

CELSO VERDE, Petitioner, vs. VICTOR E. MACAPAGAL, AIDA MACAPAGAL, RECTOR E. MACAPAGAL, HECTOR MACAPAGAL, FLORIDA M. GUIRIBA, REDENTOR E. MACAPAGAL, NESTOR E. MACAPAGAL and ZENAI...

G.R. No. 151342. March 04, 2008

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

Before the Court is respondents' Motion for Reconsideration of our Decision dated 23 June 2005, which reversed and set aside the findings of the Court of Appeals and in effect dismissed their complaint for ejectment against petitioner.

We briefly revisit the facts:

Respondents are the pro-indiviso owners of 2.5 hectares of land located in Palapala, San Ildefonso, Bulacan, which they inherited from their parents Vicente F. Macapagal and Irene R. Estrella. Petitioner is the leasehold tenant of the disputed land having succeeded his father, Francisco Verde, in the tenancy thereof.

On 14 July 1995, respondents filed an ejectment case against petitioner before the Provincial Agrarian Reform Adjudication Board in Malolos, Bulacan. They alleged that sometime in 1993 and unbeknownst to them, petitioner mortgaged the subject land to a certain Aurelio dela Cruz upon the condition that the latter would be the one to work on one-half portion of said property. Petitioner purportedly admitted that he mortgaged the subject land and begged for forgiveness from respondents. Petitioner also vowed not to mortgage the property again. However, respondents learned that dela Cruz was still the one who farmed the subject land in 1994. Thus, respondents argued that petitioner's act of mortgaging the property to dela Cruz constituted abandonment which is a ground for termination of agricultural leasehold relation under Section 8 of Republic Act No. 3844, as amended.

Attached to the Complaint was the joint sworn statement of Albino Sanciango and Monico Cruz who declared that in 1993, dela Cruz was the one who farmed one-half of the subject land by virtue of a contract of mortgage between him and petitioner. Sanciango even went on to state that he witnessed respondents Victor and Rector confront petitioner about the mortgage but dela Cruz continued cultivating the subject land in 1994.

Petitioner filed his Answer denying the material allegations of the Complaint and claimed that he only hired the services of dela Cruz for the latter owned a carabao which he did not have in 1993 and 1994.

In support of his defense, petitioner presented the sworn statement of dela Cruz and the joint sworn statement of Petronilo Sayco and Oscar Cruz. Dela Cruz claimed that in 1993 and 1994, petitioner merely hired his services for he had a carabao which petitioner did not have during those years. Sayco and Cruz maintained that from the time petitioner took over the tenancy of the subject land, he had continuously farmed and possessed said property.

In our Decision now sought to be reconsidered, we reversed and set aside the Court of Appeals' Decision and reinstated the earlier ruling of the Department of Agrarian Reform Adjudication Board. In essence, we ruled that petitioner's act of hiring the services of dela Cruz and that of the latter's carabao did not amount to abandonment for under Section 38 of Republic Act No. 1199,[1] a tenant is required to perform various acts which are not limited only to the plowing and harrowing of the land, to wit:

- The preparation of the seedbed which shall include plowing, harrowing, and watering of the seedbed, the scattering of the seeds, and the care of the seedlings.
- The plowing, harrowing, and watering of the area he is cultivating, except final harrowing of the field as an item of contribution specified in Section thirty-two of this Act.
- The maintenance, repair and weeding of dikes, paddies, and irrigation canals in his holdings.
- The pulling and bundling of the seedlings preparatory to their transplanting.
- Care of the growing plants.
- Gathering and bundling of the reaped harvest.
- The piling of the bundles into small stacks.
- The preparation of the place where the harvest is to be stacked.
- Gathering of the small stacks and their transportation to the place where they are to be stacked.
- Piling into a big stack preparatory to threshing.

Thus, we ruled that a tenant or an agricultural lessee may employ farm laborers to perform some phases of farm work provided that he does not leave the entire process of cultivation in the hands of hired helpers.

In addition, we noted that even Section 27(2) of Republic Act No. 3844 allows an agricultural lessee, in case of illness or temporary incapacity, to avail himself of the services of laborers and we ruled that petitioner's lack of means to own a carabao during the agricultural years in question constitutes incapacity justifying the employment of dela Cruz.

The respondents' present Motion for Reconsideration is anchored on the following grounds:

I

THE HONORABLE COURT ERRED IN GIVING WEIGHT TO THE AFFIDAVIT OF AURELIO DELA CRUZ WHO DID NOT EVEN APPEAR DURING THE ENTIRE PROCEEDING BELOW AND WHO, DESPITE SUFFICIENT NOTICE AND OPPORTUNITY ON THE PART OF PETITIONER, WAS THUS NOT PRESENTED THEREIN TO AUTHENTICATE SAID AFFIDAVIT.

