

LAND BANK OF THE PHILIPPINES, PETITIONER, VS. DEPARTMENT OF AGRARIAN REFORM AND METRACO TELE-HYGIENIC SERVICES CORPORATION, RESPONDENT.

G.R. No. 171840. April 04, 2011

Ponente: VILLARAMA, JR., J.

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VILLARAMA, JR., J.:

This is a petition for review on certiorari under Rule 45 assailing the Decision[1] dated June 27, 2005 and Resolution[2] dated March 9, 2006 of the Court of Appeals (CA) in CA-G.R. SP No. 80441 which affirmed the Decision[3] dated June 23, 2003 of the Regional Trial Court (Special Agrarian Court) of Santiago City, Isabela, Branch 21 in CAR Case No. 21-0636.

The facts are as follows:

Private respondent Metraco Tele-Hygienic Services Corporation (METRACO) is the registered owner of three parcels of agricultural land with an aggregate area of 33.5917 hectares located at San Antonio, Ramon, Isabela and covered by Transfer Certificate of Title (TCT) Nos. T-291208, T-291209 and T-291210. The lands are fully irrigated by the National Irrigation Administration (NIA) and planted with rice.

In July and December 2000, METRACO voluntarily offered to sell the aforesaid lands under the provisions of Republic Act (R.A.) No. 6657 or the Comprehensive Agrarian Reform Law (CARL) of 1988. Private respondent's assessment was P300,000.00 per hectare. On February 8, 2001, the landowner's offer was referred to petitioner Land Bank of the Philippines (LBP) for valuation.[4] On June 6, 2001, petitioner fixed the just compensation for the subject landholdings,[5] as follows:

TCT No.

Area Acquired

Average Amount Per Hectare

Total

T-291208

15.8036 has.

P146,935.87

P2,322,115.71

T-291209

1.5995 has.

145,294.84

232,399.09

T-291210

14.3923 has.

146,935.87

2,114,745.12

TOTAL -

31.7954 has.

P4,669,259.92

Since private respondent rejected the valuation made by petitioner, the latter deposited the amount of compensation, which the former accepted without prejudice to reevaluation and eventual payment of just compensation due for its property. Private respondent then went to the Department of Agrarian Reform Adjudication Board (DARAB)-Region 02 at San Fermin, Cauayan City, Isabela which held summary proceedings for determination of just compensation (JC No. R-II-539-Isa 2001). On December 3, 2001, DAR Provincial Adjudicator Pepito P. Planta issued the following Order[6]:

WHEREFORE, for the reasons above-stated, it is Ordered that the value of the land in issue fixed by respondent LBP be set aside and be fixed at P180,000.00 per hectare or the aggregate sum of P5,580,000.00 deducting thereof the partial payment already received by the petitioner, and directing the respondent LBP to pay the same to the petitioner after submission of all documentary requirements.

SO ORDERED.[7]

The DAR found untenable petitioner's position that the basis of valuation should be the guidelines issued under DAR Administrative Order (AO) No. 5, series of 1998 and findings of the ocular inspection. It said that to do so would contravene the Supreme Court's declaration in *Land Bank of the Philippines v. Court of Appeals*[8] that any formula or guidelines promulgated by the bank is a violation of due process of the Constitution[9].

When the DAR denied its motion for reconsideration, petitioner instituted before the Special Agrarian Court (SAC) CAR Case No. 21-0636 for determination of just compensation. During the trial, the parties presented their witnesses and documentary evidence.

Faustino Onza, property appraiser of LBP, testified that the Municipal Agrarian Reform Office (MARO) scheduled an ocular inspection of the subject lands on January 24, 2001. During the ocular inspection attended by

the representative of the landowner, as well as representatives of MARO, farmer beneficiaries and the Barangay Agrarian Reform Committee (BARC), they gathered data on production and suitability of the lands. These include the number of cavans of palay being harvested per hectare, the location of the property and water supply. The lands were situated 7.5 kilometers, more or less, from the poblacion, with a NIA water system and planted to palay by the farmer beneficiaries. The LBP actually prepared a field investigation report and a land use map for each parcel of land. The production figure obtained was 120 cavans per cropping. The selling price of palay (P6.75 per kg.) was based on the records of the Department of Agriculture (DA) office. As to location, the all-weather road (municipal road) traversing the property was also taken into consideration.[10]

