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The Agrarian Reform Program

by

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PRELIMINARY
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KAGAWARAN NG REPORMANG PANSAKAHAN
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Tanggapan ng Kalihim

THE AGRARIAN REFORM PROGRAM

By

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Diliman, Quezon City
July 1977

I Introduction

Republic Act 3244 otherwise known as the Agricultural Land Reform Code which was signed into law on August 8, 1963, signalled the adoption of land reform as a national strategy for economic development. The Act ordained the Agricultural Land Reform Code and instituted land reforms in the Philippines, including the abolition of share-crop tenancy and the channelling of landlord capital into industry.

Two years after the law took effect, problems in program implementation were felt. Since the focus of the program was confined to the leasehold plan, the problems encountered were those directly surrounding the conversion of share crop tenants to leasehold.

In the early stage, conversion to leasehold status has been slow. The reasons were: a) fear on the part of the tenant to initiate. A landowner could hardly be expected to make the first move to effect this new relationship; b) paternal relationships between some landlords and tenants; and c) apprehension on the part of the tenants that they might not be able to borrow needed funds for production from the Agricultural Credit Administration.

The landlords on the other hand were maneuvering to delay the land reform implementation in their landholdings, say for three (3) years, and within that period they could increase the productivity

of their farms then when leasehold is finally declared in their areas, the lease rental on their land would be high.

On the other hand, tenants, knowing the consequences on themselves of increasing their yields, refused to plant high-yielding varieties and use modern methods of cultivation unless and until they were already under the leasehold system. This was the major conflict that arose on leasehold and it had a telling effect on agricultural productivity.

It can be said however, that it was the land reform program that energized the landowners to participate wholeheartedly in the rice production program of the government in 1966. The motivation was their desire to increase immediately the yields of their lands because it would be the basis for the lease rent.

On September 21, 1972, His Excellency President Ferdinand E. Marcos issued Proclamation No. 1081, placing the entire country under Martial Law. This proclamation is not only aimed at preventing the overthrow of the government by forces subscribing to a foreign ideology, but also to establish a new order - The New Society. Five days later, on September 26, 1972 to be exact, the President issued Presidential Decree No. 2 proclaiming the entire country as a land reform area. Under this decree, all agencies and offices of the government were enjoined to extend full cooperation and assistance

to the Department of Agrarian Reform.

Then inevitably, the Great Emancipation Decree was issued.

On October 21, 1972, before a jam-packed audience composed of farmer-tenants coming from all over the country, President Marcos wrote in his own hand a document which not only affected favorably all farmer-tenants and their families but also resolved once and for all the ticklish problem of breaking up the vast estates of hacenderos and other big landowners, who for the past hundred years or so were like tyrants with their board of unlettered tenants reacting to their commands like slaves.

This holographic document is Presidential Decree No. 27 which emancipated the tenants from the bondage of the soil, transferring to them the ownership of the land they till and providing the instruments and mechanism for such emancipation.

II. Tenant Emancipation

While hundreds of thousands of farmer-tenants all over the country rejoiced and wept because of the good tidings that had befallen them, big landowners sulked and received the news stoically.

P.D. No. 27 provides that the tenant-farmer whether in land classified as landed estate or not, shall be deemed owner of a portion constituting a family-size farm of five (5) hectares if not irrigated, and three (3) hectares if irrigated.

With the two (2) decrees - Presidential Decree Nos. 2 and 27, the government set into motion the massive overhaul of the system of land ownership in the Philippines.

The President said that the regulation or democratization of wealth and private property does not constitute an alteration of rights but a definition of obligations.

To translate into reality, the meaning and intent of P.D. No. 27, President Marcos directed the Department of Agrarian Reform to launch Operation Land Transfer in November, 1972. For the first time, perhaps in the history of land reform in the world, the farmers were issued certificates of land transfer which gave them a vested right to the land they tilled.

Operation Land Transfer is now nearing the homestretch. When completed, it shall have transferred an estimated 1.4 million hectares of rice and corn land to one million tenant-families. The operation was first directed at landed estates of one hundred (100) hectares and above, then brought down to fifty (50) hectares. Operation Land Transfer now covers tenanted private agricultural lands devoted to rice and/or corn lands with an aggregate area of single ownership of more than seven (7) hectares. The landowner however, may choose to retain seven (7) hectares if he has no other agricultural landholdings but in no case can he eject his tenants without court approval.

