

Title: Ramon M. Alfonso vs. Land Bank of the Philippines and Department of Agrarian Reform <sup>Digest)</sup>

Facts:

Ramon M. Alfonso (petitioner) contested the valuation of two parcels of land previously owned by Cynthia Palomar and sold to him. Upon the effectivity of Republic Act No. 6657 (RA 6657), the Department of Agrarian Reform (DAR) sought to acquire the lands at valuations Palomar rejected. Consequently, Land Valuation Case Nos. 68-01 and 70-01 were filed before the DAR Adjudication Board for the determination of just compensation. Upon disagreement with the DAR's valuation, motions for judicial determination of just compensation were filed before the Special Agrarian Court (SAC) in Sorsogon City, leading to the consolidation of the cases and appointment of Commissioner Chua (from Cuervo Appraisers, Inc.) to appraise the properties. After trial, the SAC adopted Commissioner Chua's valuation considerably higher than the DAR's valuation and ordered the Land Bank of the Philippines (LBP) to pay the petitioner accordingly.

Upon appeal, the Court of Appeals, using DAR Administrative Order No. 5 (1998) as reference, found that the SAC failed to consider the procedure and guidelines provided thereunder, thus remanding the case for valuation accordance with such guidelines.

Issues:

1. Is the application of the DAR's formula, as stipulated by Section 17 of RA 6657 and embodied in the DAR's Administrative Order No. 5, mandatory in determining just compensation for properties covered by CARP?
2. Can the SAC deviate from the DAR formula in determining just compensation, and under what conditions?

Court's Decision:

The petition was partially granted. The Supreme Court reaffirmed that courts have a legal duty to consider the use and application of Section 17 of RA 6657 and the DAR basic formulas in determining just compensation. However, courts may deviate from the DAR formulas provided there is a reasoned explanation for such deviation based on the evidence at hand. The court remanded the case to the SAC to determine just compensation in accordance with the ruling.

Doctrine:

Courts must consider Section 17 of RA 6657 and the DAR's formulas in determining just

compensation for properties under CARP. Deviation from these guidelines is permitted, <sup>Digest)</sup> providing the courts clearly justify their reasons based on the evidence.

Class Notes:

- The case highlights the judicial duty to adhere to legislative specifications in determining just compensation for agrarian reform purposes, specifically referencing RA 6657 and related DAR formulas.
- It establishes that deviation from these guidelines is allowable, given a reasoned explanation grounded in the factual evidence.
- The comprehensive agrarian reform program (CARP) aims at equitable land distribution and necessitates the valuation of lands for just compensation. The process involves administrative and judicial phases, underscoring the collaboration between the DAR, LBP, and SACs in achieving agrarian reform goals.

Historical Background:

This case reflects ongoing efforts to implement the Comprehensive Agrarian Reform Program (CARP) in the Philippines effectively. Enacted through RA 6657, CARP aims to distribute agricultural lands to landless farmers, making the determination of just compensation a pivotal judicial and administrative activity. This case underscores the tension between adhering to prescribed methodologies for land valuation and ensuring fair compensation reflective of the land's value, demonstrating the challenges in balancing administrative efficiency with individual property rights within agrarian reform implementation.