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## **Philippines**

### **Agricultural Situation**

# **Philippine Comprehensive Agrarian Reform Program 1998**

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#### **Report Highlights:**

**Agrarian reform and agricultural modernization will be the main focus of rural development efforts of the Estrada Administration. Although more than halfway through its land distribution target, the Philippine Comprehensive Agrarian Reform Program (CARP) remains controversial. It has been branded as counter-productive by some, and anti-poor by others. The CARP has been extended for another ten years or up to 2008.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report, RP

“Erap para sa mahirap” (Erap for the poor) was the campaign slogan of President-elect Joseph “Erap” Estrada. With the country’s poor generally found in the rural areas, Estrada’s administration will give emphasis to the development of agriculture to significantly impact poverty alleviation, food security, and sustainable growth. Over 40 percent of the total Philippine population is dependent on agriculture for their livelihood. The agrarian reform agenda of the Estrada Administration is based on three principles with respect to the rural sector: economic development, social justice and political democratization.

### Overview of the CARP

The implementation of the Philippine Comprehensive Agrarian Reform Program (CARP) is largely guided by R.A. No. 6657, as amended by R.A. No. 8532, otherwise known as the Comprehensive Agrarian Reform Law (CARL). CARL has the following major features:

- . it covers all agricultural lands regardless of crops produced or tenurial status of the tillers;
- . it recognizes as beneficiaries not only the tenants but all workers in the land provided that they are landless and willing to till the soil;
- . it provides for the delivery of support services to the beneficiaries;
- . it provides for arrangements (like stock distribution, leasehold, and production-and-profit sharing) which may not include land distribution but will, ensure the farmers and farm worker’s tenurial security; and,
- . it creates an adjudication body that will resolve agrarian disputes.

### Land Tenure Improvement

At the heart of the CARP is its land tenure improvement program which includes land acquisition and distribution of lands to landless beneficiaries as well as the protection of the tenurial status of tenants through the execution of leasehold contracts.

As of June 1998, according to the Department of Agrarian Reform (DAR), the lead agency of CARP, the GOP has distributed 57 percent of the 8.1 million hectares of land targeted for distribution. The remaining 43 percent or around 3.5 million hectares consist of some 1.6 million hectares of private lands and 1.9 million hectares of public agricultural lands. The DAR’s main responsibility will be the distribution of the former (of which strong resistance of CARP coverage from private landowners is expected) while the Department of Environment and Natural Resources (DENR) will be responsible for the distribution of public lands.

The Estrada administration has announced its intention of completing the CARP within four years or from July 1998 to June 2002 although R.A. 8532 extends implementation of the CARP for another ten years, or until 2008.

Anent to the land distribution component of CARP is leasehold operation which is a non-land transfer tenurial improvement program. Farmers tilling lands within the landowners' allowed retention limits are assured of land security through the institution of leasehold agreements between both parties. Under this arrangement, farmers are entitled to 75 percent of net harvests. From 1972 to 1997, lands covered by leasehold contracts had amounted to 1.44 million hectares while the number of leaseholds totaled 1.07 million.

### Sustainable and Equitable Rural Community Development

Despite being more than halfway through its target, the CARP has had little impact on the rural landscape, according to DAR. Most of the distributed lands under CARP have been public lands and have had less exposure to investments for infrastructure and technological development. In order to optimize limited resources and create an impact, the DAR has adopted an integrated area-based development approach anchored on the strategy of developing self-managed Agrarian Reform Communities (ARC's). In these areas, DAR hopes to intensify its interventions to help farmers increase their farm production and incomes, engage in sustainable agriculture, and participate in local governance.

The DAR's Support Services Office has embarked on social infrastructure building and service delivery at the grassroots level. The DAR also deploys extension workers in community development.

