

ANTONIO C. SALATAN, ET AL., REPRESENTED BY ESTRELLA C. VILLAFUERTE, PETITIONERS, VS. UMALAG TRADING CORP., AND MINDANAO ESTATE COMPANY BOTH REPRESENTED BY JOCELYN ARRO-VALENCIA,...

Ponente: CARANDANG, J.

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CARANDANG, J.:

This petition for review seeks to reverse and set aside the [1] Decision[1] dated July 15, 2011 of the Office of the President which affirmed the Orders of the Department of Agrarian Reform (DAR) dated December 26, 2007 and September 10, 2008 denying herein petitioners' Petition for Cancellation/Recall of the DAR Exemption Order dated February 8, 1999 and the [2] Resolution[2] dated January 18, 2012 which denied petitioners' Motion for Reconsideration.

The facts of the case:

Respondents filed separate applications for exemption from Comprehensive Agrarian Reform Program (CARP) coverage pursuant to Department of Justice (DOJ) Opinion No. 44, Series of 1990, as implemented by DAR Administrative Order No. 6, Series of 1994, over sixteen (16) parcels of land located at Guihing, Hagonoy, Davao Del Sur with a total area of 696.8918 hectares. These applications, later on consolidated, were uniformly anchored on the claim that the landholdings were re-classified as Agro-Industrial Zone per Land Use Plan of the Municipality of Hagonoy, Davao del Sur prior to the enactment of Republic Act (RA) 6657.

GADECO Agrarian Reform Beneficiaries Association, Inc. (GARBAI) opposed the application for exemption contending that the landholdings were not covered by DOJ Opinion No. 44 since these lands were not classified as commercial, industrial or residential and that the subject landholdings were under lease contract devoted to growing bananas.

On February 8, 1999, then DAR Secretary Horacio R. Morales granted the fourteen (14) applications for exemption clearance from CARP coverage on the basis of the evidence presented proving that the subject landholdings were reclassified to agro-industrial use way back in April 1980. The decretal portion of the Order³ reads:

“WHEREFORE, the fourteen application for exemption clearance involving sixteen (16) landholdings enumerated above with a total area of 696.8918 ha, all situated in Guihing, Hagonoy, Davao del Sur, are hereby GRANTED on the condition that the compensation package for the affected farmworkers pursuant to the Memorandum of Agreement dated February 23, 1998 shall be delivered to them within thirty (30) days from receipt of this Order.

SO ORDERED.”

A motion for reconsideration was filed but it was denied in the Order⁴ dated June 24, 2005.

On July 18, 2007, herein petitioners filed a Petition for Cancellation/Recall of the Exemption Order dated

February 8, 1999. They alleged that they are farmworkers of the subject landholdings and were unaware that the landowners filed applications for exemption. Petitioners claimed that they were never notified nor did they participate in the proceedings for exemption from CARP coverage.

In the Order[5] dated December 26, 2007, then DAR Secretary Nasser C. Pangandaman denied the petition ratiocinating that petitioners are not the original parties to the earlier case who can assail the DAR Order dated February 8, 1999 which has attained finality and had been duly executed by the payment of disturbance compensation.

Petitioners' motion for reconsideration was likewise denied in the Order[6] dated September 10, 2008.

By way of appeal before the Office of the President (OP), petitioners contend that the subject landholdings were not reclassified to non-agricultural use prior to June 15, 1988 or before the effectivity of the Comprehensive Agrarian Reform Law (CARL); thus, the subject landholdings should not be exempted from the CARP coverage.

On July 15, 2011, the OP rendered a Decision[7] dismissing petitioners' appeal, affirming the findings of the DAR Secretary that the subject landholdings are beyond the ambit of CARL coverage having been reclassified for non-agricultural use prior to June 15, 1988 and therefore, not agricultural land covered by CARP. The OP stated that petitioners failed to establish sufficient proof showing that the subject landholdings were classified as agricultural land prior to June 15, 1988 as no appropriate certifications from the proper government agencies concerned were presented. The OP further declared that the DAR Order dated February 8, 1999 has attained finality, hence, it is constrained to dismiss the appeal.

