

# **Farm Land Policy and Financing Program for Young Generation in the Philippines**

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## **ABSTRACT**

*The Philippines is basically an agricultural country with about 30 per cent of the total land area of the country cultivated by almost 5 million farmers. However farm area devoted to agriculture has been decreasing due to land conversion. The basic problem is that Filipino farmers do not have the ability to buy their own lands. The Comprehensive Agrarian Reform Program was implemented to address this problem of landlessness thru redistribution of land. Now that CARP is nearly ending, there should be incentives for the young generation to acquire agricultural lands, given that they have the capacity to till them. Credit assistance specifically for land acquisition for new farmers should be considered. The government should make efforts to make the process of land transfer easier and shorter through more efficient and organized procedures.*

*Another problem is the decreasing number of people engaged in agriculture. Farming as a profession has become less attractive to the young and educated people. Average age of farmers is 57 years and average level of education is primary. Most Filipinos do not like to go into agriculture because of the level of difficulty and the supposedly low income being associated with it. Knowledge in agriculture through education can make farming appealing and encourage the young generation to go into farming. Higher farm productivity, hence, better income will stop people from associating farm-life with poverty. This should be supported with appropriate policies and programs aimed at facilitating farm land acquisition/distribution and increasing farm productivity.*

Key words: land acquisition, land distribution, agrarian reform

## **INTRODUCTION**

With only a total land area of 30 million hectares and a population of 92.3 million growing at an average rate of 2.12 percent per year, Philippines is having problem in allocating a very scarce and important resource—land—to meet the various needs of Filipinos. In terms of agriculture, Philippines has a total agricultural area of 9.67 million hectares or about 30 percent of the total land area of the country cultivated by almost 5 million farmers. This area decreased from 9.97 million ha in 1991. Moreover, the average farm size in 2010 is 2.01 which is 0.15 ha less than the average farm size in 1991 (Philippine Statistics Authority, 2013). The decrease in the total area of farms can be attributed to the conversion of land from agricultural to other uses.

The agricultural sector employs an estimated 12 million people or about 33 per cent of the country's labour force but contributes only 12 per cent of GDP (US\$14.7 billion). However,

2011 government investment in the sector was only 4 percent (\$1.6 billion) of the national budget which was almost 24 percent lower than the previous year.

As an agricultural country, Philippines aims to develop a more efficient agricultural industry for it to be able to be competitive among its neighboring countries like Thailand and China. The country is now preparing for the upcoming ASEAN Economic Community which aims to have free trade among the other ASEAN countries. If the country will not be prepared enough, the Philippines will definitely be lagged behind in terms of competitiveness and productivity. Furthermore, the Philippine government wants to ensure food security to decrease its dependence on other countries for agricultural products. But food security cannot be achieved if it cannot produce enough volume of products. There is also the vision of alleviating poverty in the country especially in rural areas. This can be attained by easy access to lands because most of the poor depend on lands for their livelihood and welfare. However, there are many issues concerning farm lands because most of these lands are being converted to residential or industrial areas.

Because of these increasing issues and problems concerning agricultural lands, the government chose to intervene and implement policies that will help and encourage the farmers to continue their production.

This paper gives a general idea of the problems and issues concerning agricultural lands in the Philippines. This paper also presents the different policies and financing programs for farm land acquisition in the Philippines as well as the effects of these policies and programs. Furthermore, recommendations on how to discourage the farmers from selling their lands and encourage the young generation to be farmers and encourage them to continue their production are drawn.

## **FARM LAND POLICIES AND PROGRAMS IN THE PHILIPPINES**

The first problem is that Filipino farmers do not have the ability to buy their own lands. This is one of the reasons why many are discouraged to engage in agriculture. According to the United States Agency International Development, the Philippines face a problem of unequal land distribution. About 2.9 million small farmers have an average farm size of 2 ha, while 13, 681 landholders own up to 20,000 ha. Moreover, 70 percent of farmers in the Philippines are landless (Ballesteros and Llanto, 2003).

