

**SVJ FARMS INC., PLAINTIFF-APPELLEE, VS. BERLITO PESANTE,
JAIME SANTILLAN AND LEONARDO ONATE, SR.,
DEFENDANTS-APPELLANTS.**

Ponente: LAGURA-YAP, J.

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LAGURA-YAP, J.:

This appeal under Rule 41 of the 1997 Rules of Civil Procedure, seeks to reverse and set aside the April 3, 2009 Decision[1] of RTC, Branch 50, Bacolod City.

THE ANTECEDENT FACTS

These are the facts of the case as summarized by the trial court:[2]

In its verified complaint, plaintiff alleges that it is a corporation holding office in Quezon City. The corporation owns parcels of land devoted to sugar cane plantation in Barangay Concepcion, Talisay City known as Hacienda Anita. The whole hacienda is composed of four (4) parcels of land and it has a total area of 170.6493 hectares, more or less. Plaintiff alleges that on November 16, 1992, the Presidential Agrarian Reform Council, through Committee Resolution No. 92-37-01 approved the Stock Distribution Option (SDO) plan of the plaintiff pursuant to Section 31 of RA 6657 or the Comprehensive Agrarian Reform Law of 1988. As a consequence, a Memorandum of Agreement was signed by the plaintiff and the farm workers/beneficiaries. A feature of this Memorandum of Agreement is a provision that allows the farm workers/beneficiaries free use of the land for rice production.

Plaintiff alleges that there were 146 beneficiaries under the SDO, including the defendants. A 10-hectare portion of Hda. Anita was allocated for the use of all of them for rice production. Defendants, however, without the consent of the plaintiff took possession of certain areas for their own personal benefit. These areas are:

Berlito Pesante

0.134 hectares

Leonardo Onate, Sr.

0.708 hectares

Jaime Santillan

0.696 hectares

For failure of the defendants to vacate or give up possession of the land they were cultivating, inspite repeated demands, the plaintiff instituted the present case. Plaintiff prays that defendants be ordered to vacate the lots they are occupying and to pay rentals of P153,800.00 or P0.50 for every square meter of the land occupied from the time of the filing of this suit until they actually vacate the land. Plaintiff also alleges that it has no tenancy relationship with the defendants-appellants, whether leasehold tenancy, stewardship that could include the present suit as an agrarian dispute under the provision of Section 3(d) of RA 6657.

Defendant filed an answer with a Motion to Dismiss the plaintiff's complaint. While admitting the existence of the SDO and their being included therein as farmworkers/beneficiaries, and also their possession of the parcel of land, defendants claim that they were given possession of the lots under the program of then Governor of Negros Occidental, Daniel Lacson, to augment their income. Defendants allege that the court has no jurisdiction over the case as under Section 31 of RA 6657 jurisdiction is with Department of Agrarian Reform Adjudicatory Board (DARAB). The defendants also contend that plaintiff has no cause of action as under SDO, defendants are allowed free use of portions of the landholdings.

The Motion to Dismiss raised by the defendants on the ground that the court has no jurisdiction over the case was resolved by the court in the Order it on April 1, 2005. The court ruled that on the basis of the pleadings filed by the parties, there is no tenancy relationship and the present suit being for the recovery of possession of a parcel of land or accion publiciana. The regular court has jurisdiction.

On April 3, 2009, the RTC rendered a Decision ordering the defendants to vacate the land. The dispositive portion [3]of the decision, reads:

FOR ALL THE FOREGOING, judgment is rendered as follows:

- Defendants are ordered to vacate the land that they are presently occupying which is part of Hda. Anita in Concepcion, Talisay City;
- Defendants are ordered to pay rentals at the rate of P0.50 per square meter of the land that they occupy from the time this suit was filed on October 5, 2004 until the time they vacate the land.
- Plaintiff is ordered to deliver whatever amount recovered from this suit to the Farmworkers Beneficiaries of SVJ, Farms, Zinc. (sic)

Hence, this appeal by the defendants[4] wherein the following issues are raised:

ISSUES

I

THE HONORABLE REGIONAL TRIAL COURT, BRANCH 50 ERRED IN ASSUMING JURISDICTION OVER THE CASE.

II

THE HONORABLE REGIONAL TRIAL COURT, BRANCH 50 ERRED IN ORDERING THE HEREIN DEFENDANTS TO VACATE THE AREA BEING CULTIVATED BY THEM AND TO PAY RENTALS.

Defendants-Appellants' Arguments.