II

THE HONORABLE COURT ERRED IN NOT GIVING PROBATIVE VALUE TO THE AFFIDAVITS OF RESPONDENTS' WITNESSES ALBINO SANCIANGCO, MONICO CRUZ, CONRADO VIOLAGO AND OLEGARIO FLORES.

III

THUS, THE HONORABLE COURT ERRED IN FINDING ON THE BASIS OF AURELIO DELA CRUZ'S AFFIDAVIT, THAT PETITIONER DID NOT RELINQUISH THE CULTIVATION OF THE SUBJECT FARMHOLDING TO AURELIO DELA CRUZ AS THE LATTER WAS MERELY HIRED TO DO ONE PHASE OF THE FARM LABOR, THAT IS, THE USE OF DELA CRUZ'S CARABAO.

IV

HENCE, THE HONORABLE COURT ERRED IN RULING THAT THE PETITIONER DID NOT RELINQUISH PERSONAL CULTIVATION AND DID NOT ABANDON HIS TENANCY OF THE SUBJECT LANDHOLDING.[2]

On 5 September 2005, we resolved to require petitioner to file his Comment on respondents' Motion for Reconsideration. On 26 October 2005, we received the required Comment.

Respondents' postulations may be summarized into two main points: 1) whether the affidavits of petitioners' witnesses may be relied upon considering that no clarificatory questions were posed on them during the hearings of this case at the provincial adjudicator level; and 2) whether petitioner's act of mortgaging the subject land to dela Cruz amounted to abandonment of the same thereby extinguishing the tenancy relationship between him and respondents.

Anent the first ground, respondents insist that the affidavits of petitioner's witnesses should not have been relied upon because of the failure of said witnesses to appear before the provincial adjudicator (PARAD), thus, the latter as well as respondents were deprived of the opportunity to ascertain the truthfulness of their allegations. They also claim that the positive assertions of their own witnesses should prevail over the bare denial by dela Cruz of the fact that petitioner had mortgaged the subject land to him.

We find this contention to be bereft of merit.

It is already settled that proceedings before the Department of Agrarian Reform are summary in nature and the department is not bound by technical rules of procedure and evidence, to the end that agrarian reform disputes and other issues will be adjudicated in a just, expeditious and inexpensive action or proceeding.[3] Although bound by law and practice to observe due process, administrative agencies exercising quasi-judicial powers are, nonetheless, free from the rigidity of certain procedural requirements. As applied to these proceedings, due process requires only an opportunity to explain one's side.[4]

In this case, there is no question that the parties were able to submit the pleadings, together with supporting affidavits, required of them by the PARAD. This way, they were able to propound their arguments and ventilate their respective positions on the issues affecting this case. That the PARAD ultimately decided in favor of petitioner based on the pleadings and affidavits filed by the parties does not mean that the PARAD failed to observe respondents' right to due process for the latter were given the opportunity to voice their concerns over the tenancy relationship they had with petitioner. The fact that the PARAD failed to ask clarificatory questions to the parties and their witnesses was a mere procedural lapse that did not deprive it of jurisdiction to resolve the complaint filed by respondents. The PARAD was not required to posit clarificatory questions if it finds the pleadings and the evidence adduced before it to be sufficient and satisfactory as to enable it to render judgment. Opportunity was already accorded to the parties to be heard on the pleadings. They were granted an unmistakable opportunity to ventilate their side and to present evidence to support their contentions.

Moreover, the records reveal that after the PARAD rendered its decision on 7 February 1996, respondents filed a motion for reconsideration praying for, among others, a hearing to be called for the purpose of asking clarificatory questions to the parties and their respective witnesses.[5] On 25 June 1996, the PARAD issued an order notifying the parties that a hearing of this case is set on 10 July 1996 "for the purpose of resolving the issue of (respondents') Motion for Reconsideration and to give the parties a chance to have oral arguments." [6]

During the scheduled hearing on 10 July 1996, only respondents and their counsel were present. The PARAD likewise noted petitioner's failure to file his comment on respondents' motion for reconsideration as required in its order of 21 May 1996. This led the PARAD to issue an order submitting for resolution respondents' Motion for Reconsideration. However, on 6 December 1996, the PARAD acceded to respondents' prayer for the chance

to propound clarificatory questions by ordering that another hearing be set on 14 January 1997.[7] Again, only respondents and their counsel appeared before the PARAD on 14 January 1997; thus the PARAD issued an order of even date stating that –

(p)laintiff/counsel did not further manifest except to submit for resolution the pending Motion for Reconsideration. This Body will act accordingly.[8]

It is then quite obvious that respondents had given up on their insistence that the witnesses be questioned before the PARAD as they themselves manifested their consent to the resolution of their Motion for Reconsideration instead of moving for the resetting of the hearing. If for this ground alone, their argument with respect to the failure of PARAD to ask clarificatory questions should be dismissed.

