

**SERIES 2006**

# Frequently Asked Questions on CARP

What is the Comprehensive Agrarian Reform Program (CARP)?

The CARP is a social justice and poverty alleviation program which seeks to empower the lives of agrarian reform beneficiaries (ARBs) through equitable distribution and ownership of the land based on the principle of land to the tiller. It likewise provides opportunities for a dignified and improved quality of life of the ARBs through the provision of adequate support services for sound rural development and the establishment of economic-size farms as the basis of Philippine agriculture.

What is the basis of CARP?

RA 6657 or the Comprehensive Agrarian Reform Law (CARL) of 1988, is the basis for the implementation of CARP. This law embodies the state policy of processing CARP aimed at liberating the vast potential wealth of Philippine agriculture by giving the majority of the Filipinos the real and rightful stake in the land.

What is the essence of CARP?

The essence of CARP is asset reform, i.e., redistribution of wealth thus enabling the poor and marginalized to have access of capital resources (land, money, etc.); importation of agricultural products is more of the Department of Agriculture's (DA) concern.

How does the Department of Agrarian Reform (DAR) help the farmers?

There are specific ways in which DAR helps the plight of farmers:

1. Distribution of all agricultural lands regardless of tenurial arrangement and commodities produced. For non-land distribution however, the DAR strengthens and protects the farmers security of tenure in leasehold and stock distribution option.
2. Delivery of appropriate support services such as intensification of support services; rural enterprise development, promotion of self-reliant livelihood programs, continuous social marketing and advocacy campaigns.
3. Agrarian justice for agrarian-related cases (e.g. legal representation & adjudication of cases)

Is the DAR land distribution program uniformly implemented in the country?

It would depend on the hectare target of the region. There are regions with high CARP scope and the others are high on non-Land Acquisition & Distribution (LAD) programs. Those with large remaining land acquisition balances are those with problematic landholdings which are currently being worked out by the DAR. (e.g., CARP balances in Negros, Region V balances, etc.).

How does the DAR conduct its information dissemination drive to the public?

The DAR has a continuous education and information campaign. For instance, the Agrarian Reform (AR) Advocacy Program is conducted regularly in schools and institutions who would like to be oriented on CARP.

The Department also farms out information kit, newsletters, brochures, primers and other IEC materials for dissemination and distribution to the public. It also accommodates walk-in researchers from different sectors. This policy holds true to all DAR offices (local and national). The DAR also has its own official website. Interested public can log on anytime at the DAR website [www.dar.gov.ph](http://www.dar.gov.ph)

Who are qualified as Agrarian Reform Beneficiaries (ARBs)?

Section 22 of RA 6657, states that qualified farmer beneficiaries are as follows:

- a. Agricultural lessees and share tenants;
- b. Regular farmworkers;
- c. Seasonal farmworkers;
- d. Other farmworkers;
- e. Actual tillers or occupants of public lands;
- f. Collective or cooperatives of the above beneficiaries; and
- g. Others directly working on the land

What are the requisites of a qualified ARB?

In Section 22 of RA 6657, the following can qualify:

1. Landless as defined in RA 6657. One is considered landless if he/she owns less than 3 hectares of agricultural land;
2. Filipino citizen;
3. At least 15 years of age or head of the family at the time of acquisition of property; and
4. Has willingness, ability and aptitude to cultivate and make the land productive as possible.

How does DAR identify an ARB?

The DAR in coordination with the Barangay Agrarian Reform Community (BARC) registers all agricultural lessees, tenants and farmworkers who are qualified to be beneficiaries of CARP. These potential beneficiaries with the assistance of the BARC and the DAR shall provide the following data:

- a. Names and members of their immediate farm household;

- b. Owners or administrators of the lands they work on and length of tenurial relationship;
- c. Location and area of the land they work;
- d. Crops planted; and
- e. Share in the harvest or amount of rental paid or wages received

*(Section 15 of RA 6657; DAR AO 10 series of 1989 and AO No. 7 series of 2003)*

What are the obligations of an ARB?

His or her obligations would be as follows:

- The agricultural productivity of the land should be maintained; and
- The change in the nature of the use of the land shall be protected except with the approval of the DAR under its rules on conversion or exemption.

Are idle and abandoned lands covered under the CARP?

Yes. Pursuant to Section 7 in relation to Section 3 (e) of the Comprehensive Agrarian Reform Law (CARL), idle and abandoned agricultural lands are priority areas for coverage under CARP.

Filipinos working abroad left their farm lands; if they are not being tilled, what does the DAR do?

The farm land will be subject to the landowner's 5-hectare right of retention. The excess thereof, may be covered by the DAR under CARP for distribution to qualified agrarian reform beneficiaries (ARBs).