Petitioners moved for a reconsideration but it was denied by the OP in its Resolution[8] dated January 18, 2012.

Hence, this petition for review. Petitioners raised this lone issue for resolution, to wit:

WHETHER OR NOT THE OFFICE OF THE PRESIDENT ERRED IN DENYING THE APPEAL AND MOTION FOR RECONSIDERATION OF PETITIONER AND AFFIRMING THE ORDER OF THE DAR SECRETARY.

The petition is devoid of merit.

Petitioners vigorously assert that the subject landholdings remain to be agricultural lands devoted to the growing of bananas. Prior to 1980 or even after the effectivity of the CARP Law on June 15, 1988, the subject landholdings were classified as, and were actually used for, agriculture; hence, the said landholdings are under CARP coverage. Petitioners aver that notwithstanding the issuance of the February 9, 1999 Exemption Order, the DAR Secretary may still recall or cancel, or even revoke the same when the landowners committed material misrepresentation in the application for exemption or when the purpose for the grant of exemption no longer exists. They claim that land which have already been declared exempt pursuant to a DAR order may, nonetheless, be subjected to leasehold contract, if the same remain agricultural.

It should be recalled that private respondents filed applications for exemption from CARP coverage pursuant to DOJ Opinion No. 44, Series of 1990, as implemented by DAR Administrative Order (AO) No. 6, Series of 1994.

Under DOJ Opinion No. 44, Series of 1990, it provides that lands which has already been classified as mineral, forest, residential, commercial and industrial areas, prior to June 15, 1988 shall be excluded from CARP coverage. Following said DOJ Opinion No. 44, the DAR issued AO No. 6, Series of 1994, stating that conversion clearances were no longer needed for lands already classified as non-agricultural before the enactment of RA 6657. The AO provided guidelines and procedures for the issuance of exemption clearances, designed to "streamline the issuance of exemption clearances, based on DOJ Opinion No. 44,".[9]

Records reveal that all the applications for exemption contain the following: [1] Certificate dated August 26, 1997 issued by Leonardo Cabaobao, Municipal Planning and Development Coordinator of the Municipality of Hagony, duly noted by Mayor Filomeno V. Suposa, stating that the subject landholdings had been reclassified as Agro-Industrial Zone per land use plan of the Municipality of Hagony, Davao Del Sur; [2] photocopy of Resolution No. 50, Series of 1980 passed by the Sangguniang Bayan of Hagony on April 24, 1980, duly certified by the Housing and Land Use Regulatory Board (HLURB), which adopted and approved the town plan of the Municipality of Hagony;[10] and [3] Certification dated June 30, 1997 issued by Carolina A. Casaje, Officer-In-Charge, Board Secretariat of the Housing and Land Use Regulatory Board, stating that the zoning regulation was approved by the then Human Settlements Commission per Resolution No. R-39-04 on July 31, 1980, along with the town plans of 67 other municipalities.[11]

On the basis of the foregoing evidence submitted by the applicants, herein private respondents, then DAR Secretary Horacio R. Morales, Jr, went on to rule that -

“xxx. The evidence on record consisting of duly certified copies of Resolution No. 50, Series of 1980 of the Sangguniang Bayan of Hagony, the Comprehensive Zoning Regulations of the Municipality, and the HLURB Certification show that the subject properties were reclassified into agro-industrial use way back on April 24, 1980, and approved by the then Human Settlement Commission on July 31, 1980. The provision under Section 8, R.A. 6657 on compulsory acquisition and distribution of privately-owned lands under lease applies only to those lands which are covered by CARP. In this particular case, the lands subject of the applications are outside the scope of CARP, having been reclassified to non-agricultural use before the effectivity of R.A. 6657.”

