



SUMMARY REPORT

Focus Group Discussion on the Agribusiness Venture Arrangement (AVA) Issue Paper

10 October 2025

Sotogrande Hotel Katipunan, Quezon City



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Acknowledgment

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Background and objectives

The Focus Group Discussion (FGD) on the Agribusiness Venture Arrangement (AVA) Issue Paper was participated by 19 representatives (8 females & 11 males) from civil society organizations (CSOs) and people's organizations (POs), including those from the Negros Occidental, Bukidnon, Quezon and Batangas provinces.

The development of the AVA Issue Paper is part of the Land Justice Initiative (LJI) project implemented by Kaisahan tungo sa Kaunlaran ng Kanayunan at Repormang Pansakahan (KAISAHAN) and Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC), with funding support from the European Union (EU). The paper aims to study the effect of AVAs on land rights and human rights of farmers, with the end-result of making AVAs more beneficial for Agrarian Reform Beneficiaries (ARBs).

The objectives of the FGD were to: a) gather insights on the findings and recommendations of the draft AVA Issue Paper; and b) gauge the need to develop a collective initiative/effort to address AVA issues and concerns.

The FGD, started with the presentation of draft AVA Issue Paper by Ernie Lim Jr. and was followed by a panel reaction and plenary discussion.

Panel reaction

James Negrido (farmer representative, Negros Oriental) shared their experience wherein the land they were awarded under the *Comprehensive Agrarian Reform Program (CARP)* was leased by the landowner. The initial period was for three years, with an investor option for an additional two years. When the contract ended, the investor proposed a joint venture arrangement. Some members of the ARB association did not agree and went to DAR for assistance. The DAR recommended that the ARBs negotiate with the investor and offered to assist them. However, there was a reshuffle of Municipal Agrarian Reform Officers (MAROs) and there was no follow through.

Given these developments, the ARBs are apprehensive that they have no choice but to continue the lease arrangement for fear that they might be disqualified from occupying the land. The association's chairperson has also been in negotiations with the investor, who threatens to fracture the organization.

The ARBs are puzzled why they need to conduct negotiations with the investor without DAR's assistance when the initiative is a DAR program. They already sent a letter to the investor asking for the certification so that they can already occupy the land, and have met with the latter several times already, but so far there has been no action.

Dante Pajaron (Araneta Farmers ARB Cooperative/AFARBCo, PAKISAMA) recounted that the members received their individual CLOAs in 1996. Since then, many of their members have sold their lands because of lack of support services. They were forced to take out loans from businessmen, and when they could not pay, their lands were demanded as payment.

Land conversion is also rampant in their area.

On a personal note, Pajaron shared that since he was awarded 1.3 hectares of land. He began the task of proving to DAR that he could make the land productive. They formed a cooperative and tried to take out a loan from the Land Bank of the Philippines, but it was denied.

They veered away from monocropping (rice) and cultivated fruits and vegetables and introduced livestock raising. Their income grew and they were able to provide food for their families and send their children to school. Pajaron proudly shared that three of his children have earned college degrees and his youngest is about to graduate this 2025. He was awarded Best Family Farmer in the Region 10 in 2019.

He recounted their experience with AVA, saying that most of the time, the provisions of the contract did not materialize. Many ARBs were forced to enter into AVAs or leaseback arrangements due to lack of support services from the government. ARBs really had no power during negotiations, and legal assistance from DAR was non-existent.

AFARBCo introduced an alternative to AVA by directly buying their members produce. They encouraged their members to produce organic rice, which they bought at Php 25 a kilo. As a result, many farmers shifted to organic rice. Due to increased demand, the cooperative required additional capital and professional managers.

Fermelo Enaya (Farmer Sectoral Representative, National Anti-Poverty Commission [NAPC]) mentioned that he is not familiar with AVA, despite being once a project officer of DAR for its agriculture extension services in Bulacan. He shared that AVA is not included in DAR's orientation during the NAPC Farmer Sectoral Council meetings.

Due to lack of support services, ARBs looking for capital turned to businessmen, retired army officers, and cronies of local government executives who offered contract-growing arrangements.

As for AVA, Enaya said that it must have a more wholistic approach and contain at least minimum safeguards for ARBs. Contract growing or joint venture is the preferred mode of engagement to give ARBs more control. Eventually, ARBs should become industrial partners after establishing their track record. Transfer of obligation is generally under contract, unless specified. Even with AVA, part of the land should be for alternative agricultural production. The business should be in the context of sustainable agriculture (to maintain food security).

Also, there should be credit support services specifically intended for AVA, to mitigate issues like product rejects, natural calamities, and emergencies. The Department of Agriculture (DA) should also have updated crop pricing. There should be capability-building programs relative to agribusiness. AVA contracts should specify that no third-party takeover shall occur without the lessor's (farmers) consent. The National AVA Evaluation Committee (NAEC) should be reconstituted as the National AVA Monitoring and Evaluation Committee (NAMET) and should be capacitated as such.

