

WENCESLAO HERNANDEZ, PETITIONER, VS. HON. INTERMEDIATE APPELLATE COURT, SALVADOR P. DE GUZMAN, JR., QUINTIN FLORES, JUAN GARCIA, ARSENIO FLORES, FRANCISCO FLORES, AURELIO LEVIST...

G.R. No. 74323. September 21, 1990

Ponente: MEDIALDEA, J.

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MEDIALDEA, J.:

This is a petition for review on certiorari of the decision of the Intermediate Appellate Court (now Court of Appeals) affirming the decision of the Regional Trial Court, Fourth Judicial Region, Branch XXIX, San Pablo City in an agrarian case, docketed as CAR Case No. 8258, filed by private respondents against petitioner for sums of money representing their unpaid shares of the harvest as tenants of the latter.

The antecedent facts, as found by the trial court, and later affirmed by the appellate court, are as follows:

"The property subject matter of this case is landed estate consisting of 53 hectares of coconut land, more or less, located in Barangay Perez, Calauan, Laguna, formerly owned by the spouses Salvador and Escolastica Tolentino, now both deceased, who had during their lifetime ten (10) children, and as of 1969 owned by SALESC, Inc., possession was relinquished to Wenceslao Hernandez in 1957 under a civil-law lease. The houses of the plaintiff are built in the cluster inside the property where they and their respective family reside, at least as of 1973 according to defendant Wenceslao Hernandez. They built their houses clumped together within one area because of the danger and threat posed by the Hukbalahap movement.

"The court finds the plaintiffs as bonafide agricultural tenants over the plantation since world war II when the property was personally cultivated by late Salvador Tolentino and, upon his demise, by the late Escolastica M. Tolentino. The several letters written by Mrs. Tolentino, by herself and thru her daughter Benita, addressed to Quintin Flores, are eloquent testimonies of a tenancy relationship inasmuch as the plaintiffs are identified as 'bantay' over the property and who are entitled to a share in the harvest. The letter dated March 14, 1951 (Exh. 'D') addressed to Quintin Flores by the late Escolastica M. Vda. de Tolentino herself reads as follows:

'Hindi itong kondisyon na itong ikaapat na bahagi ang ibibigay ko sa inyo; ang kondisyon na ibibigay ko sa inyo ay para sa isang taong ito, hanggang sa katapusan ng taong ito, ay kalahati, at sa mga susunod na taon, ay tercio parte na lamang. Ito ay sa mga halaman lamang bukod sa niyog.

'Bilangin ang mga puno ng halaman sa kani kanilang lugar, bawa't bantay kung ilang lanzones. Kung ilan ang abocado, star apple, at iba pang halaman ng itanim ng Mang Badong. Nakikita nila na malalaki na ang mga halaman kaya nagprisinta seguro dine sa akin.'

"Coconut land is considered under our laws as agricultural (See RA 1199 and 3844) and a share tenant is one whose remuneration (sic) for cultivating land owned or possessed by another is determined by a proportional percentage of the harvest. The act of cultivation includes cleaning or clearing of the under brush within the plantation (*Delos Reyes v. Espineli*, 30 SCRA 574). Plaintiffs have shown through their evidence that they

have been in possession of their respective areas in the plantation which they clean and clear for the purpose of improving the harvest and they are paid at the rate of 1/6 of the harvest under the late Mrs. Escolastica M. Tolentino and reduced to only 1/7 under the tenure of defendant Wenceslao Hernandez.

"The Court cannot accept the version of the defendants that the plaintiffs were evicted from the premises in the year 1952 or 1953, or even in 1954. The receipt evidencing the sale of the coconuts to Potenciano Gallevo for the years 1953 to 1957 inclusive (see Exhs. 'R' to 'U' inclusive) which were produced by the plaintiffs prove that plaintiffs not only were in the premises all along but had a hand or participation in the harvest and its sale to Potenciano Gallevo; the Tolentinos are educated people as may be gleaned from their family picture marked as Exh. 'P' and it is a surprise to the court why their documentation of their relationship with the plaintiffs is haphazard. In fact, the practically illiterate plaintiffs have shown some system in keeping track of the meager records made available to them by the defendants. They were even able to produce the safe conduct passes issued by Mr. Arturo M. Tolentino (See Exhs. 'C' and 'F'); although said passes are only for a few days validity, the court considers the said limitation as an act of prudence on the part of the Tolentinos who apparently wanted to avoid the theft of their coconuts which could otherwise be hauled even before and after the harvest time. And even if the court takes into consideration the protestations made by the defendant, the most it could do is create a doubt, in which case the same shall be resolved in favor of the plaintiffs (see Sec. 56, RA 1199; Sec. 16, PD 946). The court notes that Wenceslao Hernandez admitted that when he occupied the premises for the first time when the same was leased to him, the plaintiffs were already inside the property planting crops, and this belies the testimony of SALESC, Inc. that the plaintiffs had already been driven out from the premises in the year 1952 or thereabout.

