



Republic of the Philippines
Department of Agriculture
BUREAU OF AGRICULTURAL STATISTICS



Land Tenure and Investments of Farm Households in the Philippines, 2002-2003



Department of Agriculture
BUREAU OF AGRICULTURAL STATISTICS
Agricultural Accounts and Statistical Indicators Division (AASID)
Socio-Economic Statistics Section (SESS)
1184 Ben-Lor Bldg., Quezon Avenue, Quezon City
infobas@mozcom.com

<http://www.bas.gov.ph>

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FOREWORD

This report has been generated from the results of the Integrated Farm Household Survey (IFHS) which collected important benchmark characteristics of farms and farming population in the country. The IFHS covered 5,920 farm households nationwide except in Batanes and Lanao del Sur. Details of the survey including its methodology and statistical outputs are found in the main report entitled "Socio-Economic Characteristics of Farm households in the Philippines".

In particular, this report contains information on land tenure and investments of farm households in the Philippines. Farm investment is one of the important factors affecting production along with land tenure which explains why well defined and exclusive rights to land influence land care and improvements, and therefore, agricultural productivity. It also presents the relationship between land tenure and farm investments using regression analysis. On the whole, it has been designed to serve as a handy reference material for agricultural development planning and policy formulation.

The Bureau of Agricultural Statistics (BAS) wishes to extend its most sincere appreciation to the Bureau of Agricultural Research (BAR) for the financial support it has provided for the preparation of this report.

ROMEO S. RECIDE
Director



ROMEO S. RECIDE
Director

MAURA S. LIZARONDO
Assistant Director

ROBERTO M. DALAG
Chief, AASID

MARIO M. PADRINAO
Chief, SESS

SESS STAFF:

EDUARDO B. SANGUYO

EMERLYN Q. BAES

RODIELYN D. CAGAOAN

JUVY D. GENEROSO

MARY JOY M. DEANG

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REGRESSION RESULTS

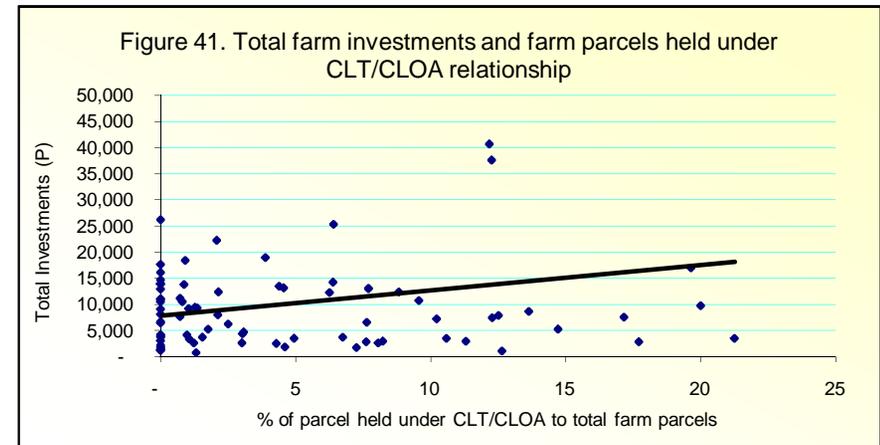
Dependent Variable: Total farm investments

<u>Explanatory Variable*</u>	<u>Coefficient</u>	<u>P-Value of Coefficient</u>
1. Fully owned	268	0.0068
2. Tenanted	-363	0.0071
3. Leased/rented	84	0.8142
4. Rent free	-281	0.0340
5. Held under CLT/CLOA	507	0.1987
6. Under owner like possession	-56	0.5429

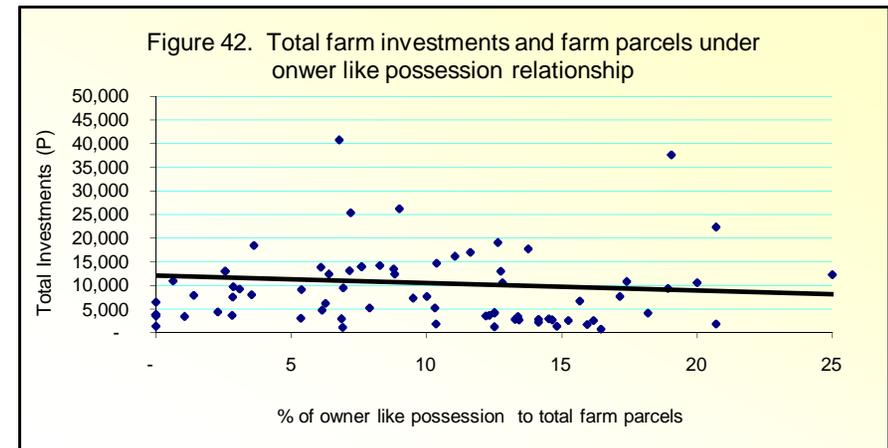
*Simple regression model was used

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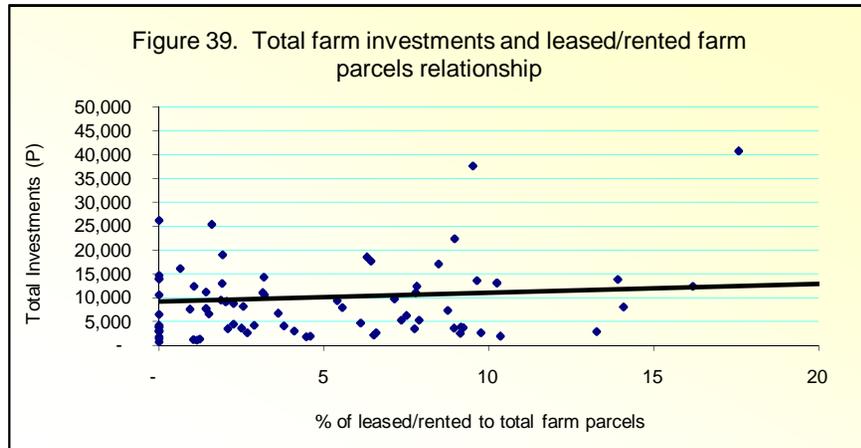


The amount of farm investments and percentage of farm parcels held under CLT/CLOA have positive relationship, although, it is not statistically significant.

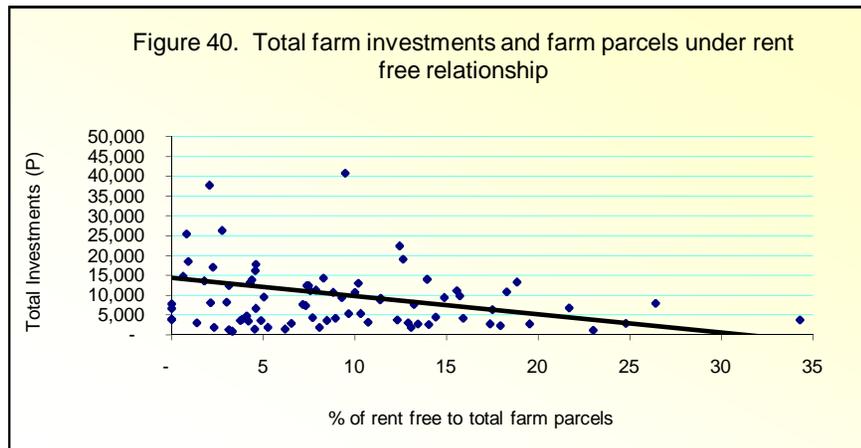


The relationship between investment and percentage of farm parcels under owner-like possession is not statistically significant.