It is the contention of the defendants-appellants that the Regional Trial Court does not have jurisdiction over the subject matter as the land is covered by R.A. No. 6657. It is the Department of Agrarian Reform Adjudication Board that has the jurisdiction over the case.

Defendants-appellants contend that the 2009 Department of Agrarian Reform Adjudication Board, Section 1, Rule 2 of Rules of Procedure, provides:

Section 1. Primary and Exclusive Original and Appellate Jurisdiction.

The board shall have the primary and exclusive jurisdiction both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the Comprehensive Agrarian Reform Program (CARP) under R.A. 6657, as amended by R.A. No. 9700, E.O. Nos. 228, 229 and 129-A, R.A. 3844 as amended by R.A. No. 6389, Presidential Decree No. 27 and other Agrarian Laws and their Implementing Rules and Regulations. Specifically, such jurisdiction shall include but not be limited to cases involving the following:

a. The rights and obligations of persons, whether natural or juridical, engaged in the management, cultivation, and use of all agricultural lands covered by R.A. No. 6657, otherwise known as the Comprehensive Agrarian Reform Law (CARL), as amended, and other related agrarian laws;

b. xxxxxxxxxxxx

From the foregoing enumeration, it can be deduced that it is the Agrarian Reform Adjudication Board which has the jurisdiction over the subject matter.

The defendants-appellants are also of the view that plaintiff-appellee has no cause of action against them. The area they are cultivating is part of the 10-hectare portion, mentioned in the Memorandum of Agreement between SVJ Farms, Inc. and the Farm-Workers Beneficiaries of Hda. Anita. In the Memorandum of Agreement, the plaintiff-appellee has relinquished its right to the possession and cultivation of the portion of the land in favor of the farmworkers/beneficiaries. Thus, plaintiff-appellee has no cause of action against the defendants-appellants.

Plaintiff-Appellee's Arguments

Plaintiff-appellee SVJ Farms, Inc. in its Appellee's Brief argue that the defendants-appellants made a wrong deduction when they claimed that it (plaintiff-appellee) admitted that the land in dispute is covered under Section 31 of R.A. 6657. On the contrary, the disputed land is exempted from distribution under Section 31 of R.A. 6657. The law gives upon corporate landowners the option to divest a portion of their capital stock in favor of its qualified beneficiaries. Pursuant thereto, plaintiff-appellee availed of the Stock Distribution Option which is covered by the Presidential Agrarian Reform.

Subject to the Stock Distribution Option, the defendants-appellants are therefore farmworkers/beneficiaries in the concept of "shareholders" and at the same time "employees" of the plaintiff-appellee. The records of this case are bereft of any proof that the defendants-appellants are cultivating and occupying the disputed land under any tenurial, leasehold or stewardship agreement with plaintiff-appellee, SVJ Farms, Inc.

Plaintiff-appellee avers that since defendants-appellants are its shareholders and employees, it is safe to conclude that there is no agrarian dispute to speak of. The jurisdiction over the subject matter in this case rests upon the court a quo and not in the Department of Agrarian Reform and Adjudication Board (DARAB).

Plaintiff-appellee says that defendants-appellants mistakenly assumed that by virtue of the Memorandum of Agreement, it has relinquished its right to the possession and cultivation of the parcels of land occupied by the defendants-appellants. Under the Memorandum of Agreement it is clear that one of the benefits of the farmworkers/beneficiaries under the Stock Distribution Option is the free use of land area for rice production. It is also clear in the MOA that the parcels of land devoted to the free use of the farmworkers/beneficiaries pertain to the benefit of the latter. The disputed land cannot be for the sole benefit or free use of the defendants-appellants, as this would cause prejudice to almost all of the farmworkers/beneficiaries.

As the owner of the disputed land, plaintiff-appellee has the right of action against the holder or possessor of the thing in order to recover it. Under the Memorandum of Agreement, plaintiff-appellee as land owner seeks to recover the subject parcels of land from the defendants-appellants. The latter should not be allowed to appropriate and cultivate the land for their own use. The portions of the land they occupy should be recovered to be used and cultivated for the benefit of all farmworkers/beneficiaries.

THE COURT'S RULING

The threshold issues to be resolved are:

- Whether the Department of Agrarian Reform and Adjudication Board (DARAB)or the court a quo has jurisdiction to decide the case.
- Who between the plaintiff-appellee and the defendants-appellants have the better right of possession of the disputed land.

The decision of the court a quo stands.

We tackle first the issue of jurisdiction.

