

**[ DAR ADMINISTRATIVE ORDER NO. 07, s. 1997,  
October 29, 1997 ]**

**OMNIBUS RULES AND PROCEDURES GOVERNING CONVERSION  
OF AGRICULTURAL LANDS TO NON-AGRICULTURAL USES**

**I. PREFATORY STATEMENT**

The guiding principle on land use conversion is to preserve prime agricultural lands for food production while at the same time recognizing the need of the other sectors (housing, industry and commerce) for land, when coinciding with the objectives of the Comprehensive Agrarian Reform Law to promote social justice, industrialization, and the optimum use of land as a national resource for public welfare.

To operationalize these principles, and by virtue of Republic Act (R.A.) No. 3844, as amended, Presidential Decree (P.D.) No. 27, P.D. No. 946, Executive Order (E.O.) No. 129-A and R.A. No. 6657, the Department of Agrarian Reform (DAR) has issued several policy guidelines to regulate land use conversion.

There is a need to further improve the present guidelines on land use conversion to ensure better mechanisms for the protection of prime agricultural lands and speedy processing of applicants for land use conversion.

This Administrative Order consolidates all existing implementing guidelines issued by the DAR, taking into consideration, other Presidential issuances and national policies related to land use conversion.

**II. LEGAL MANDATE**

A. The Department of Agrarian Reform (DAR) is mandated to "approve or disapprove applications for conversion, restructuring or readjustment of agricultural lands into non-agricultural uses," pursuant to Section 4 (j) of Executive Order No. 129-A, Series of 1987.

B. Section 5(I) of E.O. No. 129-A, Series of 1987, vests in the DAR, exclusive authority to approve or disapprove applications for conversion of agricultural lands for residential, commercial, industrial, and other land uses.

C. Section 65 of R.A. No. 6657, otherwise known as the Comprehensive Agrarian Reform law of 1988, likewise empowers the DAR to authorize under certain conditions, the conversion of agricultural lands.

D. Section 4 of Memorandum Circular No. 54, Series of 1993 of the Office of the President, provides that "action on applications for land use conversion on individual landholdings shall remain as the responsibility of the DAR, which shall utilize as its

primary reference, documents on the comprehensive land use plans and accompanying ordinances passed upon and approved by the local government units concerned, together with the National Land Use Policy, pursuant to R.A. No. 6657 and E.O. No. 129-A."

### **III. DEFINITIONS OF TERMS**

A. *Agricultural land* refers to land devoted to agricultural activity and not classified as mineral, forest, residential, commercial or industrial land

B. *Comprehensive Land Use Plan* refers to a document accompanied by maps and similar illustrations which represent the community-desired pattern of population distribution and a proposal for the future allocation of land to the various land-using activities. It identifies the allocation, character and extent of the area's land resources to be used for different purposes and includes and process and the criteria employed in the determination of the land use.

C. *Environmentally Critical Areas* refer to areas declared by laws as:

- 3) areas for natural parks, watershed reserves, wildlife preserves, and sanctuaries;
- 4) areas set aside as aesthetic potential tourist spots;
- 5) areas which constitute the habitat for any endangered or threatened species of indigenous Philippine wildlife (flora and fauna);
- 6) areas of unique historic, archeology, or scientific interests;
- 7) areas which are traditionally occupied by cultural communities and tribes;
- 8) areas with critical slopes;
- 9) areas frequently visited and/or hard-hit by natural calamities (geologic hazards, floods, typhoons and volcanic activities);
- 10) areas classified as prime agricultural lands;
- 11) recharge areas of aquifers;
- 12) water bodies;
- 13) mangrove areas;
- 14) coral reefs;
- 15) mossy and virgin forests;
- 16) river banks; and
- 17) swamp forests and marshlands.

D. *Highly Restricted Areas Within Network of Protected Areas* for Agricultural Development refers to the most efficient and/or prime agricultural land that can be grown to a wide range of crops with minimum to moderate level of farm management requirement, as determined by the Department of Agriculture and as appearing in the Map of the Network of Protected Areas of the DA.

E. *Land Use* refers to the manner of utilization of land, including its allocation, development and management.

F. *Land Use Conversion* refers to the act or process of changing the current use of a piece of agricultural land into some other use as approved by DAR.

G. *Network of Protected Areas for Agriculture (NPAA)* refers to land reserved for agricultural activities. The specific types of land reserved for agricultural activities covered by the NPAA are:

- 1) All irrigated and potentially irrigable land;
- 2) All alluvial, plain land that are highly suitable for agricultural production and/or can be devoted to food production;
- 3) All sustainable land that are traditional sources of food;
- 4) All crop land that support the existing economic scale of production required to sustain the economic viability of existing agricultural infrastructure and agro-based enterprises in the province or region;
- 5) All productive land in the low-calamity risk areas that are suitable for the production of economic trees and other cash crops; and
- 6) All agricultural land that are ecologically fragile and whose conversion will result in serious environmental problems.

