

**MANUEL GUERRERO AND MARIA GUERRERO, PETITIONERS, VS.
HON. COURT OF APPEALS, AND APOLINARIO BENITEZ,
RESPONDENTS.**

G.R. NO. L-44570. May 30, 1986

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

Whether or not a tenancy relationship exists between the parties Manuel Guerrero, et al. and Apolinario Benitez, et al. as to determine their respective rights and obligations to one another is the issue in this petition to review the decision of the then Court of Appeals, now the Intermediate Appellate Court, which affirmed in toto the decision of the Court of Agrarian Relations in CAR Case No. 6793-NE(SA-Q) '73, the dispositive portion of which reads:

"In view of all the foregoing, judgment is hereby rendered:

"(1) ordering defendants-spouses Manuel and Maria Guerrero to reinstate plaintiff Apolinario Benitez to the 10-hectare portion of the 16-hectare coconut holding in question, located at Bo. San Joaquin, Maria Aurora Subprovince Quezon and to maintain said plaintiff in the peaceful possession and cultivation thereof, with all the rights accorded and obligations imposed upon him by law:

"(2) ordering defendants Paulino and Rogelio both surnamed Latigay. to vacate the said ten-hectare portion and, deliver possession thereof to plaintiff Apolinario Benitez:

"(3) ordering defendants-spouses Manuel and Maria Guerrero to pay damages to plaintiffs in the amount of P14,911.20 beginning from July, 1973 and to pay the same amount every year thereafter until plaintiff is effectively reinstated to the ten-hectare portion:

"(4) denying plaintiff-tenants' prayer for reconstruction of the copra-cottage: and

"(5) ordering defendants-spouses Manuel and Maria Guerrero to pay plaintiff the amount of P200.00 by way of litigation expenses.

"All other claims of the parties are denied. With costs against defendants-spouses."

The petitioners adopt the respondent court's findings of fact excepting, however, to its conclusion that tenancy relations exist between the petitioners and the respondents, thus:

"In 1969, plaintiff Apolinario Benitez was taken by defendants-spouses Manuel and Maria Guerrero to take care of their 60 heads of cows which were grazing within their 21-hectare coconut plantation situated at Bo. San Joaquin, Maria Aurora, Subprovince of Aurora, Quezon. Plaintiff was allowed for that purpose to put up a hut within the plantation where he and his family stayed. In addition to attending to the cows, he was made to clean the already fruitbearing coconut trees, burn dried leaves and grass and to do such other similar chores. During harvest time which usually comes every three months, he was also made to pick coconuts and gather the fallen ones from a 16-hectare portion of the 21-hectare plantation. He had to husk and split the nuts and then process its meat into copra in defendants' copra kiln. For his work related to the coconuts, he shared 1/3 of

the proceeds from the copra he processed and sold in the market. For attending to the cows he was paid P500 a year.

"Sometime in the early part of 1973, plaintiff was refrained from gathering nuts from the 10-hectare portion of the 16-hectare part of the plantation from where he used to gather nuts. He felt aggrieved by the acts of defendants and he brought the matter to the attention of the Office of Special Unit in the Office of the President in Malacanang, Manila. This led to an execution of an agreement, now marked as Exh. D. whereby defendants agreed, among others, to let plaintiff work on the 16-hectare portion of the plantation as tenant thereon and that their relationship will be guided by the provisions of Republic Act No. 1199. The Agricultural Tenancy Act of the Philippines.

"Then in July, 1973, he was again refrained from gathering nuts 10111 the 10-hectare portion of the plantation with threats of bodily harm if he persists to gather fruits therefrom. Defendant spouses, the Lierreros, then assigned defendants Rogelio and Paulino Latigay to do the gathering of the nuts and the processing thereof into copra.

Defendants Guerreros also caused to be demolished a part of the cottage where plaintiff and his family lived, thus, making plaintiffs feel that they (defendants) meant business. Hence, this case for reinstatement with damages.