"At any rate, it is immaterial if the plaintiffs had been ejected as tenants in 1952 or 1953. They are anchoring this suit on the fact that they remained as agricultural tenants on the plantation even during the tenure of Wenceslao Hernandez beginning the year 1957. The plaintiffs have been in continuous, uninterrupted possession of the plantation as evidenced by their houses built thereon which Hernandez himself admitted on the witness stand as having been constructed by the plaintiffs who, according to him, insisted on constructing the same inspite of his refusal to give them permission; if indeed he had refused them permission to build their houses on the property, why did Hernandez not call the authorities or report the same to the landowner?

"The civil law lease executed by SALESC Incorporated in favor of Wenceslao Hernandez was reduced to writing only in 1970 (See Exhs. '2,' '2-A' to '2-J'). Wenceslao Hernandez was not prohibited from taking in agricultural tenants. In the absence of such prohibition, it follows that whomever the civil lessee takes in a(s) agricultural tenant shall bind the landowner.

"The court hereby finds that the landholding of the plaintiff are twelve hectares for Quintin Flores, fourteen hectares for Juan Garcia, eight hectares for Arsenio Flores, seven hectares for Francisco Flores, five hectares for Aurelio Leviste and seven hectares for Simon Leviste (see Exhs. 'A-1' and 'A-1-A' - and that aside from the coconut trees planted thereon, the plaintiffs planted citrus, lanzones, coffee, pineapples and bananas. Plaintiffs used to have their houses in their respective landholdings but with the advent of the Hukbalahap movement in the area, they were constrained to build their houses in a cluster in the landholding of Juan Garcia. Also, the evidence submitted by the parties shows that the plaintiffs received as their share from the coconut harvest starting the year 1980 only 1/7 of the same. Attached to the records of this case is an 'Urgent Manifestation and Motion dated October 24, 1983 filed by the plaintiffs, giving the Court a breakdown of the coconut harvest of the property and shares received by the plaintiffs as a whole and the court therefore holds that for the period February to December, 1980, 440,103 coconuts were harvested and the 1/7 share of the plaintiffs stood at P13,454.50; for the period February to December, 1981, 484,811 coconuts were harvested and plaintiffs' 1/7 share stood at P13, 105.00; for the period February to December, 1982 408,464 were harvested and plaintiffs' share stood at P13,280.20, and from February to October, 1983, 421,181 coconuts were harvested and plaintiffs' share stood at P18,844.10. Inasmuch as the plaintiffs' aforesaid shares is computed to only 1/7 which is equal to only 14.28% the defendants should add thereto the sum of P64,601.49 to make it equal to 30%."

(pp. 36-39, Rollo)

On February 28, 1985, the trial court rendered judgment, the dispositive portion of which reads:

"WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and against the defendants as follows:

"1. Declaring the plaintiffs as the true and lawful tenants of SALESC, Inc. and of Wenceslao Hernandez, in and over the property owned by SALESC, Inc. and under lease to the latter, more particularly twelve hectares for Quintin Flores, fourteen hectares for Juan Garcia, eight hectares for Arsenio Flores, seven hectares for Francisco Flores, five hectares for Aurelio Leviste and seven hectares for Simon Leviste, and which landholdings are found and depicted in the sketches marked as Exhibits 'A-1' and 'A-1-A';

"2. Ordering defendant Wenceslao Hernandez to pay to the plaintiffs the sum of P64,601.49 representing the unpaid balance of the shares they are entitled to receive from January 22, 1980 when this complaint was filed to October 31, 1983;

"3. Upon the finality of this decision to submit to the court an accounting of the harvest upwards indicating therein the 30% share of the plaintiffs, the amounts already received by the plaintiffs and the balance, and the latter to pay to the plaintiffs, the said balance;

"4. The payments to the plaintiffs under the above paragraphs 2 and 3 shall be with interest at the legal rate from the time the delivery of said shares to the plaintiffs accrued to the time full payment is made, and said interest shall stop running either upon payment of the amounts to the plaintiffs or upon deposit of the same with the Clerk of Court;

"5. Declaring the sharing between the plaintiffs as tenants on the one hand and the defendants as the landowner on the other hand to be 70% of the net harvest in favor of the landowner and 30% of the net coconut harvest in favor of the plaintiffs for their respective landholdings as of January 22, 1980; and with respect to the other crops, 20% for the landowner and 80% for the tenant for the bananas; 20% for the landowner and 80% for the tenant for the pineapples; 70% for the landowner and 30% for the tenant for lanzones; and 70% for the landowner and 30% for the tenant for coffee, also retroactive to the date of the filing of this action;

"6. Ordering defendant Wenceslao Hernandez to pay to the plaintiffs the sum of P15,000.00 by way of reimbursement of plaintiffs' attorney's fees;

"The counterclaim interposed by the defendants are dismissed for lack of merit. The cross-claim filed by SALESC, Inc. against Wenceslao Hernandez is likewise denied considering that the latter was not specifically prohibited from appointing tenants and the tenants appointed by said defendant are the very tenants left by SALESC, Inc. on the premises.