In order to strengthen the financing arm for land transfer under the agrarian reform program, the President issued Presidential Decree No. 251 revitalizing the Land Bank of the Philippines, raised its authorized capital, gave it a new orientation, and clothed it with expanded powers so that it can function as a truly effective financing arm and an active agent of achievement of the objectives of the land reform program. The authorized capital of the Land Bank now is three billion pesos (P3B) and has expanded powers to include the granting of various loans for agriculture, industrial, homebuilding or home-financing projects, and other productive enterprises.

As the cornerstone of reforms in the New Society, the Philippine Agrarian Reform Program has three (3) main objectives: a) breakup and diffuse concentration of economic and political power by abolishing feudal landlordism; b) improve and uplift the living conditions of the tillers by providing them the package of services designed to upgrade their productive capabilities; and c) assure and protect the security of tenure of tenant-farmers on the land they are tilling.

As of May 31, 1977, there are 240,403 farmers (61.07%) who have received CLTs covering 416,658 hectares (54.39%).

To insure the emancipation status of the farmer-tenants, President Marcos issued several decrees relating to agrarian reform.

Among these decrees are: P.D. No. 57, exempting from capital gains tax and income tax of landowners from the proceeds of amortization payments due from tenant-purchasers; P.D. No. 84, authorizing the Secretary of Agrarian Reform to sign certificates of land transfer; P.D. No. 152, prohibiting the employment or use of share-tenants; P.D. No. 239, withdrawing the authority of the Land Registration Commission to approve original survey plans; P.D. No. 251, revitalizing the Land Bank of the Philippines; P.D. No. 262, authorizing the use of virgin public lands for rice and other crops.

P.D. No. 266, providing for the mechanics of registration of ownership and/or title to the land under P.D. No. 27; P.D. No. 273, extending guarantee coverage for losses on production loans to livestock, poultry, fishery, vegetables and other agricultural projects; P.D. No. 287, appropriating funds to the DAR to finance acquisition of hand tractors; P.D. No. 315, allowing certificates of land transfer as collateral for loans; P.D. No. 316, prohibiting the ejectment of tenant-tillers from their farmholdings; P.D. No. 583, prescribing penalties for the unlawful ejectment, exclusion, removal or ouster of tenant-farmers from their farmholdings.

P.D. No. 584, procedure for the acquisition by small farmers of equity in rural banks; P.D. No. 315, prescribing additional penalties for the unlawful ejectment of tenant-farmers; and P.D. No. 1038, providing security of tenure of tenants in private agricultural

lands planted to abaca, banana, coconut, coffee, mango durian and other permanent trees.

Aside from the Presidential Decrees, the farmers are provided with a more conducive atmosphere and environment to increase their farm income. Local institutions are established and developed to serve and protect their interest as producers, businessmen and also as consumers. The local institutions are: a) cooperatives which shall serve as conduits for services needed by the farmers foremost of which are farm credit, marketing service, extension services, and shall even guarantee their amortizations on the land should they suffer crop damage by force majeure.

The Samahang Nasyon (barrio association) is an organization of farmers at the barrio level which shall serve as the foundation of the entire cooperative system. It is a non-stock organization registered with the Bureau of Cooperatives Development and accorded the status of a provisional Kilusang Bayan.

For the emancipated tenants, a package of services is also prepared for them to ease the tention caused by their new status as new landowners. This package which includes legal services, extension education, agricultural credit and cooperative financing, and land management, is made available to the farmers to support their agricultural pursuits and thereby increase their agricultural productivity.

III Security of Tenure

The total scope of tenant-farmers in the rice and corn areas is 521,136 covering 663,973 hectares. All of these tenants are now under leasehold as of May 31, 1977. Those with written contracts total 273,369 or 52.46%.