LAND TENURE AND FARM INVESTMENTS RELATIONSHIP



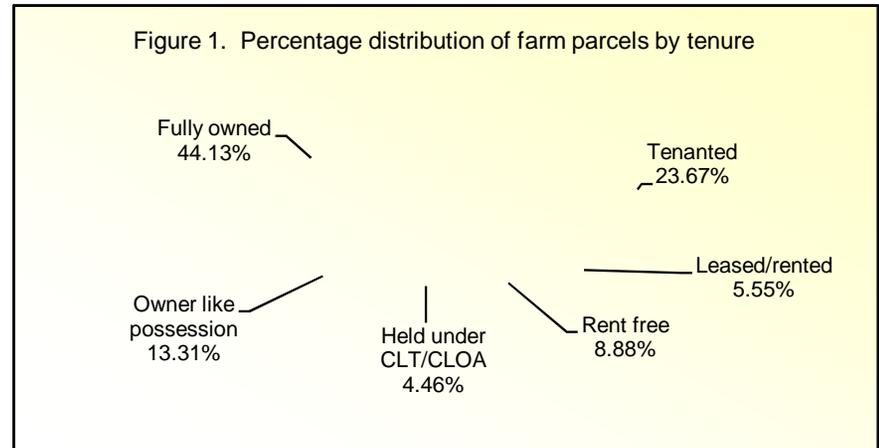
There is no significant relationship between total farm investment and the percentage share of leased/rented to total farm parcels.



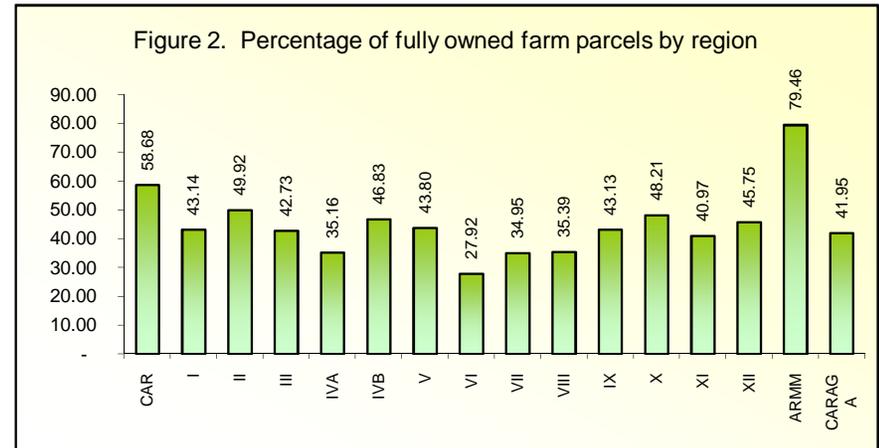
Farm investment is negatively related to rent free tenure. The amount of farm investment decreases as the percentage of farm parcels under rent free increases.

FARM CHARACTERISTICS

A. Tenurial Status of Farms

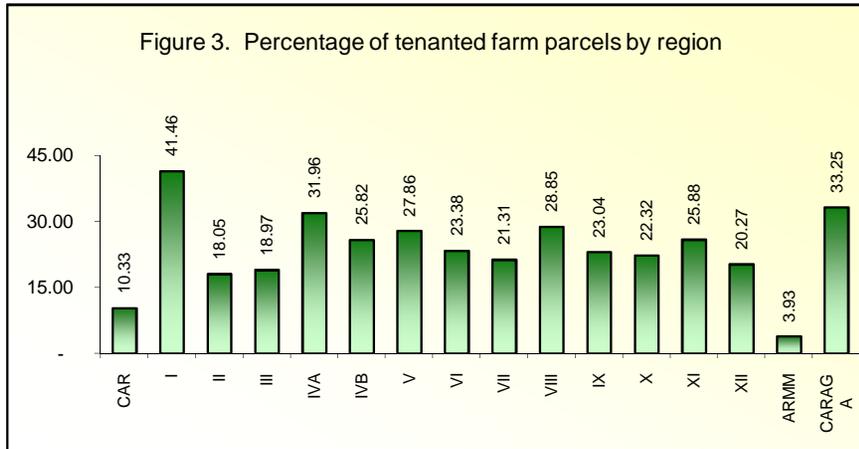


Of the total number of farm parcels operated by households, about 44.13 percent were fully owned while 4.46 percent were held under CLT/CLOA. Tenanted and rented parcels accounted for 23.67 percent and 5.55 percent of total farm parcels, respectively.

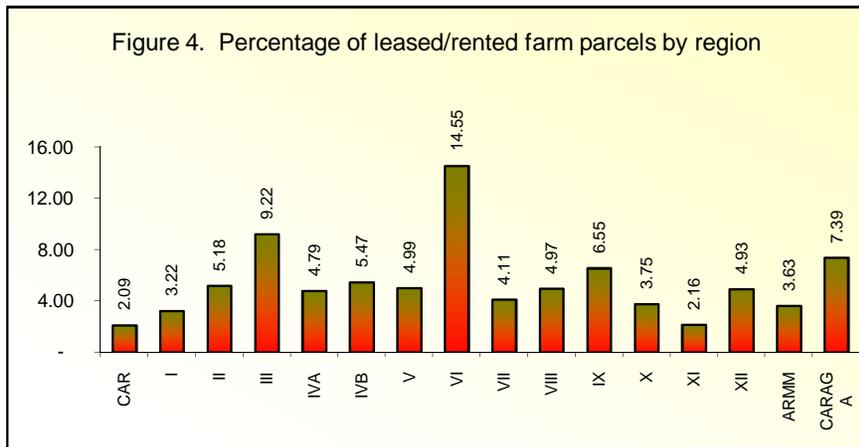


Farm households in ARMM reported the highest percentage of farm parcels that are fully owned at 79.46 percent. The lowest was reported in Western Visayas at 27.92 percent.

FARM CHARACTERISTICS

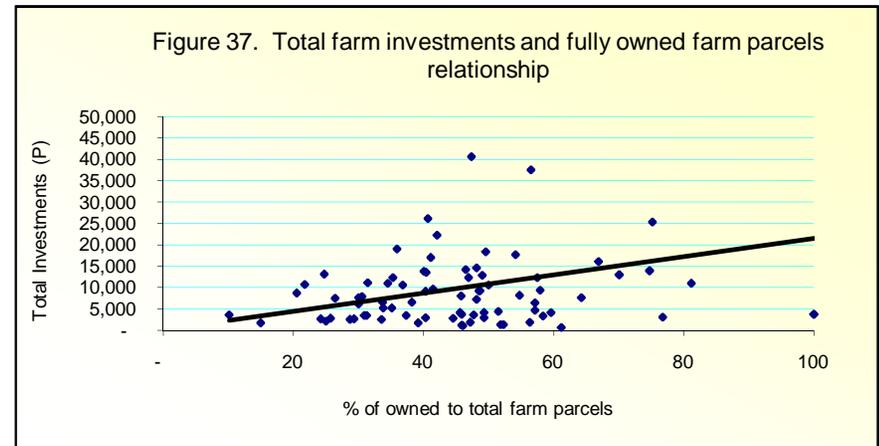


Percentage of tenanted farm parcels was biggest in Ilocos Region at 41.46 percent. It was smallest in ARMM at 3.93 percent.

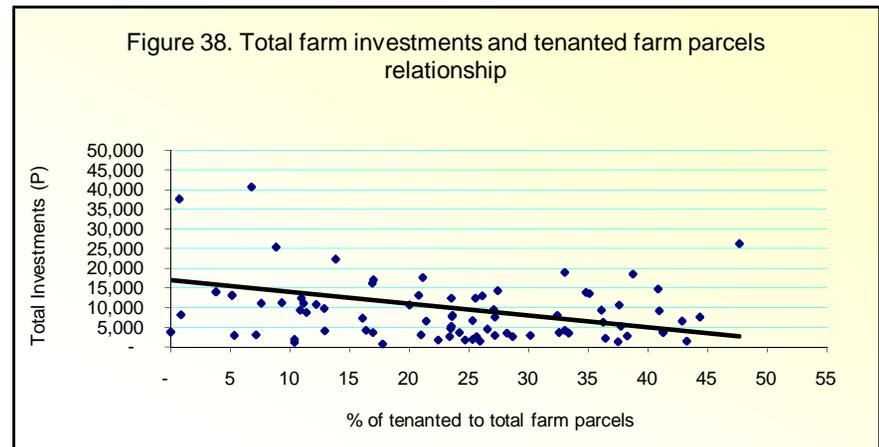


Highest percentage of leased/rented parcels was recorded in Western Visayas at 14.55 percent. Lowest was reported in CAR at 2.09 percent.