Section 2, paragraph 9 of RA 6657 emphasizes that if the land is left untilled, the State shall be guided by the principle that land has a social function and land ownership has a social responsibility. Owners of agricultural land have the obligation to cultivate directly or through labor administration the lands they own and thereby make the land productive.

Are uplands which are being agriculturally developed exempted from CARP coverage?

If at the advent of CARP said lands are already agriculturally developed and productive, they are not exempted from CARP.

However, for those lands which are above 18% slope, they are exempted from CARP coverage. (Sec. 10 of RA 6657).

Can an agricultural land be converted to a residential land?

Yes. Section 65 of RA 6657 and AO 1 series of 2002 states that after the lapse of five years from its award, when the land ceases to be agriculturally sound and economically feasible or if the locality has become urbanized and the land will have greater economic value for residential, commercial or industrial purposes.

What are some of the guidelines for converting agricultural lands into residential, commercial and other non-agricultural uses?

It is a long process, but those who want to convert their lands should coordinate with the Center for Land Use Policy and Planning Implementation (CLUPPI) office of the DAR.

Among others, they should get an environmental compliance certificate from the DENR if Environmentally Critical Area (ECA) or Environmentally Critical Project (ECP).

They also have to coordinate with the LGU regarding the present classification of the land depending on the class type of the municipality where the land is located. *(A.O. 1 series of 2002)*

What are private agricultural lands (PAL)?

These are lands already titled in the name of private individuals. These also include agricultural lands which have a torrens title, free-patent titles and those with homestead patents.

An easy to remember mnemonics of PAL is as follows:

Acquired through various mode of land acquisition;

Granted by the state;

Owned by natural or juridical person or corporations; and

Segregated from the lands of the public domain

Are haciendas covered under CARP?

Yes. Haciendas and big landed states are covered under CARP.

Are there various ways in distributing big landed estates to qualified farmers?

Yes, The DAR has various ways in putting big landed estates under CARP coverage.

They are as follows:

- Physical Distribution of lands to qualified farmer beneficiaries;
- Compulsory acquisition;

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- Voluntary offer to sell/ Voluntary land transfer; and
- ◇ Non-land transfer schemes like Stocks Distribution Option (SDO), Production and Profit Sharing (PPS) and Leasehold Operation

What are the benefits received by ARBs under the stock distribution option (SDO) plan?

An ARB who is under a stock distribution option (SDO) scheme (a non-land transfer program), will get dividends and proportionate share to the earnings of the land. They can also avail of other benefits stated in the MOA (Memorandum of Agreement) like educational loans, and other agreements stipulated therein.

What is the difference of stock distribution option from production and profit sharing?

In a stock distribution option (non-land transfer program of CARP), the farmers become stock owners, meaning, they are given rights to purchase capital stocks, equities or shares from the corporate landowners and association.

Having acquired shares of stocks, dividend and other financial benefits and representation in the seat of the board of directors; they also acquire management rights in the corporate farm concerned. *(Section 31-Corporate Landowners, RA 6657)*

In a production and profit sharing scheme, there is a distribution of shares of production and profit for the farmworkers who are awaiting the eventual transfer of land ownership to them. *(Section 32 of RA 6657)*

While the ARBs await the full distribution of the lands in a big farm corporation. A corporation who earns 5 million or more in a year should give the farm workers or their farmers' association a 3% gross sales of the land production within 60 days of the fiscal year as additional compensation. *(Section 32 RA 6657)*

Are farm lands under Multinational Corporations covered by CARP?

Section 31 of RA 6657 states that farm corporations and multinationals are covered under CARP.

What is really happening in Hacienda Luisita?

Hacienda Luisita is a sugarcane estate. The land is not economically feasible to be fragmented.

The farmers who qualified to be CARP beneficiaries but working at Hacienda Luisita on 1988, chose through a referendum, to remain as shareholders instead of physically distributing the land to them. Earnings of the Hacienda were proportionately shared to the 4,000 farm workers.

The problem started when the children of the farmer beneficiaries grew in numbers and benefits like housing, school education, loans, etc. Provided by the Hacienda cannot anymore meet sufficiently the household needs of the farmers. The shares received were also not enough for a growing farmer's family. Outsiders also came into the picture and the slaying of a farmer leader further fueled the farmers' agitation.

Can the lands of Hacienda Luisita be physically distributed to the farmers?

DAR recommended the physical distribution of the lands of Hacienda Luisita to the farmers. This was affirmed by the Presidential Agrarian Reform Council (PARC).

To date the matter of decision lies with the Supreme Court.

What is the allowed retention limit under CARP?

Under Sec. 6 of RA 6657, a landowners' retention limit shall not exceed 5 hectares. Three (3) hectares may be awarded to a child of the landowner subject to the following qualifications:

1. at least 15 years of age during the CARP coverage; and
2. actually tilling the land or directly managing the farm

Can a married couple avail of 5 hectares each?

