Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

FLORSITA RODEO, MARCO RODEO, DEBORAH RODEO, ULDARICO RODEO, JR., and MYRALYNN R. HULLESCA, Petitioners,	**G.R. No. 264280** Present:
-versus-	LEONEN, *J.*, *Chairperson,* LAZARO-JAVIER, LOPEZ, M., LOPEZ, J., and KHO, JR.*, *JJ.*
HEIRS OF BURGOS MALAYA, represented by CAESAR SAUL MALAYA, PURIFICACION MALAYA, GINA M. MERANO, CHEREMIE MERANO, and REGIE MALAYA, Respondents.	**Promulgated:** OCT 30 2024

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DECISION

LEONEN, *J.*:

Cultivating the land of another does not automatically mean that an agricultural leasehold relation arises between the tiller and the landowner. The party claiming to be an agricultural lessee must show that the elements of an agricultural leasehold are present to be afforded protection under our agrarian laws.

This Court resolves the Petition for Review on *Certiorari*[1] assailing the Decision[2] and Resolution[3] of the Court of Appeals, which affirmed the

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* On leave.

1 *Rollo*, pp. 26–50.

Department of Agrarian Reform Adjudication Board rulings[4] finding that there is no agricultural leasehold relation between the parties.

In 1952, Leodegario Musico (Musico) served as caretaker of a cocoland owned by Domingo Gutierrez (Gutierrez) in Romblon, Romblon. When Gutierrez died, his daughter, Araceli Gutierrez-Orola (Orola), took over the management of their property.[5]

Sometime later, Musico moved to Manila to work as a foreperson for Orola's husband. Musico's daughter Florsita and her husband, Ulderico Rodeo (the Rodeo spouses), continued to take care of Gutierrez's land. When Orola died, Gutierrez's grandson, Burgos Malaya (Burgos), was appointed as administrator of the estate.[6]

Upon Burgos's death, his heirs, represented by Reynaldo M. Malaya, entered into a *Kasunduan*[7] with the Rodeo spouses. It allowed the Rodeo Spouses to reside in the property for free while taking care of the land.[8]

In 2009, one of Burgos's children, Ceasar Saul Malaya, allegedly ordered the Rodeo spouses to vacate the property. He also asked his relatives to harvest the coconuts without the consent of Florsita or Ulderico.[9]

As such, the Rodeo spouses filed a Complaint[10] before the Office of the Provincial Adjudicator, claiming they were bona fide tenants of the property, and thus, entitled to the security of tenure.[11]

The Complaint filed was decided by the Office of the Regional Adjudicator. In its Decision,[12] the Office of the Regional Adjudicator dismissed the Complaint for lack of merit.[13] It found that the Rodeo spouses failed to establish all the elements of a tenancy relationship, particularly the

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2 *Id.* at 52–63. The September 29, 2021 Decision in CA-G.R. SP No. 160900 is penned by Associate Justice Maria Elisa Sempio Diy and concurred in by Associate Justices Fernanda Lampas Peralta and Carlito B. Calpatura of the Second Division, Court of Appeals, Manila.

3 *Id.* at 65–67. The September 19, 2022 Resolution in CA-G.R. SP No. 160900 is penned by Associate Justice Maria Elisa Sempio Diy and concurred in by Associate Justices Fernanda Lampas Peralta and Carlito B. Calpatura of the Former Second Division, Court of Appeals, Manila.

4 *Id.* at 87–94, 153–157. The January 29, 2019 Decision in DARAB Case No. 19232 was signed by Chair John R. Castriciones and members Maria Celestina M. Tam, Jim G. Coleto, Ma. Patricia Rualo-Bello, and Milagros Isabel A. Cristobal. The July 29, 2016 Decision of the Office of the Regional Adjudicator was penned by OIC-Regional Adjudicator Rolando S. Cua of the Office of the Regional Adjudicator, Region IV-B (MIMAROPA).

5 *Id.* at 91.

6 *Id.* at 53–54.

7 *Id.* at 129–130.

8 *Id.* at 54, 129.

9 *Id.* at 54.

10 *Id.* at 95–98.

11 *Id.* at 98.

12 *Id.* at 153–157.