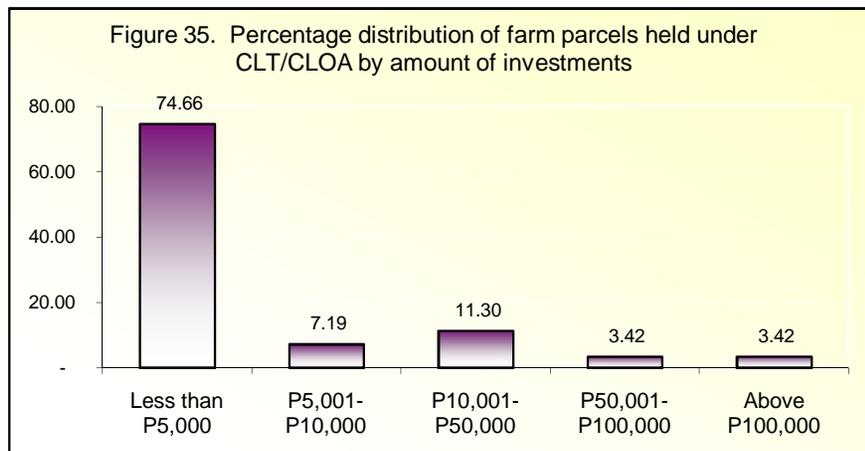
LAND TENURE AND FARM INVESTMENTS RELATIONSHIP



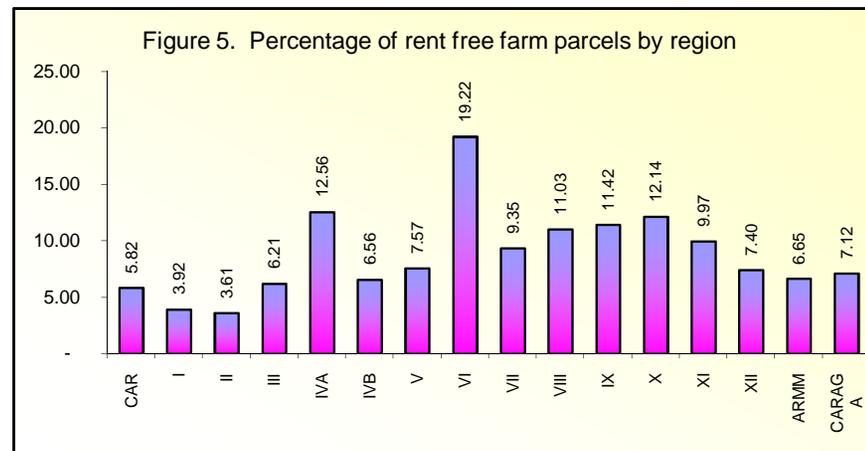
The amount of farm investments increases as the percentage of fully owned land increases. Similarly, the amount of investments increases as the size of farm parcel increases.



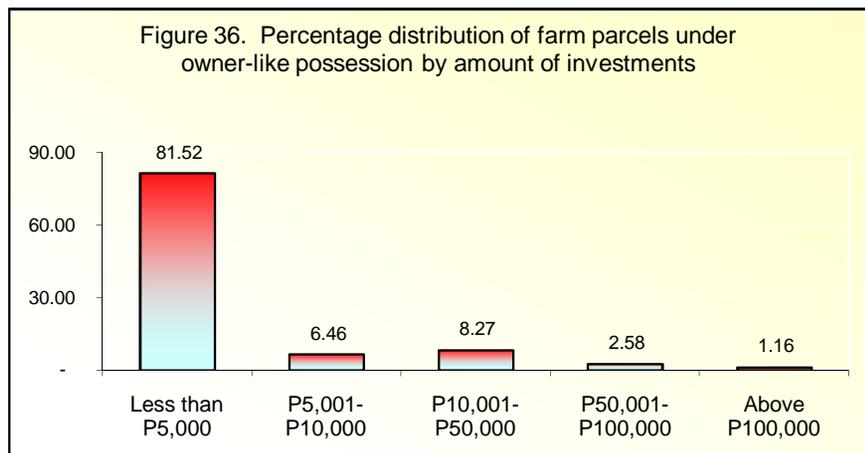
There is an inverse relationship between investment and tenanted parcels. The amount of investments decreases as the percentage of tenanted parcels increases.



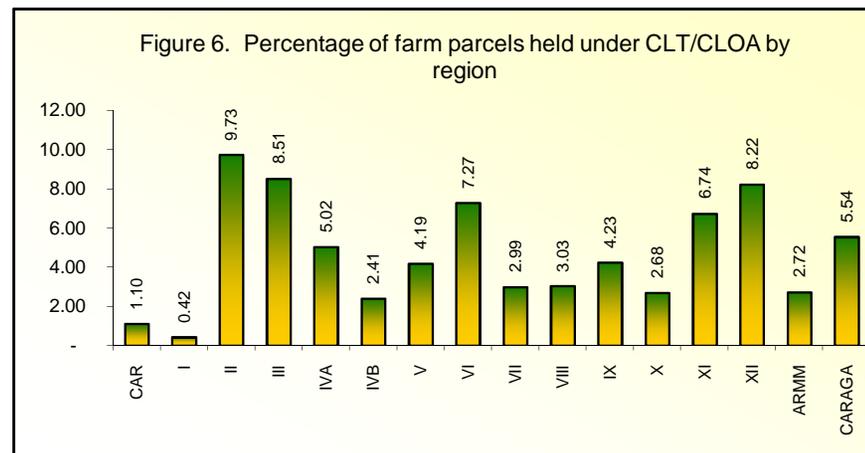
Almost 75 percent of farm parcels held under CLT/CLOA had farm investments of less than P5,000.



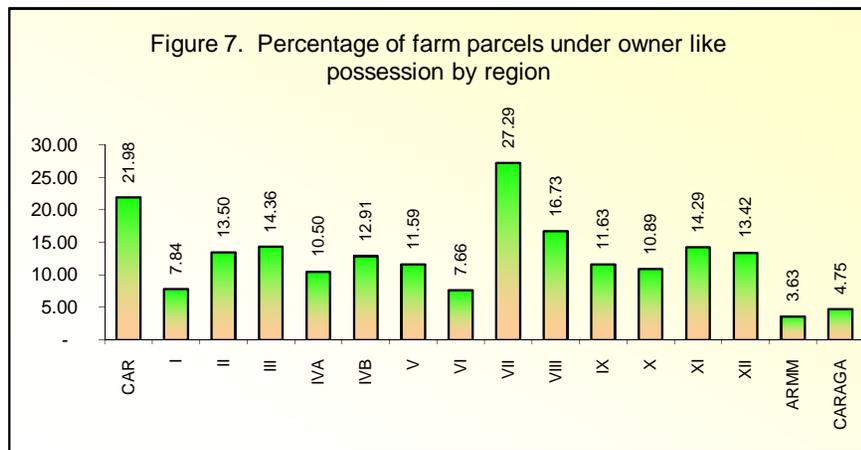
About 19.22 percent of farm parcels in Western Visayas were rent free. The percentage was only 3.61 percent and 3.92 percent in Cagayan Valley and Ilocos Region, respectively.