H. *National Integrated Protected Areas Systems* is the classification and administration of all designated protected areas to maintain essential ecological processes and life-support systems, to preserve genetic diversity, to ensure sustainable use of resources found therein, and to maintain their natural conditions to the extent possible.

I. *Premature Conversion of Agricultural Land* is the undertaking of any development activities whose results will modify or alter the physical characteristics of the agricultural lands to render them suitable for non-agricultural purposes without an approved order of conversion from the DAR.

J. *Private Agricultural Lands* are lands devoted to or suitable to agriculture, as defined in R.A. No. 6657 and owned by natural or juridical persons, or by the government in its proprietary capacity.

K. *Reclassification of Agricultural Lands* refers to the act of specifying how agricultural lands shall be utilized for non-agricultural uses such as residential,

industrial, commercial, as embodied in the land use plan, subject to the requirements and procedure for land use conversion. It also includes the reversion of non-agricultural lands to agricultural use.

L. *Regional Agro-Industrial Growth Centers (RGCs)* are specific locations in each of the country's regions outside the National Capital Region (NCR) identified for development by providing it with the full range of infrastructure/utilities needed by industries to establish operations in the countryside. The RGCs are growth centers envisioned to strengthen complementary linkages between agriculture and industry; between urban centers and rural areas; and their integration into a mutually reinforcing national system of production, distribution and exchange, and into the highly competitive international market.

M. *Regional Growth Networks/Corridors* are neighboring provinces/regions which are linked together and are identified through the collaboration and cooperation of various local government units. The linking of these areas permits the comparative advantages/strengths of each area to be shared with one another, thereby ensuring the optimum utilization of resources and the development of networks/corridors and its radiation areas.

N. *Socialized Housing* refers to housing programs and projects covering houses and lots or homelots only undertaken by the government or the private sector for the underprivileged and homeless citizens which shall include sites and services development, long-term financing, liberalized terms on interest payments, and such other benefits in accordance with RA 7279.

O. *Special Economic Zones* refer to selected areas with highly developed or which have the potential to be developed into agro-industrial, industrial, tourist/recreational, commercial, banking, investment and financial centers. An ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers.

P. *Tourism Development Areas* refer to specific sites for tourism development located in areas identified as priorities in the national and regional tourism master plans as well as those designated through legislative and executive issuances as tourist spots and tourist zones which can be developed into tourism estates or integrated resort, leisure and recreation complexes, and other tourism-related facilities.

Q. *Watershed* refers to a catchment area or drainage basin from which the waters of a stream or stream systems are drawn.

R. *Zoning* is the delineation/division of a city/municipality into functional zones where only specific land uses are allowed. It directs and regulates the use of all lands in the community in accordance with an approved or adopted land use plan for the city/municipality. It prescribed setback provisions, minimum lot sizes, building heights and bulk.

S. *Zoning Ordinance* refers to a local legislation approving the development control/zoning plan and providing for the regulations and other conditions, on the uses of land including the limitation on the infrastructures that may be placed thereon within the territorial jurisdiction of a city or municipality.

#### **IV.WHO MAY APPLY FOR CONVERSION**

- A. Owners of private agricultural lands or other persons duly authorized by the landowner.
- B. Farmer-beneficiaries of the Agrarian Reform Program after the lapse of five (5) years from award, reckoned from the date of registration of their landholdings, and who have fully paid their obligations and are qualified under these rules, or persons duly authorized by them.
- C. Government agencies, including government-owned or controlled corporations.

#### **V. COVERAGE**

These rules shall cover all private agricultural lands as defined herein regardless of tenurial arrangement and commodity produced. It shall also include all untitled agricultural lands and agricultural lands reclassified by LGUs into non-agricultural uses after June 15, 1988, pursuant to Memorandum Circular (M.C.) No. 54, Series of 1993 of the Office of the President and those proposed to be used for livestock, poultry and swine-raising as provided in DAR Administrative Order No. 9, Series of 1993.

#### **VI. POLICIES AND GUIDELINES**

##### **A. General Policies**

1. The State shall give priority to the provision for a rational and sustainable allocation, utilization, management and development of the country's land resources.
2. The State shall protect prime agricultural lands for food production activities, and give highest priority to the completion of the Comprehensive Agrarian Reform Program (CARP).
3. The State shall ensure food self-sufficiency and food security through efficient and sustainable use of land resources, consistent with the principles of sound agricultural development, natural resources development and agrarian reform.
4. The State shall promote the dispersal of industries nationwide to catalyze countryside development through the Regional Growth Centers (RGCs), economic zones, and growth networks/corridors.
5. The State shall promote and encourage the development of economic and socialized housing projects in order to make available adequate economic and socialized housing units for average and low-income earners in urban and rural areas.
6. The State shall institutionalize the participation of people's organizations, non-government organizations, the private sector and local communities in the formulation of a national land use plan.