

[WITH RESOLUTION OF SEPTEMBER 24, 1962]*G.R. Nos. L-17481 & L-17537-59. April 28, 1962*

Ponente: LABRADOR, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/63a775c833d0/>**LABRADOR, J.:**

This is a petition for the review of a decision of the Court of Agrarian Relations, First Regional District, Hon. Pastor de Guzman, presiding, in CAR Cases Nos. 139-161-TP-'60 and 162-TP-'60 of said court. In CAR Cases Nos. 139-161-TP-'60 the lower court dismissed the petitions filed; enjoined the parties to observe the sharing basis of 50-50 for the agricultural year 1959-1960; divided in accordance with said sharing basis the palay deposited in the Moncada Rice Mill, Moncada, Tarlac, after deducting the seedlings which are to be returned to the landlord; ordered the Clerk of Court to deliver to petitioners-tenants the amount of P360.00, representing the cost of mongo harvested and deposited with the court. In CAR Case No. 162-TP-'60, the court ejected respondents-tenants from the land and authorized petitioner-landlord to appoint another set of tenants to work on said land.

On January 22, 1960, Benito Estrada and several other tenants filed against their landlord, Dr. Faustino F. Galvan, individual petitions docketed as CAR Cases Nos. 139-161-TP-'60, the allegations of which petitions are similar. In their petitions, the tenants allege that they are tenants of respondent Galvan since 1952 on the latter's property located at Pinmalupod, Urdaneta, Pangasinan, cultivating several hectares each; that since the start the sharing observed by the parties in the palay produce has been on a 50-50 ratio, although they contributed all items of production, so that they are being short shared by 20% of the net produce every, agricultural year; that the sharing of the tobacco produce agreed upon by the parties and which is also the custom of the place, is 2/3—1/3 in favor of petitioners, but that contrary thereto, respondent has divided the said produce on a 50-50 basis, thereby causing them a share deficiency of 16-2/3% that the 50% share of petitioners-tenants in the tobacco produce is given to them by respondent-landlord in cash computed at a price far below the market value; that the harvesting expenses of the tobacco produce are borne by the tenants; that the tobacco crop planted when the petitions were filed are ready for harvesting, but that respondent-landlord refused to allow them to harvest same; and that respondent has never rendered a written accounting on any of the crop harvested. Petitioners-tenants, therefore, pray for a partition of the palay produce on a 70-30 basis, the tobacco produce, on a 2/3—1/3 ratio of the net harvest, the mongo, on a 80-20 ratio of the net, all in favor of petitioner-tenants. They also pray for an interlocutory order directing the harvesting of the tobacco produce under the court's supervision and that said harvest be placed in its custody.

In his answer filed on February 3, 1960, respondent-landholder, while denying for lack of information the other portions of the petitions, alleges that the sharing basis of the net harvest in all crops should be 50-50 because he supplied the farm implements, contributed P20.00 yearly per hectare for the expenses of transplanting and last harrowing, advanced the seedlings of said crops, supplied fertilizers, insecticides and other apparatus for use in the tobacco plantations, which conditions were embodied in their original contracts in 1951, which have never been changed.

On March 23, 1960, petitioners-tenants filed supplemental motions asking permission to harvest the mongo crop planted by them and that respondent-landlord be ordered to give them 80% of the net produce.

In turn respondent-landlord Dr. Faustino F. Galvan filed on April 11, 1961 a re-amended petition against all the tenants, petitioners herein, (docketed as CAR Case No. 162-TP-'60), wherein he is now petitioner while his tenants are respondents, praying for authority to eject all the respondents-tenants from their respective landholdings and for payment by them of damages and attorney's fees. The reasons alleged for the ejectment of the respondents are: their unjustified refusal to thresh the palay harvests of the 1959-60 agricultural year with the use of petitionerlandlord's threshing machine; their harvesting of matured tobacco leaves without reporting the amount of tobacco leaves harvested and their absconding with same; their employment of sub-tenants and the entry of said sub-tenants upon the land, without written consent and knowledge of the petitioner-landlord, to plant early variety of palay as second crop.

