



Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
Philippines 1101
TIN 000-784-336



MEMO - PPD - 2015 - SEPT - 019

September 14, 2015

MEMORANDUM ORDER NO. 1

Series of 2015

TO : THE DEPUTY ADMINISTRATOR
THE ASST. ADMINISTRATOR FOR VISAYAS
ALL MANAGER III, REGULATION DEPARTMENTS
ALL MANAGER III, R, D & E DEPARTMENTS
ALL REGULATION OFFICERS

SUBJECT : Policy on Moratorium of SRA Registration on New Applicants of
Molasses-Based Bioethanol Production and Mandatory Feedstock
Declaration of All Existing Bioethanol Producers

The Sugar Regulatory Administration (SRA) issued a policy of a moratorium on the registration of new applicants on molasses-based bioethanol production due to the following circumstances:

1. For sugarcane crop year 2015-2016, total bioethanol production capacities of SRA-registered bioethanol producers (operational) require around 1.0 million metric tons of molasses;
2. The biofuels law requires that biofuels components shall be locally-sourced and current molasses local production is only around 1.0 million metric tons;

Sugar Order No. 3, series of 2015-2016, is provided herein for your guidance and reference.

MA. REGINA BAUTISTA-MARTIN
SRA Administrator &
NBB Vice-Chairperson on Bioethanol Concerns





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MEMO - PPD - 2015 - SEPT - 017

September 11, 2015

SUGAR ORDER NO. 3

Series of 2015 - 2016

**SUBJECT: MORATORIUM OF SRA REGISTRATION ON NEW APPLICANTS OF
MOLASSES-BASED BIOETHANOL PRODUCTION AND MANDATORY
FEEDSTOCK DECLARATION OF ALL EXISTING BIOETHANOL
PRODUCERS**

WHEREAS, the biofuels law mandates that all liquid fuels for motors and engines sold in the Philippines shall contain locally-sourced biofuels components;

WHEREAS, combined molasses requirement based on production capacities of fifteen (15) SRA-registered bioethanol producers (ANNEX "A") using various feedstocks like sugarcane, sugar and molasses reached 1.4 million metric tons while locally-produced molasses is only around 1.0 million metric tons;

WHEREAS, out of the fifteen (15) SRA-registered molasses-based bioethanol producers, operational distilleries in 2015 have a total requirement of around 800,000 metric tons and two more distilleries are expected to operate by the last quarter of 2015 which will increase the demand of local molasses to around 1.0 million metric tons;

WHEREAS, the limitless participation of molasses-based distilleries in the bioethanol fuel program may trigger unreasonable spikes in the prices of molasses which will translate to an increase in the price of bioethanol fuel and use of imported molasses which is not allowed under the biofuels law;

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WHEREAS, bioethanol production has been identified under the sugarcane roadmap as a major market for sugarcane and the main thrust of SRA and the Sugarcane Industry Development Act of 2015 is farm productivity improvement which will redound to the production of more sugarcane, sugar / sugar syrup and molasses to cater to the feedstock requirement of the bioethanol program in the medium-term;

NOW, THEREFORE, under and by virtue of the powers vested in SRA, it is hereby ordered that:

SECTION 1. Moratorium on the Issuance of SRA Registration on "New Applicants" of Molasses-Based Bioethanol Production

SRA shall no longer issue registration certificates to "**new applicants**" of molasses-based bioethanol production effective crop year 2015-2016 until such time that local molasses production exceeds the estimated requirements of existing bioethanol distilleries.

Registration of bioethanol producers using feedstocks other than molasses are not covered by the moratorium. SRA registration of bioethanol producers using hydrous alcohol shall be subject to policy issuances of the DOE as recommended by the NBB Bioethanol Committee.

All pending applications filed with SRA prior to the issuance of this order and all existing SRA-registered bioethanol producers applying for renewal of SRA registration who declares molasses as new or additional feedstock are exempted from the moratorium.



SECTION 2. Mandatory Declaration of all Feedstocks Used or Will Be Used for Bioethanol Production By Existing SRA-Registered Bioethanol Producers

Upon circulation of this Order, all SRA-registered bioethanol producers shall declare to SRA in writing their intended feedstocks and corresponding volume requirement expressed in metric tons. Feedstocks used derived from sugarcane, sugar, sugar syrup, molasses and any product or by-product from sugarcane shall appear in the registration certificates issued by SRA (ANNEX "B") and subject to SRA regulation and monitoring.

SRA shall issue a new format of registration certificate starting CY 2015-2016 which shall include the authorized feedstocks to be used for bioethanol production. Bioethanol producers who have renewed its registration with SRA for the current crop year shall be issued with a new SRA registration certificate without any additional fees and charges upon receipt of the declaration of feedstocks used, as recommended by the Planning & Policy Department.

For the use of new feedstocks such as, but not limited to, hydrous ethanol and sugar syrup procured or processed by a separate production facility, SRA shall issue supplemental guidelines upon consultation with the sugar mills, bioethanol producers and the DOE.

