SONNY B. MANUEL, PETITIONER, VS. DEPARTMENT OF AGRARIAN REFORM ADJUDICATION BOARD (DARAB) AND PEDRO TEJADA, RESPONDENTS.

G.R. NO. 149095. July 24, 2007

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

By way of Petition for Review on Certiorari under Rule 45 of the Rules of Court, Sonny B. Manuel (petitioner) assails the May 31, 2000 Decision[1] of the Court of Appeals (CA) in CA-G.R. SP No. 55059, affirming the June 29, 1998 Decision[2] of the Department of Agrarian Reform Adjudication Board (DARAB); and CA Resolution[3] dated July 9, 2001, denying his Motion for Reconsideration.

The facts are of record.

The estate of Juan C. Cojuangco at Bakal 1, Talavera, Nueva Ecija (Cojuangco estate) was placed under Operation Land Transfer pursuant to Presidential Decree (P.D.) No. 27.[4] A portion thereof was awarded to Pedro Tejada (Tejada) on December 10, 1987 as shown by Emancipation Patent (EP) No. 22205,[5] with Serial No. 116447, issued in his name. EP No. 22205 was registered with the Register of Deeds, Province of Nueva Ecija, on March 24, 1988.[6]

On May 28, 1996, petitioner filed with the Provincial Agrarian Reform Adjudication Board (PARAB), Nueva Ecija, a Petition[7] praying that the Municipal Agrarian Reform Officer (MARO) of Talavera, Nueva Ecija and the Register of Deeds of Nueva Ecija be directed to cancel EP No. 22205 issued in the name of Tejada and to generate and register a new emancipation patent in his name. In support of his application for issuance of emancipation patent, petitioner attached the following documents:

> - A duly notarized December 15, 1987 "Affidavit of Voluntary Surrender (Sinumpaang Salaysay)"[8] executed by Tejada and witnessed by his wife and children, stating that, on account of his having found gainful employment elsewhere, he is surrendering the subject property earlier awarded to him;
>
> - Samahang Nayon (SN) Resolution No. 12, series of 1987,[9] certifying that petitioner is a qualified member and recommending to Department of Agrarian Reform (DAR) that the latter be designated beneficiary of the subject property in lieu of Tejada;
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> - A "Sinumpaang Salaysay ng Pagtanggap"[10] executed by petitioner, accepting the duties and obligations of an agrarian reform beneficiary;
>
> - A Certification dated March 8, 1996 issued by the Land Bank of the Philippines stating that "x x x Pedro Tejada paid by Sonny Manuel/Maximo Aroso x x x has on various dates x x x tendered the total value of P29,522.45 in full payment x x x equivalent to not less than two annual amortizations together with interest of six per centum per annum xxx";[11] and
>
> - An undated Report and Recommendation of MARO Jovencio Lacamento, which partly reads:

> Per investigation survey the information gathered Sonny Manuel had been in cultivation and possession of the subject landholding since 1987 up to present. Since then, Sonny Manuel has been paying all obligations involving the subject landholding i.e., amortization payment; land tax amortization; irrigation fee and other obligations.
>
> x x x x
>
> INVESTIGATION FINDINGS/ACTION TAKEN: (INDICATE NAME AND QUALIFICATIONS OF ALLOCATEE RECOMMENDED BY MARO. SPECIFY REASONS FOR ACTION TAKEN AND RECOMMENDATIONS) x x x
>
> Qualified FB - Sonny Manuel
>
> Reasons: 1. actual tiller 2. religiously paying obligations involving the subject landholding 3. member of a cooperative 4. presently occupying the subject property[12]

Tejada opposed the petition, claiming that he merely mortgaged the subject property to petitioner for a loan of P50,000.00[13] but did not execute the "Affidavit of Voluntary Surrender (Sinumpaang Salaysay)" or participate in the proceedings of the SN leading to the issuance of Resolution No. 12.