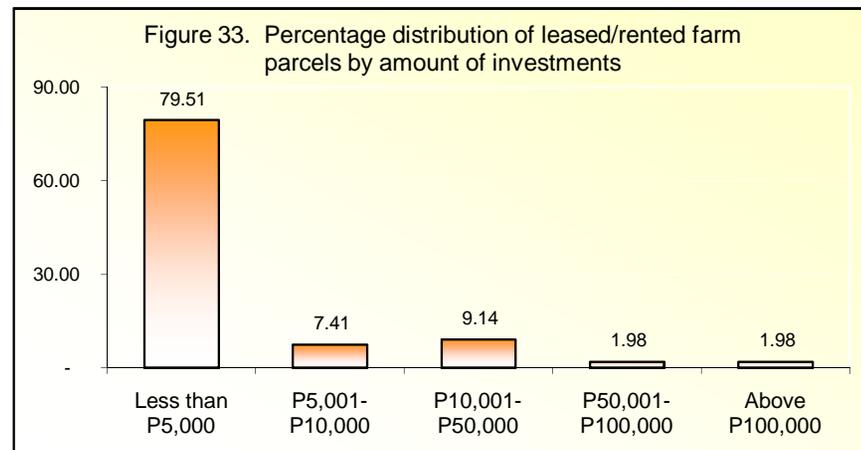
Majority of farm parcels held under owner-like possession had farm investments of less than P5,000.



Of the total farm parcels, 0.42 percent in Ilocos Region to 9.73 percent in Cagayan Valley were held under CLT/CLOA.

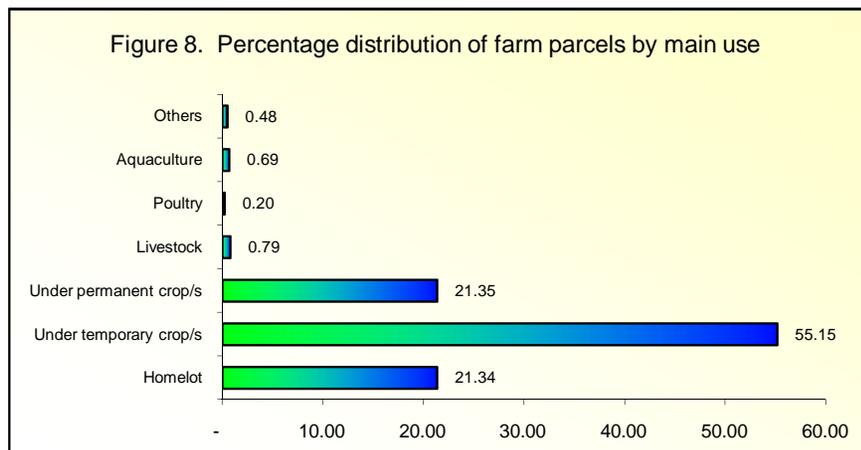


Biggest percentage of farm parcels under owner like possession was in Central Visayas at 27.29 percent while the smallest was in ARMM at 3.63 percent.

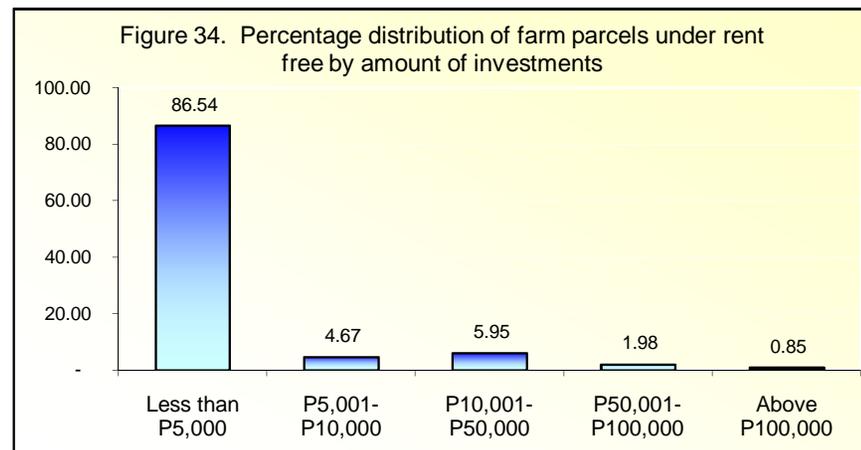


Almost eight out of ten farm parcels that are leased/rented had farm investments of less than P5,000.

B. Main Use of Farm Parcels

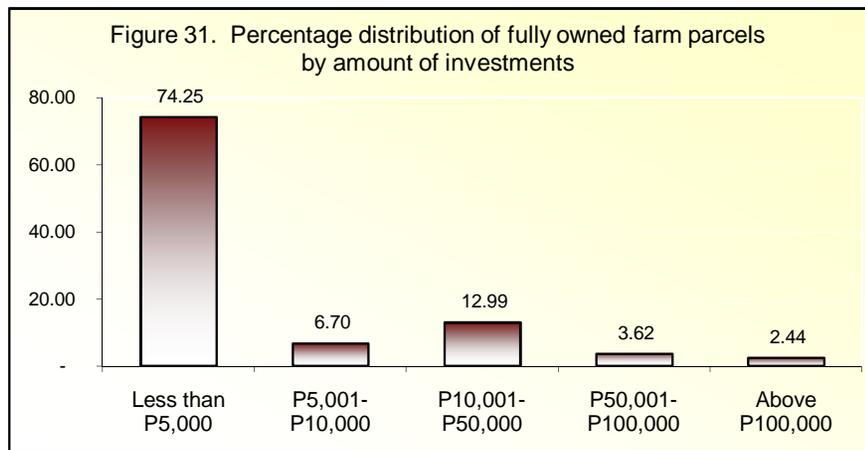


More than half (55%) of farm parcels were used for temporary crops cultivation. Parcels used for permanent crops and for homelot have almost equal share at 21 percent.

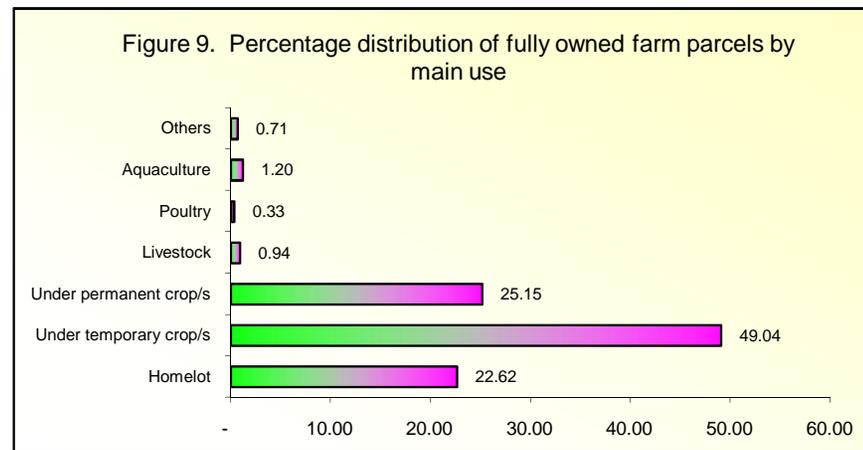


Most of farm parcels, 86.54 percent, under rent free tenancy had farm investments of less than P5,000.