It would depend by the nature of their property relations.

If the marriage was solemnized before 3 August 1988 then it is governed by the Civil Code in which case, in the absence of an agreement for the separation of the property, spouses may retain a total of not more than 5 hectares of agricultural lands from their conjugal properties.

However, if either or both of them are landowners in their own respective rights, they may retain not more than 5 hectares each from their respective landholdings.

On the other hand, if the marriage was contracted under the new Family Code, they may retain 5 hectares each if they executed a judicial separation of properties prior to the marriage. In the absence thereof, only a total of 5 hectares can be retained.

Can the Church become a landowner of an agricultural land?

A religious institution like the Catholic church is considered a juridical person, meaning it has a legal personality like that of an individual. It can maintain up to 5 hectares of agricultural lands.

Are schools and state universities covered by CARP?

They are exempted from CARP coverage if the use of the land is directly and exclusively for educational purposes. (*Section 10 of RA 6657*)

What about military reservations, are they exempted from CARP coverage?

Pursuant to Sec. 10, RA 6657, all defense sites and military reservations are considered inalienable (cannot be disposed) public lands because ownership is state owned.

What is the amortizing period for RA 6657 and PD 27 lands?

For CARP awarded lands, it is 30 years amortizing period (Sec. 26 of RA 6657).

For PD 27 lands, the amortization period is 20 annual amortizations at 6% per annum with 2% rebate if paid on time. The farmer beneficiary however, may pay in full before the 20th year or may request the LBP to structure a repayment period of less than 20 years (*Section 6 of EO 228*)

Are land transactions under CARP required to pay taxes?

Section 66 of RA 6657 states that land transactions under the CARP are exempted from the taxes arising from capital gains as well as payment of registration fees and all other taxes and fees for the conveyance or transfer thereof.

How much does an ARB pays to Land Bank?

An ARB pays in 30 equal annual payments at 6 % per annum interest and with 2% less deduction for updated amortization payments.

1<sup>st</sup> 3 years- payments shall not exceed 2.5% of the value of the annual gross production (AGP)

4<sup>th</sup> & 5<sup>th</sup> years- not to exceed 5% of the value of the AGP

6<sup>th</sup>- 30<sup>th</sup> year- not to exceed 30% of the value of the AGP

What does the land owner do if he/she does not agree with the valuation of the agreement?

He/she can bring the matter to any special agrarian court for final determination of just compensation (*Section 16 of RA 6657*)

Can a landowner get back his lands from a n ARB?

He cannot get back his lands from an ARB. However, if he has not yet been fully paid he can follow it up with the Land Bank of the Philippines where he will be paid in cash or in LBP bonds.

In case of default of payment of monthly amortization, is an ARB obliged to pay additional interest?

In case of fortuitous event or *force majeure* circumstances like typhoons where an ARB is not able to harvest, he or she is obliged to pay the Land Bank in the next cropping season without additional interest.

As much as possible, the government does not want to force the ARBs to pay additional interests. However, if for three (3) annual amortizations, the ARB is still not able to pay the LBP, the awarded land will be forfeited and awarded to other qualified beneficiaries (*Section 26 of RA 6657*)

Are CARP farmer beneficiaries allowed to sell their lands?

Section 27 of RA 6657 states that within ten years, FBs cannot sell, transfer or donate the lands awarded to them except through hereditary succession, or if sold back to the State through the Land Bank of the Philippines or to another qualified beneficiary within the ten-year period.

However, if an ARB sells, transfers, leases or conveys his/her rights over the awarded land except to those mentioned above, this will be a ground for disqualification as a beneficiary of CARP, PD 27 and other agrarian laws (*DAR MC No. 19-1990*).

What if the ten-year period has lapsed, can ownership of awarded agricultural lands be transferred or sold?

Yes, transferability/ownership can be allowed, provided the agricultural land has been fully paid and provided further that the transferee thereof is qualified under the CARP and does not own more than 5 hectares of agricultural land.

Preference of transferability however, should be to the direct cultivators, the government thru LBP, or other qualified beneficiaries. (*Section 27, RA 6657*)

What is Leasehold Operation?

Leasehold operation is one of the non land transfer schemes under CARP which ensures the tenurial security of farmers and farmworkers. This covers tenanted retention areas, sugarlands and coconut lands and other agricultural lands with the prescribed 75-25 sharing arrangement in favor of the ARBs.

Who can avail of the Diosdado Macapagal Scholarship?

Any child or descendants of an ARB who wants to pursue a college degree or vocational courses can avail of the scholarship.

What is an Agrarian Reform Community (ARC)?