Another witness for LBP, Amante Siazon, Chief of the Claims, Processing and Payment Division of LBP's Agrarian Reform Center, testified that after the landowner's representative, Ceferina Jocson, offered to sell their property, it was placed under the coverage of the CARP (VOS) on December 7, 2000. Upon receipt of the claim for compensation, they prepared the valuation and processing form. In making the initial valuation, they used the formula: Land Valuation (LV) = Capitalized Net Income (CNI) x 90% + Market Value (MV) per Tax Declaration x 10%, which is provided for in DAR AO No. 5. The Annual Gross Production (AGP) is multiplied to the Selling Price (SP) and then further multiplied to .2/.12. The .2 or 20% represents the cost of operation while the .12 refers to the net income of the properties. AGP is gathered from the field investigation, which is 240 cavans per hectare - which was sourced from the landowners, the farmers tilling the lands, and the industry data provided by the DA. Information from these sources was also validated with those coming from farmers tilling the adjoining properties. The SP is based on the average price within 12 months as provided by the DA prior to the coverage of the properties. In this case, the CNI was determined at P135,000.00 per hectare. As to the MV, this was provided by the Provincial Assessor's Office which indicates the classification of agricultural land such as Riceland irrigated, Riceland un-irrigated, under the schedule of base unit market values for agricultural lands. The subject properties were classified as irrigated Riceland, first class, with corresponding unit market value of P264,000.00 per hectare. Another factor considered in the valuation was location adjustment as indicated in the tax declaration, in which there is a corresponding deduction made regarding the distance of the property to the all-weather road and to the poblacion; the guidelines issued by the Provincial Assessor's Office were followed. As shown by the valuation forms, the location adjustments for each parcel were as follows: 93% (TCT Nos. T-291208 and T-291210) because of 3% and 4% deduction made, as the land traverses a municipal road and it is 8 kilometers from the poblacion; and 87% (TCT No. T-291209). Said figures were arrived at based on the findings in the field investigation report on the actual distance of the lot to the municipal road. The points to be deducted depending on distance (kilometer) to all-weather road and to the poblacion were based on schedule issued by the Provincial Assessor's Office. The Regional Consumers Price Index (RCPI) came from the National Statistics Office (NSO) which updates the peso value of the property. Based on their computation, the value of the lands are: P145,294.84 per hectare for the land covered by TCT No. T-291209, and P146,935.87 per hectare for the land covered by TCT Nos. T-291208 and T-291210.[11]

On cross-examination, Siazon admitted that other factors such as current value of properties within the vicinity and potential use were not considered, and that it was the LBP appraiser who actually conducted the ocular inspection and data gathering. He likewise admitted that the initial valuation of the subject lands do not represent the fair market value[12] insofar as the price of the adjoining properties, which is naturally higher. As to the exclusion of the 1.1173 hectares, this pertains to a drainage canal and road based on the subdivision plan.[13]

Private respondent presented as its witness, Ramon A. Galindez, a member of its board of directors. Galindez testified that they rejected the valuation by LBP because it is too low and the lands are classified first class irrigated riceland assessed at P264,000.00 per hectare, based on the certification dated September 10, 2001 issued by the Municipal Assessor's Office, and as per the tax declarations. He also presented figures of the property's

appraised fair market value given by the different banks in Santiago City, showing higher amount of P300,000.00 per hectare. The DARAB likewise set the value of the lands in its decision at P180,000.00 per hectare. With respect to the selling price of palay, Galindez said that he himself has been farming for more than ten years and also planted palay in his lands situated in other barangays and Santiago City. In the year 2001, the price of palay is between P9.00 and P10.00 per kg., as evidenced by receipts dated March 8, 2001 issued by the Republic Cereal Corporation at Santiago City, Isabela showing the prices of dry palay he sold at P9.50 and P9.80 per kg. He further recalled that the government support price for palay in 2001 was also between P9.00 and P10.00 per kg.[14]

In its decision,[15] the SAC recomputed the compensation fixed by LBP by using P9.00 as selling price of palay per kg. based on the September 25, 2001 Certification by the National Food Authority (NFA) that the government support price for palay is P10.00 per kg. (March-August) and P9.00 per kg. (September-February). Private respondent's witness had testified that he actually sold his palay for that price to a private buyer as shown by receipts he presented in court. The SAC also added to the computation the 1.1173 hectares excluded by petitioner ~ a portion consisting of a drainage canal and a road — stating that these are indispensable part of the entire landholding which the farmer/tiller will necessarily use. The SAC thus decreed:

