

AGRARIAN REFORM

U.S. ASSISTANCE TO THE PHILIPPINES
AGRARIAN REFORM PROGRAM



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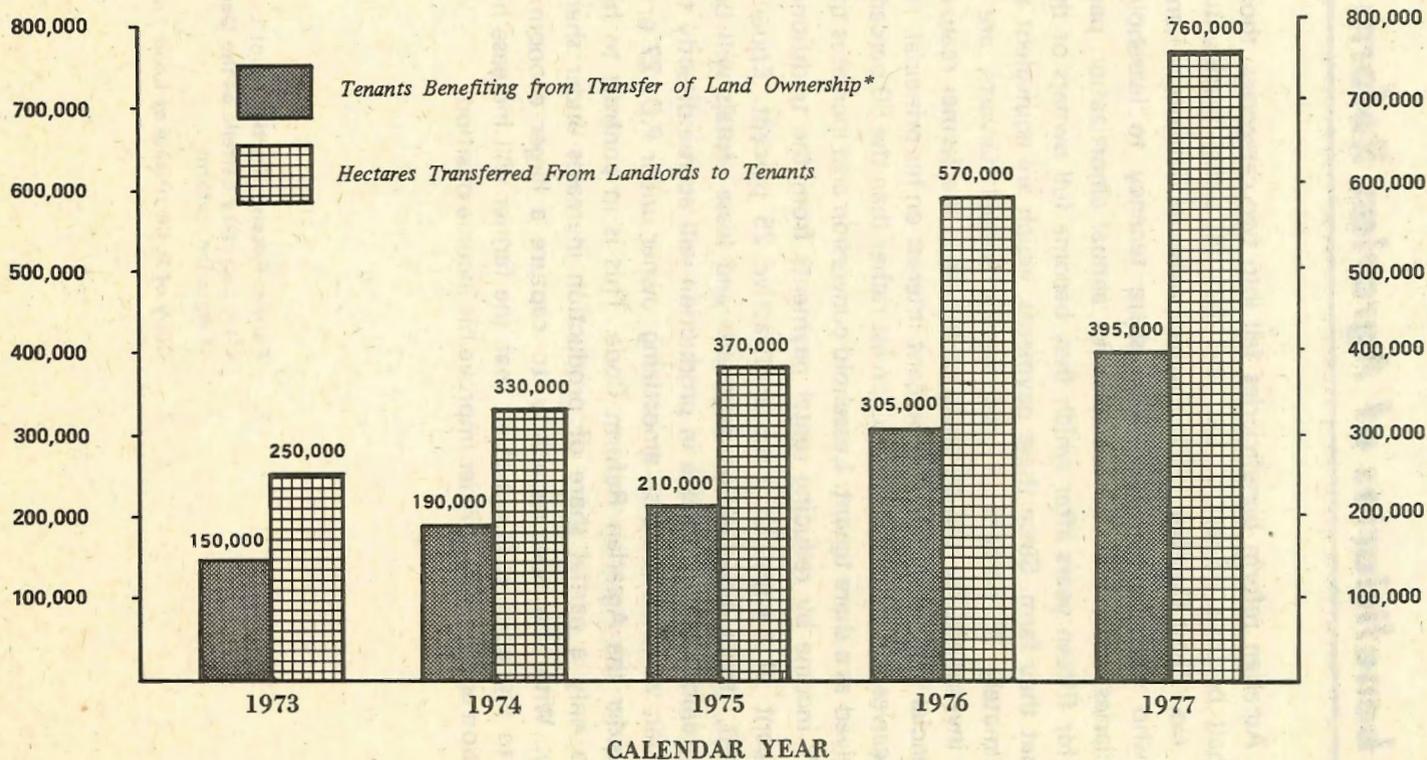
Introduction

The Philippine Republic has embarked on a nationwide agrarian reform program which focuses on developing a system to expand the opportunities and incentives available to the nation's small farmers in order to improve their economic and social status as owners and leaseholders of the land they till. USAID is supporting this effort through a special project which provides direct development assistance to the agrarian reform movement in the Philippines.

