



SUGARCANE ROADMAP 2020

CY 2014-2015 to 2019-2020 Version

SEPTEMBER 2015

Sugarcane Roadmap 2020

“A Medium-Term Plan for the Philippine
Sugarcane Industry”



*Released by the Sugar Regulatory
Administration (SRA) on September
2015 through the Support and
Guidance of the Department of
Agriculture (DA) and the Department
of Trade and Industry (DTI).*

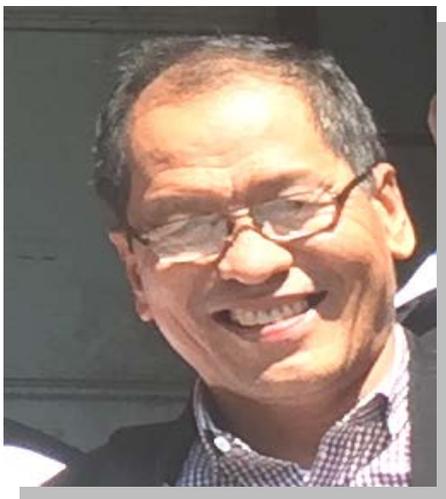
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Member, Sugar Board
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ACKNOWLEDGMENT

The Sugar Regulatory Administration acknowledges the support of the sugarcane industry stakeholders especially the MDDCs, the services and efforts of those who provided the data, prepared and developed the contents of the "Sugarcane Roadmap 2020" and those who guided and assisted during the stakeholders consultations down to the sugarcane mill district level.

Rafael L. Coscolluela
DTI Consultant / Facilitator

USEC Adrian Cristobal Jr.
Undersecretary for Industry Development & Trade Policy Group, DTI
Managing Head, BOI

USEC Segfredo Serrano
Undersecretary of Policy, Planning, Research and Development & Regulations, DA

Director Nestor Arcansalin
Resource-Based Industries Department, BOI-DTI

Dr. Rolando Dy and Ms. Florence Sevilla
DA Consultant / Facilitator

BOI Secretariat

Rosemarie Ilagan Elizabeth Cristina Pahilan Mario Pocholo Orense

SRA Secretariat

Rosemarie S. Gumera Leilani S. Abacan Digna R. Gonzales
Nina Belen Concepcion C. Ruby Magdalena D. Palanca
Felina M. Quiambao Alice Maliwat Loida S. Abcede
Zenaida E. Tubiera



ENDORSEMENT OF SRA TO DTI & DA

MEMO-PPD-2016-MAR-160

March 22, 2016

HON. ADRIAN CRISTOBAL, JR.

Secretary

Department of Trade & Industry

Dear **Secretary Cristobal:**

The Sugar Regulatory Administration (SRA) is very grateful for the sponsorship and guidance of the Department of Trade and Industry (DTI) during the nationwide consultations and refinement of the "Sugarcane Industry Roadmap 2020 – A Medium-Term Plan of the Sugarcane Industry".

The sugarcane roadmap is cited in the Implementing Rules and Regulations (IRR) of the Sugarcane Industry Development Act (SIDA) of 2015 as guide in the identification and prioritization of industry programs and projects that will be funded by the Act and other government agencies mandated to support the various initiatives that will promote the development and competitiveness of the sugarcane industry.

Hence, I am pleased to endorse the final version of the Sugarcane Roadmap 2020 for publication and distribution. The final version of the roadmap incorporates the Human Resource Masterplan formulated by the Department of Labor and Employment (DOLE).

Best wishes for your new post!

Very truly yours,

MA. REGINA BAUTISTA-MARTIN



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 - 007

September 3, 2015

HON. GREGORY DOMINGO

Secretary, Department of Trade and Industry
Gil Puyat Ave., Makati City

THRU : USEC Adrian Cristobal – Board of Investments

Dear **Secretary Domingo**:

In behalf of the Sugar Regulatory Administration, I would like to express our appreciation for the financial assistance and guidance of the Department of Trade and Industry during the conduct of the national stakeholders consultations held in Luzon, Visayas and Mindanao for the refinement of the Sugarcane Roadmap 2020.

The Sugarcane Roadmap 2020 became the guidepost of the sugarcane industry in program implementation and has been cited in the Implementing Rules and Regulations of the Sugarcane Industry Development Act of 2015 as reference in the identification of programs and interventions for strengthening and further development of the industry that will be funded by the general appropriations.

Enclosed is the endorsement of the Confederation of Sugar Producers (CONFED).

Thank you very much and looking forward for more engagements with DTI in the future.

Very truly yours,

MA. REGINA BAUTISTA-MARTIN
Administrator



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 - 008

September 3, 2015

HON. PROCESO J. ALCALA
Secretary, Department of Agriculture
Elliptical Road, Diliman, Quezon City

THRU : USEC Dennis Guerrero – Chief of Staff

Dear Secretary Alcala:

In behalf of the Sugar Regulatory Administration, I would like to express my gratitude for the guidance of the Department of Agriculture in preparing the roadmap of the sugarcane industry. The Sugarcane Roadmap 2020 was further refined upon the sponsorship of the Department of Trade and Industry (DTI) during the conduct of the national stakeholders consultations held in Luzon, Visayas and Mindanao.

The Sugarcane Roadmap 2020 became the guidepost of the sugarcane industry in program implementation and has been cited in the Implementing Rules and Regulations of the Sugarcane Industry Development Act of 2015 as reference in the identification of programs and interventions for strengthening and further development of the industry that will be funded by the general appropriations.

Enclosed is the endorsement of the Confederation of Sugar Producers (CONFED).

Thank you very much.

Very truly yours,


MA. REGINA BAUTISTA-MARTIN
Administrator

**ENDORSEMENT OF INDUSTRY GROUP TO DTI
& DA**



CONFEDERATION OF SUGAR PRODUCERS ASSOCIATIONS, INC.

Apt. 1-C, Legaspi Towers 100, 148 Legaspi St., Legaspi Village, Makati City
Tel. No. 817-6362 • Fax No. 812-7654 • E-mail address: confed@pltdtsl.net

September 3, 2015

HON. GREGORY DOMINGO
Secretary, Department of Trade and Industry
Gil Puyat Ave., Makati City

THRU: Administrator Ma. Regina B. Martin – SRA

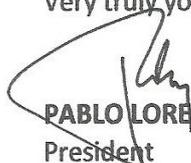
Dear Secretary Domingo:

The Confederation of Sugar Producers Associations, Inc. (CONFED), a SEC-registered federation of sugarcane planters with the biggest contribution of sugarcane production in the country endorses the Sugarcane Roadmap 2020 which was prepared by the Sugar Regulatory Administration (SRA) through the guidance of the Department of Agriculture and the Department of Trade and Industry.

We believe that through the dedication and sponsorship of the Department of Trade and Industry, the nationwide consultation with the sugarcane industry stakeholders for the said roadmap was made possible, and thus the final version of the Sugarcane Roadmap 2020 is now the comprehensive instrument that will guide the industry towards sustainable development.

Thank you very much.

Very truly yours,


PABLO LORENZO III
President



CONFEDERATION OF SUGAR PRODUCERS ASSOCIATIONS, INC.

Apt. 1-C, Legaspi Towers 100, 148 Legaspi St., Legaspi Village, Makati City
Tel. No. 817-6362 • Fax No. 812-7654 • E-mail address: confed@pltdsl.net

September 3, 2015

HON. PROCESO J. ALCALA
Secretary, Department of Agriculture
Elliptical Road, Diliman, Quezon City

THRU: Administrator Ma. Regina B. Martin – SRA

Dear **Secretary Alcala**:

The Confederation of Sugar Producers Associations, Inc. (CONFED), a SEC-registered federation of sugarcane planters with the biggest share of sugarcane production in the country, endorses the Sugarcane Roadmap 2020 which was prepared by the Sugar Regulatory Administration (SRA) through the guidance of the Department of Agriculture and the Department of Trade and Industry.

We believe that the Sugarcane Roadmap 2020 is now the comprehensive instrument that will guide the industry towards sustainable development.

Thank you very much.

Very truly yours,


PABLO LORENZO III
President

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SUGARCANE ROADMAP 2020

“A MEDIUM-TERM PLAN FOR THE PHILIPPINE SUGARCANE INDUSTRY”

1. OVERVIEW

1.1 Rationale

Under the Philippine Development Plan (PDP) 2011-2016, the government is mandated to formulate a Comprehensive National Industrial Strategy (CNIS) that will spell out opportunities, coordinate and promote the growth of forward and backward linkages in priority areas and high potential growth sectors, and prepare other industries to attract investments and generate jobs. One identified major strategy is the development and promotion of industry clusters to help achieve the PDP's vision.

In relation to the aforementioned mandate, the Department of Trade and Industry is partnering with the private sector and other agencies in implementing activities including the formulation of Industry Roadmaps to develop industries with large potentials to boost the economy and will generate more jobs in the countryside.

The Sugar Regulatory Administration and the Industry players themselves have long recognized the need for a Sugarcane Industry Roadmap, and have in fact formulated various versions over the past 15 years. This new initiative is a fresh collaboration between SRA and DTI-BOI, following other efforts by SRA to partner with the Department of Agriculture, Department of Agrarian Reform, other national Government agencies, GFIs and the private sector.

This updated Sugarcane Industry Roadmap is thus formulated to serve as guide in the identification and implementation of appropriate programs and interventions to enable the industry to address the threats and exploit the opportunities of trade liberalization, beginning in year 2015 when tariff on imported sugar will be reduced to 5% and the full integration of the ASEAN Economic Community (AEC) takes effect. With goods and services (including sugar) expected to flow freely within the region, the Philippine sugarcane industry will need to gear up for competition against its neighbors in the AEC.

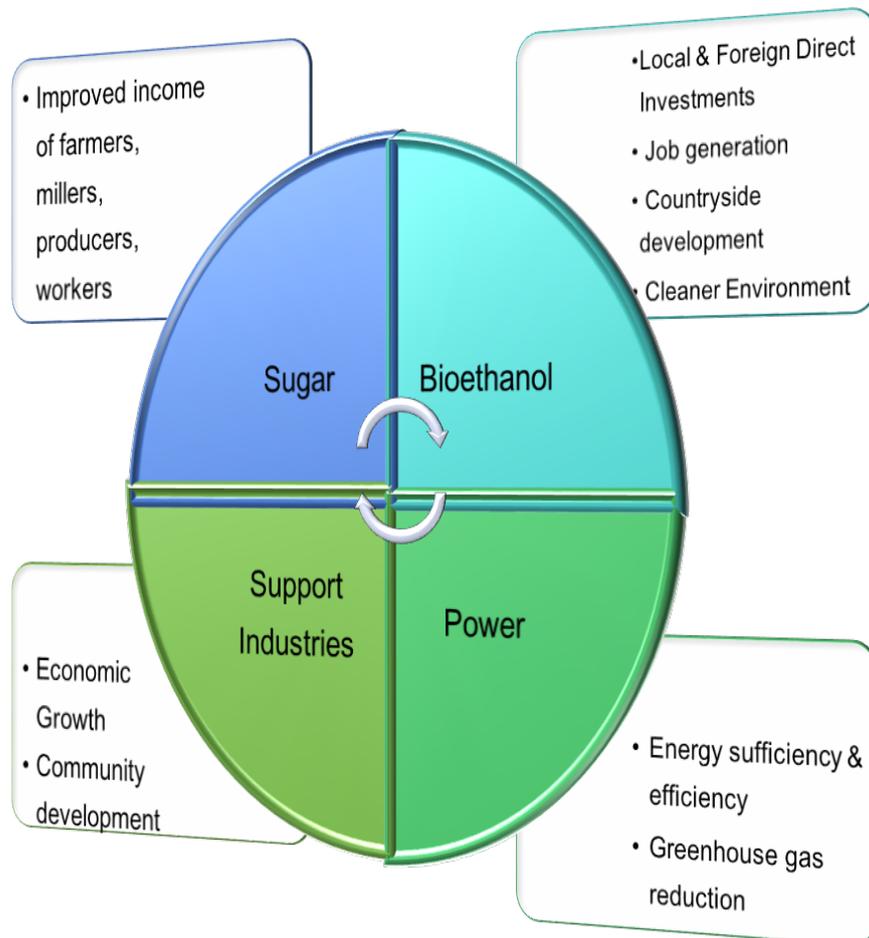
1.2 Objectives

Following extensive consultations with industry stakeholders and reviews of previous initiatives including the Action Plan formulated by Task Force *PATDAN*, the SRA Roadmap of 2010, and the succeeding versions of the Sugar Master Plan formulated by the Sugar Master Plan Foundation, the framers of this Roadmap have endeavored, with official support from the Department of Agriculture and Department of Trade and Industry through the Board of Investments (BOI), to redefine the targets, strategies and needed interventions to achieve the industry's short, medium and long-term goals.

The Roadmap is formulated to generate an overarching plan towards the development of a sustainable and multi-product sugarcane industry which continues to contribute significantly to the national economy. The industry contributed about P87 billion to the Philippine economy in Crop Year 2013-14 from the sales of raw sugar, molasses and bioethanol, from tolling fees on sugar refining and VAT on refined sugar. In addition, it brought in US\$ 111.76 million in CY 2013-14 through exports of sugar to the US and world markets. Moreover, the displacement of gasoline with 10% bioethanol derived from sugarcane and molasses also generates savings of foreign currency reserves apart from contributing towards a cleaner and greener environment.

Under the scenario spelled out in this roadmap, a more productive and competitive sugarcane industry will increase its contribution, in the medium-term, to about P100 billion through the opening of additional bioethanol plants and production of renewable power as well as other products from sugarcane like specialty sugars, bio-water, bio-plastics and more. The establishment of support industries will likewise contribute significantly to the revenue streams of an expanded sugarcane industry.

Figure 1.1. The Conceptual Framework for a Sustainable & Diversified Philippine Sugarcane Industry



1.2 Area Coverage

Total sugarcane area in crop year 2013-2014 was 423,333 hectares planted in around 20 provinces within the 10 regions of the country. Sugarcane area in crop year 2014-2015 declined to 416,893 hectares for sugar production and 5,982 hectares for bioethanol production in Isabela Mill District, a newly created sugarcane mill district dedicated to bioethanol production.

Sugarcane growing areas cover 30 Mill Districts (MDs) – 7 MDs in Luzon (includes Isabela Mill District), 3 MDs in Mindanao, 4 MDs in Panay, 3 MDs in Eastern / Central Visayas, 2 MDs in Negros Oriental and 11 MDs in Negros Occidental. SRA created the Mill District Development Committees (MDDCs) in the mill districts to oversee and implement programs and projects for the development of the sugarcane industry. It is composed of representatives from the mills, planters associations, PHILSURIN and SRA as Secretariat. The MDDCs were transformed into SEC-registered foundations or Mill District Development Council Foundation, Inc. (MDDCFIs) in order to avail of the Sugar ACEF grant in 2001. Hectarage of sugarcane harvested per mill district from crop year 2009-2010 to 2013-2014 are given in Table 1.1.

Generally, within the five-crop-year period examined, sugarcane areas harvested were on the uptrend from 385,662 hectares in crop year 2009-2010 to 424,132 hectares in crop year 2012-2013. Figure 1.2 shows the distribution of sugarcane plantations by island in crop year 2013-2014. Negros island shares 53% of the sugarcane production areas, followed by Mindanao with 22% share, Luzon with 14% share, Panay with 7% share and Eastern/Central Visayas with a share of 4%. Figure 1.3 illustrates the trend of sugarcane hectarage for the ten-crop year period from a low of 377,182 hectares in crop year 2005-2006 to a high of 42,132 hectares in 2012-2013.

SRA has embarked into a crop estimate project wherein digitized maps of all sugarcane fields are generated and populated with data obtained from actual field surveys. Fifty percent of the total areas were completed and targeted to finish the project by 2015. Digitized maps will be used in updating the fields planted with sugarcane every cropping season and as a tool to be used by the Sugar Board of arriving at a more reliable and accurate estimate of the cropping season's production. Some mill district digitized maps are shown in Annex A.

Figure 1.2. Distribution of Sugarcane Farms by Island, Crop Year 2013-2014

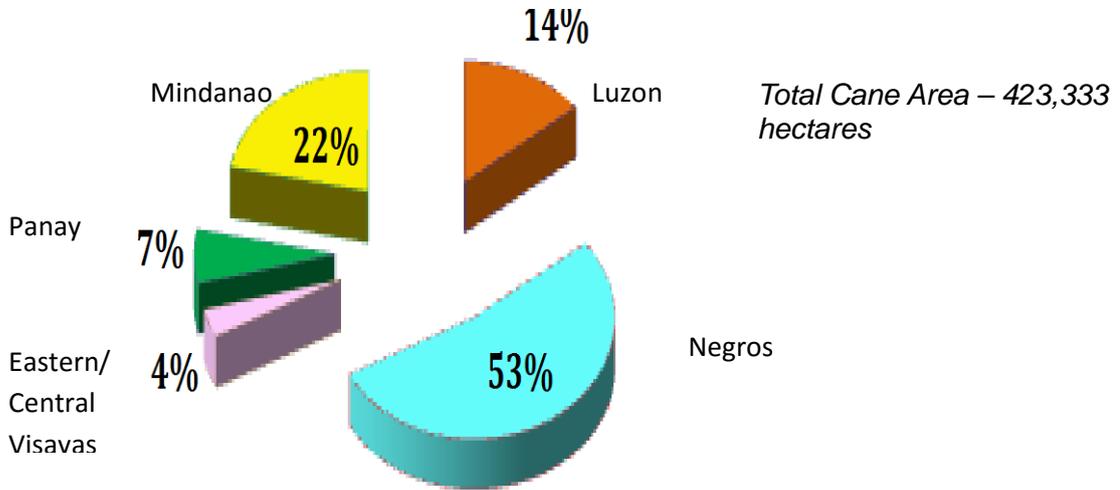
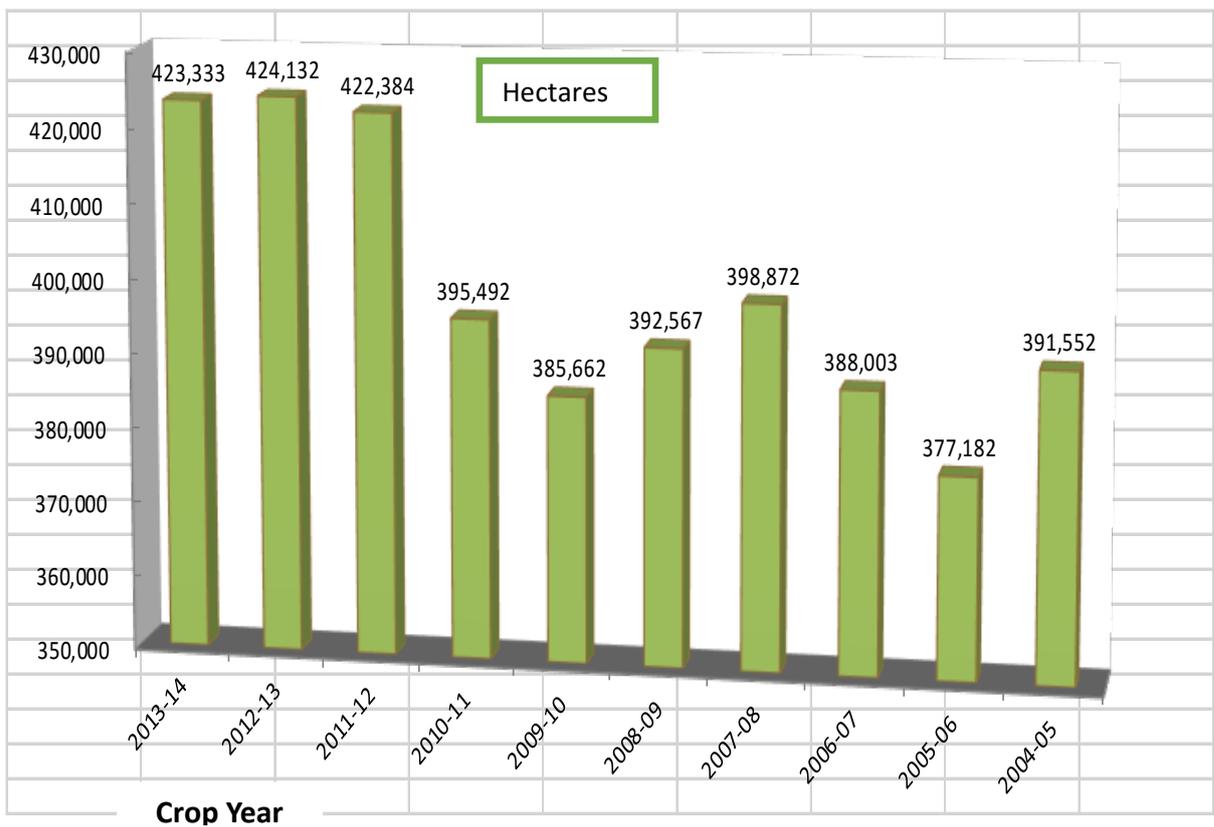


Figure 1.3. Sugarcane Areas (In Hectares) Harvested for the Past 10 Crop Years, 2004-05 to 2013-14



**Table 1.1. Areas of Sugarcane Harvested (Hectares) from Crop Year
2009-10 to 2013-14**

| Mill Districts | 2013-14 | 2012-13 | 2011-12 | 2010- 11 | 2009-10 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| <i>Region II</i> | | | | | |
| 1. Carsumco – Cagayan | 4,060 | 5,100 | 5,383 | 6,055 | 6,051 |
| <i>Region III</i> | | | | | |
| 2. Tarlac | 15,106 | 16,235 | 15,700 | 12,700 | 13,400 |
| 3. Pampanga | 7,132 | 8,023 | 8,342 | 8,342 | 9,497 |
| <i>Region IV-A</i> | | | | | |
| 4. Balayan, - Batangas | 16,273 | 16,273 | 16,273 | 16,246 | 16,246 |
| 5. Don Pedro – Batangas | 14,186 | 14,186 | 14,177 | 13,617 | 13,617 |
| <i>Region V</i> | | | | | |
| 6. Pensumil – Camarines Sur | 4,500 | 4,473 | 4,825 | 4,700 | 4,481 |
| <i>Region VI</i> | | | | | |
| A. Negros Occidental | | | | | |
| 7. La Carlota | 18,592 | 18,592 | 18,592 | 16,335 | 16,335 |
| 8. Ma-ao | 10,098 | 10,098 | 10,075 | 10,063 | 10,045 |
| 9. First Farmers/Bac-Murcia | 20,894 | 20,894 | 20,894 | 20,694 | 20,659 |
| 10. Hawaiian-Silay | 11,700 | 11,700 | 11,724 | 11,500 | 11,524 |
| 11. Lopez | 13,010 | 13,010 | 12,355 | 12,268 | 12,268 |
| 12. Victorias | 31,518 | 31,312 | 27,000 | 24,821 | 24,821 |
| 13. San Carlos | 10,274 | 6,572 | 10,152 | 10,152 | 6,928 |
| 14. Sagay | 16,000 | 16,000 | 16,000 | 15,190 | 15,190 |
| 15. Daconcogon | 10,300 | 10,300 | 10,300 | 9,800 | 9,800 |
| 16. Sonedco | 12,160 | 12,160 | 12,160 | 10,057 | 10,057 |
| 17. Binalbagan | 28,500 | 28,500 | 28,000 | 25,484 | 25,412 |
| B. Panay | | | | | |
| 18. Passi | 12,430 | 12,430 | 12,431 | 10,432 | 10,682 |
| 19. Santos Lopez | 5,600 | 5,600 | 5,431 | 5,620 | 5,655 |
| 20. Monomer | 3,313 | 3,313 | 3,263 | 2,755 | 2,832 |
| 21. Capiz | 8,992 | 8,992 | 9,163 | 7,500 | 7,076 |
| <i>Region VII</i> | | | | | |
| 22. Bais-Ursumco | 26,600 | 26,600 | 26,635 | 24,270 | 24,755 |
| 23. Tolong | 8,805 | 8,805 | 8,740 | 8,310 | 9,332 |
| 24. Durano | 7,900 | 8,061 | 1,583 | 1,640 | 1,640 |
| 25. Bogo-Medellin | | | 5,848 | 6,562 | 6,562 |
| <i>Region VIII</i> | | | | | |
| 26. Ormoc-Kananga | 8,587 | 8,700 | 8,559 | 9,190 | 9,300 |
| <i>Region X</i> | | | | | |
| 27. Bukidnon | 70,355 | 70,355 | 74,126 | 70,400 | 60,674 |
| <i>Region XI</i> | | | | | |
| 28. Davao | 11,978 | 12,536 | 11,803 | 11,020 | 10,581 |
| <i>Region XII</i> | | | | | |
| 29. Cotabato | 12,600 | 12,600 | 12,851 | 9,769 | 10,243 |
| PHILIPPINES | 423,333 | 424,132 | 422,384 | 395,492 | 385,662 |

Reference: SRA Agricultural Extension Monitoring Reports

2. INDUSTRY SITUATIONER (WHERE ARE WE?)

The industry situationer discusses several areas: industry structure particularly farm profiles such as farm sizes, number of farms/farmers, plantation areas, variety picture, farm practices, processing and product types; performance in terms of production, area, yield, trade and prices; and farm cash flow.

2.1 Structure

In crop year 2011-12, the sugarcane industry comprised around 64,765 farmers wherein 89.5% were small farmers (landholders with 10 hectares and below). The figure is expected to rise with continuing implementation of CARPer. Farmers with medium-sized farms comprised 8.7% and farmers with areas over 50 hectares were only 1.8% of the total in the country. Farmer profiles from CY 2009-2010 to 2011-2012 is seen in Table 2.1.

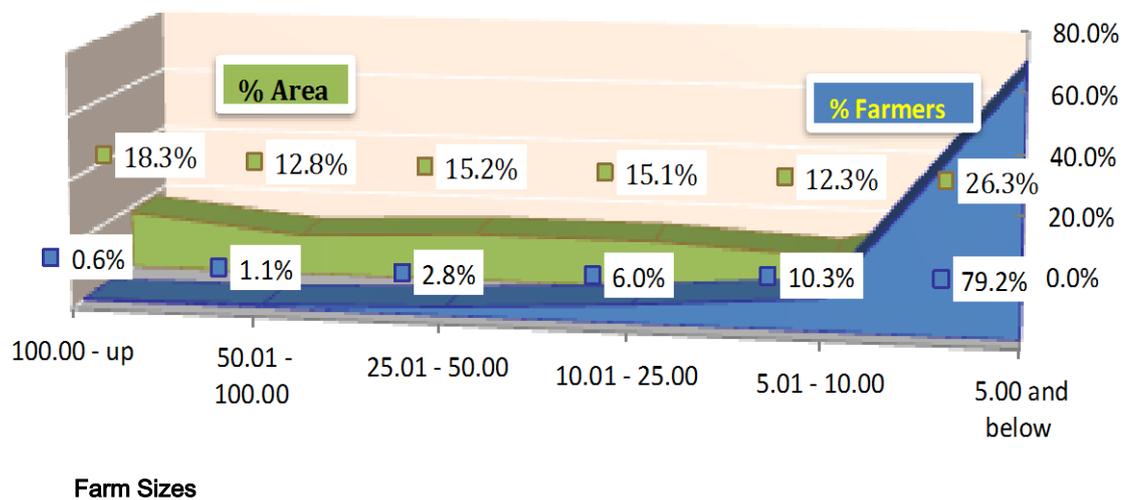
In terms of farm size, small farms comprised around 38.7%, medium-sized farms 30.3% and large farms occupied 31%. The most number of sugarcane farmers which was 26,188 farmers is in Negros island where 87% are small farmers (with farms 10 hectares and less) considering that it has the biggest sugarcane area in the country. Table 2.2 shows the distribution of farmers and plantations by island and Table 2.3 gives the farm profiles of sugarcane farms on the national and island-wide distribution in crop year 2013-2014. It can be observed that in CY 2013-2014, the number of small farmers with less than 5 hectares of farmlands rose to 81.46% which corresponds to a total plantation area of 120,364 hectares equivalent to 26.61% of the total sugarcane farmlands in the country.

Table 2.1. Summary of Number of Farmers and Plantations by Farm Sizes in the Philippines, CY 2009-2010 to 2011-2012

| Farm Sizes | 2011-2012 | | | | 2010-2011 | | | | 2009-2010 | | | |
|--------------------------------|----------------|------------|-----------------|------------|----------------|------------|-----------------|------------|----------------|------------|-----------------|------------|
| | Farmers | | Plantation Size | | Farmers | | Plantation Size | | Farmers | | Plantation Size | |
| | No. of Farmers | % of Total | Hectares | % of Total | No. of Farmers | % of Total | Hectares | % of Total | No. of Farmers | % of Total | Hectares | % of Total |
| Small (10 has. & below) | 57,973 | 89.5 | 159,604 | 38.7 | 52,396 | 88.3 | 137,382 | 35 | 52,519 | 89 | 137,991 | 36 |
| Medium (10.01 has.- 50.0 has.) | 5,652 | 8.7 | 124,967 | 30.3 | 5,562 | 9.4 | 122,850 | 31 | 5,301 | 9 | 116,986 | 30 |
| Large (over 50 has.) | 1,140 | 1.8 | 128,139 | 31.0 | 1,361 | 2.3 | 135,149 | 34 | 1,324 | 2 | 131,282 | 34 |
| PHILIPPINES | 64,765 | 100 | 412,710 | 100 | 59,319 | 100 | 395,381 | 100 | 59,144 | 100 | 386,259 | 100 |

Reference: SRA Agricultural Extension Monitoring Reports

Figure 2.1. Profile of Philippine Sugarcane Farms, Crop Year 2011-12



Reference: SRA Agricultural Extension Monitoring Reports

Table 2.2. Number of Farmers by Farm Sizes, By Island, CY 2009-2010 to 2011-2012

| Farm Sizes | 2011-12 | | 2010-2011 | | 2009-2010 | |
|------------------------------|----------------|------------------|----------------|------------------|----------------|------------------|
| | No. of Farmers | Farm Area (Has.) | No. of Farmers | Farm Area (Has.) | No. of Farmers | Farm Area (Has.) |
| LUZON | 13,759 | 65,850 | 13,397 | 61,660 | 13,375 | 63,960 |
| Small (10 has. & below) | 12,590 | 27,532 | 12,291 | 25,711 | 12,244 | 26,215 |
| Medium(10.01 has.-50.0 has.) | 986 | 21,382 | 963 | 20,758 | 970 | 20,824 |
| Large (over 50 has.) | 183 | 16,936 | 143 | 15,191 | 161 | 16,921 |
| NEGROS | 26,188 | 212,627 | 23,227 | 198,890 | 22,621 | 197,126 |
| Small (10 has. & below) | 22,849 | 63,508 | 19,864 | 54,134 | 19,174 | 53,016 |
| Medium(10.01 has.-50.0 has.) | 2,532 | 61,620 | 2,481 | 59,327 | 2,560 | 61,312 |
| Large (over 50 has.) | 807 | 87,499 | 882 | 85,429 | 887 | 82,798 |
| PANAY | 6,926 | 30,288 | 5,269 | 26,307 | 4,997 | 26,245 |
| Small (10 has. & below) | 6,336 | 16,953 | 4,601 | 10,719 | 4,518 | 10,220 |
| Medium(10.01 has.-50.0 has.) | 542 | 8,729 | 603 | 10,563 | 416 | 9,897 |
| Large (over 50 has.) | 48 | 4,606 | 65 | 5,025 | 63 | 6,128 |
| EASTERN VISAYAS | 1,149 | 15,990 | 1,287 | 17,335 | 1,179 | 17,502 |
| Small (10 has. & below) | 902 | 2,517 | 1,010 | 2,780 | 911 | 2,610 |
| Medium(10.01 has.-50.0 has.) | 183 | 3,677 | 208 | 3,807 | 197 | 3,633 |
| Large (over 50 has.) | 77 | 9,796 | 69 | 10,749 | 71 | 11,259 |
| MINDANAO | 16,743 | 87,955 | 16,139 | 91,189 | 16,972 | 81,426 |
| Small (10 has. & below) | 15,296 | 49,094 | 14,630 | 44,039 | 15,672 | 45,930 |
| Medium(10.01 has.-50.0 has.) | 1,409 | 29,558 | 1,307 | 28,396 | 1,158 | 21,320 |
| Large (over 50 has.) | 38 | 9,302 | 202 | 18,754 | 142 | 14,176 |
| PHILIPPINES | 64,765 | 412,710 | 59,319 | 395,381 | 59,144 | 386,259 |

Note: Plantation size refers to areas planted with sugarcane based on survey reports of SRA Mill District Officers

Reference: SRA Agricultural Extension Monitoring Reports

Table 2.3. Profile of All Farms, Farmers and Areas Planted in CY 2013-2014

| Profile of Philippine Sugarcane Farms | | | | | | |
|---------------------------------------|----------------|----------------|---------------|----------------|-------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 63,761 | 81.46% | 67,512 | 75.51% | 120,364 | 28.44% |
| 5.01 - 10.00 | 7,851 | 10.03% | 9,515 | 10.64% | 56,745 | 13.41% |
| 10.01 -25.00 | 3,730 | 4.77% | 5,656 | 6.33% | 63,806 | 15.08% |
| 25.01 - 50.00 | 1,637 | 2.09% | 2,977 | 3.33% | 62,837 | 14.85% |
| 50.01 - 100.00 | 911 | 1.16% | 2,044 | 2.29% | 56,755 | 13.41% |
| 100.01 & Above | 386 | 0.49% | 1,706 | 1.91% | 62,658 | 14.81% |
| TOTAL | 78,276 | 100.00% | 89,411 | 100.00% | 423,165.45 | 100.00% |

| Profile of Visayas Sugarcane Farms | | | | | | |
|------------------------------------|----------------|----------------|---------------|----------------|-------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 38,306 | 82.43% | 39,560 | 81.88% | 71,820 | 26.61% |
| 5.01 - 10.00 | 4,192 | 9.02% | 4,502 | 9.32% | 32,128 | 11.90% |
| 10.01 -25.00 | 2,004 | 4.31% | 2,214 | 4.58% | 36,633 | 13.57% |
| 25.01 - 50.00 | 1,023 | 2.20% | 1,083 | 2.24% | 42,251 | 15.66% |
| 50.01 - 100.00 | 635 | 1.37% | 590 | 1.22% | 38,311 | 14.20% |
| 100.01 & Above | 310 | 0.67% | 367 | 0.76% | 48,736 | 18.06% |
| TOTAL | 46,470 | 100.00% | 48,316 | 100.00% | 269,879.70 | 100.00% |

| Profile of Luzon Sugarcane Farms | | | | | | |
|----------------------------------|----------------|----------------|---------------|----------------|---------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 11,473 | 84.19% | 13,909 | 63.17% | 18,552 | 30.29% |
| 5.01 - 10.00 | 1,089 | 7.99% | 2,272 | 10.32% | 8,133 | 13.28% |
| 10.01 -25.00 | 680 | 4.99% | 2,099 | 9.53% | 11,309 | 18.46% |
| 25.01 - 50.00 | 225 | 1.65% | 1,366 | 6.20% | 7,827 | 12.78% |
| 50.01 - 100.00 | 117 | 0.86% | 1,143 | 5.19% | 7,961 | 13.00% |
| 100.01 & Above | 43 | 0.32% | 1,229 | 5.58% | 7,476 | 12.20% |
| TOTAL | 13,627 | 100.00% | 22,018 | 100.00% | 61,257 | 100.00% |

| Profile of Mindanao Sugarcane Farms | | | | | | |
|-------------------------------------|----------------|----------------|---------------|----------------|---------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 13,982 | 76.91% | 14,043 | 73.61% | 29,992 | 32.59% |
| 5.01 - 10.00 | 2,570 | 14.14% | 2,741 | 14.37% | 16,484 | 17.91% |
| 10.01 -25.00 | 1,046 | 5.75% | 1,343 | 7.04% | 15,865 | 17.24% |
| 25.01 - 50.00 | 389 | 2.14% | 528 | 2.77% | 12,759 | 13.86% |
| 50.01 - 100.00 | 159 | 0.87% | 311 | 1.63% | 10,482 | 11.39% |
| 100.01 & Above | 33 | 0.18% | 110 | 0.58% | 6,446 | 7.00% |
| TOTAL | 18,179 | 100.00% | 19,077 | 100.00% | 92,028 | 100.00% |

Reference: SRA Agricultural Extension Reports, CY 2013-2014

2.2 Performance

2.2.1. Production, Area and Yield

The most productive sugarcane farms in the country is in the island of Negros yielding a low of 62.37 tons cane per hectare and a high of 72.92 tons cane per hectare within the five-crop year period from CY 2009-2010 to 2013-2014. In contrast, Penumil mill district in Camarines Sur, Pampanga, Tarlac, Davao and Cagayan mill districts showed the lowest yields ranging from 30.0 to 42.0 tons cane per hectare. National farm productivity was highest in CY 2010-2011 at 66.36 TC/Ha

(Table 2.4) due to favorable weather conditions and the good sugar price in CY 2009-2010 which provided the financial needs of the planters in procuring the necessary farm inputs.

Table 2.5 shows that small farms are generally less productive compared with the medium-sized and large farms ranging from 48.47 to 57.31 tons cane per hectare compared with large farms having productivity levels with a low of 62.72 TC/Ha to a high of 76.19 TC/Ha within the three-crop year period. Lack of economies of scale, no financial capability to procure the necessary farm inputs such as fertilizer and planting materials from cane high-yielding varieties and poor farm practices are seen to influence the low yields of small farms.

Figure 2.2 shows the production trends of sugarcane and sugar for the past ten cropping seasons with CY 2009-2010 having the lowest production for both sugarcane and sugar at 19.23 and 1.97 million metric tons, respectively. CY 2009-2010 was marked with escalating sugar prices both in the domestic and world market due to sugar supply shortage in both markets.

Crop year 2012-2013 is another bountiful season for the sugar industry as it produced a 37-year high of sugar at the level of 2,465,116 metric tons after the 2,684,255 metric tons production in crop year 1976-1977.

Table 2.4. Sugarcane Productivity and Sugar Yield by Mill District, Crop Year 2009-10 to 2013-14

| Mill District | 2013-2014 | | 2012-2013 | | 2011-2012 | | 2010-2011 | | 2009-2010 | |
|------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| | TC/Ha | LKg/Ha |
| LUZON | 50.18 | 85.37 | 50.32 | 91.59 | 53.85 | 95.10 | 54.64 | 98.93 | 47.89 | 87.53 |
| 1. Cagayan | 38.79 | 72.30 | 42.00 | 79.80 | 40.00 | 77.04 | 30.00 | 56.17 | 35.00 | 66.50 |
| 2. Tarlac | 39.74 | 68.83 | 44.00 | 82.28 | 48.43 | 81.64 | 56.75 | 97.20 | 41.79 | 83.28 |
| 3. Pampanga | 42.00 | 66.41 | 41.90 | 64.11 | 55.07 | 84.27 | 43.08 | 68.91 | 37.06 | 59.30 |
| 4. Don Pedro | 53.31 | 81.13 | 52.90 | 101.04 | 52.76 | 100.66 | 58.96 | 114.93 | 50.00 | 99.00 |
| 5. Balayan | 65.77 | 121.84 | 64.55 | 122.61 | 67.36 | 124.88 | 66.41 | 127.21 | 65.00 | 117.00 |
| 6. Penumil | 42.18 | 64.26 | 40.00 | 52.00 | 42.42 | 61.03 | 47.99 | 67.80 | 40.00 | 50.00 |
| NEGROS | 67.19 | 135.63 | 65.46 | 129.48 | 62.37 | 120.36 | 72.92 | 132.62 | 62.49 | 123.76 |
| 1. La Carlota | 74.62 | 149.48 | 73.00 | 147.46 | 64.50 | 130.30 | 77.00 | 144.76 | 70.00 | 139.30 |
| 2. Ma-ao | 70.00 | 135.80 | 71.00 | 142.00 | 65.00 | 129.93 | 67.00 | 128.64 | 61.00 | 122.00 |
| 3. First Farmers | 69.75 | 145.08 | 68.00 | 136.00 | 64.50 | 124.00 | 75.22 | 139.15 | 65.00 | 136.50 |
| 4. Silay | 76.82 | 169.00 | 76.00 | 167.20 | 70.71 | 148.17 | 96.66 | 185.59 | 75.00 | 165.00 |
| 5. Victorias | 69.04 | 149.23 | 69.00 | 146.28 | 63.48 | 132.57 | 82.00 | 149.24 | 68.00 | 138.00 |
| 6. Lopez | 68.32 | 139.37 | 60.00 | 117.00 | 62.50 | 123.00 | 67.00 | 127.30 | 66.00 | 125.40 |

| Mill District | 2013-2014 | | 2012-2013 | | 2011-2012 | | 2010-2011 | | 2009-2010 | |
|---------------------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| | TC/Ha | LKg/Ha |
| 7. Sagay | 68.42 | 130.00 | 66.66 | 125.18 | 63.50 | 113.00 | 67.04 | 122.21 | 64.52 | 114.04 |
| 8. San Carlos | 66.26 | 130.26 | 67.92 | 134.48 | 64.00 | 128.00 | 69.22 | 127.37 | 59.50 | 125.55 |
| 9. Binalbagan | 74.34 | 146.78 | 70.00 | 138.60 | 69.00 | 127.00 | 77.00 | 137.06 | 68.00 | 134.64 |
| 10. Sonedco | 65.22 | 130.44 | 64.00 | 121.60 | 64.50 | 125.00 | 69.99 | 125.98 | 70.00 | 126.00 |
| 11. Dacongogon | 52.00 | 97.24 | 54.00 | 102.60 | 49.50 | 93.00 | 59.00 | 106.99 | 46.00 | 87.40 |
| 12. Tolong | 50.79 | 96.74 | 53.00 | 93.28 | 49.32 | 85.39 | 61.00 | 100.65 | 43.50 | 81.35 |
| 13. Bais-Ursumco | 56.28 | 109.95 | 53.00 | 94.34 | 53.39 | 95.53 | 65.00 | 109.20 | 47.56 | 93.09 |
| PANAY | 51.85 | 91.98 | 54.11 | 94.74 | 49.11 | 84.53 | 65.97 | 111.57 | 46.19 | 84.42 |
| 1. Passi | 54.22 | 98.15 | 55.35 | 97.97 | 49.80 | 86.83 | 67.84 | 115.33 | 47.00 | 88.36 |
| 2. Santos-Lopez | 53.48 | 97.89 | 56.00 | 99.68 | 51.89 | 90.90 | 68.55 | 118.60 | 46.00 | 87.40 |
| 3. Monomer | 50.55 | 87.77 | 52.00 | 91.52 | 46.27 | 79.93 | 61.73 | 103.71 | 39.00 | 68.25 |
| 4. Capiz | 47.96 | 81.16 | 52.00 | 88.40 | 47.55 | 79.27 | 63.00 | 103.98 | 48.00 | 82.56 |
| EASTERN/ CENTRAL VISAYAS | 44.27 | 69.98 | 54.44 | 98.16 | 45.48 | 83.29 | 56.88 | 99.79 | 47.30 | 91.57 |
| 1. Durano | 45.46 | 69.11 | 54.91 | 87.54 | 43.67 | 70.85 | 55.43 | 81.96 | 47.00 | 85.27 |
| 2. Bogo-Medellin | | | | | 45.33 | 75.37 | 57.57 | 87.03 | 50.00 | 94.06 |
| 3. Ormoc-Kananga | 43.09 | 70.84 | 54.00 | 108.00 | 45.93 | 91.00 | 56.65 | 112.17 | 45.44 | 90.93 |
| MINDANAO | 50.23 | 101.23 | 55.92 | 111.57 | 50.75 | 93.88 | 61.87 | 118.34 | 51.74 | 107.20 |
| 1. Bukidnon | 52.24 | 104.98 | 58.84 | 119.45 | 51.08 | 94.91 | 63.74 | 123.92 | 55.31 | 115.86 |
| 2. Davao | 42.17 | 87.35 | 47.86 | 95.72 | 46.54 | 91.78 | 45.78 | 82.86 | 37.64 | 78.08 |
| 3. Cotabato | 45.83 | 91.82 | 47.62 | 83.33 | 52.67 | 89.86 | 66.54 | 82.86 | 45.00 | 85.50 |
| PHILIPPINES | 59.07 | 115.25 | 59.78 | 114.83 | 56.76 | 106.32 | 66.36 | 121.23 | 56.01 | 110.14 |

- NOTE:
1. TC/Ha – tons cane per hectare, a measure of farm productivity;
 2. LKg/Ha – 50-kilo bag per hectare; LKg/TC- 50-kilo bag per ton cane
 3. LKg/Ha and LKg/TC pertain to sugar yield influenced by both cane quality and mill performance

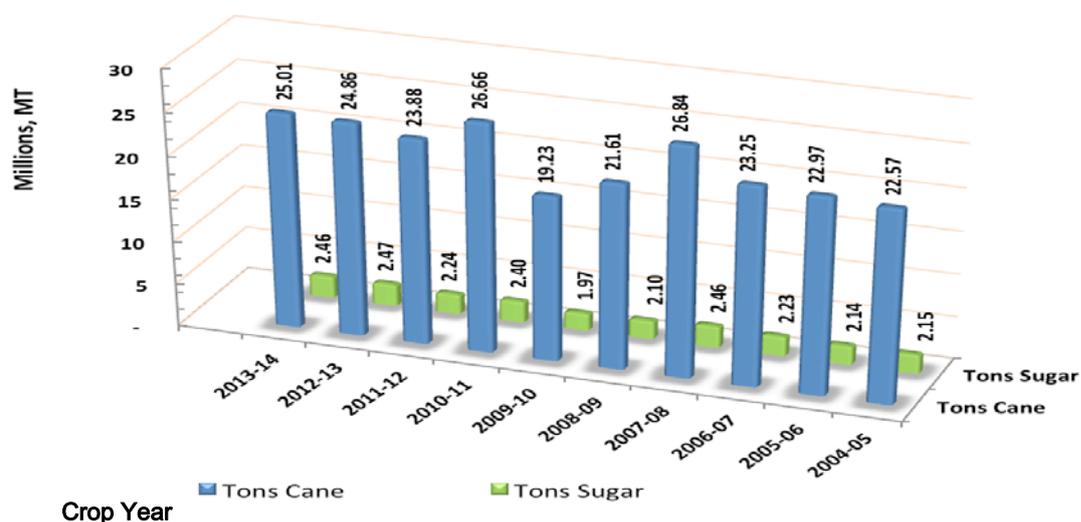
**Table 2.5. Sugarcane Productivity and Sugar Yield by Farm Size, Crop Year
2009 -10 to 2011-12**

| Farm Sizes | 2011-2012 | | | 2010-2011 | | | 2009-2010 | | |
|-----------------------------------|--------------|---------------|-------------|--------------|---------------|-------------|--------------|---------------|-------------|
| | TC/ Ha | LKg/ Ha | LKg/ TC | TC/ Ha | LKg/ Ha | LKg/ TC | TC/ Ha | LKg/ Ha | LKg/ TC |
| Small (10 has. & below) | 49.80 | 89.77 | 1.80 | 57.31 | 102.96 | 1.80 | 48.47 | 92.43 | 1.91 |
| Medium (10.01 has.- 50.0 has.) | 56.96 | 106.90 | 1.88 | 65.65 | 119.18 | 1.82 | 57.38 | 112.51 | 1.96 |
| Large (over 50 has.) | 64.25 | 125.67 | 1.96 | 76.19 | 141.66 | 1.86 | 62.72 | 126.65 | 2.02 |
| PHIL | 59.07 | 115.25 | 1.95 | 66.36 | 121.23 | 1.83 | 56.01 | 110.14 | 1.97 |

- NOTE: 1. TC/Ha – tons cane per hectare which is a measure of sugarcane productivity;
2. LKg/Ha – 50-kilo bag per hectare; LKg/TC- 50-kilo bag per ton cane
3. LKg/Ha and LKg/TC pertains to sugar yield influenced by both cane quality and mill performance

Reference: SRA Agricultural Extension Monitoring Reports

Figure 2.2. Sugarcane and Sugar Production, CY 2004-05 to 2013-14



Reference: SRA Regulation Department Sugar Monitoring System Reports

2.2.2. Key Production Areas

Cagayan Mill District – Cagayan, Region II

Cagayan Mill District is situated 535 kilometers from Manila. It covers Piat, Tuao, Tuguegarao, Rizal, Solana, Sto Nino, Enrile, Amulong, Isabela and Kalinga with a total sugarcane area of 4,060 in CY 2013-14. The district has five sugarcane planters associations and one cooperative. There were 533 sugar planters cultivating 5,100 ha of sugarcane farms in crop year 2012-2013. It was observed that farm productivity is lowest in large farms at 40.66 TC/Ha compared to small farms with 42.01 TC/Ha in CY 2012-2013. The mill district produced 293,550 LKg bags sugar which contributed around 0.6% of the national production in CY 2013-14.

CY 2013-2014 farm profile data of Cagayan mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 551 farmers where 72.23% are farming less than 5 hectares which constitutes 29.93% of the total sugarcane plantations of Cagayan.

Cagayan mill district has one sugar mill, the CARSUMCO sugar mill owned by Universal Robina Corporation having a capacity utilization of 52.16% of its rated capacity of 4,000 tons cane per day (TCD) and a reduced overall sugar recovery of 83.18% against the standard overall recovery of 85.50%, based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. Reckoned from the mill capacity utilization, more sugarcane is needed in the district to maximize capacity utilization of its mill.

The challenges faced by the mill district are lack of irrigation facilities, farm mechanization equipment that are suited to the mill district's soil type and land contours, tax imposed by BIR even to small farmers by requiring the printing of tax identification numbers (TIN) in the sugar quedans and issuance of official receipts to sugar sales, lack of sugarcane HYV nurseries, need for soils laboratory in the district and high fertilizer prices. Burning of sugarcane upon harvesting became a problem of the mill which promotes a cleaner environment. Some burnt canes were then delivered to the bioethanol distillery in San Mariano, Isabela.

Table 2.6. Performance of Cagayan Mill District, CY 2009-2010 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 4,060 | 157,500 | 14,677 | 38.79 | 72.30 | 1.86 |
| 2012-13 | 5,100 | 206,699 | 21,271 | 40.53 | 83.41 | 2.06 |
| 2011-12 | 5,383 | 215,335 | 20,734 | 40.00 | 77.04 | 1.93 |
| 2010-11 | 6,055 | 181,678 | 17,007 | 30.00 | 56.17 | 1.87 |
| 2009-10 | 6,051 | 181,533 | 16,795 | 30.00 | 55.51 | 1.85 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.7. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| Cagayan Mill District | | | | | | |
|-----------------------|----------------|---------------------------|--------------|-------------------------|-----------------|----------------|
| Farm Size | No. of Farmers | Percent of No. of Farmers | No. of Farms | Percent of No. of Farms | Area (has) | Percent Area |
| Below 5.00 Has. | 398 | 72.23% | 490 | 74.36% | 1,215.19 | 29.93% |
| 5.01 - 10.00 | 93 | 16.88% | 102 | 15.48% | 819.34 | 20.18% |
| 10.01 -25.00 | 42 | 7.62% | 46 | 6.98% | 795.42 | 19.59% |
| 25.01 - 50.00 | 10 | 1.81% | 11 | 1.67% | 476.57 | 11.74% |
| 50.01 - 100.00 | 6 | 1.09% | 8 | 1.21% | 351.10 | 8.65% |
| 100.01 & Above | 2 | 0.36% | 2 | 0.30% | 402.38 | 9.91% |
| TOTAL | 551 | 100.00% | 659 | 100.00% | 4,060.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Tarlac Mill District - Tarlac, Region III

Tarlac Mill District covers 12 municipalities and 127 barangays in the province of Tarlac. In crop year 2013-14, Tarlac mill district had a total sugarcane area of 15,106 hectares with 1,917 farmers where 85% were small farmers. Average farm yield was 39.74 tons cane per hectare. The mill district produced 51,985 tons sugar equivalent to 2.13% of the national production. Generally small farms had the lowest farm productivity level from CY 2008-09 to 2011-2012 except for CY 2009-10 where small farms surpassed the large farms, 43.41 TC/Ha for small farms against 40.77 TC/Ha for large farms. There are two organized block farms in Tarlac under the DAR-DA-SRA convergence initiative, the North Cluster MPC in Paniqui and the Binhi ni Abraham in Concepcion. Both block farms were financed by Land Bank of the Philippines.

CY 2013-2014 farm profile data of Tarlac mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 1,578 farmers where 63.62% are farming less than 5 hectares which constitutes 11.22% of the total sugarcane plantations of Tarlac.

Tarlac mill district has one sugar mill, the Central Azucarera de Tarlac having a capacity utilization of 73.21% of its rated capacity of 7,200 tons cane per day (TCD) and a reduced overall sugar recovery of 81.65% against the standard overall

recovery of 81.02%, based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories.

Challenges faced by the district include the lack of farm-to-mill roads, irrigation facilities like shallow tube wells and portable engines and pumps, drainage problems involving the dredging of Chico and Agno rivers, lack of farm mechanization equipment such as tractors, trucks and harvesters, shortage of sugarcane HYV nurseries, labor shortage during harvesting and lack of boom sprayer for weed control. The distribution of the lands in Hacienda Luisita also poses a threat to the sugar production level of the district. It is possible that ARBs might choose to plant crops other than sugarcane if they are given sufficient support services, government subsidy and financing windows.

Table 2.8. Performance of Tarlac Mill District, CY 2009-2010 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 15,106 | 600,262 | 51,985 | 39.74 | 68.83 | 1.73 |
| 2012-13 | 16,235 | 700,764 | 65,401 | 43.16 | 80.57 | 1.87 |
| 2011-12 | 15,700 | 760,319 | 64,084 | 48.43 | 81.64 | 1.69 |
| 2010-11 | 12,700 | 720,754 | 61,720 | 56.75 | 97.20 | 1.71 |
| 2009-10 | 13,400 | 557,728 | 54,250 | 41.62 | 80.97 | 1.95 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.9. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| Tarlac Mill District | | | | | | |
|----------------------|----------------|------------------------|--------------|----------------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent No. of Farmers | No. of Farms | Percent No. of Farms | Area (has) | Percent Area |
| Below 5.00 Has. | 1004 | 63.62% | 2459 | 29.27% | 1,694.69 | 11.22% |
| 5.01 - 10.00 | 237 | 15.02% | 1280 | 15.24% | 1,697.60 | 11.24% |
| 10.01 -25.00 | 209 | 13.24% | 1513 | 18.01% | 3,262.32 | 21.60% |
| 25.01 - 50.00 | 70 | 4.44% | 1100 | 13.10% | 2,311.84 | 15.30% |
| 50.01 - 100.00 | 38 | 2.41% | 905 | 10.77% | 2,508.59 | 16.61% |
| 100.01 & Above | 20 | 1.27% | 1143 | 13.61% | 3,631.50 | 24.04% |
| TOTAL | 1578 | 100.00% | 8400 | 100.00% | 15,106.54 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Pampanga Mill District - Pampanga, Region III

Pampanga mill district is composed of three municipalities and 10 barangays of Bataan province and 10 municipalities and 82 barangays of Pampanga province. The soil quality of the mill district was mostly mixed with lahar which was brought about by the Mt. Pinatubo eruption in 1991. In CY 2013-14, the district had an area of 7,132 hectares and a sugar production of 23,680 tons which was 0.97% of the national production. The mill district is composed of three major planters associations / cooperatives. Two of the planters associations comprised the SRA-recognized Mill District Development Foundation Inc. (Pampanga MDDFI) and the other one opted to operate independently. The district is composed of 71% small farmers. The DAR-DA-SRA convergence initiative has organized the Pasama block farm in Magalang, Pampanga and SRA has validated the farms and provided technical assistance on best practices and new technologies in sugarcane farming. The block farm obtained two units water pump from DA-RFU III.

CY 2013-2014 farm profile data of Pampanga mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 613 farmers where 52.53% are farming less than 5 hectares which constitutes 10.60% of the total sugarcane plantations of Pampanga.

It has two sugar mills, one is a new mill named Sweet Crystal-Porac and the other one an old mill located in San Fernando formerly called Basecom but later named Sweet Crystal-San Fernando. Eventually, the mill in San Fernando stopped operation in crop year 2013-14. Sweet Crystal - Porac had a capacity utilization of 56.63% of its rated capacity of 2,500 tons cane per day (TCD) and a reduced overall sugar recovery of 78.13% against the standard overall recovery of 78.93%, based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. Although the mill was still lacking sugarcane to maximize its production capacity, it had the highest capacity utilization among the sugar mills in Luzon in this particular cropping season.

High soil acidity, the need for soil rehabilitation of lahar fields, low adoption of cane HYVs, lack of irrigation and drainage facilities such as portable engine and pumps, shallow tube wells, excavators, etc., the need for farm mechanization equipment such as tractors, trucks and harvesters and permanent farm-to-mill roads are the major challenges of the district. The district also needs yield verification or

adaptability trials of different cane HYVs to determine the best cane variety suited in the district and a complete soils fertility map for proper fertilizer applications. Farmers in the district also complained on the low sugar recovery of the sugar mill in San Fernando which has closed down its operation.