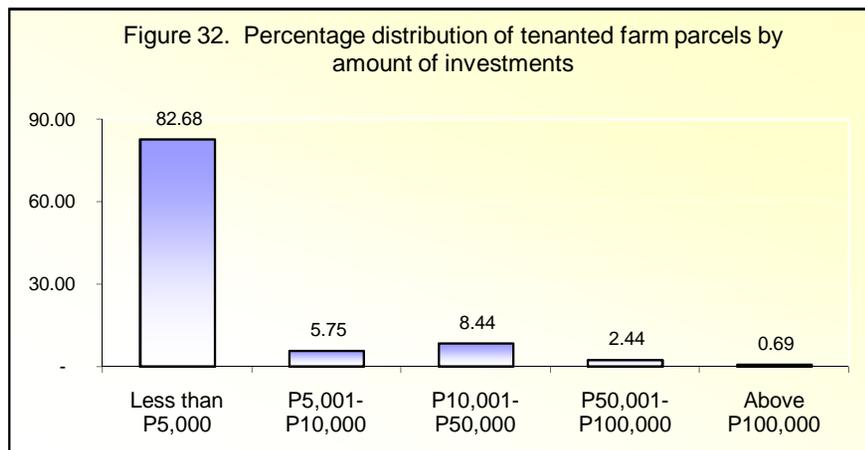
C. Structure of Farm Investments by Tenure



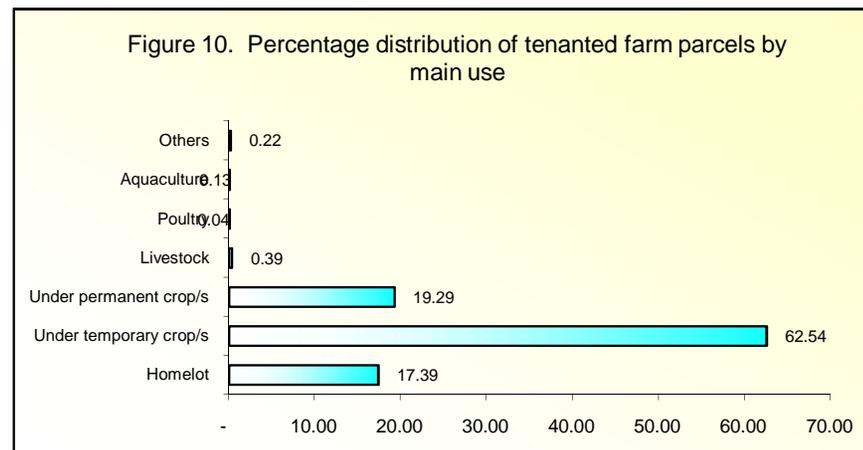
☞ About 74 percent of the total farm parcels that are fully owned had farm investments of less than P5,000.



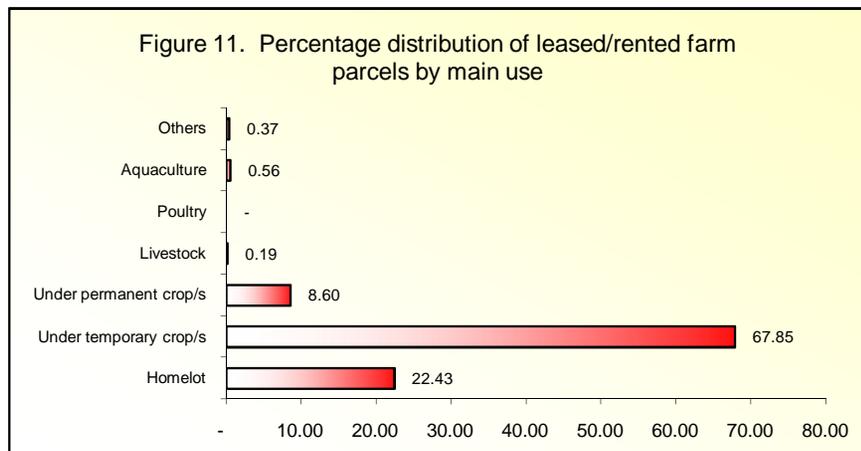
☞ Nearly half (49%) of fully owned farm parcels were used for temporary crops cultivation. Parcels used for permanent crops accounted for 25 percent while parcels used for livestock and poultry raising shared only less than 1 percent each.



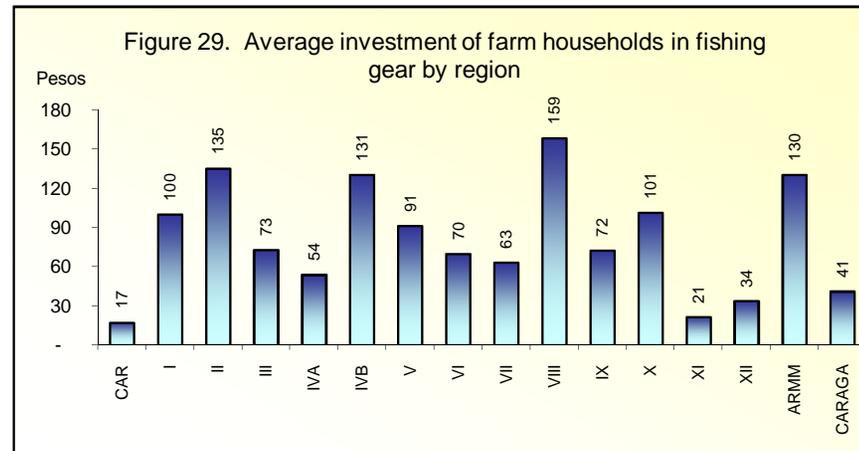
☞ Most tenanted farm parcels or 82.68 percent had investments of less than P5,000.



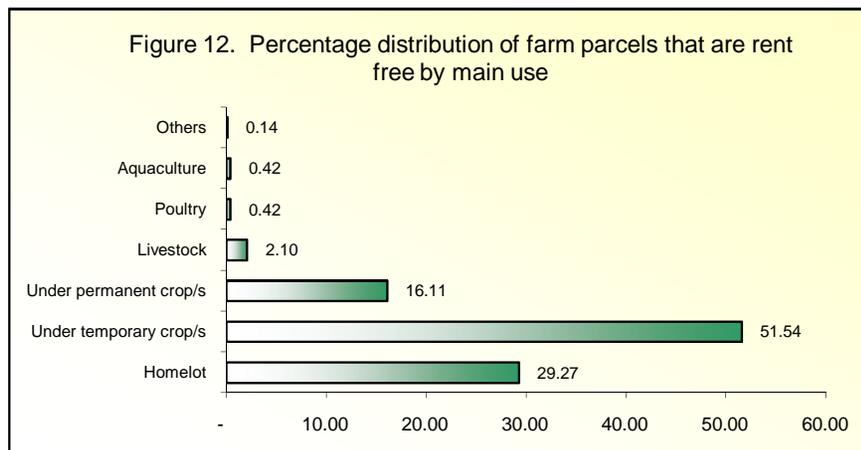
☞ For tenanted parcels, 62.54 percent were used for temporary crops. Parcels under permanent crops and those used for homelot were 19 and 17 percent, respectively. Other uses accounted for less than 1 percent.



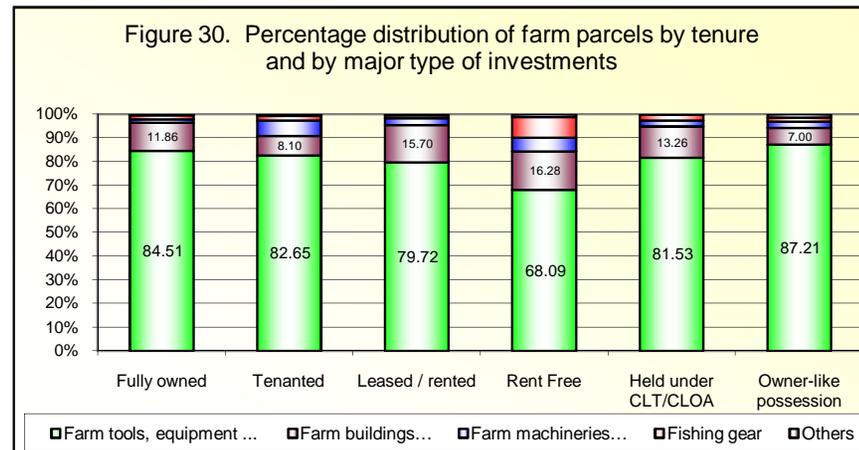
More than two-third of the rented parcels were used for temporary crops cultivation.