"The lower court formulated four (4) issues by which it was guided in the resolution of the questions raised by the pleadings and evidence and we pertinently quote as follows:

"(1) Whether or not plaintiff is the tenant on the coconut landholding in question consisting of sixteen (16) hectares:

"(2) In the affirmative, whether or not he was unlawfully dispossessed of ten (10) hectares thereof:

"(3) Whether or not the parties are entitled to actual and moral damages, attorney's fees and litigation expenses."

This petition for review poses the following questions of law:

I

"Whether or not with the passage of Presidential Decree 1038 only last October 21, 1976, Republic Act 6389 otherwise known as the Code of Agrarian Reforms has repealed in their entirety the Agricultural Tenancy Act (Republic Act 1199) and the Agricultural Reform Code (Republic Act 3844) abrogating or nullifying therefore all agricultural share tenancy agreements over all kinds of lands, as the one involved in the case at bar — over coconut plantation — and hence, the complaint below as well as the challenged decision by the courts below, based as they are on such share tenancy agreements, have lost their validity *cessante ratio legis, cessat ipsa lex*.

II

"Assuming *arguendo* that said laws have not thus been repealed, is respondent Benitez here-under the undisputed fact of the case as found by the courts below a share tenant within the purview of the said laws, i.e., Republic Acts 1199 and 3844, or a mere farmhand or farm worker as such relationship were extensively discussed in *Delos Reyes v. Espinelli*, 30 SCRA 574." (Copied verbatim from Petition, p. 31 - rollo).

Petitioner insists in this petition that Benitez was a mere farmhand or laborer who was dismissed as an employee from the landholding in question and not ousted therefrom as tenant. Whether a person is a tenant or not is basically a question of fact and the findings of the respondent court and the trial court are, generally, entitled to respect and non-disturbance.

The law defines "agricultural tenancy" as the physical possession by a person of land devoted to agriculture,

belonging to or legally possessed by another for the purpose of production through the labor of the former and of the members of his immediate farm household in consideration of which the former agrees to share the harvest with the latter or to pay a price certain or ascertainable, either in produce or in money, or in both (Section 3, Republic Act 1199. The Agricultural Tenancy Act, as amended.)

With particular reference to this case, "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 or both contributing any one or several of the items of production, the tenant cultivating the land with the aid of labor available from members of his immediate farm household, and the produce thereof to be divided between the landholder and the tenant in proportion to their respective contributions (Sec. 4, RA 1199; Sec. 166(25) RA 3844, Agricultural Land Reform Code).

In contrast, a farmhand or agricultural laborer is "any agricultural salary or piece worker but is not limited to a farm worker of a particular farm employer unless this Code expressly provides otherwise, and any individual whose work has ceased as a consequence of, or in connection with, a current agrarian dispute or an unfair labor practice and who has not obtained a substantially equivalent and regular employment" (Sec. 166 (15) RA 3844, Agricultural Land Reform Code).

The petitioners contend that the two courts below applied erroneous definitions of "tenancy" found in repealed laws. They assert that the Agricultural Tenancy Act and the Agricultural Land Reform Code have been superseded by the Code of Agrarian Reforms, Rep. Act 6389, which the trial court and the Court of Appeals failed to cite and apply.

There is no question that the latest law on land and tenancy reforms seeks to abolish agricultural share tenancy as the basic relationship governing farmers and landowners in the country.

On August 8, 1963, Republic Act 3844 abolished and outlawed share tenancy and put in its stead the agricultural leasehold system. On September 10, 1971, Republic Act 6389 amending Republic Act 3844 declared share tenancy relationships as contrary to public policy. On the basis of this national policy, the petitioner asserts that no cause of action exists in the case at bar and the lower court's committed grave error in upholding the respondent's status as share tenant in the petitioners' landholding.

The petitioners' arguments are regressive and, if followed, would turn back the advances in agrarian reform law. The repeal of the Agricultural Tenancy Act and the Agricultural Land Reform Code mark the movement not only towards the leasehold system but towards eventual ownership of land by its tillers. The phasing out of share tenancy was never intended to mean a reversion of tenants into mere farmhands or hired laborers with no tenurial rights whatsoever.