When President Marcos issued P.D. No. 27, his intention was to make the tiller of the soil the owner of the land he tilled. However, when small landowners of tenanted rice and corn lands owning seven hectares and below were given the option to retain the ownership of their lands, it did not mean that they can eject their tenants at will. The President made it clear through P.D. No. 316 which decreed that no tenant-farmer in private agricultural lands primarily devoted to rice and/or corn shall be ejected or removed from his farmholding until such time as the respective rights of the tenant-farmer and the landowner shall have been determined. In order to give teeth to the aforementioned decree, P.D. Nos. 583 & 815 were issued prescribing the penalties for the unlawful ejection, exclusion, removal or ouster of tenant-farmers from their farmholdings.

Today, security of tenure is no longer the monopoly of rice and corn tenants. Under P.D. No. 1938, security of tenure was extended to non-rice/corn producing agricultural lands which includes but not limited to abaca, banana, coconut, coffee, mango, durian and other permanent trees.

IV Expansion of Settlements

The resettlement of farmers from high population density area to lands proclaimed for settlement has been accelerated. From September 21, 1972 to May 31, 1977, some 5,534 farm-families or 43,243 people have been resettled.

Since NARRA time, a total of 43,243 families have been resettled and 707,251 hectares proclaimed for the purpose. Out of these, 15,746 families or 32.6% have been resettled since 1966 embracing 267,341 hectares or 37.3% of the total area reserved.

The new focus on the aspect is the resettlement of Muslim returnees and victims of natural calamities.

To further upgrade the settlements, the DAR team leaders covering such areas were subjected to management exercises and workshops right in the field. New policies were likewise formulated to hasten the phasing out of fully developed settlements.

Planning and implementation of infrastructure projects within the settlements are being upgraded. The project development and systems approaches are now being applied to settlement administration.

Negotiation with the World Bank for a loan is now going on for the integrated development of three (3) DAR settlements.

To reinforce the land transfer program which is merely the investment of ownership among the tenant-farmers, the DAR is

currently undertaking several special projects to insure the delivery of the package of services to the beneficiaries and thus increase their productivity and incomes. Among these are the following:

a) Bagong Lipunan Settlement Project, Bambang, Tarlac. As of May 31, 1977, one hundred sixty (160) families have been resettled, most of them were flood victims of the 1972 floods in Central Luzon. Each farm family has been allocated a 800 square meters homelot with a house and a farmlot of three hectares.

A road network has been laid out to facilitate transfer of farm produce from the project site to the various markets in the province as well as in the region.

Settler-families are busy with backyard farming and at present, they are sufficient in vegetables. Support programs include agriculture, home management and youth development.

b) Magalang Cooperative Settlement Project, Magalang, Pampanga. As of May 31, 1977, the land forming work in the rice village has been completed. Two (2) deep well pumps have been installed, one for irrigation and the other to fill up a 150,000 gallon concrete reservoir constructed for domestic water supply. Farm roads within the settlement totalling 17.3 kilometers have been laid out and constructed. Training and demonstration purposes, poultry and piggery projects have been established. Both are now operational, the first

with 1,800 layers and the second with eight (8) sows.

c) Gen. Ricarte Multi-Purpose Agricultural Cooperative, Llanera, Nueva Ecija. This project is a multi-purpose agricultural cooperative covering the entire barrio of Gen. Ricarte in Llanera, Nueva Ecija. It has three (3) main features: the cooperative organization itself which handles the different business activities of the members; the community settlement where each member farm-family was allocated a 2,500 square meters of land each; and a farm consolidation where a 2.7 hectare farmlot was likewise allocated.

During his birthday on September 11 last year, the President and his family visited the Gen. Ricarte multi-purpose cooperative and, impressed with the viability of the project, instructed the DAR to replicate it on a nationwide scale.

The project is a component of the Integrated Development Program for Nueva Ecija (IDP/NE) and covers the entire barrio of Gen. Ricarte, Llanera, Nueva Ecija comprising some 300 hectares with 157 families. It is a joint undertaking of the DAR, DLGCD, NLA, ACA, BAEx and the provincial government of Nueva Ecija.

d) The Lirag Estate located in Eula, Camarines Sur, the project comprises 937 hectares. Phase I consisting 300 hectares is 73 percent completed. This includes the physical restructuring of irregular lots into regular shapes and laying out of irrigation and

drainage canals and farm roads.