To make the ARC dynamic, the DAR undertakes the following:

- . Infrastructure Development and Public Work Projects such as the construction of irrigation, post-harvest facilities, and farm-to-market roads;
- . Credit delivery to small landowners, farmers and farmer organizations
- . Provision of financial assistance to small and medium-scale industries
- . Research and development and dissemination of information on agrarian reform and low-cost and ecologically sound farm inputs and technologies
- . Development of cooperative management skills through intensive training
- . Assistance in the identification of ready markets for agricultural produce and training in various aspects of marketing
- . Administration, operation, management and funding of support services programs and projects

As of June 1998, 921 ARC's have been launched, covering 2,321 barangays in 797 municipalities. These 912 ARC's cover a total CARP scope of 802,137 hectares. Most of the 351,000 farmer-beneficiaries in these ARC's have received training in organizational management although only 9 percent have been assured of direct support services.

### Agrarian Justice

The delivery of agrarian justice involves the resolution of agrarian reform cases and conflicts between farmers and landowners and among farmers' groups. This component likewise covers the determination of values for lands being acquired under the CARP.

The implementing group of this component is the DAR Adjudication Board (DARAB) as well as the DAR's Bureau of Agrarian Legal Assistance. The DARAB and its adjudicators are vested with quasi-judicial powers and have primary jurisdiction to determine and adjudicate all agrarian disputes, cases, controversies arising from the implementation of agrarian reform laws and other related issues.

The DAR likewise provides free legal assistance to farmer-beneficiaries. Under this program, the DAR provides legal counsel and represent the farmers in legal suits involving the following:

- . **Judicial cases** that are civil or criminal in nature filed before the regular courts against the farmers.
- . **Quasi-judicial cases** that include ejectment, reinstatement, termination of leasehold, and other agrarian cases falling within the jurisdiction of the DARAB and its adjudicators.
- . **Non-judicial cases** arising from agrarian law implementation and related implementing rules and regulations and personnel discipline cases.
- . **Mediation cases** involving agrarian disputes submitted for amicable settlement through mediation or conciliation.

#### Policy concerns affecting the CARP

Although the rural sector offers much room for growth, decades of neglect as evidenced by low investment levels has stifled development. Despite the economic growth in the mid-1990's, agriculture grew by only about 2 percent a year. There are four concerns the DAR expects to affect the program and the perception of the general public on the resolve of the administration to pursue CARP.

These concerns are funding, the speedy resolution of land reform cases, the enactment of land and water use law, and violations of the agrarian reform law.

R.A. No. 8532 allocated P50 billion for CARP implementation for the next 10 years, or until 2008. But to finish the remaining components of the program, the DAR estimates a total of P111 billion is required. A Status of the Agrarian Reform Fund as of June 30, 1998 is provided below.

The DAR expects legal disputes over land reform implementation to increase even more in the coming years largely due to the character of the private estates or lands scheduled for reform. The new DAR Secretary, Mr. Horacio Morales, Jr., intends to increase the number of DAR Adjudication Board (DARAB) members from the present three to nine in anticipation of this.

The DAR will likewise move for the enactment of an appropriate and effective land and water use policy legislation at the soonest possible time. The DAR has noted that even prime (irrigated) agricultural lands

have been converted to other uses in the past. As a corollary to the land conversion issue are the rampant land reform reversals based on land and water-use conversions and other violations of the CARP.

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STATUS OF AGRARIAN REFORM FUND

As of June 30, 1998

(In Billion Pesos)

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I.	Initial ARF Appropriation	50.000
II.	Remitted to BTr by APT/PCGG/Others	49.344
III.	Augmentation from the General Fund	0.871
IV.	Other Unobligated Balances for Credit by BTr (estimates)	0.738
V.	Total Available Fund (II+III+IV)	50.953
VI.	Released by DBM to CIA's (Net of Reverted Unobligated Allotments)	50.539
VII.	Fund Balance (V-IV)	0.414

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ARF - Agrarian Reform Fund

BTr - Bureau of Treasury

APT - Asset Privatization Trust

PCGG - Presidential Commission on Good Government

DBM - Department of Budget and Management

CIA - CARP Implementing Agencies

Source of Basic Data: Department of Agrarian Reform