Program Scope

The scope of the Philippine agrarian reform program includes the nearly one million tenant families who farm over 1.4 million hectares of rice and corn land within the country. Approximately 43 percent of these farm families are expected to be buying the land they till by December 31, 1977. This represents those tenants currently tilling landholdings larger than seven hectares, or about 53 percent of all rice and corn land within the country. The remaining 57 percent of the tenant-tillers farming estates of seven hectares and below are expected by this same period to be converted to a leasehold system wherein written lease contracts with fixed land rental fees are being established between landowners and tenant farmers.

BENEFICIARIES
PHILIPPINE AGRARIAN REFORM PROGRAM
 PAST PERFORMANCE AND FUTURE TARGETS FOR LAND
 TRANSFER: 1973-1977



*In addition, there are 521,000 tenants on 664,000 ha. included under the leasehold program. Procedures and targets for implementation of the program are still being developed.

The beneficiaries of Agrarian Reform

Agrarian reform beneficiaries fall into two categories, those who shall become owners of the land they till under Presidential Decree No. 27 of October 1972 (Emancipation of Tenants.....), and those who shall be converted from share tenancy to leasehold. Beneficiaries under P.D. 27 are to make annual amortization payments for fifteen years after which they become full owners of the land that they farm. Since these payments, which are equivalent to approximately 25 percent of past average annual harvests, are a capital investment for the purchase of the land, the farmer realizes no financial loss other than a 6 percent interest on his principal. He thus receives full value of his crop harvest rather than the 50 percent he received as a share tenant. Leasehold conversion also increases the farmer's income by reducing rental payments from the traditional 50 percent of harvest to a more attractive 25 percent. Equally important, since amortization payments and lease rentals will be fixed in amount, any increase in production will accrue directly to the farmer, whether he be an amortizing owner under P.D. 27 or a lessee under the Agrarian Reform Code. This is in contrast to his right to only a partial share of production increases under share tenancy. With the new capability to capture a larger economic return to his labor, it is expected that the farmer will increase his production and thereby further improve his income position.

1. Farmer Receives Certificate of Land Transfer from Secretary Estrella of the Department of Agrarian Reform
2. Copy of A Certificate of Land Transfer



REPUBLIC OF THE PHILIPPINES
OFFICE OF THE PRESIDENT

CLT NUMBER

Certificate of Land Transfer

PURSUANT TO THE POWERS VESTED IN ME BY THE CONSTITUTION AS PRESIDENT OF THE PHILIPPINES, AND PURSUANT TO PROCLAMATION NO. 1081 DATED SEPTEMBER 21, 1972 AND GENERAL ORDER NO. 1, DATED SEPTEMBER 22, 1972, AS AMENDED, AND PRESIDENTIAL DECREE NO. 27 DATED ON OCTOBER 21, 1972 ABOLISHING THE OLD CONCEPT OF LAND OWNERSHIP BY A FEW, AND EMANCIPATING THE TENANT FARMERS FROM THE BONDAGE OF TENANCY:

I, *Ferdinand E. Marcos*, PRESIDENT OF THE PHILIPPINES, DECLARE THAT

HAVING MANIFESTED HIS DESIRE TO OWN THE LAND UNDER HIS CULTIVATION AND HAVING COMPLIED WITH THE IMPLEMENTING RULES AND REGULATIONS OF THE DEPARTMENT OF AGRARIAN REFORM, IS HEREBY DEEMED TO BE THE OWNER OF THE AGRICULTURAL LAND DESCRIBED AS FOLLOWS:

LOT NUMBER:	AREA:
LOCATION:	
REFERENCE: EXISTING TITLE NO.:	OLD SUBJECT NO.:

SUBJECT TO THE CONDITIONS THAT THE COST OF THE PORTION HEREIN TRANSFERRED TO THE TENANT FARMER AS FIXED BY THE AUTHORITIES CONCERNED, INCLUDING THE INTEREST AT THE RATE OF SIX PERCENTUM (6%) PER ANNUM SHALL BE PAID BY THE TENANT FARMER IN FIFTEEN (15) EQUAL ANNUAL AMORTIZATION, THAT THE TENANT FARMER MUST BE A MEMBER OF A SAMAHANG NAYON UPON ORGANIZATION OF SUCH ASSOCIATION IN HIS LOCALITY, AND THAT THE TITLE TO THE LAND HEREIN ACQUIRED SHALL NOT BE TRANSFERRED EXCEPT BY HEREDITARY SUCCESSION OR TO THE GOVERNMENT IN ACCORDANCE WITH THE PROVISIONS OF PRESIDENTIAL DECREE NO. 27, THE CODE OF AGRARIAN REFORM AND OTHER EXISTING LAWS AND REGULATIONS.

