigating, apprehending, and causing the prosecution of violators thereof. By this deputation, they may spot-check the cutting, transportation, and stockpiling of coconut trees, logs or lumber.

**SEC. 40. Deputation of Small Coconut Farmers Organizations (SCFOs) and Other PCA-Recognized/Accredited Farmers/Non-Governmental Organizations (NGOs).** - Upon their application duly endorsed by the PCA's Regional or Provincial Manager, Members of the Small Coconut Farmers Organizations (SCFOs) and/or other PCA-recognized/accredited farmers or non-government organizations may be deputized by the PCA Administrator to assist in the enforcement of the act and this Rules by monitoring and apprehending the actual cutting of coconut trees in their areas of responsibility.

**SEC. 41. Confiscation.** - (a) Any felled coconut trees, logs or lumber found to be without the corresponding Permit To Cut from PCA are hereby deemed to have been illegally cut.

(b) The PCA, or the PNP shall confiscate illegally cut coconut trees, logs or lumber, intercept their transportation, impound the vehicles used for the same, and issue the necessary receipts therefor.

(c) Vehicles impounded pursuant to the provisions of (b) hereinabove shall be released to their owners only upon showing that said owners had no complicity in the illegal cutting of the coconut trees, logs, or lumber apprehended.

**SEC. 42. Custodial Disposition.** - (a) The illegally cut coconut trees, logs or lumber, and the instruments and tools employed in their cutting as well as in their transportation which are confiscated by the PNP shall be deposited in the nearest PNP station or detachment, or in the nearest barangay or municipal premises.

(b) The confiscated logs or lumber, including instruments and tools as well as transport facility, shall be recorded, inventoried and duly receipted for by the proper police officer or the authorized barangay or municipal official. The report of such confiscation and custodial disposition shall be immediately made to the PCA Provincial Manager of the nearest PCA Provincial Office and to the PNP Station Commander in case the apprehending person is a PNP officer.

(c) To prevent wastage caused by deterioration or rotting, during the pendency of litigation, and subject to the approval of the public prosecutor or the court before which the case for violation of the Act is pending, the PCA Provincial Manager may, in coordination with the barangay chairman and the municipal or city mayor concerned, conduct a public auction to sell and dispose of the illegally cut coconut trees, logs or lumber. The PCA Provincial Manager shall post a written notice of the time and place of the sale in three (3) public places, preferably in conspicuous areas of the barangay or municipal or city hall, post office and public market in the barangay, municipality or city where the sale is to take place at least fifteen (15) days before the date of sale. The proceeds of the disposition deposited in trust with the nearest Landbank of the Philippines, shall be released in favor of the offender in full upon resolution or judgment in the case in favor of the offender thru PCA.

(d) Sequestered coconut lumber which are unclaimed or abandoned for a period of thirty days shall thereafter be summarily disposed of by PCA and the proceeds thereof if any shall be used for the implementation of this Act.

## ARTICLE XII - PENAL PROVISIONS, FORFEITURE AND DISPOSITION

**SEC. 43. Penalties.** - The provision on Penalties under Section 8 of the Act is hereby adopted in toto and declared an integral part of this Rules

**SEC. 44. Forfeiture.** - Pursuant to Article 45 of the Revised Penal Code, the penalties of imprisonment and fine under Section 8 of the Act shall carry with them the forfeiture in favor of the Government of the illegally cut coconut trees, logs or lumber, and the instruments or tools employed in their cutting unless they be the property of a third person not liable for the offense.

paragraph (a) (i) and (j) of this Section.  
No permit shall be issued unless all the aforementioned conditions are duly established and certified by the authorized PCA Official.

**SEC. 9. Cost of Production.** - To determine economic gain as a measure of productivity of a coconut tree or farm, the following shall be deducted:

- a) If the final product is copra: i) cost of harvesting which includes picking and piling; ii) cost of loading and hauling; and iii) cost of processing, which includes husking, splitting, scooping, and drying.
- b) If the final product is green nuts, the cost items above shall be deducted except cost of processing.
- c) If the final product is husked nuts, the costs in items a.i and a.ii, and cost of husking shall be deducted. This Section shall neither apply to nor include secondary crops other than coconut.

