Republic of the Philippines
House of Representatives
Quezon City

Eighteenth Congress
First Regular Session

HOUSE RESOLUTION NO. 782

Introduced by Representative Sabiniano “Ben” S. Canama

RESOLUTION
DIRECTING THE COMMITTEE ON COOPERATIVES
DEVELOPMENT, TO CONDUCT AN INQUIRY, IN AID OF
 LEGISLATION, ON THE STATUS OF THE IMPLEMENTATION OF
 THE OIL PALM FINANCING PROGRAM OF THE LAND BANK OF
 THE PHILIPPINES

WHEREAS, in 2005, the Landbank of the Philippines (LBP) opened
new products including Oil Palm Financing Program, in its aim to provide
timely, accessible and responsive products and services on multiple platforms
and customer touchpoints, especially to small farmers and fishers, micro, small
and medium enterprises, countryside financial institutions, cooperatives, non-
government organizations, corporations and local government units;

WHEREAS, through Agumil Philippines, Inc. (Agumil), an integrated
oil palm production and processing corporation, the Landbank of the
Philippines encouraged several cooperatives nationwide to venture in oil palm
plantation;

WHEREAS, due to the promise of viability and profitability, several
cooperatives, including Laak Multi-Purpose Cooperative in Poblacion Laak,
Davao de Oro, Sto. Niño Teachers and Farmers Multi-Purpose Cooperative in
Sto. Niño, South Cotabato, and Norala Palm Oil Growers and Farmers
Association in Norala, South Cotabato, entered into a long-term loan contract
with LBP;
WHEREAS, as presented during the orientation of the LBP, the price of oil palm bunches ranges from Php 6.00 to Php 7.00 per kilogram, but eventually Agumil bought only the same for a very low price of Php 3.00 per kilogram, thus, growers were unable to pay their loans to the cooperatives, and the cooperatives in turn were unable to cope with its obligations to LBP as a result of the substantial disparity in the price of the oil palm produce;

WHEREAS, given the urgency of the situation, there is a need to revisit the oil palm financing policy and the program of government-run Land Bank of the Philippines in the fulfillment of its role. Now, therefore, be it

RESOLVED BY THE HOUSE OF REPRESENTATIVES, To direct the Committee on Agriculture and the Committee on Cooperatives Development, to conduct an inquiry, in aid of legislation, on the status of the implementation of the oil palm financing program of the Land Bank of the Philippines.

Adopted,

SABINIANO "BEN" S. CANAMA
Author