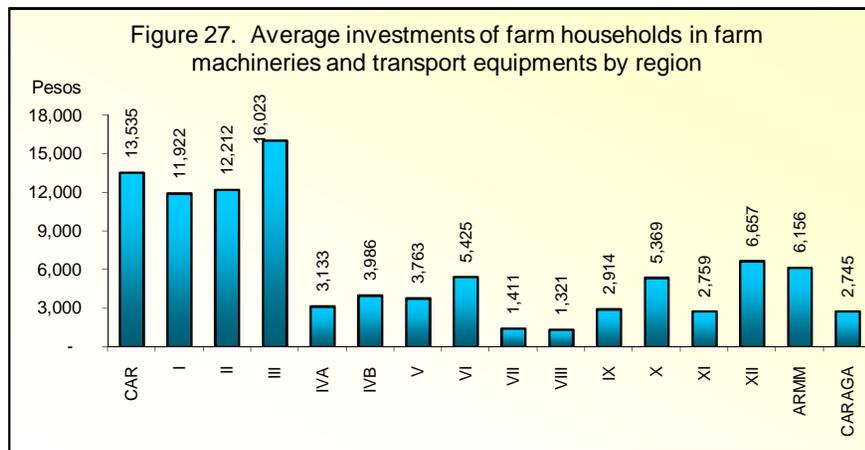
Average investment on fishing gear ranged from P17 in CAR to P159 in Eastern Visayas.



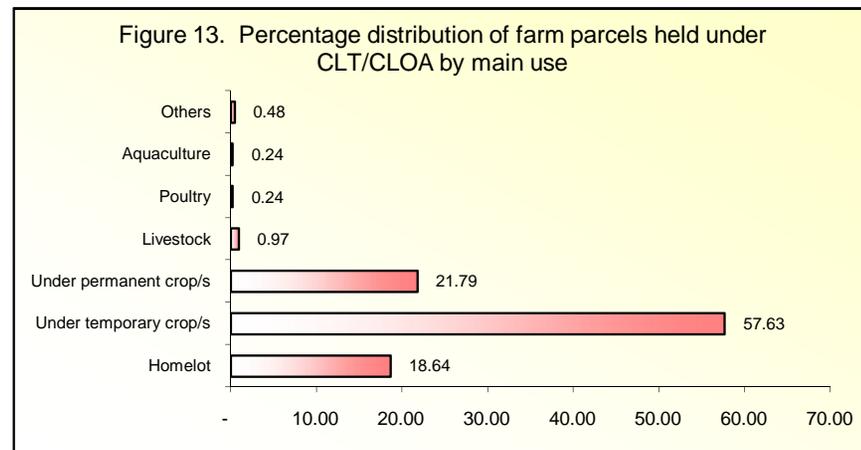
Majority (51.54%) of farm parcels under rent free tenure were used for temporary crops cultivation. Parcels used for poultry raising and aquaculture have the same distribution at 0.42 percent.



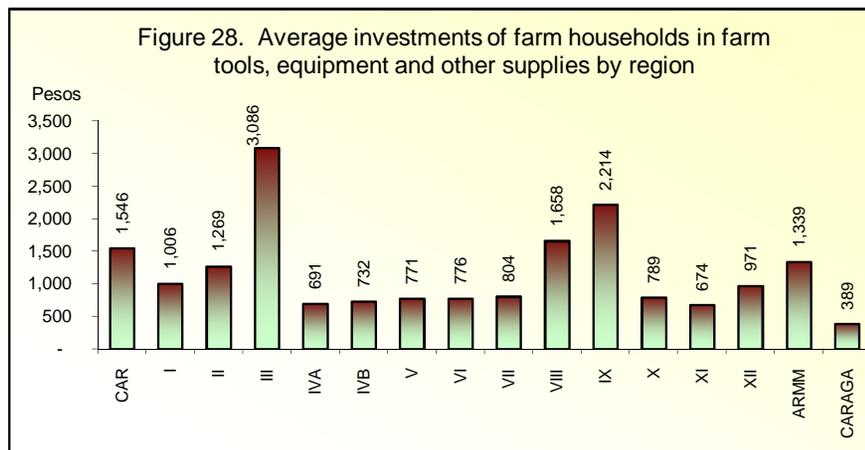
The proportion of farm parcels with investments on farm tools, equipment and other supplies was biggest in all types of land tenure. These ranged from 68.09 percent of the total parcels operating under rent free to 87.21 percent of parcels under owner-like possession.



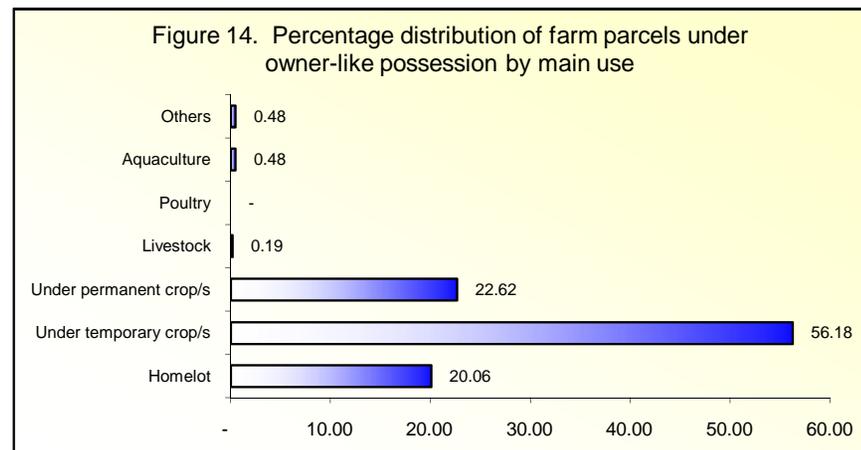
☞ Bigger investments in farm machineries and transport equipment were noted in CAR, Ilocos Region, Cagayan Valley, and Central Luzon. These ranged from P11,922 to P16,023.



☞ Main use of most parcels held under CLT/CLOA was for temporary crops production. Parcels used for permanent crops and homelot were 21.79 and 18.64 percent. The rest accounted for less than two percent.



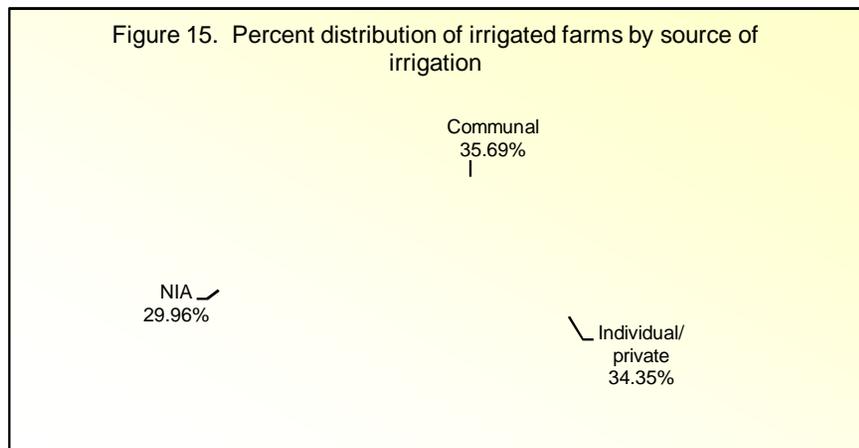
☞ Average investment of households in farm tools, equipment and other supplies was highest in Central Luzon at P3,086 and lowest in CARAGA at P389.



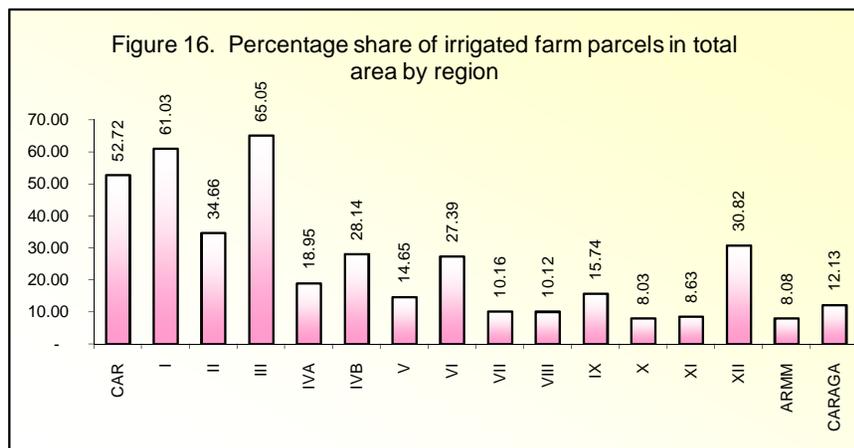
☞ Parcels under owner-like possession were used mainly for temporary crops production. Parcels used for permanent crops and homelot were 22.62 and 20.06 percent, respectively.