WHEREFORE, in the light of the foregoing considerations judgment is hereby rendered DECLARING that the just compensation of the lands to be paid by the Land Bank of the Philippines to the respondent Metraco Tele-Hygenic Services, Corp. is as follows:

For T.C.T. No. T-291208 - P3,089,416.13

For T.C.T.No. T-291209 - P 297,177.50

For T.C.T. No. T-291210 - P2,907,041.87

SO ORDERED.[16]

Petitioner moved for reconsideration arguing that the basis of selling price of palay used by the court and acquisition of the road and canal were in violation of DAR AO No. 05, series of 1998. The SAC, however, denied the motion.[17]

On appeal, the CA sustained the SA.Cs computation holding that the NFA certification which stated the government support price for palay as P9.00 and P10.00 per kg., as well as the receipts issued by the Republic Cereal Corporation showing that the buying price of palay at the time was between P9.50 and P9.80 per kg., are recognized by DAR AO No. 5 under Item II.B.1 thereof. The CA noted that the data from the DA thru the certification issued by the Municipal Agrarian Reform Officer (MARO) of Ramon, Isabela, relied upon by petitioner, is unreliable and inaccurate considering that: (1) it did not have figures for the months of July, August and December 2000, as well as for January and May 2001; and (2) it contained abnormal prices for the months of October and November 2000 as shown by the notation therein that "Selling price below normal due to continuous rain and typhoons experienced during these months." As for the inclusion of the irrigation canal and road portions, the CA ruled that while the landowner should not be compensated for the improvements introduced by the government pursuant to Item II.F of DAR AO No. 5, in this case however, what is being compensated is not the cost or value of such improvements but that of the whole land taken under the CARP law.[18]

Its motion for reconsideration having been denied, petitioner filed the present petition contending that the appellate court committed serious errors of law —

- IN AFFIRMING THE TRIAL COURT'S DECISION USING P9.00 AS THE SELLING PRICE OF PALAY PER KILO WHICH RESULTED IN THE TRIAL COURT'S COMPUTATION OF P185,435.00 PER HECTARE FOR TCT NO. T-291208 AND TCT T-291210 AND AT P185[,]794.00 PER HECTARE FOR

TCT NO. T-291209;

- IN AFFIRMING THE TRIAL COURT'S DECISION IN WHICH A COMPUTATION AND SEPARATE COMPENSATION WAS MADE FOR CERTAIN PORTIONS OF THE SUBJECT LANDHOLDINGS NOT SEPARATELY COMPENSABLE UNDER PERTINENT DAR POLICY REGULATIONS IMPLEMENTING SECTION 17, IN RELATION TO SECTION 49, OF THE CARP LAW (R.A. 6657).[19]

The petition is partly meritorious.

Under Section 1 of Executive Order No. 405, series of 1990, petitioner LBP is charged with the initial responsibility of determining the value of lands placed under land reform and the just compensation to be paid for their taking. Through a notice of voluntary offer to sell (VOS) submitted by the landowner, accompanied by the required documents, the DAR evaluates the application and determines the land's suitability for agriculture. The LBP likewise reviews the application and the supporting documents and determines the valuation of the land. Thereafter, the DAR issues the Notice of Land Valuation to the landowner. In both voluntary and compulsory acquisitions, wherein the landowner rejects the offer, the DAR opens an account in the name of the landowner and conducts a summary administrative proceeding. If the landowner disagrees with the valuation, the matter may be brought to the RTC, acting as a special agrarian court.[20]

The LBP's valuation of lands covered by CARL is considered only as an initial determination, which is not conclusive, as it is the RTC, sitting as a Special Agrarian Court, that should make the final determination of just compensation, taking into consideration the factors enumerated in Section 17 of R.A. No. 6657 and the applicable DAR regulations.[21]

Section 17 of R.A. No. 6657 provides:

SEC. 17: Determination of Just Compensation. — In determining just compensation, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessment made by government assessors shall be considered. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property as well as the nonpayment of taxes or loans secured from any government financing institution on the said land shall be considered as additional factors to determine its valuation.

In *Land Bank of the Philippines v. Celada*[22] we held that the above provision is implemented by DAR AO No. 5, series of 1998,[23] thus:

While SAC is required to consider the acquisition cost of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declaration and the assessments made by the government assessors to determine just compensation, it is equally true that these factors have been translated into a basic formula by the DAR pursuant to its rule-making powers under Section 49 of RA No. 6657. As the government agency principally tasked to implement the agrarian reform program, it is the DAR's duty to issue rules and regulations to carry out the object of the law. DAR AO No. 5, s. of 1998 precisely "filled in the details" of Section 17, RA No. 6657 by providing a basic formula by which the factors mentioned therein may be taken into account. The SAC was at no liberty to disregard the formula which was devised to implement the said provision.[24](Emphasis supplied.)