Table 2.10 Performance of Pampanga Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 4,060 | 157,500 | 14,677 | 38.79 | 72.30 | 1.86 |
| 2012-13 | 5,100 | 206,699 | 21,271 | 40.53 | 83.41 | 2.06 |
| 2011-12 | 5,383 | 215,335 | 20,734 | 40.00 | 77.04 | 1.93 |
| 2010-11 | 6,055 | 181,678 | 17,007 | 30.00 | 56.17 | 1.87 |
| 2009-10 | 6,051 | 181,533 | 16,795 | 30.00 | 55.51 | 1.85 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.11. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| Pampanga Mill District | | | | | | |
|-------------------------------|-----------------------|-------------------------------|---------------------|-----------------------------|-------------------|---------------------|
| Farm Size | No. of Farmers | Percent No. of Farmers | No. of Farms | Percent No. of Farms | Area (has) | Percent Area |
| Below 5.00 Has. | 322 | 52.53% | 338 | 49.42% | 756.05 | 10.60% |
| 5.01 - 10.00 | 123 | 20.07% | 141 | 20.61% | 908.84 | 12.74% |
| 10.01 -25.00 | 103 | 16.80% | 110 | 16.08% | 1,683.70 | 23.61% |
| 25.01 - 50.00 | 37 | 6.04% | 48 | 7.02% | 1,248.30 | 17.50% |
| 50.01 - 100.00 | 22 | 3.59% | 35 | 5.12% | 1,496.10 | 20.98% |
| 100.01 & Above | 6 | 0.98% | 12 | 1.75% | 1,038.80 | 14.57% |
| TOTAL | 613 | 100.00% | 684 | 100.00% | 7,131.79 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Don Pedro Mill District - Western Batangas, Region IVA

Don Pedro mill district covers the western portion of Batangas, some municipalities in Cavite, Laguna and Quezon. The mill district has seven planters associations which are affiliated with the Don Pedro Mill District Development Council Foundation Inc.

(Don Pedro MDDCFI). The total plantation area in the district was 14,186 hectares in CY 2013-14 with a total sugarcane and sugar production of 756,185 tons and 57,545 tons, respectively. Don Pedro mill district was composed of 6,187 farmers where 98% were small farmers, both Agrarian Reform Beneficiaries (ARBs) and non-ARBs. Farm yields and sugar yields in crop year 2013-14 were 53.31 TC/Ha, 81.13 LKG/Ha and 1.52 LKg/TC, respectively. Sharing ratio in the mill district is 65% in favor of the planters and 35% for the miller. Sugar production in crop year 2013-14 contributed 2.36% of the national production.

CY 2013-2014 farm profile data of Don Pedro mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 6,185 farmers where 93.18% are farming less than 5 hectares which constitutes 58.64% of the total sugarcane plantations of Western Batangas.

The mill district has one sugar mill, the Central Azucarera Don Pedro Inc. (CADPI). CADPI having a capacity utilization of 65.74% of its rated capacity of 13,000 tons cane per day (TCD) and a reduced overall sugar recovery of 82.22% against the standard overall recovery of 80.97% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. However, the drop in sugar yield during the past cropping seasons showed mill efficiency problems which discouraged the planters of delivering their sugarcane to the mill.

The challenges faced by the district are shortage of labor especially cane cutters, thus there is a need for farm mechanization equipment, lack of irrigation facilities, lack of funding for HYV nurseries to increase the saturation of HYVs and increase the area planted with new canes, rehabilitation of farm roads, white grubs infestation, liming program to adjust soil acidity, and soil fertility map of the district as guide in the application rate of fertilizer, as investors' reference and the provision of appropriate interventions in the mill district. The district also needs equipment for cane loading and detrashing excess cane trashes left in the fields after harvesting. Low sugar recovery of the mill during the past two crop years caused financial injury to the cane planters who delivered canes to CADPI.

Table 2.12. Performance of Don Pedro Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 14,186 | 756,185 | 57,545 | 53.31 | 81.13 | 1.52 |
| 2012-13 | 14,186 | 740,333 | 76,080 | 52.19 | 107.26 | 2.06 |
| 2011-12 | 14,177 | 747,971 | 71,355 | 52.76 | 100.66 | 1.91 |
| 2010-11 | 13,617 | 802,914 | 78,252 | 58.96 | 114.93 | 1.95 |
| 2009-10 | 13,617 | 687,733 | 70,775 | 50.51 | 103.95 | 2.06 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.13. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| Don Pedro Mill District | | | | | | |
|-------------------------|----------------|------------------------|--------------|----------------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent No. of Farmers | No. of Farms | Percent No. of Farms | Area (has) | Percent Area |
| Below 5.00 Has. | 5,763 | 93.18% | 6,409 | 93.73% | 8,318.17 | 58.64% |
| 5.01 - 10.00 | 281 | 4.54% | 287 | 4.20% | 1,977.64 | 13.94% |
| 10.01 -25.00 | 93 | 1.50% | 94 | 1.37% | 1,508.60 | 10.63% |
| 25.01 - 50.00 | 33 | 0.53% | 33 | 0.48% | 1,123.64 | 7.92% |
| 50.01 - 100.00 | 13 | 0.21% | 13 | 0.19% | 957.95 | 6.75% |
| 100.01 & Above | 2 | 0.03% | 2 | 0.03% | 300.00 | 2.11% |
| TOTAL | 6,185 | 100.00% | 6838 | 100.00% | 14,186.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Balayan Mill District - Eastern Batangas, Region IVA

Balayan Mill District covers 22 municipalities of Eastern Batangas. The mill district has an area of 16,273 hectares and a sugar production of 99,137 tons in crop year 2013-14 which was 4.06% of the national sugar production. Sharing system adopted is 65% planters share and 35% miller share. Farm yield was 65.77 TC/Ha and 121.84 LKg /Ha while average sugar yield for the crop year was 1.85 LKg/TC. The mill district had the highest farm yield so far among the Luzon mill districts. It is composed of 3,887 farmers where 92% of them are small farmers, ARBs and non-

ARBs. There are two block farms that are operational in Balayan mill district, namely, Lucban MPC with 38 enrollees and a total sugarcane area of 28.9 hectares located in Balayan, and Prenza MPC with 32 enrollees and a total farm area of 29.5 hectares located in Lian.

CY 2013-2014 farm profile data of Balayan mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 3,887 farmers where 85.90% are farming less than 5 hectares which constitutes 32.48% of the total sugarcane plantations of Eastern Batangas.

Balayan mill district has one sugar mill, the Batangas Sugar Central (BSCI) having a capacity utilization of 78.68% of its rated capacity of 4,500 tons cane per day (TCD) and a reduced overall sugar recovery of 80.60% against the standard overall recovery of 81.47%, based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories.

The mill district is facing certain challenges in order to be cost competitive. There is scarcity of farm laborers in the mill district. The district is importing cane cutters from Negros and labor costs are quite high. Mechanizing farm operations especially the harvesting and loading operations are urgent need in Batangas to address the labor shortage problem. Removing excess cane trashes in the fields during harvesting is also a problem in the district. The farmers need a mechanized detrashing equipment to avoid the temptation of burning the canes, instead, trashes can be used as additional feedstock for power generation and as raw material for bio-organic fertilizer production.

Table 2.14. Performance of Balayan Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 16,273 | 1,070,266 | 99,137 | 65.77 | 121.84 | 1.85 |
| 2012-13 | 16,273 | 1,069,320 | 105,485 | 65.71 | 129.64 | 1.97 |
| 2011-12 | 16,273 | 1,096,156 | 101,609 | 67.36 | 124.88 | 1.85 |
| 2010-11 | 16,246 | 1,078,928 | 103,332 | 66.41 | 127.21 | 1.92 |
| 2009-10 | 16,246 | 981,802 | 100,161 | 60.43 | 123.30 | 2.04 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.15. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| Balayan Mill District | | | | | | |
|-----------------------|----------------|------------------------|--------------|----------------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent No. of Farmers | No. of Farms | Percent No. of Farms | Area (has) | Percent Area |
| Below 5.00 Has. | 3339 | 85.90% | 3538 | 79.95% | 5,285.36 | 32.48% |
| 5.01 - 10.00 | 270 | 6.95% | 337 | 7.62% | 2,078.45 | 12.77% |
| 10.01 -25.00 | 180 | 4.63% | 229 | 5.18% | 3,077.55 | 18.91% |
| 25.01 - 50.00 | 56 | 1.44% | 132 | 2.98% | 2,031.25 | 12.48% |
| 50.01 - 100.00 | 31 | 0.80% | 142 | 3.21% | 2,127.25 | 13.07% |
| 100.01 & Above | 11 | 0.28% | 47 | 1.06% | 1,673.14 | 10.28% |
| TOTAL | 3,887 | 100.00% | 4,425 | 100.00% | 16,273.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

PENSUMIL Mill District - Camarines Sur, Region V

The mill district is composed of 19 municipalities and 99 barangays. The PENSUMIL Mill District Development Council Foundation Inc. (Pensumil MDDCFI) has three affiliated planters associations. The aggregate area planted with sugarcane in crop year 2013-2014 based on SRA's crop estimate as of August 2013 is 4,500 hectares compared to 5,000 hectares in CY 2012-2013. Its sugar production of 14,458 tons was 0.60 of the national production. In CY 2012-13, out of 822 farmers, 745 or 91% were small ones. In partnership with the DAR and DA, SRA has assisted the block farm enrollees of Hacienda Salamat in Cadlan, Pili, Camarines Sur. The block farm is composed of 43 enrollees with a total area of 96.95 hectares. The ARBs were initially identified and organized by SRA.

CY 2013-2014 farm profile data of PENSUMIL mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 813 farmers where 79.58% are farming less than 5 hectares which constitutes 28.51% of the total sugarcane plantations of Camarines Sur.

PENSUMIL mill district has one sugar mill, the Peñafrancia Sugar Mill (PENSUMIL) with a capacity utilization of 41.52% of its rated capacity of 4,000 tons cane per day (TCD) and a reduced overall sugar recovery of 79.40% against the standard overall

recovery of 80.80%. Its capacity utilization was very low which showed that more sugarcane is required to maximize the mill production capacity.

An inefficient sugar mill leading to low sugar recoveries (1.52 LKg/TC in CY 2013-14) and lack of synchronization of mill operations and harvesting of canes which rendered low % Pol of canes milled are serious problems which threaten the mill district's survival. The mill district also needs HYV nurseries to improve the adoption of high-yielding varieties and increase sugar yields and sugarcane production volume in the district. Additional farm machineries such as tractors and trucks are needed by the mill district to cater to the needs of all its sugarcane farmers.

Table 2.16. Performance of PEÑAFRANCIA Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 4,500 | 189,824 | 14,458 | 42.18 | 64.26 | 1.52 |
| 2012-13 | 4,473 | 177,493 | 13,859 | 39.68 | 61.97 | 1.56 |
| 2011-12 | 4,825 | 204,655 | 14,724 | 42.42 | 61.03 | 1.44 |
| 2010-11 | 4,700 | 225,535 | 15,934 | 47.99 | 67.80 | 1.41 |
| 2009-10 | 4,481 | 159,078 | 12,385 | 35.50 | 55.28 | 1.56 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.17. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| PENSUMIL Mill District | | | | | | |
|------------------------|----------------|------------------------|--------------|----------------------|-----------------|----------------|
| Farm Size | No. of Farmers | Percent No. of Farmers | No. of Farms | Percent No. of Farms | Area (has) | Percent Area |
| Below 5.00 Has. | 647 | 79.58% | 675 | 66.70% | 1,283.00 | 28.51% |
| 5.01 - 10.00 | 85 | 10.46% | 125 | 12.35% | 651.00 | 14.47% |
| 10.01 -25.00 | 53 | 6.52% | 107 | 10.57% | 981.00 | 21.80% |
| 25.01 - 50.00 | 19 | 2.34% | 42 | 4.15% | 635.00 | 14.11% |
| 50.01 - 100.00 | 7 | 0.86% | 40 | 3.95% | 520.00 | 11.56% |
| 100.01 & Above | 2 | 0.25% | 23 | 2.27% | 430.00 | 9.56% |
| TOTAL | 813 | 100.00% | 1012 | 100.00% | 4,500.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Passi Mill District - Panay, Region VI

Passi mill district covers the municipalities of Passi, Badiangan, Cabatuan, Calinog, Dueñas, Janiuay, Lambunao, Maasin and San Enrique of the province of Iloilo. In crop year 2013-14, the mill district had a total sugarcane area of 10,682 hectares with a total sugar production of 45,297 tons which constituted 1.86% of the national production. Sugar sharing scheme of the mill district is 65% planters' share and 35% miller's share. Its cane yield was 43.69 TC/Ha, a sugar yield of 84.81 LKg/Ha and 1.94LKg/TC. In crop year 2011-12, it recorded a total of 3,498 farmers of which 96% are small farmers. It is the biggest mill district in Panay island.

CY 2013-2014 farm profile data of PASSI mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 4,046 farmers where 87.00% are farming less than 5 hectares which constitutes 43.53% of the total sugarcane plantations of the mill district.

One block farm was organized under the DAR-DA-SRA convergence initiative, the Jaguimitan-JARBEMCO, which is already operational. It is negotiating with Universal Robina Corporation to finance its farm operations. Major problem of the block farms was their existing loans with LBP which is why they have difficulty of securing financial assistance from LBP under the CARPER loan facility.

The mill district has two sugar mills, Central Azucarera de San Antonio (CASA) which is a new mill established in 2007 and URC-Passi Sugar Central (URC-Passi). CASA had a capacity utilization of 40.26 % of its rated capacity of 8,000 tons cane per day (TCD) and a reduced overall sugar recovery of 90.22% against the standard overall recovery of 81.05% while URC-Passi had a capacity utilization of 51.06 % of its rated capacity of 4,500 tons cane per day (TCD) and a reduced overall sugar recovery of 86.91% against the standard overall recovery of 80.71% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. Both mills are underutilized as shown in their capacity utilization data.

Passi mill district just like any other sugarcane districts lacks farm mechanization equipment like hauling trucks, tractors, cane loaders, cane cutting equipment suited to the land contours of the district, it also lacks HYV nurseries that will provide the planting materials, irrigation equipment such as drilling equipment, pumps and

engines and its arterial road networks leading to interior cane farms need rehabilitation.

Table 2.18. Performance of Passi Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 12,680 | 687,522 | 62,227 | 54.22 | 98.15 | 1.81 |
| 2012-13 | 12,430 | 669,564 | 61,079 | 53.87 | 98.28 | 1.82 |
| 2011-12 | 12,431 | 619,040 | 53,970 | 49.80 | 86.83 | 1.74 |
| 2010-11 | 10,432 | 707,713 | 60,155 | 67.84 | 115.33 | 1.70 |
| 2009-10 | 10,682 | 466,722 | 45,297 | 43.69 | 84.81 | 1.94 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.19. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| PASSI MILL DISTRICT | | | | | | |
|---------------------|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 3,520 | 87.00% | 3,848 | 86.86% | 5,520.000 | 43.53% |
| 5.01 - 10.00 | 360 | 8.90% | 387 | 8.74% | 2,530.000 | 19.95% |
| 10.01 -25.00 | 125 | 3.09% | 142 | 3.21% | 1,882.000 | 14.84% |
| 25.01 - 50.00 | 26 | 0.64% | 30 | 0.68% | 1,075.000 | 8.48% |
| 50.01 - 100.00 | 10 | 0.25% | 15 | 0.34% | 789 | 6.22% |
| 100.01 & Above | 5 | 0.12% | 8 | 0.18% | 884 | 6.97% |
| TOTAL | 4,046 | 100.00% | 4,430 | 100.00% | 12,680.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Santos-Lopez Mill District – Panay, Region VI

Santos-Lopez mill district covers the municipalities of Banate, Barotac Nuevo, Barotac Viejo, Anilao, Concepcion, Lemery, Mina, New Lucena, Pototan, San Dionisio, San Rafael, Dumangas and Sara of the province of Iloilo. In crop year 2013-14, the mill district had a total sugarcane area of 5,600 hectares with a total sugar production of 27,409 tons which constituted 1.12% of the national production.

CY 2013-2014 farm profile data of Santos-Lopez mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 1,156 farmers where 80.88% are farming less than 5 hectares which constitutes 27.30% of the total sugarcane plantations of the mill district.

Sugar sharing scheme of the mill district is 65% planters' share and 35% miller's share similar to Passi mill district because it has no sugar mill and canes were milled in the sugar mills of Passi mill district. Its cane yield in CY 2013-14 was 53.48 TC/Ha, a sugar yield of 97.89 LKg/Ha and 1.83 LKg/TC. In crop year 2011-12, it recorded a total of 724 farmers of which 88% are small farmers.

One block farm was organized under the DAR-DA-SRA convergence initiative in Barotac Nuevo which is under validation and profiling by SRA. In CY 2010-2011, it was recorded that the mill district had 93 units of tractors and 180 units of trucks. However, the tractors and trucks available are still not enough to service the needs of all the planters in the district especially the small farmers.

Santos-Lopez mill district faced similar challenges as the Passi mill district like the need for farm mechanization equipment, irrigation equipment, farm-to-mill roads, and HYV nurseries. Interventions for the district are handled by the Iloilo Mill District Development Council Foundation Inc. being the lone MDDCFI in the province.

Table 2.20. Performance of Santos-Lopez Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 5,600 | 299,498 | 27,409 | 53.48 | 97.89 | 1.83 |
| 2012-13 | 5,600 | 311,478 | 28,660 | 55.62 | 102.36 | 1.84 |
| 2011-12 | 5,431 | 281,835 | 24,683 | 51.89 | 90.90 | 1.75 |
| 2010-11 | 5,620 | 385,251 | 33,326 | 68.55 | 118.60 | 1.73 |
| 2009-10 | 5,655 | 248,265 | 24,743 | 43.90 | 87.51 | 1.99 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.21. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| SANTOS LOPEZ MILL DISTRICT | | | | | | |
|----------------------------|----------------|----------------|--------------|----------------|-----------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 935 | 80.88% | 935 | 80.53% | 1529.00 | 27.30% |
| 5.01 - 10.00 | 111 | 9.60% | 113 | 9.73% | 1063.00 | 18.98% |
| 10.01 -25.00 | 80 | 6.92% | 82 | 7.06% | 1328.00 | 23.71% |
| 25.01 - 50.00 | 18 | 1.56% | 19 | 1.64% | 815.00 | 14.55% |
| 50.01 - 100.00 | 9 | 0.78% | 9 | 0.78% | 475.00 | 8.48% |
| 100.01 & Above | 3 | 0.26% | 3 | 0.26% | 390.00 | 6.96% |
| TOTAL | 1,156 | 100.00% | 1,161 | 100.00% | 5,600.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Monomer Mill District – Panay, Region VI

Monomer mill district covers the municipalities of Capiz - Tapaz, Sigma, Sapián, Mambusao, Ivisan, Jamindan, Dumarao, Dumalag, Cuartero, Bingawan and Roxas City. In crop year 2013-14, the mill district had a total sugarcane area of 3,283 hectares with a total sugar production of 14,408 tons which constituted 0.60% of the national production.

CY 2013-2014 farm profile data of Monomer mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 698 farmers where 74.79% are farming less than 5 hectares which constitutes 40.45% of the total sugarcane plantations of the mill district.

Planters in the mill district may deliver their canes to Capiz Sugar Central or to any of the two sugar mills in Iloilo. Sharing system will depend on where the canes were delivered for milling. Sugar sharing scheme of Capiz is 63% for the farmers and 37% for the miller while in Iloilo sugar mills, sugar sharing is 65% for the farmers and 35% for the millers. Its cane yield in CY 2013-2014 as shown in Table 2.13 was 50.55 TC/Ha, a sugar yield of 87.77 LKg/Ha and 1.74 LKg/TC. In crop year 2011-12, it recorded a total of 643 farmers of which 90% are small farmers.

Currently, interventions for Monomer mill district are taken care of by Passi mill district because the mill district has no MDDCFI that will manage the implementation of industry programs.

Table 2.22. Performance of Monomer Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/ Ha</i> | <i>LKg/ Ha</i> | <i>LKg/ TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|---------------|----------------|----------------|
| 2013-14 | 3,283 | 165,942 | 14,408 | 50.55 | 87.77 | 1.74 |
| 2012-13 | 3,313 | 171,250 | 15,512 | 51.69 | 93.65 | 1.81 |
| 2011-12 | 3,263 | 150,990 | 13,041 | 46.27 | 79.93 | 1.73 |
| 2010-11 | 2,755 | 170,066 | 14,286 | 61.73 | 103.71 | 1.68 |
| 2009-10 | 2,832 | 88,663 | 8,334 | 31.31 | 58.86 | 1.88 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.23. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| MONOMER MILL DISTRICT | | | | | | |
|-----------------------|----------------|-----------------|--------------|-----------------|-----------------|-----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 522 | 74.79% | 529 | 74.93% | 1328.000 | 40.45% |
| 5.01 - 10.00 | 127 | 18.19% | 128 | 18.13% | 768 | 23.39% |
| 10.01 -25.00 | 33 | 4.73% | 33 | 4.67% | 495 | 15.08% |
| 25.01 - 50.00 | 11 | 1.58% | 11 | 1.56% | 330 | 10.05% |
| 50.01 - 100.00 | 4 | 0.57% | 4 | 0.57% | 262 | 7.98% |
| 100.01 & Above | 1 | 0.14% | 1 | 0.14% | 100 | 3.05% |
| TOTAL | 698 | 100.00 % | 706 | 100.00 % | 3,283.00 | 100.00 % |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Capiz Mill District - Panay, Region VI

Capiz mill district covers the municipalities of Ma-ayon, Pilar, Pontevedra, Balasan, Carles, Estancia, Panit-an, Panay and President Roxas. In crop year 2013-14, the mill district had a total sugarcane area of 9,000 hectares with a total sugar production of 36,522 tons which constituted 1.50% of the national production. Sugar sharing

scheme of the mill district is 63% planters' share and 37% miller's share. Its cane yield was 47.96 TC/Ha, a sugar yield of 81.16 LKg/Ha and 1.69 LKg/TC. In crop year 2011-2012, it recorded a total of 1,543 farmers of which 82% are small farmers. It is the second biggest mill district in Panay island.

CY 2013-2014 farm profile data of Capiz mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 1,804 farmers where 76.94% are farming less than 5 hectares which constitutes 38.58% of the total sugarcane plantations of the mill district.

One block farm was organized under the DAR-DA-SRA convergence initiative located in President Roxas City, which is already operational. Most of the ARBs in the mill district lack the necessary support from government which resulted to low sugar production in the district. SRA record in CY 2010-2011 showed that the mill district had 64 units of tractors and 568 units of trucks.

The mill district has one sugar mill, Capiz Sugar Central. The mill had a capacity utilization of 46.28 % of its rated capacity of 4,500 tons cane per day (TCD) and a reduced overall sugar recovery of 88.66% against the standard overall recovery of 80.23% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. More sugarcane is needed to maximize the mill's capacity.

The mill district was one of those hardest hit by typhoon Yolanda and the area needed more focus in order to revive the district from the devastation. The district needed more assistance in terms of infrastructure support like farm-to-mill roads, farm mechanization equipment, HYV nurseries, soils laboratory, automated weather stations and financial support for the production of organic fertilizer and other livelihood options for the farmers.

Table 2.24 Performance of Capiz Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 9,000 | 431,601 | 36,522 | 47.96 | 81.16 | 1.69 |
| 2012-13 | 8,992 | 465,603 | 40,638 | 51.78 | 90.39 | 1.75 |
| 2011-12 | 9,163 | 435,699 | 36,317 | 47.55 | 79.27 | 1.67 |
| 2010-11 | 7,500 | 472,500 | 38,991 | 63.00 | 103.98 | 1.65 |
| 2009-10 | 7,076 | 317,005 | 29,323 | 44.80 | 82.88 | 1.85 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.25. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| CAPIZ/PILAR MILL DISTRICT | | | | | | |
|---------------------------|----------------|----------------|--------------|----------------|-----------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 1388 | 76.94% | 1388 | 76.94% | 3,472.00 | 38.58% |
| 5.01 - 10.00 | 289 | 16.02% | 289 | 16.02% | 2,024.00 | 22.49% |
| 10.01 -25.00 | 86 | 4.77% | 86 | 4.77% | 1,554.00 | 17.27% |
| 25.01 - 50.00 | 31 | 1.72% | 31 | 1.72% | 952.00 | 10.58% |
| 50.01 - 100.00 | 8 | 0.44% | 8 | 0.44% | 628.00 | 6.98% |
| 100.01 & Above | 2 | 0.11% | 2 | 0.11% | 370.00 | 4.11% |
| TOTAL | 1,804 | 100.00% | 1,804 | 100.00% | 9,000.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

La Carlota Mill District – Negros Occidental, Region VI

La Carlota mill district covers the municipalities of La Carlota City, La Castellana and Pontevedra of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 18,684 hectares with a total sugar production of 139,643 tons which constituted 5.72% of the national production. Sugar sharing scheme of the mill district is 65% planters' share and 35% miller's share. Its farm productivity of 74.62 TC/Ha ranked 2nd among the mill districts in Negros Occidental, next to Silay mill district with 76.82 TC/Ha. In terms of sugar yield of 2.00 LKg/TC, it ranked 4th compared to the highest 2.20 LKg/TC of Silay mill district. In crop year 2011-12, it recorded a total of 2,295 farmers of which 88% are small farmers.

CY 2013-2014 farm profile data of La Carlota mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 2,323 farmers

where 81.92% are farming less than 5 hectares which constitutes 15.02% of the total sugarcane plantations of the mill district.

The mill district has one sugar mill, the Central Azucarera La Carlota Inc. (CACI). CACI having a capacity utilization of 58.01% of its rated capacity of 18,000 tons cane per day (TCD) and a reduced overall sugar recovery of 88.41% against the standard overall recovery of 80.09% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. Like other mills in Negros, the mill lacks the supply of sugarcane to maximize its production capacity.

The challenges faced by the mill district are the lack of sugarcane HYV nursery as source of better canepoints, high fertilizer prices, lack of irrigation and drainage equipment, scarcity of farm labor, thus, there is a need for new farm mechanization equipment such as trucks, harvesters, cane loaders and tractors, farm roads need rehabilitation into permanent roads and lack of financial assistance to small farmers.

Table 2.26. Performance of La Carlota Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 18,684 | 1,394,133 | 139,643 | 74.62 | 149.48 | 2.00 |
| 2012-13 | 18,592 | 1,332,675 | 143,185 | 71.68 | 154.03 | 2.15 |
| 2011-12 | 18,592 | 1,199,184 | 121,127 | 64.50 | 130.30 | 2.02 |
| 2010-11 | 16,335 | 1,257,795 | 118,235 | 77.00 | 144.76 | 1.88 |
| 2009-10 | 16,335 | 1,029,105 | 102,388 | 63.00 | 125.36 | 1.99 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.27. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| LA CARLOTA MILL DISTRICT, Negros Occ. | | | | | | |
|---------------------------------------|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 1,903 | 81.92% | 1,926 | 82.10% | 2,806.72 | 15.02% |
| 5.01 - 10.00 | 150 | 6.46% | 150 | 6.39% | 1,458.67 | 7.81% |
| 10.01 -25.00 | 120 | 5.17% | 120 | 5.12% | 1,986.45 | 10.63% |
| 25.01 - 50.00 | 70 | 3.01% | 70 | 2.98% | 2,531.18 | 13.55% |
| 50.01 - 100.00 | 50 | 2.15% | 50 | 2.13% | 3,499.03 | 18.73% |
| 100.01 & Above | 30 | 1.29% | 30 | 1.28% | 6,401.95 | 34.26% |
| TOTAL | 2,323 | 100.00% | 2,346 | 100.00% | 18,684.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Ma-ao Mill District – Negros Occidental, Region VI

Ma-ao mill district is located in the Central Negros area which covers the municipalities of Bago City, Valladolid, Pulupandan and San Enrique of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 10,200 hectares with a total sugar production of 69,258 tons which constituted 2.84% of the national production. Sugar sharing scheme depends on the sharing scheme of nearby sugar mill that the farmers may bring their sugarcane for milling because the mill district has no sugar mill. Its farm productivity of 70 TC/Ha ranked 4th among the mill districts in Negros Occidental, next to Binalbagan mill district of 74.34 TC/Ha, La Carlota mill district of 74.62 and Silay mill district with 76.82 TC/Ha. In crop year 2011-2012, it recorded a total of 1,053 farmers of which 86% are small farmers.

CY 2013-2014 farm profile data of MA-AO mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 5,103 farmers where 93.38% are farming less than 5 hectares which constitutes 49.60% of the total sugarcane plantations of the mill district.

Common problems shared by the mill district with the rest are the lack of sugarcane HYV nurseries as source of better canepoints, lack of financing for bio-organic fertilizer production to partly resolve the problem of high chemical fertilizer costs, the

need for a liming program coupled with soils analysis, lack of irrigation and drainage equipment, lack of financing for the repair of worn-out tractors and for the acquisition of new farm mechanization equipment such as trucks and tractors, rehabilitation of farm roads into permanent roads and lack of financial assistance to small farmers.

Table 2.28. Performance of Ma-ao Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 10,200 | 714,000 | 69,258 | 70.00 | 135.80 | 1.94 |
| 2012-13 | 10,098 | 712,111 | 72,102 | 70.52 | 142.81 | 2.03 |
| 2011-12 | 10,075 | 654,900 | 65,451 | 65.00 | 129.93 | 2.00 |
| 2010-11 | 10,063 | 674,221 | 64,725 | 67.00 | 128.64 | 1.92 |
| 2009-10 | 10,045 | 602,700 | 62,270 | 60.00 | 120.00 | 2.00 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.29. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| MA-AO MILL DISTRICT, Negros Occ. | | | | | | |
|---|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 4,765 | 93.38% | 4,808 | 93.36% | 5,059.20 | 49.60% |
| 5.01 - 10.00 | 102 | 2.00% | 104 | 2.02% | 852.80 | 8.36% |
| 10.01 -25.00 | 164 | 3.21% | 154 | 2.99% | 1,326.00 | 13.00% |
| 25.01 - 50.00 | 48 | 0.94% | 52 | 1.01% | 1,432.00 | 14.04% |
| 50.01 - 100.00 | 19 | 0.37% | 27 | 0.52% | 918.00 | 9.00% |
| 100.01 & Above | 5 | 0.10% | 5 | 0.10% | 612.00 | 6.00% |
| TOTAL | 5,103 | 100.00% | 5150 | 100.00% | 10,200.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Bacolod-Murcia / First Farmers Mill District – Negros Occidental, Region VI

Bacolod-Murcia/First Farmers mill district covers the cities and municipalities of Talisay City, Bacolod City, Murcia and Don Salvador Benedicto of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 21,000 hectares with a total sugar production of 152,334 tons which constituted 6.24% of the national production. Sugar sharing scheme of the mill district is 70%

planters' share and 30% miller's share. It has a cane yield of 69.75 TC/Ha, a sugar yield 145.08 LKg/Ha and 2.08 LKg/TC. In crop year 2011-2012, it recorded a total of 572 farmers of which 35% are small farmers.

CY 2013-2014 farm profile data of Bacolod-Murcia/First Farmers mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 596 farmers where 22.99% are farming less than 5 hectares which constitutes 5.09% of the total sugarcane plantations of the mill district.

The mill district has one sugar mill, the First Farmers Holdings Corp. (FFHC) which is owned and operated by a farmers cooperative. FFHC had a capacity utilization of 69.54% of its rated capacity of 4,800 tons cane per day (TCD) and an actual reduced overall sugar recovery of 86.41% against the standard overall recovery of 81.03% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. The mill lacks sugarcane supply to maximize its production capacity.

The major challenges of the mill district are the lack of sugarcane HYV nurseries as source of better canepoints, high fertilizer prices, the need for better/permanent farm roads, lack of funds for the acquisition of new farm machinery such as tractors, trucks, cane loaders and mechanical harvesters and lack of financial assistance to small farmers in cultivating their sugarcane farms. The district recommends soil mapping and establishment of soils laboratory to be able to apply the right amount of fertilizer and the appropriate soil ameliorants. The farms in the district need irrigation, however, there is no water source for irrigation and the farmers just depend on rainfall.

The fragmentation of sugarcane plantations became a major problem for the mill district taking into account the financial and technical capability of the ARBS in running the farm operations efficiently. The small farmers need to be capacitated on best practices in sugarcane growing especially the ARBs who used to be dedicated farm workers who are under the supervision of farm managers.

Table 2.30. Performance of Bacolod-Murcia / First Farmers Mill District

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 21,000 | 1,464,750 | 3,046,680 | 69.75 | 145.08 | 2.08 |
| 2012-13 | 20,894 | 1,415,390 | 150,182 | 67.74 | 14 | 2.12 |
| 2011-12 | 20,894 | 1,347,663 | 129,543 | 64.50 | 124.00 | 1.92 |
| 2010-11 | 20,694 | 1,552,464 | 143,603 | 75.02 | 138.79 | 1.85 |
| 2009-10 | 20,659 | 1,280,858 | 130,792 | 62.00 | 126.62 | 2.04 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.31. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| FIRST FARMERS/ BACOLOD-MURCIA MILL DISTRICT, Negros Occ. | | | | | | |
|---|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 137 | 22.99% | 148 | 22.98% | 1,093.79 | 5.09% |
| 5.01 - 10.00 | 90 | 15.10% | 95 | 14.75% | 754.00 | 3.51% |
| 10.01 -25.00 | 111 | 18.62% | 115 | 17.86% | 2,006.00 | 9.33% |
| 25.01 - 50.00 | 122 | 20.47% | 127 | 19.72% | 4,861.00 | 22.61% |
| 50.01 - 100.00 | 98 | 16.44% | 110 | 17.08% | 7,268.00 | 33.80% |
| 100.01 & Above | 38 | 6.38% | 49 | 7.61% | 5,519.00 | 25.67% |
| TOTAL | 596 | 100.00% | 644 | 100.00% | 21,501.79 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Hawaiian-Philippines /Silay Mill District – Negros Occidental, Region VI

Hawaiian-Philippines/Silay mill district covers the city/municipality of Silay City and EB Magalona of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 12,490 hectares with a total sugar production of 105,543 tons which constituted 4.33% of the national production. Sugar sharing scheme of the mill district is 70% planters' share and 30% miller's share. It had a cane yield of 76.82 TC/Ha, a sugar yield of 169 LKg/Ha and 2.20 LKg/TC which was the highest cane and sugar yield in CY 2013-14. The mill district has the most efficient sugarcane farms in Negros. In crop year 2011-2012, it recorded a total of 530 farmers of which 62% are small farmers.

CY 2013-2014 farm profile data of Hawaiian-Philippines/Silay mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 612 farmers where 51.31% are farming less than 5 hectares which constitutes 6.19% of the total sugarcane plantations of the mill district.

The mill district has one sugar mill, the Hawaiian-Philippines Co. (HPCO) having a capacity utilization of 57.92% of its rated capacity of 7,500 tons cane per day (TCD) and a reduced overall sugar recovery of 87.52% against the standard overall recovery of 82.93% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. The mill was also underutilized due to the lack of sugarcane supply.

The fragmentation of sugarcane plantations became a major problem for the mill district taking into account the financial and technical capability of the ARBs in running farm operations efficiently. The small farmers also need to be capacitated on best practices in sugarcane growing especially the ARBs who used to be dedicated farm workers who were previously under the supervision of farm managers. Sugar production is also threatened by big investors who might lease the farms at higher price to be planted with other crops. Another challenge is the imposition of so many additional fees and taxes by BIR which add up to farmers' costs and the requirement of invoices and receipts on sugar sales even to small farmers.

Table 2.32. Performance of HPCO/Silay Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 12,490 | 959,482 | 105,543 | 76.82 | 169.00 | 2.20 |
| 2012-13 | 11,700 | 890,220 | 98,814 | 76.09 | 168.91 | 2.22 |
| 2011-12 | 11,724 | 828,970 | 86,857 | 70.71 | 148.17 | 2.10 |
| 2010-11 | 11,500 | 1,111,590 | 106,713 | 96.66 | 185.59 | 1.92 |
| 2009-10 | 11,524 | 783,632 | 86,274 | 68.00 | 149.73 | 2.20 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.33. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| HAWAIIAN-PHILIPPINES/SILAY MILL DISTRICT, Negros Occ. | | | | | | |
|---|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 314 | 51.31% | 316 | 49.45% | 773.00 | 6.19% |
| 5.01 - 10.00 | 71 | 11.60% | 73 | 11.42% | 600.00 | 4.80% |
| 10.01 -25.00 | 75 | 12.25% | 87 | 13.62% | 1,717.00 | 13.75% |
| 25.01 - 50.00 | 91 | 14.87% | 102 | 15.96% | 3,747.00 | 30.00% |
| 50.01 - 100.00 | 45 | 7.35% | 45 | 7.04% | 3,223.00 | 25.80% |
| 100.01 & Above | 16 | 2.61% | 16 | 2.50% | 2,430.00 | 19.46% |
| TOTAL | 612 | 100.00% | 639 | 100.00% | 12,490.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Victorias Mill District – Negros Occidental, Region VI

Victorias mill district covers the cities/municipality of Cadiz City, Victorias City and Manapla of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 31,518 hectares with a total sugar production of 235,175 tons which constituted 9.64% of the national production. It was the biggest sugarcane-producing district in Negros and second to Bukidnon in the national level. Sugar sharing scheme of the mill district is 69.5% planters' share and 30.5% miller's share. It had a cane yield of 69.04 TC/Ha, a sugar yield of 149.23 LKg/Ha and 2.16 LKg/TC. In crop year 2011-2012, it recorded a total of 733 farmers of which 67% are small farmers.

CY 2013-2014 farm profile data of Victorias mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 3,650 farmers where 63.67% are farming less than 5 hectares which constitutes 21.00% of the total sugarcane plantations of the mill district.

There are two organized block farms in Cadiz City, Paraiso and Hda. Bernardita MPCs which received funding from LBP for CY 2013-2014 farm operations. Hda. Bernardita is already operational in CY 2013-2014 with 42 enrollees owning 32 hectares of farms while Paraiso is partially operational as it committed 10 hectares only equivalent to the farm area funded by LBP. However, processing and release of loans from LBP is always delayed due to existing and overdue loans of block farm

enrollees. Validation of farm areas and enrollees is still on-going for Paraiso block farm as of CY 2013-2014.

The mill district has one sugar mill, the Victorias Milling Co. (VICMICO) having a capacity utilization of 80.80% of its rated capacity of 15,000 tons cane per day (TCD) and a reduced overall sugar recovery of 85.71% against the standard overall recovery of 83.38% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. Its capacity utilization is the highest among the sugar mills in the country.

The planters in the mill district identified CARP as their major problem plus the high cost of production. It is recommended that the CARP beneficiaries shall tie up or lease their farms to their former owners to keep the productivity levels of the farms.

Table 2.34. Performance of Victorias Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 31,518 | 2,175,057 | 4,703,508 | 69.04 | 149.23 | 2.16 |
| 2012-13 | 31,312 | 2,134,415 | 234,182 | 68.17 | 149.58 | 2.19 |
| 2011-12 | 27,000 | 1,714,023 | 178,970 | 63.48 | 132.57 | 2.09 |
| 2010-11 | 24,821 | 2,035,322 | 185,214 | 82.00 | 149.24 | 1.82 |
| 2009-10 | 24,821 | 1,536,539 | 161,337 | 61.90 | 130.00 | 2.10 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.35. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| VICTORIAS MILL DISTRICT, Negros Occ. | | | | | | |
|--------------------------------------|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 2324 | 63.67% | 2324 | 64.02% | 6,618.77 | 21.00% |
| 5.01 - 10.00 | 996 | 27.29% | 996 | 27.44% | 5,673.23 | 18.00% |
| 10.01 -25.00 | 120 | 3.29% | 103 | 2.84% | 5,358.05 | 17.00% |
| 25.01 - 50.00 | 83 | 2.27% | 80 | 2.20% | 5,988.41 | 19.00% |
| 50.01 - 100.00 | 62 | 1.70% | 62 | 1.71% | 3,151.79 | 10.00% |
| 100.01 & Above | 65 | 1.78% | 65 | 1.79% | 4,727.69 | 15.00% |
| TOTAL | 3650 | 100.00% | 3630 | 100.00% | 31,517.94 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Lopez Mill District – Negros Occidental, Region VI

Lopez mill district covers Escalante City, a portion of Cadiz City and Sagay City of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 13,510 hectares with a total sugar production of 94,146 tons which constituted 3.86% of the national production. Sugar sharing scheme of the mill district is 70% planters' share and 30% miller's share. Its cane yield was 68.32 TC/Ha, a sugar yield of 139.37 LKg/Ha and 2.04 LKg/TC. In crop year 2011-2012, it recorded a total of 492 farmers of which 58% are small farmers.

CY 2013-2014 farm profile data of Lopez mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 716 farmers where 59.78% are farming less than 5 hectares which constitutes 4.37% of the total sugarcane plantations of the mill district.

The mill district has one sugar mill, the Lopez Sugar Corporation having a capacity utilization of 79.12% of its rated capacity of 7,000 tons cane per day (TCD) and a reduced overall sugar recovery of 89.25% against the standard overall recovery of 81.68% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. In terms of capacity utilization, the mill was running at higher capacity compared to the Negros average of 57.51% and Philippine average of 58.12%. In terms of reduced overall sugar recovery, it was higher than the Negros average of 88.32% and the 86.75% national average.

The planters in the mill district projected a decline in sugar production due to land reform because the ARBs have no financial and technical capability to operate sugarcane farms. The mill district needs a massive production of sugarcane high-yielding varieties and the conduct of yield verification trials at least 5 varieties at 0.4 hectare each. A tractor pool program is needed by the district to cater to the needs of the small farmers. Labor shortage is another problem in the mill district. A government financing scheme with counterpart funding by the planters cooperatives for the acquisition of cane loaders and harvesting equipment is needed. There is also a need for SRA and DA-ATI to intensify the provision of leadership trainings and transfer of technologies to the farmers in the mill district. The block farms and small farmers requested for more farmers' trainings and seminars for running a cooperative and livelihood projects.

With respect to the bioethanol program of the government, the sugar mill needs a definite SRA policy on the allocation of sugarcane for bioethanol. The mill is also interested to invest in bioethanol, however, the risk is high for the mill to invest with an unstable policy environment.

Table 2.36. Performance of Lopez Mill District

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 13,510 | 923,003 | 94,146 | 68.32 | 139.37 | 2.04 |
| 2012-13 | 13,010 | 766,582 | 80,491 | 58.92 | 123.74 | 2.10 |
| 2011-12 | 12,355 | 772,214 | 75,986 | 62.50 | 123.00 | 1.97 |
| 2010-11 | 12,268 | 821,956 | 78,086 | 67.00 | 127.30 | 1.90 |
| 2009-10 | 12,268 | 664,440 | 65,401 | 54.16 | 106.62 | 1.97 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.37. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| LOPEZ MILL DISTRICT, Negros Occ. | | | | | | |
|---|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 428 | 59.78% | 450 | 56.25% | 590.60 | 4.37% |
| 5.01 - 10.00 | 88 | 12.29% | 97 | 12.13% | 842.80 | 6.24% |
| 10.01 -25.00 | 95 | 13.27% | 130 | 16.25% | 2,162.66 | 16.01% |
| 25.01 - 50.00 | 50 | 6.98% | 63 | 7.88% | 3,043.30 | 22.52% |
| 50.01 - 100.00 | 40 | 5.59% | 42 | 5.25% | 3,554.00 | 26.30% |
| 100.01 & Above | 15 | 2.09% | 18 | 2.25% | 3,317.44 | 24.55% |
| TOTAL | 716 | 100.00% | 800 | 100.00% | 13,510.80 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Sagay-Danao Mill District – Negros Occidental, Region VI

Sagay-Danao mill district covers Calatrava, Toboso and a portion of Escalante City and Sagay City of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 16,763 hectares with a total sugar production of 108,956 tons which constituted 4.47% of the national production. Sugar sharing scheme of the mill

district is 70% planters' share and 30% miller's share. Its cane yield was 68.42 TC/Ha, a sugar yield of 130.00 LKg/Ha and 1.90 LKg/TC. In crop year 2011-2012, it recorded a total of 1,439 farmers of which 74% are small farmers.

CY 2013-2014 farm profile data of Sagay-Danao mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 3,801 farmers where 84.79% are farming less than 5 hectares which constitutes 27.07% of the total sugarcane plantations of the mill district.

The mill district has one sugar mill, the Sagay Central Inc. (SCI) and one muscovado mill, Organic Product in the Island of Negros Multi-Purpose Cooperative (OPTION-MPC). SCI had a capacity utilization of 47.19% of its rated capacity of 4,000 tons cane per day (TCD) and a reduced overall sugar recovery of 90.59% against the standard overall recovery of 78.77% while OPTION-MPC had a capacity utilization of 48.88% of its rated capacity of 500 TCD and a reduced overall recovery of 86.31% against the standard overall recovery of 78.62%, based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories.

Major problem of the mill district is farm-to-mill roads where 300 kilometers need rehabilitation and only 50 kilometers are in good condition. Bad road conditions caused delay in harvesting and hauling the sugarcane to the mills. The priority roads in the mill district were already surveyed and identified and waiting for government funding to rehabilitate. The identified priority road network is located in Toboso, crossing Cabalas to Bandila with a total length of 3.0 kilometers.

Table 2.38. Performance of Sagay-Danao Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 16,763 | 1,146,902 | 108,956 | 68.42 | 130.00 | 1.90 |
| 2012-13 | 16,000 | 960,800 | 90,770 | 60.05 | 113.46 | 1.89 |
| 2011-12 | 16,000 | 1,016,000 | 90,400 | 63.50 | 113.00 | 1.78 |
| 2010-11 | 15,190 | 1,018,327 | 92,816 | 67.04 | 122.21 | 1.82 |
| 2009-10 | 15,190 | 817,381 | 79,694 | 53.81 | 104.93 | 1.95 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.39. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| SAGAY / DANA O MILL DISTRICT, Negros Occ. | | | | | | |
|--|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 3,223 | 84.79% | 3,693 | 86.02% | 4,512.73 | 27.07% |
| 5.01 - 10.00 | 356 | 9.37% | 370 | 8.62% | 2,627.48 | 15.76% |
| 10.01 -25.00 | 98 | 2.58% | 102 | 2.38% | 1,678.83 | 10.07% |
| 25.01 - 50.00 | 98 | 2.58% | 98 | 2.28% | 4,079.59 | 24.47% |
| 50.01 - 100.00 | 18 | 0.47% | 20 | 0.47% | 1,433.37 | 8.60% |
| 100.01 & Above | 8 | 0.21% | 10 | 0.23% | 2,341.00 | 14.04% |
| TOTAL | 3,801 | 100.00% | 4,293 | 100.00% | 16,673.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

BISCOM / Binalbagan-Isabela Mill District – Negros Occidental, Region VI

BISCOM mill district covers Binalbagan, Himamaylan City, Hinigaran, Moises Padilla and Isabela of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 28,725 hectares with a total sugar production of 210,817 tons which constituted 8.64% of the national production. Sugar sharing scheme of the mill district is 70% planters' share and 30% miller's share. Its cane yield was 74.34 TC/Ha, a sugar yield of 146.78 LKg/Ha and 1.97 LKg/TC. In crop year 2011-2012, it recorded a total of 2,467 farmers of which 75% are small farmers.

CY 2013-2014 farm profile data of Biscom / Binalbagan-Isabela mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 2,572 farmers where 58.32% are farming less than 5 hectares which constitutes 12.61% of the total sugarcane plantations of the mill district.

The mill district has one sugar mill, the Binalbagan-Isabela Sugar Company (BISCOM) having a capacity utilization of 72.01% of its rated capacity of 14,000 tons cane per day (TCD) and a reduced overall sugar recovery of 87.32% against the standard overall recovery of 81.49% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. In terms of capacity utilization, the mill still needs additional sugarcane supply to maximize its production capacity although it is running at higher capacity compared to the Negros average of 57.51% and Philippine average of 58.12%.

Table 2.40. Performance of BISCOM/Binalbagan-Isabela Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 28,725.00 | 2,135,446.00 | 210,817.37 | 74.34 | 146.78 | 1.97 |
| 2012-13 | 28,500.00 | 1,991,519.00 | 198,454.64 | 69.88 | 139.27 | 1.99 |
| 2011-12 | 28,000.00 | 1,932,000.00 | 177,800.00 | 69.00 | 127.00 | 1.84 |
| 2010-11 | 25,484.00 | 1,962,268.00 | 174,641.85 | 77.00 | 137.06 | 1.78 |
| 2009-10 | 25,412.00 | 1,517,136.00 | 160,019.00 | 59.70 | 125.94 | 2.11 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.41. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| BISCOM / Binalbagan-Isabela MILL DISTRICT, Negros Occ. | | | | | | |
|---|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 1500 | 58.32% | 1500 | 60.48% | 3,592.92 | 12.61% |
| 5.01 - 10.00 | 350 | 13.61% | 350 | 14.11% | 2,762.78 | 9.69% |
| 10.01 -25.00 | 370 | 14.39% | 370 | 14.92% | 4,257.05 | 14.94% |
| 25.01 - 50.00 | 140 | 5.44% | 140 | 5.65% | 4,982.92 | 17.48% |
| 50.01 - 100.00 | 165 | 6.42% | 73 | 2.94% | 5,054.09 | 17.73% |
| 100.01 & Above | 47 | 1.83% | 47 | 1.90% | 7,850.24 | 27.54% |
| TOTAL | 2,572 | 100.00% | 2,480 | 100.00% | 28,500.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

SONEDCO Mill District – Negros Occidental, Region VI

SONEDCO mill district covers Cauayan, Ilog and Kabankalan City of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 12,755 hectares with a total sugar production of 83,190 tons which constituted 3.41% of the national production. Sugar sharing scheme of the mill district is 70% planters' share and 30% miller's share. Its cane yield was 65.22 TC/Ha, a sugar yield of 130.44 LKg/Ha and 2.00 LKg/TC. In crop year 2011-2012, it recorded a total of 2,514 farmers of which 94% are small farmers.

CY 2013-2014 farm profile data of SONEDCO mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 2,514 farmers where 88.42% are farming less than 5 hectares which constitutes 41.00% of the total sugarcane plantations of the mill district.

The mill district has one sugar mill, the URC-Southern Negros Corporation (URC-SONEDCO) having a capacity utilization of 75.92% of its rated capacity of 10,000 tons cane per day (TCD) and a reduced overall sugar recovery of 87.66% against the standard overall recovery of 82.10% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. The mill is also underutilized and needs more sugarcane to maximize its production capacity.

The planters in the mill district considered land reform as a threat to the productivity of sugarcane in the district because the ARBs have no financial and technical capability to operate sugarcane farms. The imposition of new BIR regulations on the issuance of invoices and receipts for the sale of sugar and new fees and taxes add up to the cost of production of the small farmers. Getting tax exemption is a tedious process for the small farmers.

Table 2.42. Performance of SONEDCO Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 12,755.00 | 831,896.00 | 83,189.56 | 65.22 | 130.44 | 2.00 |
| 2012-13 | 12,160.00 | 765,118.50 | 74,530.05 | 62.92 | 122.58 | 1.95 |
| 2011-12 | 12,160.00 | 784,320.00 | 76,000.00 | 64.50 | 125.00 | 1.94 |
| 2010-11 | 10,057.00 | 703,889.43 | 63,350.05 | 69.99 | 125.98 | 1.80 |
| 2009-10 | 10,057.00 | 664,879.00 | 59,839 | 66.11 | 119.00 | 1.80 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.43. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| SONEDCO MILL DISTRICT/Dacongcogon, Negros Occ. | | | | | | |
|--|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 2,223 | 88.42% | 2,223 | 88.42% | 5,229.00 | 41.00% |
| 5.01 - 10.00 | 140 | 5.57% | 140 | 5.57% | 1,687.00 | 13.23% |
| 10.01 -25.00 | 93 | 3.70% | 93 | 3.70% | 1,722.00 | 13.50% |
| 25.01 - 50.00 | 36 | 1.43% | 36 | 1.43% | 1,366.00 | 10.71% |
| 50.01 - 100.00 | 15 | 0.60% | 15 | 0.60% | 970.00 | 7.60% |
| 100.01 & Above | 7 | 0.28% | 7 | 0.28% | 1,781.00 | 13.96% |
| TOTAL | 2,514 | 100.00% | 2,514 | 100.00% | 12,755.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Dacongcogon Mill District – Negros Occidental, Region VI

Dacongcogon mill district covers some barangays in Candoni, Ilog, Cauayan and Kabankalan City of Negros Occidental. In crop year 2013-14, the mill district had a total sugarcane area of 10,800 hectares with a total sugar production of 52,510 tons which constituted 2.15% of the national production. Sugar sharing scheme of the mill district is 70% planters' share and 30% miller's share based on the sharing scheme of SONEDCO where the planters usually deliver their canes. Its cane yield was 52.00 TC/Ha, a sugar yield of 97.24 LKg/Ha and 1.87 LKg/TC. In crop year 2011-2012, it recorded a total of 2,533 farmers of which 92.26% are small farmers. It is the least productive mill district in Negros Occidental.

CY 2013-2014 farm profile data of Dacongcogon mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 2,747 farmers where 91.55% are farming less than 5 hectares which constitutes 65.00% of the total sugarcane plantations of the mill district.

The mill district has no sugar mill and usually sugarcane of the mill district is delivered to URC-SONEDCO which is the nearest sugar mill. The mill district has no Mill District Development Council Foundation, Inc. because it was dissolved upon the

closure of its sugar mill in crop year 2008-09. The Dacongogon sugar mill was foreclosed by the Philippine National Bank.

Major constraint in the mill district is the absence of a sugar mill that would process their sugarcane. The farmers were requesting the government to reopen the sugar mill in Dacongogon which was foreclosed by the Philippine National Bank (PNB) because the farmers incurred high hauling costs in delivering their canes to distant sugar mills. Most farms in the district are in the uplands, hence, trucks for the small farmers are much needed assistance on logistics support. The mill district needs a massive production of sugarcane high-yielding varieties and the conduct of yield verification trials of at least five varieties at 0.4 hectare each.

Table 2.44. Performance of Dacongogon Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 10,800.00 | 561,600.00 | 52,509.60 | 52.00 | 97.24 | 1.87 |
| 2012-13 | 10,300.00 | 507,250.00 | 50,670.38 | 49.25 | 98.39 | 2.00 |
| 2011-12 | 10,300.00 | 509,850.00 | 47,895.00 | 49.50 | 93.00 | 1.88 |
| 2010-11 | 9,800.00 | 578,200.00 | 52,427.10 | 59.00 | 106.99 | 1.81 |
| 2009-10 | 9,800.00 | 433,854.00 | 41,650.00 | 44.27 | 85.00 | 1.92 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.45. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| DACONGCOGON MILL DISTRICT, Negros Occ. | | | | | | |
|---|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 2,515 | 91.55% | 2,615 | 90.64% | 7,020.00 | 65.00% |
| 5.01 - 10.00 | 200 | 7.28% | 210 | 7.28% | 1,620.00 | 15.00% |
| 10.01 -25.00 | 15 | 0.55% | 35 | 1.21% | 862.00 | 7.98% |
| 25.01 - 50.00 | 10 | 0.36% | 15 | 0.52% | 649.00 | 6.01% |
| 50.01 - 100.00 | 7 | 0.25% | 10 | 0.35% | 649.00 | 6.01% |
| 100.01 & Above | | 0.00% | | 0.00% | | 0.00% |
| TOTAL | 2,747 | 100.00% | 2,885 | 100.00% | 10,800.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

San Carlos Mill District – Negros Occidental & Negros Oriental, Region VI & VII

San Carlos mill district covers San Carlos City and Calatrava of Negros Occidental, and Canlaon City, Guihulngan and Vallehermoso of Negros Oriental. In crop year 2013-14, the mill district had a total sugarcane area of 11,190 hectares with a total sugar production of 72,880 tons which constituted 2.99% of the national production. Sugar sharing scheme of the mill district is 70% planters' share and 30% miller's share. Its cane yield was 66.26 TC/Ha, a sugar yield of 130.26 LKg/Ha and 1.97 LKg/TC. In crop year 2011-2012, it recorded a total of 1,126 farmers of which 83.75% are small farmers.

CY 2013-2014 farm profile data of San Carlos mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 1,938 farmers where 83.90% are farming less than 5 hectares which constitutes 24.55% of the total sugarcane plantations of the mill district.

The mill district has no sugar mill, however, it has one bioethanol distillery named San Carlos Bioenergy Inc. (SCBI) with an annual rated capacity of 40,000 liters bioethanol. Farmers in the mill district either send their sugarcane to neighboring sugar mills or deliver it to SCBI. In crop year 2012-2013, SCBI milled the sugarcane and delivered the sugar syrup to Sagay Central or other nearby sugar mills. SCBI shifted to using molasses for bioethanol production but when it started operation in 2009, sugarcane was initially used as feedstock for its bioethanol distillery. When prices of sugar went up in 2010, SCBI stopped using sugarcane and used molasses which is a more viable feedstock at that time. Currently, the distillery is using both sugarcane and molasses in sustaining its operation.

The mill district needs a massive production of sugarcane high-yielding varieties. In crop year 2013-2014, the mill district is maintaining one nursery for the CARP beneficiaries. Labor shortage is another problem in the mill district. Farm mechanization program is the best solution like the acquisition of tractors and trucks that will be operated by San Carlos MDDCFI to be able to cater to the needs of the small farmers in the district.