13 *Id.* at 157.

requisite that there be sharing of harvests of the property. It also noted that the Rodeo spouses filed the case not against the landowner, but only against the heirs of Burgos, who used to be the administrator of the property.[14] Moreover, the Rodeo spouses could not state the ratio of the sharing of harvests between them and the heirs of Burgos.[15]

On appeal by the Rodeo spouses,[16] the Department of Agrarian Reform Adjudication Board issued a Decision[17] on January 29, 2019, affirming the ruling. It likewise held that the Rodeo spouses failed to establish all the elements of a tenancy relationship. Aside from the missing element of sharing of harvest, it also found lacking the element of consent by the landowner. It ruled that the Rodeo spouses' cultivation was only germane to fulfilling their obligations as caretakers of the land. Absent consent and sharing of harvests, the Rodeo spouses were only cultivators of the property.[18]

The Board found that Musico himself was not a tenant; as such, the Rodeo spouses cannot succeed as tenants.[19] It also ruled that they cannot claim that they are tenants in their own right since they could not produce any piece of evidence that there was sharing of harvests.[20]

In its September 29, 2021 Decision,[21] the Court of Appeals denied the Petition for Review filed by the Rodeo spouses. Again, it found that they failed to establish the elements of consent and sharing of harvests and that they were not installed as tenants under the *Kasunduan*.[22]

In a September 19, 2022 Resolution,[23] the Court of Appeals denied the Rodeo spouses' Motion for Partial Reconsideration.[24]

Thus, the Rodeo spouses filed their Petition[25] before this Court against the heirs of Burgos. They argue that there is a written implied tenancy between the parties in the *Kasunduan*, and that they had cultivated the land and shared the harvest with respondents.[26]

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14 *Id.* at 136.
15 *Id.* at 176.
16 *Id.* at 141–150.
17 *Id.* at 87–94,
18 *Id.* at 92–93.
19 *Id.* at 91.
20 *Id.* at 91.
21 *Id.* at 52–63.
22 *Id.* at 61.
23 *Id.* at 65–67.
24 *Id.* at 67.
25 *Id.* at 26–50.
26 *Id.* at 35–36.

In their Comment,[27] respondents counter that there is no agricultural leasehold relationship.[28] They add that the lower tribunals have already settled the issues raised by petitioners.[29]

This Court resolves whether the Court of Appeals erred in denying the Petition for Review on the ground that there is no tenancy relationship between the parties.

We deny the Petition.

I

A look at the long history of agrarian laws in our country, and how they evolved from share tenancy to agricultural leasehold, is in order.

Before the Spanish colonial period, land ownership in the Philippines was through a communal system. The produce harvested from the land were shared equally. But this system of communal land ownership changed when the Spaniards arrived.[30] They "purchased communal lands from heads of the different barangays and registered the lands in their names."[31] Then, all lands not privately owned were deemed owned by the State.[32]

The Spanish colonial period also introduced the *encomienda* system.[33] The caretaker of the land was called the *encomendero*. Natives who tilled the lands under the *encomienda* system could not own the land or its produce. Instead, they were required "to pay tribute to their *encomenderos*."[34]

The *hacienda* system was like the encomienda system. Those who tilled the *hacienda* could also not own the land or its produce despite their hard work. It was a system of forced labor, akin to slavery.[35]

Vestiges of the *encomienda* and *hacienda* systems could be seen in our earlier agricultural tenancy laws.

Act No. 4054, or the Philippine Rice Share Tenancy Act, defined the contract of share tenancy as "one whereby a partnership between a landlord

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27 *Id.* at 224–229.
28 *Id.* at 260–261.
29 *Id.* at 257.
30 *Spouses Franco v. Spouses Galera*, 868 Phil. 446 (2020) [Per J. Leonen, Third Division].
31 *Id.* at 460.
32 *Id.*
33 *Id.*
34 *Id.* (Citation omitted)
35 *Id.* at 461.

and a tenant is entered into, for a joint pursuit of rice agricultural work with common interest in which both parties divide between them the resulting profits as well as the losses."[36] In *Pineda v. Pingul*,[37] this Court explained the policy behind the law:

> The Rice Share Tenancy Law, Act No. 4054, as amended by Commonwealth Act No. 178 and Republic Act No. 34, intended to protect the interests of both the landlord and the tenant, without infringing upon or curtailing the proprietary rights of the landlord or owner, was undoubtedly conceived mainly to redeem the tenant from his life of misery, want and oftentimes oppression, arising from onerous terms of his tenancy. Side by side with this objective, and in obedience to the declared principle of promoting social justice to insure the well-being and economic security of all the people (Constitution, Article 11, Section 5), and to the mandate to afford protection to labor and to regulate the relations between landowner and tenant (Constitution, Article XIV, Section 6), the Rice Share Tenancy Law was also aimed at the upliftment of the social and financial status of the tenant.[38]

Act No. 4054, as amended, was eventually superseded by Republic Act No. 1199, which classified agricultural tenancy into either leasehold tenancy or share tenancy. Section 4 states:

> SECTION 4. *Systems of Agricultural Tenancy; Their Definitions.* — Agricultural tenancy is classified into leasehold tenancy and share tenancy.
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> *Share tenancy* exists whenever two persons agree on a joint undertaking for agricultural production wherein one party furnishes the land and the other his labor, with either or both contributing any one or several of the items of production, the tenant cultivating the land personally with the aid of labor available from members of his immediate farm household, and the produce thereof to be divided between the landholder and the tenant in proportion to their respective contributions.
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> *Leasehold tenancy* exists when a person who, either personally or with the aid of labor available from members of his immediate farm household, undertakes to cultivate a piece of agricultural land susceptible of cultivation by a single person together with members of his immediate farm household, belonging to or legally possessed by, another in consideration of a price certain or ascertainable to be paid by the person cultivating the land either in percentage of the production or in a fixed amount in money, or in both.