In the recent case of Jopson v. Mendez,[5] the Supreme Court had the occasion to define the jurisdiction of Department of Agrarian Reform and Adjudication Board (DARAB)

The PARAD and the DARAB have primary and exclusive jurisdiction, both original and appellate, to determine and adjudicate all agrarian disputes involving the implementation of the CARL under R.A. No. 6657. Thus, the jurisdiction of the PARAD and the DARAB is only limited to cases involving agrarian disputes, including incidents arising from the implementation of agrarian laws. 15 Section 3 (d) of R.A. No. 6657 defines an agrarian dispute in this wise:

xxx xxx xxx

Agrarian dispute refers to any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers' associations or representation of persons in negotiating, fixing, maintaining, changing or seeking to arrange terms or conditions of such tenurial arrangements. It includes any controversy relating to compensation of lands acquired under R.A. 6657 and other terms and conditions of transfer of ownership from landowners to farmworkers, tenants and other agrarian reform beneficiaries, whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee.

In determining tenancy relations between the parties, it is a question of whether or not a party is a de jure tenant. The essential requisites of a tenancy relationship are: (1) the parties are the landowner and the tenant; (2) the subject is agricultural land; (3) there is consent; (4) the purpose is agricultural production; (5) there is personal cultivation; and (6) there is sharing of harvests. All these requisites are necessary to create a tenancy relationship between the parties. The absence of one does not make an occupant, cultivator, or a planter, a de jure tenant. Unless a person establishes his status as a de jure tenant, he is not entitled to security of tenure nor is he covered by the Land Reform Program of the government under existing tenancy laws.[6]

In this case, there is no dispute that the subject land is an agricultural land and there is personal cultivation by the defendants-appellants. However, other facts substantiating a de jure tenancy are missing. Aside from defendants-appellants' assertion that the land in dispute is an agricultural land, no other concrete proof was presented to demonstrate the relationship of the latter and plaintiff-appellee as tenant and landowner, respectively.

Further, worth mentioning is the fact that defendants-appellants failed to show any sharing of harvest so as to

consider them the tenants of the plaintiff-appellee.[7] In the case of Enesio vs. Tulop,[8] the Supreme Court emphasized that sharing of produce must exist between the tenant and the landowner for tenancy relationship to exist.

Absence of harvest sharing belies claim of tenancy relationship. In the absence of this factual basis, the lower tribunals were correct in upholding the jurisdiction of the MTC over the ejectment case.[9]

It is crystal clear that there is no concrete evidence on record to establish the landowner-tenant relationship between the plaintiff-appellee and defendants-appellants. Independent evidence, is needed to prove personal cultivation, sharing of harvests, and consent of the landowner, to establish a tenancy relationship.[10]

We stress that petitioners have the burden of proving their affirmative allegation of tenancy. It is elementary that one who alleges the affirmative of the issue has the burden of proof. Mere occupation or cultivation of an agricultural land does not automatically convert the tiller into an agricultural tenant recognized under agrarian laws.[11] Here in this case, defendants-appellants failed to prove the elements of consent by the landowner (plaintiff-appellee) and sharing of harvests. Thusly, it is reasonable for Us to conclude that no tenancy relationship exists, much less that of a leasehold or stewardship relationship between the defendants-appellants and plaintiff-appellee. In particular, We note that defendant-appellant Jaime Santillan testified that he is a laborer of Hda. Anita, with payroll and is a member of SSS. These are facts constitutive of a farmworker and not of a tenant. The Supreme Court made a distinction between a share tenant and a farmworker in this wise:

xxxx Share tenancy exists whenever two persons agree on a joint undertaking for agricultural production wherein one party furnishes the land and the other, his labor, with either both or both contributing any one or several items of production, the tenant cultivating the land with the aid of labor available from the members of his immediate farm household, and the produce thereof to be divided between the between the land holder and the tenant. xxxx

A farmhand or agricultural worker is any agricultural wage, salary or piece worker but is not limited to a farm worker of a particular employee unless this code explicitly provides otherwise. xxxx [12]

Next, We tackle the issue of who has the better right of possession of the disputed land. During the pre-trial of this case, the defendants-appellants admitted that plaintiff-appellee is the rightful owner of the 170.6493 hectares of land located in Hda. Anita, Barangay Concepcion, Talisay City, Negros Occidental.[13] The ownership of the aforesaid land is proven by TCT. No. T-128627,[14] TCT. No. T-128625,[15] TCT. No. T-140390[16] and TCT. No. 128626.[17] The lot in controversy forms part the land owned by the plaintiff-appellee.