Table 2.46. Performance of San Carlos Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 11,190.00 | 741,472.00 | 72,879.85 | 66.26 | 130.26 | 1.97 |
| 2012-13 | 10,274.00 | 692,287.00 | 69,349.96 | 67.38 | 135.00 | 2.00 |
| 2011-12 | 10,152.00 | 649,728.00 | 64,973.00 | 64.00 | 128.00 | 2.00 |
| 2010-11 | 10,152.00 | 702,726.59 | 64,650.75 | 69.22 | 127.37 | 1.84 |
| 2009-10 | 6,928.00 | 401,824.00 | 42,708.00 | 58.00 | 123.29 | 2.13 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.47. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| SAN CARLOS MILL DISTRICT, Negros Occ. | | | | | | |
|---------------------------------------|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 1,626 | 83.90% | 1,623 | 82.85% | 2,522.58 | 24.55% |
| 5.01 - 10.00 | 133 | 6.86% | 138 | 7.04% | 945.88 | 9.21% |
| 10.01 -25.00 | 112 | 5.78% | 112 | 5.72% | 1,645.81 | 16.02% |
| 25.01 - 50.00 | 44 | 2.27% | 50 | 2.55% | 1,400.76 | 13.63% |
| 50.01 - 100.00 | 14 | 0.72% | 17 | 0.87% | 1,091.05 | 10.62% |
| 100.01 & Above | 9 | 0.46% | 19 | 0.97% | 2,667.92 | 25.97% |
| TOTAL | 1,938 | 100.00% | 1,959 | 100.00% | 10,274.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Tolong Mill District – Negros Oriental, Region VII

Tolong mill district covers Sta. Catalina, Basay, Siaton and Bayawan City of Negros Oriental. In crop year 2013-14, the mill district had a total sugarcane area of 9,025.00 hectares with a total sugar production of 43,652 tons which constituted 1.79% of the national production. Sugar sharing scheme of the mill district is 68% planters' share and 32% miller's share. Its cane yield was 50.79 TC/Ha, a sugar yield of 96.74 LKg/Ha and 1.90 LKg/TC. In crop year 2011-2012, it recorded a total of 3,582 farmers of which 96.62% are small farmers. The mill district has potential areas for expansion which is around 13,500 hectares.

CY 2013-2014 farm profile data of Tolong mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 3,688 farmers where 90.08% are farming less than 5 hectares which constitutes 37.95% of the total sugarcane plantations of the mill district.

The mill district has one sugar mill, URC-Tolong Sugar Mill having a capacity utilization of 62.86% of its rated capacity of 3,000 tons cane per day (TCD) and a reduced overall sugar recovery of 84.27% against the standard overall recovery of 81.56% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. The mill was formerly owned by Herminio Teves and Co. but was later sold to URC and it needs more sugarcane supply to improve its capacity utilization.

The soil in the mill district is already acidic which is conducive to white grubs infestation and because of the investment required for liming the soil, the district would like to seek assistance from government in terms of liming subsidy. The planters in the district also noted the need for yield verification trials to establish the best suited HYV variety in the district. The district also lacks farm mechanization equipment like tractors, planting machines, cane loading equipment, irrigation equipment and needs rehabilitation of artery road networks leading to sugarcane farms.

Table 2.48. Performance of Tolong Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 9,025.00 | 458,336.00 | 43,652.40 | 50.79 | 96.74 | 1.90 |
| 2012-13 | 8,805.00 | 418,392.86 | 38,596.74 | 47.52 | 87.67 | 1.85 |
| 2011-12 | 8,740.00 | 431,044.00 | 37,315.00 | 49.32 | 85.39 | 1.73 |
| 2010-11 | 8,310.00 | 506,910.00 | 41,820.08 | 61.00 | 100.65 | 1.65 |
| 2009-10 | 9,332.00 | 368,176.00 | 34,696.00 | 39.45 | 74.36 | 1.88 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.49. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| TOLONG MILLDISTRCT, Negros Oriental | | | | | | |
|-------------------------------------|----------------|-----------------|--------------|-----------------|-----------------|-----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | No. of Farms |
| Below 5.00 Has. | 3,322 | 90.08% | 3,401 | 89.90% | 3,425.00 | 37.95% |
| 5.01 - 10.00 | 215 | 5.83% | 225 | 5.95% | 1,160.00 | 12.85% |
| 10.01 -25.00 | 86 | 2.33% | 90 | 2.38% | 1,180.00 | 13.07% |
| 25.01 - 50.00 | 36 | 0.98% | 37 | 0.98% | 1,110.00 | 12.30% |
| 50.01 - 100.00 | 19 | 0.52% | 20 | 0.53% | 1,100.00 | 12.19% |
| 100.01 & Above | 10 | 0.27% | 10 | 0.26% | 1,050.00 | 11.63% |
| TOTAL | 3,688 | 100.00 % | 3,783 | 100.00 % | 9,025.00 | 100.00 % |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Bais-Ursumco Mill District - Negros Oriental, Region VII

Bais-Ursumco mill district covers Amlan, Dumaguete City, Ayungon, Bais City, Bindoy, Dauin, Jimalalud, La Libertad, Mabinay, Manjuyod, Pamplona, San Jose, Sibulan, Tayasan, Tanjay City and Valencia of Negros Oriental. In crop year 2013-14, the mill district had a total sugarcane area of 26,836 hectares with a total sugar production of 147,527 tons which constituted 6.05% of the national production. Sugar sharing scheme of the mill district is 66.5% planters' share and 33.5% miller's share. Its cane yield was 56.28 TC/Ha, a sugar yield of 109.95 LKg/Ha and 1.95 LKg/TC. In crop year 2011-2012, it recorded a total of 6,852 farmers of which 96.23% are small farmers. It is next to Bukidnon in terms of the number of farmers. Farm areas in the mill district are 60% located in the upland.

CY 2013-2014 farm profile data of Bais-Ursumco mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 6,867 farmers where 92.68% are farming less than 5 hectares which constitutes 47.15% of the total sugarcane plantations of the mill district.

The mill district has two sugar mills, Central Azucarera de Bais (CAB) and Universal Robina Sugar Milling Corporation (URSUMCO). CAB had a capacity utilization of 44.60 % of its rated capacity of 9,000 tons cane per day (TCD) and a reduced overall

sugar recovery of 88.16% against the standard overall recovery of 81.14% while URSUMCO had a capacity utilization of 52.24% of its rated capacity of 8,000 tons cane per day (TCD) and a reduced overall sugar recovery of 87.67% against the standard overall recovery of 82.18% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. Both sugar mills are underutilized and sugarcane production and farm productivity levels should be intensified to supply the sugarcane requirement of the two sugar mills.

The problems faced by the planters in the district are its acidic soil which needs a government-initiated liming program, lacks farm mechanization equipment like tractors, cane loaders, cane cutting equipment suited to the farm sizes and land contours of the district, GPS units to monitor the areas planted with sugarcane and track down the areas serviced by farm machinery, lacks HYV nurseries, load capacity of bridges are 20 tons only which are not passable by trucks loaded with canes, needs sprinkler type of irrigation equipment to improve cane yields, needs assistance for the importation of fertilizer in big volumes to get discounts and tax exemptions as a cooperative because fertilizer cost in the district is high compared to Luzon prices. Common in all mill districts is the need for farm-to-mill roads rehabilitation.

Table 2.50 Performance of Bais-Ursumco Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 26,836.00 | 1,510,434.00 | 147,527.06 | 56.28 | 109.95 | 1.95 |
| 2012-13 | 26,600.00 | 1,329,850.00 | 125,450.46 | 49.99 | 94.32 | 1.89 |
| 2011-12 | 26,635.00 | 1,422,003.00 | 127,222.00 | 53.39 | 95.53 | 1.79 |
| 2010-11 | 24,270.00 | 1,577,660.00 | 132,514.20 | 65.00 | 109.20 | 1.68 |
| 2009-10 | 24,755.00 | 1,044,689.00 | 103,959.00 | 42.20 | 83.99 | 1.99 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.51. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| BAIS-URSUMCO MILL DISTRICT, Negros Oriental | | | | | | |
|---|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 6,364 | 92.68% | 6,364 | 92.62% | 12,593.00 | 47.15% |
| 5.01 - 10.00 | 245 | 3.57% | 249 | 3.62% | 2,071.17 | 7.76% |
| 10.01 -25.00 | 151 | 2.20% | 151 | 2.20% | 2,718.00 | 10.18% |
| 25.01 - 50.00 | 64 | 0.93% | 64 | 0.93% | 2,560.00 | 9.59% |
| 50.01 - 100.00 | 24 | 0.35% | 24 | 0.35% | 2,160.00 | 8.09% |
| 100.01 & Above | 19 | 0.28% | 19 | 0.28% | 4,604.00 | 17.24% |
| TOTAL | 6,867 | 100.00% | 6,871 | 100.00% | 26,706.17 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Durano Mill District - Cebu, Region VII

Durano mill district covers Danao City, Mandaue City, Liloan, Compostela, Carmen, Tuburan and Pinamungahan towns (Figure 54). In crop year 2011-2012, the mill district had a total sugarcane area of 1,583 hectares with a total sugar production of 112,151 LKg bags which constituted 0.23% of the national production. Sugar sharing scheme of the mill district is 63% planters' share and 37% miller's share. Its cane yield was 43.67 TC/Ha, a sugar yield of 70.85 LKg/Ha and 1.62 LKg/TC. In crop year 2011-2012, it recorded a total of 59 farmers of which 61% are small farmers.

Durano sugar mill has stopped operation in crop year 2012-2013 and farmers of the Durano mill district were bringing their canes to Bogo-Medellin sugar mill. Farm reports of Durano mill district is being merged with the Bogo-Medellin mill district reports. Government interventions for the farmers in the district are being catered by the Bogo-Medellin MDDCFI.

Table 2.52. Performance of Durano Mill District, CY 2009-10 to 2011-12

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2011-12 | 1,583 | 69,128 | 5,608 | 43.67 | 70.85 | 1.62 |
| 2010-11 | 1,640 | 90,906 | 6,721 | 55.43 | 81.96 | 1.48 |
| 2009-10 | 1,640 | 70,042 | 6,356 | 42.71 | 77.51 | 1.81 |
| 2008-09 | 1,637 | 71,311 | 5,739 | 43.56 | 70.12 | 1.61 |
| 2007-08 | 1,562 | 84,392 | 6,793 | 54.03 | 86.98 | 1.61 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Bogo-Medellin – Cebu, Region VII

Bogo-Medellin mill district covers Bogo, Borbon, Medellin, San Remegio, Daan Bantayan and Tabogon of Cebu province. In crop year 2012-13, the Durano mill district was merged with the Bogo-Medellin mill district. For crop year 2013-14, the mill district has a total sugarcane area of 7,900 hectares with a total sugar production of 27,297 tons which constituted 1.12% of the national production. Sugar sharing scheme of the mill district is 64.5% planters' share and 33.5% miller's share and 2% for medical share. Its cane yield was 45.46 TC/Ha, a sugar yield of 69.11 LKg/Ha and 1.52 LKg/TC. In crop year 2011-2012, it recorded a total of 302 farmers of which 74.17% are small farmers.

CY 2013-2014 farm profile data of merged Bogo-Medellin and Durano mill districts as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 789 farmers where 78.58% are farming less than 5 hectares which constitutes 28.86% of the total sugarcane plantations of the mill district.

The sugar mill of the mill district is Bogo-Medellin Milling Company, Inc. (BOMEDCO) with a capacity utilization of 56.62% of its rated capacity of 3,000 tons cane per day (TCD) and a reduced overall sugar recovery of 83.39% against the standard overall recovery of 79.67% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. The mill remained underutilized even though it was augmented by the sugarcane from Durano mill district.

Bogo-Medellin mill district was one of the three sugarcane districts in the country which was hardest hit by typhoon Yolanda. Farm machinery were destroyed during the typhoon and the district is clamoring for assistance in procuring tractors, cane loaders, harvesters / cane cutting equipment suited to the district, establishment of HYV nurseries, yield verification trials to determine the best sugarcane HYV suited to the district, water source for irrigation, rehabilitation of farm-to-mill roads and access to financing / timely releases of funds for farm inputs. The district also needs to synchronize harvesting and milling operations in order to optimize the yield of its sugarcane.

Table 2.53. Performance of Bogo-Medellin Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 7,900.00 | 359,168.00 | 27,296.75 | 45.46 | 69.11 | 1.52 |
| 2012-13 | 7,741.24 | 363,945.00 | 29,830.75 | 47.01 | 77.07 | 1.64 |
| 2011-12 | 5,847.67 | 265,073.00 | 22,036.00 | 45.33 | 75.37 | 1.66 |
| 2010-11 | 6,562.00 | 377,787.65 | 28,554.58 | 57.57 | 87.03 | 1.51 |
| 2009-10 | 6,562.00 | 278,257.00 | 26,083.00 | 42.40 | 79.50 | 1.87 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.54. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| BOGO-MEDELLIN/DURANO MILL DISTRICT | | | | | | |
|------------------------------------|----------------|----------------|--------------|----------------|-----------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 620 | 78.58% | 789 | 77.28% | 2,280.00 | 28.86% |
| 5.01 - 10.00 | 57 | 7.22% | 55 | 5.39% | 356.00 | 4.51% |
| 10.01 -25.00 | 48 | 6.08% | 61 | 5.97% | 659.00 | 8.34% |
| 25.01 - 50.00 | 25 | 3.17% | 38 | 3.72% | 735.00 | 9.30% |
| 50.01 - 100.00 | 15 | 1.90% | 26 | 2.55% | 1,200.00 | 15.19% |
| 100.01 & Above | 24 | 3.04% | 52 | 5.09% | 2,670.00 | 33.80% |
| TOTAL | 789 | 100.00% | 1,021 | 100.00% | 7,900.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Ormoc-Kananga Mill District – Leyte, Region VIII

Ormoc-Kananga mill district covers Albuena, Capoocan, Carigara, Kananga, Ormoc, Matag-ob, Merida, Palompon, and Villaba of Leyte province. In crop year 2013-14, the Ormoc-Kananga mill district has a total sugarcane area of 8,089.50 hectares with a total sugar production of 28,652 tons which constituted 1.17% of the national production. Sugar sharing scheme of the mill district is 65% planters' share, 34% miller's share and 1% for socio-economic programs. Its cane yield was 43.09 TC/Ha, a sugar yield of 70.84 LKg/Ha and 1.64 LKg/TC. In crop year 2011-2012, it recorded a total of 788 farmers of which 81.47% are small farmers.

CY 2012-2013 farm profile data of Ormoc-Kananga mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 850 farmers where 79.65% are farming less than 5 hectares which constitutes 21.12% of the total sugarcane plantations of the mill district.

The sugar mill of the mill district is HIDEKO Sugar Milling Company, Inc. with a capacity utilization of 40.90% of its rated capacity of 5,000 tons cane per day (TCD) and a reduced overall sugar recovery of 86.40% against the standard overall recovery of 80.27% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. The mill district needs to augment its sugarcane production to maximize the capacity utilization of the sugar mill.

The mill district has available expansion areas, however, it needs an investor to come in and finance the production facility for sugar or ethanol. The district was one of the three districts hardest hit by typhoon Yolanda and it needs assistance for its priority projects on mechanization, establishment of HYV nurseries, yield verification trials to determine the best variety suited to the district, drainage equipment because the district is prone to flooding, liming program through financial assistance in mining the lime deposits within a nearby site in Leyte to resolve the problem on acidic soils, soils fertility maps, discounts for diesel prices which are more expensive compared to Luzon, access to timely financing for farm inputs and training on the application of mudpress and mill ash to its sugarcane farms.

Table 2.55. Performance of Ormoc-Kananga Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 8,089.50 | 348,608.00 | 28,652.27 | 43.09 | 70.84 | 1.64 |
| 2012-13 | 8,587.00 | 402,118.53 | 41,488.43 | 46.83 | 96.63 | 2.06 |
| 2011-12 | 8,559.00 | 393,082.00 | 38,943.00 | 45.93 | 91.00 | 1.98 |
| 2010-11 | 9,190.00 | 517,383.88 | 51,221.00 | 56.30 | 111.47 | 1.98 |
| 2009-10 | 9,300.00 | 376,650.00 | 40,060.00 | 40.50 | 86.15 | 2.13 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.56. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| HISUMCO MILL DISTRICT (CY 2012-2013 data) | | | | | | |
|---|----------------|----------------|--------------|----------------|-------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 677 | 79.65% | 680 | 56.67% | 1,854.00 | 21.12% |
| 5.01 - 10.00 | 112 | 13.18% | 333 | 27.75% | 2,331.00 | 26.55% |
| 10.01 -25.00 | 22 | 2.59% | 148 | 12.33% | 2,095.00 | 23.86% |
| 25.01 - 50.00 | 20 | 2.35% | 20 | 1.67% | 593.00 | 6.75% |
| 50.01 - 100.00 | 13 | 1.53% | 13 | 1.08% | 886.00 | 10.09% |
| 100.01 & Above | 6 | 0.71% | 6 | 0.50% | 1,020.00 | 11.62% |
| TOTAL | 850 | 100.00% | 1200 | 100.00% | 8779 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Bukidnon Mill District – Bukidnon, Region X

Bukidnon mill district covers the municipalities of Damulog, Cabanglasan, Dacangcagan, Don Carlos, Malaybalay, Quezon, Kibawe, Impasugong, Kadilingan, Kalilangan, Maramg, Kitao-tao, Lantapan, Pangantucan of the province of Bukidnon. In crop year 2013-14, the mill district had a total sugarcane area of 69,663 hectares with a total sugar production of 365,652 tons which constituted 15% of the national production. Sugar sharing scheme of the mill district is 64% planters' share and

36% miller's share . Its cane yield was 58.84 TC/Ha, a sugar yield of 119.45 LKg/Ha and 2.03 LKg/TC. In crop year 2011-2012, it recorded a total of 10,591 farmers of which 87% are small farmers.

CY 2012-2013 farm profile data of Bukidnon mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 11,395 farmers where 72.40% are farming less than 5 hectares which constitutes 25.82% of the total sugarcane plantations of the mill district.

There are two sugar mills in Bukidnon mill district, BUSCO Sugar Milling Company, Inc. and Crystal Sugar Milling Company, Inc. BUSCO had a capacity utilization of 60.58% of its rated capacity of 18,000 tons cane per day (TCD) and a reduced overall sugar recovery of 87.16 % against the standard overall recovery of 82.61% while Crystal Sugar had a capacity utilization of 79.36% of its rated capacity of 10,500 tons cane per day and a reduced overall sugar recovery of 84.27% against its standard overall recovery of 83.52% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. Both mills are underutilized which can be supplied by the mill district through improvement of farm productivity and development of expansion areas.

The planters in the mill district have identified various challenges and among them are the peace and order situation in the area, cane losses due to poor road conditions, lack of automated loading ports for export sugar shipments coming from Mindanao, no nearby testing facility for fertilizer and soil, lack of mechanical harvesters and cane loaders to solve the problem of labor shortage, the need for investment in opening new sugarcane areas for bioethanol production, and fear of BIR taxation even to small farmers who are required to indicate TIN in the printing of sugar quedans.

Table 2.57. Performance of Bukidnon Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 69,663 | 3,639,070 | 365,652 | 52.24 | 104.98 | 2.01 |
| 2012-13 | 70,355 | 3,867,967 | 381,171 | 54.98 | 108.36 | 1.97 |
| 2011-12 | 74,126 | 3,786,561 | 351,761 | 51.08 | 94.91 | 1.86 |
| 2010-11 | 70,400 | 4,487,648 | 436,184 | 63.74 | 123.92 | 1.94 |
| 2009-10 | 60,674 | 2,794,789 | 297,569 | 46.06 | 98.09 | 2.13 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.58. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| Bukidnon Mill District | | | | | | |
|-------------------------------|----------------|----------------|---------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 8,250 | 72.40% | 8,270 | 68.48% | 17,987.10 | 25.82% |
| 5.01 - 10.00 | 1,750 | 15.36% | 1,850 | 15.32% | 11,424.80 | 16.40% |
| 10.01 -25.00 | 850 | 7.46% | 1,109 | 9.19% | 13,201.22 | 18.95% |
| 25.01 - 50.00 | 360 | 3.16% | 474 | 3.92% | 11,814.92 | 16.96% |
| 50.01 - 100.00 | 155 | 1.36% | 286 | 2.37% | 10,184.79 | 14.62% |
| 100.01 & Above | 30 | 0.26% | 87 | 0.72% | 5,050.59 | 7.25% |
| TOTAL | 11,395 | 100.00% | 12,077 | 100.00% | 69,663.42 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Davao Mill District – Davao, Region XI

Davao mill district covers the provinces of Davao del Sur and South Cotabato. In crop year 2013-14, the mill district had a total sugarcane area of 11,335 hectares with a total sugar production of 49,503 tons which constituted 2.03% of the national production. Sugar sharing scheme of the mill district is 62% planters' share and 38% miller's share. Its cane yield was 42.17 TC/Ha, a sugar yield of 87.35 LKg/Ha and

2.07 LKg/TC. In crop year 2011-2012, it recorded a total of 4,178 farmers of which 98% are small farmers.

CY 2012-2013 farm profile data of Davao mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 4,178 farmers where 93.68% are farming less than 5 hectares which constitutes 56.08% of the total sugarcane plantations of the mill district.

There is only one sugar mill in Davao mill district, Davao Sugar Central Company, Inc. (DASUCECO). The mill had a capacity utilization of 70.88% of its rated capacity of 5,000 tons cane per day (TCD) and a reduced overall sugar recovery of 84.24 % against the standard overall recovery of 82.99% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. The mill needs more sugarcane to improve its capacity utilization.

Farm roads in the mill district are very rough which need to be rehabilitated according to specifications that can accommodate trucks loaded with sugarcane, acidic soil conditions which deterred the growth of the sugarcane plant needs liming program assisted by the government, lack of HYV nurseries / yield verification trials to determine the appropriate variety best suited to the district, needs farm mechanization equipment to solve the problem on labor shortage, low-interest rate financing to procure farm inputs, technology generation / training to help the farmers improve their farm practices, installation of irrigation facilities and construction of farm-to-mill roads.

Table 2.59. Performance of Davao Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 11,335 | 477,970 | 49,503 | 42.17 | 87.35 | 2.07 |
| 2012-13 | 11,978 | 591,904 | 59,782 | 49.42 | 99.82 | 2.02 |
| 2011-12 | 11,803 | 549,271 | 54,166 | 46.54 | 91.78 | 1.97 |
| 2010-11 | 11,020 | 504,473 | 45,659 | 45.78 | 82.86 | 1.81 |
| 2009-10 | 10,581 | 385,973 | 38,635 | 36.48 | 73.03 | 2.00 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.60. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| Davao Mill District | | | | | | |
|---------------------|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | No. of Farms |
| Below 5.00 Has. | 3,914 | 93.68% | 3,914 | 92.79% | 6,356.62 | 56.08% |
| 5.01 - 10.00 | 173 | 4.14% | 173 | 4.10% | 1,524.55 | 13.45% |
| 10.01 -25.00 | 70 | 1.68% | 77 | 1.83% | 1,262.47 | 11.14% |
| 25.01 - 50.00 | 15 | 0.36% | 22 | 0.52% | 560.97 | 4.95% |
| 50.01 - 100.00 | 3 | 0.07% | 9 | 0.21% | 234.59 | 2.07% |
| 100.01 & Above | 3 | 0.07% | 23 | 0.55% | 1,395.80 | 12.31% |
| TOTAL | 4,178 | 100.00% | 4,218 | 100.00% | 11,335.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

Cotabato Mill District – Cotabato, Region XII

Cotabato mill district covers the provinces of Maguindanao, Sultan Kudarat, South Cotabato and North Cotabato. In crop year 2013-14, the mill district had a total sugarcane area of 11,030 hectares with a total sugar production of 50,636 which constituted 2.08% of the national production. Sugar sharing scheme of the mill district is 62.5% planters' share and 37.5% miller's share. Its cane yield was 45.83 TC/Ha, a sugar yield of 91.82 LKg/Ha and 2.00 LKg/TC. In crop year 2011-2012, it recorded a total of 2,137 farmers of which 94% are small farmers.

CY 2012-2013 farm profile data of Cotabato mill district as gathered by SRA Agricultural Extension unit shows that the mill district is composed of 2,606 farmers where 69.76% are farming less than 5 hectares which constitutes 51.21% of the total sugarcane plantations of the mill district.

There is only one sugar mill in Cotabato mill district, Cotabato Sugar Central Company, Inc. (COSUCECO). The mill had a capacity utilization of 62.29% of its rated capacity of 4,500 tons cane per day (TCD) and a reduced overall sugar recovery of 84.86 % against the standard overall recovery of 83.27% based on data taken from the CY 2013-2014 SRA Annual Synopsis of Raw Sugar Factories. The

mill is also underutilized and more sugarcane is needed to maximize its production capacity.

The mill district needs correct variety tagging to determine the most efficient HYV to be planted in the district, improve its database of the sugarcane areas in the mill district through GPS/GIS mapping, lacks tractors to serve majority of the farmers in the district, needs backhoe or excavators to resolve the drainage problems, automated weather stations and gauges to help warn farmers with weather conditions, construction of all-weather roads leading to the interior farms, shortage of labor which can be resolved by using harvesters that would fit the contour of the farms, lacks hauling trucks and the threat of the conversion of sugarcane areas into other crops like rubber and banana which are being financed by investors. Poor farm productivity is very noticeable in the mill district and establishment of HYV nurseries is very essential to improve the adoption of better HYVs.

Table 2.61. Performance of Cotabato Mill District, CY 2009-10 to 2013-14

| <i>Crop Year</i> | <i>Area, Hectares (Ha.)</i> | <i>Tons Cane (TC)</i> | <i>Tons Raw Sugar (TS)</i> | <i>TC/Ha</i> | <i>LKg/Ha</i> | <i>LKg/TC</i> |
|------------------|-----------------------------|-----------------------|----------------------------|--------------|---------------|---------------|
| 2013-14 | 11,030 | 505,502 | 50,636 | 45.83 | 91.82 | 2.00 |
| 2012-13 | 12,600 | 614,631 | 57,149 | 48.78 | 90.71 | 1.86 |
| 2011-12 | 12,851 | 676,842 | 57,735 | 52.67 | 89.86 | 1.71 |
| 2010-11 | 9,769 | 650,000 | 57,724 | 66.54 | 118.18 | 1.78 |
| 2009-10 | 10,243 | 394,882 | 37,304 | 38.55 | 72.84 | 1.89 |

Reference: SRA Agricultural Extension Reports, CY 2009-2010 to 2013-2014

Table 2.62. Profile of Sugarcane Farms and Farmers, CY 2013-2014

| Cotabato Mill District | | | | | | |
|------------------------|----------------|----------------|--------------|----------------|------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 1,818 | 69.76% | 1,859 | 66.82% | 5,648 | 51.21% |
| 5.01 - 10.00 | 647 | 24.83% | 718 | 25.81% | 3,535 | 32.05% |
| 10.01 -25.00 | 126 | 4.83% | 157 | 5.64% | 1,401 | 12.70% |
| 25.01 - 50.00 | 14 | 0.54% | 32 | 1.15% | 383 | 3.47% |
| 50.01 - 100.00 | 1 | 0.04% | 16 | 0.58% | 63 | 0.57% |
| 100.01 & Above | | 0.00% | | 0.00% | | 0.00% |
| TOTAL | 2,606 | 100.00% | 2,782 | 100.00% | 11,030.00 | 100.00% |

Reference: SRA Agricultural Extension Report, CY 2013-2014

2.2.3 Domestic Prices

2.2.3.1. Millsite Prices of Raw Sugar

The price of sugarcane is computed in terms of the millsite prices of sugar using sugar yield factors or the LKg/TC and the prevailing sharing scheme implemented in each mill district. Due to increasing trend of domestic demand, millsite price of raw sugar in crop year 2013-14 escalated at a composite price ranging from P 1,318 – P1,694 per LKg bag and a national average of P1,480 per LKg bag. Average millsite prices of US quota sugar, domestic and world market sugar were P806.54, P1,536.05 and P792.86 per LKg bag, respectively. In crop years 2000-01 to 2004-05, prices of US quota sugar exceeded the domestic prices, therefore, those years became very attractive for the Philippine sugar of entering the US market.

Millsite prices of raw sugar showed a downward trend from crop year 2007-2008 to 2008-2009 and an upward trend from crop year 2008-2009 to 2009-2010. Composite prices of raw sugar from crop year 2007-2008 to 2009-2010 were P1,057, P945 and P1,539 per 50-kilo bag, respectively. Molasses as well showed an upward trend at P4,099, P4,272 and P6,973 per metric ton from crop year 2007-2008 to 2009-2010, respectively.

Raw sugar millsite prices in CY 2009-2010 turned abnormally high which triggered the importation of sugar under the tax expenditure subsidy program of the National Food Authority (NFA). Millsite price trends for the past 5 crop years are shown in Table 2.63.

Crop year 2010-2011 is seen to be a profitable season for sugarcane farmers in the Philippines with an average composite millsite price of P1,864 per 50-kilo bag while crop year 2011-2012 showed a sharp decline in millsite price to an average of P1,345 per 50-kilo bag. The traders and millers with large sugar stocks were having huge exposures during the sharp decline of sugar prices in CY 2011-2012. Millsite prices further declined to P1,280 per 50-kilo bag in crop year 2012-2013 but have recovered to P1,480 in CY 2013-14.

Table 2.63. Average Millsite Prices by Sugar Classification Including Molasses, CY 2009-10 to 2013-14

| Crop Year | "A" Export | "B" Domestic | "C" Reserve | "D" World Market | Composite Price | Molasses (Pesos/ MT) |
|-----------|---------------------------------------|-----------------|----------------|---------------------|--------------------|-------------------------|
| | Prices in Pesos Per LKg (50-kilo) Bag | | | | | |
| 2013-14 | 806.54 | 1,536.05 | | 792.86 | 1,480.07 | 6,029.43 |
| 2012-13 | 756.00 | 1,393.00 | | 781.00 | 1,280.95 | 5,837.00 |
| 2011-12 | 1,234.34 | 1,419.23 | | 1,128.11 | 1,346.22 | 4,498.09 |
| 2010-11 | 1,128.11 | 1,346.22 | | | 1,330.95 | 5,722.46 |
| 2009-10 | 1,281.31 | 1,587.83 | 1,420.73 | 1,130.79 | 1,664.25 | 7,172.23 |

Reference: SRA Regulation Department's Sugar Monitoring System Reports

2.2.3.2 Wholesale and Retail Prices of Raw and Refined Sugar

In years 2012-2014, prevailing wholesale prices of raw sugar in Metro Manila ranged from P1,380-1,800, P1,500-1,800 and P1,600-1,850 per 50-kilo bag, respectively while retail prices ranged from P36.50-44.00, P38.00 – P44.00, and P39.00-43.50 per kilo of raw sugar.

The National Price Coordinating Council (NPCC) chaired by DTI established the suggested retail price (SRP) of refined sugar at P50.00 per kilo in July 2011 and since then it remained at the same level because of the stable millsite prices of sugar. The SRP of commodities was set by the NPCC in times of abnormal price situations or whenever there is an abrupt escalation of commodity prices. Average wholesale and retail prices in Metro Manila groceries of raw, washed and refined sugar in crop years 2010-2011 to 2012-2013 are shown below.

Table 2.64. Prevailing Wholesale Prices in Metro Manila Groceries, 2012-2014

| Month / Year | 2014 | | | 2013 | | | 2012 | | |
|--------------|-------|--------|---------|-------|--------|---------|-------|--------|---------|
| | Raw | Washed | Refined | Raw | Washed | Refined | Raw | Washed | Refined |
| Jan | 1,630 | 1,730 | 2,020 | 1,400 | 1,500 | 1,900 | 1,380 | 1,550 | 1,850 |
| Feb | 1,600 | 1,775 | 2,000 | 1,550 | 1,580 | 2,000 | 1,450 | 1,580 | 1,850 |
| March | 1,700 | 1,850 | 2,030 | 1,500 | 1,610 | 1,950 | 1,550 | 1,600 | 1,980 |
| April | 1,750 | 1,970 | 2,150 | 1,550 | 1,600 | 2,000 | 1,650 | 1,790 | 2,100 |
| May | 1,850 | 2,050 | 2,250 | 1,600 | 1,750 | 2,020 | 1,650 | 1,800 | 2,100 |
| June | 1,850 | 2,050 | 2,300 | 1,620 | 1,800 | 2,000 | 1,750 | 1,950 | 2,300 |
| July | 1,800 | 2,080 | 2,300 | 1,580 | 1,780 | 2,000 | 1,750 | 1,950 | 2,300 |
| Aug | 1,800 | 2,080 | 2,295 | 1,580 | 1,780 | 1,970 | 1,800 | 1,950 | 2,300 |
| Sept | 1,700 | 1,970 | 2,230 | 1,580 | 1,780 | 1,950 | 1,800 | 1,910 | 2,250 |
| Oct | 1,700 | 1,900 | 2,070 | 1,620 | 1,775 | 1,950 | 1,750 | 1,850 | 2,200 |
| Nov | 1,700 | 1,850 | 2,070 | 1,700 | 1,800 | 1,980 | 1,480 | 1,550 | 1,930 |
| Dec | 1,700 | 1,850 | 2,050 | 1,650 | 1,730 | 2,030 | 1,400 | 1,550 | 1,900 |

Reference: SRA Regulation Department's Price Monitoring Reports

Table 2.65. Prevailing Retail Prices in Metro Manila Groceries, Years 2012-2014

| Month / Year | 2014 | | | 2013 | | | 2012 | | |
|-----------------|------------|---------------|----------------|------------|---------------|----------------|------------|---------------|----------------|
| | <i>Raw</i> | <i>Washed</i> | <i>Refined</i> | <i>Raw</i> | <i>Washed</i> | <i>Refined</i> | <i>Raw</i> | <i>Washed</i> | <i>Refined</i> |
| <i>Jan</i> | 39.00 | 40.00 | 45.00 | 44.00 | 44.00 | 50.00 | 39.00 | 42.50 | 47.00 |
| <i>Feb</i> | 39.00 | 40.00 | 44.00 | 44.00 | 44.00 | 50.00 | 39.00 | 42.50 | 47.00 |
| <i>March</i> | 36.50 | 39.00 | 43.50 | 38.00 | 42.00 | 50.00 | 41.50 | 45.75 | 48.00 |
| <i>April</i> | 38.00 | 39.75 | 46.00 | 38.00 | 42.00 | 50.00 | 41.50 | 45.00 | 49.00 |
| <i>May</i> | 40.00 | 41.00 | 47.00 | 38.00 | 42.00 | 48.00 | 40.00 | 47.00 | 49.50 |
| <i>June</i> | 40.00 | 43.50 | 49.00 | 38.00 | 42.00 | 48.00 | 43.50 | 47.00 | 49.50 |
| <i>July</i> | 44.00 | 45.00 | 51.00 | 38.00 | 42.00 | 48.00 | 43.50 | 47.00 | 50.00 |
| <i>Aug</i> | 44.00 | 45.00 | 50.00 | 38.00 | 42.00 | 48.00 | 43.50 | 47.50 | 51.50 |
| <i>Sept</i> | 40.00 | 45.00 | 50.00 | 38.00 | 42.00 | 48.00 | 43.50 | 47.50 | 51.00 |
| <i>Oct</i> | 44.00 | 44.00 | 50.00 | 38.00 | 41.50 | 48.00 | 43.50 | 47.50 | 51.00 |
| <i>Nov</i> | 44.00 | 44.00 | 50.00 | 39.00 | 42.50 | 47.00 | 43.50 | 47.50 | 51.00 |
| <i>Dec</i> | 44.00 | 44.00 | 50.00 | 39.00 | 42.50 | 47.00 | 43.50 | 47.50 | 51.00 |

Reference: SRA Regulation Department's Price Monitoring Reports

2.2.3.3 Bioethanol Reference Price

The National Biofuel Board (NBB) through the SRA set up a price index or reference price of bioethanol which serves as basis during the negotiation of the oil companies and bioethanol producers when it comes to locally-produced bioethanol. The reference price is based on the millsite prices of sugar and molasses which are the existing feedstocks for bioethanol. Table 2.66 showed the reference price of locally-produced bioethanol in CY 2013-2014 and Tables 2.67 and 2.68 gave the reference price in CY 2012-2013 and 2011-2012, respectively. Reference price in crop year 2013-2014 ranged from a low of P47.34 per liter on September 2013 to a high of P51.38 per liter on May 2014. Average reference prices of bioethanol from crop year 2011-2012 to 2013-2014 were P44.84, P47.54 and P49.32 per liter, respectively.

Table 2.66 Bioethanol Reference Price, CY 2011-2012

| MONTHLY BIOETHANOL REFERENCE PRICE, CROP YEAR 2011-2012 | | | | | | | | | |
|---|--|----------------------------------|--|-----------------------------------|--|---|---|-----------------------------------|--|
| Month | GIVEN Negros Molasses Price (Php/MT) | Transportation Cost (Php/Ton) | Equivalent Feedstock Cost due Molasses (Php/liter) | GIVEN Sugar Price (Php/Lkg) | Equivalent Sugarcane Price (Php/MT) | Equivalent Feedstock Cost due sugarcane (Php/liter) | Average Feedstock Cost at 50:50 (Php/liter) | Conversion Cost (Php/liter) | Bioethanol Price Index (Php/liter) |
| Sep-11 | 2,600.00 | 450.00 | 12.45 | 1,286.00 | 1,665.37 | 23.79 | 18.12 | 22.29 | Php40.41 |
| Oct-11 | 2,759.00 | 450.00 | 13.10 | 1,258.00 | 1,629.11 | 23.27 | 18.19 | 22.29 | Php40.48 |
| Nov-11 | 3,218.00 | 450.00 | 14.97 | 1,177.00 | 1,524.22 | 21.77 | 18.37 | 22.29 | Php40.66 |
| Dec-11 | 3,703.00 | 450.00 | 16.95 | 1,219.00 | 1,578.61 | 22.55 | 19.75 | 22.29 | Php42.04 |
| Jan-12 | 3,754.00 | 450.00 | 17.16 | 1,243.00 | 1,609.69 | 23.00 | 20.08 | 22.29 | Php42.37 |
| Feb-12 | 4,513.00 | 450.00 | 20.26 | 1,256.00 | 1,626.52 | 23.24 | 21.75 | 22.29 | Php44.04 |
| Mar-12 | 4,572.00 | 450.00 | 20.50 | 1,345.00 | 1,741.78 | 24.88 | 22.69 | 22.29 | Php44.98 |
| Apr-12 | 5,024.00 | 450.00 | 22.34 | 1,404.00 | 1,818.18 | 25.97 | 24.16 | 22.29 | Php46.45 |
| May-12 | 5,273.00 | 450.00 | 23.36 | 1,399.00 | 1,811.71 | 25.88 | 24.62 | 22.29 | Php46.91 |
| Jun-12 | 5,984.00 | 450.00 | 26.26 | 1,523.00 | 1,972.29 | 28.18 | 27.22 | 22.29 | Php49.51 |
| Jul-12 | 6,322.00 | 450.00 | 27.64 | 1,526.00 | 1,976.17 | 28.23 | 27.94 | 22.29 | Php50.23 |
| Aug-12 | 6,255.00 | 450.00 | 27.37 | 1,519.00 | 1,967.11 | 28.10 | 27.73 | 22.29 | Php50.02 |
| Crop Year Average Bioethanol Reference Price (Sept 2011-Aug 2012) | | | | | | | | | Php44.84 |

Table 2.67. Bioethanol Reference Price, CY 2012-2013

| BI-MONTHLY BIOETHANOL REFERENCE PRICE, CROP YEAR 2012-2013 | | | | | | | | | |
|--|--------------------------------------|-------------------------------|--|-----------------------------|-------------------------------------|---|---|-----------------------------|------------------------------------|
| Month | GIVEN Negros Molasses Price (Php/MT) | Transportation Cost (Php/Ton) | Equivalent Feedstock Cost due Molasses (Php/liter) | GIVEN Sugar Price (Php/Lkg) | Equivalent Sugarcane Price (Php/MT) | Equivalent Feedstock Cost due sugarcane (Php/liter) | Average Feedstock Cost at 50:50 (Php/liter) | Conversion Cost (Php/liter) | Bioethanol Price Index (Php/liter) |
| Sept 2012, Ave. | 5,665.00 | 450.00 | 24.96 | 1,438.00 | 1,862.21 | 26.60 | 25.78 | 22.29 | Php48.07 |
| Oct 2012, Ave. | 6,370.00 | 450.00 | 27.84 | 1,285.00 | 1,664.08 | 23.77 | 25.80 | 22.29 | Php48.09 |
| Nov 2012, Ave. | 5,457.00 | 450.00 | 24.11 | 1,213.00 | 1,570.84 | 22.44 | 23.28 | 22.29 | Php45.57 |
| Dec 2012, Ave. | 6,003.00 | 450.00 | 26.34 | 1,205.00 | 1,560.48 | 22.29 | 24.32 | 22.29 | Php46.61 |
| Jan 2013, Ave. | 6,139.00 | 450.00 | 26.89 | 1,237.00 | 1,601.92 | 22.88 | 24.89 | 22.29 | Php47.18 |
| Feb 2013, Ave. | 5,829.39 | 450.00 | 25.63 | 1,255.41 | 1,625.76 | 23.23 | 24.43 | 22.29 | Php46.72 |
| Mar 2013, Ave. | 5,978.00 | 450.00 | 26.24 | 1,264.00 | 1,636.88 | 23.38 | 24.81 | 22.29 | Php47.10 |
| Apr 2013, Ave. | 6,911.29 | 450.00 | 30.05 | 1,305.07 | 1,690.07 | 24.14 | 27.09 | 22.29 | Php49.38 |
| May 2013, Ave. | 6,393.00 | 450.00 | 27.93 | 1,298.00 | 1,680.91 | 24.01 | 25.97 | 22.29 | Php48.26 |
| June 2013, Ave. | 6,625.00 | 450.00 | 28.88 | 1,301.00 | 1,684.80 | 24.07 | 26.47 | 22.29 | Php48.76 |
| July 2013, Ave. | 6,125.00 | 450.00 | 26.84 | 1,283.00 | 1,661.49 | 23.74 | 25.29 | 22.29 | Php47.58 |
| Aug 2013, Ave. | 5,918.75 | 450.00 | 25.99 | 1,278.73 | 1,655.96 | 23.66 | 24.83 | 22.29 | Php47.12 |
| <i>Average, 1st half</i> | <i>6,125.00</i> | <i>450.00</i> | <i>26.84</i> | <i>1,274.00</i> | <i>1,649.83</i> | <i>23.57</i> | <i>25.20</i> | <i>22.29</i> | <i>Php47.49</i> |
| <i>Average, 2nd half</i> | <i>5,775.00</i> | <i>450.00</i> | <i>25.41</i> | <i>1,278.85</i> | <i>1,656.11</i> | <i>23.66</i> | <i>24.53</i> | <i>22.29</i> | <i>Php46.82</i> |
| CY 2012-2013 Ave. | 6,118 | 450.00 | 26.81 | 1,280 | 1,658 | 23.68 | 25.25 | 22.29 | Php47.54 |

Table 2.68. Bioethanol Reference Price, CY 2013-2014

| BI-MONTHLY BIOETHANOL REFERENCE PRICE, CROP YEAR 2013-2014 | | | | | | | | | |
|--|--------------------------------------|-------------------------------|--|-----------------------------|-------------------------------------|---|---|-----------------------------|------------------------------------|
| Month | GIVEN Negros Molasses Price (Php/MT) | Transportation Cost (Php/Ton) | Equivalent Feedstock Cost due Molasses (Php/liter) | GIVEN Sugar Price (Php/Lkg) | Equivalent Sugarcane Price (Php/MT) | Equivalent Feedstock Cost due sugarcane (Php/liter) | Average Feedstock Cost at 50:50 (Php/liter) | Conversion Cost (Php/liter) | Bioethanol Price Index (Php/liter) |
| Sept 2013 | 5,659.77 | 450.00 | 24.94 | 1,360.41 | 1,761.73 | 25.17 | 25.05 | 22.29 | 47.34 |
| Oct 2013 | 6,040.82 | 450.00 | 26.49 | 1,348.69 | 1,746.55 | 24.95 | 25.72 | 22.29 | 48.01 |
| Nov 2013 | 6,236.33 | 450.00 | 27.29 | 1,339.54 | 1,734.70 | 24.78 | 26.04 | 22.29 | 48.33 |
| Dec 2013 | 6,578.63 | 450.00 | 28.69 | 1,337.97 | 1,732.67 | 24.75 | 26.72 | 22.29 | 49.01 |
| Jan 2014 | 6,234.98 | 450.00 | 27.29 | 1,318.32 | 1,707.22 | 24.39 | 25.84 | 22.29 | 48.13 |
| Feb 2014 | 6,115.24 | 450.00 | 26.80 | 1,383.32 | 1,791.39 | 25.59 | 26.19 | 22.29 | 48.48 |
| Mar 2014 | 5,882.73 | 450.00 | 25.85 | 1,480.64 | 1,917.43 | 27.39 | 26.62 | 22.29 | 48.91 |
| Apr 2014 | 5,879.51 | 450.00 | 25.83 | 1,632.47 | 2,114.05 | 30.20 | 28.02 | 22.29 | 50.31 |
| May 2014 | 6,122.58 | 450.00 | 26.83 | 1,694.35 | 2,194.18 | 31.35 | 29.09 | 22.29 | 51.38 |
| Jun 2014 | 6,181.11 | 450.00 | 27.07 | 1,638.57 | 2,121.95 | 30.31 | 28.69 | 22.29 | 50.98 |
| Jul 2014 | 6,181.11 | 450.00 | 27.07 | 1,604.07 | 2,077.27 | 29.68 | 28.37 | 22.29 | 50.66 |
| Aug 2014 | 5,996.67 | 450.00 | 26.31 | 1,604.64 | 2,078.01 | 29.69 | 28.00 | 22.29 | 50.29 |
| PHL | 6,092.46 | 450.00 | 26.70 | | 1,914.76 | 27.35 | 27.03 | 22.29 | 49.32 |

Reference: Planning & Policy Department Bioethanol Reference Price Report Posted in the SRA Website

2.2.4. Domestic Consumption

2.2.4.1 Sugar

The major product derived from sugarcane is sugar and the domestic demand of raw sugar in CY 2013-2014 was 2,461,808 metric tons while refined sugar demand was 1,115,935 metric tons. Refined sugar is derived from raw sugar and domestic consumption is measured in terms of raw sugar withdrawals from mill warehouses as monitored by SRA. Table 2.69 showed the monthly domestic withdrawals (consumption) of raw sugar and Table 2.70 on refined sugar for crop years 2009-10 to 2013-14.

A sudden drop in domestic consumption was observed in crop year 2008-2009 in comparison with the 2007-2008 domestic consumption figures. However, a spike in domestic demand was noted in crop year 2009-2010 which prompted the government to allow the subsidized importation of 250,000 metric tons refined sugar (equivalent to 270,000 MT raw sugar).

The upward trend in domestic demand was attributed to the onslaught of El Niño or hot season during the first half of 2010 and the election fever which induced more spending and consumption of beverages and sugar-based products.

Around 170,000 metric tons (in terms of refined sugar equivalent) arrived in crop year 2009-2010 which were directly released to the domestic market. The remaining 80,000 metric tons (in terms of refined sugar equivalent) arrived in crop year 2010-2011 which were also released directly to the domestic market.

The decline in domestic consumption was further recorded in crop year 2010-2011 which was lower than the 2008-2009 level. The decline was attributed to the accumulation in the market of imported sugar during the previous and current crop year, importation of sugar premixes and the possible entry of illegal or smuggled sugar.

Domestic consumption spiked to 2,029,866 metric tons in crop year 2011-2012 and a sustained increase in 2012-2013 at the level of 2,184,512 metric tons due

to stable domestic prices and increase in demand of sugar-based products due to the May 2013 national election.

Table 2.69. Monthly Domestic Withdrawals (Consumption) of Raw Sugar in Metric Tons, CY 2009-10 to 2013-14

| Months | Crop Year 2013-14 | Crop Year 2012-13 | Crop Year 2011-12 | Crop Year 2010-11 | Crop Year 2009-10 |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| September | 103,637 | 103,750 | 61,458 | 35,608 | 80,328 |
| October | 126,110 | 127,423 | 111,533 | 69,881 | 121,813 |
| November | 132,064 | 167,935 | 125,636 | 86,266 | 194,540 |
| December | 214,155 | 229,174 | 159,643 | 124,984 | 178,355 |
| January | 213,554 | 185,514 | 217,870 | 167,546 | 263,482 |
| February | 216,768 | 215,486 | 214,197 | 205,651 | 180,819 |
| March | 310,016 | 250,657 | 204,341 | 210,924 | 205,329 |
| April | 223,747 | 273,794 | 243,650 | 202,628 | 210,948 |
| May | 233,190 | 201,383 | 159,065 | 178,174 | 222,822 |
| June | 201,574 | 195,825 | 190,185 | 178,397 | 123,106 |
| July | 137,004 | 109,941 | 172,863 | 144,750 | 86,414 |
| August | 90,624 | 123,630 | 169,425 | 111,696 | 75,487 |
| Total Withdrawals | 2,202,443 | 2,184,512 | 2,029,866 | 1,716,505 | 1,943,443 |

Reference: Sugar Production Bulletin

Table 2.70. Monthly Domestic Withdrawals (Consumption) of Refined Sugar in LKg Bags (50 – kilo bag), CY 2009-10 to 2013-14

| MONTHS | Crop Year 2013-2014 | Crop Year 2012-2013 | Crop Year 2011-2012 | Crop Year 2010-2011 | Crop Year 2009-2010 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| September | 1,480,361 | 1,676,203 | 1,237,608 | 911,148 | 1,472,983 |
| October | 1,772,969 | 1,694,900 | 1,511,068 | 1,012,403 | 1,751,891 |
| November | 1,578,836 | 1,465,056 | 1,284,723 | 805,945 | 2,260,883 |
| December | 2,323,265 | 1,942,043 | 1,300,583 | 1,074,847 | 1,915,026 |
| January | 1,565,605 | 1,481,320 | 1,461,171 | 1,090,875 | 2,341,382 |
| February | 2,019,055 | 1,656,271 | 1,479,015 | 1,113,452 | 1,610,296 |
| March | 2,278,333 | 1,691,548 | 1,724,968 | 1,333,760 | 1,496,720 |
| April | 1,652,508 | 1,673,739 | 1,963,675 | 1,118,949 | 1,473,545 |
| May | 1,880,503 | 1,675,787 | 1,697,336 | 1,531,500 | 1,899,505 |
| June | 2,157,932 | 2,229,269 | 1,834,245 | 1,495,942 | 1,348,613 |
| July | 1,881,190 | 1,535,022 | 2,078,606 | 2,015,467 | 1,180,181 |
| August | 1,728,152 | 1,774,497 | 1,324,434 | 1,762,242 | 1,386,414 |
| Total Withdrawals | 22,318,709 | 20,495,655 | 18,897,432 | 15,266,530 | 20,137,439 |

Reference: Sugar Production Bulletin

2.2.4.2 Bioethanol

Bioethanol turned out to be the second major product from sugarcane when RA 9367 otherwise known as the Biofuels Act of 2006 was enacted. The biofuels law was implemented in 2007, however, the minimum bioethanol mandate of 5% was implemented in 2009 and 10% bioethanol mandate in 2011 with exemptions on certain gasoline grades. The main feedstocks used for bioethanol are all sugarcane-based materials such as sugarcane juice and molasses.

In 2007, purely imported bioethanol supplied the mandated requirement of bioethanol in the country. In 2008, 0.42 million liters was produced by Leyte Agri Corporation (LAC) which was the lone domestic producer of bioethanol in the country by then and it increased to 23.11 million liters in 2009 when San Carlos Bioenergy became operational.

Leyte Agri Corporation used molasses as feedstock while San Carlos Bioenergy Inc. (SCBI) used molasses and sugarcane. However, in 2010 when sugar prices skyrocketed to a very high level because of world deficit in sugar supply, the price of sugarcane to bioethanol became prohibitive which lead to losses in bioethanol production coming from sugarcane.

Importation of bioethanol was allowed in order to fill-up the mandated requirement which keep the investment climate for bioethanol remain attractive to investors. Demand situation of bioethanol from 2007-2014 is shown in Table 2.71. In 2013, four bioethanol distilleries were operating with a total production of 71.5 million liters out of the total production capacity of 133 million liters annually while in 2014, production reached 114.9 million liters from a production capacity of 222 million liters. Six bioethanol distilleries were operational in 2014. Table 2.72 shows the DOE accredited bioethanol distilleries in 2014.

With the passage of a DOE circular mandating the utilization of locally-produced prior to importation, investors started to come in and potable alcohol producers shifted to bioethanol fuel production. The major challenge that remains to be addressed by the government is intensifying the production of feedstocks and the tapping of idle areas for biofuel crops production.

Table 2.71 Bioethanol Consumption, Years 2007-2014

| Year | Bioethanol Blends | Sales from Domestic Production, Million Liters | Importation Million Liters | Actual Consumption Million Liters |
|------|-------------------|--|----------------------------|-----------------------------------|
| 2007 | - | - | 3.18 | 3.18 |
| 2008 | - | 0.42 | 12.56 | 12.98 |
| 2009 | 5% | 23.11 | 64.24 | 87.35 |
| 2010 | 5% | 9.17 | 140.40 | 149.57 |
| 2011 | 10% | 2.87 | 218.78 | 197.36 |
| 2012 | 10% | 38.9 | 248.0 | 306.49 |
| 2013 | 10% | 63.2 | 318.79 | 436.50 |
| 2014 | 10% | 118.9 | 339.06 | 441.51 |

Ten (10)% blend of bioethanol by volume into all gasoline fuel distributed and sold by each and every oil company subject to certain exempt gasoline grades beginning August 6, 2011 [DOE Department Circular (DC) No. 2011-02-0001

References: National Biofuels Program, 2014-2030 and DOE Bioethanol Committee Report

Table 2.72 Bioethanol Distilleries with DOE Accreditation as of December 2014

| BIOETHANOL PRODUCERS | PROJECT LOCATION | REGIS-TERED CAPACITY (Million Liters) | FEED-STOCK | DATE AWARDED | REMARKS |
|----------------------------------|------------------------------|---------------------------------------|----------------------------|---------------------------------|-------------|
| San Carlos Bioenergy, Inc. | San Carlos City, Negros Occ. | 40 | Sugarcane Molasses | July 13, 2009 | Operational |
| Leyte Agri Corporation | Ormoc City, Leyte | 9 | Molasses | Oct 23, 2009 | Operational |
| Roxol Bioenergy Corporation | La Carlota, Negros Occ. | 30 | Molasses | Dec. 3, 2013 | Operational |
| Green Future Innovations, Inc. | San Mariano, Isabela | 54 | Sugarcane , Sugar Molasses | Aug 13, 2012 | Operational |
| Balayan Distillery, Inc. | Calaca, Batangas | 30 | Molasses | April 25, 2014 July 10, 2014 | Operational |
| Far East Alcohol Corp. | Pampanga | 15 | Molasses | Dec. 1, 2014 | Operational |
| Kooll Company | Negros Occidental | 14.12 | Molasses | Dec 11, 2014 | Operational |
| Universal Robina Corp. | Negros Oriental | 30 | Molasses | Dec 22, 2014 | Operational |
| Total Production Capacity | | 222.12 | | | |

Reference: DOE-REMB Report of Accredited Bioethanol Producers

2.2.4.3 Muscovado

Muscovado is also a product from sugarcane which is widely produced in Antique, Sultan Kudarat, Ilocos region, Bicol region, Tarlac and Negros Occidental. SRA does not regulate the muscovado industry, thus, marketing and financial assistance were provided by the Department of Trade and Industry (DTI) and some technical assistance on best farming practices and HYV planting materials by SRA. SRA does not maintain a regular database on muscovado consumption except those muscovado produced by Option MPC of Sagay, Negros Occidental which is registered with SRA as a muscovado producer. In crop year 2013-14, it was recorded that the domestic withdrawals of muscovado by Option-MPC was 1,748 metric tons.

2.2.4.4 Molasses

Molasses is the major by-product obtained from the manufacture of sugar from sugarcane. In CY 2013-14, total domestic withdrawals was 877,236 metric tons. It is used as raw material in the manufacture of potable alcohol and bioethanol, and as supplement for animal feeds. Competition between the use of molasses might put a pressure on its price especially that the biofuels law requires that biofuels components shall be locally-sourced, therefore, imported molasses cannot be used for bioethanol fuel production. No data were collected by SRA as to the individual consumption of the molasses markets.

2.2.4.5 Bagasse

Bagasse is the cellulosic material from sugarcane which is left after extracting the juice from the sugarcane stalk. It is mainly used for power cogeneration of the sugar mills, sugar refineries, and bioethanol distilleries.

When the Renewable Energy Law of 2008 was passed which offered fiscal and non-fiscal incentives for developers, excess power derived from bagasse became the main biomass material used for power generation to the grid. Table 2.73 and 2.74 listed the sugar mills registered with DOE as of December 2014.

