

BENJAMIN CELESTIAL, ET AL., PETITIONERS, VS. THE SOUTHERN MINDANAO EXPERIMENTAL STATION, ET AL., RESPONDENTS.*G. R. No. 12950. December 09, 1959*

Ponente: MONTEMAYOR, J.

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This is a petition by Benjamin Celestial and 175 others for review of the decision of the Auditor General, dated September 9, 1957, denying their claim for differential pay under the Minimum Wage Law.

The record discloses that petitioners are employees and/or workers of the Southern Mindanao Experimental Station, later referred to as Experimental Station, Bureau of Plant Industry in Davao City, and that since 1952, they had been paid each a daily wage of P2.50; that some time in March 1957, petitioners filed with the Auditor General's Office their claims for differential pay, alleging among other things that they were entitled to the minimum wage of P4.00 a day, instead of P2.50, which was actually paid them by the Experimental Station; and that as already stated, on September 9, 1957, the Auditor General rendered a decision, holding that petitioners were not entitled to the minimum daily wage of P4.00, but only to P2.50.

The resolution of this case depends upon the interpretation and application of Section 3(a), (b) and (c) of the Minimum Wage Law, which we reproduce below for purposes of ready reference:

"SEC. 3. Minimum wage.— (a) Every employer shall pay to each of his employees who is employed by an enterprise other than in agriculture wages at the rate of not less than—

(1) * * *

(2) Three pesos a day on the effective date of this Act and for one year after the effective date, and thereafter P4.00 a day, for employees of establishments located outside of Manila or its environs: * * *.

(b) Every employer who operates a farm enterprise comprising more than 12 hectares shall pay each of his employees who is engaged in agriculture, wages at the rate of not less than—

(1) * * * * *;

(2) * * * * *;

(3) One year thereafter, P2.50 a day and no allowances for board and lodging shall reduce this wage below P2.25 in cash.

(c) Effective on the first of July, nineteen hundred and fifty-two, the minimum wage rates for employees in the Government service shall be those provided in subsections (a) and (b) of this section * * *."

From the legal provisions above-reproduced, it will readily be seen that in order that an employee or laborer may be paid the minimum wage of P2.50 a day, he must be employed by an enterprise (in this case, the Southern Mindanao Experimental Station) engaged in agriculture; that said employer operates a farm comprising more than 12 hectares; and that the employee or laborer is engaged in agriculture. The second condition is satisfied because the Experimental Station is operating a farm comprising 960 hectares. The next question to be decided is whether

or not said Experimental Station is engaged in agriculture. To determine this, we have to go back to the functions of the Bureau of Plant Industry (Section 1753, Revised Administrative Code) of which the Experimental Station is an agency or adjunct, said Experimental Station being provided for in Section 1754 of the same Revised Administrative Code. Said two sections are reproduced below for ready reference:

"SEC. 1753. Functions of Bureau of Plant Industry.—It shall be the function of said Bureau to collect and disseminate useful information pertaining to agriculture in the Philippines, to encourage the use of improved agricultural methods; and, in general, to promote the development of the agricultural resources of the Philippines, as follows:

- (a) By the introduction of new domesticated animals, and the improvement of the breeds of domesticated animals now found in the Philippines;
- (b) By the control and eradication of diseases of live stock;
- (c) By the investigation of soil and climate conditions, and the methods of producing and handling agricultural products;
- (d) By the introduction, production, and distribution of improved seeds and plants;
- (e) By the control and eradication of diseases, insects, and other pests injurious to cultivated plants;
- (f) By the operation of a system of demonstration and agricultural extension work;
- (g) By the collection of agricultural statistics; and
- (h) By the publication and distribution of bulletins, circulars, and other printed matter."

"Sec. 1754. Experiment stations, farms, and stations for agricultural instruction.—In such places in the Philippines as may be considered suitable for the purpose, the Director of Plant Industry, with the approval of the Head of the Department, shall, as funds shall be available therefore, establish, equip, maintain, and operate experiment stations, farms, stock farms, and stations for practical agricultural instruction.

"(In the Bureau of Agriculture is also vested the supervision and control of American agricultural colonies)."