PARAB rendered a Decision on November 11, 1996, the dispositive portion of which reads:

> WHEREFORE, in view of the foregoing considerations, judgment is hereby rendered as follows:
>
> - Ordering the Municipal Agrarian Reform Officer (MARO) of Talavera, Nueva Ecija and/or the Provincial Agrarian Reform Officer (PARO) of DAR North, Nueva Ecija to cancel TCT EP No. 22205 issued to respondent Pedro Tejada and generate a new Emancipation Patent in the name of petitioner Sonny Manuel; and
>
> - Ordering the Register of Deeds of Nueva Ecija to cancel TCT EP No. 22205 issued in the name of respondent Pedro Tejada and register the new Emancipation Patent thus generated by the DAR in the name of Sonny Manuel.
>
> SO ORDERED.[14]

On appeal by Tejada, the DARAB issued on June 29, 1998 a Decision affirming the cancellation of EP No. 22205 but, at the same, denying petitioner's application for emancipation patent, thus:

> However, the Board notes that Petitioner is a government engineer working somewhere else. How can he give meaning to the Philosophy behind the issuance of Presidential Decree No. 27 which is to award lands to the actual tiller or to a qualified farmer who will cultivate the land himself?
>
> WHEREFORE, premises considered, the decision appealed from dated November 11, 1996 is affirmed in the sense that Emancipation [sic] No. 22205 previously awarded to Respondent-Appellant should be cancelled but disqualifying Petitioner-Appellee as the new allocatee of subject landholding. The Provincial Agrarian Reform Officer of the Province of Nueva Ecija, through the Samahang Nayon concerned (if one exists) shall award the subject landholding to a qualified farmer beneficiary.
>
> SO ORDERED.[15]

The DARAB also denied petitioner's Motion for Reconsideration in its September 2, 1999 Resolution.[16]

Petitioner filed a Petition for Review[17] with the CA but to no avail for, in the May 31, 2000 Decision assailed herein, the CA affirmed in toto the DARAB Decision, adding that petitioner's employment as a Municipal Engineer and his having established residence in a municipality different from where the subject property is located constitute abandonment.[18] Petitioner's Motion for Reconsideration was also denied in CA Resolution

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dated July 9, 2001.

The cancellation of EP No. 22205 is already final for Tejada did not appeal from the CA decision.

In the present recourse, petitioner impugns the ruling of the CA on this sole question of law: Whether, incidental to the exercise of its original jurisdiction to resolve an application for emancipation patent, the DARAB may inquire into and reverse the finding of DAR on the status of the applicant as an agrarian reform beneficiary.

We grant the petition.

Section 50 of Republic Act (R.A.) No. 6657,[19] reiterating Section 17,[20] Chapter IV of Executive Order (E.O.) No. 229,[21] vested in DAR both quasi-judicial authority to adjudicate agrarian reform issues and administrative prerogative to determine matters involving implementation of agrarian laws, viz.:

> Section 50. Quasi-Judicial Powers of the DAR. - The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform, except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR).
>
> x x x x (Emphasis ours)

Previously, however, E.O. No. 129-A[22] created the DARAB and authorized it to exercise said quasi-judicial powers,[23] to wit:

> Section 13. Agrarian Reform Adjudication Board - There is hereby created an Agrarian Reform Adjudication Board under the Office of the Secretary. The Board shall be composed of the Secretary as Chairman, two (2) Undersecretaries as may be designated by the Secretary, the Assistant Secretary for Legal Affairs and (3) others to be appointed by the President, upon the recommendation of the Secretary, as members. A Secretariat shall be constituted to support the Board. The Board shall assume the powers and functions with respect to the adjudication of agrarian reform cases under Executive Order No. 229 and this Executive Order. These powers and functions may be delegated to the regional offices of the Department in accordance with rules and regulations to be promulgated by the Board. (Emphasis ours)

while it geared DAR primarily toward implementation of agrarian laws, thus:

> Section 5. Powers and Functions. Pursuant to the mandate of the Department, and in order to ensure the successful implementation of the Comprehensive Agrarian Reform Program, the Department is hereby authorized to: x x x b) Implement all agrarian laws, and for this purpose, punish for contempt and issue subpoena, subpoena duces tecum, writs of execution of its decisions, and other legal processes to ensure successful and expeditious program implementation; the decisions of the Department may in proper cases, be appealed to the Regional Trial Courts but shall be immediately executory notwithstanding such appeal; x x x e) Acquire, administer, distribute, and develop agricultural lands for agrarian reform purposes; x x x.