Open Forum

- AVA is not considered a DAR program, that is why they do not include it in presentations to ARBs. The DAR considers AVA as just a small activity subsumed under the Support Services Office (SSO). It does not have a its own budget or personnel. Thus, they do not have the capacity to orient even DAR personnel in the provinces on AVA. This also explains why the DAR does not act on the concerns/recommendations on AVA.
- The AVA should be presented to ARBs even before the awarding of lands so that farmers can tap it for support services. DAR says that leasing (*ariendo*) and selling agrarian reform land is illegal but support services are not sufficient and they do not offer an alternative. In Negros, where farmers have been conditioned to be dependent on landowners, they (farmers) easily cave in when their former landlords offer them money for continued use of the land. Thus, the DAR should adequately prepare ARBs before they award the land and not after awarding, when the DAR tells the farmers to organize into associations or cooperatives so that they can access government services and private support.
- Strictly speaking, there is no AVA in Negros. What is prevalent in the province is the *ariendo* or leaseback system. There is also a practice that is now being introduced, the Block Farming system, but so far there have been few takers. Given the lack of support services and heavy dependence of farmers on their landlords, the *ariendo* system cannot realistically be abolished. What can be done, however, is for DAR to intervene and limit the lease period to three years, and by the second year, DAR already has support services ready for the end of the contract. This will prevent the practice of farmers taking out cash advances from the landlord or investor on the second year, which effectively ties them to an arrangement way beyond the end of the lease period, and compels them to agree to another contract, which further buries them in debt.
- A number of joint venture deals are made in secret, which puts farmers at a disadvantage. For example, before a tract of sugarcane land was awarded to farmers, the erstwhile landlord called for a meeting proposing to lease the land. In the contract, the former landlord will advance money to the ARBs for farming inputs and other needs, and will buy the sugarcane. What happens is that the landlord sets the price and is generous in loaning money to the point that the ARBs cannot pay back their loans and are forced to give up their land to the former landowner. Therefore, DAR should be involved in reviewing contracts to ensure that the rights of ARBs are safeguarded. There are also instances when only the leadership of the organization agrees with the investor. What about the other members who do not agree? What is their recourse?
- In one situation, farmers invited financial support groups to help them with funds for inputs. Land Bank of the Philippines (LBP) is also willing to help. However, not all farmers are aware of the LBP mechanism which offers soft loans with an interest of one percent per month and a repayment period of up to 18 months.
- There was also an experience with an investor (*ariendo*), where the contract was for two years with one-year extension. However, many farmers are still in debt to the investor such that they cannot leave the agreement. Related to land transfer, the final survey was cancelled in one of the areas (Himamaylan) because the landowner cannot be found. Allegedly, the landowner has sold the land to three people and the DAR does not know who currently owns the land.
- Even if the DAR claims that AVA is not a department program, there exists an Administrative Order which is meant to augment support services. Therefore, stakeholders (ARBs) should be made aware of this. The DAR should include AVA in their presentations. The concept of AVA is not bad per se because it gives opportunity for ARBs to earn from their lands and support their farming activities. The Department of Agriculture wants to turn farmers into entrepreneurs, so why not

make the most of the opportunity that AVA provides?

- The AO was created to allow leaseback. However, DAR has no capability to implement nor to monitor AVAs. Former landowners were given justification to lease and thus regain control over their lands with no oversight from government. Also, DAR's jurisdiction over AR lands expires after 10 years. Where will the farmers seek grievance after then? There are judicial courts but are expensive.
- A letter to NAPC requesting DAR for a presentation on AVA can be facilitated. NAPC Farmer Sectoral Representatives can request DAR representatives during its cluster meeting in November to be held in Baguio City. NAPC can invite DAR to provide clarification on AVA since farmers know very little about it. There may also be a need for an orientation of farmer cluster members on AVA, which can be provided by the LJI project prior to clarificatory session with DAR.

Key Takeaways

- In general, there is agreement on the findings and recommendations outlined in the draft AVA Issue Paper.
- While meant to provide farmers with alternative financing in lieu of support services, it appears that the AVA is doing more harm than good.
- There are many concerns regarding DAR's capability to manage AVA implementation.
- With many stories of abuse in AVA implementation, how do we safeguard farmers' rights to land?
- There is a need for legal assistance to guide farmers in reviewing AVA contracts.
- In terms of governance and good faith, there should be genuine consent from the entire farmer organization before entering into AVAs, and not just to a few officers.
- There is a need for capacity building of farmers to make them ready for entering into AVAs that will be truly beneficial for them.

Next steps

- Finalize the AVA Issue Paper
- Coordinate with NAPC Farmer Sectoral Representatives re: Learning session on AVA in conjunction with NAPC Council Meeting in Baguio City in November 2025 (NAPC to invite DAR, Congressional Legislative staff during the learning session)
- Explore with the National Land Coalition for expansion of research; Look for cases from areas of NLC members in order to: a) map AVA cases (updating) since DAR unofficial data is as of 2018 (not published); and b) re-interview HARBCO for updates
- Create IEC activities and materials on AVA, targeted towards ARBs