THIS CERTIFICATE OF LAND TRANSFER SHALL BE ENTITLED TO REGISTRATION IN THE REGISTRY OF DEEDS.
GIVEN IN THE CITY OF QUEZON, ON THIS _____ DAY OF _____, 19 _____.



ENTERED IN THE "REGISTRATION BOOK" FOR THE PROVINCE/CITY OF _____
PURSUANT TO PRESIDENTIAL DECREE
NO. 27 DATED OCTOBER 21, 1972, ON THIS _____
DAY OF _____ NINETEEN HUNDRED AND _____
AT _____ s/_____
BOOK _____ PAGE _____
PROVINCE/CITY OF _____

REGISTER OF DEEDS

FERDINAND E. MARCOS
PRESIDENT OF THE PHILIPPINES

BY: *[Signature]*
CONRADO F. ESTRELLA
SECRETARY OF AGRARIAN REFORM

Background

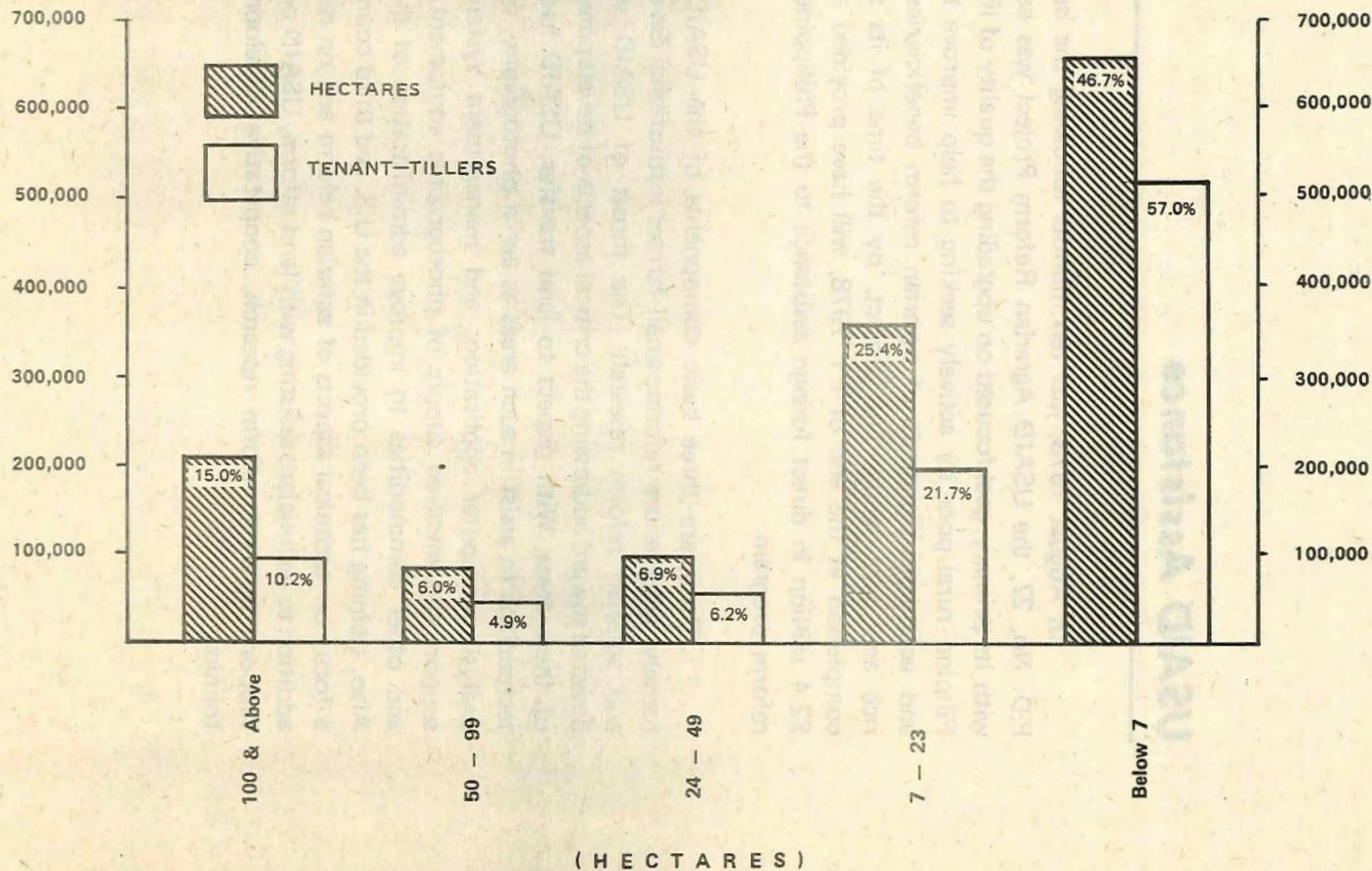
Following the first strong expression of interest by the U.S., Government in Philippine land reform in 1952, when the Hardie Report, a result of the 1950 Bell Mission, urged basic land reform, President Ramon Magsaysay in 1954 introduced legislation which provided a bill of rights for tenants and established credit and cooperative institutions supportive of small farmers. Although the lot of small farmers seems marginally to have improved, the land reform legislation was defective and never effectively implemented. Moreover, after what appeared to be a good beginning, the credit and cooperative system floundered and stagnated.