Inherent in the power of DAR to undertake land distribution for agrarian reform purposes is its authority to identify qualified agrarian reform beneficiaries.[24] Corollary to it is also the authority of DAR to select a substitute to a previously designated beneficiary who may have surrendered or abandoned his claim, and to reallocate the land awarded to the latter in favor of the former. For this purpose, DAR is governed by the requirements and procedure set forth in DAR Memorandum Circular (MC) No. 4,[25] series of 1983, in relation to Ministry of Agrarian Reform Circular No. 8-80, specifically: 1) that the waiver/surrender be made in favor of the government such as through the SN;[26] 2) that the SN recommend other qualified beneficiaries;[27] and 3) that, based on an investigation or hearing, an order or decision be rendered declaring the disqualification and removal of the abandoning/surrendering beneficiary.[28] Under paragraph V of MC No. 4, such selection/reallocation order issued by DAR becomes final and executory upon the lapse of 30 days from receipt

thereof by the beneficiaries and/or parties-in-interest.

In Department of Agrarian Reform v. Department of Education, Culture and Sports,[29] we held that the administrative prerogative of DAR to identify and select agrarian reform beneficiaries holds sway upon the courts:

> In the case at bar, the BARC certified that herein farmers were potential CARP beneficiaries of the subject properties. Further, on November 23, 1994, the Secretary of Agrarian Reform through the Municipal Agrarian Reform Office (MARO) issued a Notice of Coverage placing the subject properties under CARP. Since the identification and selection of CARP beneficiaries are matters involving strictly the administrative implementation of the CARP, it behooves the courts to exercise great caution in substituting its own determination of the issue, unless there is grave abuse of discretion committed by the administrative agency. (Emphasis ours)[30]

It should also be equally binding on the DARAB for the simple reason that the latter has no appellate jurisdiction over the former:[31] the DARAB cannot review much less reverse the administrative findings of DAR.[32] Instead, the DARAB would do well to defer to DAR expertise when it comes to the identification and selection of beneficiaries,[33] as it did in Lercana v. Jalandoni[34] where we noted with approval that, in the dispositive portion of its decision, the DARAB left to the concerned DAR Offices the determination of who are or should be agrarian reform beneficiaries. In fact, this course of action available to the DARAB is now embodied in Rule II of its 2003 Rules of Procedure, thus:

> Section 5. Referral to Office of the Secretary (OSEC).- In the event that a case filed before the Adjudicator shall necessitate the determination of a prejudicial issue involving an agrarian law implementation case, the Adjudicator shall suspend the case and, for purposes of expediency, refer the same to the Office of the Secretary or his authorized representative in the locality x x x.

This brings us to the scope of the quasi-judicial powers of the DARAB as defined in its rules, the most relevant to the instant case being its 1994 New Rules of Procedure which states:[35]

> Section 1. Primary and Exclusive Original and Appellate Jurisdiction -The Board shall have 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 Republic Act No. 6657, Executive Order Nos. 228 and 129-A, Republic Act No. 3844 as amended by Republic Act 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:
>
> x x x x
>
> f) Those involving the issuance, correction and cancellation of Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) which are registered with the Land Registration Authority;
>
> g) Those cases previously falling under the original and exclusive jurisdiction of the defunct Court of Agrarian Relations under Section 12 of Presidential Decree No. 946, except sub-paragraph (q) thereof and Presidential Decree No. 815.
>
> x x x x. (Emphasis ours)

In the adjudication of cases under Section 1(f), the DARAB is governed by these requirements and procedures: a) that the applicant be a full-fledged member in a duly recognized farmers' cooperative; and b) that he has paid in full just compensation for the land.[36] Whereas, in the adjudication of cases under Section 1(g), the DARAB is subject to the provisions of DAR Administrative Order No. 2,[37] series of 1994, paragraph IV of which specifies the following grounds for cancellation of emancipation patents:

> IV. Policy Statements
>
> x x x x
>
> B. Grounds for the cancellation of registered EPs or CLOAs may include but not be limited to the following:
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> x x x x
>
> 3) Material misrepresentation of the ARB's* basic qualifications as provided under Section 22 of R.A. No. 6657, P.D. No. 27, and other agrarian laws x x x.

All considered, we rule that, in proceedings for issuance of registered emancipation patents to an applicant who has been appointed substitute beneficiary by DAR, the authority of the DARAB is limited to the examination of the applicant's full-fledged membership in a recognized farmers' cooperative, as evidenced by a certification to that effect issued by the SN and a final reallocation order issued by DAR in accordance with MC No. 4. In said proceedings, the DARAB cannot review, much less overturn, the administrative assessment made by DAR on the qualifications of said applicant to be an agrarian reform beneficiary. However, if the proceeding instituted is for cancellation of a registered emancipation patent, then the DARAB has the authority to inquire into the qualifications of the holder of the emancipation patent to determine whether the latter committed misrepresentation as to his basic qualifications, which is one of the grounds for cancellation of his emancipation patent.