"SO ORDERED." (pp. 31-32, Rollo)

Not satisfied with the decision, petitioner Hernandez appealed to the Intermediate Appellate Court (now Court of Appeals). On April 14, 1986, the respondent appellate court rendered a decision affirming the trial court's judgment with the modification that the attorney's fees shall be reduced from P15,000.00 to P5,000.00.

Hence, the instant petition is filed, with the petitioner assigning the following errors:

"1. The respondent appellate court committed a grave error and misapprehension of facts when it upheld the conclusion of the trial court that the private respondents are agricultural tenants of the petitioner in the land in question, and in not declaring that they are not tenants;

"2. The respondent appellate court committed a grave error and mistaken application of law when it finds that an agricultural leasehold system exists between the private respondents and the petitioner."

(p. 69, Rollo)

Anent the first assigned error, petitioner argues that private respondents are not tenants but "bantays" or watchers as stated in the letter of Mrs. Tolentino to respondent Quintin Flores; that even as "bantays," the private respondents had already been dismissed in 1952 or 1953; that when petitioner started to lease the property in 1957, there were no persons or houses in the landholding; that it was in 1973 that private respondents were hired as wage laborers to do the picking, gathering and hauling of coconuts.

Petitioner's contentions are untenable.

In resolving the issue on the nature of the relationship of the parties in the instant case, it would be well to cite the distinction between a share tenant and an agricultural worker.

Share tenancy is defined 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, R.A. 1199, Agricultural Tenancy Act, as amended). 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 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 (Section 4, R.A. 1199; Section 166(25), R.A. 3844, Agricultural Land Reform Code).

In contrast, a farmhand or agricultural worker is any agricultural wage, salary or piece worker but is not limited to a farm worker of a particular farm employer unless this Code explicitly states 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.

An important criteria in determining whether the relationship is one of share tenancy is cultivation. The meaning of cultivation concerning coconut lands has already been spelled out by this Court as follows:

"x x x. 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 fruit-bearing. 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 farmwork 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.' (Guerrero v. Court of Appeals, G.R. No. L-44570, May 30, 1986, 142 SCRA 136; Coconut Cooperative Marketing Association, Inc. (COCOMA) v. Court of Appeals, Nos. L-46281-83, August 19, 1988, 164 SCRA 568)

It may thus be said that the caretaker of an agricultural land can also be considered the cultivator of the land (Latag v. Banog, G.R. No. 20098, January 31, 1966, 16 SCRA 88).

The trial court and respondent appellate court arrived at the same findings and conclusions that private respondents have been in continuous, uninterrupted physical possession of their respective areas in the

landholding, which they have cleaned and cleared for the purpose of improving the harvests; that they have lived in the landholding and constructed their houses thereon; that respondents were paid in an amount equivalent to a share of one-sixth (1/6) of the harvest during the ownership of Mrs. Tolentino and then later, one seventh (1/7) during the period of petitioner's lease.

The status of respondents as tenants based on the foregoing cannot be gainsaid. Where private respondents cultivated the land and did not receive salaries but a share in the produce or the cash equivalent of his share in lump, the relationship is one of tenancy and not employment. The fact that respondents have huts erected on the landholding shows they are tenants (*Cruz v. Court of Appeals*, G.R. No. 50350, May 15, 1984, 129 SCRA 222).

Further, this Court has consistently ruled that in agrarian cases, all that is required is mere substantial evidence. Hence, the agrarian court's findings of fact which attained the minimum evidentiary support demanded by law, that is, supported by substantial evidence, are final and conclusive and cannot be reversed by the appellate tribunals (*Bagsican v. Court of Appeals*, G.R. No. 62255, January 30, 1986, 141 SCRA 226).

With regard to the second assigned error, it may be true that the statement of respondent appellate court that agricultural leasehold exists between the parties herein is somehow misplaced. Nevertheless, this cannot justify the reversal of the merits of the case.

There is no question that on August 8, 1963, R.A. 3844, the Agricultural Land Reform Code abolished and outlawed share tenancy and put in its stead the agricultural leasehold system. On September 10, 1971, R.A. 6389, the Code of Agrarian Reforms, amending R.A. 3844, declared share tenancy as contrary to public policy. Although share tenancy was statutorily abolished, leasehold tenancy for coconut 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. Nonetheless, this did not end the rights of share tenants in these types of lands. The eventual goal of legislation of having strong and independent farmers working on lands which they own remains (*Guerrero v. Court of Appeals*, No. L-44570, May 30, 1986, 142 SCRA 136).

ACCORDINGLY, the petition is DENIED and the assailed judgment of the Intermediate Appellate Court (now Court of Appeals) dated April 14, 1986 is AFFIRMED.

SO ORDERED.

Narvasa, (Chairman), Cruz, Gancayco, and Griño-Aquino, JJ., concur.

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