It is important to note that the Agricultural Tenancy Act (RA 1199) and the Agricultural Land Reform Code (RA 3844) have not been entirely repealed by the Code of Agrarian Reform (RA 6389) even if the same have been substantially modified by the latter.

However, even assuming such an abrogation of the law, the rule that the repeal of a statute defeats all actions pending under the repealed statute is a mere general principle. Among the established exceptions are when vested rights are affected and obligations of contract are impaired. (*Aisporna v. Court of Appeals*, 108 SCR A 481).

The records establish the private respondents' status as agricultural tenants under the legal definitions.

Respondent Benitez has physically possessed the landholding continuously from 1969 until he was ejected from it. Such

possession of longstanding is an essential distinction between a mere agricultural laborer and a real tenant within the meaning of the tenancy law (Moreno, Philippine Law Dictionary, 1972 Edition), a tenant being one who has the temporary use and occupation of land or tenements belonging to another (Bouvier's Law Dictionary, Vol. II, p. 3254) for the purpose of production (Sec. 3, Republic Act 1199; *delos Reyes v. Espinelli*, 30 SCRA 574). Respondent Benitez lives on the landholding. He built his house as an annex to the petitioner's copra kiln. A hired laborer would not build his own house at his expense at the risk of losing the same upon his dismissal or termination any time. Such conduct is more consistent with that of an agricultural tenant who enjoys security of tenure under the law.

Cultivation is another important factor in determining the existence of tenancy relationships. It is admitted that it had been one Conrado Caruruan, with others, who had originally cleared the land in question and planted the coconut trees, with the respondent coming to work in the landholding only after the same were already fruit bearing. The mere fact that it was not respondent Benitez who had actually seeded the land does not mean that he is not a tenant of the land. The definition of cultivation is not limited merely to the tilling, plowing or harrowing of the land. It includes the promotion of growth and the care of the plants, or husbanding the ground to forward the products of the earth by general industry. The raising of coconuts is a unique agricultural enterprise. Unlike rice, the planting of coconut seedlings does not need harrowing and plowing. Holes are merely dug on the ground of sufficient depth and distance, the seedlings placed in the holes and the surface thereof covered by soil. Some coconut trees are planted only every thirty to a hundred years. The major work in raising coconuts begins when the coconut trees are already fruitbearing. Then it is cultivated by smudging or smoking the plantation, taking care of the coconut trees, applying fertilizer, weeding and watering, thereby increasing the produce. The fact that respondent Benitez, together with his family, handles all phases of farm work from clearing the landholding to the processing of copra, although at times with the aid of hired laborers, thereby cultivating the land, shows that he is a tenant, not a mere farm laborer, (*delos Reyes v. Espinelli*, supra; *Marcelo v. de Leon*, 105 Phil. 1 175).

Further indicating the existence of a tenancy relationship between petitioners and respondent is their agreement to share the produce or harvest on a "tercio basis" that is, a 1/3 to 2/3 sharing in favor of the petitioner-landowners. Though not a positive indication of the existence of tenancy relations per se, the sharing of harvests, taken together with other factors characteristic of tenancy shown to be present in the case at bar, strengthens the claim of respondent that indeed, he is a tenant. *1hs.ca.ss of delos Reyes v. Espinelli* (supra) clearly explains the matter thus:

"The agricultural laborer works for the employer, and for his labor he receives a salary or wage, regardless of whether the employer makes a profit. On the other hand, (he share tenant participates in the agricultural produce. His share is necessarily dependent on the amount of harvest."

Hence, the lower court's computation of damages in favor of respondent based on the number of normal harvests. In most cases, we have considered the system of sharing produce as convincing evidence of tenancy relations.

