

DAR-Policy and Strategic Research Service. Revisiting the Implementation of Agribusiness Venture Arrangement (AVA): Lease Agreement Between the 60 Agrarian Reform Beneficiaries (ARBs) and an Investor, Barangay Balabag, La Carlota City, Negros Occidental (Sugarcane). June 2012.

This is a follow-through study on the implementation of the Lease Agreement between the 60 ARBs and an investor in Barangay Balabag, La Carlota City, Negros Occidental to determine the changes that have transpired during the last five (5) years of its implementation i.e., from the time the previous case study was conducted by the Policy and Strategic Research Service (PSRS) in 2005. This study is one of the seven (7) cases of agribusiness venture arrangements (AVAs) that were covered by the previous PSRS in-house study in 2005. The findings of the study show that lease agreement between the 60 ARBs and the investor was terminated in 2006 and was not renewed or extended due to the ARBs' resistance on the automatic deduction of their land amortization payment from their lease rentals. However, majority (42 out of 60 ARBs) of them entered into individual lease agreement with different "financiers" on either half of the area of their lands or the entire area of their lands through verbal or informal arrangement for a period of one (1) to three (3) years. The other 18 ARBs are now engaged in individual farming operation. Most of the ARB-participants in the FGD claim that their current farm income is higher compared to when their lands were under lease agreement with the former investor. Thus, they perceive that the lease agreement with the former investor was not successful due to the low lease rental paid to them. Notably, the ARB-participants in the FGD who leased out half of the area of their lands claim that they utilize the lease rental paid by the "financiers" to fund the farming operations of the remaining area of their lands. They also work as farmworkers in the farm areas leased by the financiers. Thus, their current income is higher compared to when their lands were under lease agreement with the former investor. The ARB-participants who are engaged in individual farming perceive that the level of living of the ARBs has generally improved because the higher income derived from their farms. The study indicates that some ARBs who opted for individual farming operation and full take-over of the lands awarded to them under the CARP became empowered as they now experience being a landowner and manager of their own lands who make all the farm management decisions.