

[REPUBLIC ACT NO. 7881, February 20, 1995]

AN ACT AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 6657, 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"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 3, Paragraph (b) of Republic Act No. 6657 is hereby amended to read as follows:

"SECTION 3. *Definitions.*—For the purpose of this Act, unless the context indicates otherwise:

"(b) Agriculture, Agricultural Enterprise or Agricultural Activity means the cultivation of the soil, planting of crops, growing of fruit trees, including the harvesting of such farm products, and other farm activities and practices performed by a farmer in conjunction with such farming operations done by persons whether natural or juridical."

SEC. 2. Section 10 of Republic Act No. 6657 is hereby amended to read as follows:

"SECTION 10. *Exemptions and Exclusions.* —

"a) Lands actually, directly and exclusively used for parks, wildlife, forest reserves, reforestation, fish sanctuaries and breeding grounds, watersheds and mangroves shall be exempt from the coverage of this Act.

"b) Private lands actually, directly and exclusively used for prawn farms and fishponds shall be exempt from the coverage of this Act: Provided, That said prawn farms and fishponds have not been distributed and Certificate of Land Ownership Award (CLOA) issued to agrarian reform beneficiaries under the Comprehensive Agrarian Reform Program.

"In cases where the fishponds or prawn farms have been subjected to the Comprehensive Agrarian Reform Law, by voluntary offer to sell, or commercial farms deferment or notices of compulsory acquisition, a simple and absolute majority of the actual regular workers or tenants must consent to the exemption within one (1) year from the effectivity, of this Act. When the workers or tenants do not agree to this exemption, the fishponds or prawn farms shall be distributed collectively. to the

worker-beneficiaries or tenants who shall form a cooperative or association to manage the same.

"In cases where the fishponds or prawn farms have not been subjected to the Comprehensive Agrarian Reform Law, the consent of the farm workers shall no longer be necessary, however, the provision of Section 32-A hereof on incentives shall apply."

"c) Lands actually, directly and exclusively used and found to be necessary for national defense, school sites and campuses, including experimental farm stations operated by public or private schools for educational purposes, seeds and seedlings research and pilot production center, church sites and convents appurtenant thereto, mosque sites and Islamic centers appurtenant thereto, communal burial grounds and cemeteries, penal colonies and penal farms actually, worked by, the inmates, government and private research and quarantine centers and all lands with eighteen percent (18%) slope and over, except those already developed, shall be exempt from the coverage of this Act."

SEC. 3. Section 11, Paragraph 1 is hereby amended to read as follows:

"SECTION 11. *Commercial Farming*. — Commercial farms, which are private agricultural lands devoted to saltbeds, fruit farms, orchards, vegetable and cut-flower farms, and cacao, coffee and rubber plantations, shall be subject to immediate compulsory acquisition and distribution after ten (10) years from the effectivity of this Act. In the case of new farms, the ten-year period shall begin from the first year of commercial production and operation, as determined by the DAR. During the ten-year period, the Government shall initiate steps necessary to acquire these lands, upon payment of just compensation for the land and the improvements thereon, preferably in favor of organized cooperatives or associations, which shall thereafter manage the said lands for the workers-beneficiaries . "

SEC. 4. There shall be incorporated after Section 32 of Republic Act No. 6657 a new section to read as follows:

"SECTION 32-A. *Incentives*. — Individuals or entities owning or operating fishponds and prawn farms are hereby mandated to execute within six (6) months from the effectivity of this Act, an incentive plan with their regular fishpond or prawn farmworkers or fishpond or prawn farm workers' organization, if any, whereby seven point five percent (7.5%) of their net profit before tax from the operation of the fishpond or prawn farms are distributed within sixty (60) days at the end of the fiscal year as compensation to regular and other pond workers in such ponds over and above the compensation they currently receive.

"In order to safeguard the right of the regular fishpond or prawn farm workers under the incentive plan, the books of the fishpond or prawn farm owners shall be subject to periodic audit or inspection by certified public accountants chosen by the workers.

"The foregoing provision shall not apply to agricultural lands