**SEC. 10. Disease Infestation.** - (a) Disease in coconut trees shall be a ground for cutting only upon certification by the PCA Agriculturist that:

- i. He has verified and confirmed that the tree applied for cutting is infested with pest or disease;
  - ii. The infested trees are no longer capable of rehabilitation thru preventive measures such as application of chemicals or nutrient support;
  - iii. The infestation is such that it will spread to other trees or farms;
- (b) Infested trees shall be subject to quarantine and shall not be allowed for processing, sale, transport or transshipment;
- (c) Quarantined trees shall be disposed of by the owner thru burning, under the supervision of the PCA Agriculturist.

**SEC. 11. Conversion into Residential, Commercial or Industrial Areas.** - (a) The authority to approve or disapprove conversion of land devoted to coconut production for residential, commercial or industrial use shall be the exclusive jurisdiction of the Secretary of the Department of Agrarian Reform.

(b) Applications for conversion under this Section shall comply strictly with the requirements and procedures of DAR Administrative Order No. 12, Series of 1994, entitled "Consolidated and Revised Rules and Regulations Governing Conversion of Agricultural Lands to Non-Agricultural Uses".

**SEC. 12. Hazard to Life and Property.** - (a) The coconut trees are situated such that they pose immediate threat, danger, or obstruction to:

- i. existing houses, homes, animal dwelling, business establishments, buildings;
- ii. plazas, playgrounds, promenades, and public places frequented by people;
- iii. public roads and highways, rights of way, ports, dams, irrigation, and waterways;
- iv. electric, telephone, communication lines or installations;
- v. other properties whose value or use is greater than the coconut trees which pose the threat, danger or obstruction.

(b) Cutting of trees due to the exercise of the power of eminent domain or expropriation, shall be governed by the appropriate laws, regulations, ordinances.

#### ARTICLE IV - APPLICATION FOR PERMIT TO CUT

**SEC. 13. Filing of Application.** - (a) Application to cut coconut trees shall be filed in writing in accordance with the form prescribed by the PCA, stating the specific causes and circumstances therefor.

(b) Applications for Permit To Cut coconut trees on the ground of conversion to industrial, residential or commercial use pursuant to Section 4 (e) of the act shall not be approved by the PCA in the absence of a final conversion order or certification of exemption issued by the Department of Agrarian Reform. In such applications, the PCA shall conduct its own inspection of the area sought to be converted in order to determine the condition of the coconut trees therein and shall thereafter submit its certification to the DAR. In order to defray the administrative expenses of PCA in rendering said inspection services, the applicant shall pay the PCA simultaneously with the filing of the application an inspection fee of P100.00 per hectare or every fraction thereof which fee shall accrue in favor of the PCA Provincial Office where the application is being made.

Notwithstanding the issuance of the final conversion order or certificate of exemption by the Department of Agrarian Reform, the cutting of coconut trees in the land approved

already planned the equivalent number of trees in replacement of those trees approved for cutting. The Certification of Field Planting shall be issued by the PCA Agriculturist and attested to by the Barangay Chairman and the Small Coconut Farmers' Organization (SCFO) or other PCA recognized/accredited farmers or non-government organization having responsibility over the place where the applicant has replanted. The applicant shall have the obligation to exert best efforts to ensure the growth and productivity of the replacement coconut trees.

(b) Once released to the applicant, the issuing officer shall furnish copies of the Permit to the following:

- i. Office of the Municipal Treasurer
- ii. Office of the Barangay Chairman
- iii. Department of Agrarian Reform thru the Municipal Agrarian Reform Officer (MARO); and
- iv. PCA Regional Office
- v. Tenant, if applicable.

(c) The original (white), and duplicate originals (blue, pink, yellow, green) of the Permit To Cut shall be released to the applicant who shall provide these documents to the party transporting the coconut lumber as provided in Section 36 hereof.

**SEC. 29. Date and Time Of Cutting.** - The recipient of the Permit To Cut shall inform the PCA Agriculturist or Provincial Manager of the date and time of cutting and the latter shall as far as practicable do the necessary spot-checking of the actual cutting.

**SEC. 30. Delegation of Authority To Grant Permits To Cut.** - (a) In conjunction with Section 6 of the Act, the authority to grant permits to cut under this Rules may be delegated to the City or Municipal Mayor as the need arises and shall be initiated under any of the following circumstances:

- i. upon the request of the City or Municipal Mayor
- ii. at the discretion of the PCA Administrator; or
- iii. upon the endorsement of a PCA-accredited farmer or non-government organization.

Provided, that in the exercise of such delegated authority, the City or Municipal Mayors shall abide by the standards or criteria prescribed in this Rules which, shall be verified and certified by the PCA Agriculturist.