As a bonafide owner of the disputed portion of the Hda. Anita which the defendants-appellants are in possession thereof, plaintiff-appellee has the right to institute an action for recovery of the property. Article 428 of the Civil Code of the Philippines, states:

Art. 428. The owner has the right to enjoy and dispose of a thing, without other limitations than those established by law.

The owner has also a right of action against the holder and possessor of the thing in order to recover it.

The defendants-appellants declare that through the consent of the former owner, Atty. Serafin Villanueva in the year 1985, they have the right to possess the disputed property.[18] Furthermore, they said that it is by virtue of the Memorandum of Agreement[19] that they were allowed to continue to cultivate the disputed portion of the land. Paragraph 3(i) of the MOA provides for the free use of the land for rice production.[20] However, in the testimony of Edgar Escalona, a retired farmworker, stockholder and one of the Board Member of SVJ Farms, he said that the farmworkers/beneficiaries of Hda. Anita formed a cooperative and agreed that instead of dividing the

10 hectares of land among themselves, they will cultivate the land as a cooperative and the produce will be shared among the 144 members.[21]

The right of enjoyment of the defendants-appellants of a portion of the 10-hectare land of Hda. Anita, allocated for rice production, should also be accorded to the other farmworkers/beneficiaries. The defendants-appellants cannot devote the disputed land to their exclusive use to the prejudice of the other farmworkers/beneficiaries. It is presumptuous for the defendants-appellants to claim the right to possess and cultivate the land thereby excluding the rest of the members of the cooperative in the share of the harvest. The court a quo is correct when it said that the defendants-appellants cannot possess for themselves the disputed lot. The pertinent portion of the decision reads:

The provision of the MOA signed by the landowner and the farmworkers as represented by their cooperative clearly provides for an allocation of a portion of the land for rice production of all the farm workers. The lots occupied by the defendants are portions of the 10 hectare allocated for the benefit of the 146 beneficiaries. Needless to state, defendants cannot possess for themselves the lot that they are now occupying.[22]

As our final note, We quote the Supreme Court's fitting exposition on laws affecting social justice. Laws which have for their object the preservation and maintenance of social justice are not only meant to favor the poor and underprivileged. They apply with equal force to those who, notwithstanding their more comfortable position in life, are equally deserving of protection from the courts. Social justice is not a license to trample on the rights of the rich in the guise of defending the poor, where no act of injustice or abuse is being committed against them.[23]

WHEREFORE, the appeal is DENIED. The Decision dated April 3, 2009 of the RTC, Branch 50, Bacolod City in Civil Case No. 04-12435 is hereby AFFIRMED.

SO ORDERED.

Ingles,[*] and Lopez, JJ., concur.

[*] Per Office Order No. 13-14-GTI dated June 17, 2014 vice J. Delos Santos.

[1] Rollo, pp. 151-159.

[2] Records, pp. 372-379.

[3] Records, p. 379.

[4] Records, p. 380.

[5] G.R.No. 191538, December 11, 2013.

[6] Reyes vs. Heirs of Floro, G.R. No. 200713, December 11, 2013.

[7] TSN, October 16, 2008, p. 13, Testimony of defendant-appellant Jaime Santillan.

[8] G.R. No. 183923, November 27, 2013.

[9] Ibid.

[10] Heirs of Nicholas Jugalbot v. Court of Appeals and Heirs of Virginia Roa. G.R. No. 170346, March 12, 2007.

[11] Heirs of Quilo vs. DBP, G.R. No. 184369, October 23, 2013.

[12] Hernandez vs. Honorable Intermediate Appellate Court 189 SCRA 758 (1990) cited in the book of Attys. Hernandez, Alba and Montinola-Hernandez entitled Landowners' Rights under the Agrarian Reform Law, 2004 Edition.

[13] Records, p. 163, Pre-trial Order, paragraph 10.

[14] Records, pp. 195-197, Exhibit "A".

[15] Records, pp. 198-200, Exhibit "B".

[16] Records, pp. 201-205, Exhibit "C".

[17] Records, pp. 206-208, Exhibit "D".

[18] TSN, January 28, 2008, p. 8.

[19] Records, p. 209-211, Exhibit "E".

[20] Records, p. 210, Exhibit "E".

[21] TSN, June 15, 2007, pp. 266-268.

[22] Records, p. 378.

[23] Heirs of Nicolas Jugalbot, represented by Leonila B. Jugalbot, vs. Court of Appeals and Heirs of Virginia A. Roa, represented by Lolita R. Gorospe, G.R. No. 170346, March 12, 2007.

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