Table 2.73 Sugarcane-Based Biomass Projects in the Visayas Registered with the Department of Energy (DOE) as of December 2014

| Name of Proponents | Nature of Business | Project Type | Installed Capacity, MW |
|---|--------------------|--------------|------------------------|
| I. VISAYAS PROJECTS: | | | |
| 1. Central Azucarera de San Antonio | Sugar Mill | Commercial | 15.0 |
| 2. First Farmers Holdings Corp. | Sugar Mill | Commercial | 21.0 |
| 3. Hawaiian Philippines Co. | Sugar Mill | Commercial | 8.0 |
| 4. Victorias Milling Co. | Sugar Mill | Commercial | 18.0 |
| 5. URC-Sonedco | Sugar Mill | Commercial | 46.0 |
| 6. Capiz Sugar Central | Sugar Mill | Own Use | 5.8 |
| 7. Binalbagan-Isabela Sugar Milling Co. | Sugar Mill | Own Use | 19.5 |
| 8. Lopez Sugar Corp. | Sugar Mill | Own Use | 10.0 |
| 9. Sagay Central Inc. | Sugar Mill | Own Use | 4.2 |
| 10. URC - Bais | Sugar Mill | Own Use | 9.4 |
| 11. HIDECO Sugar Milling Co. | Sugar Mill | Own Use | 11.0 |
| 12. Central Azucarera de la Carlota | Sugar Mill | Own Use | 10.0 |
| 13. Universal Robina Corporation | Distillery | Own Use | 2.75 |
| 14. San Carlos Bioenergy | Distillery | Commercial | 8.0 |
| 15. Roxol Bioenergy Corp. | Distillery | Own Use | 4.0 |
| Subtotal - Visayas | | | 192.65 |

Reference : Department of Energy - REMB

Table 2.74 Sugarcane-Based Biomass Projects in Luzon & Mindanao Registered with the Department of Energy (DOE) as of December 2014

| Name of Proponents | Nature of Business | Project Type | Installed Capacity, MW |
|--|--------------------|--------------|------------------------|
| II. MINDANAO PROJECTS: | | | |
| 16. Busco Sugar Milling Co. | Sugar Mill | Own Use | 24.4 |
| 17. Crystal Sugar Company | Sugar Mill | Commercial | 21.0 |
| Subtotal - Mindanao | | | 45.5 |
| III. LUZON PROJECTS: | | | |
| 18. Sweet Crystals Integrated Sugar Mill | Sugar Mill | Commercial | 2.5 & 2.8 |
| 19. Central Azucarera de Tarlac | Sugar Mill | Commercial | 9.5 |
| 20. Central Azucarera Don Pedro Inc. | Sugar Mill | Commercial | 25.52 |
| 21. Green Future Innovations, Inc. (Inclgd Biogas) | Distillery | Commercial | 19.0 |
| Subtotal – Luzon Projects | | | 59.32 |
| GRAND TOTAL - PHILIPPINES | | | 297.47 |

Reference : Department of Energy – REMB

2.2.4.6 Bio-organic Fertilizer

Most of the bio-organic fertilizer used by the sugarcane farmers are derived from bagasse, cane trashes from the fields and mudpress. Several bio-organic fertilizer production technologies were already practiced by sugarcane farmers cooperatives and associations to supplement the organic material needs of the soil. SRA has no database on the producers, production and demand of bio-organic fertilizer.

2.2.4.7 Mudpress or Filter Cake

Mudpress or filter cake are the solid materials left after expressing and filtering the sugarcane juice used for sugar or bioethanol manufacture. Mudpress is used directly as organic fertilizer in the sugarcane fields by spreading them in the fields prior to land preparation. It helps in keeping the right quantity of organic matter and right acidity of the soil aside from the soil nutrients that it contains. Most farmers especially in Batangas and Negros used mudpress as organic fertilizer. No data is available with SRA as to the consumption of mudpress.

2.2.4.8 Mill Ash or Boiler Ash

Mill ash is the carbonaceous residue left from the bagasse that are used in firing the boilers for power cogeneration purposes. Mill ash is rich in potassium and phosphorus which is why most farmers especially in Negros and Batangas used it as fertilizer supplement. SRA does not gather the data of mill ash consumption by the farmers.

2.2.5 Trade

The country became a net exporter of sugar in CY 2003-2004 and exceeded domestic demand requirements starting CY 2002-2003. However, in CY 2009-2010, El Niño struck the country which affected the volume of sugarcane harvests turning the country into a net importer of sugar again. In CY 2009-2010, the country imported 43,725 metric tons of raw sugar and 129,453 metric tons of refined sugar which spilled over until CY 2010-2011 wherein 16,398 metric tons raw sugar and 64,419 metric tons of refined sugar were imported under the tax expenditure subsidy

program implemented by NFA through Executive Order No. 857, series of 2010. Importers under the tax expenditure subsidy program were exempted from paying tariff or customs duties. Due to stockpiles of imported sugar, recorded domestic withdrawals in CY 2010-2011 declined to 1.7 million metric tons leading to high sugar inventory in CY 2011-2012 which contributed to the abrupt decline of sugar prices in the millsite. Table 2.75 showed the volume of production of raw sugar, exports and imports of raw and refined sugar and domestic withdrawals of raw sugar.

**Table 2.75. Production, Consumption, Imports and Exports of Sugar,
CY 2003-04 to 2013-14**

| CROP YEAR | PRODUCTION | | "B' IMPORTS | | EXPORTS | | DOMESTIC WITHDRAWALS |
|-----------|------------|-----------|-------------|---------|---------|-----------|----------------------|
| | Tons Cane | Raw Sugar | Raw | Refined | U. S. | World Mkt | |
| 2013-14 | 25,005,965 | 2,461,808 | | | 123,148 | 129,048 | 2,180,334 |
| 2012-13 | 24,859,028 | 2,465,116 | | | 53,960 | 187,801 | 2,184,512 |
| 2011-12 | 23,884,337 | 2,245,454 | | | 200,562 | 332,084 | 2,029,866 |
| 2010-11 | 26,664,481 | 2,399,116 | 16,398 | 64,419 | 212,505 | 35,801 | 1,716,505 |
| 2009-10 | 19,227,028 | 1,970,784 | 43,725 | 129,453 | 170,957 | 21,120 | 1,943,443 |
| 2008-09 | 21,611,068 | 2,100,048 | | | 137,343 | 81,789 | 1,886,466 |
| 2007-08 | 26,835,578 | 2,455,027 | | | 125,201 | 20,781 | 2,078,468 |
| 2006-07 | 23,254,009 | 2,233,453 | | | 175,000 | 62,037 | 1,958,643 |
| 2005-06 | 22,966,325 | 2,138,075 | | 153 | 213,317 | | 1,909,846 |
| 2004-05 | 22,572,028 | 2,150,746 | | 737 | 137,353 | 163,602 | 1,950,585 |
| 2003-04 | 25,864,698 | 2,338,574 | 5 | 346 | 137,000 | 53,600 | 2,068,109 |

Reference: SRA Planning & Policy Department Compilation of Industry Statistics

2.2.5.1. Sugar Imports

The Philippines remained self-sufficient with respect to its domestic requirements and maintained surplus production for seven consecutive crop years (crop years 2002-2003 to 2008-2009) to serve its export markets. However, in crop year 2009-2010, the country allowed the importation of 250,000 metric tons refined sugar (equivalent to 270,000 MT raw sugar) for domestic consumption to supplement its buffer stock for the lean months of the next cropping season.

Around 165,000 metric tons as refined sugar (equivalent to 178,200 MT raw sugar) arrived on August 31, 2010 of crop year 2009-2010 and 85,000 metric

tons as refined sugar (equivalent to 91,800 MT raw sugar) arrived in September to October 2010 of crop year 2010-2011. Likewise, food processors /exporters who are operators of Customs Bonded Warehouses (CBW) were allowed sugar importations at zero tariff for their sugar-based products which were exported abroad as part of the measures to enhance the competitiveness of export-oriented industries as provided for under the Tariff and Customs Code of the Philippines (TCCP).

Although the Philippines regained surplus production in crop year 2010-2011, voluminous quantity of sugar premixes used by industrial users have entered into the country. Records of the Philippine Sugar Regulatory Administration showed that 49,945 metric tons versus 11,660 metric tons of sugar premixes were imported under AHTN 1701 for crop year 2010-2011 versus 2009-2010. Entry of sugar premixes in 2011-2012 has tapered down to 10,160 metric tons. So far, recorded sugar premix importation under AHTN 1701 for year 2013 was 6,627 metric tons and zero importation in 2014. Imports of sugar premixes from CY 2009-10 to 2012-2013 are shown in table 2.76 while table 2.77 gave the monthly imports of sugar premixes in CY 2013-2014.

Table 2.76 Sugar Premixes Imported by Food Exporters & Industrial Users In Metric Tons By Tariff Heading (AHTN), CY 2009-10 to 2012-13

| Month | HS 1701 | | | HS 2106 | | | |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--------------|
| | CY 2009-2010 | CY 2010-2011 | CY 2011-2012 | CY 2009-2010 | CY 2010-2011 | CY 2011-2012 | CY 2012-2013 |
| September | 0.00 | 96,400.00 | 68,800.00 | 25,203.35 | 12,415.29 | 146,112.94 | 10,855.17 |
| October | 0.00 | 59,600.00 | 46,000.00 | 116,107.24 | 6,927.19 | 61,172.62 | 69,278.79 |
| November | 0.00 | 110,500.00 | 88,400.00 | 16,403.26 | 215,321.19 | 7,326.20 | 10,600.62 |
| December | 0.00 | 64,800.00 | 0.00 | 125,950.06 | 61,461.45 | 84,560.60 | 70,263.70 |
| January | 3,600.00 | 95,600.00 | 0.00 | 30,669.53 | 39,919.17 | 67,998.47 | 69,318.34 |
| February | 10,800.00 | 85,200.00 | | 86,834.93 | 234,891.98 | 88,986.61 | 80,175.48 |
| March | 14,800.00 | 177,200.00 | | 18,284.52 | 9,708.02 | 42,644.00 | 76,009.50 |
| April | 17,600.00 | 89,200.00 | | 19,270.93 | 139,116.28 | 47,624.64 | 68,540.16 |
| May | 12,000.00 | 25,200.00 | | 11,900.43 | 6,060.69 | 88,895.96 | 79,676.78 |
| June | 20,000.00 | 20,400.00 | | 126,994.08 | 96,770.78 | 94,890.66 | 79,912.46 |
| July | 48,400.00 | 98,800.00 | | 11,107.37 | 12,133.80 | 98,026.10 | 48,080.51 |
| August | 106,000.00 | 76,000.00 | | 15,062.14 | 10,373.40 | 64,053.61 | |
| TOTAL, Lkg-bags | 233,200.00 | 998,900.00 | 203,200.00 | 603,787.84 | 845,099.24 | 1,506,923.41 | |
| MT | 11,660.00 | 49,945.00 | 10,160.00 | 30,189.39 | 42,254.96 | 75,346.17 | |

Table 2.77 Sugar Premixes Imported by Food Exporters & Industrial Users By Tariff Heading (AHTN), Crop Year 2013-2014

| Months | Crop Year 2013-2014 | |
|----------------|---------------------|---------------------|
| | <i>HS 1701 (MT)</i> | <i>HS 2106 (MT)</i> |
| January 2014 | | 2,345.40 |
| February | | 2,933.38 |
| March | | 1,792.76 |
| April | | 2,469.97 |
| May | | 2,188.41 |
| June | | 1,735.90 |
| July | | 3,210.90 |
| August | | 822.42 |
| September 2013 | 2,954.56 | 2,260.25 |
| October | 3,129.34 | 2,106.85 |
| November | 3,589.38 | 2,713.70 |
| December | | 1,095.57 |
| Total | 9,673.28 | 25,675.51 |

2.2.5.2. Molasses Imports

The country imported molasses to supply the requirements of the feed and the potable ethanol industry. SRA record from years 2000 – 2010 showed that most of the molasses imported into our country were coming from India, Indonesia, Australia and Thailand. In 2010, the Philippines imported 65,766 metric tons of molasses from Indonesia, however, the highest importation was in 2003 where the country imported 75,602 metric tons from Australia and Thailand. Table 2.78 gave the monthly molasses importation data in years 2013-2014 while table 2.79 showed the molasses imports and FOB values from year 2000-2010.

2.2.5.3 Bioethanol Imports

The bioethanol mandate of 5% was implemented in 2009 and the 10% mandate in 2011 with exemptions to certain gasoline grades. Full implementation of the 10% bioethanol mandate took effect in 2012. In 2012, 248 million liters of bioethanol were imported by the oil companies to fill-in the mandated requirement of bioethanol which is around 300 million liters. Table 2.80 showed the bioethanol importation from 2011 to 2014 by country of origin. In

2012, majority of the imports were coming from Thailand and the Subic free port.

Table 2.78 Molasses Imports in Year 2013 -2014

| Months | Volume, MT | |
|--------------|---------------|---------------|
| | 2013 | 2014 |
| JANUARY | 0.02 | 10,670 |
| FEBRUARY | | 5,142 |
| MARCH | | |
| APRIL | | 10,108 |
| MAY | | |
| JUNE | | |
| JULY | | 12,065 |
| AUGUST | 13,199 | |
| SEPTEMBER | | 8,805 |
| OCTOBER | | |
| NOVEMBER | | |
| DECEMBER | 10,350 | |
| | | |
| TOTAL | 23,549 | 46,790 |

Reference: Molasses Importation Report of SRA Regulation Department

Table 2.79. Molasses Imports in Kilos, Years 2000-2010

| YEAR | COUNTRY OF ORIGIN | QUANTITY (kilos) | | FOB VALUE (In US \$) | |
|------|----------------------------------|------------------|-------------------|----------------------|-------------------|
| | | By Origin | Total | By Origin | Total |
| 2010 | Indonesia | 65,765,900 | 65,765,900 | 10,486,430 | 10,486,430 |
| 2009 | Thailand | 17,000 | 17,000 | 1,235 | 1,235 |
| 2008 | - | | | | |
| 2007 | INDONESIA (INCLUDES (WEST IRIAN) | 46,354,923 | 46,354,923 | 9,866,599 | 9,866,599 |
| 2006 | CHINA, PEOPLE'S REP. OF | 58,637 | 58,637 | 142,817 | 142,817 |
| 2005 | - | | | | |
| 2004 | THAILAND | 7,500,000 | 7,500,000 | 225,000 | 225,000 |
| 2003 | AUSTRALIA | 8,275,220 | 75,601,811 | 148,954 | 2,933,941 |
| | THAILAND | 67,326,591 | | 2,784,987 | |
| 2002 | EGYPT ARAB REPUBLIC | 515 | 61,953,534 | 220 | 2,111,831 |
| | INDONESIA (INCLUDES (WEST IRIAN) | 11,623,596 | | 447,712 | |
| | SUDAN | 8,126,000 | | 243,780 | |
| | THAILAND | 42,203,018 | | 1,419,990 | |
| | UNITED STATES OF AMERICA | 405 | | 129 | |
| 2001 | TAWAN (REP. OF CHINA) | 302,346 | 45,282,666 | 117,310 | 1,593,231 |
| | INDIA | 21,990,000 | | 768,000 | |
| | INDONESIA (INCLUDES (WEST IRIAN) | 8,687,221 | | 260,617 | |
| | THAILAND | 14,303,099 | | 447,304 | |
| 2000 | INDIA | 13,075,000 | 65,918,869 | 574,050 | 2,631,687 |
| | INDONESIA (INCLUDES (WEST IRIAN) | 12,525,997 | | 405,725 | |
| | THAILAND | 32,800,000 | | 1,287,832 | |
| | UNITED STATES OF AMERICA | 1,499,701 | | 153,444 | |
| | VIETNAM | 6,018,171 | | 210,636 | |

Reference: SRA Regulation Department Importation Report

Table 2.80 Imports of Bioethanol in Million Liters, Years 2011-2014

| Country of Origin | 2014 | 2013 | 2012 | 2011 |
|---------------------|----------------|----------------|--------------|--------------|
| Singapore | 3.34 | 2.81 | 23.0 | 17.8 |
| Philippines (Subic) | 12.34 | 49.34 | 93.0 | 67.3 |
| Indonesia | 28.15 | 6.17 | - | 3.2 |
| USA | 246.03 | 74.56 | 6.9 | 56.1 |
| Vietnam | 28.29 | 27.46 | 6.2 | 9.8 |
| Korea | 2.47 | 2.09 | 3.5 | 36.3 |
| Australia | | 17.37 | 27.1 | - |
| Thailand | 4.13 | 38.83 | 88.8 | 24.4 |
| Cambodia | 0.40 | 16.03 | | |
| Guatemala | | 8.02 | | |
| Brazil | 13.91 | 45.30 | | |
| Pakistan | | 8.44 | | |
| Taiwan | | 9.69 | | |
| Total | 339.06* | 306.11* | 248.4 | 215.0 |

Reference: DOE-OIMB Report

* Tentative Data

2.2.5.4 Sugar Exports

Sugar exports are in the form of raw sugar, muscovado and refined sugar. However, exports of refined sugar were hampered by the VAT collected by BIR upon withdrawal from refinery warehouses which add up to the cost of exporting the product.

The US quota is a stable market for the Philippine sugar industry especially during the seven (7) consecutive crop years of surplus production. The country's share of the US quota is around 13% of the total sugar import requirements of the US. In quota year 2011, the Philippines earned the confidence of the US in terms of commitment delivery and the country was allocated with an additional quota of 79,648 metric tons raw value (MTRV) on top of the regular quota which is 142,160 MTRV while in quota year 2012, the country was given an additional quota of 75,540 MTRV. Estimated value of US exports from crop year 2007-2008 to 2011-2012 were US\$31,222,685, US\$48,443,462, US\$77,485,054, US\$141,427,631 and US\$108,420,759, respectively. Tables 2.82 and 2.83 illustrated the countries of destinations of the country's world sugar exports in CY 2010-2011 to 2012-2013 and in year 2014, respectively.

The country was able to supply sugar to the world market during the seven (7) consecutive crop years of surplus production. Destinations were Indonesia, U.A.E., Japan and South Korea. Estimated value of world market exports from crop year 2007-2008 to 2011-2012 were US\$5,595,162, US\$18,971,284, US\$5,689,398, US\$21,770,532 and US\$171,401,464 respectively.

In crop years 2010-2011 to 2012-2013, major markets of sugar exports were Japan, China, USA, Indonesia, South Korea and Vietnam while in 2012-2013 are Japan and South Korea. Total volume of sugar shipments to the world market from crop year 2010-2011 to 2012-2013 and in 2014 are shown in Table 2.81 and Table 2.82. Data shown in Table 2.83 reflected the country's export markets for muscovado sugar like Korea, Italy, Japan, Germany, etc. In 2012, muscovado exports reached 1,769 metric tons with a value of \$ 2,983,124.

The Philippines delivered only 53,960 metric tons of sugar with a value of \$22,185,777 to the US out of the 138,827 metric tons sugar quota in quota year 2013. Because of the surplus supply of sugar in the US brought about by the unlimited access of Mexico to the US sweetener market under NAFTA, the price of US quota sugar has declined to very low levels which discouraged the Philippine exporters of shipping out the US quota sugar. Despite the inability of the country to deliver its quota commitment in 2013, the USDA allocated the same level of sugar quota in 2014 (138,827 metric tons) to the Philippines which was the third highest allocated volume next to Brazil and Dominican Republic. Table 2.84 illustrated the original allocation of US TRQ in FY 2014.

Table 2.81. Countries of Destination of World Market Sugar Shipments, CY 2010-11 to 2012-13

| Country of Destination | Quantity (in Metric Tons) | | | | | |
|------------------------|---------------------------|----------|-------------------|-----------------|------------------|----------|
| | CY 2012-13 | | CY 2011-12 | | CY 2010-11 | |
| | Raw | Refined | Raw | Refined | Raw | Refined |
| China | | | 72,799.95 | | 6,825.00 | |
| Indonesia | | | 50,955.39 | | 8,229.60 | |
| Japan | 100,500.00 | | 106,300.02 | | 6,000.00 | |
| Juvalo Island | 25.00 | | | | | |
| Korea | | | 10,337.21 | | 6,040.00 | |
| Malaysia | 32.00 | | | | | |
| Russia | 11.50 | | | | | |
| Samoa | 1,225.00 | | 225.00 | | | |
| Singapore | 7,816.44 | | | | | |
| Solomon Island | 25.00 | | 25.00 | | | |
| South Korea | 30,960.00 | | 13,700.00 | | 40.00 | |
| Taiwan | | | 175.00 | 3,704.54 | 149.97 | |
| Tarawa | | | 125.00 | | | |
| Nokualofa, Tonga | 750.00 | | | | | |
| USA | | | 49,639.58 | | 8,517.36 | |
| Vancouver, Canada | 44.00 | | 22.00 | | | |
| Vanuatu | 100.00 | | 75.00 | | | |
| Vietnam | | | 22,000.01 | 2,000.00 | | |
| Total | 141,488.94 | - | 326,379.16 | 5,704.54 | 35,801.93 | - |

Reference: SRA Regulation Department

Table 2.82. Destinations of Raw Sugar Exports in 2014, Metric Tons

| Destinations | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|----------------|
| Apia, Samoa | | 200 | 100 | 475 | 75 | 125 | | | | | | | 975 |
| Hongkong | | | | | | | | | 5 | | | | 5 |
| Indonesia | | | | | | | | | | | 6,700 | | 6,700 |
| Japan | 12,000 | 18,000 | 18,500 | | 9,000 | 20,000 | | 14,000 | | | 20,450 | 8,500 | 120,450 |
| Juvalu Island | | | | | | | 25 | | | | | | 25 |
| Malaysia | | | 12 | | | 20 | | | | | | | 32 |
| Nukualofa, Tonga | 150 | 50 | 200 | 100 | 50 | 50 | 100 | | 100 | | | | 800 |
| Russia | | | | | | | 12 | | | | | | 12 |
| Singapore | 540 | 353 | 1,848 | 1,210 | 1,325 | 1,050 | 503 | 987 | 568 | 1,164 | 487 | 797 | 10,832 |
| Solomon Island | | | | 25 | | | | | | | | | 25 |
| South Korea | 12,040 | 9,040 | 40 | 340 | 100 | 260 | 9,060 | | 18,000 | 242 | | 19,000 | 68,122 |
| U S A | | 27,160 | | | | | 26,800 | | | | | | 53,960 |
| Villa Vanuatu | | | 50 | 50 | | | | | | | | | 100 |
| Total | 24,730 | 54,803 | 20,750 | 2,200 | 10,550 | 21,505 | 36,500 | 14,987 | 18,673 | 1,406 | 27,637 | 28,297 | 262,038 |

Reference: SRA Regulation Department

Table 2.83. Muscovado Exports & Countries of Destinations, Year 2012

| MONTH | AUSTRALIA | BELGIUM | HONGKONG | FRANCE | GERMANY | ITALY | JAPAN | KOREA | MALAYSIA | SWITZERLAND | TAIWAN | USA | TOTAL | FOB Value (\$) |
|--------------|-------------|--------------|-------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|--------------|-----------------|---------------------|
| January | | | 1.22 | 15.00 | | 17.61 | 0.25 | | | | 10.00 | | 44.08 | 75,122.58 |
| February | | | | 15.00 | | 33.70 | 1.00 | 19.80 | | 38.00 | | 12.00 | 119.50 | 189,567.29 |
| March | 2.00 | | | | 30.00 | 49.35 | 27.76 | 69.50 | | 57.00 | | | 235.61 | 385,276.20 |
| April | | | 0.80 | 12.00 | 58.51 | | 20.00 | 43.62 | | | | | 134.93 | 205,380.17 |
| May | | | | 12.00 | | 53.06 | 33.77 | 116.00 | 10.00 | | | | 224.83 | 592,514.16 |
| June | 2.99 | | | | 68.00 | | | 23.00 | | 57.00 | | 3.89 | 154.88 | 211,901.35 |
| July | | | 1.00 | | | 53.23 | 19.00 | | | | 10.00 | | 83.23 | 158,888.28 |
| August | | | | 11.90 | | 14.37 | 13.50 | 135.00 | 11.50 | | | | 186.27 | 252,644.92 |
| September | | 15.00 | 0.09 | 12.00 | 38.00 | 52.10 | 33.80 | 15.00 | | 19.00 | | 12.10 | 197.09 | 317,909.23 |
| October | | | | | 38.40 | 36.20 | | | | | | | 74.60 | 114,537.05 |
| November | | | | 15.00 | | 20.00 | 41.73 | 15.00 | 8.00 | | 10.00 | | 109.73 | 178,842.28 |
| December | | | | | 98.00 | 56.41 | 28.27 | | 1.50 | | 20.00 | | 204.18 | 300,589.70 |
| TOTAL | 4.99 | 15.00 | 3.11 | 92.90 | 330.91 | 386.03 | 219.08 | 436.92 | 31.00 | 171.00 | 50.00 | 27.99 | 1,768.93 | 2,983,123.21 |

Table 2.84. FY 2014 US Quota Allocations (MT Raw Value)

| WTO Countries | FY 2014 TRQ original allocation | FY 2014 TRQ Adjusted Allocation | Not entered to date | Entries as percentage of TRQ | Estimated shortfall |
|---------------------|---------------------------------|---------------------------------|---------------------|------------------------------|---------------------|
| Argentina | 45,281 | 49,804 | 28,783 | 46 | 30,000 |
| Australia | 87,402 | 96,132 | 1,782 | 108 | 0 |
| Barbados | 7,371 | 0 | 0 | 0 | 0 |
| Belize | 11,584 | 12,741 | 4,947 | 67 | 12,741 |
| Bolivia | 8,424 | 9,265 | 9,265 | 0 | 0 |
| Brazil | 152,691 | 167,942 | 568 | 110 | 0 |
| Colombia | 25,273 | 27,797 | 997 | 106 | 0 |
| Congo | 7,258 | 0 | 0 | 0 | 0 |
| Costa Rica | 15,796 | 17,374 | 0 | 110 | 0 |
| Cote d'Ivoire | 7,258 | 0 | 0 | 0 | 0 |
| Dominican Republic | 185,335 | 203,847 | 93,228 | 60 | 60,000 |
| Ecuador | 11,584 | 12,741 | 534 | 105 | 0 |
| El Salvador | 27,379 | 30,114 | 128 | 110 | 0 |
| Fiji | 9,477 | 10,424 | 0 | 110 | 10,424 |
| Gabon | 7,258 | 0 | 0 | 0 | 0 |
| Guatemala | 50,546 | 55,595 | 1,687 | 107 | 0 |
| Guyana | 12,636 | 13,898 | 2,098 | 93 | 8,000 |
| Haiti | 7,258 | 0 | 0 | 0 | 0 |
| Honduras | 10,530 | 11,582 | 118 | 109 | 0 |
| India | 8,424 | 9,265 | 9,265 | 0 | 9,265 |
| Jamaica | 11,584 | 12,741 | 1,242 | 99 | 12,741 |
| Madagascar | 7,258 | 0 | 0 | 0 | 0 |
| Malawi | 10,530 | 3,000 | -3 | 29 | 0 |
| Mauritius | 12,636 | 6,318 | 4,169 | 17 | 1,500 |
| Mexico 1/ | 7,258 | 7,258 | 7,258 | 0 | 0 |
| Mozambique | 13,690 | 15,057 | 0 | 110 | 5,000 |
| Nicaragua | 22,114 | 24,323 | 0 | 110 | 0 |
| Panama | 30,538 | 33,588 | 9,999 | 77 | 0 |
| Papua New Guinea | 7,258 | 0 | 0 | 0 | 0 |
| Paraguay | 7,258 | 7,258 | 4,446 | 39 | 5,000 |
| Peru | 43,175 | 47,487 | 2,599 | 104 | 0 |
| Philippines | 142,160 | 156,359 | 27,823 | 90 | 20,000 |
| South Africa | 24,220 | 26,639 | 2,419 | 100 | 0 |
| St. Kitts and Nevis | 7,258 | 0 | 0 | 0 | 0 |
| Swaziland | 16,849 | 18,532 | 0 | 110 | 3,532 |
| Taiwan | 12,636 | 0 | 0 | 0 | 0 |
| Thailand | 14,743 | 16,216 | 2,797 | 91 | 0 |
| Trinidad-Tobago | 7,371 | 0 | 0 | 0 | 0 |
| Uruguay | 7,258 | 0 | 0 | 0 | 0 |
| Zimbabwe | 12,636 | 13,898 | 1,504 | 98 | 1,598 |
| Total | 1,117,195 | 1,117,195 | 217,653 | 81 | 179,801 |

Source: United States Customs and Border Protection, *Weekly Commodity Status Report*.

2.2.6 Processing Industries

2.2.6.1 Sugar Mills

In crop year 2013-14, twenty eight (28) sugar mills were operational with a total production of 2,461,808 metric tons raw sugar. The largest sugar mill in terms of actual sugar production was Victorias Sugar Milling Company with a total raw sugar production of 343,114 metric tons while Option-MPC had the smallest production of 5,667 metric tons of muscovado sugar followed by Sweet Crystals Inc. of Pampanga with 13,064 metric tons of raw sugar. Table 2.85 showed the production volume of the Philippine sugar mills from CY 2003-04 to 2013-14.

Paniqui and Ma-ao sugar mills shut down their operation in crop year 2004-05, Dacongogon sugar mill stopped operating in CY 2006-07 but resumed operation as United Farmers Sugar Corporation in CY 2007-08. However, United Farmers Sugar Corporation was financially unstable and it finally stopped operation in CY 2009-10 and the sugar mill facility was foreclosed by the Philippine National Bank. Passi II stopped operating in CY 2009-10 while Durano became non-operational in CY 2012-13, both due to financial instability. Within the ten-year period, two new sugar mills were installed – Central Azucarera de San Antonio (CASA) in CY 2007-08 and Option-MPC which is producing muscovado sugar in CY 2008-09.

Table 2.86 gave the molasses production of the operating sugar mills from CY 2009-10 to 2013-14. The biggest producer of molasses in CY 2013-14 was Victorias sugar mill at 127,325 metric tons while URC-Carsumco had the smallest production of 5,699 metric tons.

From year 2010 to 2013, the sugar mills invested and have undertaken mill improvement activities in terms of improving milling efficiencies, sugar quality and power generation capability to be able to sell power to the grid. Table 2.87 gave the capacity utilization, and recoveries of the sugar mills in CY 2011-2012 while Table 2.88 illustrated the various improvement activities of the sugar mills which include upgrading of milling hardwares to improve milling efficiency, upgrading the capacities of boilers and turbo-generators for power generation to the grid and improvement of market access through certifications with GMP, HALAL, HACCP and ISO. Low capacity utilization of the sugar mills indicates lack of sugarcane supply which also assures a market and demand for sugarcane. Therefore, farm productivity and sugarcane production levels in the mill districts need to be improved to be able to supply the raw material requirements of the sugar mills.

In CY 2013-2014, among the sugar mills in the country, Busco sugar mill in Bukidnon and La Carlota sugar mill in Negros Occidental had the highest normal rated capacity of 18,000 and 16,000 tons cane per day (TCD), respectively, Sagay Central Inc. and CASA had the highest reduced overall recovery of 90.59 and 90.22%, respectively, and VICMICO in Negros Occidental and Crystal Sugar Mill of Bukidnon had the highest capacity utilization of 80.80% and of 79.36%, respectively.

Table 2.85. Raw Sugar Production by Sugar Mill, CY 2004-05 to 2013-14

| Region | SUGAR MILLS | Crop Year 2013-2014 | Crop Year 2012-2013 | Crop Year 2011-2012 | Crop Year 2010-2011 | Crop Year 2009-2010 | Crop Year 2008-09 | Crop Year 2007-08 | Crop Year 2006-07 | Crop Year 2005-06 | Crop Year 2004-05 |
|--------|---|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | PHILIPPINES | 2,461,808 | 2,465,116 | 2,244,131 | 2,399,116 | 1,970,784 | 2,100,048 | 2,455,027 | 2,233,453 | 2,138,075 | 2,150,746 |
| | LUZON | 273,997 | 314,719 | 306,276 | 305,027 | 281,721 | 299,214 | 344,394 | 311,970 | 310,977 | 322,954 |
| 3 | 1. Sweet Crystal-San Fdo | | 7,472 | 11,011 | 7,342 | 7,562 | 16,688 | 17,551 | 11,168 | 21,438 | 51,972 |
| 4 | 2. Batangas Sugar Central Inc. (BSCI) | 43,479 | 45,586 | 31,632 | 42,765 | 47,830 | 38,129 | 33,178 | 34,655 | 36,915 | 25,815 |
| 2 | 3. URC-Carsumco | 14,677 | 21,271 | 20,734 | 17,050 | 16,752 | 20,958 | 25,113 | 29,063 | 24,789 | 21,623 |
| 4 | 4. Central Azucarera Don Pedro Inc. (CADPI) | 125,559 | 135,305 | 140,163 | 138,814 | 123,305 | 135,100 | 163,515 | 154,659 | 147,256 | 162,087 |
| 3 | 5. Paniqui (WESCOR) | stopped operation | | | | | | | | | |
| 5 | 6. Pensumil Inc. | 14,458 | 14,044 | 14,724 | 15,934 | 12,322 | 11,445 | 16,596 | 15,642 | 16,959 | 15,983 |
| 3 | 7. Sweet Crystal-Porac | 13,064 | 18,674 | 22,811 | 21,402 | 19,699 | 21,303 | 23,077 | 17,422 | 26,744 | 32,378 |
| 3 | 8. Central Azucarera de Tarlac (CAT) | 62,760 | 72,367 | 65,201 | 61,720 | 54,251 | 55,591 | 65,364 | 49,361 | 36,876 | 13,096 |
| | NEGROS | 1,524,222 | 1,437,263 | 1,280,112 | 1,325,729 | 1,135,329 | 1,187,145 | 1,351,842 | 1,283,849 | 1,233,535 | 1,222,047 |
| 7 | 1. Central Azucarera de Bais Inc. (CAB) | 72,848 | 55,827 | 51,700 | 59,777 | 41,607 | 40,452 | 56,160 | 67,921 | 68,623 | 40,927 |
| 6 | 2. Biscom Inc. | 212,970 | 192,056 | 170,710 | 198,358 | 160,023 | 170,147 | 189,881 | 175,858 | 151,309 | 153,921 |
| 6 | 3. Dacongcong/United Farmers Sugar Corp. | | | | | | 1,967 | 11,315 | - | 10,111 | 15,301 |
| 6 | 4. First Farmers Holding Corp. | 94,191 | 68,031 | 60,941 | 65,336 | 61,403 | 71,409 | 60,796 | 63,953 | 62,258 | 74,891 |
| 6 | 5. Haw-Phil Company | 108,615 | 104,856 | 87,931 | 105,795 | 95,552 | 110,085 | 119,253 | 110,581 | 106,267 | 115,761 |
| 6 | 6. Central Azucarera de La Carlota | 186,748 | 205,940 | 175,930 | 166,622 | 124,826 | 162,261 | 176,945 | 156,421 | 153,143 | 156,054 |
| 6 | 7. Lopez Sugar Corp. | 156,631 | 144,041 | 121,727 | 154,148 | 137,639 | 121,643 | 154,232 | 133,429 | 133,500 | 127,562 |
| 6 | 8. Ma-ao Sugar Central | | | | | | | | | | |
| 7 | 9. URC-URSUMCO | 75,764 | 64,104 | 65,795 | 65,367 | 60,448 | 66,093 | 84,522 | 67,398 | 55,705 | 70,801 |
| 6 | 10. Sagay Central Inc. | 74,612 | 76,659 | 73,934 | 72,728 | 54,272 | 64,428 | 78,105 | 75,565 | 67,192 | 60,004 |
| 6 | 11. URC-Sonedco | 162,701 | 144,666 | 122,842 | 124,011 | 96,330 | 65,746 | 46,404 | 69,209 | 66,846 | 66,767 |
| 7 | 12. URC-Tolong | 30,361 | 26,372 | 26,156 | 23,766 | 16,025 | 24,108 | 33,997 | 32,695 | 33,964 | 35,353 |
| 6 | 13. Victorias Milling Co. Inc. (VICMICO) | 343,114 | 351,091 | 320,003 | 285,573 | 283,587 | 288,785 | 340,232 | 330,819 | 324,617 | 304,705 |
| 6 | 14. OPTION - MPC | 5,667 | 3,620 | 2,443 | 4,248 | 3,617 | 21 | | | | |
| | PANAY | 142,404 | 143,349 | 127,446 | 142,405 | 104,728 | 99,258 | 145,888 | 123,370 | 122,166 | 133,787 |
| 6 | 1. Capiz Sugar Central Inc. | 37,153 | 43,069 | 39,070 | 44,185 | 40,591 | 39,289 | 52,249 | 46,542 | 44,081 | 50,647 |
| 6 | 2. CASA | 58,601 | 60,886 | 50,939 | 47,322 | 33,234 | 24,450 | 21,848 | | | |
| 6 | 3. Passi I (URC) | 46,650 | 39,394 | 37,437 | 50,898 | 30,903 | 35,406 | 57,638 | 49,333 | 51,005 | 54,829 |
| 6 | 4. Passi II (Cimico) | stopped operation | | | | | | | | | |
| | E.VISAYAS | 55,934 | 71,319 | 66,807 | 83,960 | 72,530 | 67,585 | 94,977 | 83,643 | 90,898 | 86,227 |
| 7 | 1. Bogo-Medellin Co. Inc. (BOMEDCO) | 27,282 | 29,831 | 26,728 | 22,073 | 24,233 | 22,339 | 30,702 | 29,407 | 33,505 | 30,127 |
| 7 | 2. RD Durano III & Co. Inc. | stopped operation | | | | | | | | | |
| 8 | 3. Hideco Sugar Milling Co. Inc. (HISUMCO) | 28,652 | 41,488 | 39,422 | 50,894 | 40,058 | 37,277 | 55,817 | 45,506 | 52,455 | 51,654 |
| | MINDANAO | 465,251 | 498,466 | 463,490 | 541,995 | 376,476 | 446,846 | 517,926 | 430,621 | 380,499 | 385,731 |
| 10 | Busco Sugar Milling Co. Inc. | 214,700 | 228,934 | 230,395 | 272,975 | 185,912 | 222,230 | 247,299 | 207,748 | 176,313 | 189,818 |
| 12 | 2. Cotabato Sugar Central Co. Inc. (COSUCECO) | 42,997 | 48,372 | 43,227 | 35,895 | 31,472 | 38,271 | 58,017 | 43,620 | 35,591 | 42,102 |
| 10 | 3. Crystal Sugar Co. Inc. | 158,630 | 161,378 | 136,757 | 187,466 | 120,088 | 131,649 | 147,553 | 115,211 | 110,490 | 102,180 |
| 11 | 4. Davao Sugar Central Co. Inc. (DASUCECO) | 48,924 | 59,782 | 53,111 | 45,659 | 39,004 | 54,695 | 65,057 | 64,042 | 58,105 | 51,631 |

Source of Data: Final Sugar Production Bulletin / Regulation Department

Reference: SRA Production Bulletin

Table 2.86. Molasses Production of Philippine Sugar Mills, CY 2009-10 to 2013-14

| MILL DISTRICT | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
|---------------------------------|-------------------|------------------|------------------|------------------|------------------|
| PHILIPPINES | 1,009,137 | 985,680 | 974,025 | 1,062,689 | 774,849 |
| LUZON | 166,783 | 159,116 | 163,413 | 171,711 | 159,102 |
| Batangas Sugar Central | 20,700.0 | 18,323 | 13,784 | 19,201 | 22,268.033 |
| URC-Carsumco | 5,699.0 | 7,664 | 7,501 | 6,686 | 7,467.094 |
| Central Azucarera Don Pedro | 86,125.0 | 75,217 | 82,668 | 86,448 | 87,371.327 |
| Pensumil Inc. | 8,798.0 | 8,412 | 9,794 | 10,616 | 6,740.727 |
| Sweet Crystal -Porac | 7,647.0 | 8,810 | 11,666 | 10,415 | 7,911.630 |
| Sweet Crystal - SF | | 3,273 | 4,611 | 3,591 | 2,851.247 |
| Central Azucarera de Tarlac | 37,814.0 | 37,416 | 33,389 | 34,755 | 24,491.995 |
| NEGROS | 567,182 | 535,338 | 524,996 | 578,147 | 417,929 |
| Central Azucarera de Bais | 25,701 | 23,804 | 26,987 | 24,804 | 16,189.000 |
| Biscom Inc. | 91,944 | 71,176 | 75,218 | 90,204 | 65,246.699 |
| First Farmers Holding Inc. | 21,792 | 15,531 | 17,290 | 42,245 | 19,361.865 |
| Hawaiian-Phil Co. | 36,864 | 35,135 | 33,815 | 69,095 | 31,250.066 |
| Central Azucarera de La Carlota | 70,939 | 78,002 | 69,105 | 18,449 | 44,722.270 |
| Lopez Sugar Central | 52,416 | 57,285 | 56,639 | 73,578 | 53,772.019 |
| URC- Ursumco | 31,456 | 28,381 | 29,557 | 30,041 | 23,122.809 |
| Sagay Central Inc. | 29,653 | 27,872 | 27,744 | 30,169 | 16,480.000 |
| URC-Sonedco | 64,049 | 54,073 | 50,963 | 52,134 | 36,197.608 |
| URC-Tolong | 12,363 | 11,465 | 12,346 | 11,904 | 7,092.360 |
| Victorias Milling Co. | 127,325 | 130,696 | 123,927 | 132,469 | 102,742.029 |
| OPTION-MPC | 2,680 | 1,916 | 1,405 | 3,055 | 1,752.000 |
| UFSC / Dacongogon | stopped operation | | | | |
| PANAY | 70,170 | 65,631 | 61,753 | 63,911 | 44,558 |
| Capiz Sugar Central | 17,260 | 19,202 | 17,456 | 19,102 | 16,377.311 |
| URC-Passi I | 19,648 | 16,146 | 16,859 | 22,924 | 12,395.986 |
| Passi II | | | | | |
| CASA | 33,262 | 30,284 | 27,438 | 21,886 | 15,784.283 |
| EASTERN VISAYAS | 31,436 | 28,551 | 29,131 | 37,293 | 26,252 |
| Bogo-Medellin Milling Co. | 15,620 | 14,060 | 13,065 | 10,803 | 9,892.500 |
| RD Durano III & Co. | stopped operation | | 383 | 6,435 | 3,652.796 |
| Hideco Sugar Milling Co. | 15,816 | 14,491 | 15,683 | 20,055 | 12,707.099 |
| MINDANAO | 173,566 | 197,044 | 194,733 | 211,626 | 127,008 |
| Busco Sugar Milling Co. | 84,523 | 95,817 | 100,631 | 105,751 | 63,636.807 |
| Cotabato Sugar Central Co. | 13,979 | 19,274 | 17,417 | 16,198 | 10,878.000 |
| Crystal Sugar Co. Inc. | 59,288 | 61,058 | 56,116 | 69,861 | 38,023.529 |
| Davao Sugar Central Co. | 15,776 | 20,896 | 20,570 | 19,816 | 14,469.720 |

Reference: SRA Production Bulletin

Table 2.87. Performance of the Philippine Sugar Mills, CY 2013-2014

| Mills | Rated Capacity, Tons Cane Per Day (TCD) | Capacity Utilization, % | Reduced Overall Recovery, % |
|-------------------------------------|---|-------------------------|-----------------------------|
| LUZON | 35,200 | 61.71 | 81.59 |
| 1. URC-Carsumco | 4,000 | 52.16 | 83.18 |
| 2. Central Azucarera de Tarlac | 7,200 | 73.21 | 81.65 |
| 3. Sweet Crystals - Porac | 2,500 | 56.63 | 78.13 |
| 4. Central Azucarera Don Pedro Inc. | 13,000 | 65.74 | 82.22 |
| 5. Batangas Sugar Central Inc. | 4,500 | 78.68 | 80.60 |
| 6. PENSUMIL | 4,000 | 41.52 | 79.40 |
| EASTERN VISAYAS | 8,000 | 49.15 | 85.34 |
| 1. Bogo - Medellin Milling Co. | 3,000 | 56.62 | 83.39 |
| 2. HISUMCO | 5,000 | 40.90 | 86.40 |
| PANAY | 17,000 | 44.20 | 88.71 |
| 1. Capiz Sugar Central | 4,500 | 46.28 | 88.66 |
| 2. URC-Passi | 4,500 | 51.06 | 86.91 |
| 3. Central Azucarera de San Antonio | 8,000 | 40.26 | 90.22 |
| NEGROS | 98,000 | 65.37 | 87.36 |
| 1. First Farmers Holdings Inc. | 5,000 | 69.54 | 86.41 |
| 2. Haw-Phil Co. | 7,500 | 57.92 | 87.52 |
| 3. VICMICO | 15,000 | 80.80 | 85.71 |
| 4. Lopez Sugar Corp. | 7,000 | 79.12 | 89.25 |
| 5. Sagay Central Inc. | 4,000 | 47.19 | 90.59 |
| 6. OPTION-MPC | 500 | 48.88 | 86.31 |
| 7. Central Azucarera La Carlota | 16,000 | 58.01 | 88.41 |
| 8. BISCO | 14,000 | 72.01 | 87.32 |
| 9. URC-SONEDCO | 9,000 | 75.92 | 87.66 |
| 10. URC-URSUMCO | 8,000 | 52.24 | 87.67 |
| 11. Central Azucarera de Bais | 9,000 | 44.60 | 88.16 |
| 12. URC-Tolong | 3,000 | 62.86 | 84.27 |
| MINDANAO | 37,500 | 63.99 | 85.63 |
| 1. BUSCO | 18,000 | 60.58 | 87.16 |
| 2. Crystal Sugar Co. Inc. | 5,000 | 70.88 | 84.27 |
| 3. DASUCECO | 4,000 | 62.29 | 84.24 |
| 4. Cotabato Sugar Central Corp. | 10,500 | 79.36 | 84.86 |
| PHILIPPINES | 195,700 | 60.87 | 86.39 |

Reference: SRA R, D E Annual Synopsis – Phil. Raw Sugar Factories' Production & Performance Data, CY 2013-2014

Table 288. Mill Improvement Initiatives from Year 2010-2013

| Sugar Mills / Location | Project | Intended Outcome |
|--|---|---|
| 1. Victorias Milling Co. - Negros Occidental | Mill upgrading Acquisition of 8 MW turbo generator ISO, GMP, HACCP & HALAL Certifications | Improved mill efficiency Sale of power to the grid Market access in the international market & Muslim countries |
| 2. Biscom Negros Occidental | Mill upgrading Rated capacity upgraded from 12,000 to 14,000 tons cane per day Upgrading of boiler equipment and powerhouse HALAL Certification | Improved mill efficiency & capacity Sale of power to the grid Market access in Muslim countries |
| 3. First Farmers Negros Occidental | Rehabilitation of powerhouse, boiler, raw sugar house centrifugal equipment & refinery bagging room HALAL Certification | Improved production efficiency Sale of power to the grid Market access in Muslim countries |
| 4. Lopez Negros Occidental | Installation of 2 core samplers Upgrading of mill equipment & boiler house facilities Improvement of product quality control facilities and instrumentation HALAL Certification | Improved production process and efficiency Market access in Muslim countries |
| 5. Capiz Sugar Central | Mill, boiler and boiling house upgrading | Improved mill efficiency |
| 6. Hawaiian-Phil Negros Occidental | Mill improvement Boiling house & boiler efficiency improvements Quality improvement of white sugar Repair of railroad equipment and renovation of warehouse Upgrading the powerhouse & power cogeneration equipment | Improved mill efficiency and logistics support to cane deliveries Sale of power to the grid Storage capacity improved |
| 7. La Carlota Negros Occidental | Rated capacity upgraded from 11,000 to 18,000 tons cane per day ISO Certification | Improved mill production capacity |
| 8. URC- Sonedco Negros Occidental | Rated capacity upgraded from 9,000 to 10,000 tons cane per day ISO & HALAL Certifications | Improved mill production capacity Market access in international market & Muslim countries |
| 9. URC - URSUMCO Negros Oriental | ISO & HALAL Certifications | Market access in international market & Muslim countries |
| 10. Pensumil Camarines Sur | Boiler rehabilitation | Improved mill production efficiency |
| 11. Sweet Crystals Porac, Pampanga | Mill automation HALAL & HACCP Certifications | Improved mill production process Market access in the international market and Muslim countries |

Table 2.88 Mill Improvement Initiatives from Year 2010-2013 (continuation)

| Sugar Mills / Location | Project | Intended Outcome |
|---|--|---|
| 1. Sweet Crystals – San Fernando, Pampanga | HALAL Certification | Market access in Muslim countries |
| 2. URC – CARSUMCO Cagayan | Certifications : ISO-9001-2008 & HALAL | Market access in the international market and Muslim countries |
| 3. Central Azucarera Don Pedro, Inc. - Batangas | Certifications: ISO-9001-2008 QMS, ISO-14001:2004 EMS, ISO-22000:2005 FSMS, GMP CAC/RCP 1-1969 Rev 4(2003), HACCP, HALAL | Market access in the international market and Muslim countries Cleaner environment |
| 4. Cotabato Sugar Central | Modernization of refinery instrumentation | Improved refinery production process |
| 5. Davao Sugar Central | Acquisition of computerized weighing scales | Improved accuracy of weights on canes delivered |
| 6. Central Azucarera de Tarlac | Mill upgrading | Improved production efficiency |
| 7. Busco Sugar Milling Co., Inc. - Bukidnon | Mill upgrading Boiler & powerhouse upgrading | Improved production efficiency |
| 8. Crystal Sugar Co., Inc. - Bukidnon | Upgrading of boiler and powerhouse for power generation to the grid | Sale of power to the grid |
| 9. Central Azucarera de Bais – Negros Oriental | HALAL Certification | Market Access in the International market and Muslim countries |
| 10. Central Azucarera de San Antonio, Iloilo | HALAL Certification | Market Access in the International market and Muslim countries |
| 11. URC – Passi Iloilo | ISO Certification | Market access in the international market |

Reference: SRA RDE & Mill Survey Questionnaire

2.2.6.2 Sugar Refineries

There were fourteen operating sugar refineries in CY 2012-2013 & 2013-14. Total refined sugar production in CY 2013-14 was 1,034,386 metric tons, a 2% decline compared with CY 2012-2013 production as shown in Table 2.89. Table 2.90 illustrated the performance of Philippine sugar refineries in CY 2013-2014. It can be seen from the historical production data that refined sugar production was declining from the 1.213 million metric ton level in CY 2003-2004 to 936,187 metric tons in CY 2012-2013. The sugar refineries with declining production levels were Busco, Don Pedro, Luisita and Dasuceco. Average capacity utilization of the sugar refineries in CY 2013-2014 was 76.33% out of the total rated capacity of 145,000 LKG bags per day.

Table 2.89 Refined Sugar Production by Sugar Refinery, CY 2004-05 to 2013-14

| Region | REFINERY | Crop Year | Crop Year | Crop Year | Crop Year | Crop Year | Crop Year | Crop Year | Crop Year | Crop Year | |
|--------|--------------------------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| | | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 |
| | PHILIPPINES | 1,034,386 | 1,054,895 | 936,187 | 823,827 | 984,203 | 948,877 | 1,092,181 | 1,082,254 | 1,001,816 | 1,056,374 |
| | LUZON | 166,198 | 203,470 | 178,600 | 158,785 | 233,672 | 247,210 | 298,515 | 289,003 | 255,109 | 291,690 |
| 4 | 1. Batangas Sugar Central | | 8,491.50 | 8,039 | - | 14,638 | - | 5,097 | 10,441 | 13,146 | 6,644 |
| 2 | 2. URC- Carsumco | 9,355.80 | 11,932.95 | 12,828 | 9,418 | 12,646 | 15,673 | 17,414 | 18,695 | 17,082 | 15,641 |
| 4 | Azucarera Don Pedro | 102,865.10 | 119,763.65 | 113,283 | 91,554 | 153,650 | 179,443 | 212,770 | 213,075 | 190,110 | 252,883 |
| 3 | Azucarera de Tarlac | 53,977.20 | 63,281.45 | 44,450 | 57,813 | 52,738 | 52,094 | 63,234 | 46,793 | 34,771 | 16,522 |
| | NEGROS | 718,243 | 695,312 | 605,014 | 477,967 | 578,270 | 506,274 | 561,514 | 604,484 | 579,190 | 573,384 |
| 7 | 1. Central Azucarera de Bais | - | - | - | - | - | - | - | 17,597 | 14,295 | 31,278 |
| | 2. Biscom Inc. | 62,624.35 | 55,390.90 | 34,627 | 7,081 | | | | | | |
| 6 | 3. First Farmers Holdings Inc. | 30,139.95 | 15,435.10 | 17,174 | 10,963 | 29,912 | 25,934 | 32,863 | 41,487 | 39,306 | 45,894 |
| 6 | 4. Lopez Sugar Central | 170,210.75 | 165,928.10 | 144,296 | 158,840 | 185,023 | 141,405 | 182,756 | 156,363 | 141,628 | 133,790 |
| 7 | 5. URC-URSUMCO | 41,268.90 | 51,644.70 | 43,791 | 28,944 | 41,333 | 45,432 | 62,153 | 66,434 | 56,340 | 49,203 |
| | 6. URC- Sonedco | 93,578.00 | 93,361.50 | 63,536 | 53,009 | 64,512 | 30,632 | 1,587 | - | - | - |
| 6 | 7. Victorias Milling Co. | 320,421.10 | 313,551.75 | 301,590 | 219,130 | 257,490 | 262,871 | 282,156 | 322,602 | 327,620 | 313,219 |
| | EVIS/MINDANAO | 149,945 | 156,114 | 152,572 | 187,075 | 172,261 | 195,393 | 232,152 | 188,768 | 167,517 | 191,300 |
| 8 | 1. Hideco | 5,294.05 | 6,286.95 | 4,592 | 12,654 | 14,876 | 13,217 | 23,813 | 15,218 | 18,800 | 25,531 |
| 10 | 2. Busco Sugar Milling Co. | 126,191.00 | 133,206.05 | 129,649 | 159,039 | 138,724 | 160,377 | 179,108 | 136,751 | 112,616 | 131,838 |
| | 3. Cotabato Sugar Central Co. | 2,386.55 | 590.55 | 605 | 165 | | | | | | |
| 11 | 4. Davao Sugar Central Co. | 16,072.90 | 16,030.30 | 17,728 | 15,217 | 18,662 | 21,799 | 29,231 | 36,799 | 36,101 | 33,931 |

Reference: SRA R, D & E Annual Compendium of Phil. Sugar Refineries, 2013-14

Table 2.90. Performance of Sugar Refineries, Year 2014

| Refinery | Rated Capacity, LKg Bag/Day | % Capacity Utilization | % Actual Refining Efficiency |
|--------------------------------|--|-----------------------------------|---|
| <i>LUZON</i> | 30,500 | 72.00 | 94.25 |
| 1. URC-Carsumco | 5,000 | 70.54 | 95.2 |
| 2. Central Azucarera Don Pedro | 18,000 | 64.21 | 93.47 |
| 3. Central Azucarera de Tarlac | 7,500 | 87.10 | 95.62 |
| <i>VISAYAS</i> | 90,500 | 79.74 | 94.99 |
| 1. First Farmers | 7,500 | 39.16 | 93.39 |
| 2. HIDECO | 6,000 | 30.47 | 95.51 |
| 3. Lopez | 12,000 | 101.48 | 96.69 |
| 4. URC-Sonedco | 15,000 | 56.51 | 94.28 |
| 5. URC-URSUMCO | 10,000 | 55.96 | 94.52 |
| 6. VICMICO | 25,000 | 92.11 | 94.72 |
| 7. BISCOB | 15,000 | 45.04 | 94.00 |
| <i>MINDANAO</i> | 24,000 | 57.66 | 95.20 |
| 1. Busco | 18,000 | 56.62 | 95.09 |
| 2. Dasuceco | 6,000 | 65.90 | 96.01 |
| PHILIPPINES | 145,000 | 76.33 | 94.90 |

Reference: SRA Annual Compendium of Sugar Refineries, 201

2.2.6.3 Bioethanol Distilleries

From 2012 to 2013, only four distilleries were operating and in 2014, seven bioethanol distilleries (Table 2.91) were operating with a production volume of 114.8 million liters and sales volume of 119 million liters of bioethanol fuel. In 2015, eight distilleries were accredited by DOE bringing the total rated capacity to 222 million liters annually. The newly established distilleries are highly efficient except those distilleries which has been operational for several years producing potable and industrial ethanol.

Investment cost of a bioethanol distillery with cogeneration facilities using sugarcane as feedstock ranged from P5 billion for a distillery with an annual rated capacity of 40 million liters bioethanol similar to San Carlos Bioenergy Inc. of Negros Occidental to P10 billion for a distillery with an annual rated capacity of 54 million liters like Green Future Innovations Inc. in Isabela with complete waste treatment and power generation facilities. A new 30-million liter distillery using molasses as feedstock may cost around P3 billion. However, those with existing facilities which shifted from potable or industrial alcohol into bioethanol fuel may cost less than a billion only.

San Carlos Bioenergy Inc. and Green Future Innovations, Inc. (GFII) used sugarcane as feedstock from dedicated sugarcane plantations in San Carlos mill district and idle lands or lands planted with less productive crops in Isabela. Table 2.92 showed the sugarcane areas harvested, cane milled and bioethanol produced by GFII in CY 2012-2013. Total area utilized was 3,820.22 hectares with a total cane tonnage of 253,679 and bioethanol production of 13.76 million liters.

The bioethanol fuel distillery of Universal Robina Corporation (URC) with a production capacity of 30 million liters started its commercial production in December 2014. Balayan Distillery Inc. has started its commercial operation in August 2014. Cavite Biofuels Producers Inc. (CBPI) will commence its construction phase in 2015 and expected to commercially operate in late 2016. Table 2.93 showed the operating bioethanol distilleries as of Q1 of 2015 and Table 2.94 gave the estimated number of employment that can be generated by bioethanol investments.