(b) The Administrator may at any time recall the herein delegated authority upon showing that the same is being dispensed with contrary to the standards or criteria prescribed in this Rules, or with grave abuse of discretion, or for other compelling reasons in the interest of the coconut industry.

#### ARTICLE VIII - COLLECTION AND REMITTANCE

**SEC. 31. Payment of Fees.** - Payment of the fees authorized in the preceding Section shall be made to the PCA Provincial Coconut Development Manager (PCDM) who shall issue the corresponding receipt.

**SEC. 32. Remittance.** - (a) All fees herein collected by the PCA Provincial Coconut Development Managers shall immediately be deposited with the nearest Landbank of the Philippines branch or other government depository bank in their area of responsibility and shall be remitted every fifteen (15) days to the PCA Regional Office which shall make the proper accounting thereof.

(b) The Regional Office shall hold in trust the share of the fees accruing in favor of the beneficiaries and for the purposes authorized in Section 5 of the Act.

(c) All collections allocated for PCA shall be used to implement its replanting program in the region from where the fees were collected and for the costs of implementation of the Act, subject to the approval by the PCA Administrator of proposed expenditures.

#### ARTICLE IX - PROGRAM MONITORING

**SEC. 33. Responsibility of PCA, LGUs, and Farmers Organizations.** - (a) The PCA shall be principally responsible for the formulation of specific programs and projects involving the regulation of indiscriminate cutting of coconut trees.

(b) In the formulation of such programs, the PCA shall consult and enlist the assistance and participation of the Department of Interior and Local Government (DILG) and other government agencies, the Small Coconut Farmers Organizations (SCFOs) and other PCA-accredited farmers/non-government organizations, in conducting nationwide surveys of the cutting of coconut trees and affected areas, and the establishment of a data base

any shall be used for the implementation of this Act.

#### ARTICLE XII - PENAL PROVISIONS, FORFEITURE AND DISPOSITION

**SEC. 43. Penalties.** - The provision on Penalties under Section 8 of the Act is hereby adopted in toto and declared an integral part of this Rules

**SEC. 44. Forfeiture.** - Pursuant to Article 45 of the Revised Penal Code, the penalties of imprisonment and fine under Section 8 of the Act shall carry with them the forfeiture in favor of the Government of the illegally cut coconut trees, logs or lumber, and the instruments or tools employed in their cutting unless they be the property of a third person not liable for the offense.

**SEC. 45. Final Disposition.** - The illegally cut coconut trees, logs or lumber forfeited in favor of the Government shall be disposed of in accordance with the prioritization set forth in Memorandum Order No. 162 Series of 1993 as amended by Memorandum Order No. 284 of the President dated June 5, 1995.

Accordingly, in the event that two (2) or more parties are requesting for disposition, priority shall be given in the following order:

- (a) Needy victims of disasters as certified by the Department of Social Welfare and Development (DSWD);
- (b) The Department of Public Works and Highways (DPWH) projects related to the restoration of public facilities such as bridges, roads, etc., in times of emergencies, calamities, and disasters and pursuant to a Memorandum of Agreement to be entered into between PCA and DPWH;
- (c) School building programs of the Department of Education, Culture and Sports (DECS) and those undertaken by the Department of National Defense (DND)/AFP Engineering Brigade;
- (d) Health centers as may be requested by the Department of Health (DOH) and the local government unit (LGU) concerned;
- (e) Public markets, as may be requested by the LGU concerned;
- (f) Municipal buildings, as may be requested by the LGU concerned;
- (g) Police stations, as may be requested by the PNP and LGU concerned;
- (h) AFP camps, as may be requested by the DND;
- (i) The National Housing Authority (NHA) for the implementation of the housing program for low-salaried government employees and pursuant to a Memorandum of Agreement that may be entered into between PCA and NHA;
- (j) LGUs which have jurisdiction over the place where the coconut trees were cut, gathered and/or confiscated; and
- (k) Commitments to provincial, regional and national projects.

#### ARTICLE XIII - REPEALING CLAUSE

All Administrative Orders, Memoranda, Circulars and other issuances inconsistent with this Rules and Regulations are hereby modified and repealed accordingly.

#### ARTICLE XIV - EFFECTIVITY

These Revised Rules and Regulations shall take effect fifteen (15) days after their publication in two (2) newspapers of national and general circulation.  
Issued this 19th day of March, 1998 at Quezon City, Philippines.

  
VIRGILIO M. DAVID  
Administrator

APPROVED AND CONFIRMED by the PCA Governing Board in its Resolution No. 005-98 dated 03/19/98.