Turning now to the substantive issue raised in this motion for reconsideration, respondents insist that petitioner mortgaged the subject landholding to dela Cruz from 1993 to 1994 and that as consideration for said mortgage, the latter tilled the land during those years. By this, respondents claim, petitioner had relinquished and abandoned the landholding.

We rule in favor of respondents on this point.

The grounds for the termination of leasehold relationship are specified in Sections 8, 28, and 36 of Republic Act No. 3844.[9] These are:

SEC. 8. Extinguishment of Agricultural Leasehold Relation. - The agricultural leasehold relation established under this Code shall be extinguished by:

- (1) Abandonment of the landholding without the knowledge of the agricultural lessor;
- (2) Voluntary surrender of the landholding by the agricultural lessee, written notice of which shall be served three months in advance; or
- (3) Absence of the persons under Section nine to succeed to the lessee, in the event of death or permanent incapacity of the lessee.

x x x x

SEC. 28. Termination of Leasehold by Agricultural Lessee During Agricultural Year.- The agricultural lessee may terminate the leasehold during the agricultural year for any of the following causes:

- (1) Cruel, inhuman or offensive treatment of the agricultural lessee or any member of his immediate farm household by the agricultural lessor or his representative with the knowledge and consent of the lessor;
- (2) Non-compliance on the part of the agricultural lessor with any of the obligations imposed upon him by the provisions of this Code or by his contract with the agricultural lessee;
- (3) Compulsion of the agricultural lessee or any member of his immediate farm household by the agricultural lessor to do any work or render any service not in any way connected with farm work or even without compulsion if no compensation is paid;
- (4) Commission of a crime by the agricultural lessor or his representative against the agricultural lessee or any member of his immediate farm household; or
- (5) Voluntary surrender due to circumstances more advantageous to him and his family.

x x x x

SEC. 36. Possession of Landholding; Exceptions.- Notwithstanding any agreement as to the period or future

surrender, of the land, an agricultural lessee shall continue in the enjoyment and possession of his landholding except when his dispossession has been authorized by the Court in a judgment that is final and executory if after due hearing it is shown that:

(1) The agricultural lessor-owner or a member of his immediate family will personally cultivate the landholding or will convert the landholding, if suitably located, into residential, factory, hospital or school site or other useful non- agricultural purposes: Provided, That the agricultural lessee shall be entitled to disturbance compensation equivalent to five years rental on his landholding in addition to his rights under Sections twenty-five and thirty-four, except when the land owned and leased by the agricultural lessor, is not more than five hectares, in which case instead of disturbance compensation the lessee may be entitled to an advanced notice of at least one agricultural year before ejectment proceedings are filed against him: Provided, further, That should the landholder not cultivate the land himself for three years or fail to substantially carry out such conversion within one year after the dispossession of the tenant, it shall be presumed that he acted in bad faith and the tenant shall have the right to demand possession of the land and recover damages for any loss incurred by him because of said dispossessions;

(2) The agricultural lessee failed to substantially comply with any of the terms and conditions of the contract or any of the provisions of this Code unless his failure is caused by fortuitous event or force majeure;

(3) The agricultural lessee planted crops or used the landholding for a purpose other than what had been previously agreed upon;

(4) The agricultural lessee failed to adopt proven farm practices as determined under paragraph 3 of Section twenty- nine;

(5) The land or other substantial permanent improvement thereon is substantially damaged or destroyed or has unreasonably deteriorated through the fault or negligence of the agricultural lessee;

(6) The agricultural lessee does not pay the lease rental when it falls due; Provided, That if the non-payment of the rental shall be due to crop failure to the extent of seventy-five per centum as a result of a fortuitous event, the non- payment shall not be a ground for dispossession, although the obligation to pay the rental due that particular crop is not thereby extinguished; or

(7) The lessee employed a sub-lessee on his landholding in violation of the terms of paragraph 2 of Section twenty- seven.

