

THIRD DIVISION

[G.R. No. 221484, November 19, 2018]

**ROBUSTUM AGRICULTURAL CORPORATION, PETITIONER, VS.
DEPARTMENT OF AGRARIAN REFORM AND LAND BANK OF THE
PHILIPPINES, RESPONDENTS.**

D E C I S I O N

PERALTA, J.:

This is an appeal^[1] from the Orders dated June 11, 2015^[2] and September 28, 2015^[3] of the Regional Trial Court (RTC), Branch 69, of Silay City in Civil Case No. 2915-69.

The facts:

Petitioner Robustum Agricultural Corporation is the registered owner of a 50,000-square meter parcel of agricultural land (*subject land*) in Silay City per Transfer Certificate of Title (TCT) No. T-15256.^[4] The subject land was formerly a part of a 300,000-square meter agricultural estate (*mother estate*) owned^[5] by Puyas Agro, Inc. (PAI), petitioner's predecessor-in-interest.

On December 5, 2013, the Department of Agrarian Reform (DAR),^[6] through Provincial Agrarian Reform Officer (PARO) II Teresita R. Mabunay, prepared a letter, denominated as "*Transmittal of NOC to the Landowner-Transferee/s*,"^[7] addressed to petitioner. The letter sought to furnish petitioner with a copy of a *notice of coverage* previously issued by the DAR which identifies the mother estate as subject to the agrarian reform program.^[8] The letter also aims to inform petitioner that, as a transferee of a portion of the mother estate, it will be included by the DAR as an "*alternative land owner and payee*" for purposes of "*documentation of the [claim folder], the issuance of [a] memorandum of [v]aluation and the payment of compensation proceeds for the [mother estate]*."^[9] The full content of the letter reads:^[10]

TRANSMITTAL OF NOC TO THE LANDOWNER-TRANSFEE/S

December 5, 2013

(Date)

ROBUSTOM (*sic*) AGRICULTURAL CORPORATION

(Name of Registered Landowner-Transferee/s)

Silay City, Negros Occidental

(Address)

Dear Sir/Madam:

We are furnishing you a copy of the notice of Coverege (*sic*) for the landholdings with the following description:

Name of
Original Landowner
OCT or TCT No./s : PUYAS AGRO INCORPORATED
Tax Declaration No./s : 680-B-6-B
Approved Survey No. : _____
Area per Title/Td : 30.0000 (has.)
Location of Property/ies : Brgy. E. Lopez, Silay City

Validation [c]onducted by the Department of Agrarian Reform (DAR) revealed that the said landholding or portion thereof was transferred/conveyed and subsequently registered under your name without the required DAR Clearance under DAR Administration (*sic*) Order No. 1, Series of 1989, on June 17, 1999 per Transfer [Certificate] of Title No. T-15256 covering an area of 5.0000 hectares under Lot No. 680-B-6-B-1.

As a subsequent transferee, we shall include you as "alternative land owner and payee" in the documentation of the claimfolder (*sic*), the issuance of memorand[u]m of [v]aluation and the payment of compensation proceeds for the abovementioned land under CARP. The Land Bank of the Philippines shall release the proceeds of just compensation covering the landholding or portion thereof to the qualified payee or entity who is the registered landowner by virtue of the deed of conveyance which shall be considered as the Deed of Assignment of the proceeds thereof.

Further, you may exercise the privilege to submit your duly attested list of lessees, tenant, and/or regular [f]arm workers subject to the prescriptive period provided in the NOC. You are not allowed to exercise the right of retention in your own right, but may avail of the Five (5) hectare retained area of the former owner and avail his right to nominate preferred beneficiaries, if any provided no actual tenants/lessees/shall be displaced.

TERESITA R. MABUNAY (original signed)
Provincial Agrarian Reform Officer II

Apparently, petitioner refused to receive the foregoing letter, as well as the notice of coverage^[11] attached thereto.

On June 11, 2014, the DAR issued another notice of coverage^[12] that identified the mother estate and the subject land, as well as several other agricultural lands in Negros Occidental, as subject to the government's agrarian reform program. This notice was published the following day in an issue of the Philippine Star.^[13]

On August 14, 2014, petitioner filed before the RTC of Silay City a petition for quieting of title and declaratory relief^[14] against the DAR and the Land Bank of the Philippines (LBP).^[15] Therein, petitioner questioned the efficacy of the notice coverage published by the DAR. Petitioner reckoned such notice as ineffective on two (2) accounts:

First. The notice of coverage - for being merely published in a newspaper of general circulation - was not properly served.^[16] The publication of the said notice was not preceded by any attempt on the part of the DAR to effect personal service of the same. Such immediate resort to publication, in turn, violates Section 16 of DAR Administrative Order (AO) No. 07-11 which prescribes personal service as the "primary" means of serving notices of coverage.^[17]

Second. Even assuming that the notice of coverage was properly served by publication, the same still cannot be enforced as against the subject land. Such notice remains infirm because it was never posted at a conspicuous place within the subject land and on a bulletin board in the city or barangay hall, where the subject land is located, for seven (7) days, as required under Section 19 of DAR AO No. 07-11.^[18]

Verily, petitioner prayed that the subject land be declared free from the coverage of the agrarian reform program, and that the DAR and the LBP be restrained from taking or performing any actions against the subject land pursuant to, or in implementation of, the published notice of coverage.^[19]

The DAR and the LBP filed individual answers in due course.^[20]

The DAR and the LBP shared a common objection against the jurisdiction of the RTC. Both contended that the RTC lacked jurisdiction to hear and decide the petition, pointing out that the issues raised therein but pertain to matters of "*implementation of the [agrarian reform program]*"^[21] which belong to the exclusive competence of the DAR to determine. In support, the DAR and the LBP cite Section 50 of Republic Act (RA) No. 6657, to wit:

SECTION 50. Quasi-Judicial Powers of the DAR. - The DAR is hereby vested with the primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR).

