

DAR-Policy and Strategic Research Service. Case Study on Development Contract (Pineapple) and Land Use Management (Banana) Agreement Between ARB Members of the CARABAO Farmers Cooperative (CFC) and Del Monte Philippines, Inc. (DMPI) and Skyland, Dole Philippines, Inc. in Barangay Cawayan, Impasug-ong, Bukidnon. Case Studies on Agribusiness Venture Arrangements (AVAs) Between Investors and Agrarian Reform Beneficiaries (ARBs). November 2006.

The study aimed to document the experiences of the agrarian reform beneficiaries (ARBs) in entering into lease arrangements with the investors through their cooperative. The case study covered two (2) groups of ARB members of the CARABAO Farmers Cooperative (CFC) which were constrained to enter into a “development contract” and “land use management agreement” with the two (2) companies i.e., Del Monte Philippines, Inc.(DMPI) and the Skyland, DOLE Philippines, Inc. to solve their problems on the payment of their land amortization arrearages with the Land Bank of the Philippines (LBP). The results of the study show that the “development contract” and the “land use management agreement” with the two companies are in practice, a lease arrangement. The “development contract” between CFC and DMPI covers an area of 25.4727 hectares for a period of 25 years starting 2001, while the “land use management agreement” between CFC and DOLE, Philippines is for a period of 15 years. The study shows the disparity on the benefits provided by the two companies under separate lease arrangements. The ARBs who entered into lease arrangement with DOLE receive a much higher lease rental and have employment opportunities which resulted in the improvement of their living conditions. On the contrary, the ARBs who entered into lease arrangement with DMPI receive low lease rental rate and have no employment opportunities. As a result, there was no improvement in the socio-economic conditions of the ARBs. In conclusion, the ARBs who entered into lease agreement with DOLE are better off than those with the ARBs who have lease agreement with DMPI. Notably, both groups of ARBs paid their arrearages on their land amortization payment with the LBP.