In the case at bar, while the SAC found the formula provided in DAR AO No. 5 applicable in determining the amount of just compensation, it disagreed with petitioner on the correct amount of Selling Price (SP) of palay and valuation of the irrigation canal and road. Petitioner contends that as a result of the erroneous application of DAR AO No. 5 by the SAC and CA, the amount of compensation had tremendously and unduly increased from P4,669,259.92 to P6,293,635.50. The difference of P1,624,375.58 would definitely be hurtful to the State's

Agrarian Reform Fund, of which petitioner is a mere custodian or trustee.

Private respondent maintains that the CA correctly applied the provisions of DAR AO No. 5 when it read Item II.B with II.B.I which allows the use of data on selling price coming from other government and private entities "knowledgeable in the concerned industry." Consequently, the government support price of palay as certified by the NFA and actual buying price reflected in the two receipts issued by a private buyer, may be used as basis for selling price in computing the CNI, without violating DAR AONo. 5.

The SAC, using P9.00 as SP, computed the CNI per hectare as follows:

$$\text{CNI} = \text{AGP} \times \text{SP}) \times 20\%$$

$$\text{CNI} = \text{C240} \times 50 \times 9.00) \times 20\%$$

.12

$$\text{CNI} - 180,000[25]$$

On the other hand, petitioner's computation used P6.75, the average selling price within the 12-months prior to its receipt of private respondent's claim folder (CF), as SP and came up with CNI of P135,000.00 per hectare. Petitioner indicated the date of receipt of the CF as June 1, 2001. As to the P6.75 per kg, SP, petitioner based it on the following data provided by MARO Rodolfo B. Cabuyadao of Ramon, Isabela:

May 2001	N/A
April 2001	P7.30
March 2001	7.60
February 2001	8.30
January 2001	N/A
December 2000	N/A
November 2000	4.50
October 2000	5.00
September 2000.....	7.80
August 2000	N/A
July 2000	N/A[26]

The certification issued by the MARO, however, contained a notation that the SP for October and November 2000 was below normal due to continuous rains and typhoons experienced during these months. For that reason, the SAC and CA were of the view that petitioner should not have relied on the data provided by the MARO, and instead used the P9.00 government support price reflected in the NFA Certification[27] dated September 25, 2001 and receipts[28] issued by a private entity (Republic Cereal Corporation). The CA was emphatic that DAR AO No. 5 itself recognizes the data coming from other government regulatory agencies and private entities.

We disagree.

Item II of DAR AO No. 5 provides the following guidelines:

A.

There shall be one basic formula for the valuation of lands covered by VOS or CA:

$$\text{LV} = (\text{CNI} \times 0.6) + (\text{CS} \times 0.3) + (\text{MV} \times 0.1)$$

Where: LV = Land Value

CNI = Capitalized Net Income

CS = Comparable Sales

MV = Market Value per Tax Declaration

The above formula shall be used if all the three factors are present, relevant, and applicable.

A.1

When the CS factor is not present and CNI and MV are applicable, the formula shall be:

$LV = (CNI \times 0.9) + (MV \times 0.1)$

x x x x

A.7

In all of the above, the computed value using the applicable formula shall in no case exceed the LO's offer in case of VOS.

The LO's offer shall be grossed up from the date of offer up to the date of receipt of CF by LBP from DAR.

A.8

For purposes of this Administrative Order, the date of receipt of CF by LBP from DAR shall mean the date when the CF is determined by the LBP-LVLCO to be complete with all the required documents and valuation inputs duly verified and validated, and ready for final computation/processing.

x x x x

B.

Capitalized Net Income (CNI)-- This shall refer to the difference between the gross sales (AGP x SP) and total cost of operations (CO) capitalized at 12%

Expressed in equation form:

CNI =

$(AGP \times SP) - CO$

0.12

Where: CNI = Capitalized Net Income

AGP =

Annual Gross Production corresponding to the latest available 12-months' gross production immediately preceding the date of FI.

