



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN



MEMORANDUM

FOR : **The Directors**
Legal Affairs Service
Policy and Planning Service
Climate Change Service

The Head Coordinator
Comprehensive Agrarian Reform – National Coordinating Office

All Bureau Directors

All Regional Executive Directors

FROM : **The Director**
Legislative Liaison Office

SUBJECT : **REQUEST FOR COMMENTS ON HOUSE BILL 2184 OR "AN ACT RESCINDING THE RESTRICTIONS ON OWNERSHIP AND TRANSFERABILITY OF LANDS AWARDED UNDER THE COMPREHENSIVE AGRARIAN REFORM PROGRAM" OF THE COMMITTEE ON AGRARIAN REFORM FROM THE HOUSE OF REPRESENTATIVES**

DATE : 15 July 2024

In reference to the letter dated 15 July 2024, the Committee on Agrarian Reform of the House of Representatives will soon deliberate on **House Bill 2184** or:

"AN ACT RESCINDING THE RESTRICTIONS ON OWNERSHIP AND TRANSFERABILITY OF LANDS AWARDED UNDER THE COMPREHENSIVE AGRARIAN REFORM PROGRAM"

In this regard, may we respectfully request for **comments and recommendations on the abovementioned House bill**, in anticipation of the Committee meeting, as requested by the Committee. Kindly send them on or before **Monday, 22 July 2024, at 5 PM** via email at denrlo@denr.gov.ph.

Attached herewith are the Letter Invitation, and the House Bill for your reference.


ROMIROSE B. PADIN

Cc: Undersecretary for Special Concerns and Legislative Affairs

MEMO NO. 2024 - 624



Republic of the Philippines
House of Representatives

July 15, 2024

SECRETARY MARIA ANTONIA YULO-LOYZAGA

Department of Environment and Natural Resources
Diliman, Quezon City

Dear **Secretary Yulo-Loyzaga**:

The Committee on Agrarian Reform most earnestly request for your position on House Bill 2184, entitled: "AN ACT RESCINDING THE RESTRICTIONS ON OWNERSHIP AND TRANSFERABILITY OF LANDS AWARDED UNDER THE COMPREHENSIVE AGRARIAN REFORM PROGRAM", authored by Rep. Ralph Recto.

Kindly submit the document on or before July 29, 2024 (Monday) thru committee.agrarianreform@house.gov.ph.

For inquiries, you may communicate with the Committee Technical Staff through the same email address and telephone numbers (02) 89316888 and (02) 8931501 local 7140 or cellphone nos. 09177817127, 09178482065 and 09175863544.

Thank you so much.

Very truly yours,

A handwritten signature in black ink, appearing to be "S. Chungalao".

REP. SOLOMON R. CHUNGALAO
Chairperson

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

H. B. No. 2184

Introduced by Representative Ralph G. Recto

AN ACT
RESCINDING THE RESTRICTIONS ON OWNERSHIP AND TRANSFERABILITY
OF LANDS AWARDED UNDER THE COMPREHENSIVE AGRARIAN REFORM
PROGRAM

EXPLANATORY NOTE

The fundamental rationale for undertaking the Comprehensive Agrarian Reform Program (CARP) is the formation and maintenance of economic-size family farms as the foundation of the Philippine agricultural system. Small farms, assuming access to credit is farm size-neutral, are considered efficient because they require only family labor, which is cheaper than hired labor and entail minimum supervision.

The law, however, has flaws rooted in economics. The limits on farmholding size, the collective manner by which lands are awarded, and the ten-year retention period effectively deplete the economic value of the lands being distributed to farmers, forcing agrarian reform beneficiaries to amortize "a value much higher than the capacity his holdings can afford to yield." Following the Coase Theorem, a farmer can theoretically improve the equity, efficiency and viability of his holdings by acquiring land through sale or lease, but the landholding limit of five hectares and the retention period of ten years made it illegal to do so. This economic environment, further aggravated by the bureaucratic hurdles imposed on CARP-awarded lands and its beneficiaries, has impeded agricultural productivity, induced capital flight away from the agriculture sector, gave rise to a thriving illicit market for CARP-awarded lands, encouraged proliferation of informal lenders offering loans with usurious interest rates, and led to the emergence of a new social class – the landed poor.

There is a growing recognition within the economic community that the government needs to shift its effort from redistributing land to improving the productivity of the land and the farmers that cultivate them. This bill seeks to do so by repealing the five-hectare retention limit and the ten-year retention period on CARP-awarded land, allowing productive farmers to operate as efficiently and as economically as the market dictates. Through this measure, it is believed that the government could improve the productivity of the agriculture sector, attract agricultural investments, revitalize the rural credit market, reduce poverty in the countryside, and ensure food security.

In view of the foregoing, approval of this bill is earnestly sought.



RALPH G. RECTO

/mdg /jao

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

H. B. No. 2184

Introduced by Representative Ralph G. Recto

AN ACT

**RESCINDING THE RESTRICTIONS ON OWNERSHIP AND TRANSFERABILITY
OF LANDS AWARDED UNDER THE COMPREHENSIVE AGRARIAN REFORM
PROGRAM**

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

1 Section 1. *Declaration of Policy.* – It is hereby declared the policy of the State
2 to recognize the right of individuals and private groups, including corporations,
3 cooperatives, and similar collective organizations, to own, establish, and operate
4 economic enterprises in order to contribute to the common good. Towards this end,
5 the State shall rescind the restrictions imposed on the ownership of agricultural lands
6 and transferability of lands awarded under agrarian reform laws and allow the
7 efficient, effective and economically-viable utilization of agricultural lands in line with
8 the objectives of food security, poverty reduction and economic development.

9 Sec. 2. *Ownership and Retention of Agricultural Lands.* – Notwithstanding any
10 provision of the law to the contrary, any person may own or retain, directly or
11 indirectly, any agricultural land more than five (5) hectares in size.

12 Sec. 3. *Transferability of Awarded Lands.* – Notwithstanding any provision of
13 the law to the contrary, agricultural lands acquired by beneficiaries under Republic Act
14 No. 6657, as amended, otherwise known as the "*Comprehensive Agrarian Reform Law
15 of 1988,*" or any agrarian reform laws may be sold, transferred or conveyed in
16 accordance with existing laws.

1 *Sec. 4. Validity of Acquisition and Distribution of Agricultural Lands Covered*
2 *under the Comprehensive Agrarian Reform Program.* – Nothing in this Act shall be
3 construed as repealing, amending or modifying the provisions on the acquisition of
4 landholdings issued with valid Notices of Coverage and the distribution of agricultural
5 lands to qualified agrarian reform beneficiaries as provided under Republic Act
6 No. 6657, as amended, or any agrarian reform laws.

7 *Sec. 5. Implementing Rules and Regulations.* – Within thirty (30) days upon the
8 effectivity of this Act, the Department of Agrarian Reform shall, in consultation with
9 the Agrarian Reform Beneficiaries' Organizations, promulgate the necessary
10 implementing rules and regulations for the effective implementation of this Act.

11 *Sec. 6. Repealing Clause.* – All laws, decrees, orders, rules and regulations or
12 parts thereof inconsistent with any of the provisions of this Act are hereby repealed,
13 amended or modified accordingly.

14 *Sec. 7. Separability Clause.* - If, for any reason, any provision of this Act or any
15 part thereof shall be held unconstitutional and invalid, the other parts or provisions of
16 this Act, which are not affected thereby, shall remain in full force and effect.

17 *Sec. 8. Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
18 complete publication in the *Official Gazette* or in at least two (2) newspapers of general
19 circulation.

 Approved,