



Republic of the Philippines
Department of Agriculture

SUGAR REGULATORY ADMINISTRATION

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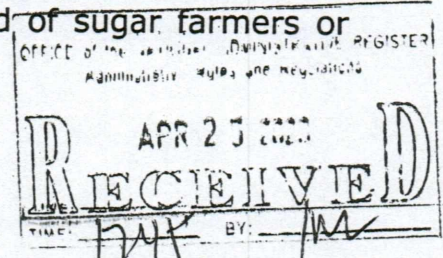
MEMORANDUM CIRCULAR NO. 4

Series of 2022-2023

Re: Amendments to Memorandum Circular No. 8, Series of 2015, or the SRA Policies on the Disposition of Imported/Confiscated Sugar for Appropriate Markets

Rationale:

The unabated influx of smuggled sugar in the country would significantly affect the stability of market prices and local production, not to mention the effects it will bring to the livelihood of sugar farmers or local producers.



A. Policy Legal Basis:

1. **Executive order No. 18, May 28, 1986**, mandates the Sugar Regulatory Administration to establish such a balanced relationship between supply and demand of sugar at price levels profitable to the producers and fair to consumers.
2. **Republic Act No. 10611**, or the **"Food Safety Act of 2013"** mandates the SRA as the Food Safety Regulatory Agency under the Department of Agriculture as responsible for the development and enforcement of food safety standards and regulations for sugarcane production and marketing.
3. The **Republic Act No. 10659** or the **Sugarcane Industry Development Act** authorizes the SRA to reclassify imported sugar according to its appropriate classifications as "A" or US Sugar Quota, or "B" as Domestic Market Sugar, or "C" as Reserved Sugar, or "D" as World Market Sugar, xxx.
4. **Republic Act No. 10845**, otherwise known as the **Anti-Agricultural Smuggling Act of 2016** was passed to protect farmers from unscrupulous traders and importers, who by their illegal importation of agricultural products significantly affect the

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production, availability of supply and stability of prices, and the food security of the State.

5. **Section 1141 of Customs Modernizations and Tariff Act (CMTA) under Republic Act No. 10863** in relation to **Customs Administrative Order (CAO) No. 03-2020** states the modes of disposition, including the donation of seized, abandoned, and forfeited goods by the BOC.

B. Policy Objectives:

SRA is united with the objective of the national government to stem the smuggling of sugar in the country and to dispose the confiscated sugars thru donation so that it may be sold to the domestic market or to the consuming public as a measure to help mitigate the effects of inflation and to stabilize the prices of sugar, thereby discouraging unscrupulous traders from engaging in this illicit trade.


C. Coverage:

The sugar policies and implementing guidelines set forth hereby shall cover all smuggled and confiscated sugar of whatever form to be donated by the Bureau of Customs (BOC) in collaboration or coordination with the DOF, DA, and SRA, for appropriate market disposal.


D. Implementing Guidelines:

D.1. General Guidelines

- a. Seized sugar with commercial value and capable of legitimate use may be disposed by the BOC through donation to government institutions, including the DA, subject to the approval of the Secretary of the Department of Finance in accordance with CAO No. 03-2020, Item 4.2(4.2.2);(4.2.7). Provided that, no donation shall be effected without a prior Certification from the SRA stating that the seized sugar are compliant with the applicable food safety standards issued pursuant to RA 10611, and other pertinent laws, rules and regulations. Provided, finally, that the sale of the donated sugar shall only be undertaken by the DA or any authorized entity,


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subject to the terms and conditions as maybe determined by the DA and pursuant to RA 7581 or "The Price Act".

b. Prior to donation, the District/Port Collector shall secure from SRA a Certification stating the market classification and recommended selling price of the seized/confiscated sugar.

c. No Donation shall be made and consummated unless the SRA has issued the District/Port Collector the Certification stating the market classification of the seized/confiscated sugar.

d. The District/Port Collector shall endorse the SRA Certification to the DA and the DOF.

D.2. Specific Guidelines

a. Classification of Sugar by SRA

Upon notification from the BOC of an intended donation, the SRA Board shall determine the market classification based on the result of laboratory analysis and current status of supply and demand situation.

b. Sugar Sampling and Testing

Prior to the Donation, the SRA shall conduct laboratory test to determine conformance of seized/confiscated sugar to Philippine National Standards after payment of SRA laboratory analysis fees.

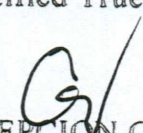
c. Identification of Market and Selling Price of the seized/confiscated sugar

Consonant with the prevailing issuances on the matter, seized/confiscated sugar shall be disposed to the Domestic Market by the DA or any authorized entity.

The Sugar Regulatory Administration shall recommend the selling price of the seized/confiscated sugar to the Department of Agriculture.

e. Release of Donated Sugar

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SRA shall issue a clearance for the release of donated sugar to the DA or any authorized entity upon payment by the latter of the clearance fees as prescribed by the SRA.

f. Monitoring of Sugar Movements

The SRA Monitoring Team shall account for the sugar withdrawn by DA or any authorized entity from the BOC to the point of destination. If coastwise transportation of the sugar is necessary, the same shall be covered by appropriate shipping permit and the receipt of payment of the necessary fees consonant with the rate prescribed by the SRA.

g. Reportorial Requirements

The Donee (DA or any authorized entity) shall submit to SRA the monthly sugar utilization reports and the final liquidation reports of all sugar received by reason of the Donation.

E. Separability Clause. In case any provision in this Sugar Order is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

F. Repealing Clause. Any Sugar Orders, Circular Letters, or other SRA issuances that are not consistent with this policy are hereby amended, repealed or revoked accordingly.

G. Penalty Provision. Applicable provisions of SRA Book of Penalty shall be enforceable for any violation.

H. Effectivity. A copy of this Sugar Order shall be filed with the Office of the National Administrative Registrar, U.P. Law Center, Diliman, Quezon City, and shall take effect immediately.


Done this 25th day of April 2023 at Quezon City.

Approved by:


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H.E. PRESIDENT FERDINAND R. MARCOS, JR.

Secretary of Agriculture


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Records Officer III

Sugar Regulatory Administration
North Avenue, Diliman, Quezon City


DOMINGO F. PANGANIBAN
Senior Undersecretary
Department of Agriculture



MA. MITZI V. MANGWAG
Acting Board Member
Millers' Representative

VACANT
SRA Administrator




PABLO LUIS S. AZCONA
Acting Board Member
Planters' Representative



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