Respondents-tenants, in their answer, deny the material allegations of the petition and interpose as counterclaim their allegations contained in their petitions against the landlord in CAR Cases Nos. 139-161-TP-'60. These counterclaims were already answered in Dr. Galvan's answer to the petitions.

On April 1, 1960, petitioner Benito Estrada was, by reason of his death, substituted in CAR Case No. 139-TP-'60 by his wife and children.

The facts involved in all these cases being closely related, the lower court, upon agreement of the parties, tried all of them jointly, thereafter rendering only one decision for all.

In its decision, the lower court set forth in detail the testimonies of the witnesses for the parties and the documentary evidence submitted by them, and found that when the tenants were first taken in, they were required to sign contracts of tenancy with the landlord, wherein the sharing basis agreed upon was 50-50 on all crops; that said sharing is based on the customs of the place and said contracts have not yet been changed; that the landlord contributed expenses of last harrowing and transplanting, farm implements and seedlings in connection with the rice planted, and seeds, fertilizers, insecticides and apparatus, with the tobacco planted; that the share of the tenants on the tobacco produced was paid at a reasonable and current price of P0.08 per kilo; that the mongo were planted on upland portions not planted to rice but only to corn and mongo, so that said mongo is considered a principal crop and like the tobacco produce, should be divided on a 50-50 sharing basis; that the tenants are guilty of the violations charged in the petition filed by the landlord. Consequently, the court dismissed the petitions of the tenants and granted that of the landlord, ejecting the tenants from their landholdings. Hence, this petition for review by writ of certiorari.

The main object or purpose of the suit of petitioners before the respondent court is to secure for themselves a change in the crop sharing between them as tenants, on one side, and the respondent Dr. Galvan, on the other, not only as to the rice crop, but also as to the crops of tobacco, mongo and mangoes, and if such desired crop sharing be impossible of enforcement in the 1959-60 crop, then from the 1960-1961 crop. As the basis provided for by law for fixing the crop sharing in rice, are different in other crops, the question of crop sharing for the rice harvest will be considered separately.

The basis for the crop sharing of the rice harvest is fixed in Section 32 of the Agricultural Tenancy Act of the Philippines (Republic Act No. 1199) in the following manner:

"SEC. 32. Share Basis.—The parties shall, on ricelands which produce a normal average of more than forty cavanes per hectare for the three agricultural years next preceding the current harvest, receive as shares in the gross produce, after setting aside the same amount of palay used as seeds, and after deducting the cost of fertilizer, pest and weed control, reaping and threshing, the amount corresponding to the total equivalent of

their individual contributions, computed as follows:

CONTRIBUTION

PARTICIPATION

1. Land

30%

2. Labor

30%

3. Farm Implements

5%

4. Work Animals

5%

5. Final harrowing of the field immediately before transplanting

5%

6. Transplanting

25%

Total

100%

The land cultivated by petitioners are admittedly first class lands, so the legal method of fixing the crop shares of the tenant and the landlord is as above set forth. The origin of Dr. Galvan's landholding and the original conditions of the land tenancy between him and his tenants-petitioners is described in the decision of the respondent judge as follows:

"The Court, however, after a careful review of the said testimonies, of the witnesses, found the following facts: when the landholder Dr. Faustino F. Galvan petitioner in CAR Case No. 162-TP-'60, became such landholder in 1952, there were no tenants because all the tenants of said landholder which he got from his uncle Don Dionisio Galvan, were ejected upon a decision of the Supreme Court because the said landholder wanted to mechanize his farm. But when Dr. Galvan, the new landholder, assumed the landholdership of the said landholding, out of pity, he received the tenants—some of the petitioners in CAR Cases Nos. 139-161-TP-'60. This testimony of Dr. Galvan has not been refuted or denied or thrown over-board by any of the petitioners-tenants. This witness said, some of the petitioners are not his tenants. There are four of them and these are: Brigido Sagurit, Pablo Gapuya, Felipe Cresencia and Mariano Alvaro.

"Before the tenants-petitioners were received as such, they were made to sign tenancy contracts which were exhibited as Exhibits "1", "1-A" to "1-S". The Court cannot therefore, entertain any doubts as to the truth of these assertions of the landholder because of its naturalness, its contents being the embodiment of the then custom of the place, especially in the sharing basis of 50-50.

