

****Title:**** Department of Agrarian Reform vs. Sutton

****Facts:**** This case stems from the Sutton family's land in Aroroy, Masbate, used exclusively for cow and calf breeding. The Suttons, in accordance with the agrarian reform program at the time, voluntarily offered to sell their land to the Department of Agrarian Reform (DAR) in 1987 to avail certain incentives. However, after the enactment of the Comprehensive Agrarian Reform Law (CARL) of 1988 and subsequent legal decisions, notably *Luz Farms vs. DAR* (1990), established that lands devoted to livestock and poultry-raising are excluded from the coverage of agrarian reform, the Suttons sought to withdraw their offer.

Despite their withdrawal request, DAR, in 1993, issued Administrative Order (A.O.) No. 9, setting retention limits for livestock land, effectively including such lands under agrarian reform coverage. The Suttons contested this, leading to a series of legal challenges culminating in the Court of Appeals declaring A.O. No. 9 as null and void for being contrary to the Constitution. The DAR then escalated the matter to the Supreme Court.

****Issues:****

1. Whether DAR A.O. No. 9, series of 1993, violated the constitution by including lands devoted to livestock raising within the coverage of agrarian reform.
2. Whether the DAR exceeded its rule-making authority by issuing A.O. No. 9.

****Court's Decision:****

The Supreme Court held that A.O. No. 9 was unconstitutional as it expanded the coverage of agrarian reform beyond the scope intended by the Constitution, which excludes lands exclusively devoted to livestock, swine, and poultry-raising from agrarian reform. The Court reaffirmed its stance in the *Luz Farms* case, emphasizing that livestock raising is an industrial activity, not an agricultural one. Consequently, the petitioner's arguments were rejected, and the decision and resolution of the Court of Appeals were affirmed.

****Doctrine:****

1. Lands devoted exclusively to livestock, swine, and poultry-raising are not included in the definition of agricultural land for the purposes of agrarian reform, in line with the deliberate exclusion by the 1987 Constitutional Commission.
2. Administrative rules and regulations must not contravene the Constitution or expand beyond the scope intended by the legal provisions they seek to implement.

****Class Notes:****

- **Definition of Agricultural Land:** Does not include land exclusively devoted to livestock, swine, and poultry-raising.
- **Administrative Authority:** Agencies must operate within the bounds of their legal authority, and their regulations must align with the Constitution.
- **Statutory Interpretation:** Legislative reenactment or amendment, as with R.A. No. 7881 affecting CARL, reflects legislative intent and may clarify or modify existing legal frameworks.

Historical Background:

This case is set against the backdrop of evolving agrarian reform policies in the Philippines, marked by efforts to balance landowner rights and agricultural development with social justice objectives. The legal contention largely pivoted on the interpretation and application of the Comprehensive Agrarian Reform Law (CARL) of 1988, and subsequent legislative and judicial clarifications regarding the exclusion of certain land types, such as those devoted to livestock raising, from agrarian reform coverage. This legal dispute underscores the complexities of implementing agrarian reform in a diverse agricultural landscape and highlights the critical role of the Judiciary in interpreting legislative intent and constitutional provisions.