In 1963 a comprehensive agrarian reform code known as Republic Act No. 3844, was signed into law. Support systems were revitalized. USAID agreed to support this new program, whose initial goal was the conversion of share tenants to leasehold. It soon became obvious, however, that land reform was not receiving sufficient priority to permit effective implementation.

By 1970, considerable experience with marketing, extension, and land reform had accumulated, but no effective comprehensive approach had evolved to coordinate and fully utilize these various development efforts. Consequently, the Philippine Government and USAID agreed to a two-year pilot program in Nueva Ecija Province to develop such a system under R.A. 3844. The project called for accelerated conversion of share tenants to leasehold and the development of an effective support system to insure the leaseholder of economic viability. Significant progress in these two areas was made during this period for the province of Nueva Ecija.

On October 21, 1972 following the pronouncement of martial law the government issued a fundamental land reform decree called "The Emancipation of Tenants" (P.D. No. 27). This decree established the legal framework whereby land ownership of tenanted rice and corn lands could be transferred to the farmer-cultivator. Subsequently, related decrees defining terms of landlord compensation and strengthening of the cooperative movement were issued.

LANDSIZE CATEGORY AND CORRESPONDING
NUMBER OF TENANT-TILLERS PER CATEGORY



USAID Assistance

In August 1973, just ten months following the issuance of P.D. No. 27, the USAID Agrarian Reform Project was established with its primary goal focused on upgrading the quality of life for the Filipino rural poor by actively seeking to help improve the social and economic standards of agrarian reform beneficiaries farming rice and corn lands. The project, by the time of its scheduled completion at the end of FY 1978, will have provided a total of \$2.4 million in direct foreign assistance to the Philippine agrarian reform program.

There are three basic components of the USAID project, namely, land tenure reform; small farmer institutional development; and agrarian reform research. The thrust of USAID support is directed toward addressing the critical aspects of development in each of these areas. With respect to land transfer, USAID has supplied technicians to assist in such areas as aerial photography, procedures analysis, computer application, and management systems. Other support has involved supply of photographic equipment, vehicles, and other commodities to improve administration of the reform. Also, training has been provided in the U.S. and third countries with a focus on technical aspects of agrarian reform and on research. In addition to technicians assisting with land reform, USAID consultants support agrarian reform research, cooperative development and training.

