680 Phil. 751

FIRST DIVISION

[G.R. No. 185669, February 01, 2012]

JUAN GALOPE, PETITIONER, VS. CRESENCIA BUGARIN, REPRESENTED BY CELSO RABANG, RESPONDENT.

D E C I S I O N

VILLARAMA, JR., J.:

Petitioner Juan Galope appeals the Decision[1] dated September 26, 2008 and Resolution[2] dated December 12, 2008 of the Court of Appeals (CA) in CA-G.R. SP No. 97143. The CA ruled that there is no tenancy relationship between petitioner and respondent Cresencia Bugarin.

The facts and antecedent proceedings are as follows:

Respondent owns a parcel of land located in Sto. Domingo, Nueva Ecija, covered by Transfer Certificate of Title No. NT-229582.[3] Petitioner farms the land.[4]

In *Barangay* Case No. 99-6, respondent complained that she lent the land to petitioner in 1992 without an agreement, that what she receives in return from petitioner is insignificant, and that she wants to recover the land to farm it on her own. Petitioner countered that respondent cannot recover the land yet for he had been farming it for a long time and that he pays rent ranging from P4,000 to P6,000 or 15 cavans of *palay* per harvest. The case was not settled.[5]

Represented by Celso Rabang, respondent filed a petition for recovery of possession, ejectment and payment of rentals before the Department of Agrarian Reform Adjudication Board (DARAB), docketed as DARAB Case No. 9378. Rabang claimed that respondent lent the land to petitioner in 1991 and that the latter gave nothing in return as a sign of gratitude or monetary consideration for the use of the land. Rabang also claimed that petitioner mortgaged the land to Jose Allingag who allegedly possesses the land.[6]

After due proceedings, the Provincial Adjudicator dismissed the petition and ruled that petitioner is a tenant entitled to security of tenure. The Adjudicator said substantial evidence prove the tenancy relationship between petitioner and respondent. The Adjudicator noted the certification of the Department of Agrarian Reform (DAR) that petitioner is the registered farmer of the land; that *Barangay Tanods* said that petitioner is the tenant of the land; that Jose Allingag affirmed petitioner's possession and cultivation of the land; that Allingag also stated that petitioner hired him only as farm helper; and that respondent's own witness, Cesar Andres, said that petitioner is a farmer of the land.[7]

On appeal, the DARAB disagreed with the Adjudicator and ruled that petitioner is not

a *de jure* tenant. The DARAB ordered petitioner to pay rentals and vacate the land, and the Municipal Agrarian Reform Officer to assist in computing the rentals.

The DARAB found no tenancy relationship between the parties and stressed that the elements of consent and sharing are not present. The DARAB noted petitioner's failure to prove his payment of rentals by appropriate receipts, and said that the affidavits of Allingag, Rolando Alejo and Angelito dela Cruz are self-serving and are not concrete proof to rebut the allegation of nonpayment of rentals. The DARAB added that respondent's intention to lend her land to petitioner cannot be taken as implied tenancy for such lending was without consideration.[8]

Petitioner appealed, but the CA affirmed DARAB's ruling that no tenancy relationship exists; that the elements of consent and sharing are not present; that respondent's act of lending her land without consideration cannot be taken as implied tenancy; and that no receipts prove petitioner's payment of rentals.[9]

Aggrieved, petitioner filed the instant petition. Petitioner alleges that the CA erred

> [I.]
>
> x x x IN AFFIRMING IN TOTO THE DECISION OF THE DARAB AND IN FAILING TO CONSIDER THE TOTALITY OF THE EVIDENCE OF THE PETITIONER THAT HE IS INDEED A TENANT[;]
>
> [II.]
>
> x x x IN RELYING MAINLY ON THE ABSENCE OF RECEIPTS OF THE PAYMENTS OF LEASE RENTALS IN DECLARING THE ABSENCE OF CONSENT AND SHARING TO ESTABLISH A TENANCY RELATIONSHIP BETWEEN THE PETITIONER AND THE RESPONDENT[; AND]
>
> [III.]
>
> x x x WHEN IT FOUND THAT THE PETITIONER HAS NOT DISCHARGED THE BURDEN [OF] PROVING BY WAY OF SUBSTANTIAL EVIDENCE HIS ALLEGATIONS OF TENANCY RELATIONSHIP WITH THE RESPONDENT.[10]

The main issue to be resolved is whether there exists a tenancy relationship between the parties.

Petitioner submits that substantial evidence proves the tenancy relationship between him and respondent. Specifically, he points out that (1) his possession of the land is undisputed; (2) the DAR certified that he is the registered farmer of the land; and (3) receipts prove his payment of irrigation fees. On the absence of receipts as proof of rental payments, he urges us to take judicial notice of an alleged practice in the provinces that payments between relatives are not supported by receipts. He also calls our attention to the affidavits of Jose Allingag, Rolando Alejo and Angelito dela Cruz attesting that he pays 15 cavans of *palay* to respondent.[11]

In her comment, respondent says that no new issues and substantial matters are

raised in the petition. She thus prays that we deny the petition for lack of merit.[12]

We find the petition impressed with merit and we hold that the CA and DARAB erred in ruling that there is no tenancy relationship between the parties.