### **The Land Reform Program**

One of the first policies that attempted to organize the relationship between agricultural land owners and tenants is the Republic Act No. 1199 or the Agricultural Tenancy Act of the Philippines in 1954. It defined the rights, obligations, and limitations of both the land owner and tenant. Furthermore, it clarified the definitions of (1) Agricultural Tenancy and (2) Tenancy relationship. Agricultural Tenancy was defined as the physical possession of an individual of an agricultural land. Kinds of agricultural tenancy are share tenancy and leasehold tenancy. In share tenancy, the lessor and the lessee agree to divide the profits based on percentages of income. In

leasehold tenancy, on the other hand, a fixed price is agreed upon by the lessor and the lessee. Tenancy relationship is a legal tie between the landlord and the tenant.

In 1963, Republic Act No. 3844 or the Agricultural Land Reform Code of 1963 was implemented. It aimed to eliminate tenancy in agricultural lands as well as to distribute resources. The Act specified terms for agricultural leasehold relation in order to ensure fairness to both the tenant and the landowner. It established the Land Authority whose primary responsibilities were to impose and determine expropriation for acquisition of private agricultural lands. They perform Land Capability Surveys which help them determine qualified farmers to own family-size agricultural lands, and to manage and distribute agricultural lands in public domain. The Act also established the Land Bank of the Philippines (LBP) which primary duty is to finance the acquisition, division, and resale of lands.

The most comprehensive rural development intervention ever designed in the country was codified in Republic Act (RA) 6657, which provided the legal framework for CARP. The Republic Act 6657 (1988) or the Comprehensive Agrarian Reform Program (CARP) was implemented under Corazon Aquino's administration. It aims to redistribute lands, both private and public, while providing appropriate support services to help the beneficiaries become independent small landowners. This is by providing the farmers land capital and ensuring that the other farm workers receive their just share of the revenues.

The program also aims to help not just the tenant, but the owner as well. It covers three programs: (1) distribution of all agricultural lands, (2) delivery of appropriate support services, and (3) agrarian justice. Landowners were required to register and declare the area, average gross income, crops planted, latest declared market value, and contracts involving the land. It also required the farmer beneficiaries to register and declare the name of their household members; owners, location, and area of the land they use; crops planted; and their share in the revenues. The Department of Agrarian Reform (DAR) notified the landowners whose land would be acquired for the program in exchange of compensation. The acquired lands were then distributed to the qualified farmer beneficiaries in the same village or municipality.

It was initially planned to be implemented within a period of ten years, i.e., from 1988 to 1998, and funds for its implementation were mandated through Proclamation 131, which created the Agrarian Reform Fund (ARF) with an initial allocation of PhP50 B. A supplemental appropriation of about PhP2.7 B. was also appropriated through Section 21 of Executive Order (EO) 229. Program planners initially estimated that the 10-year program would cost about PhP221 B. However, because it did not achieve its goals due to several constraints, the Program was extended until 2008, under the administration of former President Fidel V. Ramos (RA 8532 1998). Still considered as an "unfinished business" after this extension, the 14<sup>th</sup> Congress, which was convened during the term of then President Gloria M. Arroyo, again extended the Program for another five years under RA 9700.

### **Collective Certificate of Land Ownership Awards (CLOAs)**

To operationalize the guiding principle of promoting economic family-size farms, DAR was supposed to distribute lands directly to the qualified beneficiaries of the program. However, in recognition of the fact that, in some cases, subdividing commercial farms under the coverage of

CARP may compromise the integrity of the production system, thereby affecting the economic efficiency of operation, the law allows for the distribution of lands under a collective mode. Of the total lands distributed by DAR under CARP about 2,082,789 ha (50%) were awarded under collective CLOAs.

The distribution by collective CLOAs is classified into three types; co-ownership, farms organizations, and cooperatives. Among the three types, co-ownership accounts for almost 80% of the total lands distributed under collective CLOAs. The rest is spread between farmers' organization and cooperatives.

Conceptually land distribution under collective CLOAs was reasonable. However, in practice it was resorted by DAR as a strategy to fast track its expansion of coverage and the generation of CLOAs in a cost effective manner because lands distributed under this mode "short circuits" the process and does away with subdivision surveys and individual titling, which would take a much longer time at very high costs. Since field workers are audited on their performance based on the number of hectares covered and the number of CLOAs distributed, then collective CLOAs provide that opportunity to enhance performance levels.