The RTC sided with the DAR and the LBP. On June 11, 2015, the RTC issued an Order dismissing the petition on the ground of lack of jurisdiction.^[22] Petitioner filed a motion for reconsideration, but the RTC remained steadfast.^[23]

Hence, this direct appeal on a pure question of law.

Petitioner questions the RTC's supposed lack of jurisdiction to take cognizance of the petition for quieting of title and declaratory relief. While it concedes that the petition does involve a matter of agrarian law implementation, petitioner insists that the RTC nonetheless has jurisdiction over the same in light of Section 30 of RA No. 9700 that reads:

SECTION 30. Resolution of Cases. - Any case and/or proceeding involving the implementation of the provisions of Republic Act No. 6657, as amended, which may remain pending on June 30, 2014 shall be allowed to proceed to its finality and be executed even beyond such date.

Petitioner postulates that Section 30 of RA No. 9700 limited the jurisdiction of the DAR over agrarian law implementation cases. As worded, the provision only allows the DAR to exercise its jurisdiction over such cases that are already pending as of June 30, 2014.^[24] This, according to petitioner, means that the DAR no longer has any authority, much less exclusive jurisdiction, to take cognizance of agrarian law implementation cases that have been filed *after* the statutory cut-off date of June 30, 2014.^[25] It also means, petitioner adds, that jurisdiction over these cases are now, as they should be, deemed vested with the regular courts.

Accordingly, petitioner submits that its present petition for quieting of title and declaratory relief - given that it was only filed on August 14, 2015 - rightfully falls under the jurisdiction of the RTC.

OUR RULING

Petitioner misunderstands Section 30 of RA No. 9700.

Section 30 of RA No. 9700 did not vest any kind of jurisdiction over any kind of case unto the regular courts. By its language, the provision is simply an authorization for the DAR to continue to process, bring to finality and execute "*[a]ny case [or] proceeding involving the implementation of the [agrarian reform law]*" already pending as of June 30, 2014 even beyond the said date. Nothing more.

One of the "*proceeding[s] involving the implementation of the [agrarian reform law]*" contemplated under Section 30 of RA No. 9700 is that for compulsory land acquisition and distribution pursuant to Section 16 of RA No. 6657, as amended. Per established DAR regulations, a proceeding for compulsory land acquisition and distribution is deemed commenced by the *issuance* of a notice of coverage.

Here, two (2) notices of coverage involving the subject land have already been issued before June 30, 2014. The first is the original notice of coverage for the mother estate referred to, and attached in, PARO II Mabunay's *Transmittal of NOC to the Landowner-Transferee/s* dated December 5, 2013. Another is the published notice of coverage dated June 11, 2014. The issuances of these notices indicate that a proceeding for compulsory land acquisition and distribution against PAI and petitioner, concerning the mother estate and the subject land, was already pending before June 30, 2014. As such, the DAR maintains its authority to bring the said proceeding into conclusion pursuant precisely to Section 30 of RA No. 9700.

Given this context, it becomes apparent why the petition *a quo*, notwithstanding the date of its filing, must fail. The petition - as both parties readily concede - is a mere challenge to the efficacy of the notice of coverage published by the DAR. This kind of challenge, however, is undoubtedly a matter involving the implementation of agrarian reform which is only part and parcel of a proceeding for compulsory land acquisition and distribution.

Since the sole question raised in the petition is really only an agrarian reform matter *incidental* to an on-going proceeding for compulsory land acquisition and distribution, jurisdiction to resolve the same - as is the case for the main proceeding itself - must rest too with the DAR. The authority given to the DAR under Section 30 of RA No. 9700 to conclude any agrarian reform proceeding pending as of June 30, 2014, *by necessity*, includes an authority for the same to continue exercising its quasi-judicial powers under Section 50 of RA No. 6657 with respect to any agrarian reform matter or controversy that may arise in such proceeding.

In these lights, we find that the RTC only acted correctly in refusing to take cognizance of the petition *a quo*. The issue proffered by such petition belongs to the exclusive jurisdiction of the DAR. We, accordingly, deny the appeal.

The crux of the controversy lies in the interpretation of Section 30 of RA No. 9700. To fully grasp its import, however, the provision has to be viewed together with the law of which it is a part of.

RA No. 9700 and the Import of Section 30 of the Law

RA No. 9700 is an amendatory act to RA No. 6657 - the country's agrarian reform law. It was enacted in 2009 for the purpose of instituting reforms that aim to strengthen and accelerate the implementation of the agrarian reform program as set forth in RA No. 6657.^[26] One of the most significant amendments introduced by RA No. 9700 in this regard is its extension and limitation of the period within which land may be acquired and distributed under the said program.

Prior to RA No. 9700, the period for land acquisition and distribution under the agrarian reform program was scheduled to culminate by the end of 2008, pursuant to Section 1 of RA No. 8532.^[27] RA No. 9700, however, extended such period for another five (5) years - from 2009 up to June 30, 2014.^[28] This is apparent under Section 5 of the law which amended Section 7 of RA No. 6657, to wit:

SECTION 5. Section 7 of Republic Act No. 6657, as amended, is hereby further amended to read as follows:

SEC. 7. Priorities. - The DAR, in coordination with the Presidential Agrarian Reform Council (PARC) shall plan and program the final acquisition and distribution of all remaining unacquired and undistributed agricultural lands from the effectivity of this Act until June 30, 2014. Lands shall be acquired and distributed as follows:

x x x x

x x x **Land acquisition and distribution shall be**