1. **USAID Vehicular support to the Philippine Agrarian Reform Program.**
2. **Signing of a Joint integrated communications support activity between USAID, Department of Agrarian Reform and National Media Production Center.**

1

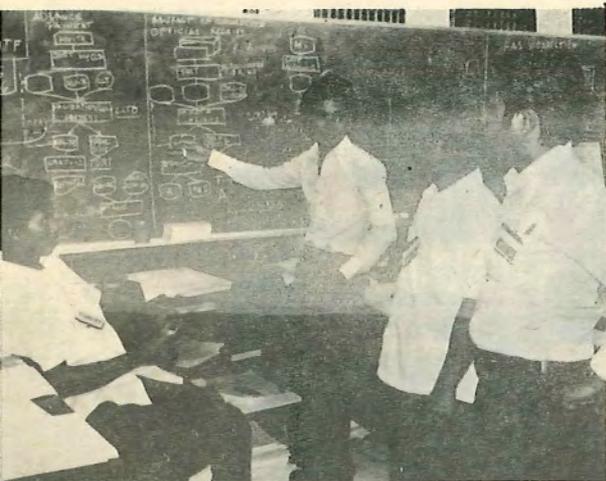


2



1. Participants of a USAID sponsored training program study Land Titling and Registration systems.
2. Directors of the Area Marketing Cooperative located in San Isidro Nueva Ecija hold their monthly board meeting. USAID is assisting the Philippine Government in the development of Agricultural marketing cooperatives.

1



2



1. USAID donated White Copier, used by the Bureau of Lands for reproducing map sheets
2. Preparation of parcellary map sheets by Bureau of Lands personnel. A project jointly financed by USAID and the Philippine Government.

1



2



1) Land Tenure Reform

USAID assistance in land tenure reform is directed toward improving the management, efficiency and effectiveness of land reform operations with major efforts concentrating on the provinces of Nueva Ecija, Camarines Sur, Leyte and Iloilo. Functional components being addressed within the land tenure program are: land valuation, delivery of land transfer certificates to beneficiaries, landlord compensation, and collection of amortization payments. As part of the comprehensive land tenure reform, USAID plans to assist the Government of the Philippines (GOP) to develop and pilot test an effective leasehold system for those tenants ineligible to acquire lands under the transfer program, i.e., tenants on rice and corn lands seven hectares and below and those cultivating other crops. Another directly related area being supported under land reform is development of a land registry system which will help insure long term security of tenure and an effective recording process.

2) Small Farmer Institutional Development

Various farmer organizations such as *Samahang Nayon* (farmer associations), Compact Farms, Irrigator Groups, and *Seldas* (production units) provide structures through which an array of supporting services may be channeled to land reform beneficiaries. The USAID Agrarian Reform Project is assisting the GOP in developing, testing and evaluating both farm organizations and systems which offer the greatest potential for effective support to the small farmer. In line with this objective, efforts to tie in non-farm organizations such as credit and extension institutions to provide support services to farmer beneficiaries on a sustained basis are also underway. Design and testing of cooperative supply and marketing networks which will be directly linked to farmers through barangay farm organizations is also being supported through USAID assistance. A major component of this has been the preparation of a comprehensive cooperative marketing study. Primary emphasis for USAID support to small farmer institutional development is being accorded to the provinces of Nueva Ecija and Camarines Sur.