In this project, the farmers on the average are now earning ₱1,000.00 every 15-30 days from broiler production. Their rice harvest has also increased to around 75 cavans per hectare. The cooperative has put up a service center, a concrete warehouse for palay, a health clinic and a children's playground.

V Land Consolidation, Compact and Cooperative Farming, etc.

There are at present four (4) land consolidation projects located in Talavera, Nueva Ecija; Floridablanca, Pampanga; Eula, Camarines Sur; and Sta. Barbara, Pangasinan.

The Jacinto Estate in Talavera is comprised of 1,000 hectares worked by 427 tenants who are now amortizing owners. The project effected the restructuring of the entire property into irrigation blocks of fifty (50) hectares each. In every block, there are twenty-five (25) farmers allocated a two-hectare farmplot. Farmers in the consolidated area are now organized into compact farms to facilitate technical supervision of agricultural productivity. Rice production per hectare has increased to more than eighty (80) cavans after the land consolidation.

The Yulo Estate located in Floridablanca covers 1,581 hectares. As of today, the construction and repair of around twenty (20) kilometers of road network within the project area is completed.

Hacienda Leet is located in Sta. Barbara with an area of 617 hectares. More than six (6) kilometers of roads have already been constructed; and 12-inch deep-well irrigation pump installed; and land forming of the rice paddies is almost completed.

In collaboration with the Agricultural Credit Administration, DAR has organized 313 compact farms covering 16,036 hectares with 3,737 farmers are members. ACA has extended loans amounting to P11,687,082.00 as of May 31, 1977.

A cooperative farming project in Gen. Ricarte in Llanera, Nueva Ecija, is being supported and another in Magalang, Pampanga, is purely under DAR. Gen. Ricarte comprises 300 hectares with 157 families, while Magalang is 700 hectares with around 300 families.

DAR is now pursuing an intensive rice farming program (Japanese Rice Culture) among agrarian reform beneficiaries. The culture is unique because it requires precision, speed and timely completion of activities for farming operations. It employs intensive land and labor utilization which makes planning and harvesting possible on a daily basis. The culture is highly suited to the small farms being transferred to the tenant-farmer under P.D. No. 27.

As of May 31, 1977, DAR has established one (1) pilot project in every region with the exception of Region XI which has

four (4) or a total of fourteen (14). These farms are now used as training grounds for DAR technicians and agrarian reform beneficiaries. This new culture if properly followed can easily produce thirty (30) tons of palay from one hectare per year.

VI Personnel Training and Clientele Development. The upgrading of skills among DAR personnel and the heightening of awareness on agrarian reform among the target system have been pursued with more vigor. DAR through its staff development program has conducted since 1966 to date, more than 1,289 classes for various levels of personnel. On clientele development, 4,545 classes have been conducted, attended by more than 253,872 participants.

From September 21, 1972 to May 31, 1977, sixty-eight (68) pre-service training classes have been conducted, attended by 7,801 participants. To upgrade skills of DAR technicians already on the job, 232 classes were conducted for technician development; 202 classes for specialized staff development; 89 for supervisory staff development; 44 for higher staff and 39 for executive development. Among the target groups, 165,370 were reached through farmer and farm-family development program and continuing community education and information drives. One hundred thirty one (131) officials including those from the local governments were sent to foreign countries to observe agrarian reform.

VII Buklod Ng Kabataang Kawani Ng DAR

This program aims to organize into manageable groups all DAR officials and employees who are 30 years old and below, to infuse in them the principles of good government and to prepare them for leadership roles for dissemination of the objective of the New Society; to establish and maintain cordial and mutual relationship with organizations and groups in our society with the purpose of enhancing community prosperity; and to work with the people to promote citizens involvement in the development of the New Society.

As of May 31, 1977, all employees who were 30 years old or less in the Central Office and all the twelve regions, have been organized and given orientation sessions on the objectives of the New Society.

There are a total of 3,469 DAR personnel 30 years old and below divided into 1,813 males and 1,657 females.