In order to sustain a claim of abandonment as alleged by respondents, it is incumbent that they prove the following: (a) a clear and absolute intention to renounce a right or claim or to desert a right or property; and (b) an external act by which that intention is expressed or carried into effect. The intention to abandon implies a departure, with the avowed intent of never returning, resuming or claiming the right and the interest that have been abandoned.[10] What is critical in abandonment is intent which must be shown to be deliberate and clear. Moreover, the intention must be exhibited by a factual failure or refusal to work on the landholding without a valid reason. Essentially, therefore, the act of ceasing from performing labor in the landholding is a manifestation of the intent to abandon, but the intent must also be shown as a separate element as clearly as the failure to work. After taking a second hard look at the records of this case, we find that both requisites exist in the case at bar and that petitioner had indeed abandoned the landholding in question.

We observe that in contrast to the respondents' unwavering stance that petitioner had mortgaged without respondents' knowledge, half of the subject landholding to dela Cruz who worked on the same for the years 1993 and 1994, petitioner's assertion of continuous possession and cultivation of the subject landholding was significantly weakened by the inconsistencies and discrepancies in the pleadings and evidence submitted by petitioner himself.

In his Answer filed before the PARAD, petitioner claimed that dela Cruz was his hired helper for agricultural years 1993 to 1994 particularly since he did not own a carabao during that time. To support his claim of lack of intention to abandon the landholding, petitioner presented the joint affidavit of Sayco and Cruz and the “Pagpapatunay” dated 4 August 1995, issued by Barangay Agrarian Reform Committee (BARC) Chairman Francisco Cruz, which both stated that until the execution of said documents, petitioner was the one farming respondents’ property.

Subsequently, in his Position Paper submitted before the same body, petitioner again depended on said BARC certification.

When the case was brought before the Court of Appeals, petitioner actually admitted that he allowed dela Cruz to possess and cultivate the subject landholding, but argued that his act did not constitute abandonment, to wit –

The act of the [herein petitioner] by allowing Aurelio dela Cruz to possess and cultivate the same does not constitute abandonment by way of mortgage but an act of recognition of his personal loan and as an attribute of a scheme to repay the loan by allowing him to do the farm work for the moment and thereafter the [petitioner] continues to possess and cultivate the same up to now.[11]

The afore-quoted statement constitutes a significant deviation by the petitioner from his previous claim before the PARAD that he only hired the services of dela Cruz to till the subject landholding using the latter’s carabao. Before the Court of Appeals, petitioner acknowledged obtaining a personal loan from dela Cruz and to pay for the borrowed amount, he allowed dela Cruz to possess and cultivate the subject landholding, an arrangement which, it bears to emphasize, considerably corroborates respondents’ allegations, except for the use of the word “mortgage” to describe the same.

The stark inconsistency in the reasons asserted by petitioner for dela Cruz’s possession and cultivation of the landholding is but an apparent and desperate attempt to justify the same. Even without a definite reason for his doing so, petitioner already admitted, and it is thus established, that he surrendered possession and cultivation to dela Cruz of the subject landholding for at least two years, significantly affecting his tenancy relationship with respondents.

For a tenancy relationship to exist, the following requisites must be established: (1) the parties are the landowner and the tenant; (2) the subject is agricultural land; (3) there is consent; (4) the purpose is agricultural production; (5) there is personal cultivation; and (6) there is sharing of harvests. All these factors must concur to establish the juridical relationship of tenancy.[12] Conversely, the absence of any of the requisites negates the existence of a tenancy relationship.

In this case, markedly absent from the petitioner’s pleadings filed before the PARAD was any indication that during the agricultural years 1993 and 1994, he or any member of his immediate household personally cultivated the disputed piece of land, as required by the law. Even at that point, petitioner already failed to refute respondents’ evidence that petitioner ceased from personally cultivating the subject landholding since 1993. Although petitioner counters with the allegation that dela Cruz was merely his hired help, he failed to submit evidence that he himself took part in the cultivation of the property and that dela Cruz’s task was confined to the phase or phases of farm work where the use of the latter’s carabao was necessary.

True, we recognized in our Decision of 23 June 2005 that “a tenant or an agricultural lessee’s hiring of farm laborers on a temporary or occasional basis does not negate the existence of the element of personal cultivation,”[13] but such statement was not intended to repudiate the equally-settled principle that “absent the requisite of personal cultivation, by the alleged tenant, no tenancy relationship can be said to exist between him and the landowner.”[14] While a tenant or an agricultural lessee may employ farm laborers to perform some

phases of farm work, he may not leave the entire process of cultivation in the hands of hired helpers, so as to say that he is still personally cultivating the landholding. While cultivation is not limited to plowing and harrowing of the tenant, he or she is still required to perform some general industry in the caring of plants.[15]