Set against the foregoing discussion, it is clear that the DARAB and the CA went overboard when they reversed the administrative finding of DAR on the qualifications of petitioner. As the proceeding filed before the DARAB involved merely an application for issuance of emancipation patent, it should have limited its adjudication to these questions: a) whether petitioner has been appointed a substitute beneficiary by virtue of a final reallocation order issued by DAR; b) whether he is a full-fledged member of the SN; and c) whether he has paid in full the amount of just compensation. As borne out by the records, Manuel was able to present the Report and Recommendation of MARO Lacamento and SN Resolution No. 12, which are more than substantial evidence of his status as an identified agrarian reform beneficiary and a potential applicant for issuance of emancipation patent.

Moreover, even if we assume that DARAB was competent to review the administrative determination of the DAR, its (DARAB's) finding that petitioner is not a qualified agrarian reform beneficiary by reason of abandonment is purely speculative.

Under Paragraph I of MC No. 4, any of the following conditions shall constitute abandonment:

- Abandonment

Farm lots shall be considered abandoned under any of the following grounds:

> - Failure to cultivate the lot due to reasons other than the non-suitability of the land to agricultural purposes, for at least two (2) calendar years and to pay the amortizations for the same period.
>
> - Permanent transfer of residence by the beneficiary and his family which has rendered him incapable of cultivating the lot.
>
> - Relinquishment of possession of the lot for at least two (2) calendar years and to pay amortization for the same period.

Hence, mere employment or transfer of residence does not amount to abandonment unless it is coupled with failure on the part of an agrarian reform beneficiary and his family to cultivate the lot for at least two years. The DARAB and the CA did not point to any evidence that petitioner and his family had stopped cultivating the

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subject property. Instead, petitioner is adamant that, although he has been employed as a Municipal Engineer since 1992 and his family has taken up residence in Muñoz, Nueva Ecija, which is more or less five kilometers away from the subject property, such factors have not prevented him and his immediate farm household from regularly and personally cultivating the land, performing farming chores thereon, and making it productive[38]

No one more than petitioner and his hardworking family deserve the full benefit of our agrarian laws. His application for emancipation patent should therefore be granted, subject to all concomitant conditions and obligations.

WHEREFORE, the petition is GRANTED. The May 31, 2000 Decision and July 9, 2001 Resolution of the Court of Appeals, as well as the June 29, 1998 Decision of the Department of Agrarian Reform Adjudication Board, are REVERSED and SET ASIDE, and the November 11, 1996 Decision of the Provincial Adjudication Board is REINSTATED.

No costs.

SO ORDERED.

Ynares-Santiago, (Chairperson), Chico-Nazario and Nachura, JJ., concur.

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[1] Penned by Associate Justice Remedios A. Salazar-Fernando with the concurrence of Associate Justices Fermin A. Martin, Jr. and Salvador A. Valdez, Jr.; rollo, p. 34.

[2] CA rollo, p. 36.

[3] Rollo, p. 44.

[4] Decreeing the Emancipation of Tenants from the Bondage of the Soil, Transferring to Them the Ownership of the Land They Till and Providing the Instruments and Mechanisms Therefor; effective October 21, 1972.

[5] Annex "A", Records, p. 10.

[6] Id.

[7] Petition, id. at 14.

[8] Annex "B", id. at 9.

[9] Annex "C", id. at 7.

[10] Annex "D", id. at 6.

[11] Annex "E", id. at 6-1.

[12] Annex "F", id. at 5.

[13] Id. at 31-32.

[14] CA rollo, pp. 33-34.

[15] Id. at 42-43.

[16] Id. at 47.

[17] Id. at 8.

[18] Rollo, p. 40.

[19] Comprehensive Agrarian Reform Law, effective June 15, 1988.

[20] Section 17. Quasi-Judicial Powers of the DAR - The DAR is hereby vested with quasi-judicial powers to determine and adjudicate agrarian reform matters, and shall have exclusive original jurisdiction over all matters involving implementation of agrarian reform, except those falling under the exclusive original jurisdiction of the DENR and the Department of Agriculture (DA).

The DAR shall have powers to punish for contempt and to issue subpoena duces tecum and writs to enforce its order or decisions.

The decisions of the DAR may, in proper cases, be appealed to the Regional Trial Courts but shall be immediately executory notwithstanding such appeal.