SP =

The average of the latest available 12-months' selling prices prior to the date of receipt of the CF by LBP for processing, such prices to be secured from the Department of Agriculture (DA) and other appropriate regulatory bodies or, in their absence, from the Bureau of Agricultural Statistics. If possible, SP data shall be gathered for the barangay or municipality where the property is located. In the absence thereof, SP may be secured within the province or region.

x x x x

B.1

Industry data on production, cost of operations and selling price shall be obtained from government/private entities. Such entities shall include, but not [be] limited to, the Department of Agriculture (DA), the Sugar Regulatory Authority (SRA), the Philippine Coconut Authority (PCA) and other private persons/entities knowledgeable in the concerned industry.

B.2

The landowner shall submit a statement of net income derived from the land subject of acquisition. This shall include, among others, total production and cost of operations on a per crop basis, selling price/s (farm gate) and such other data as may be required. These data shall be validated/verified by the Department of Agrarian Reform and Land Bank of the Philippines field personnel. The actual tenants/farmworkers of the subject property will be primary source of information for purposes of verification or, if not available, the tenants/farmworkers of adjoining property.

In case of failure by the landowner to submit the statement within fifteen (15) days from the date of receipt of letter-request as certified by the Municipal Agrarian Reform Office (MARO) or the data stated therein cannot be verified/validated, DAR and LBP may adopt any applicable industry data or, in the absence thereof, conduct an industry study on the specific crop which will be used in determining the production, cost and net income of the subject landholding.

x x x x

D.

In the Computation of Market Value per Tax Declaration (MV), the most recent tax Declaration (TD) and Schedule of Unit Market Values (SUMV) issued prior to receipt of CF by LBP shall be considered. The Unit Market Value (UMV) shall be grossed up from the date of its effectivity up to the date of receipt of CF by LBP from DAR for processing, in accordance with item II.A.9.

x x x x

E.

Valuation of Improvements (non-crop) shall be undertaken by LBP.

F.

The landowner shall not be compensated or paid for improvements introduced by third parties such as the government, farmer-beneficiaries or others.

x x x x (Emphasis supplied.)

There being no available information on Comparable Sales (CS), the applicable formula is $LV = (CNI \times 0.90) + (MV \text{ per TD} \times 0.10)$. To determine the CNI in this case, the LBP gathered the necessary data on annual gross production (AGP), selling price (SP) of palay, net income rate and land use.

As clearly stated in DAR AO No. 5, the SP for purposes of computing the CNI, must be the average of the latest available 12-months selling prices prior to the date of receipt of the claim folder by LBP, to be secured from the DA, Bureau of Agricultural Statistics or other appropriate regulatory bodies.[29] Thus, the selling price of P9.00 submitted by private respondent sourced from the NFA (March-August and September-February without indicating the year) and private buyer (March and October 2001) cannot be used as it was not the average obtained within the period referred to in DAR AO No. 5 (My 2000 to May 2001). Besides, such selling price was gathered from Santiago City and not the Municipality of Ramon where the properties are located, contrary to

DAR AO No. 5. Said provision also states that the data from the province or region may be used only in the absence of selling prices from the municipality or barangay.

We declared in *Land Bank of the Philippines v. Celada*[30] that the DAR was tasked to issue the rules and regulations to carry out the "details" of Section 17 of R.A. No. 6657. It can be safely presumed that the fluctuations in the selling price of palay were already taken into consideration since only the average of these available prices within the 12 months prior to the receipt of the CF, will be used in computing the CNI. Hence, the SAC and CA clearly erred in completely disregarding the data provided by the MARO simply because it contained a notation that the figures indicated for two months (October and November 2000) were not normal due to typhoons.

On the exclusion of the NIA irrigation canal and road, we find untenable petitioner's argument that said portions do not form part of the compensable area. It is true that Item II F of DAR AO No. 5 provides that those improvements introduced by the government, farmer-beneficiaries and other third parties, shall not be paid. However, as correctly ruled by the CA, what is being compensated is not the cost or value of the improvements introduced by the government but the value of the whole land taken under the CARP law. This does not mean that those portions are being separately valued as claimed by petitioner.

