

****Title:**** Apo Fruits Corporation vs. The Land Bank of the Philippines and Department of Agrarian Reform

****Facts:****

The case involves a property owned by Apo Fruits Corporation (Apo), a 115.2179-hectare land in San Isidro, Tagum City. Apo voluntarily offered to sell this land for the government's Comprehensive Agrarian Reform Program (CARP) on October 12, 1995. After a valuation process that Apo found unsatisfactory, the Department of Agrarian Reform (DAR) and the Land Bank of the Philippines (LBP) proceeded with land acquisition despite Apo's objections. This led Apo to file a complaint for determination of just compensation first with the DAR Adjudication Board (DARAB), which remained unresolved for almost six years, and subsequently with the Regional Trial Court (RTC) as a Special Agrarian Court (SAC). The RTC ruled in favor of Apo, ordering a just compensation significantly higher than the initial valuation by LBP. Dissatisfied with the RTC's decision, both LBP and DAR filed separate petitions for review with the Court of Appeals (CA), leading to a partial modification of the RTC's decision. Subsequently, both parties appealed to the Supreme Court.

****Issues:****

1. The correctness of the CA's finding of Php 103.33 per sq m as just compensation for Apo's property as opposed to the RTC's adoption of the commissioners' valuation of Php 130.00 per sq m.
2. The period over which the 12% interest on unpaid just compensation should accrue.

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

The Supreme Court affirmed the CA's rulings with modifications. It held that the just compensation for Apo's property should indeed be Php 130.00 per sq m, considering the property's potential and its location near Tagum City. The Court also ruled that LBP is liable to pay legal interest of 12% per annum from the time of the taking in 1996 until June 30, 2013, and thereafter, 6% per annum until full payment. This decision was rooted in the principle that just compensation must be real, substantial, full, and ample.

****Doctrine:****

The Supreme Court reiterated the doctrine that the determination of just compensation is a judicial function, emphasizing the factors set by Section 17 of R.A. No. 6657 and the pertinent DAR Administrative Orders. It highlighted that just compensation encompasses not only the correct determination of the amount to be paid but also its payment within a reasonable time from the taking of the property.

****Class Notes:****

1. ****Just Compensation:**** Defined as the full and fair equivalent of the property taken from its owner by the expropriator, fixed at the time of the actual taking by the government.
2. ****Legal Interest:**** Applicable from the time of property taking until full payment, 12% per annum until June 30, 2013, and 6% thereafter, as compensation for the owner's opportunity loss.
3. ****Judicial Determination of Just Compensation:**** A principle that the determination of just compensation involves a judicial determination, taking into account factors such as the land's acquisition cost, current value, nature, actual use and income, among others prescribed under Section 17 of R.A. No. 6657.
4. ****Legal Statutes/Provisions:**** Section 17 of R.A. No. 6657 (Comprehensive Agrarian Reform Law of 1988) and pertinent DAR Administrative Orders guide the determination of just compensation.
5. ****Doctrine of Prompt Payment:**** Underlines that compensation must be paid in a manner that is both timely and fair to be considered just.

****Historical Background:****

This case falls within the ambit of CARP-related litigation, reflecting the ongoing challenges in implementing agrarian reform in the Philippines. It underscores the tension between governmental mechanisms of land valuation under CARP and landowners' perceptions of just compensation. The litigation journey from the DARAB to the Supreme Court illustrates the complexities of determining just compensation, balancing public interests in agrarian reform with individual property rights.