Table 2.91. Production and Sales of Operating Bioethanol Distilleries, 2012-2014

| Production / Sales by Producer | San Carlos Bioenergy | Roxol Bioenergy | Leyte Agri | Green Future | Balayan Distillery | Universal Robina | Kool Company | Total |
|--------------------------------|----------------------|-----------------|---------------|---------------|--------------------|------------------|--------------|---------------|
| Annual Rated Capacity | 40,000,000 | 30,000,000 | 9,000,000 | 54,000,000 | 30,000,000 | 30,000,000 | 14,120,000 | 207,120,000 |
| 2014 | 72.50% | 118.71% | 30.15% | 41.26% | 75.51% | 6.74% | 4.08% | 55.45% |
| Production | 28,999,402 | 35,614,219 | 2,713,882 | 22,278,404 | 22,652,000 | 2,023,113 | 576,700 | 114,857,720 |
| 2013 | 80.42% | 66.53% | 27.94% | 31.28% | 0.00% | 0.00% | 0.00% | 34.54% |
| Production | 32,169,914 | 19,959,535 | 2,515,032 | 16,893,158 | | | | 71,537,639 |
| 2012 | 48.13% | 2.07% | 9.16% | 6.62% | 0.00% | 0.00% | 0.00% | 11.72% |
| Production | 19,251,750 | 621,172 | 824,105 | 3,574,542 | | | | 24,271,569 |

Reference: Data from DOE-REMB

Table 2.92. Sugarcane Areas, Cane Milled and Bioethanol Production of Green Future Innovations, Inc., CY 2012-13

| Month | Tons Cane (TC) | | Area Harvested* | | Cane Milled MT | Bioethanol Withdrawn Liters |
|---------------|-------------------|------------------|-----------------|---------------|-------------------|--------------------------------|
| | ECOF | IF | ECOF (ha) | IF (ha) | | |
| November 2012 | 8,277.33 | 152.65 | 118.25 | 3.05 | 8,636.91 | |
| December 2012 | 30,151.89 | 1,414.28 | 430.74 | 28.29 | 32,191.47 | 284,589.00 |
| January 2013 | 37,512.04 | 3,032.15 | 535.89 | 60.64 | 41,545.14 | 2,732,602.00 |
| February 2013 | 35,255.79 | 10,750.16 | 503.65 | 215.00 | 47,183.05 | 2,343,347.00 |
| March 2013 | 22,233.55 | 7,919.92 | 317.62 | 158.40 | 30,951.01 | 3,728,529.00 |
| April 2013 | 26,090.10 | 4,061.68 | 372.72 | 81.23 | 30,718.69 | 1,412,001.00 |
| May 2013 | 22,116.00 | 2,760.15 | 315.94 | 55.20 | 25,367.91 | 1,625,104.00 |
| June 2013 | 33,491.99 | 2,412.61 | 478.46 | 48.25 | 37,084.99 | 1,634,738.00 |
| Total | 220,681.36 | 33,381.26 | 3,152.59 | 667.63 | 253,679.17 | 13,760,910.00 |

*Assumed yield of 70 Ton/ha for Ecofuel Farms Corporate Farms (ECOF) and 50 Ton/ha for Independent Farms (IF)

Reference: GFII Monthly Report to SRA

Table 2.93. Bioethanol Distilleries Operational as of Q1 of 2015

| Distillery | Annual Rated Capacity | Feedstock | Location |
|---|-----------------------|-----------------------|----------------------------|
| 1. Leyte Agri Corp. (LAC) | 9 million liters | Molasses | Ormoc, Leyte |
| 2. San Carlos Bioenergy Inc. (SCBI) | 40 million liters | Sugarcane Molasses | San Carlos, Negros Occ. |
| 3. Roxol Bioenergy Corp. (RBC) | 30 million liters | Molasses | La Carlota, Negros Occ. |
| 4. Green Future Innovations Inc. (GFII) | 54 million liters | Sugarcane | San Mariano, Isabela |
| 5. Universal Robina Corp. | 30 million liters | Molasses | Bais, Negros Oriental |
| 6. Balayan Distillery | 30 million liters | Molasses | Balayan, Batangas |
| 7. Far East Alcohol Distillery | 15 million liters | Molasses | Pampanga |
| 8. Kooll Company | 14 million liters | Sugarcane | Magallanes, Cavite |

Reference: DOE-REMB Data and SRA Bioethanol Producers' Registration Data

Table 2.94. Projected Bioethanol Workers, 2013-2030

| Year | Target Blend | Bioethanol Demand (in M Liters) | Est. No. of Field Workers | Est. No. of Plant Workers | Total No. Bioethanol Workers* |
|------|--------------|---------------------------------|---------------------------|---------------------------|-------------------------------|
| 2013 | 10% | 381.36 | 85,806 | 1,906.80 | 87,713 |
| 2014 | 10% | 383.93 | 86,384 | 1,919.65 | 88,304 |
| 2015 | 10% | 381.86 | 85,919 | 1,909.30 | 87,828 |
| 2020 | 20% | 865.70 | 194,783 | 4,328.50 | 199,111 |
| 2025 | 20% | 963.45 | 216,776 | 4,817.25 | 221,594 |
| 2030 | 20% | 1,016.80 | 228,780 | 5,084.00 | 233,864 |

Source of Basic Data: DOE, Sept. 24, 2012; Computed by DOLE, * if local bioethanol supply = local ethanol demand

Basic Employment Assumptions:

- ✓ 1 hectare : 1 field sugarcane worker;
- ✓ 300T liters Ethanol : 1 plant worker;
- ✓ 1M liters ethanol : 230 workers (*225 field workers + 5 plant workers*)

2.2.6.4 Muscovado Mills

Muscovado mills are scattered all over the country especially in Antique wherein muscovado is second to rice in terms of production. Muscovado production is not closely monitored by SRA although its exports should comply with SRA regulations. Table 2.95 illustrated the muscovado production levels of the various provinces as monitored by the Bureau of Agricultural Statistics from year 2002 to 2006. In 2006, Western Visayas produced 69,874 metric tons, followed by Central Luzon with 31,710 metric tons and SOCCSKSARGEN with 20,196 metric tons.

Table 2.95 Muscovado Production in the Philippines (Metric Tons), 2002-2006

| Region / Province | 2002 | 2003 | 2004 | 2005 | 2006 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| PHILIPPINES | 128,699 | 199,736 | 196,487 | 215,785 | 206,295 |
| Ilocos Region | 8,926 | 16,111 | 16,271 | 15,840 | 16,013 |
| <i>Ilocos Norte</i> | 504 | 7,915 | 7,939 | 7,786 | 7,932 |
| <i>Ilocos Sur</i> | 218 | 356 | 694 | 970 | 1,287 |
| <i>La Union</i> | 25 | 151 | 300 | 316 | 365 |
| <i>Pangasinan</i> | 8,179 | 7,688 | 7,338 | 6,767 | 6,429 |
| Cağayan Valley | 4 | 3,170 | 5 | 198 | 284 |
| <i>Isabela</i> | | 3,166 | | | |
| <i>Quirino</i> | 4 | 5 | 5 | 198 | 284 |
| Central Luzon | 26,521 | 28,124 | 29,529 | 41,389 | 31,710 |
| <i>Tarlac</i> | 26,384 | 27,967 | 29,366 | 41,234 | 31,543 |
| <i>Zambales</i> | 137 | 157 | 163 | 155 | 167 |
| Bicol Region | 67,809 | 68,672 | 66,771 | 68,528 | 67,803 |
| <i>Albay</i> | 67,806 | 68,669 | 66,769 | 68,525 | 67,800 |
| <i>Catanduanes</i> | 0.36 | 0.38 | 0.35 | 0.32 | 0.34 |
| <i>Sorsogon</i> | 3 | 2 | 2 | 2 | 2 |
| Western Visayas | 4,700 | 63,161 | 62,315 | 69,830 | 69,874 |
| <i>Antique</i> | 1,685 | 60,352 | 61,129 | 60,744 | 57,562 |
| <i>Iloilo</i> | 3,015 | 2,809 | 1,186 | 1,300 | 1,652 |
| <i>Negros Occ.</i> | | | | 7,786 | 10,660 |
| Eastern Visayas | 3 | 3 | 3 | 6 | 6 |
| <i>Leyte</i> | 3 | 3 | 3 | 6 | 6 |
| Zamboanga Peninsula | 519 | 486 | 501 | 442 | 411 |
| <i>Zamboanga City</i> | 135 | 131 | 126 | 124 | 115 |
| <i>Zamboanga Norte</i> | 130 | 135 | 183 | 171 | 183 |
| <i>Zamboanga Sur</i> | 220 | 188 | 162 | 121 | 87 |
| <i>Sibugay</i> | 34 | 32 | 30 | 27 | 26 |
| SOCCSKSARGEN | 20,216 | 20,009 | 21,091 | 19,552 | 20,196 |
| <i>North Cotabato</i> | 3 | 7 | 1,035 | 550 | 579 |
| <i>Sultan Kudarat</i> | 20,213 | 20,002 | 20,056 | 19,002 | 19,617 |

Source of Data: Bureau of Agricultural Statistics

2.2.6.5. Power Generation

All sugar mills, sugar refineries and bioethanol distilleries generate their own power used for their operation using bagasse or in combination with biogas in the case of bioethanol distilleries, which is commonly known as power cogeneration.

With the passage of the Renewable Energy law of 2008, such establishments were encouraged to secure certificates of registration with the Department of Energy (DOE) for own-use or grid use to avail certain fiscal and non-fiscal incentives under the renewable energy law.

Additional investments needed by a sugar mill in order to generate power to the grid may reach P2 billion. Fourteen sugar mills were awarded with certificates of registration by DOE for own-use as of May 2013 and two sugar mills and another two bioethanol distilleries obtained nomination under the feed-in-tariff (FiT) system as of August 2013 .

In 2014, DOE has registered 12 sugar mills and 3 distilleries in the Visayas, 2 sugar mills in Mindanao and 3 sugar mills plus one distillery in Luzon bringing the total awarded sugarcane-based biomass projects to 21 projects. Five of these projects were into commercial production in 2014 thru bilateral contracts and the WESM.

It is estimated that the sugarcane industry has the potential to generate 500 MW of power to the grid which can be harnessed through more investments of upgrading their boilers and turbo-generators and firm policy support by government in implementing the renewable energy law. Biofuels and biomass power are both included in the renewable energy targets under the 2011-2030 National Renewable Energy Plan (NREP 2011-2030) as illustrated in Table 2.96.

Table 2.96. Renewable Energy Targets, 2011-2030

| Sector | Short Term 2011-2015 | Medium Term 2016-2020 | Long Term 2021-2030 | Total |
|--------------|--|--|---|--|
| Geothermal | 220 MW | 1,100 MW | 175 MW | 1,495 MW |
| Hydropower | 341.3 MW | 3,161 MW | 1,891.8 MW | 5,394.1 MW |
| Biomass | 276.7 MW | 0 | 0 | 276.7 MW |
| Biofuels | <ul style="list-style-type: none"> • DC on E10 in 2011 • Mandatory E10 to all Gasoline by 2012 • PNS for B5 by 2014 • DC on B5 by 2015 • Mandatory B5 to all Diesel by 2015 | <ul style="list-style-type: none"> • PNS for B20 & E85 by 2020 • DC on B10 and E20 by 2020 | <ul style="list-style-type: none"> • DC on B20 and E85 by 2025 | |
| Wind | 200 MW | 700 MW | 1,445 MW | 2,345 MW |
| Solar | 50 MW | 100 MW | 200 MW | 350 MW (Aspirational target 1,528 MW) |
| Ocean Power | 0 | 35.5 | 35 | 70.5 |
| Total | 1,088 MW | 5,096 MW | 3,746.80 MW | 9,931.3 MW |

Reference: National Renewable Energy Plan, 2011-2030

3. FARM INCOME ANALYSIS

3.1. Farm Cash Flows

Cultural practices of farmers in Luzon, Visayas and Mindanao vary. The farm practices of small or low input farms, medium or intermediate input farms and large or high input farms also differ between mill districts.

Farm cash flows in Luzon, Visayas and Mindanao islands will be illustrated in three categories based on CY 2012-2013 mill district farm productivities – least efficient farms, farms falling within the island average and the most efficient farms.

The average cost of production for every category will be based on the assumption that for every hectare, 40% plant cane and 60% ratoon cane are planted, unless a specific data for plant cane to ratoon cane ratio is available for the mill district. Cost of seedpieces and land preparation will be saved on sugarcane crop using ratooned canes. It is assumed that small or subsistence farming used carabao during cultivation while medium-size and large farms are mechanized.

Cash flows reflect the detailed cost of production without any government subsidy, both direct and indirect costs with the gross income based on mill district average composite millsite price and the sharing scheme adopted by the districts taking into account the

additional income from molasses production which follows the sharing scheme on sugar production.

Cash flow assumptions which will be applied to all mill districts take into account indirect costs such as land rental, administrative and interest costs. Unless data is available in the mill district, the average molasses millsite price of CY 2012-2013 will be used in all mill districts at P5,837 per metric ton. Land rental cost gathered during the discussions with the MDDCFIs will be used that vary from district to district and will be applied to medium-size and large farms only considering that small farms are more of subsistence farming. Likewise, an administrative cost of 10% of direct cost will be employed to medium-size and large farms. Interest cost of 10% will be applied to all farm categories.

3.1.1. Cash Flows of Luzon Sugarcane Mill Districts

In Luzon, Penumil mill district was considered as the least efficient farm, Tarlac mill district represented an average farm and Balayan mill district as the most efficient farm in Luzon. Cost figures were based on the common practice in the district although these may vary from farm to farm of the same category.

In Penumil Mill District, plant cane to ratoon cane ratio is 70:30 due to inavailability of HYV nurseries in the mill district and the mill efficiency was very low at 1.4 LKg/TC in CY 2012-2013. The farmers were forced not to apply the recommended farm inputs because of the very low sugar yield and if all necessary costs were inputted in the cash flow computation (Table 3.1), the farmers then had a very low income as shown in their cash flows in CY 2012-2013.

In Tarlac mill district, small farms seemed to give better sugar yield than medium and large farms, thus, earning positive cash flows of 27% for small farms, 18% for medium-size farms and 19% for large farms (Table 3.2). In the case of Balayan mill district, all farm categories had high return on investment with the large farms showing the highest ROI of 38 %, 25% for medium-size farms and 31% of small farms (Table 3.3).

Table 3.1. Farm Cash Flows of Pensumil Mill District Pesos per Hectare, CY 2012-2013

| FARM OPERATIONS | SMALL 10 Has. & Below | MEDIUM Over 10 Has. to 50 Has. | LARGE Over 50 Has. |
|--------------------------------|--------------------------------------|---|-------------------------------|
| Land Preparation | 5,000.00 | 7,500.00 | 10,500.00 |
| Seedpieces | 12,000.00 | 15,000.00 | 15,000.00 |
| Seedpieces Preparation | 500.00 | 2,000.00 | 2,000.00 |
| Planting | 1,500.00 | 1,500.00 | 1,500.00 |
| Replanting | 500.00 | 1,000.00 | 1,000.00 |
| Fertilizer | 6,280.00 | 9,600.00 | 9,690.00 |
| Fertilizer Application | 400.00 | 800.00 | 800.00 |
| Cultivation | 4,000.00 | 4,500.00 | 5,000.00 |
| Manual Weeding | 3,000.00 | 6,000.00 | 6,000.00 |
| Sprays and Application | 1,200.00 | 2,500.00 | 2,500.00 |
| Irrigation and Drainage | | N/A | N/A |
| Cutting & Loading | 6,000.00 | 9,750.00 | 10,500.00 |
| Hauling less trucking | 5,000.00 | 7,000.00 | 10,000.00 |
| Stubble shaving | 500.00 | 1,500.00 | 1,500.00 |
| Trash clearing | 500.00 | 500.00 | 500.00 |
| Others | 1,000.00 | 2,000.00 | 2,500.00 |
| TOTAL DIRECT COST-TDC | 47,380.00 | 71,150.00 | 78,990.00 |
| Land rental/annum | - | 2,500.00 | 2,500.00 |
| Interest Cost, 10% of TDC | 4,738.00 | 7,424.00 | 7,749.00 |
| TOTAL COSTS-TC | 52,118.00 | 81,074.00 | 89,239.00 |
| | | | |
| YIELD/HECTARE | | | |
| Average TC/Ha | 40.00 | 65.0 | 75.0 |
| Ave. LKG/Ha | 56.00 | 91.0 | 105.0 |
| AVERAGE Molasses Yield, Kg | 1,200.00 | 1,820.00 | 1,875.00 |
| MILLSITE PRICES | | | |
| Price of sugar/LKG | 1,517.00 | 1,517.00 | 1,517.00 |
| Price of Molasses/kg | 4.50 | 4.50 | 5.00 |
| | | | |
| RETURNS | | | |
| PLANTER SHARE | 60% | 60% | 60% |
| A) Sales from Sugar | 50,971.00 | 82,828.20 | 95,571.00 |
| B) Sales from Molasses | 3,240.00 | 4,914.00 | 5,625.00 |
| NET RETURNS PER HECTARE | | | |
| A + B-TC | 2,093.00 | 6,668.20 | 11,957.00 |
| NET RETURNS PER LKG BAG | | | |
| A + B-TC / LKG bag | 37.38 | 73.28 | 113.88 |

Reference: Data gathered from the MDDCs and SRA MDOs

Table 3.2. Farm Cash Flows of Tarlac Mill District in Pesos per Hectare, CY 2012-2013

| FARM OPERATIONS | SMALL | MEDIUM | LARGE | AVERAGE |
|---|---------------|---------------|--------------------|---------------|
| | < 10 Has. | 25-50 Has. | 50.01 Has. & Above | |
| A. Direct Costs | | | | |
| 1. Land Preparation and Planting Materials | | | | |
| a. Plant Cane, 40% | 18,760 | 22,160 | 25,160 | 22,027 |
| Land Preparation @ P3,000/pass by tractor | 9,000 | 9,000 | 12,000 | 10,000 |
| <i>Plowing</i> | 3,000 | 3,000 | 3,000 | |
| <i>Harrowing</i> | 3,000 | 3,000 | 6,000 | |
| <i>Furrowing</i> | 3,000 | 3,000 | 3,000 | |
| Seedpieces @ P2,500/laksa | 7,500 | 10,000 | 10,000 | 9,167 |
| <i>Planting Density, laksa/ha</i> | 3 laksa | 4 laksa | 4 laksa | |
| Seedpieces Preparation, manual labor @ P300/laksa | 900 | 1,200 | 1,200 | 1,100 |
| Planting, manual labor, @ P200/manday | 1,000 | 1,600 | 1,600 | 1,400 |
| <i>Mandays (MD)</i> | 5 | 8 | 8 | |
| Replanting, manual labor, P180/day | 360 | 360 | 360 | 360 |
| <i>Mandays (MD)</i> | 2 | 2 | 2 | |
| b. Ratoon Cane, 60% | 3,160 | 3,161 | 3,161 | 3,160 |
| Land Preparation | 0 | 0 | 0 | 0 |
| Seedpieces @ P2,500/laksa | 2,500 | 2,500 | 2,500 | 2,500 |
| <i>Planting Density, Laksa/hectare</i> | 1 | 1 | 1 | |
| Seedpieces Preparation, manual labor @ P300/laksa | 300 | 300 | 300 | 300 |
| Replanting, Manual labor, @ P180/day | 360 | 360 | 360 | 360 |
| <i>Mandays (MD)</i> | 2 | 2 | 2 | |
| Sub total - Average of 40% Plant & 60% Ratoon Cane | 9,400 | 10,761 | 11,961 | 10,707 |
| 2. Fertilizer, Lime & Chemicals, (Weedicides & Herbicides) | | | | |
| Fertilizer/Lime/Chemicals Used & Application Rate | 8,290 | 11,340 | 11,790 | 10,473 |
| Urea @ P1,100/bag | 3,300 | 4,400 | 4,400 | |
| <i>Application rate, baags/ha</i> | 3 | 4 | 4 | |
| Ammonium Phosphate @ P1,100/bag | 2,200 | 3,300 | 3,300 | |
| <i>Application rate, baags/ha</i> | 2 | 3 | 3 | |
| Organic Fertilizer, Commercial @ P200/bag | 1,000 | 1,000 | 1,000 | |
| <i>Application rate, baags/ha</i> | 5 | 5 | 5 | |
| Fertilizer Application, P100/bag for chemical fert. & P25/bag for organic fert. | 400 | 600 | 1,050 | |
| Weedicide - Diuron @ P550/kg. | 550 | 1,100 | 1,100 | |
| <i>Application rate, kg/ha</i> | 1 | 2 | 2 | |
| 2-4 @ P270/liter | 540 | 540 | 540 | |
| <i>Application rate, liter/ha</i> | 2 | 2 | 2 | |
| Weedicide Application @ P100/ liter or P100/kg | 300 | 400 | 400 | |
| 3. Pest Control Agent Used & Application Rate | 0 | 0 | 0 | 0 |
| Chemical/Biological Agent Applied | 0 | 0 | 0 | 0 |
| 3. Irrigation and Drainage | N/A | N/A | N/A | |
| 4. Pakiao Services | 5,850 | 7,000 | 7,600 | 6,817 |
| Stubble shaving | 600 | 600 | 600 | |
| Land/trash Clearing | 300 | 300 | 300 | |
| Cultivation | 2,700 | 2,700 | 2,700 | |
| Manual Weeding | 2,250 | 2,400 | 3,000 | |
| Chemical Weeding | | 1,000 | 1,000 | |
| 5. Post harvest Costs | 21,735 | 23,625 | 24,650 | 23,337 |
| Cutting & Loading @ P200/TC | 9,200 | 10,000 | 10,434 | |
| Net Hauling Cost | 12,535 | 13,625 | 14,216 | |
| <i>Hauling Cost, Prevailing Rate@ P280/TC</i> | 12,880 | 14,000 | 14,608 | |
| <i>Trucking Subsidy given by mill, P32.50/TC</i> | 1,495 | 1,625 | 1,696 | |
| <i>Driver's allowance per trip, P500/trip</i> | 1,150 | 1,250 | 1,304 | |
| <i>No. of trips of a 20-ton capacity truck based on TC/Ha</i> | 2.30 | 2.50 | 2.61 | |
| Total Direct Costs (TDC) | 45,275 | 52,726 | 56,001 | 51,334 |

Table 3.2. Farm Cash Flows of Tarlac Mill District in Pesos per Hectare, CY 2012-2013
(Continuation)

| FARM OPERATIONS | SMALL -< 10 Has. | MEDIUM 25-50 Has. | LARGE 50.01 Has. & Above | AVERAGE |
|---|--------------------------------|------------------------------|---|----------------|
| B. Indirect Costs | | | | |
| Land rental, prevailing rates in the district | 6,000 | 6,000 | 6,000 | |
| Administrative Cost, 10% of TDC | 4,528 | 5,273 | 5,600 | |
| Interest Cost, 10% of TDC | 4,528 | 5,273 | 5,600 | |
| Total Indirect Costs (TIC) | 15,055 | 16,545 | 17,200 | 16,267 |
| C. Total Production Cost (TPC) = TDC + TIC | 60,330 | 69,271 | 73,201 | 67,601 |
| Cost of Production /LKg @ 67% planters' share | 1,047 | 1,106 | 1,120 | |
| D. FARM PRODUCTIVITY | | | | |
| Tons Cane Per Hectare, TC/HA | 46 | 50 | 52 | |
| E. SUGAR YIELD | | | | |
| 50-kilo Bag Per Hectare, LKG/HA @ 1.87 LKg/TC | 86 | 94 | 98 | |
| F. MOLASSES PRODUCTION | | | | |
| Kilos Molasses Per Hectare , gallons | 201 | 186 | 239 | |
| G. MILLSITE PRICES | | | | |
| Composite Millsite Price of sugar, P/LKG | 1,219.94 | 1,219.94 | 1,219.94 | |
| Millsite Price of Molasses, P/gal | 45.00 | 45.00 | 45.00 | |
| H. SHARING SCHEME, % Planters Share | 67% | 67% | 67% | |
| I. GROSS INCOME | 76,377 | 82,017 | 86,954 | 81,782 |
| <i>Sales from Sugar</i> | <i>70,309</i> | <i>76,423</i> | <i>79,740</i> | |
| <i>Sales from Molasses</i> | <i>6,067</i> | <i>5,594</i> | <i>7,214</i> | |
| J. NET RETURNS OR NET CASH FLOWS | 16,047 | 12,746 | 13,752 | 14,182 |
| <i>Gross Income - TPC</i> | <i>16,047</i> | <i>12,746</i> | <i>13,752</i> | |
| K. RETURN ON INVESTMENT (ROI), % | 26.60% | 18.40% | 18.79% | 20.98% |
| <i>Net Cash Flows/TPC X 100</i> | <i>26.60%</i> | <i>18.40%</i> | <i>18.79%</i> | |

Source: MDDC and SRA MDOs

Table 3.3. Farm Cash Flows of Balayan Mill District in Pesos/Ha, CY 2012-2013

| FARM OPERATIONS | SMALL | MEDIUM | LARGE | AVERAGE |
|---|----------------|----------------|--------------------|---------------|
| | < 10 Has. | 25-50 Has. | 50.01 Has. & Above | |
| A. Direct Costs | | | | |
| 1. Land Preparation and Planting Materials | | | | |
| a. Plant Cane, 40% | 26,700 | 30,600 | 32,400 | 29,900 |
| Land Preparation | 13,500.00 | 13,500.00 | 13,500.00 | 13,500 |
| Seedpieces @ P3,000/laksa | 9,000.00 | 12,000.00 | 16,000.00 | 12,333 |
| <i>Planting Density, laksa/ha</i> | <i>3 laksa</i> | <i>4 laksa</i> | <i>4 laksa</i> | |
| Seedpieces Preparation, manual labor @ P300/laksa | 900 | 1,200 | 1,200 | 1,100 |
| Planting, manual labor & machine for large farms | 2,400.00 | 3,000.00 | 800.00 | 2,067 |
| Replanting, manual labor | 900.00 | 900.00 | 900.00 | 900 |
| b. Ratoon Cane, 60% | 4,200 | 4,201 | 4,201 | 4,200 |
| Land Preparation | 0 | 0 | 0 | 0 |
| Seedpieces @ P3,000/laksa | 3,000 | 3,000 | 3,000 | 3,000 |
| <i>Planting Density, Laksa/hectare</i> | <i>1</i> | <i>1</i> | <i>1</i> | |
| Seedpieces Preparation, manual labor @ P300/laksa | 300 | 300 | 300 | 300 |
| Replanting, Manual labor, @ P180/day | 900.00 | 900.00 | 900.00 | 900 |
| Sub total - Average of 40% Plant & 60% Ratoon Cane | 13,200 | 14,761 | 15,481 | 14,480 |
| 2. Fertilizer, Lime & Chemicals, (Weedicides & Herbicides) | | | | |
| Fertilizer/Lime/Chemicals Used & Application Rate | 12,200 | 13,200 | 16,300 | 13,900 |
| Urea @ P1,100/bag | | 9,200 | 11,500 | |
| Ammonium Sulfate | 11,600 | | | |
| Organic Fertilizer, Commercial @ P120/bag | | 3,000 | 3,600 | |
| Fertilizer Application | 600 | 1,000 | 1,200 | |
| 3. Pest Control Agent Used & Application Rate | 0 | 0 | 0 | 0 |
| Chemical/Biological Agent Applied | 0 | 0 | 0 | |
| 3. Irrigation and Drainage | N/A | N/A | N/A | |
| 4. Pakiao Services | 13,700 | 13,700 | 8,625 | 12,008 |
| Stubble shaving | 600 | 600 | 600 | |
| Land/trash Clearing | 800 | 800 | 800 | |
| Cultivation | 6,300 | 6,300 | 2,125 | |
| Manual Weeding | 6,000 | 6,000 | 5,100 | |
| 5. Post harvest Costs | 20,625 | 24,375 | 28,125 | 24,375 |
| Cutting & Loading @ P220/TC | 12,100 | 14,300 | 16,500 | |
| Net Hauling Cost | 8,525 | 10,075 | 11,625 | |
| <i>Hauling Cost, P270/TC</i> | <i>14,850</i> | <i>17,550</i> | <i>20,250</i> | |
| <i>Trucking Subsidy given by mill, P140/TC</i> | <i>7,700</i> | <i>9,100</i> | <i>10,500</i> | |
| <i>Driver's allowance per trip, P500/trip</i> | <i>1,375</i> | <i>1,625</i> | <i>1,875</i> | |
| <i>No. of trips of a 20-ton capacity truck based on TC/Ha</i> | <i>2.75</i> | <i>3.25</i> | <i>3.75</i> | |
| Total Direct Costs (TDC) | 59,725 | 66,036 | 68,531 | 64,764 |
| B. INDIRECT COSTS | | | | |
| Land rental, prevailing rates in the district | | 10,000 | 10,000 | |
| Administrative Cost, 10% of TDC | 5,973 | 6,604 | 6,853 | |
| Interest Cost, 10% of TDC | 5,973 | 6,604 | 6,853 | |
| TOTAL INDIRECT COSTS (TIC) | 11,945 | 23,207 | 23,706 | 19,619 |
| C. Total Production Cost (TPC) = TDC + TIC | 71,670 | 89,243 | 92,237 | 84,383 |
| Cost of Production /LKg @ 65% planters' share | 1,055 | 1,112 | 996 | |
| D. FARM PRODUCTIVITY | | | | |
| Tons Cane Per Hectare, TC/HA | 55 | 65 | 75 | |
| E. SUGAR YIELD | | | | |
| 50-kilo Bag Per Hectare, LKG/HA @ 1.90 LKg/TC | 105 | 124 | 143 | |
| F. MOLASSES PRODUCTION | | | | |
| Kilos Molasses Per Hectare | 2,235 | 2,840 | 2,878 | |
| G. MILLSITE PRICES | | | | |
| Composite Millsite Price of sugar, P/LKg | 1,242.35 | 1,242.35 | 1,242.35 | |
| Millsite Price of Molasses, P/kg | 6.50 | 6.50 | 6.50 | |
| H. SHARING SCHEME, % Planters Share | | | | |
| | 65% | 65% | 65% | |
| I. GROSS INCOME | | | | |
| <i>Sales from Sugar</i> | <i>84,387</i> | <i>99,730</i> | <i>115,073</i> | |
| <i>Sales from Molasses</i> | <i>9,443</i> | <i>11,999</i> | <i>12,160</i> | |
| J. NET RETURNS OR NET CASH FLOWS | 22,159 | 22,486 | 34,995 | 26,547 |
| <i>Gross Income - TPC</i> | <i>22,159</i> | <i>22,486</i> | <i>34,995</i> | |
| K. RETURN ON INVESTMENT (ROI), % | | | | |
| <i>Net Cash Flows/TPC X 100</i> | <i>30.92%</i> | <i>25.20%</i> | <i>37.94%</i> | <i>31.4%</i> |

3.1.2. Cash Flows of Visayas Sugarcane Mill Districts

Among the mill districts in the Visayas, Bogó-Medellin mill district was the least efficient, Lopez mill district as the average farm and Hawaiian-Philippines/Silay mill district as the most efficient district. Cost figures were based on the common practice in the district although these may vary from farm to farm of the same category.

In Bogó-Medellin mill district, net farm cash flows were positive in CY 2012-2013, however, medium-size and large farms had low ROI of 5.48% and 3.44%, respectively, while small farms got 11.16% ROI (Table 3.4).

Table 3.4. Farm Cash Flows of Bogó-Medellin Mill District, Pesos per Hectare, CY 2012-2013

| FARM OPERATIONS | SMALL | MEDIUM | LARGE | AVERAGE |
|---|---------------|---------------|--------------------|---------------|
| | < 10 Has. | 25-50 Has. | 50.01 Has. & Above | |
| A. Direct Costs | | | | |
| 1. Land Preparation and Planting Materials | | | | |
| a. Plant Cane, 30% | 15,650 | 16,650 | 16,950 | 16,417 |
| Land Preparation | 10,000 | 10,000 | 10,000 | 10,000 |
| <i>Plowing</i> | 8,000 | 8,000 | 8,000 | |
| <i>Furrowing</i> | 2,000 | 2,000 | 2,000 | |
| Seedpieces | 2,000 | 2,700 | 3,000 | 2,567 |
| Seedpieces Preparation, P300/laksa | 900 | 1,200 | 1,200 | 1,100 |
| Planting | 2,000 | 2,000 | 2,000 | 2,000 |
| Replanting | 750 | 750 | 750 | 750 |
| b. Ratoon Cane, 70% | 1,800 | 1,800 | 1,800 | 1,800 |
| Land Preparation | 0 | 0 | 0 | |
| Seedpieces | 750 | 750 | 750 | 750 |
| Seedpieces Preparation | 300 | 300 | 300 | 300 |
| Replanting | 750 | 750 | 750 | 750 |
| Sub total - Average of 30% Plant & 70% Ratoon Cane | 5,955 | 6,255 | 6,345 | 6,185 |
| 2. Fertilizer, Lime & Chemicals, (Weedicides & Herbicides) | | | | |
| Fertilizer/Lime/Chemicals & Application Rate | 15,900 | 21,900 | 26,150 | 21,317 |
| Urea, P1,150/bag | 4,600 | 4,600 | 6,900 | |
| Application rate, bags/ha | 4 | 4 | 6 | |
| Potash, P1,800/bag | 5,400 | 7,200 | 7,200 | |
| Application rate, bags/ha | 3 | 4 | 4 | |
| Ammonium Phosphate, P900/bag | 2,700 | 3,600 | 4,500 | |
| Application rate, bags/ha | 3 | 4 | 5 | |
| Organic Fertilizer, Commercial, P225/bag | | 2,250 | 2,250 | |
| Fertilizer Application | 1,000 | 1,500 | 2,000 | |
| Weedicides/Herbicides | 1,900 | 2,375 | 2,850 | |
| <i>Diuron @ P700/kg</i> | 1,400 | 1,750 | 2,100 | |
| <i>2-4 @ P250/liter</i> | 500 | 625 | 750 | |
| Weedicide Application | 300 | 375 | 450 | |
| 3. Pest Control Agent & Application Rate | 0 | 0 | 0 | 0 |
| 3. Irrigation and Drainage | 0 | 0 | 0 | 0 |

Table 3.4. Farm Cash Flows of Bogó-Medellín Mill District, Pesos per Hectare, CY 2012-2013
(Continuation)

| FARM OPERATIONS | SMALL | MEDIUM | LARGE | AVERAGE |
|---|---------------|---------------|--------------------|---------------|
| | < 10 Has. | 25-50 Has. | 50.01 Has. & Above | |
| 4. Pakiao Services | 5,400 | 6,400 | 6,400 | 6,067 |
| Land/trash Clearing | 500 | 500 | 500 | |
| Cultivation | 1,400 | 2,400 | 2,400 | |
| Manual Weeding | 3,500 | 3,500 | 3,500 | |
| 5. Post harvest Costs | 15,800 | 21,725 | 23,700 | 20,408 |
| Cutting & Loading, P175/TC | 7,000 | 9,625 | 10,500 | |
| Net Hauling Cost | 8,800 | 12,100 | 13,200 | |
| <i>Hauling Cost, P200/TC</i> | <i>8,000</i> | <i>11,000</i> | <i>12,000</i> | |
| <i>Driver's allowance per trip, P400/trip</i> | <i>800</i> | <i>1,100</i> | <i>1,200</i> | |
| <i>No. of trips of a 20-ton capacity truck based on TC/Ha</i> | <i>2.00</i> | <i>2.75</i> | <i>3.00</i> | |
| Total Direct Costs (TDC) | 43,055 | 56,280 | 62,595 | 53,977 |
| B. Indirect Costs | | | | |
| Land rental, prevailing rates in the district | | 5,000 | 5,000 | |
| Administrative Cost, 10% of TDC | 4,306 | 5,628 | 6,260 | |
| Interest Cost, 10% of TDC | 4,306 | 5,628 | 6,260 | |
| Total Indirect Costs (TIC) | 8,611 | 16,256 | 17,519 | 14,129 |
| C. Total Production Cost (TPC) | 51,666 | 72,536 | 80,114 | 68,105 |
| D. FARM PRODUCTIVITY | | | | |
| TC/HA | 40.00 | 55.00 | 60.00 | |
| LKG/HA @ 1.59 LKg/TC | 63.60 | 87.45 | 95.40 | |
| E. Molasses Production, Kilos | | | | |
| 14,060,000 kilos molasses /8,061 hectares | 1,744 | 1,744 | 1,744 | |
| F. Millsite Prices | | | | |
| Composite Millsite Price of sugar, P/LKG | 1,240.17 | 1,240.17 | 1,240.17 | |
| Millsite Price of Molasses, P/kg | 5.83 | 5.83 | 5.83 | |
| G. SHARING SCHEME, % Planters Share | 64.5% | 64.5% | 64.5% | |
| H. GROSS INCOME | 57,430 | 76,508 | 82,867 | 72,268 |
| <i>Sales from Sugar</i> | <i>50,874</i> | <i>69,952</i> | <i>76,311</i> | |
| <i>Sales from Molasses</i> | <i>6,555</i> | <i>6,555</i> | <i>6,555</i> | |
| I. NET RETURNS OR NET CASH FLOWS | 5,764 | 3,972 | 2,753 | 4,163 |
| <i>Gross Income – TPC</i> | <i>5,764</i> | <i>3,972</i> | <i>2,753</i> | |
| J. RETURN ON INVESTMENT (ROI), % | 11.16% | 5.48% | 3.44% | 6.11% |
| <i>Net Cash Flows/TPC X 100</i> | <i>11.16%</i> | <i>5.48%</i> | <i>3.44%</i> | |

Table 3.4. Farm Cash Flows of Victorias Mill District, Pesos per Hectare, CY 2012-2013

| FARM OPERATIONS | Small Farms | Medium-Sized Farms | Large Farms | AVERAGE |
|-------------------------------|------------------|--------------------|-------------------|-------------------|
| Seedpieces | 10,000.00 | 8,000.00 | 8,000.00 | 8,666.67 |
| Fertilizer | | | | |
| 46-0-0 @P1,150/bag | 4,600.00 | 4,600.00 | 4,600.00 | 4,600.00 |
| 0-0-60 @P1,800/bag | 5,400.00 | 9,000.00 | 10,800.00 | 8,400.00 |
| 16-20-0 @ P900/bag | 1,800.00 | 2,700.00 | 4,500.00 | 3,000.00 |
| 18-46-0 | | | | |
| Organic Fertilizer @ P225/bag | | | 11,250.00 | 11,250.00 |
| Weedicide/Herbicide | | | 1,400.00 | 1,400.00 |
| Land Preparation | 12,000.00 | 12,000.00 | 12,000.00 | 12,000.00 |
| Planting / Replanting | 5,620.00 | 5,840.00 | 5,840.00 | 5,766.66 |
| Fertilizer Application | 1,200.00 | 1,975.00 | 1,975.00 | 1,716.67 |
| Cultivation | 2,055.00 | 2,055.00 | 2,055.00 | 2,055.00 |
| Irrigation /Drainage | | | 1,250.00 | 1,250.00 |
| Weeding | 1,400.00 | 1,400.00 | 1,400.00 | 1,400.00 |
| Weedicide application | | 2,300.00 | 2,300.00 | 2,300.00 |
| Pest & Disease Control | | | 2,000.00 | 2,000.00 |
| Cutting & Loading @ P380/ton | 7,600.00 | 8,600.00 | 8,900.00 | 8,366.67 |
| Hauling @P200/ton | 11,655.00 | 12,950.00 | 13,320.00 | 12,641.67 |
| TOTAL DIRECT COST | 63,330.00 | 71,420.00 | 91,590.00 | 86,813.33 |
| Land Rental | 5,000.00 | 10,000.00 | 15,000.00 | 10,000.00 |
| Administrative | 2,000.00 | 5,000.00 | 10,000.00 | 5,666.67 |
| TOTAL COST | 70,330.00 | 86,420.00 | 116,590.00 | 102,480.00 |
| FARM YIELD | | | | |
| LKg / Ha | 94.00 | 122.99 | 160.10 | 149.24 |
| Kg Molasses / Ha | 2,510.00 | 2,510.00 | 2,510.00 | 2,510.00 |
| MILLSITE PRICES | | | | |
| Composite Price Sugar, P/LKg | 1,376.00 | 1,376.00 | 1,376.00 | 1,376.00 |
| Price of Molasses, P/Kg | 6.00 | 6.00 | 6.00 | 6.00 |
| GROSS SALES | | | | |
| Planters Share | 69.50% | 69.50% | 69.50% | 69.50% |
| A - Sale from sugar | 89,894.08 | 117,617.80 | 153,106.83 | 142,721.20 |
| B - Sale from molasses | 10,466.70 | 10,466.70 | 10,466.70 | 10,466.70 |
| NET RETURNS/HECTARE | | | | |
| A + B - Direct Cost | 37,030.78 | 56,664.50 | 71,983.53 | 66,374.56 |
| A+B-Total Cost | 30,030.78 | 41,664.50 | 46,983.53 | 50,707.90 |
| NET RETURNS/LKG | | | | |
| A + B - Direct Cost | 393.94 | 460.72 | 449.62 | 444.75 |
| A+B-Total Cost | 319.48 | 338.76 | 293.46 | 339.77 |

Reference: MDDC and Extension Field Data

4. SUPPLY / VALUE CHAIN ANALYSIS

4.1. Supply Chain Segments and Players

4.1.1. Sugarcane Production

The production of sugarcane is mainly managed by the planters, whether farm owners or leaseholders. Sugarcane farm management and operations require a series of activities such as:

- Financing - sugarcane farm operations entail a huge investment and mostly sourced through government/private/cooperative banks, private individuals, sugar mills or lending institutions;
- Technology – best practices and modern technologies are the key solutions to cost-efficient sugarcane production process. SRA and PHILSURIN provide the technical and variety needs of the industry;
- Land preparation – most of the sugarcane farms are cultivated through the use of farm tractors and implements to ensure deep plowing and proper land preparation. Tractors may be provided by the planters associations, individual planters, the MDDCFIs and the sugar mills;
- Irrigation – most sugarcane farms are rainfed; some irrigation facilities are provided by individual farm owners and the Sugar ACEF grant;
- Input supply – most planting materials are sourced from the cane tops of harvested canes and the high-yielding variety nurseries of SRA, PHILSURIN, MDDC and planters cooperatives. Local traders provide for the supply of fertilizer, weedicides and pesticides. SRA also supplies trichogramma as biological agent for the control of white grubs;
- Labor – farm workers are sourced locally for planting, cultivation, weeding and fertilizer application activities but most often migrant workers or sacadas are hired during harvesting; Labor rates vary from province to province as mandated by the regional wage boards.
- Hauling - trucks are commonly used in hauling sugarcane from the farm to the mill which are provided by planters associations, truckers or the sugar mills. Sugar mills provide hauling subsidy that varies from mill to mill;

- Farm roads – maintenance of temporary farm roads are undertaken by the sugar mills by dumping landfills during harvest season. Some farm roads which are barangay roads were concretized, mostly funded from the PDAF of congressmen.

4.1.2. Sugarcane Processing

4.1.2.1. Sugar Mills / Refineries

Sugar remains the major product of sugarcane. Sugarcane is processed into raw sugar by bringing the canes to the sugar mills. In crop year 2013-2014, the country has 29 sugar mills but only 28 mills are operational. Capacity utilization of sugar mills ranged from a low of 40.90 % to a high of 80.80%. The supply of cane is the major factor which accounts for the low capacity utilization of sugar mills and due to incidents of equipment breakdown. Efficiency and overall recovery of sugar mills are reflections of mill equipment performance. Table 2.56 showed the production capacities of the sugar mills in crop year 2013-2014. The least efficient sugar mill is Pensumil located in Camarines Sur with a reduced overall sugar recovery of 79.40% compared to CASA of Iloilo which is the most efficient mill with 90.22% recovery. CASA is the newest sugar mill in the country.

Raw sugar may be directly used by industrial users or it may be refined for both industrial, commercial, institutional and household use. There are fourteen sugar refineries in crop year 2013-2014, available data are the rated capacities and efficiencies of eleven refineries in crop year 2013-2014 given in Table 2.61. All sugar mills and refineries are required to secure license to operate with the SRA.

4.1.2.2. Bioethanol Fuel Distilleries

Bioethanol became the second major product of sugarcane in 2009 when the biofuels law was passed which provides for the mandatory requirement of bioethanol blends. Furthermore, additional incentives for the production of renewable energy including biofuels are mandated through the Renewable Energy Act of 2008. In year

2012 and 2013, there are four operating bioethanol distilleries using sugarcane and molasses as feedstocks with a total rated capacity of 133 million liters annually. In 2014, the total number of distilleries rose to 6 facilities with a total rated capacity of 193 million liters and became eight operating facilities in 2015 with a total rated capacity of 222 million liters which is around 57% of the mandated requirement for 10% blend in gasoline. Their rated capacities and feedstock used are given in Table 4.1.

Table 4.1. Rated Capacities and Feedstocks of Bioethanol Distilleries, Year 2015

| Distillery | Rated Capacity (Million Liters) | Feedstock Used |
|----------------------------------|------------------------------------|------------------------|
| 1. San Carlos Bioenergy Inc. | 40.0 | Molasses, Sugarcane |
| 2. Leyte Agri Corp. | 9.0 | Molasses |
| 3. Roxol Bioenergy Corp. | 30.0 | Molasses |
| 4. Green Future Innovations Inc. | 54.0 | Sugarcane, Sugar |
| 5. Balayan Distillery Inc. | 30.0 | Molasses |
| 6. Kool Company Inc. | 14.12 | Molasses |
| 7. Universal Robina Corp. | 30.0 | Molasses |
| 8. Far East Alcohol Inc. | 15.0 | Molasses |
| GRAND TOTAL | 222.12 | |

Reference: DOE-REMB Bioethanol Report

Due to the lack of domestic supply, importation of bioethanol is allowed to fill in the gap of the mandated requirement of bioethanol blend. Table 4.2 shows the local production and import volumes while Table 4.3 gave the projected demand of bioethanol.

Table 4.2 Historical Supply-Demand Situation of Bioethanol Fuel

| Year | % Blend in Gasoline | Local Production (Million Liters) | Imports (Million Liters) |
|------|---------------------|-----------------------------------|-----------------------------|
| 2005 | Voluntary | - | 2.54 |
| 2006 | Voluntary | - | 2.70 |
| 2007 | Voluntary | - | 3.18 |
| 2008 | Voluntary | 0.973 | 12.56 |
| 2009 | 5%, by volume | 23.284 | 64.24 |
| 2010 | 5%, by volume | 10.174 | 140.40 |
| 2011 | 10%, by volume | 4.138 | 218.78 |
| 2012 | 10%, by volume | 32.445 | 248.40 |

Source : DOE-REMB and OIMB

Table 4.3 Projected Bioethanol Supply-Demand and Feedstock Requirement

| Year | Bioethanol Blends (Targets) | Supply Requirement (Million Liters) | MT Molasses Required (50% of local molasses) | Hectarage of Sugarcane Required (less supplied by molasses) |
|-------------|------------------------------------|--|---|--|
| 2013 | 10% | 381.36 | 487,000 | 58,232 |
| 2014 | 10% | 383.92 | 487,000 | 58,804 |
| 2015 | 10% | 381.84 | 487,000 | 58,339 |
| 2020 | 10% | 436.50 | 487,000 | 70,486 |
| 2025 | 20% | 963.00 | 487,000 | 187,486 |
| 2030 | 20% | 1,024.00 | 487,000 | 201,041 |

4.1.2.3. Muscovado Mills

Two muscovado mills are registered with SRA, namely, Hawaiian Philippines and OPTION-MPC. Muscovado production areas are scattered all over the country ranging from 2,000 - 5,000 hectares of plantation wherein the biggest production areas are in Antique. Muscovado areas and production facilities are not well-monitored and its production is not regulated by SRA. Only muscovado traders are registered with SRA but not the muscovado mills.

4.1.2.4. Power Plants

Power generation to the grid is a value-added product from sugarcane. All sugar mills and refineries in the country used bagasse for their own power generation. The passage of the renewable energy law encourages the sugar mills to venture into power generation for sale to the grid. Table 4.4 tabulates the sugar mills and bioethanol distilleries granted with Certificates of Compliance (COCs) by the Energy Regulatory Commission (ERC).

Table 4.4 List of Sugar Mills & Bioethanol Distilleries with Certificates of Compliance with ERC

| Name of Sugar Mill/Distillery | Installed Capacity, MW | Actual Power Sold to the Grid, MW |
|--------------------------------------|-------------------------------|--|
| 1. Hawaiian Phil Co. | 8.0 | Own use only |
| 2. First Farmers Holdings Corp | 21.0 | 3 MW |
| 3. Victorias Milling Co. Inc. | 18.0 | Own use only |
| 4. Crystal Sugar Central Inc. | 21.0 | 4 MW |
| 5. Central Azucarera de San Antonio | 15.0 | Own use only |
| 6. San Carlos Bioenergy Inc. | 8.0 | 2 MW |
| 7. Green Future Innovations Inc. | 19.0 | Own use only |
| 8. TOTAL | 83.0 MW | 11.0 MW |

4.1.3. Trading of Sugarcane Products

4.1.3.1. Sugar Trading

Only SRA-registered sugar traders are allowed to trade and withdraw sugar from sugar mill and refinery warehouses. Domestic and international sugar traders are required to register with SRA to be able to transact business on sugar. However, wholesale and retail level sugar traders are not required to register with SRA, only those domestic traders who transact business directly with the sugar mills and refineries. Sugar is traded by the use of sugar quedans which can be swapped for logistical and positioning purposes. Sometimes advance swapping of sugar quedans from one sugar classification or market destination to another is authorized by SRA depending on market needs.

Sugar is traded in the sugar mills which conduct weekly bidding of sugar quedans.

4.1.3.2. Bioethanol Trading

Bioethanol trade is solely confined to the oil companies. Oil companies buy bioethanol directly from bioethanol producers for blending with gasoline in order to meet the mandate of the biofuels law. So far, under the current policy of the Department of Energy (DOE), no bioethanol traders on local production is allowed. Bioethanol traders operate the trading of imported bioethanol only.

Price of locally-produced bioethanol is benchmarked against the reference price for bioethanol prepared and issued by SRA on a bi-monthly basis. Bioethanol reference price for crop year 2011-12 to 2013-14 are given in Tables 2.37-2.39.

4.1.3.3. Muscovado Trading

All muscovado traders are required to register with SRA especially those that transact business on muscovado shipments and exports. All coastwise shipments of muscovado should have secured shipping permits with SRA as well as imports and exports clearances.

4.1.3.4. Sale of Power to the Grid

Sale of electrical power from biomass plants such as the sugar mills are covered by the regulations of the Energy Regulatory Commission where the DOE is the implementing agency. Currently, all bioenergy developers are required to secure certificate of compliance with the ERC and power rates under the feed-in-tariff (FIT) system are regulated to certain price levels. FIT rates are given in Table 4.5.

Table 4.5. Feed-in-Tariff Rates of Renewable Energy Approved by the Energy Regulatory Commission

| RE Resources | FIT Rate(Php/kwh) |
|--------------------|-------------------|
| Solar | 9.68 |
| Wind | 8.53 |
| Biomass | 6.63 |
| Run-of-river hydro | 5.90 |

4.2. Cost Build-Up, Value-Added and Margins

(Reference: UA&P Study on Benchmarking the Philippine Sugarcane Industry with Thailand, 2012)

A segment by segment analytics was done to compare and contrast the cane-sugar value chains showing the differences of the Philippine sugar industry versus that of Thailand. There are two mill composite prices used for the Philippines: the abnormally high price of CY 2010-2011, and the *normalized* price of early 2012.

Value Chains: Cost and Profit Margin

The costs and profit margins along the supply chain were estimated for small and large farms. From input supply to logistics cost of delivering canes to mill came from the costs and returns per hectare and expressed in per Lkg. Meanwhile, the cost and profit margins from processing to the wholesale market were gathered from key informant interviews. In the Philippines, three areas were selected: Negros occidental for Visayas (the major producing area), Batangas (Luzon, and Bukidnon (Mindanao).

Small Farms

Cane production cost at the farm level in Negros amounted to Php583.13 per Lkg (US\$271.22/ton). At CY 2010-2011 composite mill site price of Php1.922 per Lkg, the farmer's profit margin per Lkg was estimated at Php680.94 (US\$316.72/ton). The cost incurred in bringing the cane to the mill totaled

Php121.05 per Lkg (US\$56.30/ton). By contrast, at the mill site price of Php1,250 per Lkg¹, the farmer's profit would drop to Php217.26 per Lkg (US\$101.05/ton).

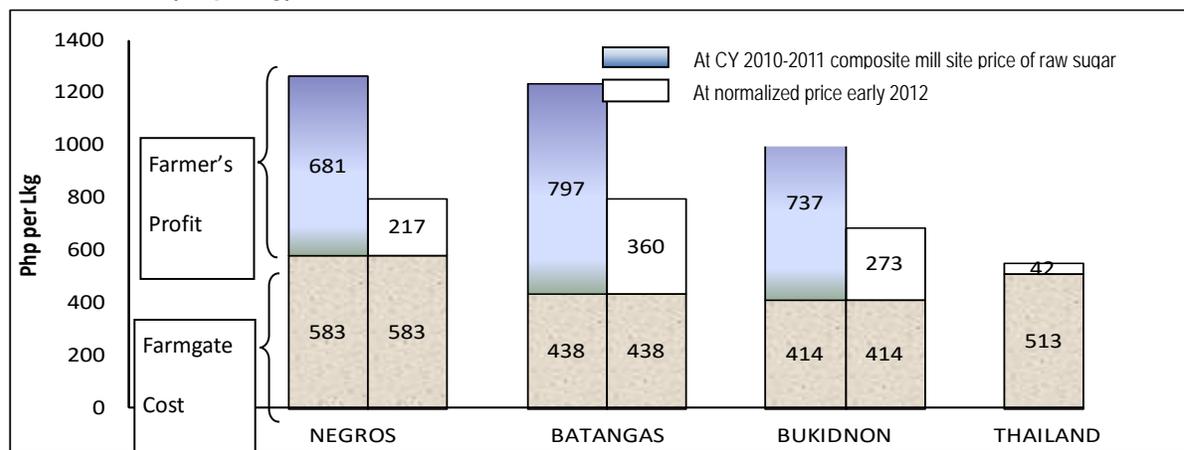
In Batangas, farm production cost reached Php437.81 per Lkg (US\$203.63/ton) leaving the farmer with a profit margin of Php796.61 per Lkg (US\$3700.522/ton). Hauling the canes from the farm to the mill amounted to Php130.36 per Lkg (US\$60.63/ton). At normalized price, farmer's profit declined to Php359.81 (US\$167.35/ton).

¹ Normalized price

Farm production cost for small farms in Bukidnon amounted to Php414.38 per Lkg (US\$192.74/ton). The farmer's estimated profit of Php736.80 per Lkg (US\$342.70/ton) at the mill site price of Php1,922 per Lkg in CY 2010-2011. Using normalized price of Php1,250 per Lkg, it would only be about Php273.12 per Lkg (US\$127.03/ton).

In Thailand, the total production cost at the farm level amounted to Php513.22 per Lkg (Baht 360.94/Lkg or US\$236.78/ton) and farmer's profit margin per Lkg was estimated at Php42.13 (Baht 29.63/Lkg or US\$19.44/ton). The cost incurred in bringing the canes to the mill totaled Php88.19 per Lkg (Baht 62.02/Lkg or US\$40.69/ton).

Figure 4.1. Cane Production Costs and Profits: Small Farms, Philippines* and Thailand (Php/Lkg)



* Cost excludes milling and coop fees and transport cost from farm to mill (farmer's share)

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Processing

Sugar mills in Negros were estimated to incur a total cost of Php270 per Lkg (US\$125.58/ton) with an estimated profit of about Php307 per Lkg (US\$142.60/ton) at a raw sugar price (composite) of Php1,922 per Lkg (US\$893.95/ton) in CY 2000-2010. The processor's margin would drop to Php105 per Lkg (US\$48.84/ton) if raw sugar price was Php1,250 per Lkg (*normalized price*).

In Batangas, the total cost to mill cane to raw sugar amounted to Php288.71 per Lkg (US\$134.29/ton) with bulk of the expenses for the cost of cane and cane transport which is shouldered by the mill. The estimated profit reached Php383.99 (US\$178.60/ton) during CY

2010-2011. It declined to Php148.79 per Lkg (US\$69.20/ton) given a raw sugar mill gate composite price of Php1,250 per Lkg (US\$581.40/ton). Refining cost is at Php200 per Lkg (US\$93.02/ton) giving a refinery profit of Php21.00 per Lkg (US\$9.77/ton)

In Bukidnon, cost of milling is estimated at about Php245 per Lkg (US\$113.95/ton) generating profit of Php331.60 per Lkg (US\$154.23/ton) at a raw sugar price of Php1,922 per Lkg. Using normalized raw sugar price of P1,250 per Lkg, the miller's margin would drop to Php130 per Lkg. Profit of sugar refiners was lower at Php29 per Lkg (US\$13.49/ton) with estimated total refining cost of Php192 per Lkg (US\$89.30).

In Thailand, sugar mills were estimated to incur a total cost of Php155.52 per Lkg (Baht 109.37/Lkg or US\$71.75/ton) with an estimated profit of about Php101.04 per Lkg (Baht 71.06/Lkg or US\$46.62/ton) at a raw sugar price of Php995.33 per Lkg (Baht 700/Lkg or US\$459.20/ton). The milling cost was mainly comprised of costs of cane and milling. Meanwhile, cost of refining sugar totaled Php190.83 per Lkg (Baht 134.21/Lkg or US\$88.04/ton) and estimated profit of refineries were at Php315.52 per Lkg (Baht 221.90/Lkg or US\$145.57/ton).

Trading

In Visayas, the costs incurred in trading including product cost amounted to Php2,047.42 per Lkg (US\$952.29/ton) for raw sugar and Php2,561.18 per Lkg (US\$1,191.25/ton) for refined sugar during CY 2010-2011. The cost basically consisted of cost of raw/refined sugar, cost of money, and marketing costs. The latter comprised of cost of delivery from mill to Manila to the wholesale market which amounted to about Php72 per Lkg (US\$33.26/ton). The combined profit margins per Lkg from the traders to the wholesalers were estimated at about Php131 (US\$60.73/ton) and Php127 (US\$58.98/ton) for raw and refined sugar, respectively.

Using *normalized price*, trading costs would be Php1,357.08 per Lkg (US\$631/ton) for raw and Php1,816.32 per Lkg (US\$844.80/ton) for refined. The combined profits of traders to wholesalers would increase to Php142 (US\$66.47/ton) for raw sugar and Php183.68 (US\$85.43/ton) for refined sugar.