The essential elements of an agricultural tenancy relationship are: (1) the parties are the landowner and the tenant or agricultural lessee; (2) the subject matter of the relationship is agricultural land; (3) there is consent between the parties to the relationship; (4) the purpose of the relationship is to bring about agricultural production; (5) there is personal cultivation on the part of the tenant or agricultural lessee; and (6) the harvest is shared between the landowner and the tenant or agricultural lessee.[13]

The CA and DARAB ruling that there is no sharing of harvest is based on the absence of receipts to show petitioner's payment of rentals. We are constrained to reverse them on this point. The matter of rental receipts is not an issue given respondent's admission that she receives rentals from petitioner. To recall, respondent's complaint in *Barangay* Case No. 99-6 was that the rental or the amount she receives from petitioner is not much.[14] This fact is evident on the record[15] of said case which is signed by respondent and was even attached as Annex "D" of her DARAB petition. Consequently, we are thus unable to agree with DARAB's ruling that the affidavits[16] of witnesses that petitioner pays 15 cavans of *palay* or the equivalent thereof in pesos as rent are not concrete proof to rebut the allegation of nonpayment of rentals. Indeed, respondent's admission confirms their statement that rentals are in fact being paid. Such admission belies the claim of respondent's representative, Celso Rabang, that petitioner paid nothing for the use of the land.

Contrary also to the CA and DARAB pronouncement, respondent's act of allowing the petitioner to cultivate her land and receiving rentals therefor indubitably show her consent to an unwritten tenancy agreement. An agricultural leasehold relation is not determined by the explicit provisions of a written contract alone.[17] Section 5[18] of Republic Act (R.A.) No. 3844, otherwise known as the Agricultural Land Reform Code, recognizes that an agricultural leasehold relation may exist upon an oral agreement.

Thus, all the elements of an agricultural tenancy relationship are present. Respondent is the landowner; petitioner is her tenant. The subject matter of their relationship is agricultural land, a farm land.[19] They mutually agreed to the cultivation of the land by petitioner and share in the harvest. The purpose of their relationship is clearly to bring about agricultural production. After the harvest, petitioner pays rental consisting of *palay* or its equivalent in cash. Respondent's motion[20] to supervise *harvesting and threshing*, processes in *palay* farming, further confirms the purpose of their agreement. Lastly, petitioner's personal cultivation of the land[21] is conceded by respondent who likewise never denied the fact that they share in the harvest.

Petitioner's status as a *de jure* tenant having been established, we now address the issue of whether there is a valid ground to eject petitioner from the land.

Respondent, as landowner/agricultural lessor, has the burden to prove the existence of a lawful cause for the ejectment of petitioner, the tenant/agricultural lessee.[22] This rule proceeds from the principle that a tenancy relationship, once established, entitles the tenant to a security of tenure.[23] The tenant can only be ejected from the agricultural landholding on grounds provided by law.[24]

Section 36 of R.A. No. 3844 enumerates these grounds, to wit:

> SEC. 36. *Possession of Landholding; Exceptions.*- Notwithstanding any agreement as to the period or future surrender of the land, an agricultural lessee shall continue in the enjoyment and possession of his landholding except when his dispossession has been authorized by the Court in a judgment that is final and executory if after due hearing it is shown that:
>
> (1) The agricultural lessor-owner or a member of his immediate family will personally cultivate the landholding or will convert the landholding, if suitably located, into residential, factory, hospital or school site or other useful non-agricultural purposes: *Provided*; That the agricultural lessee shall be entitled to disturbance compensation equivalent to five years rental on his landholding in addition to his rights under Sections [25] and [34], except when the land owned and leased by the agricultural lessor is not more than five hectares, in which case instead of disturbance compensation the lessee may be entitled to an advance notice of at least one agricultural year before ejectment proceedings are filed against him: *Provided, further*, That should the landholder not cultivate the land himself for three years or fail to substantially carry out such conversion within one year after the dispossession of the tenant, it shall be presumed that he acted in bad faith and the tenant shall have the right to demand possession of the land and recover damages for any loss incurred by him because of said dispossession;
>
> (2) The agricultural lessee failed to substantially comply with any of the terms and conditions of the contract or any of the provisions of this Code unless his failure is caused by fortuitous event or *force majeure*;
>
> (3) The agricultural lessee planted crops or used the landholding for a purpose other than what had been previously agreed upon;
>
> (4) The agricultural lessee failed to adopt proven farm practices as determined under paragraph 3 of Section [29];
>
> (5) The land or other substantial permanent improvement thereon is substantially damaged or destroyed or has unreasonably deteriorated through the fault or negligence of the agricultural lessee;
>
> (6) The agricultural lessee does not pay the lease rental when it falls due: *Provided*, That if the non-payment of the rental shall be due to crop failure to the extent of seventy-five *per centum* as a result of a fortuitous event, the non-payment shall not be a ground for dispossession,