

****Title:**** Bitanagan Farmers Agrarian Reform Beneficiaries Association vs. Hacienda Bitanagan

****Facts:****

1. On March 20, 1989, Hacienda Bitanagan applied for deferment from the Comprehensive Agrarian Reform Program (CARP) for three parcels in Mati, Davao Oriental. The parcels total 285.5785 hectares.
2. February 26, 1990: DAR Regional Director ranted an Order of Deferment.
3. October 28, 1991: DAR advised Hacienda Bitanagan to apply for exclusion from CARP, as its lands were not covered by Administrative Order No. 16 on commercial farming.
4. February 28, 1996: Hacienda Bitanagan submitted an Application for Exclusion.
5. March 25, 1996: A Joint Report recommended exclusion from CARP following an ocular inspection.
6. October 15, 1996: The application records were lost in a vehicular accident.
7. June 16, 2003: MARO Felipe Gaviola informed Rabat of the incident with a request to reconstruct the documents.
8. Rabat resubmitted documents on June 22, 2004, later withdrawing them for safekeeping.
9. January 10, 2006: DAR published Notice of CARP Coverage.
10. March 4, 2006: Hacienda Bitanagan asked to lift the coverage notice.
11. January 8, 2007: Regional Director Inson ordered record reconstruction.
12. December 6, 2007: Reconstituted Application for Exclusion filed.
13. November 15, 2010: Regional Director Datu Yusoph B. Mama approved the application, identifying the land as dedicated to livestock.
14. May 5, 2011: Certificate of Finality issued.
15. June 23, 2011: Bitanagan Farmers Association appealed to the DAR Secretary, citing jurisdiction error.
16. The DAR Secretary revoked the exclusion approvals and ordered coverage under CARP after finding agricultural activities on the lands on November 25, 2012.
17. Appeals to the Office of the President dismissed claims challenging DAR Secretary's findings.
18. Court of Appeals granted partial relief, ruling the DAR Director had initial jurisdiction per 1996 rules and found other plots exempt based on sufficient conditions under past rules.

****Issues:****

1. Did the Court of Appeals err by applying DAR Administrative Order No. 09-1993 for Hacienda Bitanagan's reconstituted application post-its unconstitutional declaration?
2. Were Hacienda Bitanagan's lands rightfully excluded from agrarian reform due to its

alleged use for livestock?

Court's Decision:

1. The Supreme Court ruled against using the operative fact doctrine to apply DAR Administrative Order No. 09, Series of 1993, deeming incorrect the lower court's prospectivity interpretation. Such application should have considered whether Bitanagan acted in good faith during rule-related procedures.

- **Issue 1:** The doctrine of prospectivity doesn't apply; such principle is meant when prior valid doctrine exists, which isn't present here. Thus, relying on old orders declared unconstitutional cannot exempt Bitanagan.

2. Hacienda Bitanagan's application was void as it was under the jurisdiction of the DAR Secretary due to the aggregate size of land holdings being over five hectares.

- **Issue 2:** The examination documents revealed continuing agricultural use alongside livestock, contradicting the requirement for exclusivity. Thus, the previous grant of exclusion was inappropriate.

Doctrine:

The operative fact doctrine and principle of prospectivity cannot override express statutory requirements, especially when the original application involved intentional misuse or procedural delay intended to exploit legislative loopholes.

Class Notes:

- **Agrarian Reform Law (R.A. No. 6657):** World Constitution supports just distribution of agricultural land.

- **Exclusion Criteria:** Actual, exclusive use for the stipulated purpose pre-CARP covered date, continuous use, and proportion of land to livestock adherence.

- **Principles:** Invalid law nullity, equity application, good faith reliance.

- **Governing Administrative Orders:** Historic rulings beyond technical date declarations affected how exclusion applications are evaluated.

Historical Background:

The case emerges amid reforms targeting equitable land distribution, requiring specificity in classifying land's use, limiting exemptions to avoid circumvention. Clear doctrinal separation of livestock from agrarian coverage emphasizes agrarian justice whereby exclusion paves contrary to agrarian law intents without exclusive commercial livestock

dedication.