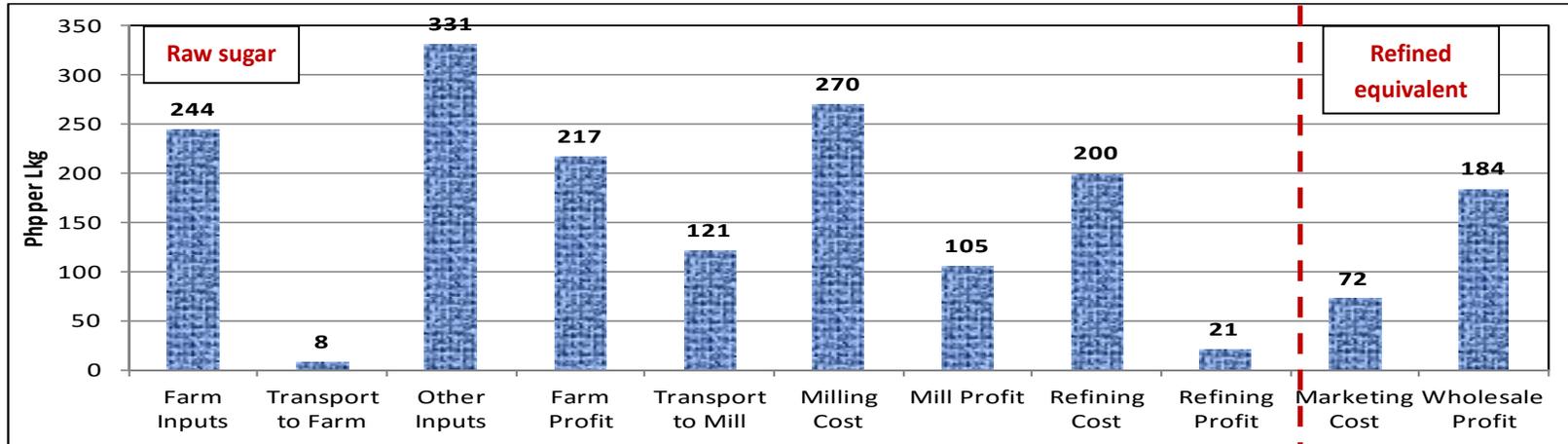
In Luzon, traders incurred a cost of Php2,007.36 per Lkg (US\$933.65/ton) for raw sugar and Php2,512.94 per Lkg (US\$1,168.81/ton) for refined sugar. The primary wholesale market for raw and refined sugar is Metro Manila with marketing costs from the mill reaching Php32.50 per Lkg (US\$15.12/ton). The traders normally get a higher profit margin from refined sugar at Php175.06 per Lkg (US\$81.42/ton) compared to raw sugar at Php170.64 per Lkg (US\$79.37/ton). At normalized price, trader's costs dropped to Php1317 per Lkg (US\$612.57/ton) for raw and to Php1,770.64 (US\$82.55/ton) for refined. On the other hand, traders will earn more with margins amounting to Php182.98 per Lkg (US\$85.11/ton) and Php229.36 per Lkg (US\$106.68/ton), respectively.

In Mindanao, trading cost for raw sugar was Php2,050.96 per Lkg (US\$953.93/ton) while refined sugar was Php2,564.71 per Lkg (US\$1,192.89/ton). Using normalized price, trading costs would be Php1,360.61 per Lkg (US\$632.84/ton) for raw and Php1,819.85 per Lkg (US\$846.44/ton) for refined. The trader's profit margins per Lkg were estimated at about Php127.05 (US\$59.09/ton) and Php123.29 (US\$57.34/ton) for raw and refined sugar, respectively. Using normalized pricing, these would increase to Php139.39 (US\$64.83/ton) and Php180.15 (US\$83.79/ton), respectively.

In Thailand, the costs incurred in trading amounted to Php1,088 per Lkg (Baht 765.25/Lkg or US\$502/ton) for raw sugar and Php1,538.14 per Lkg (Baht 1,081.75/Lkg or US\$709.63/ton) for refined sugar. The cost basically consisted of cost of raw/refined sugar, marketing costs and logistics costs. The latter comprised of delivery cost from mill to Bangkok at Php21.68/Lkg or Baht 15.25/Lkg (US\$10/ton) and to the wholesale market which amounted to about Php7.11/Lkg or Baht 5/Lkg (US\$3.28/ton). The trader's margin per Lkg was estimated at about Php156.05 per Lkg (Baht 109.75/Lkg or US\$72/ton) and Php89.94 per Lkg (Baht 63.25/Lkg or US\$41.49/ton) for raw and refined sugar, respectively.

Figure 4.2. Value Chain: Small Farm at Normalized Price (Php/Lkg)

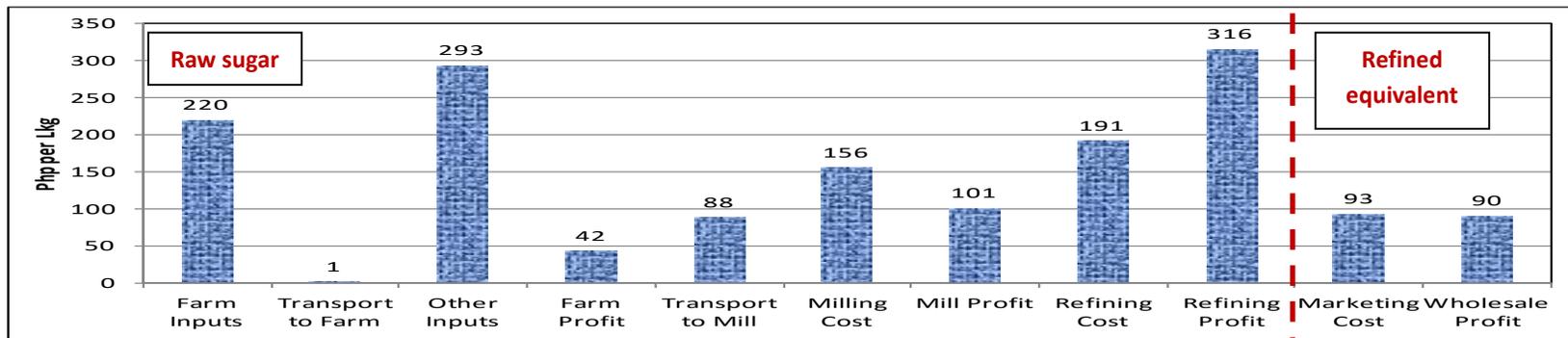
PHILIPPINES



Broken line indicates that the raw sugar cost is converted to refined sugar equivalent using the formula:

$$REFINED\ SUGAR\ EQUIV = ((\text{farmer's raw sugar selling price} + \text{tolling fee} + \text{SRA monitoring fee}) / 0.9268) + \text{VAT} + \text{handling and insurance}$$

THAILAND



Broken line indicates that the raw sugar cost is converted to refined sugar equivalent

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Large Farms

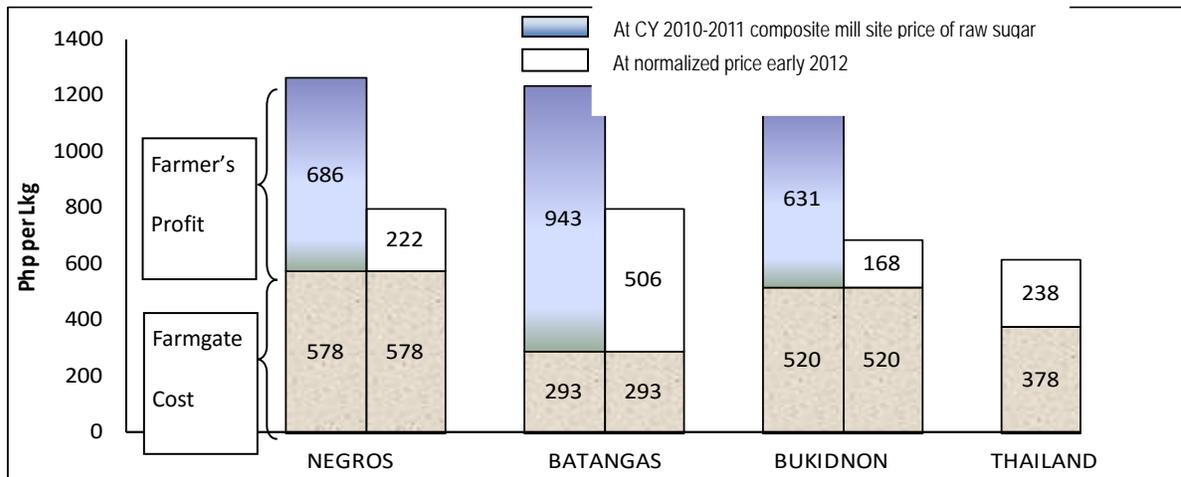
In Negros Occidental, the farm gate cost amounted to Php577.92 per Lkg (US\$268.80/ton) and farmer's earned a profit of Php686.15 per Lkg (US\$319.14/ton) at CY 2010-2011 average composite mill site price. The costs and profit margins along the supply chain from processing to the wholesale market were the same with the small farms. At normalized price of P1,250 per Lkg, the farmer's margin dropped by more than half to Php222.47 per Lkg (US\$103.48/ton). Meanwhile, the processing and trading costs and profits were similar with the small farms if a normalized price was used.

In Batangas, the farm gate costs totaled Php293.12 per Lkg (US\$136.33/ton) bulk of which is the cost of farm labor and inputs. The lower farm gate costs gave the farmer a higher profit margin at Php943.29 (US\$438.74/ton) during CY 2010-2011. 506.49 per Lkg (US\$235.58/ton). From the processing to the wholesale market, stakeholders posted similar costs and margins as in small farms as they have similar transactions.

In Bukidnon, the farm production cost for large farms amounted to Php519.74 per Lkg (US\$241.74/ton) and the farmer's estimated profit was Php729.88 per Lkg (US\$339.48/ton) at the millsite price of Php1,922 per Lkg. Using *normalized price* of Php1,250 per Lkg, farmer's margin would only be about Php282.76 per Lkg.

In Thailand, the average input cost totaled around Php133.16 per Lkg (Baht 93.65/Lkg or US\$61.43/ton) in large farms. Farm gate cost was computed at Php377.71 per Lkg (Baht 265.63/Lkg or US\$174.26/ton) and farmer's earned a profit of Php237.87 per Lkg (Baht 167.29/Lkg or US\$109.74/ton). The costs and profit margins along the supply chain from processing to the wholesale market were the same with the small farms.

Figure 4.3. Cane Production Costs and Profits: Large Farms, Philippines* and Thailand (Php/Lkg)

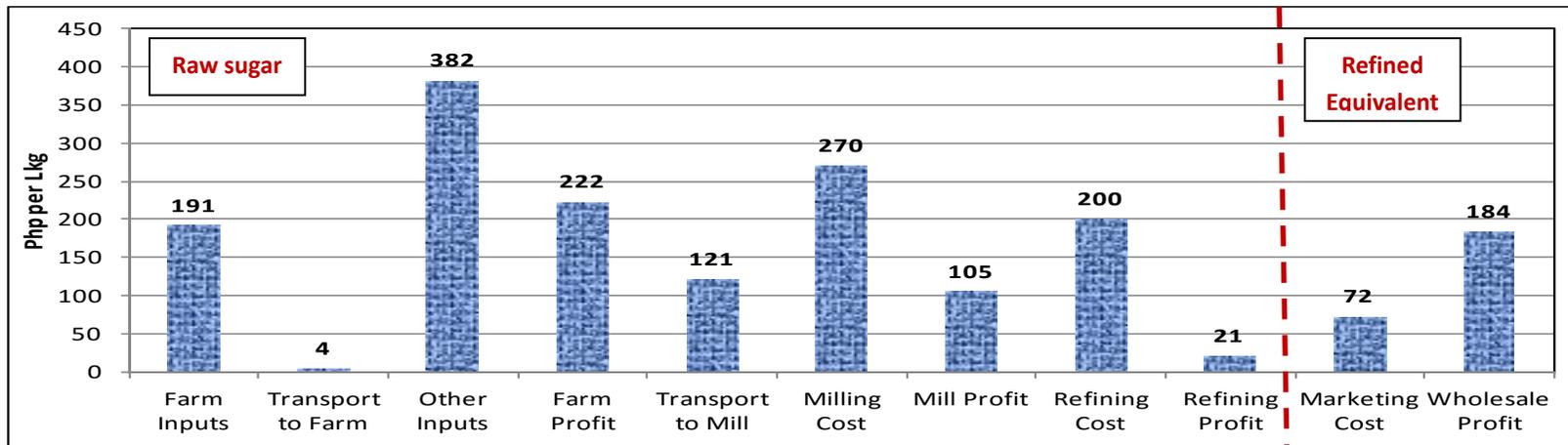


* Cost excludes milling and coop fees and transport cost from farm to mill (farmer's share)

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Figure 4.4. Value Chain: Large Farm at Normalized Price (Php/Lkg)

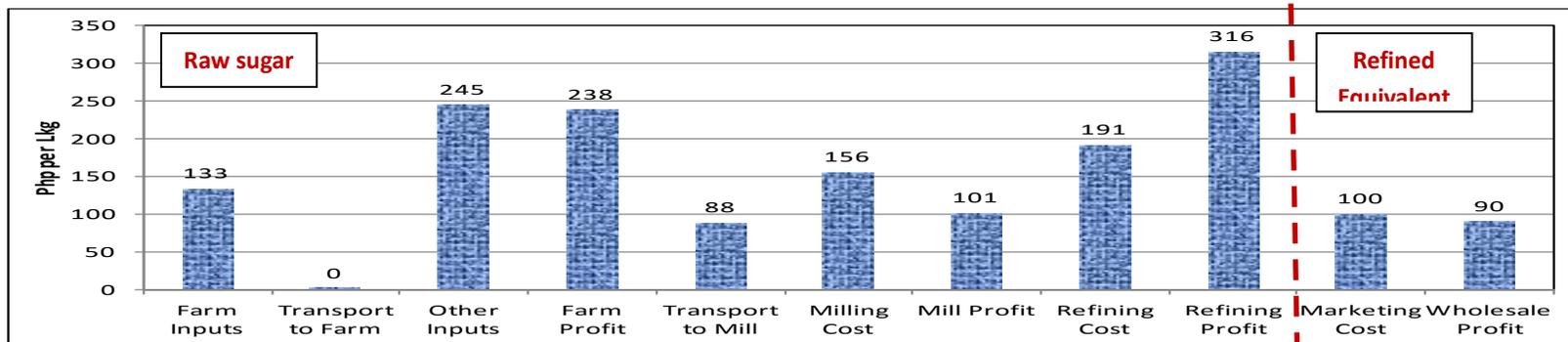
PHILIPPINES



Broken line indicates that the raw sugar cost is converted to refined sugar equivalent using the formula:

$$REFINED\ SUGAR\ EQUIV = ((farmer's\ raw\ sugar\ selling\ price + tolling\ fee + SRA\ monitoring\ fee) / 0.9268) + VAT + handling\ and\ insurance$$

THAILAND



Broken line indicates that the raw sugar cost is converted to refined sugar equivalent.

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Value Chain Gaps and Advantage: Philippines vs. Thailand

Farm Costs

In the Philippines, the total farm costs including other costs such as lease, overhead and interest were at Php583.13 per Lkg (US\$271.22/ton) in small farms and Php577.92 per Lkg (US\$268.80/ton) in large farms. In both farms, the cost of inputs and labor had the biggest shares in total farm gate cost. Meanwhile in Thailand, the total farm costs including other costs such as lease, overhead and interest were at Php549.50 per Lkg (Baht 386.46/Lkg or US\$255.58/ton) in small farms and Php455.14 per Lkg (Baht 320.08/Lkg or US\$211.69/ton) in large farms.

At the farm level, cane production costs in the Philippines for small and large farms were higher than in Thailand. The main cost components at the farm were inputs and labor.

Table 4.6 Total Farm Cost, Plant/Ratoon Cane (Php/Lkg)

| Farm Type | Philippines | Thailand |
|-----------|-------------|----------|
| Small | 583 | 549 |
| Large | 578 | 455 |

** Cost excludes milling and coop fees and transport cost from farm to mill (farmer's share)*

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Figure 4.5. Cane Production Costs and Profits: Small and Large Farms, Philippines (Negros) and Thailand (North) (Php '000 per hectare)

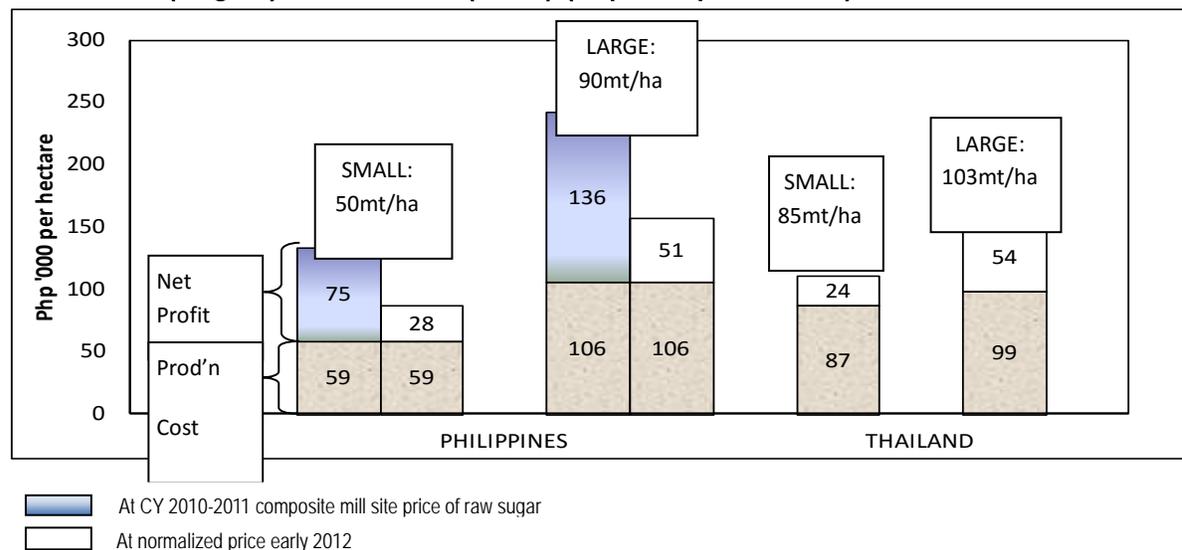
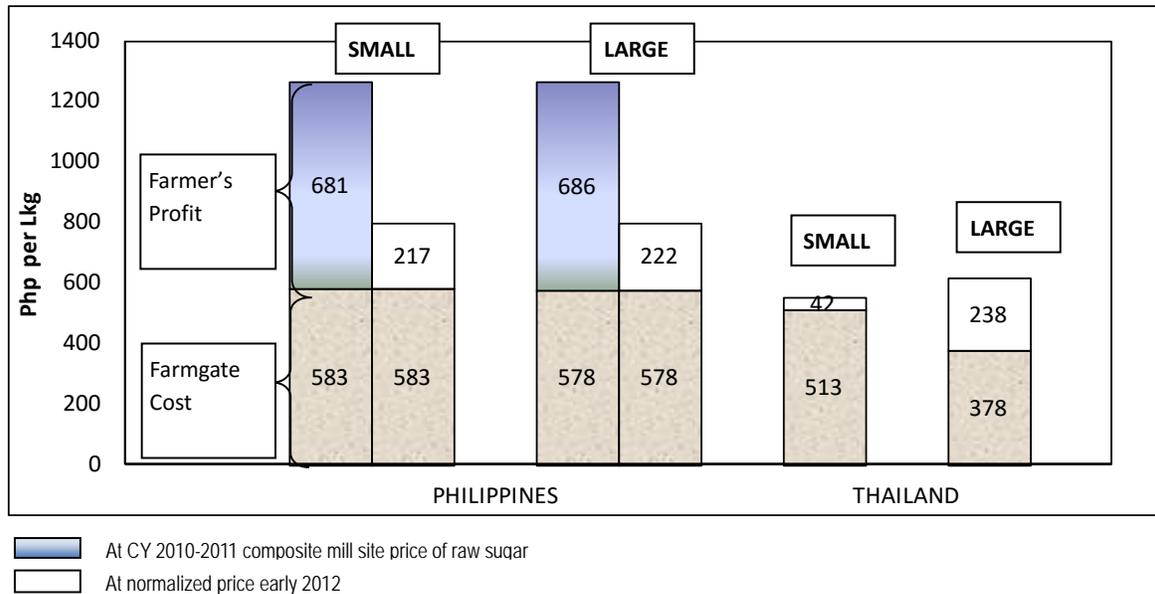


Figure 4.6. Cane Production Costs and Profits: Small and Large Farms, Philippines* (Negros) and Thailand (North) (Php per Lkg)



* Cost excludes milling and coop fees and transport cost from farm to mill (farmer's share)

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Value Added

In Negros (Philippines), the value added (rent, interest, labor and profit) per Lkg was slightly lower in small farms at Php962.92 (US\$447.87/ton) as compared to large farms at Php980.60 (US\$456.09/ton). Large farms incurred higher expense in overhead and rent as well as earned higher profit against small farms. Using *normalized price* of Php1,250 per Lkg, value added would decline to Php499.24 per Lkg in small farms and Php516.92 per Lkg in large farms. Meanwhile in Thailand, the value added in small farms was Php292.67 per Lkg (Baht 205.83 or US\$136.13/ton), higher than the large farms at Php244.30 per Lkg (Baht 171.81 or US\$113.63/ton).

Value added in Thailand is lower because farms are highly mechanized and require less labor as compared to the Philippines which uses more labor even for weeding and harvesting. Land rent is also common in the Philippines due to landownership limit of five hectares while Thailand has no limit in landownership.

Table 4.7 Value Added Using Normalized Price, (Php/Lkg)

| Farm Type | Philippines | Thailand |
|------------------|--------------------|-----------------|
| Small | 499 | 293 |
| Large | 517 | 244 |

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Profit Margins

The large farms in the Philippines (Negros) posted slightly higher profits at Php686.15/Lkg compared to small farms at Php680.94/Lkg. Moreover, large farms normally have higher average yield than small farms. At a millsite price of Php1,250 per Lkg, profits would decline to Php217.26 per Lkg in small farms and Php222.47 per Lkg in large farms. Meanwhile in Thailand, profit margin in small farms was only at Php42.13 per Lkg (Baht 29.63/Lkg or US\$19.44/ton) while large farms earned at Php237.87 per Lkg (Baht 167.29/Lkg or US\$109.74/ton). Small farms in Thailand use more fertilizers than larger farms. Large farms are more equipped with doing soil analysis and applying the right amount of fertilizers as needed. Large farms produce higher yield at 112 tons per ha (18 tons/rai) compared to 81 tons per hectare (13 tons/rai) for small farms for new plant. Ratoons yield is lower at 68 tons per hectare (11 tons/rai).

Sugarcane farmers in the Philippines earn much higher due to the sale of raw sugar compared to the sale of cane in Thailand. Profit margin is also higher because of higher trucking allowance provided by Philippine millers.

Table 4.8 Farm Production Costs of New Plant Cane Farms , Value Added and Profit, Php/Lkg

| Item | SMALL FARM | | | LARGE FARM | | |
|---|------------------------------|--------------------------|--------------------------|------------------------------|--------------------------|--------------------------|
| | Philippines | | Thailand | Philippines | | Thailand |
| | CY 2002-2011 Composite Price | Norma-lized Price | | CY 2002-2011 Composite Price | Norma-lized Price | |
| Land Preparation | 56.84 (hired tractor) | 56.84 (hired tractor) | 38.93 (owned tractor) | 25.12 (owned tractor) | 25.12 (owned tractor) | 34.88 (owned tractor) |
| Cane points | 51.05 | 51.05 | 50.40 | 28.51 | 28.51 | 48.17 |
| Fertilizers | 164.21 | 164.21 | 140.50 | 126.32 | 126.32 | 52.53 |
| Chemicals | 28.42 | 28.42 | 28.59 | 17.25 | 17.25 | 21.34 |
| Harvesting | 89.47 | 89.47 | 121.88 | 100.00 | 100.00 | 121.88 |
| Labor | 56.71 | 56.71 | 28.21 | 57.29 | 57.29 | 18.93 |
| Land Rent | | | | 105.26 | 105.26 | |
| Overhead | 49.05 | 49.05 | 62.07 | 87.72 | 87.72 | 58.27 |
| Interest | 78.95 | 78.95 | 14.22 | 26.07 | 26.07 | 10.34 |
| Profit | 688.26 | 217.26 | 154.10 | 686.15 | 222.47 | 393.82 |
| Total Cost | 583.13 | 583.13 | 549.50 | 577.92 | 577.92 | 455.14 |
| Total Value Added (rent, interest, labor and profit) | 962.92 | 499.24 | 292.67 | 980.60 | 516.92 | 244.30 |
| Total Farm Sales | 1,922.00 | 1,250.00 | 703.60 | 1,922.00 | 1,250.00 | 703.60 |

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Logistics

In the Philippines (Negros), cutting and loading of cane amounted to Php58 per Lkg (US\$26.93/ton) in small farms and Php68 per Lkg (US\$31.82/ton) in large farms. Hauling of cane to roadside was about Php32 per Lkg (US\$14.69/ton) in both farms. The transport cost from the farm to the mill was about Php121.05 per Lkg (US\$56.30/ton) or Php230/ton cane. Farmers paid 35 percent (Php42/Lkg or US\$19.58/ton) of the cost while millers provided trucking allowance which accounted for about 65 percent (Php79/Lkg (US\$36.72/ton) or Php150/ton) of the total logistics cost. Meanwhile in Thailand, the cost of cutting and loading in small and large farms was Php81.25 per Lkg (Baht 57.14/Lkg or US\$37.79/ton) and cost

of hauling was at Php40.63 per Lkg (Baht 28.57/Lkg or US\$18.90/ton). The cost of delivery of cane to mill was Php88.02 per Lkg (Baht 61.90/Lkg or US\$41.02/ton).

Cost is found to be higher as compared to Philippines wherein harvesting is usually done using contract arrangement with a group of farmers who are paid on a per ton basis. This is relatively cheaper than paying daily wage rate. The cost of cutting and loading is higher in Thailand due to high labor cost. Large farmers tried to solve this problem by using mechanical harvester. For hauling, Thai farmers also use mechanical loader which requires fuel and labor while in the Philippines, hauling is either through carabao or manual labor.

Table 4.9 Farm to Mill Logistics Costs, Php/Lkg

| | Philippines | Thailand |
|-----------|-------------|----------|
| Cut | 58 – 68 | 81 |
| Load | | |
| Hauling | 32 | 41 |
| Transport | 121 (a) | 88 |
| Total | 211-221 | 210 |

(a) Farmer paid 35%(Php42/Lkg) while mill paid 65% (Php79/Lkg)

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Processing Cost

On average, milling and refining costs in the Philippines (Negros) were estimated at Php270 (US\$125.58/ton) and Php200 per Lkg (US\$93.02/ton), respectively. It was estimated that total milling costs, on average, made up of 45 percent cane cost and 55 percent milling cost. Of the total cane cost, bulk (95 percent) went to hauling. Meanwhile, labor and manufacturing supplies accounted for 10 and 7 percent of total milling cost, respectively. For refining, total cost was likely broken down into fuel (30 percent), materials/supplies (25 percent) and labor (10 percent). Meanwhile, in Thailand, the average cost of milling and refining excluding direct material costs were Php155.52 per Lkg (Baht 109.37/Lkg or US\$71.75/ton) and Php190.83 per Lkg (Baht 134.21/Lkg or US\$88.04/ton). The latter is actually lower as most mills have integrated mill-refinery. Thus, the sugar need not pass through crystallization before refining.

Processing facilities in Thailand are relatively newer as compared to mills and refineries in the Philippines. Mills are more efficient and operating at higher capacities which resulted to lower milling and refining cost per Lkg.

Processing Value Added

In the Philippines (Negros), the value-added (labor and profit) in milling was higher than in refining. The values stood at Php333.60 per Lkg (US\$155.16/ton) and Php41.00 per Lkg (US\$19.07/ton), respectively. Using *normalized price*, value added for milling would be only at Php132 per Lkg while it would remain the same for refining. In Thailand, the value added amounted to Php149.87 per Lkg (US\$69.71/ton) in milling and Php353.60 per Lkg (US\$164.47/ton) in refining.

There is a significant difference in value added for millers in Philippines and Thailand. Thai millers are into cane purchase while it is raw sugar sharing in the Philippines. This is the reason why Thai sugar refineries earn more profit because of sugarcane ownership even at the start of milling which give them more flexibility in terms of operation.

Table 4.10 Sugar Processing Costs (Milling and Refining), Php/Lkg

| Item | Philippines | | Thailand | |
|--------------------------------------|-------------|----------|----------|-----------|
| | Milling | Refining | Milling | Refining |
| Cost of cane/Direct material | 121.50 | | 738.77 | 939.01 |
| Direct labor | 27.00 | 20.00 | 48.83 | 38.08 |
| Manufacturing supplies | 18.90 | 50.00 | (a) | (a) |
| Utilities | | | | |
| Overhead | | | 106.69 | 132.19 |
| Others | 102.60 | 130.00 | | 20.56 (b) |
| Total Cost | 270.00 | 200.00 | 155.52* | 190.83* |
| Total Value Added (labor and profit) | 333.60 | 41.00 | 149.87 | 353.60 |

* Excluding direct material cost

(a) Included in direct material costs

(b) packaging cost

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Logistics and Marketing Costs

In the Philippines, the distribution cost from mill to the wholesale market in Negros was estimated at Php71.50 per Lkg (US\$33.26/ton). The cost incurred from the mill to Manila port was about Php54 per Lkg (US\$25.12/ton) while logistics cost from Manila warehouse to wholesale market was Php17.50 per Lkg (US\$8.14/ton). In Thailand, the cost of delivery from the mill to Bangkok to the wholesale market totaled Php28.79 per Lkg (Baht 20.25/Lkg or US\$13.39/ton).

Generally, the Philippines bore higher logistics and marketing costs compared to Thailand. The lower transportation cost in trading is a product of Thailand's better roads and highway networks.

Table 4.11 Logistics and Marketing Costs, (Php/Lkg)

| Area | PHILIPPINES | THAILAND |
|-------------------|-------------|----------|
| Negros Occidental | 71.50 | 28.79 |
| Batangas | 32.50 | |
| Bukidnon | 75.00 | |

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Profit margins

Given the wholesale prices in Metro Manila at Php2,178 per Lkg (US\$1,013.02/ton) for raw sugar and Php2,688 per Lkg (US\$1,250.23/ton) for refined sugar, the combined profit margins earned by traders to wholesalers amounted to Php130.58 (US\$60.73/ton) and Php126.82 per Lkg (US\$58.98/ton), respectively. At a *normalized price* of Php1,250 per Lkg of raw sugar and wholesale prices of Php1,500 per Lkg for raw sugar and Php2,000 per Lkg for refined sugar, the profit margins of traders to wholesalers would be higher at Php142.92 per Lkg and Php183.68 per Lkg, respectively. In Thailand, the estimated profit of traders amounted to Php156.05 per Lkg (US\$72.58/ton) for raw sugar and Php89.94 per Lkg (US\$41.83/ton) for refined sugar.

Sugar traders in the Philippines earn more profit as compared to traders in Thailand. The price of refined sugar is controlled in the domestic market and the price has not changed

since 2008 and was pegged at Baht 23 per kilo. Sugar traders in the Philippines operate in a free market economy and can speculate on the demand and supply situation.

Table 4.12 Sugar Distribution to Wholesaler and Port Php/Lkg

| Item | RAW SUGAR | | | REFINED SUGAR | | |
|--------------------------------------|---------------|------------------|----------|---------------|------------------|----------|
| | Philippines | | Thailand | Philippines | | Thailand |
| | CY 2010-2011* | Normalized Price | | CY 2010-2011* | Normalized Price | |
| Ex-mill price | 1,922.00 | 1,250.00 | 700.00 | 2,422.12 | 1,697.00 | 1,016.50 |
| Transport (mill to wholesale market) | 71.50 | 71.50 | 28.79 | 71.50 | 71.50 | 28.79 |
| Trader to Wholesaler margin | 130.58 | 142.92 | 156.05 | 126.82 | 183.68 | 89.94 |
| Wholesale price | 2,178.00 | 1,500.00 | 1,251.27 | 2,688.00 | 2,000.00 | 1,635.19 |

* *Composite Price* (Refer to Table 6.3 for details)

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

4.2.1. Sugarcane Production Cost

Production cost of typical farms versus model or productive farms in terms of production cost per hectare is lower but in reality it is higher per LKg or 50-kilo bag of sugar produced.

For a typical farm like Pensumil, average direct cost of production is P66,510 per hectare or P773.37 per LKG bag and average total cost of production is P78,370 per hectare or P911.27 per LKG bag. On the model farms like Victorias mill district, average direct cost of production is P 86,813.33 per hectare or P581.70 per bag and an average total cost of P 102,480 per hectare or P686.68 per LKG bag. Average net returns based on total cost of Pensumil is P93.37 per LKG bag while for Victorias it is P339.77 per LKG bag. Table 4.13 illustrates the cost build-up and returns of Pensumil mill district versus the cost build-up and margins of Victorias mill district as model farm in Table 4.14.

**Table 4.13 Cost Build-up and Returns Per Hectare of Pensumil Mill District (Typical Farm),
CY 2012-2013**

| FARM OPERATIONS | SMALL 10 Has. & Below | MEDIUM Over 10 Has. to 50 Has. | LARGE Over 50 Has. | AVERAGE |
|--------------------------------|--|---|-------------------------------|------------------|
| Land Preparation | 7,500.00 | 7,500.00 | 7,500.00 | 7,500.00 |
| Seedpieces | 12,000.00 | 18,000.00 | 21,000.00 | 17,000.00 |
| Seedpieces Preparation | 500.00 | 2,000.00 | 2,000.00 | 1,500.00 |
| Planting | 2,000.00 | 1,500.00 | 1,500.00 | 1,667.00 |
| Replanting | 500.00 | 1,000.00 | 1,000.00 | 834.00 |
| Fertilizer | 7,280.00 | 9,600.00 | 9,690.00 | 8,887.00 |
| Fertilizer Application | 400.00 | 800.00 | 800.00 | 667.00 |
| Cultivation | 4,000.00 | 4,500.00 | 5,000.00 | 4,500.00 |
| Manual Weeding | 3,000.00 | 6,000.00 | 6,000.00 | 5,000.00 |
| Sprays and Application | 1,200.00 | 2,500.00 | 2,500.00 | 2,067.00 |
| Irrigation and Drainage | | N/A | N/A | N/A |
| Cutting & Loading | 6,000.00 | 9,750.00 | 10,500.00 | 8,750.00 |
| Hauling less trucking | 2,000.00 | 7,000.00 | 10,000.00 | 6,333.00 |
| Stubble shaving | 500.00 | 1,500.00 | 1,500.00 | 1,167.00 |
| Trash clearing | 500.00 | 500.00 | 500.00 | 500.00 |
| Others | 1,000.00 | 2,000.00 | 2,500.00 | 1,833.00 |
| TOTAL DIRECT COST-TDC | 47,800.00 | 74,240.00 | 77,490.00 | 66,510.00 |
| Land rental/annum | 2,000.00 | 3,000.00 | 2,500.00 | 2,500.00 |
| Est. Adm.Cost/annum | 3,000.00 | 10,000.00 | 15,000.00 | 9,333.00 |
| TOTAL COSTS-TC | 52,880.00 | 87,240.00 | 94,990.00 | 78,370.00 |
| | | | | |
| YIELD/HECTARE | | | | |
| Average TC/Ha | 40.00 | 65.0 | 75.0 | 60 |
| Ave. LKG/Ha | 52.00 | 97.0 | 109.0 | 86.0 |
| AVERAGE Molasses Yield, Kg | 1,200.00 | 1,820.00 | 1,875.00 | 1,631.00 |
| MILLSITE PRICES | | | | |
| Price of sugar/LKG | 1,500.00 | 1,500.00 | 1,550.00 | 1,517.00 |
| Price of Molasses/kg | 4.50 | 4.50 | 5.00 | 4.70 |
| | | | | |
| RETURNS | | | | |
| PLANTER SHARE | 32 | 58 | 65 | 52 |
| C) Sales from Sugar | 48,000.00 | 87,000.00 | 100,750.00 | 78,583.00 |
| D) Sales from Molasses | 3,240.00 | 4,914.00 | 5,625.00 | 4,593.00 |
| NET RETURNS PER HECTARE | | | | |
| A + B-TDC | 3,440.00 | 17,674.00 | 28,885 | 16,667.00 |
| A + B-TC | (-) 1,640 | 4,674.00 | 11,385.00 | 8,030.00 |
| NET RETURNS PER LKG BAG | | | | |
| A + B-TDC /LKG | 66.15 | 182.20 | 265.00 | 193.80 |
| A + B-TC / LKG | - | 48.19 | 104.45 | 93.37 |

Based on New Plant Cane Farms

Table 4.14 Cost Build-up and Returns Per Hectare of Victorias Mill District (Model Farm), CY 2012-2013

| FARM OPERATIONS | Small Farms | Medium-Sized Farms | Large Farms | AVERAGE |
|-------------------------------|------------------|--------------------|-------------------|-------------------|
| Seedpieces | 10,000.00 | 8,000.00 | 8,000.00 | 8,666.67 |
| Fertilizer | | | | |
| 46-0-0 @P1,150/bag | 4,600.00 | 4,600.00 | 4,600.00 | 4,600.00 |
| 0-0-60 @P1,800/bag | 5,400.00 | 9,000.00 | 10,800.00 | 8,400.00 |
| 16-20-0 @ P900/bag | 1,800.00 | 2,700.00 | 4,500.00 | 3,000.00 |
| 18-46-0 | | | | |
| Organic Fertilizer @ P225/bag | | | 11,250.00 | 11,250.00 |
| Weedicide/Herbicide | | | 1,400.00 | 1,400.00 |
| Land Preparation | 12,000.00 | 12,000.00 | 12,000.00 | 12,000.00 |
| Planting / Replanting | 5,620.00 | 5,840.00 | 5,840 | 5,766.66 |
| Fertilizer Application | 1,200.00 | 1,975.00 | 1,975.00 | 1,716.67 |
| Cultivation | 2,055.00 | 2,055.00 | 2,055.00 | 2,055.00 |
| Irrigation /Drainage | | | 1,250.00 | 1,250.00 |
| Weeding | 1,400.00 | 1,400.00 | 1,400.00 | 1,400.00 |
| Weedicide application | | 2,300.00 | 2,300.00 | 2,300.00 |
| Pest & Disease Control | | | 2,000.00 | 2,000.00 |
| Cutting & Loading @ P380/ton | 7,600.00 | 8,600.00 | 8,900.00 | 8,366.67 |
| Hauling @P200/ton | 11,655.00 | 12,950.00 | 13,320.00 | 12,641.67 |
| TOTAL DIRECT COST | 63,330.00 | 71,420.00 | 91,590.00 | 86,813.33 |
| Land Rental | 5,000.00 | 10,000.00 | 15,000.00 | 10,000.00 |
| Administrative | 2,000.00 | 5,000.00 | 10,000.00 | 5,666.67 |
| TOTAL COST | 70,330.00 | 86,420.00 | 116,590.00 | 102,480.00 |
| FARM YIELD | | | | |
| LKg / Ha | 94.00 | 122.99 | 160.10 | 149.24 |
| Kg Molasses / Ha | 2,510.00 | 2,510.00 | 2,510.00 | 2,510.00 |
| MILLSITE PRICES | | | | |
| Composite Price Sugar, P/LKg | 1,376.00 | 1,376.00 | 1,376.00 | 1,376.00 |
| Price of Molasses, P/Kg | 6.00 | 6.00 | 6.00 | 6.00 |
| GROSS SALES | | | | |
| Planters Share | 69.50% | 69.50% | 69.50% | 69.50% |
| A - Sale from sugar | 89,894.08 | 117,617.80 | 153,106.83 | 142,721.20 |
| B - Sale from molasses | 10,466.70 | 10,466.70 | 10,466.70 | 10,466.70 |
| NET RETURNS/HECTARE | | | | |
| A + B - Direct Cost | 37,030.78 | 56,664.50 | 71,983.53 | 66,374.56 |
| A+B-Total Cost | 30,030.78 | 41,664.50 | 46,983.53 | 50,707.90 |
| NET RETURNS/LKG | | | | |
| A + B - Direct Cost | 393.94 | 460.72 | 449.62 | 444.75 |
| A+B-Total Cost | 319.48 | 338.76 | 293.46 | 339.77 |

Based on New Plant Cane Farms

4.2.2. Milling Cost

Average milling cost particularly in Negros Occidental is around P270 per LKG bag. On the average cost of cane accounts for about 45% of the cost and milling operations is 55%. Millers share with an average of 35% of the sugar produced from the canes delivered by the farmers comprised both the cost of canes, processing cost and profit margins of the sugar mills.

4.2.3. Refining Cost

Raw sugar is brought to the refineries for refining through the payment of tolling fees to the sugar refinery. Refining cost averaged about P247 per LKG bag (tolling fee & tolling VAT) of raw sugar that is refined excluding advance VAT and government regulatory fees. Based on per bag of refined sugar, average refining cost is around P500 inclusive of advance VAT and refining losses. Over 50% of the cost of refining went to fuel, materials, supplies and labor.

4.2.4. Distilling Cost of Bioethanol

Feedstock cost for bioethanol production ranged from P24-29 per liter if molasses is used and P23-27 for sugarcane. Average operating cost of producing bioethanol is around P19.38 per liter of bioethanol produced. It is assumed that a ton of molasses produced 245 liters of bioethanol and a ton of cane yields 70 liters of bioethanol. Table 4.11 shows the cost of operations for a bioethanol plant.

**Table 4.15 Average Cost of Operations for a Bioethanol Distillery
Excluding Raw Materials**

| Cost Components | Operating Cost / Liter of bioethanol (Exclgd Raw Materials) |
|--|--|
| Interest Cost | 5.13 |
| Manufacturing Cost | 14.25 |
| <i>Power Cost (Ethanol Plant Consumption)</i> | <i>4.77</i> |
| <i>Chemicals, Oils and Lubricants</i> | <i>3.45</i> |
| <i>Repairs and Maintenance</i> | <i>0.87</i> |
| <i>Salaries and Wages and Other Services</i> | <i>3.65</i> |
| <i>Govt Permit & Licenses, Taxes, Liens, Insurance</i> | <i>1.51</i> |
| Total Operating Cost | 19.38 |

4.2.5. Supply Chain Cost Build-up and Net Returns

The total millgate cost per LKg bag of sugar incurred by a typical sugarcane farm like Pensumil mill district illustrated in Figure 4.7 is P1,513 translating to a wholesale price of P1,783 per LKG bag and a retail price of P37.67 per kilo of sugar. Retail price of Pensumil sugar is quite higher than the normal raw sugar because Pensumil sugar mill produces direct consumption sugar which is equivalent to washed sugar. Farmers profit margin is approximately P93.37 per LKG bag of sugar based on CY 2013-2014 data.

A model farm like Victorias mill district showed a millgate cost per LKG bag of P 1,372 which translated to wholesale price of P 1,642 per LKG and a retail price of P34.84 per kilo. Figure 4.8 shows the details of the average cost build-up and profit margin of Victorias mill district farms based on CY 2013-2014 data.

Figure 4.7 Sugar Supply/Value Chain Cost Build Up of Pensumil Mill District

| Input Supply | Farm Production | Harvesting | Logistics | Primary Processing | Warehousing | Logistics | Trader | Logistics | Whole-sale Market | Retail Market | | |
|--|-----------------|------------|-----------|--------------------|-------------|-----------|---------------|-----------|-------------------|---------------|----------|-----|
| 325 | 252 | 142 | 74 | 627 | | | | | | | | |
| | | | | Farmers Margin | | | | | | | | |
| | | | | 93.37 | | | | | | | | |
| | | | | Millgate Cost | | | 25 | | | | | |
| | | | | 1,513 | 5 | 25 | Trader's Cost | | | | | |
| | | | | | | | 1,568 | 65 | 150 | | | |
| NOTE: Retail price of sugar from Pensumil is at a premium price because it is producing direct consumption sugar which is white in color; the mill directly bought the planters share, no bidding in the millsite is being conducted unlike the other sugar mills which conducted weekly sugar bidding | | | | | | | | | Wholesale | | | |
| | | | | | | | | | | | 1,783 | 100 |
| | | | | | | | | | | | | |
| | | | | | | | | | | 1,883 | | |
| | | | | | | | | | | | 37.67 | |
| | | | | | | | | | | | per kilo | |

Reference: SRA Price Reports and Cost of Production Data, CY 2-13-2014

Figure 4.8 Sugar Supply/Value Chain Cost Build Up of Victorias Mill District

| Input Supply | Farm Production | Harvesting | Logistics | Primary Processing | Warehousing | Logistics | Trader | Logistics | Wholesale Market | Retail Market |
|--------------|-----------------|------------|-----------|--------------------|-------------|-----------|---------------|-----------|------------------|---------------|
| 250.04 | 190.89 | 56.06 | 84.71 | 450.46 | | | | | | |
| | | | | Farmers Margin | | | | | | |
| | | | | 339.77 | | | | | | |
| | | | | Millgate Cost | | | 25 | | | |
| | | | | 1,372 | 5 | 25 | Trader's Cost | | | |
| | | | | | | | 1,427 | 65 | 150 | |
| | | | | | | | | | Whole-sale | |
| | | | | | | | | | 1,642 | 100 |
| | | | | | | | | | | Retail |
| | | | | | | | | | | 1,742 |
| | | | | | | | | | | 34.84 |
| | | | | | | | | | | per kilo |

Reference: SRA Price Reports and Cost of Production Data, CY 2-13-2014

4.3. Support Industries, Key Institutions and Programs

4.3.1. Farm Sector

Main support industries and institutions for the sugarcane farming sector are the fertilizer manufacturing and trading industry, the local fabricators of farm machinery / implements, the SRA on farm technologies and high-yielding varieties, PHILSURIN on high-yielding varieties, Sugar Master Plan Foundation for support programs and the DA on farm infrastructures like irrigation and farm-to-mill roads.

SRA is currently providing support to the small farmers through the block farming program where small farms are consolidated into a minimum of 30 hectares in a block of contiguous farms to improve economies of scale and easier deployment of logistical support. Technical services on best and efficient practices and proper farm management are undertaken by SRA while DAR provides the common service facilities such as trucka and tractors and funding for capability building, DA provides support for infrastructure projects like irrigation and farm-to-mill roads and livelihood

assistance. The block farms are conceptualized to be future agribusiness units in a milling district.

Funding support for the establishment of sugarcane high-yielding varieties is also provided by SRA with the MDDCFIs and block farms as intended beneficiaries.

4.3.2. Milling / Refining Sector

The milling and refining sector is also supported by SRA in terms of technical services on performance/capacity/energy evaluation of plant facilities and equipment, environmental monitoring of water and air pollutants and food safety aspect of sugar. SRA works hand in hand with the DOE in energy capability assessment of sugar mills that plan to proceed into power generation for the grid. Trade and industrial concerns are being taken care of by the Department of Industry which is the Chair of the Philippine negotiating panel on trade negotiations. The Board of Investments under DTI provides the fiscal incentives for the sugar processors.

The Philippine Sugar Millers Association is the major association which supports the programs of the sugar mills and the Philippine Association of Sugar Refineries for the refineries.

4.3.3. Muscovado Sector

SRA does not regulate muscovado production but it plans to conduct a survey of all muscovado mills in the country to be able to identify the scope and necessary support programs needed by the sector. Currently, DTI is assisting the muscovado producers in terms of providing common service machinery for farm operations and mill operations as well as assistance on the marketing of muscovado.

SRA in cooperation with the LGUs also assisted the muscovado farmers in terms of farm practices and supply of high-yielding varieties.

4.3.4. Bioethanol Sector

The bioethanol sector is being regulated by the DOE while SRA provides policy support on feedstock development through its representation in the National Biofuel Board (NBB). SRA also provides technical services and farm survey for existing and expansion areas for bioethanol production purposes.

4.3.5. Power Generation Sector

Power generation is a value added investment for the sugar industry. SRA supports the sugar mills in terms of energy capability assessments, policies and networking with DOE and DA in the development of the biomass to energy.

5. BENCHMARKING ANALYSIS

5.1. Local Benchmarking: Typical (Pensumil) Versus Model Farm (Victorias)

5.1.1. Agricultural Performance

- Low farm productivity of Pensumil mill district is mainly attributed to lack of financing to procure the necessary farm inputs, its farm management practices and low adoption of cane high-yielding varieties (HYV) due to the absence of an HYV nursery in the district.
- In contrast, Victorias mill district has established around 160 hectares of HYV nurseries and is highly mechanized, which practiced better farm management.

5.1.2. Mill Performance

- The sugar mill in Pensumil mill district ranked as the most underutilized mill in the country with a capacity utilization of 37.99% and the most inefficient mill with an overall sugar recovery of 71.88% in contrast to VICMICO in Victorias mill district having a capacity utilization of 79.82 % and an overall sugar recovery of 85.04 %.
- The mill inefficiency resulted to the farmers unwillingness of looking for financing to procure the necessary farm inputs to their sugarcane farms.

5.2. Global Benchmarking with Thailand *(Reference: Benchmarking the Philippine Sugar Industry with Thailand by UA&P, 2012)*

A sugar benchmarking study was conducted in 2012 in response to the drastic fall of tariffs under the ASEAN Free Trade Area (AFTA) to five percent in 2015 from 28 percent in 2012. This section present the result of the independently commissioned study conducted by the Center for Food and Agri Business (University of Asia and the Pacific).

Thailand was chosen for the benchmarking analysis because Thailand is among the largest net sugar exporters after Brazil, and the main supplier of sugar in Asia.² Over 70 percent of

² Thailand expects to export a record 7 million tons of sugar in 2011. The 2010/11 crushing season had almost ended and a total 9.62 million tons of sugar was likely to be produced, the highest ever, Prasert

its production, or over five million tons, is exported compared to its domestic market of about 2.4 million tons. Thailand also hosts large sugar conglomerates with several mills, including the multi-national Mitr Phol group which owns mills in Australia, Cambodia, China and Vietnam.

5.2.1. Policies

5.2.1.1. Sharing System

The Philippine sugar industry is shaped by the Sugar Act of 1954 which mandates the sharing of raw sugar and molasses: 65-70 percent to the planter; and 30-35 percent to the millers.³ This has remained unchanged for almost 60 years. Meanwhile, Thailand has the Sugar Act of 1984 that mandates the planter sells his cane to the mill and be paid on cane basis at an *initial* price set by the Office of Cane and Sugar Board (OCSB). Pricing is based on a cane price and the commercial content of sugar (CCS).⁴ As of early 2012 for cane with 10 CCS, the price is Baht 1,000 per ton; for 11 CCS, the price is Baht 1,060. There is an additional Baht 60 for every CCS above 10.

At the end of the crop year, the total national value of raw sugar for all mills is calculated. From that amount, the OCSB operating cost is deducted. From the net amount, 70 percent will go to the planters, and 30 percent to the millers. Normally, final price paid is higher than the initial price.

In case, there is deficit payment from the initial price⁵, the farmers will get rebate from the Cane Fund. The Cane Fund is generated by the seven percent value added tax (VAT) on raw and refined sugar.

Tapaneeyangkul, secretary-general of the Office of Cane and Sugar Board – Reuters (<http://www.theglobeandmail.com>)

³ It is not a common practice in agribusiness. Rice farmers sell to traders and millers and get paid for the palay. So do corn, coconut, coffee, rubber, oil palm and other farmers.

⁴ CCS of a farmer is determined by on-site laboratory analysis.

⁵ This occurred in CY 2006/2007.

5.2.1.2. Market Intervention

In the Philippines, the Sugar Act in 1954 allows SRA to classify raw sugar at the start of every crop year (September) into the following: Class A – US quota; Class B - Domestic sugar; Class C - Domestic Reserve; and Class D – World market. SRA issues a Sugar Order at the beginning of the Crop Year. The SRA Board comprises the Chair, and one representative each from the planters and millers. Meanwhile, in Thailand, the Ministry of Commerce sets the domestic prices (Quota B) of refined sugar (mill, wholesale and retail). It was last set in 2008 at Baht 16 per kilo, ex mill. Export prices (Quotas B and C) are based on world market prices: London for refined sugar, and New York Exchange for raw for export prices. In computing for export price for eventually setting of cane prices, the export price of Thai Cane and Sugar Corporation is the threshold. All the export prices of the six “shipper/exporters” must be at par or above it. In the last ten years, except for four months, B sugar prices were higher than C prices.

5.2.1.3. Taxes

The Philippine government imposes 12 percent VAT on raw and refined sugar. The VAT proceeds go to the general tax revenues. By contrast, the Thai government collects seven (7) percent VAT on sugar milling and refining.⁶ The proceeds go to the Cane Fund to help the sugar farmers: (a) to provide rebate to achieve the 70 percent of the national sugar output; and (b) for projects such as farm mechanization loan (2 percent a year) together with the Bank for Agriculture and Agricultural Cooperatives (BAAC). Exported sugar has no VAT. The Thai government also collects farm tax of 0.75 percent on cane sales at the mill. The corporate income taxes are similar for both countries (about 30 percent).

5.2.1.4. Liens

In the Philippines, the mills collect Php 2 per bag as voluntary sugar lien. Some 50 percent of the lien funds the private Philippine Sugar Research Institute (Philsurin) and the rest for the Mill District Development Committee (MDDC). A number of mills do not participate in this voluntary scheme but “free ride” from the

⁶ For domestic destination only. Export sugar is VAT-free.

new varieties developed by Philsurin. At say 40 million bags, the annual amount is Php 80 million. This has been dissipated by inflation since it was first imposed in 1997. By contrast, in terms of direct support, the Philippine sugar industry gets far less than their counterparts in Thailand. Assuming an annual production of 7.5 million tons of raw sugar of which 30 percent is VATable, and the 70 percent not, a VAT of seven percent, will generate a total collection of about US\$ 120 million a year (Baht 3,600 million). As of end-2011, the Cane Fund had about US\$400 million (Baht 12,000 million in balance).⁷

5.2.1.5. Cost of Capital

In the Philippines, the bank lending rate for prime clients ranges from 6 to 7 percent. The rate is one of the lowest rates in many decades. In agriculture, the rate is about 8 to 9 percent for commercial banks. On the other hand, it is 8.5 to 9.5 percent from Land Bank to the cooperatives, but the latter on-lends to farmers at 15 to 20 percent. Meanwhile in Thailand, the commercial bank rate is 5.2 to 6 percent a year to farmers; and 6 percent from the government-owned Bank for Agriculture and Agricultural Cooperatives (BAAC).

Thailand's interest rates have been consistently lower than the Philippines. BAAC also has a bigger lending base. BAAC lent Php 850 billion (605 billion baht) to agriculture in 2010 as compared to Land Bank's Php 215 billion.⁸

5.2.1.6. Cost of Labor

Farm workers in the Philippines (Negros Occidental) are paid Php230 to Php233 per day (US\$5.35 to US\$5.42). The farm wage for harvesting (cut and load) ranged from Php 130 per ton cane in Bukidnon to Php 180 per ton cane in Negros (US\$ 3.02 to 4.19 per ton cane) and Php 200-220 in Luzon. Note: foreign exchange rate US\$1 = Php43. Among mills, there is a large share of

⁷ Bangkok Post (February 21, 2012). "Sugar planters call for float."

⁸ BAAC chair said that in fiscal 2012, starting April, the bank aims to make 658 billion baht in loans, up 8.84% from fiscal 2011. Of the total, 334 billion baht will be allocated to the agricultural sector, 121 billion baht will be committed to building employment opportunities in rural areas, 95 billion baht will go to enhancing the rural economy, and the remainder will be channelled to government projects and programs for the farming sector (<http://www.bangkokpost.com>, March 12, 2012).

permanent employees as millers are hesitant to lay them off as they have little work options. Meanwhile, in Thailand's Northern provinces, the farm wage ranges from Baht 100 to 150 per ton, cut only (US\$ 3.33 to 5.00 per ton cane) for seasonal, migrant labor. Loading is done by machine. (Note: Forex rate US\$1 = Baht 30).

The share of temporary employees among mills borders at less than 50 percent. Temporary worker only received wages, and they are normally laid off by the mills after four months with minimal problems.

5.2.1.7. Land Ownership Ceiling

The land market in the Philippines is under strain by the Land Reform law (Comprehensive Agrarian Reform Program or CARP) and later, the CARP Extension with Reforms (CARPER).⁹ The maximum land ownership is five (5) hectares, be it individual or corporate. There is also eligibility (mainly small holders) and transferability provisions (land sale takes ten years after full payment). In Thailand, some literature on the subject indicates that land ownership of private land can be 100 rai (16 hectares). There is a plan to cap ownership to 50 rai (8 hectares). By contrast, there appears to be high land ceiling in some areas. For example, a farmer in Nakhon Sawan has 3,000 rai (or almost 500 ha).

5.2.1.8. Land Lease / Rent

The land lease in the Philippines range from Php10,000 to Php15,000 per ha (US\$ 232 to 349 per ha) in Bukidnon and Luzon to Php8,000 to Php30,000 per ha a year (US\$186 to 698 per ha) in Negros (the main sugar area), depending on land quality, irrigation and distance from mill. In Thailand, the land rental rates range from Baht 1,500 to 2,250 per rai (US\$208 to US\$312 per ha per year) over three to five years in Supanburi province. These appear to be lower than in the Philippines.

⁹ CARP was passed in 1988 under the Cory Aquino government for a life of ten years. It was extended to 2008 by President Fidel Ramos and further to 2013 by CARPER Act.

5.2.1.9. Cost of Land

The cost of land in the Philippines varies according to many factors: soil quality, nearness to main road, availability of irrigation, etc. The land valuation of the Department of Agrarian Reform for landowner's compensation is Php450,000 max in Negros (US\$ 10,500). This land valuation is reportedly being contested in court by landowners given their higher capitalized net income. In Thailand, the cost of land ranges from Baht 25,000 to Baht 200,000 per rai (US\$5,208 to US\$ 41,670) in Kanchanaburi and Supanburi, respectively, depending on distance, water availability and distance from mill.