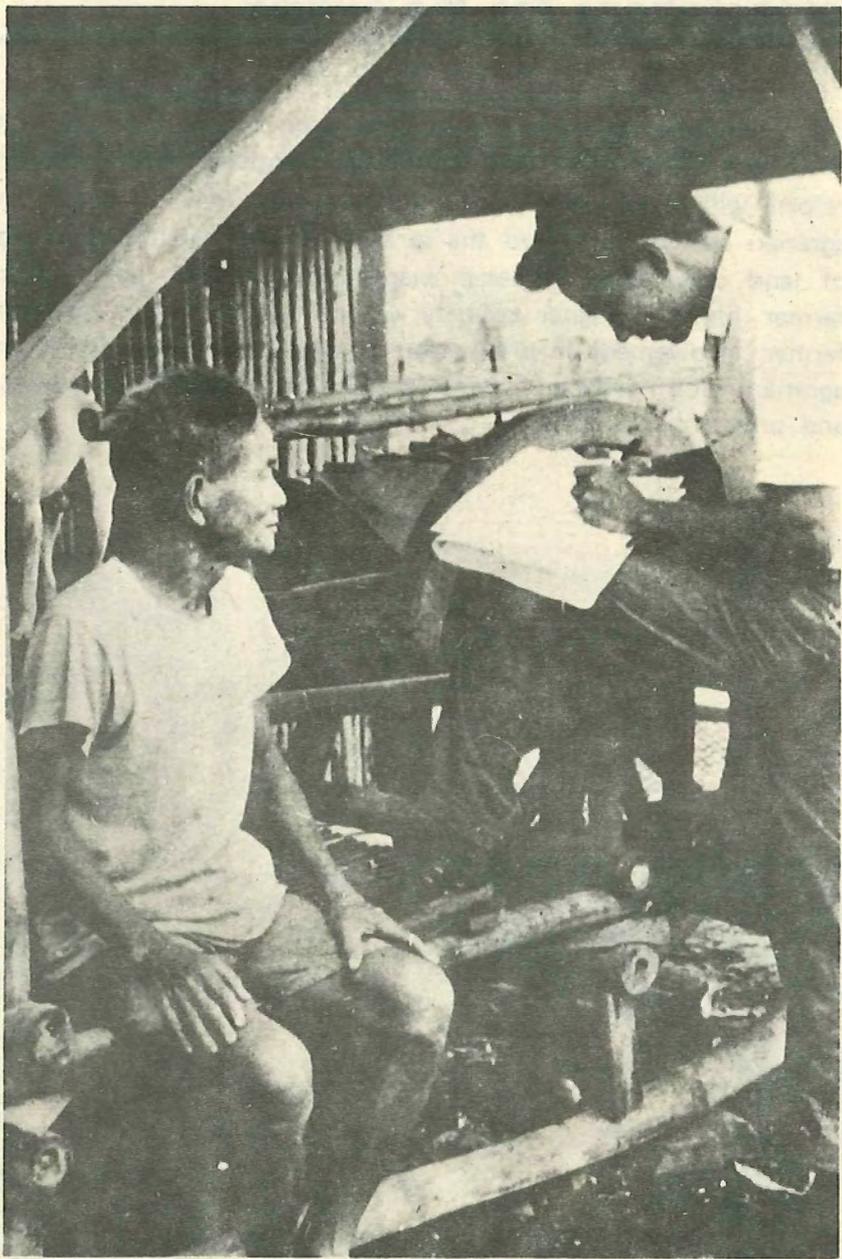
1. A Samahang Nasyon in Tigaon, Camarines Sur
2. USAID financed post-harvest mechanization project through Samahang Nasyon in Sta. Rosa Nueva Ecija.



3) Agrarian Reform Research

The research component of the USAID Project is designed to provide, in a sustained and systematic manner, information as the basis and guide for agrarian reform policymaking. Such a sensitive and basic reform as land tenure requires information that is accurate, timely, and analyzed to be relevant to policy decisions. The research component envisages needs for information for both short-term program implementation and refinement, and for long-term studies of the agrarian system to provide the basis for future reforms and programs. As government policy and programs evolve in areas such as land development, land planning and use, rural labor, non-rice and corn agricultural land, income distribution and production, a flow of research information and evaluation will be necessary. USAID is seeking to help meet this need by offering direct support to the Agrarian Reform Institute (ARI) at the University of the Philippines, Los Banos, which serves as the focal point of research in Philippine agrarian reform.

A RESEARCHER GATHERS INFORMATION FROM AN AGRARIAN REFORM BENEFICIARY.



Expectations for the Future

Because of concentrated efforts on the part of both the Philippine Government and USAID it is anticipated that agrarian reform will effect a shifting of the socio-economic balance of the agrarian structures toward the rural poor. Through the dispersion of land ownership, increased shares of production going to the farmer himself, greater security of land tenure, and organized farmer involvement in production support services the Philippine agrarian reform program assures the Filipino farmer a more equitable and prosperous future.



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