### **Qualifications of Agrarian Reform Beneficiaries**

There are several programs designed to support the ARBs in the Philippines, but first, who are these selected Agrarian Reform Beneficiaries? Qualified ARBs are those who are (1) agricultural lessees and share tenants; (2) regular farm workers;(3) seasonal farm workers;(4) other farm workers; (5) actual tillers or occupants of public land; (6) collective or cooperatives of the fore mentioned beneficiaries; and (7) others who are directly working in the farm (Section 22 of RA 6657). Moreover, it is indicated in Section 22 of RA 6657 that qualified ARBs are those who are (1) landless, meaning that they own less than three hectares of agricultural land; (2) Filipino citizen; (3) at least 15 years of age or head of the family at the time of acquisition of property; and (4) has willingness, ability and aptitude to cultivate and make the land productive as possible.

Potential beneficiaries register to DAR in coordination with the Barangay Agrarian Reform Community (BARC) by providing the information including (1) names and members of their immediate farm household; (2) owners or administrators of the lands they work on and length of tenurial relationship; (3) location and area of the land they work on; (4) crops planted; and (5) share in the harvest or amount of rental paid or wages received. These are stated in Section 15 of RA 6657.

### **Types of Land Covered Under CARP**

The priority areas in the program are idle and abandoned agricultural lands. Furthermore, all private agricultural lands are also included in the compulsory acquisition. These are lands that are owned by private individual who has land title, Torrens title, free-patent titles and those with homestead patents. Lands with slope greater than 18 percent are exempted from the program.

Five ha is the retention limit of the landowner and 3 ha for his child considering that (1) the child is at least 15 years old; and (2) the child is actually tilling the land or directly managing the farm. A religious institution is considered a juridical person which means that it can maintain at most five ha of agricultural land. Under Section 10, schools are exempted from CARP given that the land is used only for the purpose of education. Military reservations are considered inalienable public lands. Haciendas and landholdings of private individuals are landed estates, so ARBs will pay for the purchase of the land while other costs including survey fees are for free. Multinational Corporations are covered under CARP.

### **Land Redistribution under the Comprehensive Agrarian Reform Program (CARP)**

One of the major services provided by CARP is the Land Tenure Improvement Services- which involves the acquisition and distribution of agricultural lands to landless farmers and farm workers: implementation of measures to improve the existing land tenure status in the country, and facilitation of the payment for lands acquired and distributed, and the speedy resolution of second generation problems of agrarian reform. Hence the major accomplishment of CARP is **Land Redistribution**.

As of December 2009, CARP has distributed about 7.5 million ha of agricultural land which is 83.1% of the 9 million ha target. About 4.1 million private lands (80.7% of the total private lands for distribution) were distributed by DAR and around 3.4 million ha which came from government lands (86.4% of total government lands for distribution) were distributed by DENR as shown in Table 1.

Table 1. Land acquisition by agency, Philippines, as of December 2009

Agency	Target	Accomplishments	
	Hectares	Hectares	Percent
DAR	5,163,751	4,166,023	80.68
DENR	3,837,999	3,317,312	86.43
TOTAL	9,001,750	7,483,335	83.13

Source: CARP Briefer and Statistical Handbook

There are different modes of land transfer. Of the lands (4,166,023 ha) distributed by DAR, 23.2% were government lands, 18.0% were distributed under settlements, 17.6% under the Voluntary Land Transfer scheme, and 14.6% under the Operation Land Transfer scheme (Figure 1). Meanwhile, 6.9% were distributed under the compulsory acquisition scheme, 4.0% were lands from government financial institutions, and around 2% were from landed estates (Carp Briefer and Statistical Handbook)