On the basis of the legal provisions above-reproduced, we are of the opinion that both the Bureau of Plant Industry and Experimental Station, particularly the latter, are engaged in agriculture or are dedicated to agricultural functions, specially when we take into consideration the definition of agriculture in Section 2 of the Minimum Wage Law itself, Republic Act No. 602, which is as follows:

" 'Agriculture' includes farming in all its branches and among other things include the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities, the raising of livestock or poultry, and any practices performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, but does not include the manufacturing or processing of sugar, coconuts, abaca, tobacco, pineapples or other farm products."

And it is a matter of public knowledge that experimental stations maintained by the Bureau of Plant Industry, specially when done on a big scale like the Southern Mindanao Experimental Station that operates a farm comprising 960 hectares, through its employees and laborers, actually till the soil, introduce and plant seeds of the best crop varieties found by it after study and experiment, raise said crops in the best approved methods of cultivation, including the spacing of each plant or seedling and the amount of water needed through irrigation, weeding, etc., and the proper harvesting of the crop, including the timing and method, all for the instruction and benefit of Philippine farmers, and to foster, agriculture in the country. Included in this cultivation is the discovery of plant pests and their eradication by means of treatment with the proper insecticides. Thereafter, from the harvest are extracted the seeds which are called certified seeds, for sale and distribution to farmers. There can be no question that all these acts and functions fall within the definition of agriculture provided in the Minimum Wage Law and, consequently, are agricultural as distinguished from non-agricultural functions. It follows that the laborers and farm workers who actually carry out and perform these functions are also engaged in agriculture. It is

possible that not all the laborers and employees in the Experimental Station are actually engaged in preparing the land for planting, such as plowing, tilling, and planting the seeds or seedlings, in weeding the farm, in treating plant diseases and harvesting crops. Some employees may be engaged in office work, such as, clerks, supervisors, maintenance workers, etc. But inasmuch as they are all employed by the Experimental Station, which is a farm enterprise, and their work is incidental to agriculture, they may also be considered as agricultural workers and employees. Interpretative Bulletin No. 14, issued by the United States Wage Administration Service, implementing the provisions of the Fair Labor Standards Act of the United States of 1938, from which our Minimum Wage Law was copied (Morave: Minimum Wage Law, p. 279), under the title "Office Workers, Etc.," says:

"Office Workers, Etc.

"12. We have received inquiries concerning office help—secretaries, clerks, bookkeepers, etc., night watchmen, maintenance workers, engineers, etc., who are employed by a farmer or a farm in connection with the activities described in the definition of 'agriculture' contained in section 3 (/). In our opinion such employees are exempt." (Teller: Labor Disputes and Collective Bargaining, Vol. II, p. 1209)

The above-reproduced portion of the bulletin, applied in this jurisdiction, means that the employees mentioned therein are not governed by our Minimum Wage Law, as regards the minimum wage of P4.00 a day for non-agricultural workers; consequently, they may receive only the minimum wage of P2.50 a day, prescribed for workers engaged in agriculture.

But petitioners contend that the Bureau of Plant Industry and the Experimental Station could not be engaged in agriculture for the reason that their farm enterprise is not for profit. In answer to this contention, it is enough to say that Minimum Wage Law in defining agriculture, does not prescribe the condition that the person or entity is engaged in it for purposes of profit. We can well imagine a person interested in research and scientific agriculture who proceeds to cultivate a little farm of, say, one or two hectares, to put into practice the results of his research, introducing in the cultivation the most modern methods, the most suitable fertilizers, etc., so that a hectare so cultivated can produce, say, from 250 to 300 cavans of palay and incidentally to compete for a prize or a medal offered by the Government or any of its agencies. The fact that he does not cultivate the farm for purposes of profit, but rather in the interest of science and to prove his scientific and agricultural theories, and incidentally enter the contest for a prize, does not make him less agriculturist and his activities as agriculture.

Incidentally, it may be stated that the Secretary of Justice in an opinion rendered in connection with the different activities of the Davao Regional Fiber Station, holds that the laborers and employees of said fiber experimental station are not entitled to the minimum wage of P4.00.

In view of the foregoing, the decision appealed from is hereby affirmed. No costs.

Paras, C. J., Bengzon, Padilla, Bautista Angelo, Labrador, Reyes, J. B. L., Endencia, Barrera, and Gutierrez David, JJ., concur.

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