The petitioners entered into an agreement on May 2, 1973 which in clear and categorical terms establishes respondent as a tenant, to wit:

AGREEMENT

"This agreement entered ink) by and between Manuel Guerrero hereinafter referred to as the landowner and Apolinario Benitez hereinafter referred lo as tenant."

xxx xxx xxx

"1) Violation or failure of the tenant to comply with any of the terms and conditions of the tenancy contract or any of the provisions of the Agricultural Tenancy Act;

"2) The tenant's failure to pay the agreed rental or to deliver the landholder's share unless the tenant's failure is caused by a fortuitous event or force majeure;

"3) Use by the tenant of the land for purposes other than that specified by the agreement of the parties;

"4) Failure of the tenant to follow proven farm practices;

"5) Serious injury to the land caused by the negligence of the tenant;

"6) Conviction by a competent court of a tenant or any member of his immediate family or farm household of a crime against the landholder or a member of his immediate family." (Section 50, Rep. Act 1199).

None of the above causes exists in the case at bar. The respondent has been unlawfully deprived of his right to security of tenure and the Court of Agrarian Reforms did not err in ordering the reinstatement of respondent as tenant and granting him damages therefor.

Before we close this case, it is pertinent to reiterate that the respondent's right as share tenant do not end with the abolition of share tenancy. As the law seeks to "uplift the farmers from poverty, ignorance and stagnation to make them dignified, self-reliant, strong and responsible citizens x x x active participants in nation-building", agricultural share tenants are given the right to leasehold tenancy as a first step towards the ultimate status of owner-cultivator, a goal sought to be achieved by the government program of land reform.

It is true that leasehold tenancy for coconut lands and sugar lands has not yet been implemented. The policy makers of government are still studying the feasibility of its application and the consequences of its implementation. Legislation still has to be enacted. Nonetheless, wherever it may be implemented, the eventual goal of having strong and independent farmers working on lands which they own remains. The petitioners' arguments which would use the enactment of the Agrarian Reform Code as the basis for setting back or eliminating the tenant rights of the tenant have no merit.

The petitioners, however, contend that the word "tenant" in the aforequoted agreement was used to mean a hired laborer or farm employee as understood and agreed upon by the parties.

The fact that their relationship would be guided by the provisions of Republic Act 1199 or the Agricultural Tenancy Act of the Philippines militates against such an assertion. It would be an absurdity for Republic Act 1199 to govern an employer-employee relationship. If as the petitioners insist a meaning other than its general acceptation had been given the word "tenant", the instrument should have so stated. Aided by a lawyer, the petitioners, nor the respondent could not be said to have misconstrued the same. In clear and categorical terms, the private respondent appears to be nothing else but a tenant.

Finally, comes the admission by the petitioners' counsel of the respondent's status as tenant:

"ATTY. ESTEBAN:

Q You said you are living at Sun Joaquin, who cause the sowing of (the lumber you made as annex in the house?

"ATTY. NALUNDASAN:

"Please remember that under the law, tenant is given the right to live in the holding in question. We admit him as tenant.

xxx xxx xxx

(Apolinario Benitez on Redirect. TSN, June 25, 1974, pp. 49-50).

The respondent's status as agricultural tenant should be without question.

Once a tenancy relationship is established, the tenant has the right to continue working until such relationship is extinguished according to law.

The Agricultural Tenancy Act of 1954 (Republic Act 1 199), the Agricultural Land Reform Code of 1963 (Republic Act 3844), the Code of Agrarian Reforms (Republic Act 6389) and Presidential Decree 1038 (Strengthening the Security of Tenure of Tenant Tillers in Non-Rice/Corn Producing Agricultural Lands) all provide for the security o' tenure of agricultural tenants. Ejectment may be effected only for causes provided by law, to wit:

WHEREFORE, the petition is DISMISSED for lack of merit. The decision of the appellate court is AFFIRMED. No costs.

SO ORDERED.

Fernan, Alampay, Paras, and Cruz** JJ., concur.

Feria, J., took no part.

** Cruz, J., was designated to sit in the Second Division under Special Order No. 10 dated April 23, 1986.

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