5.2.1.8. Cost of Power

Plant power cost is not a concern in both countries as sugar mills are self-sufficient in power. In fact, a number of mills in Thailand have co-generation plants that sell power to the national grid.

5.2.1.10. Cost of Fuel

Fuel costs affects transport costs from farm to mill and beyond. The price differential of diesel fuel is about 15 percent: Php 49.50 per liter (US\$ 1.15 per liter) in Negros and Baht 30 per liter (US\$1.00 per liter) in Thailand (Kanchanaburi province).

Table 5.1. Comparative Indicators, 2011

| Item | Philippines | Thailand |
|---|----------------------------|--------------------|
| Bank Interest Rate (percent) | | |
| - Commercial bank prime rate, end 2011 average (a) | 7.3 | 6.9 |
| - BAAC to farmers cooperatives (2012), production loan | * | 5 (b) |
| - Land Bank to Filipino cooperatives (2012) | 8.5-9.5 | * |
| - Cooperative to farmers | 15-20 | 8 |
| Labor – Minimum Wage Main production area (US\$/day) | 5.35-5.42 (Php 230-233) | 6.47 (Baht 200) |
| Land Rental (US\$/ha/year) | 186-698 | 208-312 |
| Cost of Fuel –Diesel (US\$/liter) (February 2012) | 1.15 | 1.00 |

Note: (a) Prime lending rates for 2011 (CIA.gov)

(b) Bank of Thailand

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

5.2.2. Practices

5.2.2.1. Farm Sector

Farm Distribution. In terms of the number of farms, Thailand has four times more farms as compared to the Philippines but the distribution according to plantation area are the same. In both countries, around 75% of the farmers are small ones – 5 hectares and less in size.

Production and Area. Thailand sugarcane production was much larger than the Philippines. Aside from the larger sugarcane areas in Thailand, area planted to sugarcane increased by 3% annually. By contrast, in the Philippines, aside from its smaller farms, growth in the area planted was almost flat.

Sugarcane Yield. Thailand cane yield is about 10% higher than the Philippines. On both countries, low yields were experienced during the CY 2004-05 and 2009-10 due to weather disturbances during the period.

Spatial Concentration. For both countries, sugarcane production is concentrated in a particular region with 55% in the Western Visayas region in the Philippines and 43% in the Northeastern region in Thailand. However, in contrast, Thailand has one land mass which is a huge advantage in logistics costs.

Farm Costs. Cost of inputs per hectare was more expensive in the Thailand small farms compared to the Philippines. Total input costs is higher by 58% in Thailand due to higher fertilizer used and higher fuel and oil costs due to mechanization. Costs of canepoints and labor cost are also higher in Thailand. However, land rental, interest rates and administrative costs are generally higher in the Philippines.

5.2.2.2. Milling Sector

There are more mills in Thailand with higher capacities than in the Philippines. Thai mill capacities clustered within the 15,000 TCD while in the Philippines, most mills are within the 7,500 TCD capacity. Thailand has also modern mills and the mills are relatively newer than Philippine mills.

Thailand's milling cost is generally lower than the Philippines which can be attributed to Thailand's capacity expansion of mills towards better efficiency, better quality cane and the export orientation of the industry given the government's export promotion program.

5.2.2.3. Refineries

The Philippine refined sugar production is decreasing while that of Thailand is increasing by 5.9 % per annum.

Cost of refining raw sugar to refined sugar is 5% higher in the Philippines than in Thailand. Sugar refineries in Thailand are more modern, efficient and with higher production capacities than in the Philippines.

5.2.2.4. Sugar Marketing

In the Philippine setting, payment of sugar is based on the raw sugar output reflected in the sugar quedans under the sugar sharing scheme while in Thailand, cane is directly purchased by the mills from the farmers.

Thailand is one of the world's top sugar exporters of whom its exporters are affiliated with the large sugar factories. They have their own ports to facilitate their export shipments. On the other hand, Philippine exports are mainly for the US quota and exports to the world market is done only when there is excess sugar.

5.2.2.5. Prices

Sugar prices in the Philippines is market-driven, depending on the supply-demand situation while in Thailand, preliminary and final millgate prices are fixed by the Office of the Cane and Sugar Board (OCSB).

5.2.3. Structure and Performance

5.2.2.1. Farm Sector

Farm Distribution. The Philippine sugarcane farms are mostly small with more than 75% of the 62,175 farms measuring 5 hectares and below. Only 6% of the total number of farms is above 25 hectares in size. Meanwhile, Thailand sugarcane farms are relatively bigger wherein the majority (75% or 165,000 farms) is below eight hectares (50 rais). Only a very small percentage of the farms are 80 hectares (500 rais) and below.

In terms of the number of farms, Thailand has four times more farms as compared to the Philippines but the distribution according to the land area is the same. In both countries, around 75% of the farms are small.

Table 5.2. Sugarcane Farm Distribution

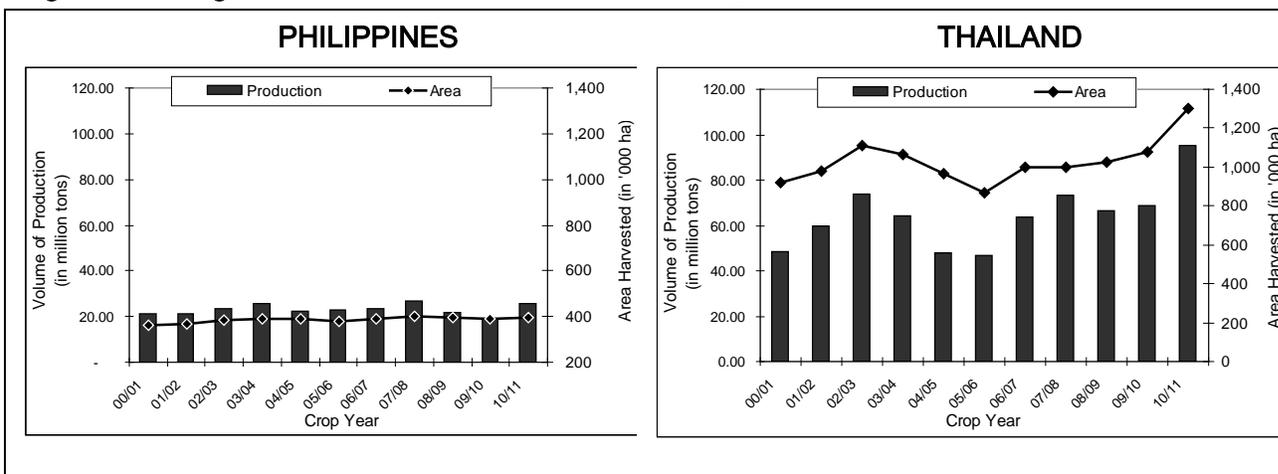
| PHILIPPINES | | | THAILAND | | |
|----------------|-----------------|----------------------|----------------|-----------------|----------------------|
| Farm Size (Ha) | Number of Farms | Percent Distribution | Farm Size (Ha) | Number of Farms | Percent Distribution |
| 5 and below | 46,726 | 75.15 | < 8 | 164,769 | 74.71 |
| 5.1 – 10 | 6,735 | 10.83 | 8 - <16 | 22,574 | 10.24 |
| 10.1 – 25 | 4,507 | 7.25 | 16 - <80 | 27,536 | 12.49 |
| 25.1 – 50 | 2,088 | 3.36 | 80 - <160 | 3,994 | 1.81 |
| 50.1 – 100 | 1,288 | 2.07 | >160 | 1,673 | 0.76 |
| above 100 | 831 | 1.34 | - | - | |
| Total | 62,175 | 100.00 | | 220,546 | 100.00 |

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Production and Area. Philippines. The Philippines' sugarcane production amounted to 25.9 million tons from an area of 395,381 hectares in crop year 2010/11. It increased by an average of 3.1 percent annually from 21.2 million tons in CY 2000/01. Area harvested posted a slow growth of 0.8 percent per year from 364,445 in CY 2000/01. In Thailand, sugarcane production amounted to 95.4 million tons from an area of 1.2 million ha (7.5 million rais) during the same period. It grew by 9.01 percent per year from 48.7 million tons in CY 2000/01. Area harvested in the country posted a growth of 3.02 percent.

Thailand production was much larger than the Philippines. Aside from the larger sugarcane farms in Thailand, area planted to sugarcane increased by 3% annually. By contrast, in the Philippines, aside from its smaller farms, growth in the area planted was almost flat.

Figure 5.1. Sugarcane Production and Area Harvested, CY 2000/01 to 2010/11

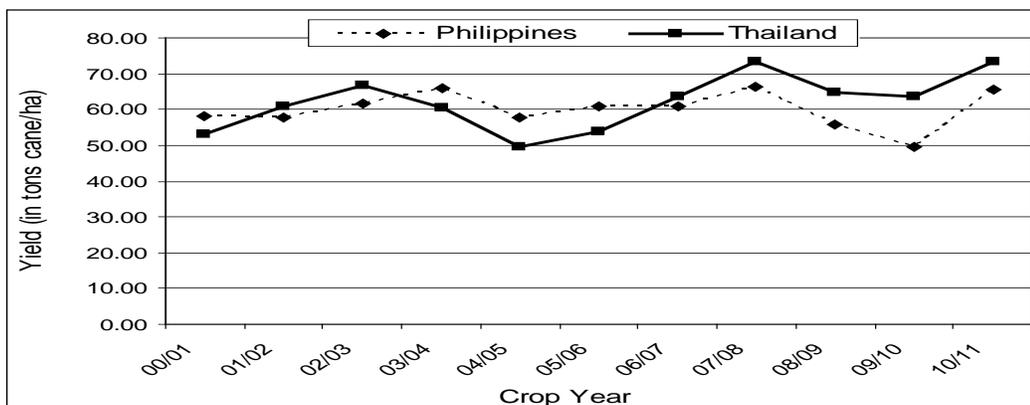


Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Sugarcane Yield. In the Philippines, cane yield averaged 65.6 tons cane (TC)/ha in CY 2010/11, a growth of 2.03 percent per year from 58.2 TC/ha in CY 2000/01. The lowest yield was obtained in CY2009/10 with 49.6 TC/ha. This is a sharp decrease from the highest yield of 66.5 TC/ha in CY 2007/08. Meanwhile, the yield in Thailand was 72 TC/ha in CY 2010/11. Sugarcane yield increased at an average of 4.13 percent from CY 2000/01 to CY 2010/11. The highest yield was also experienced in CY 2007/08 which totaled to 73.6 TC/ha.

Thailand cane yield is about 10 percent higher. For both countries, low yields were experienced during the CY 2004/05 and 2009/10 due to weather disturbances during the period. Yield performance for both countries followed similar fluctuations during the 11-year period.

Figure 5.2. Sugarcane Yield Levels, CY 2000/01 to 2010/11

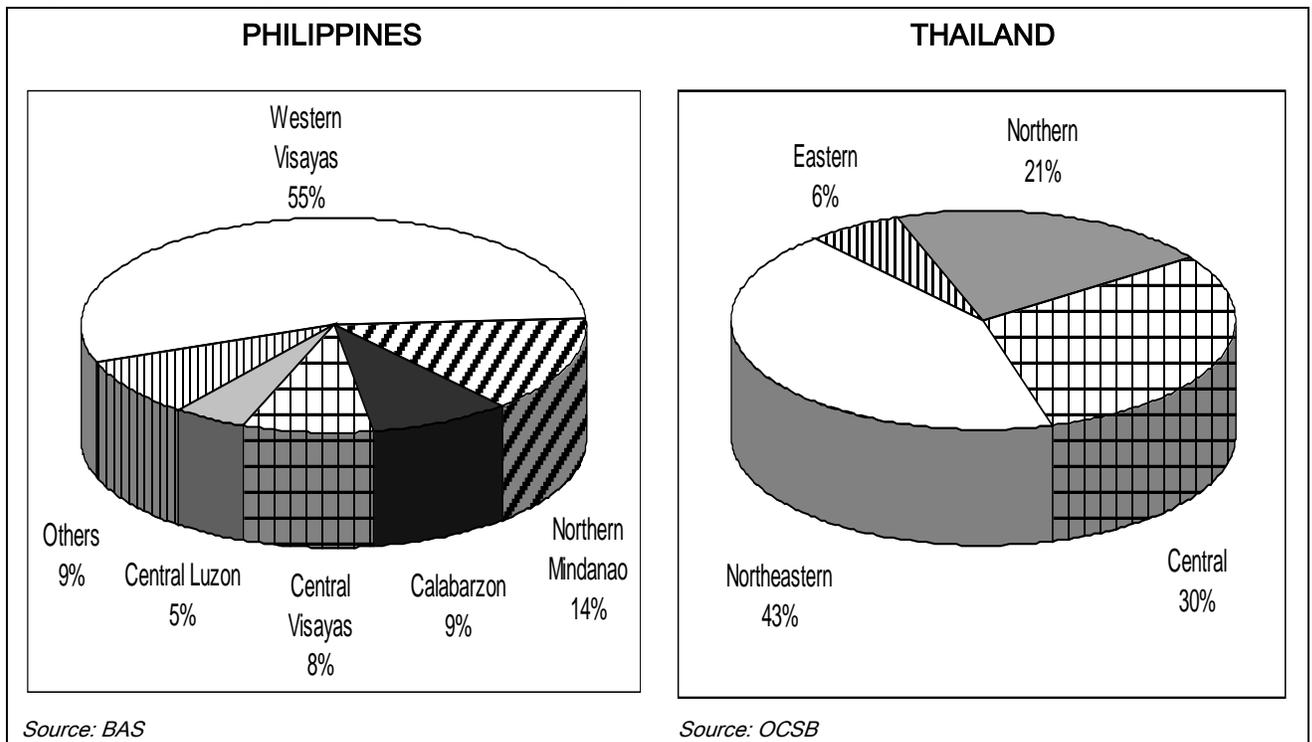


Source: SRA, OCSB and USDA

Spatial Concentration. In the Philippines, Western Visayas produces around 55 percent of the total sugarcane in the country, with the Negros Island as the major contributor. Northern Mindanao contributes 14 percent with Bukidnon province as the main production area. Meanwhile, in Thailand, sugarcane is planted in four regions: North, Central, East and Northeast. There is no sugarcane production in the south of Thailand. Production is concentrated in Central and some parts in Northeast and North region. In 2010, the largest sugarcane area is in the Northeastern region (43 percent), followed by the Central region (30 percent).

For both countries, sugarcane production is highly concentrated in a particular region with 55 percent in the Western Visayas region in the Philippines and 43 percent in Northeastern region in Thailand. However, a major contrast is that Thailand has one land mass, a huge advantage in logistics costs.

Figure 5.3. Leading Regional Producers of Sugarcane, 2010



Farm Costs and Profits. To obtain the sugarcane costs and returns for crop year 2010-2011, sugarcane growers in small farms (less than 10 hectares) and large farms (greater than 50 hectares) were interviewed in Negros Occidental, the main sugar producing area, to represent the Philippines.. The average yield per hectare in crop year 2010-2011 for new plant was 55 in small farms and 100 tons in large farms while for the first ratoon, yield was 45 tons and 80 tons, respectively. Meanwhile, in Thailand, the average yield per hectare for new plant was 94 tons (15 tons/rai) in small farms and 112 tons (18 tons/rai) in large farms in crop year 2010-2011. The yield decreased in the first ratoon to 75 tons (12 tons/rai) and 94 tons (15 tons/rai), respectively.

Table 5.3. Average Yield Per Hectare, Philippines and Thailand, CY 2010-11 (Tons)

| Particular | Small | Large |
|--------------------|------------------|-------------------|
| Philippines | | |
| Plant | 55 | 100 |
| First Ratoon | 45 | 80 |
| Thailand | | |
| Plant | 94 (15 tons/rai) | 112 (18 tons/rai) |
| First Ratoon | 75 (12 tons/rai) | 94 (15 tons/rai) |

Note: One hectare = 6.25 rai

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

The farm costs were broken down into inputs, labor, logistics and other costs. The latter consisted of interest expense for small farms and rent and administrative costs for large farms. Inputs comprised of cane points, fertilizers, pesticides/herbicides, fuel and oil. Labor costs covered land preparation, crop management and harvesting. Logistics costs included hauling of inputs to farm and canes to mill.

Table 5.4. Sugarcane Farming Costs Per Hectare, New Plant, CY 2010-11 (Php/ha)

| Cost Items | Philippines | | Thailand | |
|-----------------------|------------------------|------------------------|----------|----------|
| | Small | Large | Small | Large |
| Inputs | | | | |
| Cane points (a) | 8,750 | 8,200 | 15,996 | 19,995 |
| Fertilizers (b) | 17,300 | 23,700 | 22,134 | 11,379 |
| Chemicals | 2,700 | 2,950 | 4,503 | 4,621 |
| Fuel | - | 4,560 | 2,844(c) | 3,981(c) |
| Oil | - | 2,040 | | |
| Labor | | | | |
| Land Preparation | 9,800 (d) | 690 | 12,263 | 15,108 |
| Crop Management | 6,275 | 10,347 | 11,109 | 4,266 |
| Harvesting | 9,350 | 19,000 | 23,995 | 28,793 |
| Logistics | | | | |
| Hauling canes to mill | 4,400 (farmer's share) | 8,000 (farmer's share) | 17,329 | 20,795 |
| Other Costs | | | | |
| Land Rent | - | 18,000 | | |
| Overhead | 4,660 | 15,000 | 9,776 | 12,619 |
| Interest | 7,500 | 4,933 | 2,613 | 2,613 |

Note:

(a) Including cutting, loading and hauling

(b) Including logistics to farm

(c) Including oil

(d) hired tractor

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

5.2.2.2. Total Farm Cost and Profits

Philippines. The bulk of the average costs for new plant and ratoon in small farms went to inputs (37 percent) and labor (35 percent) while majority of the farm costs in large farms were spent on other costs (35 percent) and inputs (30 percent). Labor cost accounted for a lesser share (27 percent) in large farms than small farms as the former used own tractors but in return incurred overhead costs which included equipment maintenance. The average farm costs per hectare of farmers for new plant were Php70,735 (Php1,286 per ton cane) in small farms and Php117,420 (Php1,174 per ton cane) in large farms. On the other hand, total farm costs in the first ratoon were Php48,060 (Php1,068 per ton cane) and Php94,628 (Php1,183 per ton cane), respectively.

The mill site prices at the national level were used in estimated sales. In 2010-11, it averaged at Php1,413 per Lkg (50-kg bag) for “A” sugar and Php1,960 per Lkg for “B” sugar. Given the average yield of 55 to 45 tons in small farms and 100 to 80 tons in large farms, the estimated farm sales per hectare for new plant in small and large farms during CY 2010-2011 were Php147,972 and Php269,039, respectively, while for the first ratoon were Php121,068 and Php215,232.

Meanwhile, profits in new plant per hectare averaged Php77,237 in small farms and Php151,619 in large farms. These were lower in the first ratoon and averaged at Php73,008 in small farms and Php120,603 in large farms.

Thailand. For small and large farms, labor costs accounted for at least 40 percent of total costs while input supply contributed over 30 percent of total costs. The estimated total farm cost per hectare were Php112,833 (Php1,187 per ton

cane) for new plant and Php68,523 (Php914 per ton cane) for first ratoon in small farms. The total costs were higher in large farms at Php121,554 per hectare (Php1,085 per ton cane) for new plant and Php75,578 per hectare (Php804 per ton cane) for first ratoon.

At a price *per ton of cane* of Baht 1,039 or Php1,450 and an average yield of 95 (15 tons/rai) and 75 tons (12 tons/rai) for small farms during new plant and first ratoon, the estimated farm sales per hectare were Php138,520 (Baht 15,587/rai) and Php110,816 (Baht 12,470/rai), respectively. For large farms with yield of 112 tons and 94 tons per hectare (18 and 15 tons/rai), on average, in new plant and first ratoon, earnings reached Php166,225 and Php138,520 per hectare (Baht 18,705 and Baht 15,587/rai), correspondingly.

In terms of profits, small farms earned Php25,686 and Php42,292 per hectare, respectively, during the two planting cycles while large farms gained Php44,670 and Php62,942 per hectare during the same crop cycles.

The farmer's selling price per Lkg was more expensive in the Philippines (Php1,922) than in Thailand (Php739) by more than 150 percent in CY 2010-11. Thus, both small and large farms in the Philippines indicated bigger farm sales per hectare. Total farm cost per ton in small farms for new plant and first ratoon were higher in the Philippines by eight and 17 percent, respectively. For large farms, total costs during the two cycles were also higher in the Philippines by eight percent for new plant and 47 percent for ratoon, respectively. As in farm sales, farm profits in the Philippines were bigger than in Thailand.

Table 5.5. Sugarcane Farm Costs and Profits, Large Farms, CY 2010-11 (Php/ha)

| Item | Philippines | | Thailand | |
|--------------|----------------------|----------------------|----------------------|----------------------|
| | Plant | Ratoon | Plant | Ratoon |
| Farm Sales | 269,039 (147,972) | 215,232 (121,068) | 166,225 (138,520) | 138,520 (110,816) |
| Farm Costs | 117,420 (70,735) | 94,628 (48,060) | 121,554 (112,833) | 75,578 (68,523) |
| Farm Profits | 151,619 (77,237) | 120,603 (73,008) | 44,670 (25,686) | 62,942 (42,292) |

Notes: Figures in parenthesis are for small farms.

Memo Items:

Philippine plant and ratoon farm costs were Php1,286/ton cane and Php1,068/ton cane in small farms and Php1,174/ton cane and Php1,183/ton cane in large farms.

Thailand plant and ratoon farm costs were Php1,187/ton cane and Php914/ton cane in small farms and Php1,085/ton cane and Php804/ton cane in large farms.

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

5.2.2.3. Logistics

The average distance of sugarcane transport from field to sugar mill is another important factor, which affects the competitiveness of the sugar industry. The longer the distance of sugarcane transport, the higher the costs of transportation and sugar quality reduction. In Negros Occidental, the transport cost of cane points to the farm was Php100/lacsa while hauling of fertilizer and chemicals was about Php500 per trip. Logistics cost of cane from farm to mill averaged at Php230 per ton or Php115 per Lkg. Of the total cost, mills provided an average trucking allowance of about Php150 per ton. In Thailand, the logistics of sugarcane from the farm to the mill differs from region to region. In the Northeast, there are the loading stations or centers that collect sugarcane. However, in the Central regions, sugarcane is delivered directly by the farmers. Most factories use the queuing system to organize the sugarcane delivery to the mill. Transport cost ranges from Baht 180-220 per ton.

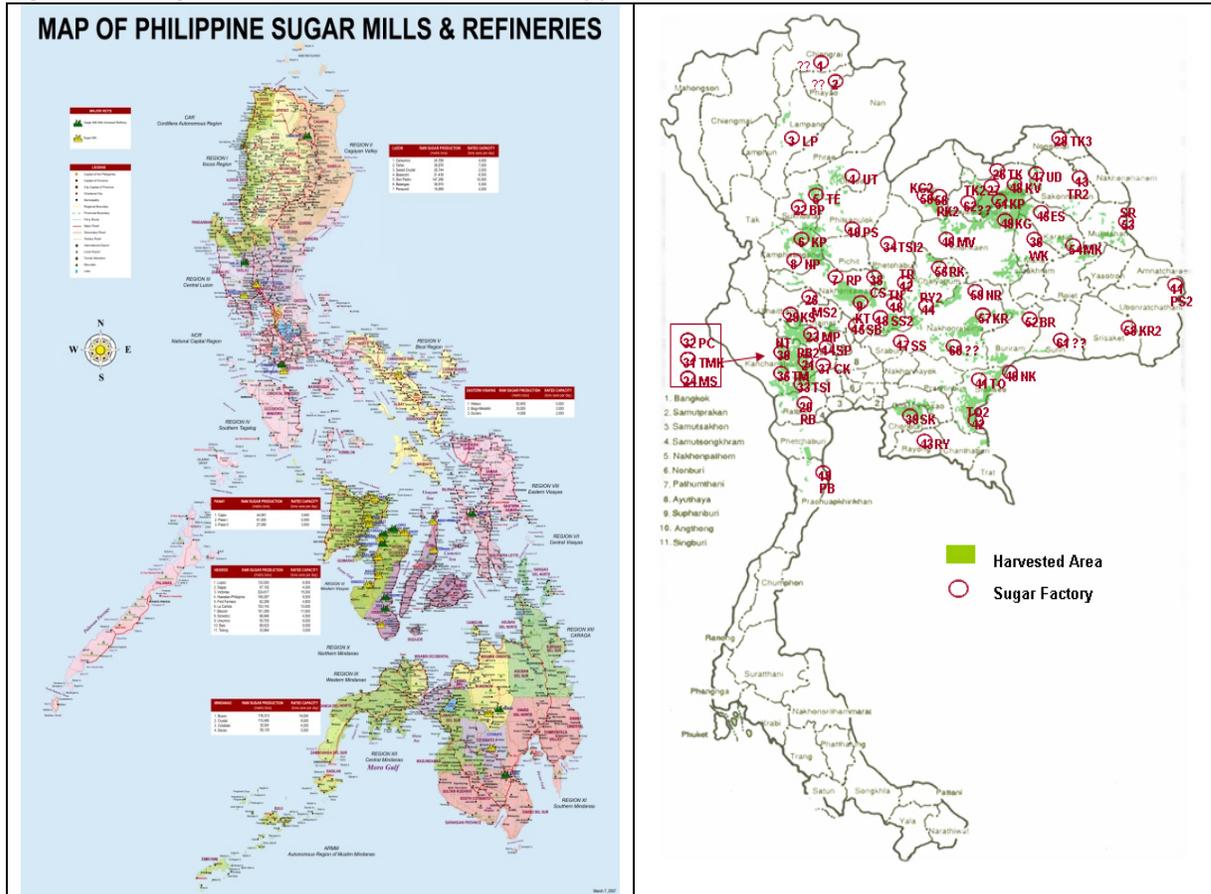
The average cost of cane delivery to mills was slightly higher in Thailand (Baht 180-220 per ton or Php256-313 per ton) than in the Philippines (Php230 per ton). This can be partly explained by the longer distance traveled from farm to mill in Thailand.

5.2.2.4. Milling Sector

Size and Efficiency. There are 29 sugar mills in the country with total rated capacity of 196,500 tons cane per day (TCD). Busco Sugar Milling Company, with a rated capacity of 18,000 TCD, has the largest mill. Central Azucarera dela Carlota and Central Azucarera Don Pedro, both under Roxas Holdings, are the next two mills with a capacity of 18,000 TCD and 13,000 TCD, respectively. Victorias Milling Company (VMC) with rated capacity of 15,000 TCD used to be the largest sugar mill. Meanwhile, there are 47 factories in Thailand situated in four parts of the country, i.e. Northern, Central, Eastern and Northeastern region. There are nine factories in Northern region, 17 factories in Central region, five factories in Eastern region, and 16 factories in Northeastern region. The total capacity utilization is about 85 percent.

There are more mills in Thailand with higher capacities than the Philippines. Mill capacities clusters within the 15,000 TCD while in the Philippines, most mills are within the 7,500 TCD capacity. Thailand also has modern mills and the mills are relatively newer as compared with the mills in the Philippines.

Figure 5.4. Sugar Mills and Refineries in the Philippines and Thailand



Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Table 5.6. Rated Capacity of Sugar Mills, 2010 (TCD)

| PHILIPPINES | | THAILAND | |
|-------------|----------------|--------------|----------------|
| Region | Rated Capacity | Region | Rated Capacity |
| Luzon | 38,700 | Northern | 140,427 |
| Negros | 92,800 | Central | 230,866 |
| Visayas | 27,500 | Eastern | 42,655 |
| Mindanao | 37,500 | Northeastern | 289,099 |
| Total | 196,500 | Total | 703,047 |

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Table 5.7. Mills, Capacity and Utilization, 2010

| Particulars | Philippines | Thailand |
|-----------------------------------|-------------|----------|
| Number of Mills | 29 (a) | 47(b) |
| Total Capacity (TCD) | 196,500 | 703,047 |
| Capacity Utilization (%) | 60 | 84 |
| Milling days | 180-220 | 120-150 |
| Knife to Knife (average hours) | 10-48 | 4-10 |
| Mill Distribution by TCD (number) | | |
| Less than 5,000 | 13 | 2 |
| 5,000 to <10,000 | 10 | 11 |
| 10,000 to <15,000 | 4 | 10 |
| 15,000 to <20,000 | 2 | 10 |
| 20,000 to <25,000 | - | 11 |
| Over 25,000 | - | 3 |

Note: (a) Luzon, 7; Visayas 18; and Mindanao, 4

(b) Some of the factories have three lines (tandems) of 12,000 to 15,000 TCD each

The average crushing capacity in Australia is 10,000 TCD, and the average knife to knife is 12 hours (www.canegrowers.com.au).

Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Raw Sugar Production. Raw sugar production in the Philippines reached 2.4 million tons in CY 2010/11. It increased by three percent per annum from 1.8 million tons in CY 2000/01 to 2.4 million tons in CY 2010/11. Meanwhile, in Thailand, production grew by nine percent per year from nearly 5.0 million tons in CY 2000/01 to 9.7 million tons in CY 2010/11. There was a sharp increase in production in CY 2010/11.

Both countries experienced production fluctuations brought about by unfavorable weather conditions, limited good planting materials and declining area planted to sugarcane. The severe shortfall was experienced in some years which prompted sugar importation in the Philippines. Production in Thailand though fluctuating is more than sufficient which makes it a net sugar exporter. Production grew faster at nine percent compared to only three percent for the Philippines.

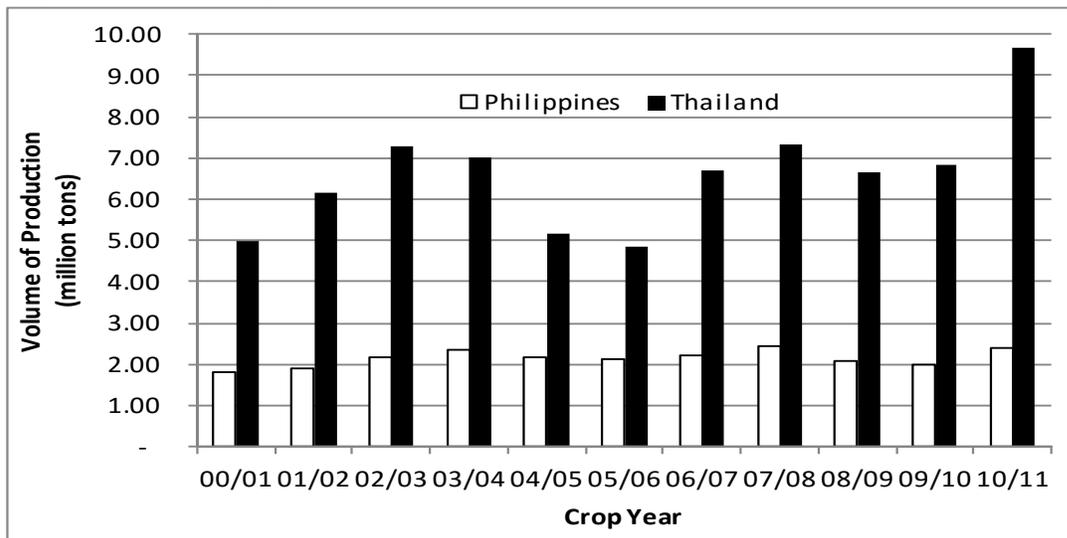
Milling Cost. Milling cost in the Philippines, particularly in Negros Occidental, was about Php270 per Lkg, (US\$125/ton), on average. This was the total cost incurred by the mill in processing all sugarcane to raw sugar. Total milling cost comprised of cost

of cane and cost of milling. On the average, cost of cane accounted for about 45 percent of the total cost while cost of milling was 55 percent. Farmers paid about 30 percent of the selling price for milling sugarcane to raw sugar. In addition, cooperatives which handle marketing charge Php20/Lkg and one percent of selling price for association dues.

In Thailand, the cost of milling sugarcane to produce raw sugar is about Php156/Lkg (Baht 109/Lkg or US\$72/ton). This excludes the cost of cane which is about 83 percent of total raw sugar cost.

Thailand's milling cost is generally lesser than that of the Philippines which can probably be attributed to the capacity expansion of mills towards better efficiency, better quality cane, and the export orientation of the industry given the government's export promotion.

Figure 5.5. Raw Sugar Production, CY 2000/01 to 2010/11



5.2.2.4. Refineries

Refining Capacity and Utilization. In the Philippines, there are 18 sugar refineries led by Victorias Milling Company, Inc., Lopez Sugar Corp., Central Azucarera Don Pedro, and Bukidnon Sugar Refinery. Altogether, these top producers

accounted for 75 percent of the total refined sugar production in CY 2010/11. Meanwhile, almost all sugar factories in Thailand have refineries. Sugar factories normally have two to three tandems. Other sugar factories can produce a special form of sugar like liquid sugar which is supplied to the beverage industry.

Almost all sugar factories in Thailand have sugar refineries while in the Philippines only large mills are coupled with refineries. Sugar factories in Thailand are capable of producing special sugar and liquid sugar which is not being produced by refineries in the Philippines.

Table 5.8. Comparative Refining Capacity and Utilization, Philippines Vs. Thailand

| Particulars | Philippines | Thailand |
|---|-------------|----------|
| Number of Refineries | 18 | 47(a) |
| Total Capacity (Lkg bag per day) | 176,000 | |
| Capacity Utilization (%) | 78 | 84 |
| Actual Refining (hours) | 39,521.5 | |
| Refinery Distribution by Lkg/day (number) | | |
| Less than 5,000 | 2 | 2 |
| 5,000 to <10,000 | 9 | 11 |
| 10,000 to <15,000 | 3 | 10 |
| 15,000 to <20,000 | 3 | 10 |
| 20,000 to <25,000 | 1 | 11 |
| Over 25,000 | - | 3 |

Source: PSMA and OCSB

Note: (a) Assuming all factories have refineries. For verification.

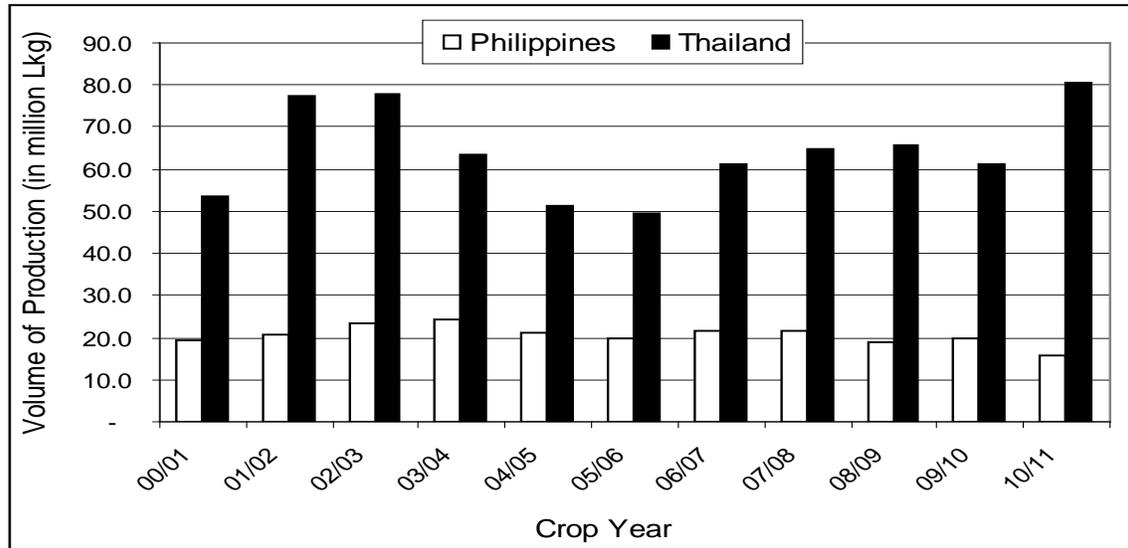
Source: Benchmarking the Philippine Sugar Industry with Thailand, 2012

Refined Sugar Production. In the Philippines, the refined sugar production averaged 20.6 million Lkg bags from CY 2000/01 to 2010/11 a growth of 1.5 percent annually on the average. On the other hand, Thai refined sugar production averaged 64.3 million Lkg bags from CY 2000/01 to 2010/11 with six percent annual average growth during the period.

The Philippine refined sugar production is decreasing while that of Thailand is increasing. Philippines produced a total of 15.8 million Lkg bags of refined sugar

during the CY 2010/11, which decreased by 1.5 percent per annum. Thailand's refined sugar production is in the uptrend with an increase of 5.9 percent per annum with production of 80.6 million Lkg bags in CY 2010/11. In crop year 2013-2014, the Philippines has fourteen operational refineries.

Figure 5.6. Refined Sugar Production, CY 2000/01 to 2010/11



Source: PSMA and OCSB

Refining Cost. In the Philippines, refining cost, particularly in Negros Occidental, was about Php200 per Lkg, on average. This was the total cost incurred by the mill in processing all sugarcane to refined sugar. Over 50 percent of the cost of refining went to fuel, materials/supplies and labor. For sugar refining, a tolling fee of Php221 (VAT-in) was paid plus SRA fee, advance VAT, handling and insurance. Meanwhile, the refining cost in Thailand was about Php190/Lkg (Baht 134/Lkg or US\$88/ton). This excludes the direct material cost of Php939/Lkg (Baht 660/Lkg to US\$433/ton). Direct materials cost accounted for 83% of total refining cost.

Cost of refining raw sugar to refined sugar is 5% higher in the Philippines than in Thailand. Refineries in Thailand are more modern with higher capacities than in the Philippines which are advantages for efficiency.

5.2.2.5. Sugar Marketing

Domestic. The domestic sugar market is divided into two main segments: household and industrial. Among industrial users, sugar is an important input to the food processing industry. Major users are the beverage industry, confectioneries, food service outlets, and preserved fruits, among others.

In the Philippines, the flow of sugar for the domestic market follows an established pattern. After getting the *quedans*, the planters usually sell these immediately to the local traders who in turn sell them to bigger traders, who accumulate the *quedans* and subsequently sell the volume sugar either to wholesalers, the distributors or the processors. The processors use the sugar as input for processing while the wholesalers and distributors sell their sugar to the retailers. The sugar eventually reaches the consumers through the supermarkets, wet markets and sari-sari stores.

The Thai sugar market follows a somewhat different scheme since the farmers sell the cane to the sugar mills directly or through traders also called quota men who can be both farmers and non-farmers. The sugar mills then sell the processed sugarcane (raw, white, and refined) to the domestic and export market. It is estimated that around 30 percent of total sugar production goes to domestic consumption while the rest is for exports.

In the Philippine setting, payment to the farmer is based on the raw sugar output with a *quedan* document while the system in Thailand is cane purchase.

Export. There are about 258 sugar traders and 156 molasses traders in the country. The major registered sugar traders in the country are All Asian Counter Trade, ED&F Man, Sucden, Oro Allado, Delmax and Busco Sugar Milling. In Thailand there are seven sugar exporters under which are different sugar factories. The Thai Cane and Sugar Company which is a joint company between the growers, sugar factories and the government appears to be the largest with long-term export contract of raw sugar at 800,000 tons per year. It is supplied by the 47 sugar factories.

Thailand is one of the world's top sugar exporters with exporters affiliated to the large sugar factories. They have their own ports. On the other hand, the export of the Philippines is basically for the US quota with exports to the world done only when there is excess sugar.

Table 5.9. List of Major Sugar Traders, Philippines

| Sugar Trader | Location |
|-------------------------------|---------------------------------|
| All Asian Counter Trade, Inc. | National Capital Region |
| Sucden Philippines | National Capital Region |
| Oro Allado Commodities | National Capital Region, Negros |
| Delmax | National Capital Region, Negros |
| Tao Commodities | National Capital Region |
| Busco Sugar Milling Co., Inc. | Bukidnon |
| La Perla Sugar Export Corp. | National Capital Region |
| ED&F Man | National Capital Region, Negros |

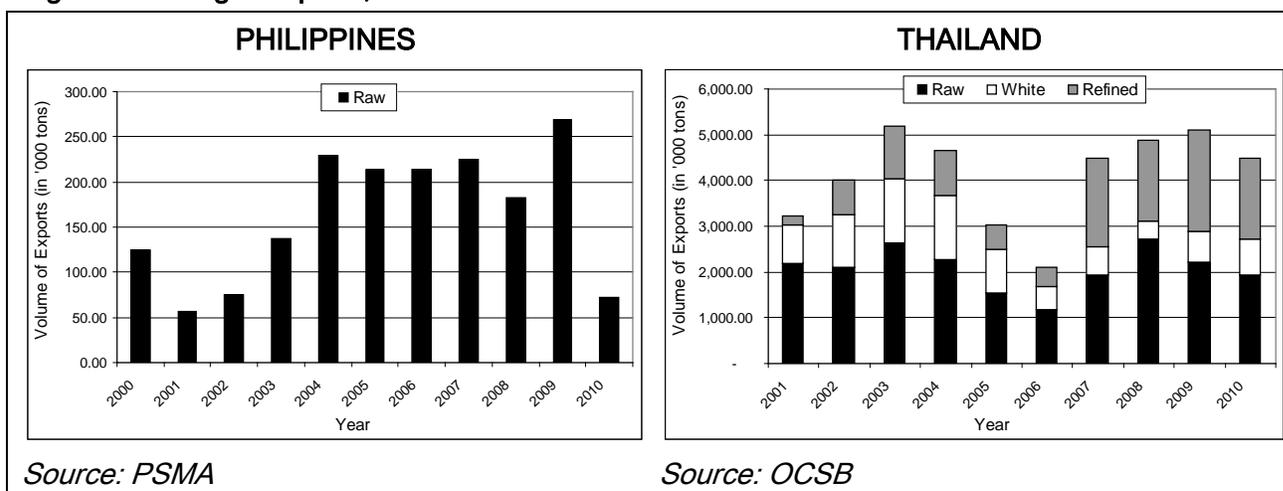
Table 5.10. List of Sugar Exporting Companies in Thailand

| Sugar Trader/Exporter | Company Affiliation |
|---|--|
| Thai Cane and Sugar Co., Ltd. (TCSC) | Mitr Phol Group Thai Ekalak Group Tamaka Group Thai Roong Ruang Group Banpong Group Kumpawapi Group Wang Kanai Group |
| The Thai Sugar Trading Co., Ltd. (TSTC) | Banpong Group Kumpawapi Group |
| Siam Sugar Export Co., Ltd. (SSEC) | Thai Roong Ruang Group |
| Sugar Industry Trading Co., Ltd. (SITCO) | Wang Kanai Group |
| Pacific Sugar Corporation Co., Ltd. (PAC) | Mitr Phol Group |
| K.S.L. Export Trading Co., Ltd (KSL) | Tamaka Group |
| T.I.S.S. Co., Ltd. (TISS) | Thai Ekalak Group |

Source: OCSB

Export Performance. The Philippines used to export both raw and refined sugar. However, since 2003, refined sugar exports had been minimal and becoming nil because of the Advance VAT collected by the Bureau of Internal Revenue on refined sugar for exports. Meanwhile, raw sugar export was generally on the uptrend by 8.2 percent annual growth averaging 163,661 tons per year from 2000 to 2010. The upward trend from 2003 to 2009 can be explained by the changes in the sugar quota allocation of the Philippines from the US, the country's sole export market. Thailand is a net sugar exporter. Thailand exports raw, white and refined sugar principally to Asia. Exports to Asean (Cambodia, Philippines, Vietnam and Indonesia) represented 57 percent of total exports in 2010. Total sugar exports increased by 9.7 percent annually from 3.2 million tons in 2001 to 4.5 million tons in 2010. In 2010, raw sugar export is about 42.9 percent equivalent to 1.9 million tons. Exports of refined and white sugar contributed 39.6 percent and 17.5 percent respectively.

Figure 5.7. Sugar Exports, 2000-2010



Imports. In the event that local production does not meet local demand, importation of sugar is done by the Philippines. Thailand has enough sugar supply and does not import sugar.

5.2.2.6. Prices

The discussions on sugar prices covered the mill gate, wholesale and retail prices of raw and refined sugar.

Mill Gate Prices

Philippines. Production volumes contribute to the determination of mill gate prices of sugar. Another determinant identified by SRA is the sugar stock balance. Sugar stock balance at any given time represents the available supply in the market. It is said that there is a direct inverse relationship between stock balance and price of sugar. That is, as stock balance inventory increases, prices would tend to move downwards. As the milling season ends, prices would tend to inch upwards. This is in consideration to the fact that sugar milling season in the country and therefore sugar production, normally takes place within a period of six months in a year. During the other six months when production is minimal or nil, the consumers use the stock balance.

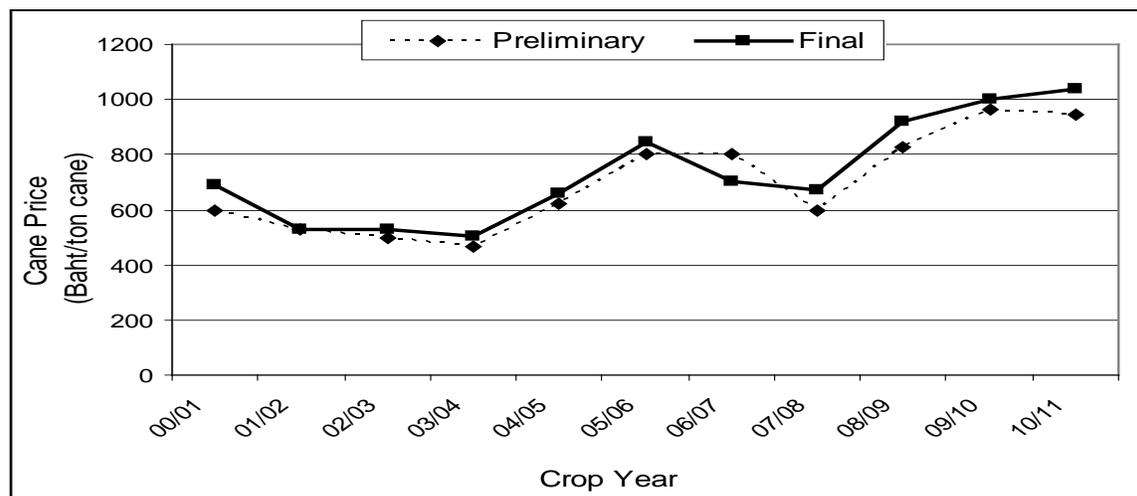
Mill gate prices refer to the price paid for raw sugar at the mill site. Mill gate price of "A" classified sugar (for US market) increased by an annual average growth rate of seven percent from Php925.61/Lkg in CY 2000/01 to Php1,412.91/Lkg in CY 2010/11. Mill gate price of sugar for the domestic market followed the same uptrend from Php847.50 per Lkg in CY 2000/01 to Php1,959.95 per Lkg with an annual average growth rate of 10.5 percent.

Thailand Preliminary and Final Cane Prices

Thailand. In order to calculate the return on sugarcane production, the preliminary and final sugarcane prices have to be considered. Firstly, the preliminary sugarcane price is the price that sugarcane farmers get when they send sugarcane to the sugar factory. Secondly, the final sugarcane price is the price that sugarcane farmers receive after the factory calculated the CCS value of sugarcane. It is an additional price which sugarcane farmers will receive, and then the OCSB announces the final CCS value, which is different from region to region.

The preliminary sugarcane price is the price at a CCS level of 10. The rate of change in sugarcane price (additional payment) was at Baht 94 per CCS per ton in the production year 2010/11.

Figure 5.8. Thailand: Preliminary and Final Prices of Cane



Source: OCSB

Table 5.11. Preliminary and Final Cane Prices in Thailand, CY 2001/02 to 2011/12

| CROP YEAR | Cane prices at 10 CCS | |
|-----------|-----------------------|----------|
| | (Baht/ton cane) | |
| | Preliminary | Final |
| 2000/01 | 600.00 | 688.90 |
| 2001/02 | 530.00 | 530.39 |
| 2002/03 | 500.00 | 530.74 |
| 2003/04 | 465.00 | 503.94 |
| 2004/05 | 620.00 | 657.65 |
| 2005/06 | 800.00 | 846.50 |
| 2006/07 | 800.00 | 702.19 |
| 2007/08 | 600.00 | 672.43 |
| 2008/09 | 830.00 | 917.87 |
| 2009/10 | 965.00 | 999.71 |
| 2010/11 | 945.00 | 1,039.14 |
| 2011/12 | 1,000.00 | - |

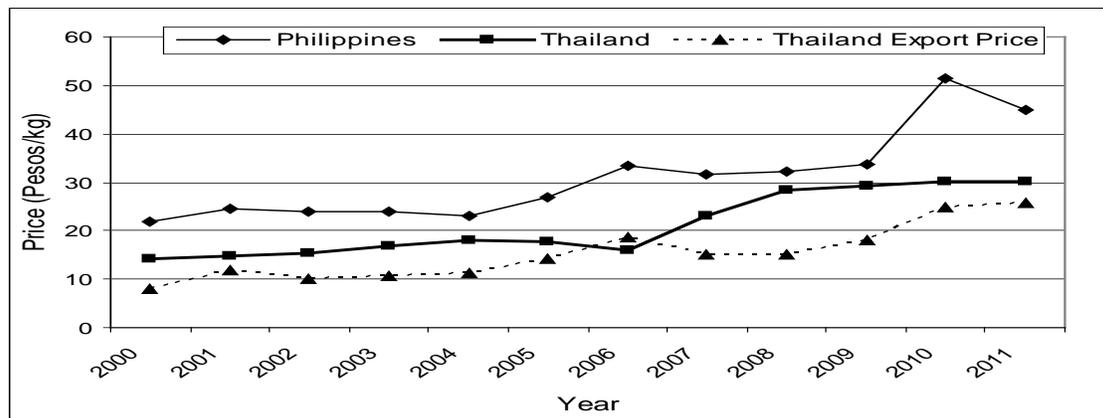
Source: OCSB

Wholesale Prices. In the Philippines, wholesale prices of refined sugar increased at an annual average of eight percent from Php21.93/kg in 2000 to Php44.95/kg in 2011. Meanwhile in Thailand, refined sugar wholesale prices grew from Php14.12 per kg to Php30.06/kg over the same period with an average annual increase of nearly eight percent.

On the other hand, export prices of Thai white sugar grew at an annual average of 13 percent from Php8.01/kg to Php25.71/kg from 2000-2011. Export prices in peso terms were always below the wholesale prices except in 2006. However, in Baht terms, export price in the year 2006 was also below the wholesale price.

Growth of both countries in wholesale prices was the same at eight percent although price movements in Thailand's wholesale market tend to show a more gradual climb. Price differences showed Philippine figures at an average of 1.5 times higher than Thailand with 2006 prices being twice as much.

Figure 5.9. Wholesale and Export Prices of Sugar, 2000-2011

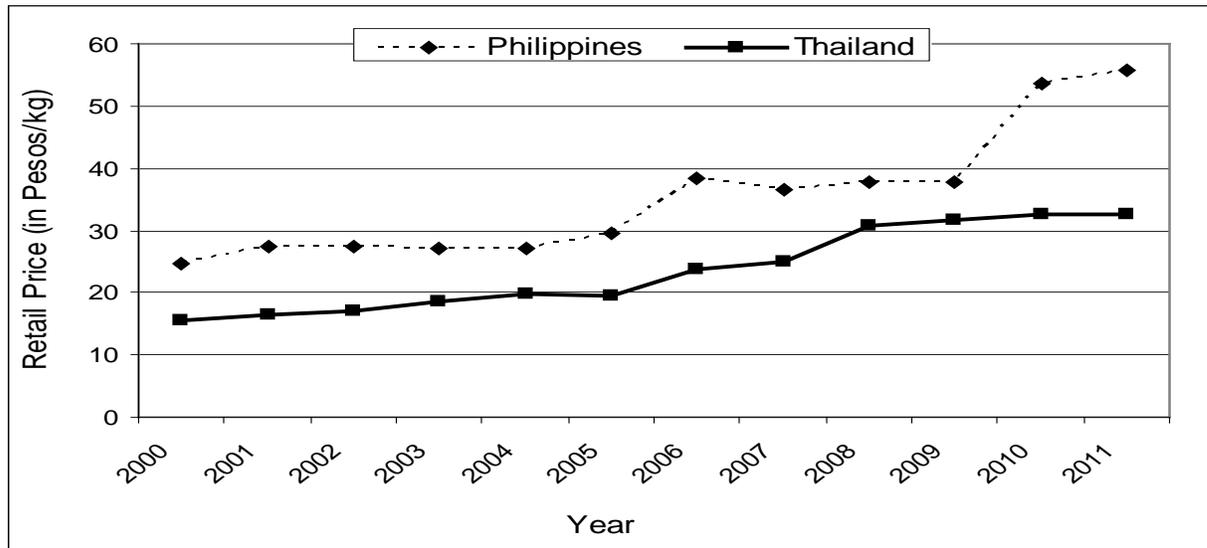


Note: Wholesale prices of refined sugar; export prices of white sugar; Source: PSMA and OCSB

Retail Prices. In the Philippines, refined sugar retail prices grew in a similar way as wholesale prices with an 8.5 percent growth annually averaging Php35.20/kg from Php24.66 per kg to Php55.60/kg over the 12-year period. Meanwhile, retail prices in Thailand averaged Php23.61/kg from a low of Php15.67/kg in 2000 to a high of Php32.52/kg in 2010. The price dropped slightly in 2011 to Php32.49/kg. The price movements resulted to an annual average growth rate of 7.1 percent.

As in wholesale prices, Thailand's retail prices are much lower than the Philippines given the higher growth rate resulting in part to the wide price gap between the two countries in 2010 and 2011.

Figure 5.10. Retail Prices of Refined Sugar, 2000-2011



6. COMPETITIVE ANALYSIS

6.1. Price Competitiveness

Cost structure of raw and refined sugar are given in Tables 6.1 and 6.2 while the cost structure of imported sugar is given in Table 6.3. Cost structure analysis is referenced against the “B” or domestic sugar millsite prices. Cost components along the sugar supply value chain are taken into account which were discussed extensively with the DTI and the sugar traders and retailers. Analysis of the cost structure of imported refined sugar take into consideration the varying levels of tariff rates which greatly affect the landed cost.

