

**Column for Business Mirror**  
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**The Entrepreneur**

### **Coconut farmers, fishermen need CCT**

THERE are many ways to generate economic activity.

In the United States, President Barack Obama has a \$400-billion plan, his latest actually. In Thailand, Prime Minister Yingluck Shinawatra is offering rebates to first-time car buyers to boost her country's auto industry.

In the Philippines, the conditional cash-transfer (CCT) program can be harnessed to generate economic activity that will last beyond the expiration of the program. The program's benefits and impact can be maximized by focusing them on specific socioeconomic sectors, such as coconut farmers and subsistence fishermen.

I mention these two groups because they comprise the poorest of the poor, and their communities are generally the most depressed in the country.

Implementing the CCT program in the coconut sector is also timely because of the current state of our coconut trees. According to the Philippine Coconut Authority (PCA), 44.8 million, or 14 percent, of our 320 million coconut trees are over 60 years old and must be replaced.

At their peak (seven to 25 years) coconut trees produce 40 and 65 nuts per year. As they grow older, the trees produce less and less nuts, which means less income for the farmers. Reports coming from the PCA also show that coconut production has declined by about 40 percent in the first seven months of 2011 because of the drought that hit coconut plantations two years ago.

It's good to know that the PCA has adopted a project to encourage farmers to plant coconut trees. Farmers are given a cash incentive of P7 per seed nut planted and another P7 for every seedling that grows to at least two feet tall within five months.

If the farmer is able to grow the seedling to about a meter high for about five months during the rainy season, he gets another P16, or a total of P30 per seedling.

I understand that the PCA is also negotiating with the Department of Social Welfare and Development to include coconut farmers in the CCT program so they will receive additional income for planting and taking care of coconut trees.

I fully support the inclusion of the 3.5 million coconut farmers in the CCT program not only because of the immediate relief from hunger but also because of its long-term impact.

One of the criticisms against the CCT is that it provides cash to people who need it but do not work. Implementing the program in the coconut sector will serve as additional incentive for those who are already working (or planting) but are not earning enough.

At present, there is no clear exit strategy or program for the CCT when it expires. In the coconut sector, the trees that are planted as part of the CCT will continue to grow and bear nuts long after the CCT ends, providing a permanent source of income to farmers.

So by using CCT funds to improve the coconut industry and also the fishing industry, the program will hit more than two birds with one stone, so to speak. It revitalizes the coconut or fishing industry, it stimulates economic activity, it creates employment, and it addresses the poverty problem.

I want to reiterate: the CCT program's coverage should be expanded to cover the coconut farmers and subsistence fishermen, especially now that the funding is being raised to P39 billion under the proposed national budget for 2012.

The coconut-farming sector, traditionally a major exporter (the Philippines is the world's biggest exporter of copra and other coconut products) is far behind the rice sector in terms of the attention given by the government.

Billions are spent to subsidize rice farming and promote the development of rice-oriented technologies. The government is also bent on increasing rice production to make the Philippines self-sufficient.

That's understandable because rice is the staple for most Filipinos. On the other hand, we are more than self-sufficient in coconuts; we are, as I said earlier, the world's biggest coconut exporter.

It's lamentable that the sector that generates precious foreign exchange for the economy does not receive as much attention as the sector that spends precious foreign exchange to fill the demand that cannot be covered by local production.

It's not too late—the additional 1 or 2 million people who will be enrolled in the CCT under the 2012 budget should come from the coconut farmers and/or the subsistence fishermen.

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