EN BANC

G.R. No. 244433 – ANTONIO R. CRUZ AND LORETO[*] TERESITA CRUZ-DIMAYACYAC, AS HEIRS OF THE LATE SPOUSES DR. PROGEDIO R. CRUZ AND TERESA REYES, *Petitioners*, **v. CARLING[**] CERVANTES AND CELIA[***] CERVANTES SANTOS, AND ALL PERSONS CLAIMING RIGHTS UNDER THEM,** *Respondents*.

Promulgated:

April 19, 2022

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CONCURRING OPINION

PERLAS-BERNABE, *J.*:

I concur. While the Municipal Trial Court of Plaridel, Bulacan (MTC) properly referred the case to the Provincial Agrarian Reform Office (PARO) of Bulacan since there was an allegation that the case is agrarian in nature and one of the parties is a farmer, farmworker, or tenant, the MTC's dismissal of the case on the ground of lack of jurisdiction was improper. Thus, as now ruled by the *ponencia*, the instant petition must be granted; consequently, the complaint should be reinstated, and the case remanded to the MTC for further proceedings.

I. Referral to the Department of Agrarian Reform (DAR) - PARO is based on the allegations.

Section 50-A of Republic Act No. (RA) 6657,[1] as amended by Section 19 of RA 9700,[2] reinforced the exclusive jurisdiction of the DAR over cases involving agrarian disputes. It states that if there is an **allegation** from any of the parties that the case is agrarian in nature and one of the parties is a farmer, farmworker, or tenant, the case shall be **automatically referred** by

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[*] "Loreta" in some parts of the *rollo*.

[**] "Carlos" in some parts of the *rollo*; see *rollo*, p. 69.

[***] "Cecilia" in some parts of the *rollo*; see id.

1 Entitled "AN ACT INSTITUTING A COMPREHENSIVE AGRARIAN REFORM PROGRAM TO PROMOTE SOCIAL JUSTICE AND INDUSTRIALIZATION, PROVIDING THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES"; approved on June 10, 1988.

2 Entitled "AN ACT STRENGTHENING THE COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP), EXTENDING THE ACQUISITION AND DISTRIBUTION OF ALL AGRICULTURAL LANDS, INSTITUTING NECESSARY REFORMS, AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF REPUBLIC ACT NO. 6657, OTHERWISE KNOWN AS THE COMPREHENSIVE AGRARIAN REFORM LAW OF 1988, AS AMENDED, AND APPROPRIATING FUNDS THEREFOR"; approved on August 7, 2009.

the judge or the prosecutor **to the DAR** which shall determine and certify whether an agrarian dispute exists:

> Section 50-A. *Exclusive Jurisdiction on Agrarian Dispute.* — No court or prosecutor's office shall take cognizance of cases pertaining to the implementation of the CARP except those provided under Section 57 of Republic Act No. 6657, as amended. **If there is an allegation from any of the parties that the case is agrarian in nature and one of the parties is a farmer, farmworker, or tenant, the case shall be automatically referred by the judge or the prosecutor to the DAR which shall determine and certify within fifteen (15) days from referral whether an agrarian dispute exists: *Provided*, That from the determination of the DAR, an aggrieved party shall have judicial recourse. In cases referred by the municipal trial court and the prosecutor's office, the appeal shall be with the proper regional trial court, and in cases referred by the regional trial court, the appeal shall be to the Court of Appeals.**
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> x x x x (Emphasis and underscoring supplied)

II. The PARO's determination of existence of agrarian dispute should be based on sufficient evidence and is subject to judicial recourse.

To implement Section 19 of RA 9700, the DAR issued Administrative Order No. (AO) 03-11,[3] which provides that the determination by the DAR - PARO as to whether or not an agrarian dispute exists, or whether or not the case is agrarian in nature, shall be done through a **summary proceeding** involving its own investigation. In this regard, the Chief of the DAR Legal Division, or the DAR lawyer or legal officer assigned, is mandated to exert all reasonable means to ascertain the facts based on the testimonies and evidence presented. They may verify the position papers submitted by the parties, ascertaining that the concerned party is the one causing the preparation thereof, and that the allegations therein are true based on personal knowledge or authentic records and documents.[4]

However, ***any party who disagrees with the recommendation of the PARO has judicial recourse by submitting his/her/its position to the referring court or Office of the Public Prosecutor in accordance with the latter's rules***.[5] **Moreover, Section 50-A of RA 6657, as amended, explicitly provides that *from the PARO's determination, the appeal shall be with the proper Regional Trial Court (RTC) in cases referred by the MTC and the prosecutor's office, and to the Court of Appeals (CA) in cases referred by the RTC*.**

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3 Entitled "REVISED RULES AND REGULATIONS IMPLEMENTING SECTION 19 OF R.A. NO. 9700 (JURISDICTION ON AND REFERRAL OF CASES THAT ARE AGRARIAN IN NATURE)"; approved on July 19, 2011.