[21] Providing the Mechanism for the Implementation of the Comprehensive Agrarian Reform Program, approved July 22, 1987.

[22] Modifying Executive Order No. 129 Reorganizing and Strengthening the Department of Agrarian Reform and For Other Purposes, approved on July 26, 1987; declared constitutional in Association of Small Landowners in the Philippines, Inc. v. Secretary of Agrarian Reform, G.R. No. 78742, July 14, 1989, 175 SCRA 343, 380.

[23] Heirs of Julian dela Cruz v. Heirs of Alberto Cruz, G.R. No. 162890, November 22, 2005, 475 SCRA 743, 758; Islanders CARP-Farmers Beneficiaries Multi-Purpose Cooperative, Inc. v. Lapanday Agricultural and Development Corp., G.R. No. 159089, May 3, 2006, 489 SCRA 85-86.

[24] Musa v. Amor, 430 Phil. 128, 136 (2002), citing Administrative Order No. 10, series of 1989; Section 12(b) of P.D. No. 946 (Reorganizing the Courts of Agrarian Relations, Streamlining their Procedures, and for Other Purposes) but it has since been superseded by E.O. No. 129-A; Paragraph 5 of P.D. No. 27; Section 15 and Section 22, R.A. No. 665; and Section 5, E.O. No. 229. On August 30, 2000, DAR approved Administrative Order No. 06-00: Rules of Procedure for Agrarian Law Implementation (ALI) Cases, which partly reads:

Section 2. Cases Covered. – These Rules shall govern cases falling within the exclusive jurisdiction of the DAR Secretary which shall include the following: x x x (b) Identification, qualification or disqualification of potential farmer-beneficiaries x x x.

The DARAB 2003 Rules of Procedure, approved only on January 17, 2003, embodies the same provision.

[25] Supplemental Guidelines to Govern Transfer Action of Areas Covered by P.D. No. 27 by Reason of Abandonment, Waiver of Rights and Illegal Transactions.

[26] Corpuz v. Grospe, G.R. No. 135297, June 13, 2000, 333 SCRA 425, 439, citing Ministry of Agrarian Reform Circular No. 8-80. See also Estolas v. Mabalot, 431 Phil. 462, 471 (2002).

[27] Toralba v. Mercado, G.R. No. 146480, July 14, 2004, 434 SCRA 433, 440, citing DAR Memorandum Circular 4, Series of 1983.

[28] Id.

[29] G.R. No. 158228, March 23, 2004, 426 SCRA 217.

[30] Id. at 224-225.

[31] Heirs of Julian dela Cruz v. Heirs of Alberto Cruz, supra note 23, at 760. See also Sta. Rosa Realty

Development Corporation v. Amante, G.R. No. 112526, March 16, 2005, 453 SCRA 432, 473. See also Musa v. Amor, supra note 24; Hermoso v. C.L. Realty Corporation, G.R. No. 140319, May 5, 2006, 489 SCRA 556, 562.

[32] Section 1, Rule II of the 1994 DARAB Rules of Procedure recognized the "exclusive prerogative" of DAR over cases involving agrarian law implementation. The DARAB 2003 Rules of Procedure is even more explicit for it provides under Section 3, Rule II that "x x x the Adjudicator or the Board shall have no jurisdiction over matters involving the administrative implementation of R.A. No. 6657 x x x and other agrarian laws x x x."

[33] Id.

[34] G.R. No. 132286, February 1, 2002, 375 SCRA 604, 612.

[35] Approved May 30, 1994; it has since been modified/repealed by the DARAB 2003 Rules of Procedure.

[36] Coruña v. Cinamin, G.R. No. 154286, February 28, 2006, 483 SCRA 507, 520-521; Association of Small Landowners in the Philippines, Inc. v. Secretary of Agrarian Reform, supra note 22, at 391; Pagtalunan v. Tamayo, G.R. No. 54281, March 19, 1990, 183 SCRA 252, 258-259, citing P.D. No. 27, P.D. No. 266, E.O. No. 228 and R.A. No. 6657.

[37] Rules Governing the Correction and Cancellation of Registered/Unregistered Emancipation Patents (EPs), and Certificate of Land Ownership Award (CLOAs) Due to Unlawful Acts and Omissions or Breach of Obligations of Agrarian Reform Beneficiaries (ARBs) and for other causes.

[*] Agrarian reform beneficiary.

[38] Petition, rollo, pp. 22-23.

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