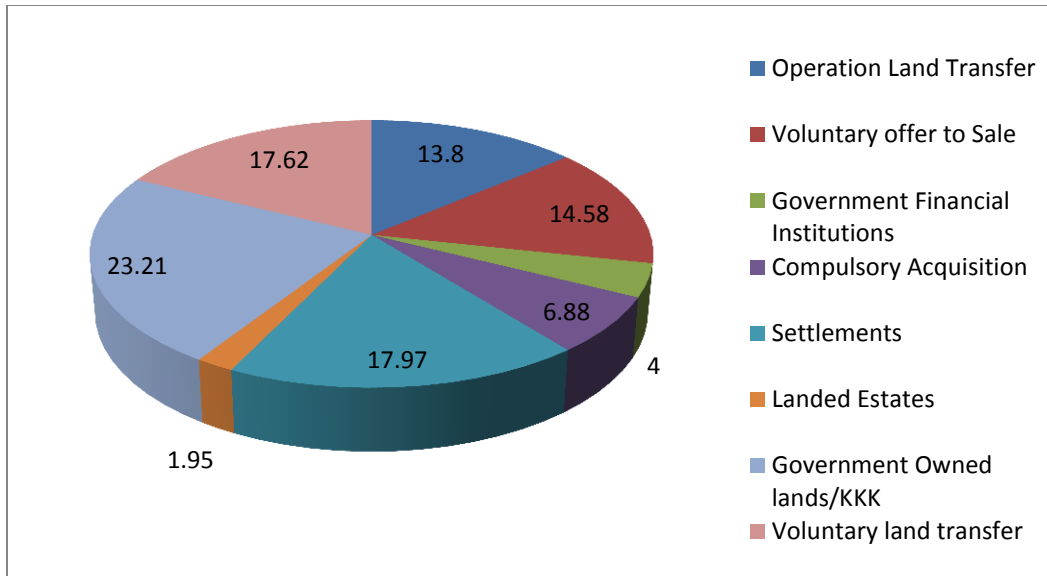


Figure 1. Percentage of DAR accomplishment by land type/mode of acquisition.

### Land Conversion

Agricultural lands can be converted after five years that it is awarded, given that the land is not economically feasible and the land has greater economic value if it used for other purposes. However, land use conversion would take a long process. One of the requirements for land use conversion is Certificate of Compliance that will be awarded by the Department of Environment and Natural Resources (DENR). The ARB should also coordinate with the Local Government Unit (LGU) to clarify the present classification of the land depending on the class type of the municipality. If the landowner converts his land for the purpose of exempting himself from CARP, it is considered illegal.

The factors used to determine the just compensation are the following: (1) current value of the property; (2) cost of acquisition; (3) official assessment by government assessors; (4) nature of land; (5) non-payment of taxes or loans secured from government financing institutions; (6) sworn value by the land-owner; (7) income; (8) declaration of taxes; (9) economic and social benefits contributed by farmers; and (10) actual use.

### Land Taxation Scheme

Another problem regarding agricultural lands in the Philippines is the highly politicized property tax system. There is a need for a well-designed property tax system to be able to come up with efficient land markets. These taxes are important for raising local revenues through schemes such as idle land taxation, betterment levies, land conversion tax, etc. The local government units of provinces can impose taxes up to 1% or 2% in cities. Local governments can also impose an idle land tax of up to 5% of the value of the land. However, it has been found out that the implementation of these taxes is poor and the cause may be political. If there are people in the

council who are landowners, there is the tendency that they will not impose taxes. Definitely, this will result to inefficiencies. Because of the relative low tax burdens, it may provide an incentive to overvalue real property and underestimate property-related risk. Furthermore, it has significant effects on infrastructure development in the country.

Failure to comply with the right of way acquisition may cause delays in infrastructure completion. Therefore, in order to address this issue, the Congress approved Republic Act 8974 and Republic Act 8975, which aims to expedite acquisition of right-of-way. Republic Act 8974 upholds the Bureau of Internal Revenue's zonal valuation as basis for the computation of "just compensation" for the acquisition of right of way acquisition. Courts are given 60 days to determine just compensation in cases when no such zonal valuations are available. On the other hand, Republic Act 8975 prohibits the lower courts from issuing restraining orders and injunctions on infrastructure projects.

Imposing a large amount of tax in land conversion would discourage farmers to undergo the process. Tax imposition can alter market prices, making it appeal as cheap or expensive, depending on what the policy wants to regulate. Therefore, farmers would be discouraged to convert their lands and just utilize their lands by farming.