4 See Section 6 of DAR AO 03-11.

5 See Section 12 of DAR AO 03-11.

In this case, since there was an allegation that the case is agrarian in nature and that one of the parties is a tenant, the MTC properly referred the case to the PARO. Consequently, the PARO certified that the case is agrarian in nature, and the MTC dismissed the case on the basis thereof. Nonetheless, in view of said dismissal, **petitioners Antonio R. Cruz and Loreto Teresita Cruz-Dimayacyac (petitioners) availed themselves of the judicial recourse provided for by law when they appealed said decision to the RTC, and thereafter, to the CA.** It was thus incumbent for these courts to examine whether or not the MTC committed any reversible error in upholding the PARO's certification that the case is agrarian in nature.

More particularly, in their appeal before the RTC, petitioners challenged the MTC's reliance on the PARO certification, raising the lack of concurrence of all the elements of a tenancy relationship between the parties in order to situate jurisdiction before the Department of Agrarian Reform Adjudication Board (DARAB), and, thus, maintained that jurisdiction belongs with the MTC. **Consequently, it behooved the RTC to make its own independent findings on whether or not the case is agrarian in nature**. However, in its Decision dated February 28, 2018, the RTC ruled that when the DAR certified that the case is agrarian in nature, the MTC was divested of jurisdiction and the case shall be under the primary and exclusive jurisdiction of the DAR.[6] Moreover, when the case was further appealed to the CA, the CA likewise merely relied on the PARO's findings in ruling that the MTC properly dismissed the case on the basis of lack of jurisdiction. As the CA's ruling was further appealed to this Court, it is now tasked to finally resolve whether or not the case indeed involves an agrarian dispute.

III. PARO's determination of the existence of agrarian dispute lacks sufficient basis and thus, should be reversed on appeal.

Tenancy is a legal relationship, and the existence of a tenancy relation is not presumed.[7] The elements for the existence of tenancy are explicit in the law and cannot be done away with by mere conjectures as leasehold relationship is not brought about by the mere congruence of facts but, being a legal relationship, the mutual will of the parties to that relationship should be primordial.[8] Thus, while the ejectment of a farmer, farmworker or tenant is within the jurisdiction of the DARAB Adjudicator,[9] ***it does not relieve the defendant in an unlawful detainer case who claims to be a tenant to establish the elements of a tenancy relationship by adequate proof***.[10] Consequently, proof must still be adduced by the person making the

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6 See *rollo*, p. 143.
7 See *Romero v. Sombrino*, G.R. No. 241353, January 22, 2020.
8 *Pagarigan v. Yague*, 758 Phil. 375, 380 (2015).
9 See Section 1 (d), Rule II of the 2009 DARAB Rules of Procedure.
10 See *Chailese Development Company, Inc. v. Dizon*, 826 Phil. 51, 64-65 (2018).

allegation as to his or her status as a farmer, farmworker,[11] or tenant[12] in order to divest the MTC of jurisdiction, which respondents Carlos Cervantes and Cecilia Cervantes Santos (respondents) failed to discharge.

For context, the PARO Certification[13] dated October 28, 2016 states that the case is agrarian in nature because "it involves an agricultural land and the cause of action is ejectment of a farmer, farmworker or tenant which is within the primary and exclusive jurisdiction of the DAR."[14]

An agrarian dispute is defined under Section 3 (d) of RA 6657 as any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers' associations or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of such tenurial arrangements. It includes any controversy relating to compensation of lands acquired under this Act and other terms and conditions of transfer of ownership from landowners to farmworkers, tenants and other agrarian reform beneficiaries, whether the disputants stand in the proximate relation of farm operator and beneficiary, landowner and tenant, or lessor and lessee.

Case law states that the following indispensable elements must be proven in order for a tenancy agreement to arise:

1) the parties are the landowner and the tenant or agricultural lessee;
2) the subject matter of the relationship is an agricultural land;
3) there is consent between the parties to the relationship;
4) the purpose of the relationship is to bring about agricultural production;
5) there is personal cultivation on the part of the tenant or agricultural lessee; and
6) the harvest is shared between the landowner and the tenant or agricultural lessee.

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[11] Section 3 (f) and (g) of Republic Act No. 6657 defines "farmers and farmworkers" as follows:
(f) Farmer refers to a natural person whose primary livelihood is cultivation of land or the production of agricultural crops, either by himself, or primarily with the assistance of his immediate farm household, whether the land is owned by him, or by another person under a leasehold or share tenancy agreement or arrangement with the owner thereof.

(g) Farmworker is a natural person who renders service for value as an employee or laborer in an agricultural enterprise or farm regardless of whether his compensation is paid on a daily, weekly, monthly or "*pakyaw*" basis. The term includes an individual whose work has ceased as a consequence of, or in connection with, a pending agrarian dispute and who has not obtained a substantially equivalent and regular farm employment. (Underscoring supplied)

[12] An agricultural tenancy relation is established by the concurrence of the following elements: (1) that the parties are the landowner and the tenant or agricultural lessee; (2) that the subject matter of the relationship is an agricultural land; (3) that there is consent between the parties to the relationship; (4) that the purpose of the relationship is to bring about agricultural production; (5) that there is personal cultivation on the part of the tenant or agricultural lessee; and (6) that the harvest is shared between the landowner and the tenant or agricultural lessee. (See *Chailese Development Company, Inc. v. Dizon*, supra note 10, at 63-64.)