Personal cultivation by the tenant himself or any member of his immediate household thus remains a requisite in a tenancy relationship. We cannot overemphasize that this element was glaringly wanting in this case warranting the conclusion that the tenancy relationship between petitioner and respondents had been severed. And since a tenant maintains possession of the land only through personal cultivation, petitioner's leaving the disputed landholding into the hands of a third party amounts to abandonment and the eventual termination of the tenancy relationship between him and respondents.[16] Persons who do not actually work the land cannot be considered tenants. He who hires others whom he pays for doing the cultivation of the land ceases to hold, and is considered as having abandoned the land within the meaning of Sections 4, 5 and 8 of Republic Act No. 1199.[17]

Abandonment of the landholding is a recognized mode of extinguishing the agricultural tenancy relationship. Once the agricultural tenant abandons the landholding, his tenancy relationship with the landholder comes to an end. It cannot be reinstated simply by the former tenant's demand for or even actual recovery of possession of the landholding, absent the landholder's consent. It should be remembered that consent is an essential element of the tenancy relationship. Moreover, the tenant who willfully abandons the landholding must face the consequences of his action – the termination of the tenancy relationship and the loss of his rights to the landholding – and the landholder's rights must not be held hostage to the possibility of the tenant's change of heart later on. When the tenancy relationship is extinguished by volition of the tenant, he may no longer recover possession of the property in question for such would be repulsive to justice, fairness and equity.[18] Given that the tenancy relationship between petitioner and respondents was already extinguished by petitioner's voluntary abandonment of the subject landholding, petitioner no longer has any right to the possession and cultivation of the same.

WHEREFORE, premises considered the present Motion for Reconsideration is GRANTED. The Decision of the Court of Appeals in CA-G.R. SP. No. 62736 promulgated on 18 December 2001 is hereby REINSTATED.

SO ORDERED.

Puno, CJ., (Chairperson), Austria-Martinez, Tinga, and Nachura,* JJ., concur.

* Justice Antonio Eduardo B. Nachura was designated to sit as additional member replacing retired Justice Romeo J. Callejo, Sr. per Raffle dated November 14, 2007.

[1] This act is known as the "Agricultural Tenancy Act of the Philippines."

[2] Rollo, pp. 205-206.

[3] Quismundo v. Court of Appeals, G.R. No. 95664, 13 September 1991, 201 SCRA 609, 615.

[4] Vinta Maritime Co., Inc. v. National Labor Relations Commission, G.R. No. 113911, 23 January 1998, 284 SCRA 656, 664.

[5] Records, p. 123.

[6] Id. at 144.

[7] Id. at 170.

[8] Id. at 176.

[9] This act is known as the "Agricultural Land Reform Code."

[10] Corpuz v. Spouses Grospe, 388 Phil. 1100, 1111 (2000).

[11] CA rollo, p. 136.

[12] Oarde v. Court of Appeals, G.R. Nos. 104774-75, 8 October 1997, 280 SCRA 235, 242.

[13] Rollo, pp. 198-199 citing Cuaño v. Court of Appeals, G.R. No. 107159, 26 September 1994, 237 SCRA 122, 135-136.

[14] Carag v. Court of Appeals, G.R. No. L-48140, 18 June 1987, 151 SCRA 44, 51.

[15] Spouses Samatra v. Vda. de Pariñas, 431 Phil. 255, 264-265 (2002).

[16] Gagola v. Court of Agrarian Relations, 125 Phil. 177, 179 (1966).

[17] Section 5(a) of Republic Act No. 1199, as amended, defines a "tenant" as a person who, himself and with the aid available from within his immediate farm household, cultivates the land belonging to, or possessed by, another, with the latter's consent for purposes of production sharing the produce with the landholder under the share tenancy system, or paying to the landholder a price certain in produce or in money or both, under the leasehold tenancy system. Section 8 of the same Act limits the relation of landholder and tenant to the person who furnishes the land and to the person who actually works the land himself with the aid of labor available from within his immediate farm household. Finally, Section 4 of the same Act requires for the existence of leasehold tenancy that the tenant and his immediate farm household work the land. It provides that leasehold tenancy exists when a person, who either personally or with the aid of labor available from members of his immediate farm household, undertakes to cultivate a piece of agricultural land susceptible of cultivation by a single person together with members of his immediate farm household, belonging to, or legally possessed by, another in consideration of a fixed amount in money or in produce or in both. (Gabriel v. Pangilinan, 157 Phil. 578, 587-588 [1974].)

[18] Jacinto v. Court of Appeals, 176 Phil. 580, 588-591 (1978).

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