FARM CHARACTERISTICS

C. Sources of Irrigation



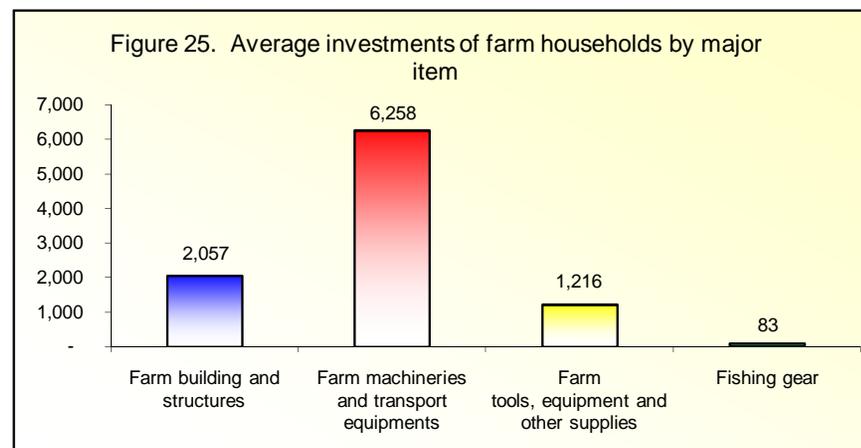
☞ Of the total irrigated areas, 29.96 percent were serviced by National Irrigation System, 35.69 percent by Communal Irrigation System, and 34.35 percent by Private Irrigation System.



☞ The share of irrigated farm areas was largest in Central Luzon at 65.05 percent. The smallest share was in Northern Mindanao at 8.03 percent.

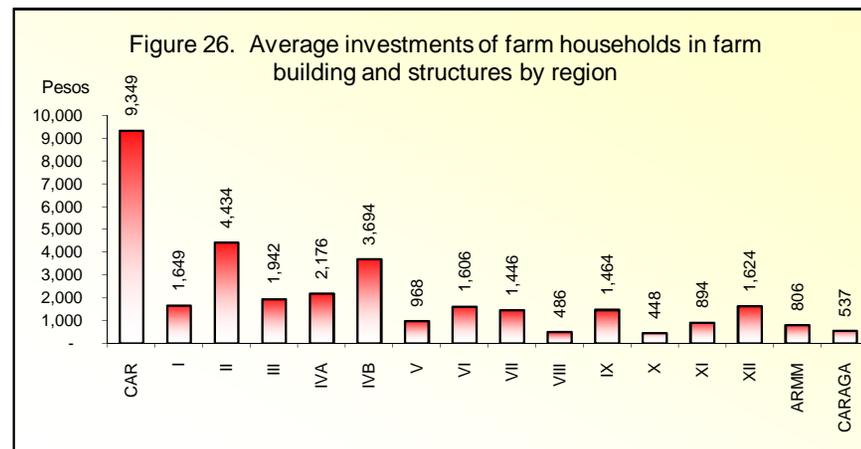
FARM INVESTMENTS

A. Average Farm Investments



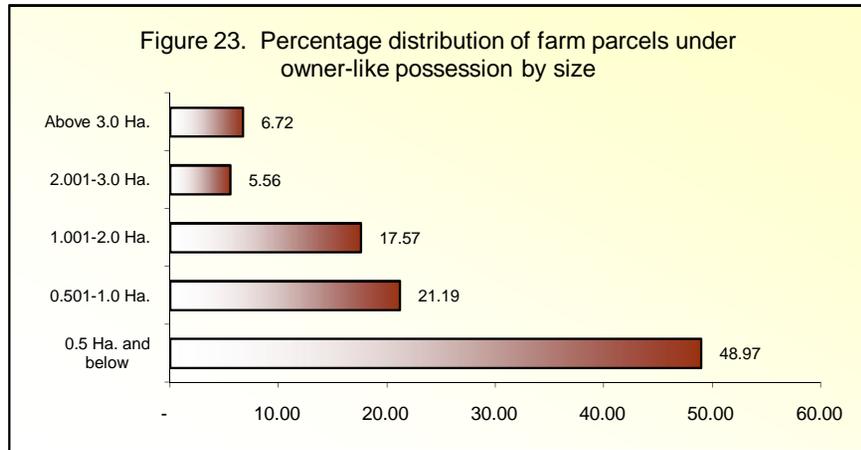
☞ On the average, highest investments of farm households were in machineries and transport equipment at P6,258. Farm buildings and structures followed at P2,057; farm tools, equipment and other supplies at P1,216; and fishing gear at P83.

B. Average Farm Investments by Region

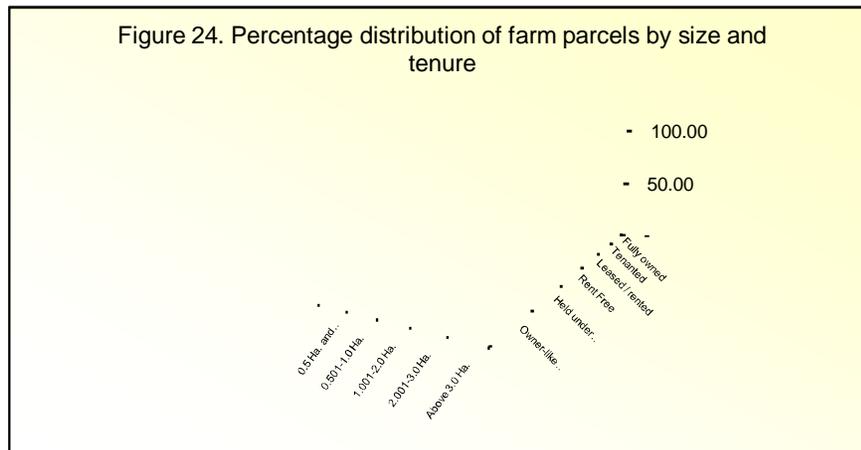


☞ The biggest investment in farm building and structures was reported in CAR at P9,349. In other regions, average investments ranged from P448 in Northern Mindanao to P4,434 in Cagayan Valley.

FARM CHARACTERISTICS



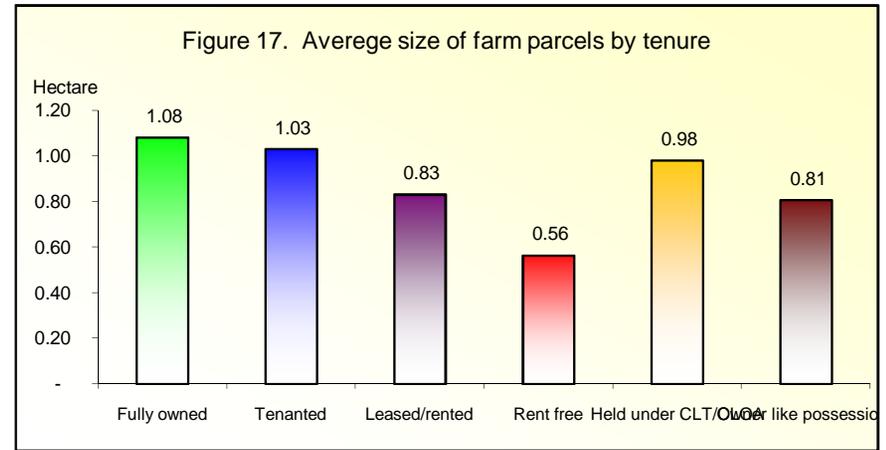
➡ Nearly half (48.97%) of parcels under owner-like possession had areas of 0.5 hectare and below. Those parcels with area of 3 hectares and above accounted for 6.72 percent.