## **FINANCING PROGRAMS FOR FARM LAND ACQUISITION**

### **Amortization and other Costs**

Under Section 26 of RA 6657, CARP awarded lands shall be amortized in 30 years. Lands under PD 27 shall be amortized in 20 years at 6 percent per annum with 2 percent rebate if paid on time. Section 66 states that land transactions are exempted from all registration fees and taxes for the land transfer. The ARB pays in 30 equal payments at 6 percent per annum interest and with 2 percent less deduction for updated amortization payments. Payments shall not exceed 2.5 percent of the value of the Annual Gross Production (AGP) during the first three years of payment. On the fourth and fifth year, payment shall not exceed five percent the value of AGP. On the sixth to thirtieth year, payment shall not exceed thirty percent of the value of the AGP. If the ARB is not able to pay, the landholder can go the Land Bank where he can be paid in cash. When there are typhoons and the ARB is not able to pay since he had no harvest, he would be required to pay the Land Bank in the next cropping season. If the ARB is not able to pay for three annual amortizations, they would be disqualified to be an ARB and the awarded land shall be forfeited as indicated in Section 26.

### **Selling of Awarded Lands**

Section 27 of RA 6657 states that ARBs cannot sell, transfer, or donate the lands awarded. Land transfer can only be done with a succeeding family member or sold back to the Land Bank or another qualified beneficiary within ten years. The awarded land can be sold after ten years to an individual (direct cultivator) who does not own more than five ha of agricultural land and also given that the land is fully paid already. A previous awardee who disposed his land shall no

longer be qualified to become an ARB, but the spouse and children can qualify within a period of two years.

### **Agrarian Reform Community Connectivity and Economics Support Services**

The ARCESS is part of DAR's strategy and devised project to help maintain the awarded lands of agrarian reform beneficiaries through increased production and engagement in agri-based and related enterprises. It is comprised of 7 components:

1. Agri-technology and Agri-extension (AES)
2. Business Development Services (BDS)- It is organizational, marketing, financial, and technical management services for ARB organizations, strengthening the capacity of organizations through improvement in bookkeeping and record-keeping. It also provides technical assistance in enhancing the internal crop consolidation to create better markets for their products.
3. Common Service Facilities (CSF)
4. Credit & Microfinance- It strengthen the capacity of ARB organizations to access credit facilities, retail and collect individual ARB loans through their organizations. Through this, the documentary requirements for credit becomes more organized, therefore farmers in the organization has better access to credit. Moreover, they can demand more attractive interest rates.
5. Agri-insurance (crops and livestock)- DAR's partnership with the DA-Philippine Crop Insurance Corporation to implement the Agri-Insurance Program (AIP) to lessen the risks involved in agricultural production like typhoons and crop diseases. ARCESS-supported ARBOs are given more priority inproviding agri-insurance.
6. Rural infrastructure (RI)
7. Land tenure improvement and stability- The program provides assistance in distribution of big farms and transfer of land titles to heirs and other successors for distributed lands.

### **Micro-Agri Loan Product Development program**

This program intends to provide credit access by enhancing numerous and different micro-agri credit loans through bank-assisted cooperatives and countryside financial institutions. Capacity building interventions are delivered to partner channels in activity market assessment, product operations review, product manual development; coaching and capacity building, pilot testing and roll out.

### **IMPACTS OF THE LAND REFORM PROGRAM**

Gordoncillo (2003) points out that CARP, in general, generated significant positive impact on the welfare of its beneficiaries. By using qualitative indicators of welfare, it is also found that the program achieved significant positive effects at the broader social level. The study likewise



established that a significant improvement in the peace and order condition in the countryside had been achieved and that this considerable change was partly attributable to CARP.

Overall, findings from various studies (Penalba 2001; Gordoncillo 2003; Reyes 2002) cited by Gordoncillo and Quicoy (2013) revealed that agrarian reform indeed contributed to the improvement of the quality of living of rural households and the level of development of rural communities.

Gordoncillo (2013) stated that there had been a positive transformation of the tenurial system at the household level. Owner-cultivatorship increased from 30% in 1990 to 64% in 2006. Consequently, the extent of tenancy, both lease tenancy and share tenancy, declined. At the community level, the same study noted that CARP's implementation resulted in a more equitable distribution of access to the land and broader landownership base. In the six case study sites, a total of 7,097 ha belonging to 177 landowners were already distributed to 2,429 ARBs. As a result, the average farm size was reduced significantly from 40 ha per landowner to 2.9 ha per ARB.

