

Habito, Cielito F., et al. "A Comprehensive Study on the Appropriate Economically Viable Land Size by Type of Crop and Land Category under Varying Bio-Climatic Zones and Technological Conditions." Brain Trust, Inc. September 2010.

The study aimed to determine the economically viable land size that would permit efficient use of labour and capital and would optimize farm production and income under varying bio-climatic and technological conditions. The study made use of the calculation of a target family's income based on basic needs, reasonable reserves, expenses for payment of land amortizations and real property taxes. The net farm income per hectare per crop was calculated based on the formula of multiplying average yield per hectare by the average price, and subtracting average production cost per hectare. The computation of economic family-size farm was made by simply dividing the target family income by the net income per hectare. Economic family farm sizes were generated using two (2) sets of estimates: the baseline or less favorable farming condition, and the favorable farming conditions. In the baseline condition, the economic family farm sizes for coffee and most traditional crops (rice, corn, coconut) exceed the current land limit size as defined by the law mainly due to low net farm incomes generated by these crops. Corn and coconut registered the biggest farm sizes due to low income derived from these crops. Plantation and high value-crops fall within the current farm size limits for ARBs. In favorable lands, farm sizes are generally smaller. Traditional crops and coffee fall above the current land size limit of three (3) hectares. For the plantation and high-value crops, economic family farm sizes are generally in the one (1) to three (3) hectares range, with the exception of sugarcane and coffee in some regions. The estimates of economic family farm size generated by the study may be considered as an input to the review of land sizes under the CARP with certain caveats. However, the issues and concerns raised by the study warrant careful considerations prior to any drastic policy change in farm size limits adopted under the CARP.