These are identified barangays or clusters of barangays with the highest concentration of ARBs and distributed lands and has become a focused area where CARP funds for support services and other resources are being channeled and pooled in to have a great impact.

The ARC has been adopted by the Department since 1993 as a strategy to accelerate and sustain growth points in agrarian reform and rural areas through community-based approach and integrated efforts from the tripartite partnership and convergence of development interventions among CARP stakeholders.

What are the criteria in ARC selection?

- A large CARP scope (at least 80%) in the locally has been distributed or will be distributed within one or two years;
- There is a high density of potential and actual agrarian reform beneficiaries;
- There is a low rate of economic growth but with high agro-industrial development potential; and
- There are non-government organizations and people's organizations in the area.

What is a KALAHÍ AR Zone?

- Kapit-Bisig Laban sa Kahirapan (KALAHÍ) agrarian reform zones is a development strategy which evolved from the original ARC concept; and
- It is a sub-provincial; area comprising of one or more municipalities with critical number of ARBs and farming households with at least two existing ARCs.

KALAHÍ AR Zones were launched in 2003 to optimize the delivery of support services and other development requirements of not only ARBs inside ARCs but also farmers outside the ARCs. This was adopted when it was noted that farmers in the ARCs extended with the necessary support services and facilities have higher household incomes compared to the farmers outside the ARCs.

Why were ARCs expanded to KALAHÍ AR Zones?

The ARCs were expanded to serve as planning and operation areas for partnership and convergence of resources and efforts of various CARP stakeholders involving one or more ARCs.

What is the status of the DAR's ARC development?

Through the years, the DAR almost doubled the number of ARCs created with 1,682 nationwide involving 905,055 ARBs. Out of these, 896 ARCs are foreign assisted project areas where the support services projects under the CARP-Official Development Assistance (ODA) are implemented. 44% percent of these ARCs are in

Mindanao, 34% in Luzon and 22% in Visayas.

What are foreign Assisted projects (FAPs)?

The FAPs of the DAR are the Official Development Assistance (ODA) projects where the purpose is to fully complement the governments' limited resources for the transformation of thousands of barangays into thriving and self-sustaining agrarian reform communities.

In particular the FAPs focuses on the following delivery of support services:

Infrastructure– construction of farm to market roads, bridges pre and post harvest facilities, etc.

- Community and Institutional Development Support (CIDS) - training activities on organizational and management skills as well as agricultural technologies
- Agricultural Productivity and Rural Enterprise Development (APRED) - access to agricultural extension, support services facilities and establishment of community based credit system
- Basic Education - improvement of classrooms, provision of school desks and teachers' enhancement training
- Primary Health Care - putting up of *Botikas sa Barangay* to make medicines affordable and accessible to the farmers

Is it usual for foreign donors to leave the country after the project is in place?

These foreign donors actually are not here to stay. They work on the premise that they help the farmers stand on their own and empower themselves. Aids in the form of loans and grants have fixed log frame or project timeline to follow. Thus, enabling mechanisms for sustainability are ensured for the project to phase-in and be mainstreamed in the agrarian reform communities.

Do foreign donor countries through foreign funded projects like UNDP, JICA, etc. expects something in return from the government?

In every loan agreement, all foreign funded projects ask for a government of the Philippines (GOP) counterpart. However, if it is a grant, foreign donors do not require a GOP counterpart but are given free as aid.

What are some of the problems that DAR faces?

- Illegal land transaction/transfer, selling/transfer of rights, missing or lost titles; reconstitution of titles; double titling or issuance of award, fictitious land titles, etc.;
- Strong resistance of landowners regarding LAD; leasehold implementation; filing of cases to court and harassment against DAR field personnel;

- Limited budget; and
- Legal obstructions in CARP implementation [e.g. temporary restraining order and injunction.

The maintenance and operation of projects later on are turned over to the community, people's organizations or the local government units (LGUs).

Does CARP works?

Critics doubt agrarian reform will work. Yet, several impact studies on the CARPO belied this claim. The integrated report on the CARP Assessment Studies conducted by prestigious and credible institutions such as the Institute of Agrarian and Urban Development Studies of the University of the Philippines, the Philippine Institute for Development Studies (PIDS) and the Institute of the Philippine Culture (IPC) of the Ateneo de Manila, proved positive results on the economic lives of the ARBs under the program.

When will the CARP end?

The CARP ends in 2008. However, there are measures being undertaken to extend CARP beyond 2008 since agrarian reform is a continuing program as stated in the 1987 Constitution. It covers not only land acquisition and distribution but includes the totality of factors and support services designed to lift the economic status of the beneficiaries.

*Sources:*

*CARP Briefings' Consolidated FAQs  
RA 6657  
Pertinent AOs  
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