Moreover, compensating the land upon which those improvements were built is consistent with the principle that the equitable distribution and ownership of land sought to be achieved through CARP is undertaken "with due regard to the rights of landowners to just compensation" Petitioner's interpretation of Item II.F of DAR AO No. 5 would only lead to absurd and unjust consequences for the landowner whose landholding - a substantial portion thereof — is not being covered by the CARP and yet, the landowner is deprived of its use while the farmer-beneficiaries benefit from the present improvements (irrigation canal and road) on the property taken. Hence, we fully agree with the private respondent in arguing that:

Verily, Petitioner's suggestion that Metraco should not be compensated for the canal and road that are being used by the farmer-tillers notwithstanding that the same are already registered in the name of the Republic of the Philippines is dangerous as it would be tantamount to taking private property without due process of law and without payment of just compensation in violation of the constitution.[31]

We must stress, at this juncture, that the taking of private lands under the agrarian reform program partakes of the nature of an expropriation proceeding. In a number of cases, we have stated that just compensation in expropriation proceedings represents the full and fair equivalent of the property taken from its owner by the expropriator. The measure is not the taker's gain, but the owner's loss. To compensate is to render something which is equal in value to that taken or received.[32]

In sum, we find petitioner's valuation sufficiently substantiated and in accordance with Section 17 of R.A. No. 6657 and DAR AO No. 5, series of 1998,3 except that the portions of the landholdings occupied by the NIA water system and road should also be included in the total compensable area.

WHEREFORE, the petition for review on certiorari is PARTLY GRANTED. The Decision dated June 27, 2005 and Resolution dated March 9, 2006 of the Court of Appeals in CA-G.R SP No. 80441 are hereby SET ASIDE. The Court hereby DECLARES the valuation made by Land Bank of the Philippines in the total amount of P4,669,259.92 as just compensation for the properties of Metraco Tele-Hygienic Services Corporation covered by TCT Nos. T-291208, T-291209 and T-291210 of the Registry of the Province of Isabela, and ORDERING it to pay additional compensation for the excluded 1.1173 hectares based on the same formula and computation.

No pronouncement as to costs.

SO ORDERED.

Carpio Morales,(Chairperson), Brion, Bersamin, and Sereno, JJ., concur.

[1] Rollo, pp. 35-42. Penned by Associate Justice Roberto A. Barrios (now deceased) and concurred in by Associate Justices Amelita G. Tolentino and Vicente S.E. Veloso.

[2] Id. at 45-47.

[3] Records, pp. 155-161. Penned by Judge Fe Albano Madrid.

[4] Id. at 98-106.

[5] Id. at 107-115.

[6] Id. at 143-148.

[7] Id. at 148.

[8] G.R.Nos. 118712 & 118745, October 6, 1995, 249 SCRA 149.

[9] Records, p. 147.

[10] Id. at 80-97; TSN, January 7, 2003, pp. 4-5, 11-23, 36-43.

[11] TSN, January 21, 2003, pp. 3, 9-25; TSN, February 4, 2003, pp. 3-39.

[12] TSN, February 12, 2003, pp. 15-18.

[13] Id. at 19-25.

[14] TSN, May 13, 2003, pp. 4-25.

[15]]Records, pp. 155-161.

[16] Id. at 161.

[17] Id. at 162-167, 186-187.

[18]]Rollo, pp. 35-42.

[19] Id. at 18.

[20] Land Bank of the Philippines v. Wycoco, G.R. Nos. 140160 & 146733, January 13, 2004, 419 SCRA 67, 75-76, citing Administrative Order No. 9, Series of 1990.

[21] Land Bank of the Philippines v. Luciano, G.R. No. 165428, November 25, 2009, 605 SCRA 426, 439.

[22] G.R. No. 164876, January 23, 2006, 479 SCRA 495.

[23] DAR AO No. 05 took effect on May 11, 1998.

[24] Id. at 506-507.

[25] Records, p. 160.

[26] Rollo, pp. 26-27; records, pp. 116-118.

[27] Records, p. 151.

[28] Id. at 149-150.

[29] See *Land Bank of the Philippines v. Lim*, G.R. No. 171941, August 2, 2007, 529 SCRA 129.

[30] *Supra* note 22 at 507.

[31] *Rollo*, p. 258.

[32] *Land Bank of the Philippines v. Imperial*, G.R. No. 157753, February 12, 2007, 515 SCRA 449, 458-459, citing *Gabatin v. Land Bank of the Philippines*, G.R. No. 148223, November 25, 2004, 444 SCRA 176, 190; *Bank of the Philippine Islands v. Court of Appeals*, G.R. No. 160890, November 10, 2004, 441 SCRA 637, 643; and *National Power Corporation v. Manubay Agro-Industrial Development Corporation*, G.R. No. 150936, August 18, 2004, 437 SCRA 60, 68.

[33] See *Land Bank of the Philippines v. Luciano*, *supra* note 21.

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