"The question, however, now is, should the Court maintain as sharing basis for the last agricultural year the same basis as 50-50? The answer is affirmative. There has been no showing that the parties changed the same nor was it changed by the Court, so it has been carried on, according to the landholder-petitioner in CAR Case No. 162-TP-'60, up to the last agricultural harvest.

"It has not been changed because it has become the custom of the place up to the present and why should the Court not maintain the same sharing basis when there is no reason for it to disregard or not to maintain it. It has been shown to the satisfaction of the Court that the landholder contributed expenses for last harrowing and transplanting. This fact is admitted by the petitioner-tenants thru counsel. He also furnished farm implements and also seedlings. From these contributions of the landholder he should be entitled to 52.5% but his generosity to these tenants could be seen by giving up the 2.5% in their favor and the Court should not question this because it favors the tenant. Exhibits "2", "2-A" to "2-A-A" are admitted in so far it tends to prove that the seedlings and the expenses for last harrowing and transplanting expenses are concerned were furnished by the landholder." (Decision, pp. 64-65)

The above findings of the respondent judge were arrived at after a careful review of the testimonies of witnesses for petitioners and of those of respondent landholder. The statements of the witnesses are embodied in more or less complete form in the decision and we find that the court's findings of fact and conclusions are fully justified by such evidence. Thus petitioners admit that the 50-50 sharing basis began from the year 1952 when respondent Dr. Galvan became the lessee landholder; that in the beginning written contracts fixing the 50-50 sharing basis were entered into, and such basis had become the custom of the place.

The evidence, especially for the respondent landholder, shows that when the tenants started as such on the land they were provided by Dr. Galvan with the necessary farm implements, like plows, harrows, sledges, etc., although witnesses for petitioners claim they paid for their own implements or made the implements themselves. This claim of the tenants the court refused to believe, in view of the positive testimony of Dr. Galvan and his overseer, and the doubtful testimonies of witnesses for petitioners. The landholder had always been furnishing the seeds. The seeds, when the tenants came in for the first time, were furnished by Dr. Galvan; in subsequent years, a portion of the harvest was set aside as seed, which was always deposited in the camarin of Dr. Galvan.

The landholder also furnished each tenant the sum of P20.00 per hectare, as his (landholder) share in the expenses

of last harrowing and transplanting. Some sample receipts of the accounts of tenants were shown to the court as Exhibits "2", "2-A" to "2-A-A" properly identified by the overseer. These receipts showed that P20.00 was furnished the tenant for each hectare, as the share of the landholder in the expenses of last harrowing and transplanting. This evidence has not been categorically or seriously contradicted.

Some samples of the contracts with tenants were also shown, Exhibits "1", "1-A" to "1-S", and these showed the terms of the agreement of a 50-50 crop sharing basis on condition that the landholder furnish the seeds, the implements, the P20.00 per hectare as share of landlord in the last harrowing and transplanting expenses.

Furthermore, the fact that the basis has been 50-50 since 1952, which basis continued for seven years without protest of any form or kind, and considering that the petitioners must have been aware of the law, they would not have consented to the 50-50 sharing basis, unless the landholder did actually furnish the seeds, the farm implements, and one half of the expenses of last harrowing and transplanting. The findings of the trial court as to these facts are, therefore, in accord with the probabilities of the case as well as with the preponderance of the evidence adduced at the trial. Said findings, clearly supported by the evidence, are binding on this Court on this petition for review. We are therefore constrained to affirm the decision of the lower court and we dismiss, in consequence, the petition that the crop sharing basis for the rice crop be changed to 70-30 basis.

But it is contended that if the petition could not be granted as to the main rice crop for 1959-1960, at least it should be as to the second crop of some petitioners, which crop was planted early in March 1960 and harvested in late May and early June. Evidently petitioners are relying on the provision of section 14 of the Agricultural Tenancy Act, as amended, to the effect that if the tenancy contract is not in writing the right of the tenant to change the contract of tenancy from one crop sharing arrangement to another may be exercised at least one month before the agricultural year, when the change shall be effected. (The petitions are dated in the month of January, 1960). In answer to this claim it must be stated that a change in the crop sharing agreement can not be made by the tenant unless he uses his own farm implements, uses his own carabao, and spends for the last harrowing and transplanting without any contribution or help from the landholder. There is no sufficient proof that the tenants have complied with this requirement, as we have found that the landholder owned the farm implements and contributed P20.00 per hectare for last harrowing and transplanting, hence the petition for the change to be effective as to the March-May crop must also be denied.

