

REPUBLIC ACT NO. 7905

AN ACT TO STRENGTHEN THE IMPLEMENTATION OF
THE COMPREHENSIVE AGRARIAN REFORM PROGRAM,
AND FOR OTHER PURPOSES

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

SECTION 1. Section 35 of Republic Act No. 6657, otherwise known as the "Comprehensive Agrarian Reform Law of 1988," is hereby amended to read as follows:

"SEC. 35. *Creation of Support Services Office.* – There is hereby created the Office of Support Services under the DAR to be headed by an Undersecretary.

"The Office shall provide general support and coordinative services in the implementation of the program, particularly in carrying out the provisions of the following services to farmer beneficiaries and affected landowner:

"1) Irrigation facilities, especially second crop or dry season irrigation facilities;

"2) Infrastructure development and public works projects in areas and settlements that come under agrarian reform, and for this purpose, the preparation of the physical development plan of such settlements providing suitable barangay sites, potable water and power resources, irrigation systems, seeds and seedling banks, post harvest facilities, and other facilities for a sound agricultural development plan. For the purpose of providing the aforesaid infrastructure and facilities, the DAR is authorized to enter into contracts with interested private parties on long term basis or through joint-venture agreements or build-operate-transfer scheme:

- "3) Government subsidies for the use of irrigation facilities;
- "4) Price support and guarantee for all agricultural produce;
- "5) Extending to small landowners, farmers and farmers' organizations the necessary credit, like concessional and collateral-free loans, for agro-industrialization based on social collaterals like the guarantees of farmers' organizations;
- "6) Promoting, developing and extending financial assistance to small and medium-scale industries in agrarian reform areas;
- "7) Assigning sufficient numbers of agricultural extension workers to farmers' organizations;
- "8) Undertake research, development and dissemination of information on agrarian reform, plants and crops best suited for cultivation and marketing, and low-cost and ecologically sound farm inputs and technologies to minimize reliance on expensive and imported agricultural inputs;
- "9) Development of cooperative management skills through intensive training;
- "10) Assistance in the identification of ready markets for agricultural produce and training in the other various aspects of marketing;
- "11) Conduct an effective information dissemination system through the Department of Agriculture to promote marketing and minimize spoilage of agricultural produce and products;
- "12) Create a credit guarantee fund for agricultural landowners that will enhance the collateral value of agricultural lands that are affected or will be affected by coverage under the agrarian reform program; and

"13) Administration, operation, management and funding of support services programs and projects including pilot projects and models related to agrarian reform as developed by the DAR."

SEC. 2. Section 36 of the same law is hereby amended to read as follows:

"SEC. 36. *Funding for Support Services.* – In order to cover the expenses and cost of support services, at least twenty-five percent (25%) of all appropriations for agrarian reform shall be immediately set aside and made available for this purpose: *Provided*, That for the next five (5) years, a minimum of one (1) Agrarian Reform Community (ARC) shall be established by the DAR, in coordination with the local government units, non-governmental organizations and people organizations in each legislative district with a predominant agricultural population: *Provided, further*, That the areas in which the ARCs are to be established shall have been fully subjected under this law.

"For this purpose, an Agrarian Reform Community shall be defined as a barangay or a cluster of barangays primarily composed and managed by Agrarian Reform Beneficiaries who shall be willing to be organized and undertake the integrated development of an area and/or their organizations/cooperative. In each community, the DAR, together with the agencies and organizations abovementioned, shall identify the farmers association, cooperative or their respective federation approved by the farmers-beneficiaries that shall take the lead in the agricultural development of the area. In addition, the DAR shall be authorized to package proposals and receive grants, aid and other forms of financial assistance from any source."

SEC. 3. Section 44 of the same law is hereby amended as follows:

"SEC. 44. *Provincial Agrarian Reform Coordinating Committee* (PARCCOM). – A Provincial Agrarian Reform Coordinating Committee is hereby created in each province, composed of a Chairman, who shall be appointed by the President upon the recommendation of the EXCOM, the Provincial Agrarian Reform Officer as Executive Officer, and one (1) representative

each from the Departments of Agriculture, and of Environment and Natural Resources and from the LBP; one (1) representative each from existing farmers' organizations, agricultural cooperatives and non-governmental organizations in the province; two (2) representatives from landowners, at least one (1) of whom shall be a producer representing the principal crop of the province, and two (2) representatives from farmers and farmworkers or beneficiaries, at least one (1) of whom shall be a farmer or farmworker representing the principal crop of the province, as members: *Provided*, That in areas where there are cultural communities, the latter shall likewise have one (1) representative.

"The PARCCOM shall coordinate and monitor the implementation of the CARP in the province. It shall provide information of the provisions of the CARP, guidelines issued by the PARC and on the progress of the CARP in the province; in addition, it shall:

"a) Recommend to the PARC the following:

"1) Market prices to be used in the determination of the profit sharing obligation of agricultural entities in the province;

"2) Adoption of the direct payment scheme between the landowner and the farmer and/or farmworker beneficiary: *Provided*, That the amount and terms of payment are not more burdensome to the agrarian reform beneficiary than under the compulsory coverage provision of the CARL: *Provided, further*, That the agrarian reform beneficiary agrees to the amount and the terms of payment: *Provided, furthermore*, That the DAR shall act as mediator in cases of disagreement between the landowner and the farmer and/or farmworker beneficiary: *Provided, finally*, That the farmer and/or farmer beneficiary shall be eligible to borrow from the LBP an amount equal to eighty-five percent (85%) of the selling price of the land that they have acquired;

"3) Continuous processing of application for lease back arrangements, joint-venture agreements and other schemes that will optimize the operating size for agricultural production and

also promote both security of tenure and security of income to farmer beneficiaries: *Provided*, That lease back arrangements should be the last resort."

SEC. 4. Section 45 of the same law is hereby amended to read as follows:

"SEC. 45. *Province-by-province Implementation.* – The PARC shall provide the guidelines for the province-by-province implementation of the CARP, taking into account the peculiarities and needs of each place, kind of crops needed or suited, land distribution workload, beneficiaries development activities and other factors prevalent or obtaining in the area. In all cases, the implementing agencies at the provincial level shall promote the development of identified ARCs without neglecting the needs and problems of other beneficiaries. The ten-year program of distribution of public and private land in each province shall be adjusted from year to year by the province's PARCCOM in accordance with the level of operations previously established by the PARC, in every case ensuring that support services are available or have been programmed before actual distribution is effected."

SEC. 5. This Act shall take effect upon its approval.

Approved, February 23, 1995.