

**[ DAR ADMINISTRATIVE ORDER NO. 16, January  
03, 1989 ]**

**RULES AND REGULATIONS FOR IMPLEMENTING SECTION 11 OF  
R.A. 6657 ON COMMERCIAL FARMING**

The following Rules and Regulations are hereby promulgated to implement Section 11 of R.A. 6657 for the guidance of all concerned:

*SECTION 1. Coverage .* — These Rules and Regulations cover the following:

**Crops** — Commercial farms which are private agricultural lands devoted to livestock, poultry and swine raising, aquaculture including saltbeds, fishponds and prawnponds, fruit farms and orchards; vegetables and cutflower farms, cacao, coffee and rubber plantations (as enumerated in Annex A)

**Area** — Farm areas in excess of the retention limit prescribed in Section 6 of R.A. 6657 and owned/operated by corporations, single individuals/proprietorships or partnerships.

*SECTION 2. Definition of Terms .* — The terms used in these Rules and Regulations are defined as follows:

**Farm** — any parcel or parcels of land used wholly or partly or agricultural operation and operated as one technical unit by one person alone or with others under one management. and where the financial resources needed for the operation of said farms come from the same management.

**Intercrop** — The method of growing crops on the same parcel of land in between another crop in a more or less systematic method, i.e., in between rows of the other crop.

**Gestation period** — the period beginning from the time the crop/commodity is first planted or raised until the time the crops bear fruit or produce are harvested.

**Start of commercial production** — the time immediately after the end of the gestation period

or once the crops bear fruit or produce are harvested.

**Deferment period** — the ten-year period counted from the start of commercial production.

*SECTION 3. Criteria/Qualifications For Deferment From CARP Coverage Under Section 11 of R.A. 6657.* — To qualify for deferment from acquisition and distribution by DAR in accordance with the phasing prescribed in Section 7 of R.A. 6657, and consequently to qualify deferment from CARP coverage under Section 11 of R.A. 6657 commercial farms shall meet the following conditions:

- A. the farm should already be planted to commercial crops or devoted to commercial farming operations before June 15, 1988;
- B. the farm should meet the criteria set in Annex A of these Rules and Regulations; and
- C. the farm shall be applied for deferment with DAR and the same is approved by DAR.

*SECTION 4. Application and Time of Filing .* — A landowner shall file with DAR a Sworn Declaration that his farm is commercial shall apply for deferment not later than sixty (60) days after the effectivity of these Rules and Regulations.

DAR may approve the application and grant the deferment upon the proper validation verification of the Sworn Declaration of the landowner and after due hearing with the potential beneficiaries.

*SECTION 5. Determination of Deferment Period .* — Deferment period for qualified commercial farms shall be as follows:

- A. For commercial farms already in commercial production and operation as of June 15, 1988, the deferment period immediately begins as of that date and ends on June 15, 1988. The farm shall then be subject to compulsory land acquisition and distribution by DAR after June 15, 1998.
- B. For commercial farms established before June 15, 1988, but which are not yet in commercial production and operation, the ten year deferment period shall begin from the first year of commercial production and operation or at the end of the gestation period for that crop or commodity. The allowable gestation period for specific commercial crops/commodities are listed Annex A.
- C. In case of multi-crop farms (i.e., one large farm divided into several areas, each planted or devoted to different crops), the areas which are already in commercial production and operation shall follow the deferment period prescribed in Section 5.A above while areas which are not yet