The next issue raised in the petition refers to the method in which the mongo crop should be shared between the landholder and the tenant. The court below found the following facts with respect to the place where the mongo is planted; it decided the issue of crop sharing, thus:

"We now come to the mongo. The mongo planted' were planted not on the field where the late variety is planted but in the "bankag" where they used to plant corn or mongo, sometimes the early variety. The evidence also shows that the said mongo has never been planted in the rice fields where the late variety of palay is planted, otherwise it becomes a second crop harvest. All the witnesses testified that the mongo were planted in the upland portion of their landholding. This also explains that not all the petitioners-tenants planted mongo because not all of them have upland portion of their landholding. This should therefore be divided as principal product and it has been shown that the landholder furnished the seedlings like in palay and so with farm implements and the sharing should be 50-50 because there is no expense for last harrowing nor transplanting. The work of the tenants is only to plant and to take care of the plants. Harvesting is paid from the gross." (p. 10 of Petition)

Petitioners contend that the rule that should apply is section 30 of Republic Act No. 1199, which reads:

"SEC. 30. Auxiliary Crop.—In case the land is planted to an auxiliary crop, the tenant shall receive eighty per centum and the landholder twenty per centum of the net produce, provided all expenses of production are

borne by the tenant.

"Auxiliary crops shall not, however, be construed to include the crops or products raised from the garden, poultry and other industries carried on the lot specifically provided for the tenant under Section 26 (a) hereof."

The contention of the petitioners cannot be sustained and the ruling of the court below must be upheld. "Bankag" is not planted to rice but only vegetables either during the rainy season or soon after when the harvest season begins. The mongo was planted by petitioners as a principal crop, not as auxiliary crop. Therefore the provisions of section 30 of Republic Act No. 1199 are not applicable. The mongo should, therefore, be considered as "crop other than rice" as defined in section 41 of the said Act, which is as follows:

"SEC. 41. Basis of Shares in crops other than Rice.—The landholder and the tenant on lands which produce crops other than rice shall be free to enter into any contract stipulating the ratio of crop division. In the absence of a stipulation, the customs of the place shall govern: Provided, That whether the basis of division of the crop is the contract between the parties or the customs of the place, the share of the tenant for his labor in the production shall not be less than thirty per cent of the harvest or produce, after deducting the expenses for harvesting and/or initial processing: Provided, further, That in cases where the share of the tenant is, according to local practices or customs prevailing at the time of the approval of this Act, more than the minimum herein set, the tenant's share thus established by local practices or customs shall prevail and be considered the minimum."

The evidence submitted at the trial is to the effect that even the mongo crop was raised on the "bankag" (land not planted to rice) and was divided on the 50-50 basis, in accordance with the old established customs and practices in the locality. The ruling of the court below should, therefore, be confirmed.

The last question posed by petitioners refers to the method in which the tobacco crop is to be shared, petitioners claiming that it should be on the 70-30 basis instead of the 50-50 which had been followed since 1952 when they entered the land as tenants. On this issue the respondent judge made the following findings:

"As to the tobacco, the evidence shows that the landholder furnished all the seeds; he furnished fertilizers and insecticides for the seed beds; insecticides for all the plants but half of the cost is to be borne by the tenants and 1/2 for the landholder; he also furnished free of charge, apparatus for spraying and sticks. All what the tenant should do is to plant and to take care of the transplanted seedlings and the gathering of the leaves.