The definition of leasehold tenancy was amended in Republic Act No. 2263. Section 4, as amended, states:

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[36] Act No. 4054 (1933), sec. 2.
[37] 92 Phil. 89 (1952) [Per C.J. Paras, First Division].
[38] *Id.* at 91.

> *Leasehold tenancy* exists when a person who, either personally or with the aid of labor available from members of his immediate farm household, undertakes to cultivate a piece of agricultural land susceptible of cultivation by a single person together with members of his immediate farm household, belonging to or legally possessed by, another *in consideration of a fixed amount in money or in produce or in both.* (Emphasis supplied)

As the years passed, it became apparent that share tenancy did not work in favor of the tenant-farmers.[39] In 1963, Republic Act No. 3844, or the Agricultural Land Reform Code, was signed into law. It abolished agricultural share tenancy, declaring it as contrary to public policy.[40] Republic Act No. 6389 later amended Republic Act No. 3844 and converted all existing contracts of share tenancy into agricultural leasehold.[41]

The main difference between agricultural leasehold and share tenancy is that an agricultural leasehold relation is not extinguished "by mere expiration of the term or period in a leasehold contract nor by the sale, alienation or transfer of the legal possession of the landholding."[42] It also allows the lessee to purchase the land tilled because it provides for a lessee's right of preemption[43] and redemption,[44] as the case may be.

In 2009, Republic Act No. 9700 repealed Section 53 of Republic Act No. 3844.[45] Other than that, the provisions of Republic Act No. 3844 not expressly repealed and remain consistent with subsequent laws still have suppletory effect.

The most recent agrarian reform law is Republic Act No. 11953, or the New Agrarian Emancipation Act. The law condones the principal debt of agrarian reform beneficiaries subject to certain requirements.[46] It also protects the rights to just compensation of landowners whose agricultural lands were subjected to the agrarian reform program.[47]

Our agrarian reform laws primarily aim to uplift the lives of agricultural lessees while recognizing the rights of landowners to have a share in the harvest or to receive a fixed amount of money.

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39 *Spouses Franco v. Spouses Galera*, 868 Phil. 446, 462 (2020) [Per J. Leonen, Third Division].
40 Republic Act No. 3844 (1963), sec. 4.
41 Republic Act No. 3844 (1963), as amended by Republic Act No. 6389 (1971), sec. 1.
42 Republic Act No. 3844 (1963), sec. 10.
43 Republic Act No. 3844 (1963), sec. 11.
44 Republic Act No. 3844 (1963), sec. 12.
45 Republic Act No. 9700 (2009), sec. 32.
46 Republic Act No. 11953 (2023), sec. 2.
47 Republic Act No. 11953 (2023), sec. 11.

II

Having looked at the history of our agrarian reform laws, we now discuss the merits of the Petition.

This Court is not a trier of facts. In cases where the issue involves questions of fact, the findings of administrative agencies in the performance of their official duties and exercise of their primary jurisdiction are generally binding upon this Court.[48] This Court is simply not in the best position to review their factual findings.[49]

In this case, petitioners urge this Court to revisit the very facts already settled by all three lower tribunals. The issue of tenancy, that is, whether a person is an agricultural tenant, is a question of fact.[50] All being triers of facts,[51] the lower courts are in a position to assess the parties' evidence and determine whether there is substantial evidence to uphold the claims of one party over the other. The Court of Appeals itself has the power to reverse or modify the rulings of the agrarian reform bodies, but instead it affirmed them in the case. Accordingly, their uniform findings bind this Court, as a general rule. Exceptions to this rule exist.

III

However, even if this case were an exception to the general rule to permit a factual review under Rule 45 of the Rules of Court, we are constrained to affirm the rulings of the lower tribunals.

The requisites of a valid agricultural leasehold relationship are settled:

> For a tenancy relationship, express or implied, to exist, the following requisites must be present: (1) the parties must be landowner and tenant or agricultural lessee; (2) the subject matter is agricultural land; (3) there is consent by the landowner; (4) the purpose is agricultural production; (5) there is personal cultivation by the tenant; and (6) there is sharing of harvests between the landowner and the tenant.[52] (Citation omitted)

Each of the elements must be proved by independent and concrete evidence, not mere conjectures or presumptions.[53] Moreover, it is basic that one who alleges must prove their case.[54]

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48 *NGEI Multi-Purpose Cooperative, Inc. v. Filipinas Palmoil Plantation*, 697 Phil. 433, 440–441 (2012) [Per. J. Mendoza, Third Division].