[13] *Rollo*, p. 134.

[14] Id.

The absence of ***any*** of the requisites negates a finding that an occupant, cultivator, or planter is a *de jure* tenant. Thus, one who claims to be a tenant has the *onus* to prove the affirmative allegation of tenancy with substantial evidence that the landowner and tenant came to an agreement in entering into a tenancy relationship.[15]

Here, other than the fact that the subject land is agricultural land, ***the records are bereft of showing of the presence of the other elements of a tenancy, particularly, the essential requisites of consent and sharing***. The pieces of documentary evidence presented by respondents do not provide proof that their predecessor-in-interest, Isidro Cervantes (Isidro), and Spouses Progedio and Teresa Cruz (Spouses Cruz) came to an agreement as to the establishment of an agricultural leasehold tenancy relationship. Outside of their self-serving claim and general averments in their Answer,[16] respondents failed to elaborate much less prove the details of the supposed tenancy relationship between Isidro and Spouses Cruz. Based on the records, neither was a written tenancy contract nor proof of acts implying a mutual agreement to enter into a tenancy contract between Isidro and Spouses Cruz presented in evidence before the tribunals *a quo*.[17]

Verily, occupancy and cultivation of an agricultural land, no matter how long, will not *ipso facto* make one a *de jure* tenant. Independent and concrete evidence are necessary to prove personal cultivation, sharing of harvest, or consent of the landowner.[18] It is essential that, together with the other requisites of tenancy relationship, the agricultural tenant is able to show that he transmitted the landowner's share of the harvest.[19]

In this case, **the Tally Sheet[20] and receipt[21] presented by respondents to substantiate the purported sharing of harvests are not enough to establish any sharing agreement of agricultural production with petitioners, considering the lack of signatures or acknowledgment thereof by the landowners, Spouses Cruz**. Neither were the signatories thereon shown to be representatives of Spouses Cruz. Further, in *Rivera v. Santiago*,[22] the Court even stressed that it is not unusual for a landowner to receive the produce of the land from a caretaker who sows thereon,[23] and that **the fact of receipt, without an agreed system of sharing, does not *ipso facto* create a tenancy**.[24]

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15 See *Romero v. Sombrino*, supra note 7.
16 *Rollo*, pp. 69-74.
17 See id. at 17-18, 32-33, 38-40, 134, and 143.
18 *Pagarigan v. Yague*, supra note 8, at 380.
19 *Adriano v. Tanco*, 637 Phil. 218, 228-229 (2010).
20 *Rollo*, p. 78.
21 Id. at 79.
22 457 Phil. 143 (2003).
23 Id. at 159.
24 *De Jesus v. Moldex Realty, Inc.*, 563 Phil. 625, 632 (2007).

Hence, respondents failed to discharge the burden of proving that Isidro, their predecessor-in-interest, was an agricultural tenant of Spouses Cruz, and that the instant case involves an agrarian dispute cognizable by the DARAB. There being no agricultural tenancy relationship established in this case, the MTC has jurisdiction over the unlawful detainer case filed by petitioners against respondents.

As a final point, it should be stressed that while primary jurisdiction is vested in the DAR as an administrative agency to determine and adjudicate agrarian reform matters and that it has exclusive jurisdiction over all matters involving the implementation of the agrarian reform program,[25] case law states that "***such determination is subject to challenge in the courts***,"[26] as in this case.

To be sure, the doctrine of primary jurisdiction only holds that:

> [I]f a case is such that its determination requires the expertise, specialized training, and knowledge of an administrative body, *relief* ***must first be obtained in an administrative proceeding before resort to the court is had*** *even if the matter may well be within the latter's proper jurisdiction.* The objective of the doctrine of primary jurisdiction is to guide the court in determining whether it should refrain from exercising its jurisdiction until after an administrative agency has determined some question or some aspect of some question arising in the proceeding before the court.[27] (Emphasis, italics, and underscoring supplied)

Thus, while the doctrine of primary jurisdiction gives the administrative agency the first opportunity to pass on a specialized matter – as what the PARO did when the case was automatically referred to it – the referral is merely a rule of preliminary guidance/deference, which is without prejudice to a judicial recourse, such as an appeal. Ultimately, it should be stressed that the findings of administrative agencies are not insulated from judicial review despite their expertise. It is this Court which has the final say on whether or not an agrarian dispute exists.

Accordingly, I vote to **GRANT** the petition. The complaint must be **REINSTATED,** and the case **REMANDED** to the Municipal Trial Court of Plaridel, Bulacan for further proceedings.

ESTELA M. PERLAS-BERNABE
Senior Associate Justice

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25 Section 50 of RA 6657.

26 See *Land Bank of the Philippines v. Dalauta*, 815 Phil. 740, 772 (2017), emphasis and underscoring supplied; citation omitted.

27 *Nestle Philippines, Inc. v. Uniwide Sales, Inc.*, 648 Phil. 451, 459 (2010).