"Inasmuch as it was their contract to divide the green leaves 60-50 and the said contract is not contrary to law, morals or public policy, the same should be up-held by the Court." (pp. 67-68, Decision)

The evidence, therefore, shows that the tobacco is grown as a principal crop and on a commercial basis, not in small patches on the land near the house of the tenant and for the latter's use only, in accordance with section 26 of the Agricultural Tenancy Act. The provision of the law which govern the crop sharing is also section 41, *supra* which provides that the crop sharing shall be in accordance with the contract, and in the absence thereof according to the customs of the place. When the petitioners entered the land, the crop sharing adopted was the 50-50 basis, and this basis had continued to the date of filing of the action and has become the custom of the place. Section 41 of the law fixes 30% as the minimum that the tenant is entitled to receive. Considering that it is the right of the landlord to be reimbursed the seeds and the cost of fertilizer and insecticides, as provided in section 28 of the law, and the fact that these are not deducted from the gross selling price of the tobacco crop, the tenants certainly have no reason or ground to protest against the 50-50 basis adopted.

The claim of petitioners that the 70-30 basis should also be adopted in the division of the tobacco crop should, therefore, be also dismissed.

With respect to the petition of the landholder that his tenants should be ejected because of violations committed

by them, the court below found that petitioners (1) gathered or harvested tobacco leaves and flue-cured the same in a barn not of the landlord, without the landlord's knowledge and consent, and without giving him his share; (2) did not plant palay in their upland holdings after their tobacco harvest, planting corn instead, in violation of the landholder's orders and instructions; (3) sundried their tobacco instead of flue-curing them, against express orders of the landholder; (4) some employed sub-tenants without the consent or knowledge of the landholder.

We note that at the time of the trial the respondent judge, asked petitioners for their views on a possible settlement, but petitioners stated that their relations with the respondent were already strained, meaning they were loathsome to go back under the old crop sharing basis (of 50-50). They expressed a feeling that they would not be satisfied unless the basis be changed to that of 70-30. But it does not appear that they have ever expressed willingness to waive the contribution that the landholder gave for the expenses of last harrowing and transplanting. There is, therefore, no other course to take but to decide the case strictly on its merits.

In view of all the findings and circumstances, as above set forth, we are constrained to uphold the resolution of the court ordering their ejectment.

For all the foregoing, the petitions in G. R. Nos. L-17481 and L-17537-59, for the review of the decision of the respondent court, are hereby denied and its decision in all cases affirmed. Without costs.

Padilla, Bautista Angelo, Concepcion, Reyes, J. B. L., Paredes, and Dizon, JJ., concur.

RESOLUTION

Sept. 24, 1962

LABRADOR, J.:

In an order of the court promulgated on August 15, 1961, we directed the manager or the owner of the Moncada Bonded Warehouse in Moncada, Tarlac and respondent Faustino F. Galvan to release and deliver to petitioners Liberata Antonio Estrada, et al., the portions still remaining to be delivered to them in their shares of the palay in these cases, i.e., (a) 10% of the net produce of the first crop minus P300 and (b) 15% of the net produce of the second crop minus P200. On January 21, 1962, counsel for petitioners Liberata Antonio Estrada, et al., filed a motion asking that Faustino F. Galvan and the owner or manager of the Moncada Bonded Warehouse at Moncada, Tarlac be punished for contempt for failure to deliver the shares of the petitioners in the harvest as specified in the preceding order of the court. Respondent Faustino Galvan opposed the motion alleging that the order of the court had already been complied with by delivery of certain specified quantities of palay to the petitioners. On August 14, 1962, counsel for the petitioners filed before us a manifestation claiming that respondents Galvan and the owner or manager of the Moncada Bonded Warehouse have not delivered the exact amount to which the petitioners are entitled under the previous resolution of this Court. Considering that the issues raised in the motion to declare the respondents in contempt and the opposition thereto involve questions of fact, i.e., the determination of whether the respective shares of petitioners and the respondent have actually been delivered, copies of the papers already mentioned above are hereby referred to the Honorable Judge of the Court of Agrarian Relations presiding at Moncada, Tarlac, to receive the evidence that the petitioners and the respondents may offer in support of their respective claims and contentions. Said court is hereby ordered to conduct the necessary hearing and make its report and recommendation within ninety (90) days from receipt of this order.

Padilla, Bautista Angelo, Concepcion, Reyes, J. B. L., Barrera, Paredes, Dizon, Regala, and Makalintal, JJ.,

concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.