SECTION 3. Penalties and Sanctions

Any violation of SRA policies and guidelines regarding the production of bioethanol fuel from sugarcane / molasses / sugar / sugar syrup/ hydrous alcohol - based feedstocks shall be ground for revocation of registration with SRA as bioethanol producer and subject to the penalties and sanctions provided under Chapter VIII of the Joint Administrative Order of the NBB (NBB-JAO-2008-01, series of 2008). Upon revocation

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of SRA registration, SRA shall advise the Department of Energy (DOE) on such actions which may likewise result to suspension / revocation of DOE Accreditation or disqualification from the bioethanol fuel program of the concerned bioethanol fuel producer.

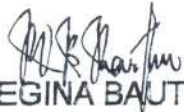
SECTION 3. Repealing Clause

Sugar orders, circular letters and other SRA issuances that are not consistent with this policy are hereby deemed repealed, revoked or amended accordingly.

SECTION 4. Effectivity

This policy takes effect upon ratification by the Sugar Board and publication in the UP Law Library.

By Authority of the Sugar Board:



MA. REGINA BAUTISTA-MARTIN
Administrator



ANNEX "A"

| | BIOETHANOL PRODUCERS | PROJECT LOCATION | REGISTERED CAPACITY, Million Liters | Molasses Reqt, MT | FEEDSTOCKS |
|---|---|------------------------------|-------------------------------------|---------------------|----------------------------|
| I. REGISTERED WITH SRA & OPERATIONAL | | | | | |
| 1 | San Carlos Bioenergy, Inc. | San Carlos City, Negros Occ. | 40 | 81,632.65 | Sugarcane Molasses |
| 2 | Leyte Agri Corporation | Ormoc City, Leyte | 9 | 36,734.69 | Molasses |
| 3 | Roxol Bioenergy Corporation | La Carlota, Negros Occ. | 30 | 122,448.98 | Molasses |
| 4 | Green Future Innovations, Inc. | San Mariano, Isabela | 54 | 66,122.45 | Sugarcane, Sugar, Molasses |
| 5 | Balayan Distillery, Inc. | Calaca, Batangas | 30 | 122,448.98 | Molasses |
| 6 | Far East Alcohol Corp. | Pampanga | 15 | 122,448.98 | Molasses |
| 7 | Kooll Company | Negros Occidental | 14.12 | 122,448.98 | Molasses |
| 8 | Universal Robina Corp. | Negros Oriental | 30 | 122,448.98 | Molasses |
| | <i>subtotal</i> | | <i>222.12</i> | <i>796,734.69</i> | |
| II. Registered with SRA But Not Yet Operational: | | | | | |
| 9 | Cavite Biofuels Producers, Inc. | Magallanes, Cavite | 38 | 46,530.61 | Sugarcane, Molasses |
| 10 | Canlaon Alcogreen Agro Industrial Corp. | Bago City, Negros Occ. | 45 | 55,102.04 | Sugarcane, Molasses |
| 11 | Fuel Inc. | Binalbagan, Negros Occ. | 30 | 36,734.69 | Sugarcane, Molasses |
| 12 | Absolut Distillers | Lian, Batangas | 30 | 122,448.98 | Molasses |
| 13 | Asian Alcohol Corp | Pulupandan, Negros Occ. | 30 | 122,448.98 | Molasses |
| 14 | Emperador Distillers Inc. | Nasugbu, Batangas | 30 | 122,448.98 | Molasses |
| 15 | Biofuels International | Talisay, Negros Occ. | 30 | 122,448.98 | Sugarcane, Molasses |
| | <i>subtotal</i> | | <i>233.00</i> | <i>628,163.27</i> | |
| | GRAND TOTAL | | 455.12 | 1,424,897.96 | |

* Emperador Distillers Inc. application for registration of its Balayan Plant using sugarcane & molasses as feedstocks is pending with SRA & not covered by the moratorium



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BIOETHANOL PRODUCER CERTIFICATE OF REGISTRATION

(Name of Bioethanol Producer)

with business address at _____ and plant site address at _____, is hereby registered with the Sugar Regulatory Administration (SRA) for Crop Year _____ as a Bioethanol Producer / Manufacturer authorized to use locally-sourced **(indicate feedstocks)** as feedstock/.

Non-observance or violation of (Name of Bioethanol Producer) with SRA rules, regulations and reportorial requirements pertinent to the manufacture of bioethanol using locally-sourced **(indicate feedstocks)** as feedstock, shall be a cause for the suspension or cancellation and revocation of this Certificate of Registration or the imposition of a fine pursuant to the National Biofuel Board Joint Administrative Order No. 2008-1, Series of 2008, or both, as imposed by the SRA Sugar Board.

This **CERTIFICATE OF REGISTRATION** shall be posted conspicuously at the distillery / plant site and shall be presented or surrendered to competent authorities upon demand. This certificate is subject to renewal every crop year.

Any erasure or alteration will invalidate this document. THIS CERTIFICATE IS NON-TRANSFERRABLE AND NOT VALID WITHOUT OFFICIAL SEAL.

Approved by the Sugar Board on the _____ of _____.

MA. REGINA BAUTISTA-MARTIN
Administrator

REG. NO. (Crop Year) – (Sequence)

FM-PPD-018, Rev.00
Effectivity Date: Sept. 01, 2015