➡ The number of farm parcels in all types of land tenure was decreasing as size of farm increases.

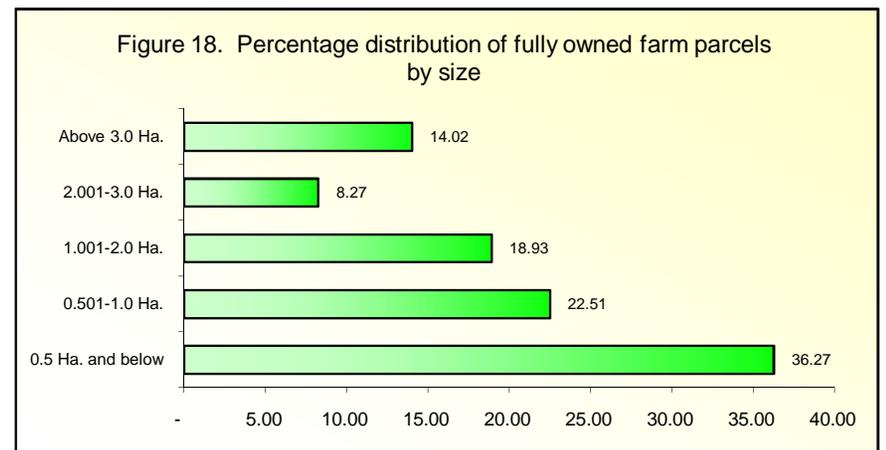
FARM INVESTMENTS

D. Size of Farm Parcels

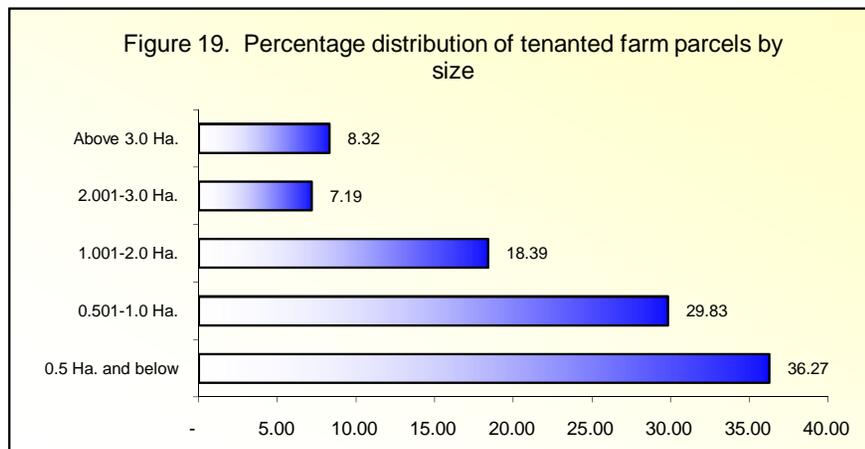


*Include other land tenures

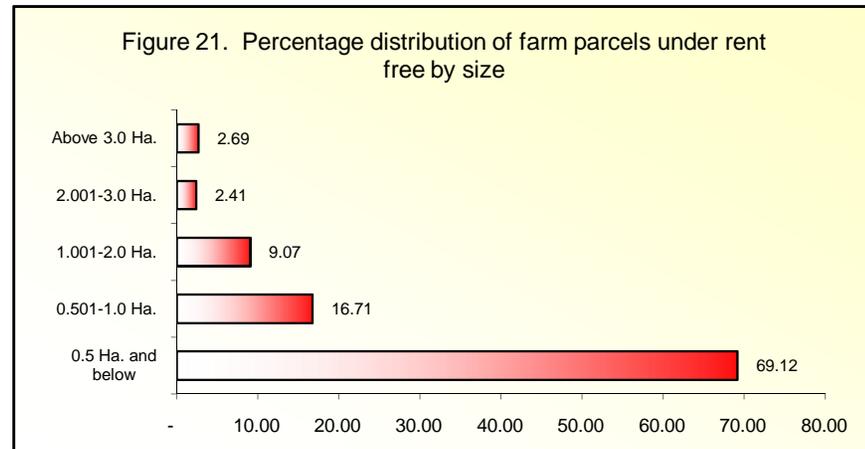
➡ National average size of farm parcel is 0.97 hectare. Fully owned farm parcels have the biggest average size of 1.08 hectares while farm parcels that are rent free have the smallest size of 0.56 hectare.



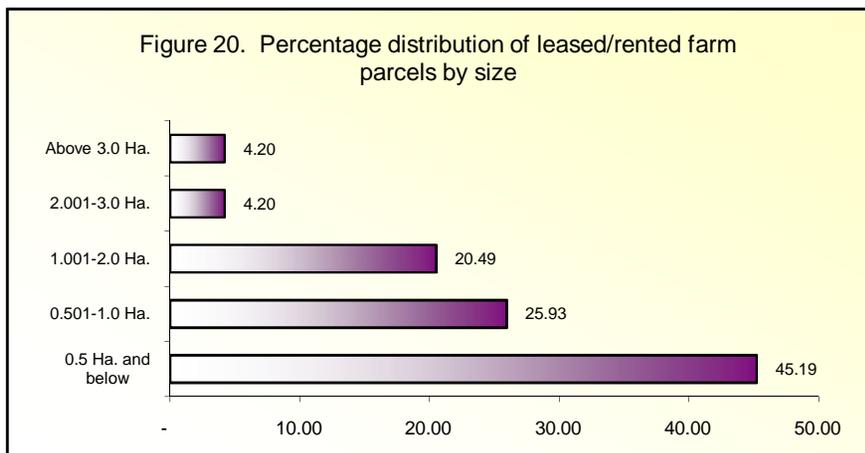
➡ Of the total number of fully owned farm parcels, 36.27 percent had sizes of 0.5 hectare and below. Those with areas above 3 hectares comprised 14.02 percent.



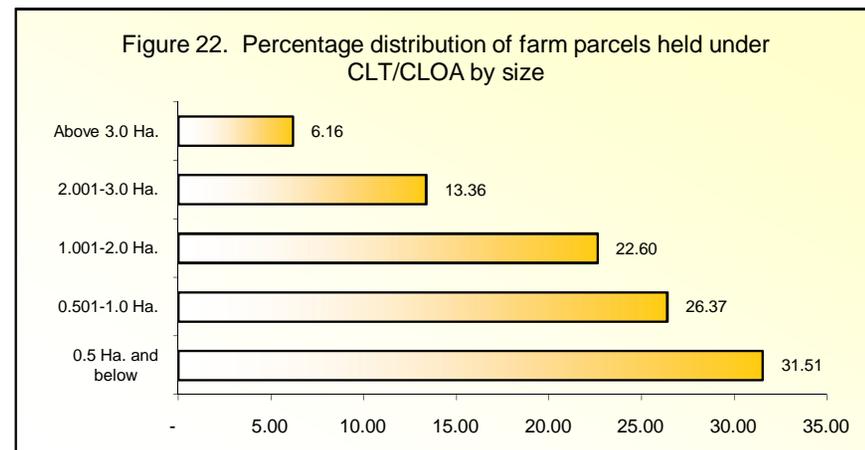
☞ The share of tenanted farm parcels with sizes of 0.5 hectare and below was also 36.27 percent. Those above 3 hectares comprised 8.32 percent.



☞ More than two-thirds of farm parcels that were rent free had areas of 0.5 hectare and below.



☞ Nearly half of leased/rented farm parcels had areas of 0.5 hectare and below. Those with areas of 2-3 hectares and above 3 hectares accounted for 4.2 percent each.



☞ Of the total number of farm parcels held under CLT/CLOA, about 31.51 percent had sizes of 0.5 hectare and below. Those with areas above 3 hectares accounted for 6.16 percent.