49 *Pascual v. Burgos*, 776 Phil. 167, 182 (2016) [Per J. Leonen, Second Division].

50 *Romero v. Sombrino*, 869 Phil. 306, 317 (2020) [Per J. Caguioa, First Division].

51 *Id.* at 187.

52 *Ladano v. Neri*, 698 Phil. 354, 368 (2012) [Per J. Del Castillo, Second Division].

53 *Id.*

54 *Lim v. Equitable PCI Bank*, 724 Phil. 453, 454 (2014) [Per J. Del Castillo, Second Division].

In this case, we affirm the Court of Appeals' ruling that the elements of consent and sharing of harvests are wanting. Petitioners failed to prove that they are agricultural lessees.

First, petitioners alleged that they were agricultural lessees, but the facts narrated in their Petition consistently show that they were caretakers. They admitted that they were required to inform respondents whenever there was a harvest, but they never discussed any harvest-sharing agreement.[55]

Second, a plain reading of the *Kasunduan* reveals that it contains no stipulation regarding the landowner's consent for the agricultural leasehold relationship and the sharing of harvests between the parties. The material stipulations in the *Kasunduan* are reproduced below:

> 1. Pumapayag ang Unang Panig na tumira ang Ikalawang Panig sa Lot 4310, Barangay Ginablan, Romblon, Romblon, na pag-aari ng yumaong si Burgos G. Malaya, nang libre at walang upa;
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> . . . .
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> 3. Bilang pagtanaw ng utang na loob sa Unang Panig sa kagandahang[ ]loob at pagpayag na tumira ang Ikalawang Panig sa lupang ito nang libre at walang upa, pumapayag ang Ikalawang Panig na pangalagaan, pagyamanin, at bantayan ang lupang ito.
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> 4. Makapag-aalaga ng "livestock" [manok, baboy, itik, atbp.] ang Ikalawang Panig sa lupang ito, basta't payag ang Unang Panig. Pananatilihin ng Ikalawang Panig na malinis at ligtas ang lupang naturan. Ang anumang anihin ng lupa, maging halaman o "livestock" man ay ipagbibigay-alam ng Ikalawang Panig sa Unang Panig.[56]

The Department of Agrarian Reform Adjudication Board correctly held that while petitioners were indeed allowed to cultivate the land, this was only necessary for them to fulfill their obligations under the *Kasunduan*.[57] It cannot be interpreted as amounting to the landowner's consent to install them as tenants of the property. Indeed, respondents acted at once when they learned that petitioners were cultivating the land and selling the harvest without informing them, in violation of the terms of the *Kasunduan*.[58]

Spouses Franco v. Spouses Galera[59] instructs that a "tenancy relationship can be implied when the conduct of the parties shows the presence of all the requisites under the law."[60] However, in this case, the

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55 *Rollo*, p. 37.
56 *Id.* at 106.
57 *Id.* at 93.
58 *Id.* at 258–259.
59 868 Phil. 446 (2020) [Per J. Leonen, Third Division].
60 *Id.* at 452.

conduct of the parties disproves the existence of an agricultural leasehold. Petitioners, despite allegedly being the agricultural lessees for several decades, were unable to prove that there was sharing of harvests. As noted by the Office of the Regional Adjudicator, petitioners could not state how the harvests were divided between the landowner and the agricultural lessee.[61] Moreover, all tribunals below found that petitioners failed to provide receipts evidencing sharing of harvests.[62] These findings cannot be disturbed, unless we become a trier of facts. Again, questions or facts are beyond the jurisdiction of this Court in a Rule 45 petition.

As agricultural tenancy is never presumed,[63] petitioners' failure to adduce evidence showing all the requisites of tenancy destroys their cause.

ACCORDINGLY, the Petition is **DENIED**. The September 29, 2021 Decision and September 19, 2022 Resolution of the Court of Appeals in CA-G.R. SP No. 160900 are **AFFIRMED**. The case is dismissed for lack of merit.

SO ORDERED.

MARVIC M.V.F. LEONEN
Senior Associate Justice

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61 *Rollo*, p. 176.
62 *Id.* at 62, 93, 136.
63 *Soliman v. Pampanga Sugar Development Company (PASUDECO), Inc.*, 607 Phil. 209, 221 (2009) [Per J. Nachura, Third Division].

WE CONCUR:

AMY C. LAZARO-JAVIER
Associate Justice

MARIVIC M. LOPEZ
Associate Justice

JHOSEP Y. LOPEZ
Associate Justice

On leave
ANTONIO T. KHO, JR.
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was as assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO
Chief Justice