It is evident that the goal of DAR regarding land distribution has been accomplished. However, it did not make a sustainable impact on the ARBs, one that the government would really want to achieve. Sustainability can be attained if the impacts of the program to the farmers can be experienced by the next generations. That is why CARP did not only cover distribution of all agricultural lands, but also delivery of appropriate support services, and agrarian justice. Through this, farmers would have fixed capital as well as operating capital that he needs in farming operation. Furthermore, problems in property rights would be resolved through justice delivery. If these had been realized, farmers would have increased their level of living and so farming wouldn't have been associated with poverty. The next generations would have seen agriculture as a good profession that would give them a good future. On the contrary, many of the ARBs have converted their lands already and become tenants of big landholders like before.

DAR is also the one who approves application for land use conversion from agricultural to other uses. They processed 21,163 applications covering an area of 70,726 ha. As of December 2009, it had approved 20,411 applications (96.45% of the total number of applications) or 61,567 ha (87.05% of total land area applied for). This shows that DAR had not been conservative in approving land conversion applications. Imposing a large amount of tax in land conversion would have discouraged farmers to undergo the process. Tax imposition can alter market prices, making it appeal as cheap or expensive, depending on what the policy wants to regulate. Through imposition of higher tax, farmers would be been discouraged to convert their lands and therefore utilize their lands through farming.

It is indicated in Section 6 of RA 6657 that one of the qualifications of becoming an ARB is the farmer's age of at least 15 or being the head of the family. The expected outcome of this policy is that the young generations would become influenced by the success of their parents in their field so that in time, they would already have the capacity to provide for themselves the capital that they need as well as enough knowledge through education which can be more easily be accessible.

As a major asset-reform program, the CARP seeks to address the problem of inequitable distribution of land. As a poverty-alleviation measure, CARP seeks to transform agrarian reform beneficiaries into more productive members of society who can use the land to generate more

income for their families. After the lapse of almost 20 years from the passage of the Comprehensive Agrarian Reform Law (CARL), however, the CARP remains an incomplete dream.

While the implementation of the program has produced significant gains in terms of distribution of agricultural lands, there remains a large area that should still be covered under the CARP. Furthermore, farmer beneficiaries who now own the land should be given the needed support services that will enable them to make the land productive. It is the policy of the State to pursue a Comprehensive Agrarian Reform Program (CARP). The welfare of the landless farmers, farm workers and other qualified beneficiaries will receive the highest consideration to promote social justice and to move the nation towards sound rural development and industrialization, and the establishment of owner cultivatorship of economic-sized farms as the basis of Philippine agriculture.

A comprehensive approach to agricultural reforms is helping landowners hold onto property and generate incomes close to home. A \$139 million Asian Development Bank (ADB)-supported project that ran from 1998 to 2007 supported land reform programs in the Philippines. Rather than simply distribute land, the project provided a comprehensive package and the farmers area have been able to hold onto their land. ADB has worked to help the Philippines support rural families and protect its agricultural and natural resources in part by providing 59 loans totaling more than \$1.9 billion, or about 15.4% of its loan portfolio in the Philippines to agriculture and natural resources.

### **THE AGEING GENERATION OF FARMERS**

Despite being an agricultural country, the number of people entering the industry in the Philippines is decreasing, mainly due to various stereotypes about farming. The drop in the country's overall employment rate is due to the decline in employment in the agriculture sector, with the number of agricultural workers falling from an estimated 12.468 million in April 2012 to 11.844 million in April 2013, or by about 624,000 workers. Philippines has more than enough graduates of agricultural courses. UP Los Baños College of Agriculture accepts 330 students annually and there are also around 46,000 agriculture students from 112 state universities and colleges that offer agriculture courses. However, most of the graduates do not actually end up as farmers. Most graduates go to the service sector such as government, industry or business.

Unfortunately, people do not think of agriculture or farming as a profession, which makes it less attractive for younger people. Most Filipinos do not like to go into agriculture because of the level of difficulty and the supposedly low income being associated with it. The latest Labor Force Survey conducted by the National Statistics Office indicated that agriculture receives the lowest average daily basic wage and salary compared to non-agriculture sectors. . The average daily wage of a farmer is \$6, versus the national average of \$10.