Verily, the DAR Secretary has already ruled that the subject landholdings had been reclassified into agro-industrial use prior to the effectivity of RA 6657 and are thus exempt from CARP coverage. It is the DAR Secretary who has the ultimate authority to issue orders granting or denying applications for exemption filed by landowners whose lands were covered by DOJ Opinion No. 44.[12] Absent any showing of grave abuse of discretion or a clear showing that the order was arrived at arbitrarily or in utter disregard of the evidence on record, this Court has no reason but to affirm the DAR Secretary's ruling.

Since the subject landholdings had been reclassified as agro-industrial based, among others, proven by the Certification from the Municipal Planning and Development Coordinator of the Municipality of Hagony and the Certification dated June 30, 1997 issued by the Housing and Land Use Regulatory Board, stating that the subject landholdings can no longer be considered as “agricultural land” within the ambit of RA 6657. As enunciated in the case of *Buklod nang Magbubukid sa Lupaing Ramos, Inc. vs. E.M. Ramos and Sons, Inc.*,[13] “To be exempt from CARP, all that is needed is one valid reclassification of the land from agricultural to non-agricultural by a duly authorized government agency before June 15, 1988, when the CARL took effect.”[14]

Contrary to petitioners' asseveration, no material misrepresentation was committed by the private respondents on their applications for exemption. None was found by the DAR Secretary. Further, the subject landholdings remain to be an Agro-Industrial Zone. It remained as such after its reclassification on April 24, 1980. While it may seem that the subject landholdings are still used for growing of bananas, as petitioners insist, it is not merely devoted to plain agricultural activity, as how agricultural land is defined under Section 3 (c) of RA 6557. The cultivation and harvesting of bananas and preparing the fresh bananas for export worldwide do not only involve manual labor but require the use of machines and other equipment to process the same. Agro-industrial has been defined as “of or relating to the industrial processing of agricultural products”. [15] As the term has been defined, the production, handling and storage of fresh bananas for export worldwide clearly make the subject landholdings an agro-industrial zone.

The non-fulfillment of the condition for payment of disturbance compensation is a different matter. The non-payment of disturbance compensation will not affect the reclassification of the landholdings as agro-industrial.

Further, it is too late in the day for petitioners to assail the DAR Exemption Order dated February 8, 1999 as it already attained finality. Nothing is more settled in law than that once a judgment attains finality it thereby becomes immutable and unalterable, and may thereafter no longer be modified in any respect even if the modification is meant to correct erroneous conclusions of fact or law and whether it will be made by the court that rendered it or by the highest court of the land.[16]

WHEREFORE, premises considered, the instant petition is DENIED. The assailed Decision dated July 15, 2011 and the Resolution dated January 18, 2012 rendered by the Office of the President (OP) are hereby AFFIRMED.

SO ORDERED.

C E R T I F I C A T I O N

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above Decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

Gonzales-Sison and Sorongon, JJ., concur.

[1] Rollo, pp. 100-105.

[2] Rollo, pp. 54-55.

[3] Rollo, pp. 345-349.

[4] Rollo, pp. 288-293.

[5] Rollo, pp. 75-79.

[6] Rollo, pp. 100-105.

[7] Rollo, pp. 34-37.

[8] Rollo, pp. 54-55.

[9] Junio vs. Garilao, G.R No. 147146, July 29, 2005.

[10] Included in the resolution/town plan is a duly certified copy of the approved Municipal Ordinance adopting a Comprehensive Zoning Regulations for the Municipality of Hagonoy.

[11] See Order dated February 8, 1999, Rollo, p. 346.

[12] Junio vs. Garilao, G.R No. 147146, July 29, 2005.

[13] G.R. Nos. 131481 & 131624, March 16, 2011.

[14] Cited in Rom, et al. vs. Roxas & Company, Inc., G.R. No. 169331, September 5, 2011.

[15] <http://www.thefreedictionary.com/agroindustrial>.

[16] Spouses Rabat vs. PNB, G.R. No. 158755, June 18, 2012.

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