VIII Integrated Approach to Agrarian Reform

The three (3) objectives of agrarian reform as mentioned earlier, are now being achieved through the integrated approach to agrarian reform. Under this approach, the program is broken up into four (4) major components which are as follows:

- a) Land tenure improvement; b) Institutional development;

c) Physical development; and d) Agricultural development. Supporting all these is a continuing education program for all groups carrying out and/or affected by agrarian reform.

Land tenure improvement is aimed at the establishment of owner-cultivatorship and the economic family farms in areas that are worked by tenants. This is the primary responsibility of the DAR.

Institutional development is the establishment of rural-based institutions that will promote and protect the economic interest of the farmers, particularly those covered by agrarian reform. Co-operative development falls under this aspect and this is the primary responsibility of the DLGCD.

Physical development covers all infrastructures supportive of agrarian reform such as irrigation and drainage facilities, roads, bridges, land forming, electrification and other social infrastructures. This aspect is the primary responsibility of the DPWTC. The Armed Forces of the Philippines is also extending technical and material assistance to DAR in these physical development efforts in the agrarian reform areas.

This total agrarian reform program is coordinated at the national level by the Agrarian Reform Coordinating Council composed of the DAR Secretary as chairman, and the Secretaries of National

Defense, Justice, Agriculture, Natural Resources, Public Works, Transportation and Communications, Local Government and Community Development, and Public Highways, as members.

IX Conclusion

Last year, the government has been tasked by the President to formulate a development plan that shall be pursued up to the year 2000. The DAR is a participant in this planning exercise. We have reviewed the problems pertaining to man and land. We have looked at the problems with a single minded purpose to come out with alternatives that shall ensure the establishment of a rational and equitable land use schemes. As a result of this review and on the basis of our accumulated experience, the following are suggested:

Land, our national patrimony, shall be conserved and developed for the entire nation. It shall be the duty of the owner to make his land productive. No one shall have the right to hold and keep land idle to the exclusion of those who will make it productive.

In his State of the Nation message before the Batasang Bayan on September 21, 1976, President Marcos projected the new thinking on land use with the following statement:

"To keep pace with the changing rural to urban profile of our communities, we must exert every effort to liberate these communities from blight, congestion

and hazards; bring about the optimum use of land as a national resource for public welfare rather than as a commodity for trade; preserve a desirable balance between the natural beauty of our land and waters on the one hand and the claims of technology on the other and bring about the best possible interrelationship among the various communities and the regions."

We foresee that the family type of farm which is owner-cultivated as envisioned in the Code of Agrarian Reforms shall continue to be the basic unit and foundation of our agricultural sector. But where it may become necessary due to population pressure, cooperative farming shall be established to replace family farms in order to allow landless agricultural workers to participate in agricultural development and share equitably the fruits of their efforts.

To accelerate the modernization of agriculture, we shall expand our compact farming and land consolidation programs. The outputs of these activities are better farm management; more judicious application of credit; equal distribution of farmholdings, all accessible by roads properly constructed irrigation and drainage systems; and a well planned and laid out community. Through land consolidation, we make the land, the physical base for production,

more responsive to the application of technology and modern farm practices. We make the farms more accessible to the markets and the farmers more sensitive to the dynamics of supply and demand.

We shall implement the President's economic and social policy of preventing the conversion of agricultural lands into industrial and urban purposes because there are enough lands that can be converted for housing and industrial purposes without losing the productivity of agricultural lands.

We shall continue opening and developing new lands through our resettlement program. But we shall adopt the strategy of total community planning with more stress on optimum land use to generate higher productivity and market linkages to ensure higher incomes for the settlers.

The DAR shall give substance and meaning to the Presidential concept of a "free enterprise society with an egalitarian base" and "the regulation of wealth because like power, if uncontrolled and unlimited by law or the Constitution, it can be more tyrannical than any other form of supremacy."

And finally, services indispensable to agricultural development and productivity should be provided and delivered by organizations and/or institutions owned and controlled by agricultural workers themselves.

The government should continue to take the lead in the

implementation of agrarian reform. It should increase its present efforts to modernize agriculture through land consolidation and regional development.

These are our conceived directions in Agrarian Reform.