The Philippines, with a modernizing farming sector, is already experiencing the problem of the youth preferring to look for jobs in the urban areas or abroad, leaving the country's farms wanting for young blood. That is only one of several human resource development problems being experienced by the Philippine farming sector

The average age of farmers in 2013 is 57. Assuming an average life span of 70, a shortage in the labor supply of farmers is expected in 15 years. The high average age of the country's farming population shows that much of the youth have shunned tilling the soil as a profession or business undertaking. Much of the youth today shun farming because of its perceived hardships. Farming is always associated with poverty resulting to the declining number of farms and farmers. Based on the latest poverty incidence report from the National Statistical Coordination Board (2009), poverty incidence is highest among fishermen and farmers at 41.4 percent and 36.7 percent, respectively. So no farmer would want their children to become farmers. Most rural families instead want their children to pursue more lucrative jobs in commercial centers near Manila.

Moreover, the average level of education of a farmer is primary level only. Farmers' age and limited education make them less receptive to new farming technologies that can boost yields in the face of growing losses from volatile weather. There should be sufficient incentives for the young generation to engage in farming.

About the old age of most farmers in the present, the young generation would be encouraged to engage in farming if it seems for them that they would have a higher level of living if they do so. Therefore, they should be informed of the greater benefits in farming through proper farm management practices. A productive farm that yields greater income will stop people from associating farm-life with poverty. Knowledge in agriculture through education is the way to encourage the young generation to get involved in farming.

Higher farm productivity, hence, better income can attract the young generation to acquire farm land and engage in farming. This should be supported with appropriate policies and programs aimed at increasing farm productivity and expanding areas for farm production.

## **CONCLUSIONS and RECOMMENDATIONS**

One driver of poverty in rural areas has been a lack of land ownership. Prior to the initiation of land reforms in the Philippines, almost 50% of the rural population was landless.

It has been written above that the Philippine agriculture sector faces the problem of the massive conversion of agricultural lands to non-agricultural. I think this is the most common problem in the agricultural sector. This results to lower productivity because there are lesser arable lands. The government may do something about this but ultimately, farmers and land owners should be the first ones who will take a stand not to sell their lands for industrial uses. The farmers should be encouraged to continue their production rather than selling their lands. There should be more incentives and benefits for the farmers for them to continue their production. If they realize that it is more beneficial for them to continue farming rather than selling their lands, it would really make a difference.

Understanding that agriculture industry is more than just farming can help people give more importance to this profession. This can be done by re-orienting the educational system and including agriculture in lessons in primary and secondary levels of education. There is a need to change the mind-set of the younger generation and make farming appealing for them. There should be a science-based and technology-based education program where farm entrepreneurship can be introduced to young generation.

Likewise, past government policies have provided few incentives to farmers, Government policies have had a bias for white-collar jobs. Policies were focused on yield, without enough consideration for the quality of life of the farmer. This shows the government is not keen on giving incentives for farmers, unlike in other countries. In other countries like Japan, there is the income parity policy where the government assures farmers of an income that is comparative, if not better, to the income from the industry if farmers will work in the farm.

The main struggle for land owners is that most farmers either lack the entrepreneurial skills required to efficiently manage their land or factor prices are too high that it becomes too costly for the farmer to enter into the market thus he turns to his alternatives of leasing or selling land to those able to offer suitable lump sum.

To be able to discourage farm conversion, the overall gains from the farm must exceed the perceived potential gains from conversion. Either by raising the overall wage of the farmer or by increasing productivity so that the farmer produces at cost minimizing efficient outputs.

To be able to convince the young generation to do farming there should be sufficient incentives for him to do so. A productive farm will yield greater income which may attract the young. Another obstacle that must be faced, aside from income disparity, is the stigma. Most would associate farm-life synonymously with poverty. It is only rational for the young to seek a better future. Thus they must be assured that a better and sustainable future is attainable through farm work.

There should be incentives for the young generation to acquire agricultural lands, given that they have the capacity to till them. Credit assistance specifically for land acquisition for new farmers should be considered. The government should make efforts to make the process of land transfer easier and shorter through more efficient and organized procedures. Furthermore, the government should allot subsidies to selected farmer-applicants who want to acquire lands, given that they have the capacity to till the lands productively. Lastly, applications for land use conversion from agricultural to other purposes should be more strictly examined.

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