Table 6.1. Cost Structure of Raw Sugar, CY2008-09 to 2013-2014

| Cost Components | CY 2008-09 "B" Price | CY 2009-10 "B" Price* | CY 2010-11 "B" Price | CY 2011-12 "B" Price | CY 2012-13 "B" Price* | CY 2013-14 "B" Price* |
|--|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| Raw Sugar Quedan Price per LKG, average | 1,034.47 | 1,587.83 | 1,899.77 | 1,419.23 | 1,379.00 | 1,536.05 |
| <i>Plus:</i> | | | | | | |
| Warehouse /Storage Fee per month + Insurance | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Raw Sugar Price ex-mill per LKG | 1,039.47 | 1,592.83 | 1,904.77 | 1,424.23 | 1,384.00 | 1,541.05 |
| <i>Plus:</i> | | | | | | |
| Freight: Mill to North Harbor | 65.00 | 65.00 | 65.00 | 65.00 | 65.00 | 65.00 |
| Trader's Margin + trucking cost | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| Raw Sugar Price ex-North Harbor per LKG | 1,154.47 | 1,707.83 | 2,019.77 | 1,539.23 | 1,499.00 | 1,656.05 |
| <i>Plus:</i> | | | | | | |
| Repacking Cost + handling/trucking cost | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Repacker's Profit | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| Cost per LKG of Repacked Raw Sugar | 1,304.47 | 1,857.83 | 2,169.77 | 1,689.23 | 1,649.00 | 1,806.05 |
| <i>Plus:</i> | | | | | | |
| Retailer's Profit + stall/shelf rental | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Cost per LKG - Repacked Wholesale to Retail | 1,404.47 | 1,957.83 | 2,269.77 | 1,789.23 | 1,749.00 | 1,906.05 |
| Retail Price | 28.09 | 39.16 | 45.40 | 35.78 | 34.98 | 38.12 |

Source: SRA Planning & Policy Department – Cost Structure Computation

Table 6.2. Cost Structure of Refined Sugar, CY2007-08 to 2012-2013

| Cost Components | <i>CY 2008-09 "B" Price</i> | <i>CY 2009-10 "B" Price*</i> | <i>CY 2010-11 "B" Price</i> | <i>CY 2011-12 "B" Price</i> | <i>CY 2012-13 "B" Price*</i> | <i>CY 2013-14 "B" Price*</i> |
|---|---------------------------------|----------------------------------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| Raw Sugar Quedan Price per LKG, Ave. | 1,034.47 | 1,587.83 | 1,899.77 | 1,419.23 | 1,379.00 | 1,536.05 |
| Tolling Fee + tolling VAT =220+(220X.12) | 246.40 | 246.40 | 246.40 | 246.40 | 246.40 | 246.40 |
| SRA Monitoring Fee | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Subtotal | 1,282.87 | 1,836.23 | 2,148.17 | 1,667.63 | 1,627.40 | 1,784.45 |
| Refined Sugar Factor (refining loss) | 0.92 | 0.92 | 0.92 | 0.92 | 0.92 | 0.92 |
| Cost in Refined Sugar Basis per LKG | 1,394.42 | 1,995.90 | 2,322.60 | 1,812.64 | 1,768.91 | 1,939.62 |
| Advanced VAT | 102.00 | 102.00 | 102.00 | 102.00 | 102.00 | 102.00 |
| VAT balance = 12% of ref. cost less advance VAT | 65.33 | 137.51 | 176.71 | 115.52 | 110.27 | 130.75 |
| Warehouse /Storage Fee per month + Insurance | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Refined Sugar Price ex-mill per LKG | 1,566.75 | 2,240.41 | 2,606.31 | 2,035.16 | 1,986.18 | 2,177.37 |
| Freight: Mill to North Harbor | 65.00 | 65.00 | 65.00 | 65.00 | 65.00 | 65.00 |
| Trader's Margin + trucking cost | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| Refined Sugar Price ex-North Harbor per LKG | 1,681.75 | 2,355.41 | 2,721.31 | 2,150.16 | 2,101.18 | 2,292.37 |
| Repacking Cost + handling/trucking cost | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Repacker's Profit | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| Cost per LKG of Repacked Refined Sugar | 1,831.75 | 2,505.41 | 2,871.31 | 2,300.16 | 2,251.18 | 2,442.37 |
| Retailer's Profit + stall/shelf rental | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Cost per LKG - Repacked Wholesale to Retail | 1,931.75 | 2,605.41 | 2,971.31 | 2,400.16 | 2,351.18 | 2,542.37 |
| Retail Price | 38.64 | 52.11 | 59.43 | 48.00 | 47.02 | 50.85 |

Source: SRA Planning & Policy Department – Cost Structure Computation

Table 6.3. Cost Structure of Imported Refined Sugar, 2013 Average World Market Price

| Assumptions: | | | | | | | | | |
|--|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Discharge Port - Batangas | | | | | | | | | |
| Tariff Rates | 50 | 38 | 28 | 18 | 10.00 | 5.00 | 0.00 | | |
| Exchange Rate, P/US\$ | 42.45 | | | | | | | | |
| Average World Market Price of Refined Sugar - 2013 | | | | | | | | | |
| Cost Components | Unit | Cost | | | | | | | |
| | | Tariff-50% | Tariff-38% | Tariff-28% | Tariff-18% | Tariff-10% | Tariff-5% | Tariff-0% | |
| London # 5 - 2013 average (USDA) | US\$/MT | 487.74 | 487.74 | 487.74 | 487.74 | 487.74 | 487.74 | 487.74 | 487.74 |
| Cash Premium | US\$/MT | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 |
| ICUMSA 45 Premium | US\$/MT | - | | | | | | | |
| Ocean Freight | US\$/MT | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 |
| CNF Philippines | US\$/MT | 527.74 |
| Add: Uninsured weight loss | 0.25% | 1.32 | 1.32 | 1.32 | 1.32 | 1.32 | 1.32 | 1.32 | 1.32 |
| Add: Insurance | 0.50% | 2.64 | 2.64 | 2.64 | 2.64 | 2.64 | 2.64 | 2.64 | 2.64 |
| CIF Philippines | US\$/MT | 531.70 | 531.70 | 531.70 | 531.70 | 531.70 | 531.70 | 531.70 | 531.70 |
| CIF Philippines | US\$/Lkg | 26.58 | 26.58 | 26.58 | 26.58 | 26.58 | 26.58 | 26.58 | 26.58 |
| CIF Philippines | P/Lkg | 1,128.53 |
| Add: Tariff | P/Lkg | 564.26 | 428.84 | 315.99 | 203.14 | 112.85 | 56.43 | 0.00 | |
| Landed Cost before VAT & other charges | P/Lkg | 1,692.79 | 1,557.37 | 1,444.52 | 1,331.66 | 1,241.38 | 1,184.96 | 1,128.53 | |
| SRA & other Liens | P/Lkg | 37.75 | 37.75 | 37.75 | 37.75 | 37.75 | 37.75 | 37.75 | 37.75 |
| Ex-vessel Landed Cost | P/Lkg | 1,730.54 | 1,595.12 | 1,482.27 | 1,369.41 | 1,279.13 | 1,222.71 | 1,166.28 | |
| Add: VAT | 12% | 207.67 | 191.41 | 177.87 | 164.33 | 153.50 | 146.72 | 139.95 | |
| Landed Cost after VAT | P/Lkg | 1,938.21 | 1,786.53 | 1,660.14 | 1,533.74 | 1,432.63 | 1,369.43 | 1,306.23 | |
| Add: Other local charges | | | | | | | | | |
| L/C Opening Charges | P/Lkg | 0.21 | 0.21 | 1.21 | 2.21 | 3.21 | 4.21 | 0.21 | |
| Insurance | 0.16% | 2.77 | 2.55 | 2.37 | 2.19 | 2.05 | 1.96 | 1.87 | |
| Interest Cost | 1.33% | 23.02 | 21.22 | 19.71 | 18.21 | 17.01 | 16.26 | 15.51 | |
| Spillage Allowance | 0.14% | 2.42 | 2.23 | 2.08 | 1.92 | 1.79 | 1.71 | 1.63 | |
| TOTAL IMPORT COST | P/Lkg | 1,966.63 | 1,812.75 | 1,685.51 | 1,558.28 | 1,456.69 | 1,393.57 | 1,325.45 | |
| Add: Unloading Charges | | | | | | | | | |
| Arrastre | P/Lkg | 3.09 | 3.09 | 3.09 | 3.09 | 3.09 | 3.09 | 3.09 | |
| Stevedoring | P/Lkg | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | |
| Wharfage | P/Lkg | 1.83 | 1.83 | 1.83 | 1.83 | 1.83 | 1.83 | 1.83 | |
| Truckscale fee | P/Lkg | 0.22 | 0.22 | 0.22 | 0.22 | 0.22 | 0.22 | 0.22 | |
| Add: Trucking & Handling | P/Lkg | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | |
| Landed Cost before profit | P/Lkg | 2,000.02 | 1,846.14 | 1,718.90 | 1,591.67 | 1,490.08 | 1,426.96 | 1,358.84 | |
| Add: Profit Margin - Importer | P/Lkg | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | |
| Total Landed Cost to End-user | P/Lkg | 2,025.02 | 1,871.14 | 1,743.90 | 1,616.67 | 1,515.08 | 1,451.96 | 1,383.84 | |
| Add: Repacking Cost | P/Lkg | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 | |
| Repacker's profit | P/Lkg | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | |
| Total Landed Cost to Retailer | P/Lkg | 2,150.02 | 1,996.14 | 1,868.90 | 1,741.67 | 1,640.08 | 1,576.96 | 1,508.84 | |
| Handling & Delivery Cost | P/Lkg | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | |
| Retailers' Profit & Stall rental | P/Lkg | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | |
| Total Cost (Retail) | P/Lkg | 2,275.02 | 2,121.14 | 1,993.90 | 1,866.67 | 1,765.08 | 1,701.96 | 1,633.84 | |
| Estimated Retail Price | P /kg | 45.50 | 42.42 | 39.88 | 37.33 | 35.30 | 34.04 | 32.68 | |

Reference: SRA Planning & Policy Matrix on Landed Costs

Table 6.4 Sensitivity Analysis of Imported Raw Sugar at 5% Tariff, 2013

| Sensitivity Analysis of Imported Raw Sugar Price at 5% Tariff | | | | | | |
|---|--------|---|-----------|-----------|-----------|-----------|
| | | NY #11: World Market Price (\$US cents per pound) | | | | |
| | | US\$0.14 | US\$0.15 | US\$0.16 | US\$0.17 | US\$0.18 |
| Dollar: Peso Exchange Rate | ₱40.00 | ₱896.80 | ₱943.00 | ₱989.20 | ₱1,035.40 | ₱1,081.60 |
| | ₱41.00 | ₱912.97 | ₱960.33 | ₱1,007.68 | ₱1,055.04 | ₱1,102.39 |
| | ₱42.00 | ₱929.14 | ₱977.65 | ₱1,026.16 | ₱1,074.67 | ₱1,123.18 |
| | ₱43.00 | ₱945.31 | ₱994.98 | ₱1,044.64 | ₱1,094.31 | ₱1,143.97 |
| | ₱44.00 | ₱961.48 | ₱1,012.30 | ₱1,063.12 | ₱1,113.94 | ₱1,164.76 |
| | ₱45.00 | ₱977.65 | ₱1,029.63 | ₱1,081.60 | ₱1,133.58 | ₱1,185.55 |
| Tariff Rate: 5% | | Shipment & Other Costs: ₱250.00 per bag | | | | |

Table 6.5 Sensitivity Analysis on Cost of Production

| Sensitivity Analysis on Cost of Production Per 50-kg Bag Raw Sugar | | | | | | |
|--|----|--------------------------------|----------------------------|---------|---------|----------|
| | | Cost of Production per Hectare | | | | |
| | | ₱60,000 | ₱70,000 | ₱80,000 | ₱90,000 | ₱100,000 |
| Sugarcane Production per Hectare (tons/Ha.) | 40 | ₱1,111 | ₱1,296 | ₱1,481 | ₱1,667 | ₱1,852 |
| | 50 | ₱889 | ₱1,037 | ₱1,185 | ₱1,333 | ₱1,481 |
| | 60 | ₱741 | ₱864 | ₱988 | ₱1,111 | ₱1,235 |
| | 70 | ₱635 | ₱741 | ₱847 | ₱952 | ₱1,058 |
| | 80 | ₱556 | ₱648 | ₱741 | ₱833 | ₱926 |
| | 90 | ₱494 | ₱576 | ₱658 | ₱741 | ₱823 |
| Sharing: 67.5% Planter share | | | Sugar Recovery: 2.0 LKg/TC | | | |

Source: SRA Planning & Policy Department – Cost Structure Computation

7. MARKET TRENDS AND PROSPECTS

7.1. Market Trends

From crop year 2003-2004 except 2009-2010, the Philippines is a net exporter of sugar to the world market. World market sugar shipments and country of destinations are shown in Table 7.1. Japan is a consistent importer with the biggest import volume of 106,300 and 100,500 metric tons in crop years 2011-12 and 2012-2013, respectively. Japan specifications of raw sugar favors the Philippine raw which should be 97 degree pol or lower.

Table 7.1. World Market Shipments and Country of Destinations

| Country of Destination | Quantity (in Metric Tons) | | | | | |
|------------------------|---------------------------|----------|-------------------|-----------------|------------------|----------|
| | CY 2012-13 | | CY 2011-12 | | CY 2010-11 | |
| | Raw | Refined | Raw | Refined | Raw | Refined |
| China | | | 72,799.95 | | 6,825.00 | |
| Indonesia | | | 50,955.39 | | 8,229.60 | |
| Japan | 100,500.00 | | 106,300.02 | | 6,000.00 | |
| Juvalo Island | 25.00 | | | | | |
| Korea | | | 10,337.21 | | 6,040.00 | |
| Malaysia | 32.00 | | | | | |
| Russia | 11.50 | | | | | |
| Samoa | 1,225.00 | | 225.00 | | | |
| Singapore | 7,816.44 | | | | | |
| Solomon Island | 25.00 | | 25.00 | | | |
| South Korea | 30,960.00 | | 13,700.00 | | 40.00 | |
| Taiwan | | | 175.00 | 3,704.54 | 149.97 | |
| Tarawa | | | 125.00 | | | |
| Nokualofa, Tonga | 750.00 | | | | | |
| USA | | | 49,639.58 | | 8,517.36 | |
| Vancouver, Canada | 44.00 | | 22.00 | | | |
| Vanuatu | 100.00 | | 75.00 | | | |
| Vietnam | | | 22,000.01 | 2,000.00 | | |
| Total | 141,488.94 | - | 326,379.16 | 5,704.54 | 35,801.93 | - |

Source: SRA Regulation Department – Sugar Transactions Division

7.2. Market Prospects

The Philippines wanted to retain in its offensive position in the world market by maintaining its net exporter status in the world market. Otherwise, the domestic market will be flooded with imported sugar once the tariff will be down to 5% in 2015.

Because of the growing population in Asia, it became the demand center in the world. Major potential markets under surveillance aside from Japan are the big consumers in the world market like India, China and Indonesia. Indonesia is a prospective market for the Philippine raw sugar especially that a major Philippine investor acquired the sugar mills of Roxas Holdings Inc. who happened to have a connection in the sugar refineries in Indonesia. The industry is also vigilant with the supply swings of the major sugar producers like Thailand and Brazil which have a big influence on world market prices.

Thirty two (32) sugar mills in Brazil closed operation over the past 10 years because of inefficiency and financial problems. The drought in Brazil during the 2014-2015 cropping season is also another factor to consider which may contribute to the narrowing down of the sugar surplus in the world market which may also lead to sugar deficits. Leading market analysts like Czarnikow, F.O. Lichts and the International Sugar Organization (ISO) see a deficit in sugar supply come 2016 and onwards.

Table 7.2 World Market Forecasts, CY 2013-14

| World Market Forecasts, CY 2013-14 | | | |
|---|---------------------------------------|--|------------------------------------|
| Market Analyst | Production (MMT Raw Value) | Consumption (MMT Raw Value) | Surplus (MMT Raw Value) |
| Czarnikow | 181.8 | 179.8 | 2.0 |
| Kingsman | 179.9 | 175.6 | 4.3 |
| ISO | 181.1 | 176.7 | 4.4 |
| F. O. Lichts | 181.0 | 175.8 | 3.6 |

Reference: European Commission

7.3. Export Competition

Among the ASEAN countries, Thailand is the major competitor of Philippine sugar. The country has already lost its share of the Indonesian market the past crop year because it prefers to procure Thai sugar on quality considerations, specifically on color requirements. Philippine sugar mills need to improve their sugar quality to capture the current market destinations of Thai sugar. Philippine sugar is consistently in demand by Japan traders because of low pol, 97 degree and below. Raw sugar entering the Japanese domestic market with a pol higher than 97 gets penalized.

In the global market, Brazil is the biggest exporter followed by Thailand. The biggest consumer or importer is European Union, Indonesia and China. The major destination of world sugar is in Asia. Figure 7.1 shows the sugar global market players, Figure 7.2 gave the role of ASEAN member-countries in the global sugar trade and Table 4.3 illustrated the ASEAN Economic Community (AEC) supply-demand situation. Figure 7.3 provides an idea on the Asian sugar markets in 2013.

Figure 7.1 Sugar Global Market Players



Reference: International Sugar Organization (ISO); mmt – million metric tons in raw value

Figure 7.2 Role of AEC Countries in Sugar Trade, CY 2012-2013

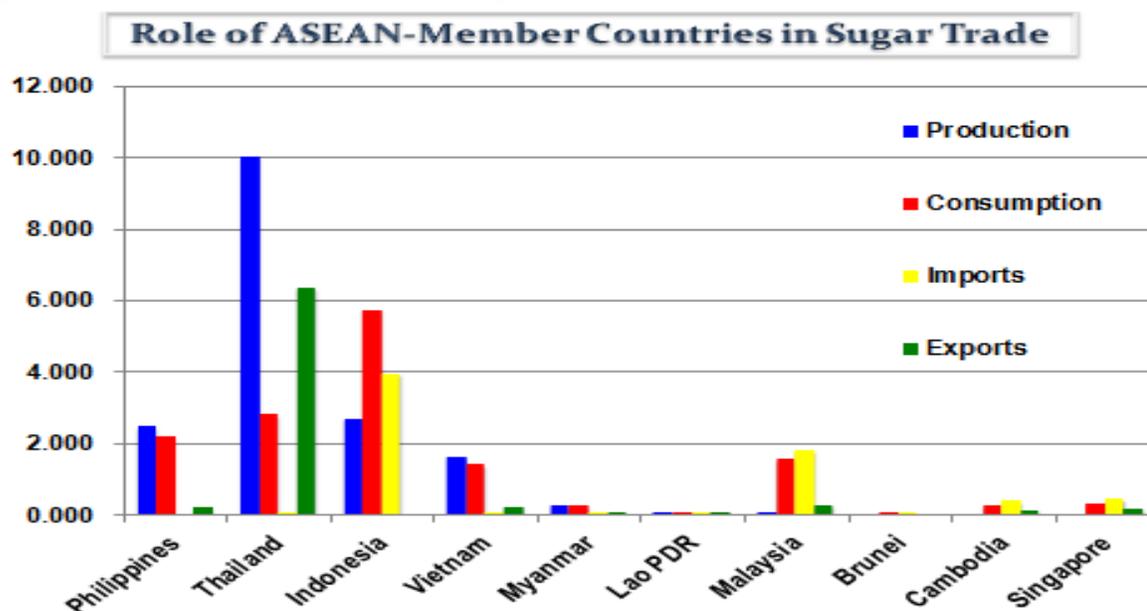


Table 7.3 AEC Supply-Demand Situation, CY 2012-2013

CY 2012-13 - AEC Supply-Demand in Million MT

| | Production | Consumption | Imports | Exports |
|-------------|------------|-------------|---------|---------|
| Philippines | 2.465 | 2.184 | 0.000 | 0.195 |
| Thailand | 10.009 | 2.800 | 0.001 | 6.357 |
| Indonesia | 2.700 | 5.740 | 3.950 | 0.000 |
| Vietnam | 1.595 | 1.405 | 0.025 | 0.215 |
| Myanmar | 0.275 | 0.255 | 0.060 | 0.080 |
| Lao PDR | 0.055 | 0.068 | 0.063 | 0.050 |
| Malaysia | 0.030 | 1.560 | 1.805 | 0.275 |
| Brunei | 0.000 | 0.013 | 0.013 | 0.000 |
| Cambodia | 0.000 | 0.260 | 0.385 | 0.125 |
| Singapore | 0.000 | 0.295 | 0.455 | 0.160 |

Reference: ISO

Figure 7.3 Asian Sugar Markets, 2013

Raw sugar importers in Asia during 2013



8. SWOT ANALYSIS

8.1. Strengths

- The Philippine sugarcane industry is well-organized;
- SRA as the regulatory body (*which provides the policy environment for a balanced supply and sugar requirement in the domestic market at stable sugar prices for the consumers and at the same time maintain its profitability for the producers*) has the power over the classification of locally-produced and imported sugar as well;
- Active participation of the private sector for the socio-economic welfare of the farmers and workers through the social amelioration program;
- Merger of sugar mills by leading investors
- Presence of Mill District Development Council Foundations Inc. in every milling district which takes care of program implementation

8.2. Weaknesses

- Fragmentation of farms due to CARP resulting to inefficient and unproductive farms;
- Some mills are inefficient and with low sugar recovery;
- Lack of capability of mills / refineries to meet certain product specifications of industrial users / food processors like caster sugar, kosher certified sugar, etc.
- Lack of financing and credit facilities at low interest rates to fund farm operations, support industries for the mills and farm machineries;
- Lack of cane supply to maximize the capacity utilization of sugar mills;
- Weak R, D & E structure and programs;
- Ageing researchers, scientists, engineers and lack of experts for the development of the sugarcane industry;
- Weak private sector participation in R & D;
- Declining labor force in cane cutting and loading

8.3. Opportunities

- Provision of a Sugar Fund for the sugarcane industry through passage of the Sugarcane Industry Development Act;
- Infrastructure support from the DA and NEDA under the Philippine Development Plan;
- More investments in product diversification like bioethanol, power generation and other diversified products from sugarcane;
- Bilateral cooperation with Brazil, Costa Rica, Colombia, Guatemala and Thailand for the acquisition of high-yielding sugarcane varieties;

- AEC integration which may encourage more exports of surplus raw sugar to complement the need for raw materials of the sugar refineries in Indonesia, Malaysia, Korea and others;
- Emergence of mill/farm support / fabrication industries and service providers;
- Transformation of block farms as agribusiness units in the mill districts;
- Creation of sugarcane ecozones;
- Global decline of sugar surplus;

8.4. Threats

- Reduction of tariff to 5% and full integration of AEC in 2015 which may result to the free flow of imported sugar into the country which is detrimental to the livelihood of the sugarcane farmers, the industry workers, the existing investments of the sugar mills and the local economies of the major sugar-producing provinces;
- Farmers' shift to other crops or business activities due to lack of subsidy and infrastructure support from government in sugarcane farming;
- Land conversion to industrial / commercial estates due to the absence of a national land use policy;
- Entry of alternative sweeteners like stevia, HFCS, synthetic sweeteners, etc.
- Passage of 10% ad valorem tax on soft drinks which may lead to a decline in sugar demand and attract entry of sugar cheaper sugar substitutes such as HFCS and artificial sweeteners;
- Policy shifts of government like imposition of VAT on raw sugar and unstable bioenergy policies which may discourage more investments in the sugarcane industry.

9. TARGET SETTING (WHERE DO WE WANT TO GO?) – SUGARCANE ROADMAP 2020

9.1. Industry Vision, Mission and Goals

9.1.1. Vision:

The Sugarcane Industry is envisioned as a strategically diversified, sustainably viable industry that is beneficial to all its stakeholders*. It will be able to supply the domestic market for sugar, fuel ethanol and renewable power at profitable but competitive prices, and to maintain its ability to export surplus sugar to the US and world markets.

9.1.2. Mission and Goals:

- A. Mission. The Philippine sugarcane industry will strive to become a market-responsive, competitive, diversified and stable industry.
- B. Specific Goals. In order to realize its vision, the industry will seek to have the following in place within the first five years of this revised Roadmap (by Crop Year 2019-2020):
- i. An organized and synergistic partnership among all industry stakeholders working in unison for the good of all;
 - ii. Well-managed sugar milling districts - led by MDDCs – that are conducive to efficient production and processing of cane into sugar and other products;
 - iii. Efficient sugar mills and refineries with capacity utilization increasing by 2-3% a year;
 - iv. Productive and economically-viable cane growers producing a sustainable supply of cane to meet present and future demand;
 - v. National self-sufficiency in competitively-priced sugar;
 - vi. A robust bioethanol and power cogeneration sector utilizing molasses, cane juice, bagasse and cane trash as feedstocks to produce the mandated requirements for bioethanol and to supply at least 200 MW of renewable power to the grid;
 - vii. An active community of service providers to meet the needs of farmers, millers and workers;
 - viii. A more efficient, skilled and fairly-compensated labor sector with access to meaningful socio-economic support services and opportunities, and last but not least;
 - ix. Favorable government and public support for the Philippine sugarcane industry.

10. STRATEGY – HOW DO WE GET THERE?

10.1. Primary Strategy

The key strategy will employ a coordinated sectoral and programme-oriented approach to provide appropriate interventions across all sectors of the industry.

10.1.1. Specific Sectoral Strategies and Interventions

A. **Institutional** – The Industry will harmonize and strengthen its institutional structures in order to create the enabling environment needed to grow and prosper. Stakeholder Interventions will endeavor to:

- a. Strengthen SRA as regulatory and developmental institution. The agency will:

- i. *Redefine its Role and Functions in line with current needs and the mandates provided for in the proposed Sugarcane Industry Development Act;*
 - ii. *Implement its Rationalization and Restructuring Program (Part 2) in line with its redefined role;*
 - iii. *Seek ways to enhance its Revenue Base, and*
 - iv. *Ensure the effective implementation of an Action Agenda anchored on the industry Roadmap.*
- b. Strengthen private sector institutions (Philsurin, MDDCs) as key development partners.
- c. Strengthen the industry's coordinative mechanisms.
 - i. *Mobilize the Sugarcane Industry Development Council (SIDC), Technical Working Groups, Program Coordinating Committees and MDDCs, with SRA as Lead Agency, to bring key stakeholders together for planning, implementing, coordinating and monitoring industry development programs and to address key issues affecting the Industry(Annex C).*
- d. Lobby for a Supportive Legislative/Policy Environment:
 - i. The Sugarcane Industry Development Act;
 - ii. Government enforcement of the Biofuels Act & the R/E Law,
 - iii. An amended CARPer that will make agricultural land more negotiable/bankable, and
 - iv. Government interventions to level the playing field for local sugar vis-à-vis imported sugar by addressing VAT, smuggling & other issues.
- e. Establish effective partnerships with NGAs and key Institutions to support the industry's development agenda, to include the following programs:
 - i. *Infrastructure development – DA, DBM, NEDA, DPWH, NIA, LGUs;*
 - ii. *Support program for the muscovado sector - DTI, DOST;*
 - iii. *Support programs for the Labor sector - DOLE, BRW, STC, TESDA, SIFI & private foundations;*
 - iv. *Support program/financing for ARBs and non-ARB small farmers engaged in sugarcane production – DAR/LBP, Planters' & Millers' Associations, MDDCs;*
 - v. *Consolidated R&D - SRA, DOST, UPLB, PHILSURIN, PHILSUTECH, MDDC's, SUCs;*

Lead Institution: SRA, with partner NGAs and GFIs

B. Mill/Industrial Sector – The industry will endeavor to promote investments in new processing plants and/or upgrading, modernization and diversification of mills. The

Mill Sector should:

- a) Campaign for Incentives like the proposed “stimulus package” and Local Investment Incentives Codes to encourage investments in co-gen and ancillary projects;
- b) Secure Philsucor/GFI support through loans for mill upgrading or investing in improved logistics/cane-handling facilities;
- c) Ensure unwavering government support for and adherence to the Biofuels Act, the R/E Law and the Sugarcane Industry Development Act;
- d) Encourage cane producers to accept fair “cane purchase” arrangements or mill-financing of consolidated farms;
- e) Secure support from National and Local Governments for the establishment of mills as “rural development hubs”.

Lead Institution: Millers associations, with SRA, EPAP, PASRI, PHILSUTECH, NBB/NREB, LGUs

C. Agriculture/Farm Sector – The Industry will improve Farm Productivity and Output in line with Mill District targets by:

- a) Enabling MDDCs as the key district development & extension arm, each with its own Mill District Development Road Map and Action Plan, to include provision for high-yielding variety (HYV) nurseries, Extension Services, Demo Farms, Tractor Services, Fertilization Program, etc. (MDDCs will use a common template for their District Road Maps and Action Plans.)
- b) Securing funding for identified Productivity Improvement Programs and Projects and ensuring effective implementation by MDDCs and other implementing partners;

- c) Sustaining PHILSURIN as the industry's private R&D arm and Technology Developer, in partnership with SRA and other research institutions such as UPLB;
- d) Encouraging private investors / former land-owners / planters' associations to provide management, financing and other services for block farms, ARB associations, small farmer clusters and cane producers in general;
- e) Providing easier access to government financing for crop loans, farm mechanization, irrigation systems, farm-to-mill roads, Research, development and extension, etc.;
- f) Climate change adaptation measures such as cloud seeding in areas where water is needed for the growth of sugarcane, conservation of watersheds to preserve surface water for irrigation, information technology projects linking the farmers to weather and farm advisories to be able to plan farm activities and adjust scheduling of farm activities to the changing climate patterns and other policy and capability building support services.
- g) Institutionalizing the Block Farms to achieve economies of scale and achieve target outputs.

Lead Institution: SRA with Mill District Development Program Committee under the Sugar Industry Development Council (MDDC-SIDC) and individual MDDCs, PHILSURIN, UPLB, Planters' Associations / federations / foundations and other partners

D. Labor Sector – The Labor Sector should be supported as partners of the industry.

Interventions will include:

- a) HRD/Capacity Development Programs
- b) Livelihood and Skills Training
- c) Scholarship Programs for workers & dependents
- d) Enforcement of Labor/Minimum Wage Laws
- e) Continuation of the Social Amelioration Fund

Lead Institution: DOLE/BSCRW, with Sugar TriPartite Council, TESDA, SUCs, UPLB, SIFI/other foundations & NGOs

E. Consumer Sector & Public at Large – In order to win the support of government and the consuming public, the Industry should project a positive image. It should thus seek to:

- a) “Reengineer” itself (as envisioned);
- b) Project itself as a modernizing and inclusive industry at the forefront of Philippine agriculture, agri-business and renewable energy);
- c) Communicate this positive image with the public through an effective public relations campaign.

Lead Institution: SRA, with Sugar Alliance of the Phil/SMPFI

11. THE IMPLEMENTATION PLANS

The goals can be attained by employing the 5-point strategy and implementing the needed interventions through appropriate action plans, programs and projects.

SRA, in consultation and partnership with industry stakeholders, currently implements or plans to implement identified programs and projects to be funded by SRA corporate funds, the general appropriations through the Sugarcane Industry Act of 2015, financing provided by PHILSUCOR, research fund of PHILSURIN or foreign grants in convergence with government agencies like DAR, DA, DOLE, NEDA, DTI, DOF and PEZA, and through partnerships with private research institutions, planters’ federations or associations, state universities and non-government organizations (NGOs).

The program committees provided under the Implementing Rules and Regulations of the Sugarcane Industry Development Act (IRR-SIDA) of 2015 will provide guidance on the priority projects that will be implemented at the mill district level. The various program committees of SIDA will recommend to SRA specific projects on infrastructure, farm mechanization, research, development and extension, support services and specific interventions for the block farm program, identification of field of disciplines to be prioritized under the scholarship program, and identification of priority beneficiaries , priority projects or farm activities that will be prioritized by the socialized credit program. The priority programs and projects and required investments are enumerated in Table 11.

11.1 Mill District Development Plan 2015-2024 (MDDP 2015-2024)

The sugarcane industry is composed of 30 mill districts as sugarcane production areas nationwide wherein the newest mill district declared by SRA is the Isabela Mill District in northern Luzon. The Mill District Development Councils (MDDCs) that are composed of representatives of the sugar mill, SRA, PHILSURIN and planters associations serve as the conduit in the implementation of programs and initiatives in every mill district. At the same time, it can also be the service providers of farm machineries, farm technologies, farm management and sugarcane high-yielding variety planting materials.

The massive distribution of sugarcane high-yielding varieties (HYV) in the mill districts through the establishment of nurseries will contribute a lot in achieving the farm productivity target of a national average of 70 tons cane per hectare by CY 2019-2020. Adaptability and national cooperative trials of newly bred varieties prior to release for commercialization will be brought to the mill districts for testing in partnership with state universities and the MDDCs.

The MDDCs provides cohesiveness and synergy towards the development of the sugarcane mill districts. However, not all of the mill districts have active MDDCs and 6 of them have no MDDCs in place. Mill districts without MDDCs are managed by the MDDCs of nearby mill districts with existing MDDCs like Durano merged with Bogo-Medellin MDDC, Monomer and Santos-Lopez merged with Passi / Iloilo MDDC while Ma-ao, Dacongogon and Isabela have no MDDCs and they are assisted by the SRA extension personnel assigned in such districts or Extension Work Areas (EWA).

The Mill District Development Plan 2015-2024 (MDDP-2015-2024) enumerates the various programs and interventions which have been identified for implementation by each mill district as well as the projected sugarcane areas, farm productivity and sugarcane production in the medium- and long-terms as outputs or outcomes of the programs / interventions implemented. A more detailed manuscript of the Mill District Development Plan 2015-2024 will be

prepared in consultation with the mill district constituents to identify the minute details of every problem and solutions towards competitiveness.

Individual and more detailed masterplans of each program will be crafted by SRA in coordination with the MDDCs to provide guidance in the prioritization and deployment of services to the mill districts (refer to Annex E).

Table 11.1a. Medium & Long-Term Action Plans and Targets of Cagayan Mill District

| Cagayan Mill District | | | | | | | | | | | |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 38.75 | 40.0 | 45.0 | 50.0 | 50.0 | 60.0 | 60.0 | 70.0 | 70.0 | 80.0 | 80.0 |
| 2. LKg / TC | 1.87 | 1.95 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 3. Cane Prod'n, Million MT | 0.1976 | 0.2184 | 0.2480 | 0.2805 | 0.2855 | 0.3486 | 0.3576 | 0.4277 | 0.4382 | 0.5168 | 0.5328 |
| 4. Sugar Prod'n, Million MT | 0.370 | 0.426 | 0.496 | 0.561 | 0.571 | 0.697 | 0.715 | 0.855 | 0.876 | 1.034 | 1.066 |
| 5. Area Planted, Has. | 5,410 | 5,460 | 5,510 | 5,610 | 5,710 | 5,810 | 5,960 | 6,110 | 6,260 | 6,460 | 6,660 |
| 6. Area Expansion, Has. | 50 | 50 | 100 | 100 | 100 | 150 | 150 | 150 | 200 | 200 | 200 |
| 7. Commercial Power Generation | | | | | | | | | | | |
| MW | - | - | - | 5.0 | 5.0 | 5.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |

Table 11.1b. Medium & Long-Term Action Plans and Targets of Cagayan Mill District

| Cagayan Mill District | | | |
|------------------------------|--|-------------------------------|-----------------------------|
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. | Block Farming, No. of block farms | 25 | 25 |
| 2. | Farm Mechanization % Mechanized | | |
| | Land Preparation | 50% | 100% |
| | Cultivation | 50% | 100% |
| | Harvesting | 35% | 70% |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | 10% | 20% |
| 4. | HYV Propagation, % adoption | 60% | 100% |
| 5. | Farm to Mill Roads, % permanent/concrete roads | 25% | 80% |
| 6. | Capacity building / HRD for farmers & workers % of farmers & workers trained | 75% | 100% |
| | No. of scholars | 10 | 20 |
| 7. | Installation of Automated Weather Stations | | |
| | No. of units | 4 | 10 |
| 8. | Soil fertility mapping, | 100% | |
| 9. | Development of Expansion Areas, Has. | 550 | 1,450 |

Table 11.2a. Medium & Long-Term Action Plans and Targets of Isabela Mill District

| Isabela Mill District | | | | | | | | | | | |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 55.00 | 60.0 | 62.5 | 63.5 | 64.5 | 65.0 | 66.0 | 67.5 | 68.5 | 70.0 | 70.0 |
| 2. Cane Prodn, Million MT | 0.1976 | 0.2184 | 0.2480 | 0.2805 | 0.2855 | 0.3486 | 0.3576 | 0.4277 | 0.4382 | 0.5168 | 0.5328 |
| 3. Bioethanol Prodn, Million Liters | 24.060 | 30.000 | 35.000 | 40.000 | 45.000 | 50.000 | 51.000 | 52.000 | 53.000 | 54.000 | 54.000 |
| 4. Area Planted, Has. | 4,000 | 7,000 | 8,000 | 9,000 | 10,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| 5. Commercial Power Generation | | | | | | | | | | | |
| MW | 19.0 | 19.0 | 19.0 | 19.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |

Table 11.2b. Medium & Long-Term Action Plans and Targets of Isabela Mill District

| Isabela Mill District | | | |
|-----------------------|--|-------------------------------|-----------------------------|
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. | Block Farming, No. of block farms | 15 | 30 |
| 2. | Farm Mechanization % Mechanized | | |
| | Land Preparation | 50% | 85/100% |
| | Cultivation | 50% | 65/100% |
| | Harvesting | 50% | 65/80% |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | 50% | 65/80% |
| 4. | HYV Propagation, % adoption | 70% | 100% |
| 5. | Farm to Mill Roads, % permanent/concrete roads | 25% | 60/80% |
| 6. | Capacity building / HRD for farmers & workers % of farmers & workers trained | 75% | 100% |
| | No. of scholars | 10 | 20 |
| 7. | Installation of Automated Weather Stations | | |
| | No. of units | 2 | 4 |
| 8. | Soil fertility mapping, | 100% | |
| 9. | Development of Expansion Areas, Has. | 5,000 | 5,000 |

Table 11.3a. Medium & Long-Term Action Plans and Targets of Tarlac Mill District

| Tarlac Mill District | | | | | | | | | | | |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 39.74 | 40.0 | 44.0 | 48.0 | 50.0 | 52.0 | 54.0 | 56.0 | 57.0 | 58.0 | 60.0 |
| 2. Cane Prodn, Million MT | | | | | | | | | | | |
| 3. Bioethanol Prodn, Million Liters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Total Area Planted, Has. | | | | | | | | | | | |
| For sugar | 15,106 | 15,106 | 15,181 | 15,250 | 15,500 | 15,550 | 15,600 | 15,650 | 15,700 | 15,750 | 15,800 |
| For bioethanol* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Commercial Power Generation | | | | | | | | | | | |
| MW | 9.5 | 9.5 | 9.5 | 9.5 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |

Table 11.3b. Medium & Long-Term Action Plans and Targets of Tarlac Mill District

| Tarlac Mill District | | | |
|----------------------|--|-------------------------------|-----------------------------|
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. | Block Farming, No. of block farms | 50 | 80 |
| 2. | Farm Mechanization % Mechanized | | |
| | Land Preparation | 50% | 100% |
| | Cultivation | 50% | 100% |
| | Harvesting | 50% | 80% |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | 50% | 80% |
| 4. | Yield Trials / HYV Propagation, % adoption | 70% | 100% |
| 5. | Farm to Mill Roads, % permanent/concrete roads | 25% | 100% |
| 6. | Capacity building / HRD for farmers & workers % of farmers & workers trained | 75% | 100% |
| | No. of scholars | 10 | 20 |
| 7. | Installation of Automated Weather Stations | | |
| | No. of units | 2 | 4 |
| 8. | Soil fertility mapping, | 100% | |

Table 11.4a. Medium & Long-Term Action Plans and Targets of Pampanga Mill District

| Pampanga Mill District | | | | | | | | | | | |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 42.00 | 42.00 | 44.00 | 46.00 | 48.00 | 50.00 | 52.00 | 54.00 | 57.00 | 59.00 | 60.00 |
| 2. Cane Prodn, Million MT | 0.300 | 0.294 | 0.311 | 0.787 | 0.917 | 1.105 | 1.253 | 1.355 | 1.488 | 1.599 | 1.746 |
| 3. Bioethanol Prodn, Million Liters | - | - | - | 32,000 | 40,000 | 52,000 | 60,000 | 68,000 | 75,000 | 82,000 | 92,000 |
| 4. Total Area Planted, Has. | 7,132 | 7,000 | 7,070 | 17,100 | 19,100 | 22,100 | 24,100 | 25,100 | 26,100 | 27,100 | 29,100 |
| For sugar | 7,132 | 7,000 | 7,070 | 7,100 | 7,100 | 7,100 | 7,100 | 7,100 | 7,100 | 7,100 | 7,100 |
| For bioethanol* | - | - | - | 10,000 | 12,000 | 15,000 | 17,000 | 18,000 | 19,000 | 20,000 | 22,000 |
| 5. Commercial Power Generation | | | | | | | | | | | |
| MW | 5.3 | 5.3 | 5.3 | 5.3 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |

*includes expansion areas in Bataan, Zambales, etc. for bioethanol production by Luzon Bioenergy Corp.

Table 11.4b. Medium & Long-Term Action Plans and Targets of Pampanga Mill District

| Pampanga Mill District | | | |
|-------------------------------|--|-------------------------------|-----------------------------|
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. | Block Farming, No. of block farms | 20 | 50 |
| 2. | Farm Mechanization % Mechanized | | |
| | Land Preparation | 50% | 100% |
| | Cultivation | 50% | 100% |
| | Harvesting | 50% | 80% |
| 3. | Irrigation / Drainage Improvement | | |
| | % Irrigated / Improved drainage | 50% | 80% |
| 4. | Yield Trials / HYV Propagation, % adoption | 70% | 100% |
| 5. | Farm to Mill Roads, % permanent/concrete roads | 25% | 100% |
| 6. | Capacity building / HRD for farmers & workers | | |
| | % of farmers & workers trained | 75% | 100% |
| | No. of scholars | 10 | 20 |
| 7. | Installation of Automated Weather Stations | | |
| | No. of units | 2 | 4 |
| 8. | Soil fertility mapping | 100% | |
| 9. | Liming program | 50% | 100% |
| 10. | Development of Expansion Areas, Has. | 15,000 | 22,000 |

Table 11.5a. Medium & Long-Term Action Plans and Targets of Don Pedro Mill District

| Don Pedro Mill District | | | | | | | | | | | |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 53.31 | 55.18 | 57.11 | 59.11 | 61.47 | 63.93 | 66.49 | 69.48 | 72.60 | 76.23 | 80.05 |
| 2. Cane Prodn, Million MT | 0.76 | 0.80 | 0.84 | 0.89 | 0.94 | 0.99 | 1.05 | 1.10 | 1.17 | 1.24 | 1.31 |
| 3. Bioethanol Prodn, Million Liters | - | - | 10.0 | 15.0 | 20.0 | 25.0 | 30.0 | 35.0 | 35.0 | 35.0 | 35.0 |
| 4. Total Area Planted, Has. | 14,186 | 14,470 | 17,259 | 18,654 | 19,880 | 21,009 | 22,242 | 23,099 | 23,258 | 23,419 | 23,581 |
| For sugar | 14,186 | 14,470 | 14,759 | 15,054 | 15,280 | 15,509 | 15,742 | 15,899 | 16,058 | 16,219 | 16,381 |
| For bioethanol* | - | - | 2,500 | 3,600 | 4,600 | 5,500 | 6,500 | 7,200 | 7,200 | 7,200 | 7,200 |
| 5. Commercial Power Generation | | | | | | | | | | | |
| MW | 25.52 | 25.52 | 25.52 | 25.52 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |

Table 11.5b. Medium & Long-Term Action Plans and Targets of Don Pedro Mill District

| Don Pedro Mill District | | | |
|--------------------------------|--|-------------------------------|-----------------------------|
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. | Block Farming, No. of block farms | 20 | 50 |
| 2. | Farm Mechanization % Mechanized | | |
| | Land Preparation | 25% | 40% |
| | Cultivation | 25% | 40% |
| | Harvesting | 20% | 40% |
| 3. | Irrigation / Drainage Improvement | | |
| | % Irrigated / Improved drainage | 10% | 40% |
| 4. | HYV Propagation, % adoption | 40% | 80% |
| 5. | Farm to Mill Roads, % permanent/concrete roads | 25% | 75% |
| 6. | Capacity building / HRD for farmers & workers | | |
| | % of farmers & workers trained | 25% | 75% |
| | No. of scholars | 5 | 10 |
| 7. | Installation of Automated Weather Stations | | |
| | No. of units | 5 | 10 |
| 8. | Soil fertility mapping, | 100% | |
| 9. | Liming program | 50% | 100% |

Table 11.6a. Medium & Long-Term Action Plans and Targets of Balayan Mill District

| Balayan Mill District | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 65 | 66.3 | 67.63 | 68.98 | 70.71 | 72.48 | 74.65 | 76.89 | 79.19 | 81.57 | 84.01 |
| 2. Cane Prodn, Million MT | 1.06 | 1.08 | 1.1 | 1.12 | 1.14 | 1.16 | 1.18 | 1.2 | 1.24 | 1.28 | 1.32 |
| 3. Bioethanol Prodn, Million Liters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Total Area Planted, Has. | 16,273 | 16,275 | 16,375 | 16,400 | 16,475 | 16,500 | 16,550 | 16,600 | 16,650 | 16,700 | 16,775 |
| For sugar | 16,273 | 16,275 | 16,375 | 16,400 | 16,475 | 16,500 | 16,550 | 16,600 | 16,650 | 16,700 | 16,775 |
| For bioethanol* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |

Table 11.6b. Medium & Long-Term Action Plans and Targets of Balayan Mill District

| Balayan Mill District | | | |
|------------------------------|--|--------------------------------------|------------------------------------|
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. | Block Farming, No. of block farms | 20 | 45 |
| 2. | Farm Mechanization % Mechanized | | |
| | Land Preparation | 35% | 40% |
| | Cultivation | 35% | 40% |
| | Harvesting | 35% | 40% |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | 30% | 70% |
| 4. | HYV Propagation, % adoption | 70% | 90% |
| 5. | Farm to Mill Roads, % permanent/concrete roads | 25% | 80% |
| 6. | Capacity building / HRD for farmers & workers % of farmers & workers trained | 50% | 70% |
| | No. of scholars | 10 | 20 |
| 7. | Installation of Automated Weather Stations No. of units | 5 | 10 |
| 8. | Soil fertility mapping, | 100% | |
| 9. | Development of Expansion Areas, has. | 200 | 500 |

Table 11.7a. Medium & Long-Term Action Plans and Targets of Pensumil Mill District

| Pensumil Mill District | | | | | | | | | | | |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 42.18 | 42.50 | 44.00 | 45.00 | 46.00 | 47.00 | 50.00 | 52.00 | 54.00 | 55.00 | 56.00 |
| 2. Cane Prodn, Million MT | 0.190 | 0.191 | 0.198 | 0.207 | 0.214 | 0.219 | 0.235 | 0.247 | 0.257 | 0.261 | 0.266 |
| 3. Bioethanol Prodn, Million Liters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Total Area Planted, Has. | 4,500 | 4,500 | 4,500 | 4,600 | 4,650 | 4,650 | 4,700 | 4,750 | 4,750 | 4,750 | 4,750 |
| For sugar | 4,500 | 4,500 | 4,500 | 4,600 | 4,650 | 4,650 | 4,700 | 4,750 | 4,750 | 4,750 | 4,750 |
| For bioethanol* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MW | 0 | 0 | 0 | 0 | 0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |

Table 11.7b. Medium & Long-Term Action Plans and Targets of Pensumil Mill District

| Pensumil Mill District | | | |
|-------------------------------|--|---|-----------------------------|
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. | Block Farming, No. of block farms | 10 | 20 |
| 2. | Farm Mechanization % Mechanized | | |
| | Land Preparation | 25% | 40% |
| | Cultivation | 25% | 40% |
| | Harvesting | 20% | 40% |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | 10% | 40% |
| 4. | HYV Propagation, % adoption | 40% | 80% |
| 5. | Farm to Mill Roads, % permanent/concrete roads | 25% | 75% |
| 6. | Capacity building / HRD for farmers & workers % of farmers & workers trained | 25% | 75% |
| | No. of scholars | 5 | 10 |
| 7. | Installation of Automated Weather Stations No. of units | 2 | 4 |
| 8. | Soil fertility mapping | 100% | |
| 9. | Mill efficiency improvement, % completion of rehab | 50% | 75% |
| 10. | Synchronization of milling & harvesting operations | Discussion between the mill & planters associations | |

Table 11.8. Medium & Long-Term Action Plans and Targets of Silay-HPCO Mill District

| Silay-HPCO Mill District | | | | | | | | | | | |
|--------------------------------|--|-------------------------------|---------|---------|---------|---------|-----------------------------|---------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 76.82 | 78.00 | 80.00 | 82.00 | 85.00 | 86.00 | 87.00 | 87.50 | 88.00 | 88.00 | 88.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.959 | 1.050 | 1.101 | 1.128 | 1.170 | 1.183 | 1.197 | 1.204 | 1.211 | 1.211 | 1.211 |
| for ethanol | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 8.0 | 8.0 | 8.0 | 8.0 | 10.0 | 10.0 | 10.0 | 10.0 | 15.0 | 15.0 | 15.0 |
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | | | | | LONG-TERM TARGETS (2023-24) | | | | |
| 1. | Block Farming, No. of block farms | 20 | | | | | 50 | | | | |
| 2. | Farm Mechanization % Mechanized | 50% | | | | | 80/100% | | | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | 30% | | | | | 60/80% | | | | |
| 4. | HYV Propagation, % adoption | 80% | | | | | 100% | | | | |
| 5. | Farm to Mill Roads, % permanent/concrete roads | 25% | | | | | 60/80% | | | | |
| 6. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | 75% | | | | | 100% | | | | |
| 7. | Installation of Automated Weather Stations No. of units | 2 | | | | | 2 | | | | |
| 8. | Soil fertility mapping | | | | | | | | | | |

Table 11.9. Medium & Long-Term Action Plans and Targets of Bac-Murcia / First Farmers Mill District

| Bac-Murcia / First Farmers Mill District | | | | | | | | | | | |
|--|--|-------------------------------|---------|---------|---------|---------|-----------------------------|---------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 69.75 | 70.00 | 73.00 | 74.00 | 79.00 | 81.00 | 82.00 | 83.00 | 83.00 | 84.00 | 85.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 1.465 | 1.480 | 1.585 | 1.607 | 1.716 | 1.597 | 1.207 | 1.222 | 1.236 | 1.236 | 1.251 |
| for ethanol | | | | | | 0.162 | 0.574 | 0.581 | 0.588 | 0.588 | 0.595 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 21.0 | 21.0 | 21.0 | 25.0 | 25.0 | 25.0 | 25.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | | | | | LONG-TERM TARGETS (2023-24) | | | | |
| 1. | Block Farming, No. of block farms | 20 | | | | | 50 | | | | |
| 2. | Farm Mechanization, % Mechanized | 50% | | | | | 75/100% | | | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | 30% | | | | | 60/80% | | | | |
| 4. | HYV Propagation, % adoption | 80% | | | | | 100% | | | | |
| 5. | Soil fertility mapping, % completion | 100% | | | | | | | | | |
| 6. | Farm to Mill Roads, % permanent/concrete roads | 25% | | | | | 60/80% | | | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | 75% | | | | | 100% | | | | |
| 8. | Automated Weather Stations, No. of units | 2 | | | | | 2 | | | | |

Table 11.10. Medium & Long-Term Action Plans and Targets of Binalbagan Mill District

| Binalbagan-Biscom Mill District | | | | | | | | | | | |
|--|--|---------|---------|---------|---------|--------------------------------------|---------|---------|------------------------------------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 74.34 | 75.50 | 76.00 | 78.00 | 81.00 | 83.00 | 84.00 | 85.00 | 86.00 | 87.00 | 87.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 2.135 | 2.150 | 2.211 | 2.270 | 2.194 | 2.224 | 2.270 | 2.146 | 2.171 | 2.196 | 2.196 |
| for ethanol | | | | | 0.567 | 0.581 | 0.570 | 0.728 | 0.736 | 0.745 | 0.745 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 10.0 | 10.0 | 10.0 | 10.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | | LONG-TERM TARGETS (2023-24) | | |
| 1. | Block Farming, No. of block farms | | | | | 20 | | | 50 | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | | 100% | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | | | | | 30% | | | 80% | | |
| 4. | HYV Propagation, % adoption | | | | | 80% | | | 100% | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent/concrete roads | | | | | 25% | | | 80% | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | | 100% 20 | | |
| 8. | Automated Weather Stations, No. of units | | | | | 2 | | | 2 | | |
| 9. | Development of expansion area, hectares | | | | | 500 | | | 700 | | |

Table 11.11. Medium & Long-Term Action Plans and Targets of Dacongogon Mill District

| Dacongogon Mill District | | | | | | | | | | | |
|---------------------------------|--|---------|---------|---------|---------|--------------------------------------|---------|---------|------------------------------------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 52.00 | 52.68 | 54.00 | 55.00 | 60.00 | 62.00 | 65.00 | 70.00 | 72.00 | 74.00 | 75.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.561 | 0.543 | 0.567 | 0.578 | 0.630 | 0.341 | 0.358 | 0.315 | 0.324 | 0.333 | 0.338 |
| for ethanol | | | | | | 0.434 | 0.455 | 0.560 | 0.576 | 0.592 | 0.600 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | | LONG-TERM TARGETS (2023-24) | | |
| 1. | Block Farming, No. of block farms | | | | | 50 | | | 100 | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 30% | | | 70% | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | | | | | 30% | | | 80% | | |
| 4. | HYV Propagation, % adoption | | | | | 60% | | | 80% | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent/concrete roads | | | | | 25% | | | 80% | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | | 100% 20 | | |
| 8. | Automated Weather Stations, No. of units | | | | | 2 | | | 2 | | |
| 9. | Investment promotion, sugar mill or bioethanol facility | | | | | promotion | | | Facility installed | | |

Table 11.12. Medium & Long-Term Action Plans and Targets of La Carlota Mill District

| La Carlota Mill District | | | | | | | | | | | |
|--------------------------------|--|---------|---------|---------|---------|--------------------------------------|---------|------------------------------------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 74.62 | 75.00 | 77.00 | 78.00 | 82.00 | 83.00 | 84.00 | 85.00 | 86.00 | 86.00 | 86.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 1.394 | 1.400 | 1.484 | 1.504 | 1.581 | 1.600 | 1.619 | 1.639 | 1.658 | 1.658 | 1.658 |
| for ethanol | - | - | - | - | - | - | - | - | - | - | - |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 10.0 | 10.0 | 10.0 | 10.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | LONG-TERM TARGETS (2023-24) | | | |
| 1. | Block Farming, No. of block farms | | | | | 50 | | 100 | | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | 100% | | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | | | | | 30% | | 80% | | | |
| 4. | HYV Propagation, % adoption | | | | | 80% | | 100% | | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent/concrete roads | | | | | 25% | | 80% | | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | 100% 20 | | | |
| 8. | Installation of Automated Weather Stations, No. of Units | | | | | 2 | | 2 | | | |

Table 11.13. Medium & Long-Term Action Plans and Targets of Lopez Mill District

| Lopez Mill District | | | | | | | | | | | |
|--------------------------------|--|---------|---------|---------|---------|--------------------------------------|---------|------------------------------------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 68.32 | 69.00 | 69.50 | 72.00 | 78.00 | 78.00 | 80.00 | 83.00 | 84.00 | 85.00 | 85.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.923 | 0.825 | 0.958 | 0.992 | 0.998 | 1.025 | 1.051 | 0.963 | 0.930 | 0.901 | 0.901 |
| for ethanol | - | - | - | - | - | - | - | 0.127 | 0.173 | 0.215 | 0.215 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 10.0 | 10.0 | 10.0 | 10.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | LONG-TERM TARGETS (2023-24) | | | |
| 1. | Block Farming, No. of block farms | | | | | 20 | | 50 | | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | 100% | | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | | | | | 30% | | 80% | | | |
| 4. | Yield trials / HYV Propagation, % adoption | | | | | 80% | | 100% | | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent/concrete roads | | | | | 25% | | 80% | | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | 100% 20 | | | |
| 8. | Automated Weather Stations, No. of Units | | | | | 2 | | 2 | | | |
| 9. | SRA policy on allocation of cane to ethanol | | | | | | | New policy implemented | | | |

Table 11.14. Medium & Long-Term Action Plans and Targets of Ma-ao Mill District

| Ma-ao Mill District | | | | | | | | | | | |
|--------------------------------|---|---------|---------|---------|---------|-------------------------------|---------|-----------------------------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 70.0 | 71.0 | 71.50 | 74.0 | 78.00 | 80.00 | 82.00 | 83.00 | 84.00 | 85.00 | 85.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.714 | 0.730 | 0.777 | 0.804 | 0.613 | 0.629 | 0.645 | 0.653 | 0.660 | 0.668 | 0.668 |
| for ethanol | - | - | - | 0.222 | 0.546 | 0.560 | 0.574 | 0.581 | 0.588 | 0.595 | 595 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | LONG-TERM TARGETS (2023-24) | | | |
| 1. | Block Farming, No. of block farms | | | | | 20 | | 50 | | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | 100% | | | |
| 3. | Irrigation / Drainage Improvement, % of area served | | | | | 30% | | 80% | | | |
| 4. | HYV Propagation, % adoption | | | | | 70% | | 100% | | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent/concrete roads | | | | | 25% | | 80% | | | |
| 7. | Capacity building / HRD for farmers & workers | | | | | | | | | | |
| | % of farmers & workers trained | | | | | 75% | | 100% | | | |
| | No. of scholars | | | | | 10 | | 20 | | | |
| 8. | Automated Weather Stations, No. of Units | | | | | 2 | | 2 | | | |
| 9. | Development of expansion area, hectares | | | | | 500 | | 750 | | | |
| 10. | Strengthen MDDC | | | | | implemented | | | | | |

Table 11.15. Medium & Long-Term Action Plans and Targets of Sagay Mill District

| Sagay Mill District | | | | | | | | | | | |
|--------------------------------|--|---------|---------|---------|---------|-------------------------------|---------|-----------------------------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 68.42 | 70.00 | 70.50 | 73.00 | 76.00 | 80.00 | 82.00 | 83.00 | 84.00 | 85.00 | 85.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 1.147 | 1.180 | 1.199 | 1.241 | 1.141 | 0.629 | 0.645 | 0.653 | 0.660 | 0.668 | 0.668 |
| for ethanol | | | | | | 0.560 | 0.574 | 0.581 | 0.588 | 0.595 | 0.595 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 5.0 | 5.0 | 5.0 | 5.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | LONG-TERM TARGETS (2023-24) | | | |
| 1. | Block Farming, No. of block farms | | | | | 50 | | 100 | | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | 100% | | | |
| 3. | Irrigation / Drainage Improvement | | | | | | | | | | |
| | % Irrigated / Improved drainage | | | | | 30% | | 80% | | | |
| 4. | HYV Propagation, % adoption | | | | | 70% | | 100% | | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent/concrete roads | | | | | 25% | | 80% | | | |
| 7. | Capacity building / HRD for farmers & workers | | | | | | | | | | |
| | % of farmers & workers trained | | | | | 75% | | 100% | | | |
| | No. of scholars | | | | | 10 | | 20 | | | |
| 8. | Installation of Automated Weather Stations, No. of Units | | | | | 2 | | 2 | | | |

Table 11.16. Medium & Long-Term Action Plans and Targets of San Carlos Mill District

| San Carlos Mill District | | | | | | | | | | | |
|---------------------------------------|--|---------|---------|---------|---------|--------------------------------------|---------|------------------------------------|---------|---------|--------------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 66.26 | 68.00 | 69.00 | 71.00 | 75.00 | 77.00 | 79.00 | 81.00 | 82.00 | 83.00 | 84.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.741 | 0.760 | 0.776 | 0.798 | 0.693 | 0.711 | 0.730 | 0.749 | 0.758 | 0.767 | 0.777 |
| for ethanol | 0.232 | 0.200 | 0.242 | 0.249 | 0.525 | 0.539 | 0.553 | 0.567 | 0.574 | 0.581 | 0.588 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 8.0 | 8.0 | 8.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | LONG-TERM TARGETS (2023-24) | | | |
| 1. | Block Farming, No. of block farms | | | | | 20 | | 50 | | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | 100% | | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | | | | | 30% | | 80% | | | |
| 4. | HYV Propagation, % adoption | | | | | 70% | | 100% | | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent/concrete roads | | | | | 25% | | 80% | | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | 100% 20 | | | |
| 8. | Installation of Automated Weather Stations, No. of Units | | | | | 2 | | 2 | | | |

Table 11.17. Medium & Long-Term Action Plans and Targets of Sonedco Mill District

| Kabankalan-SONEDCO Mill District | | | | | | | | | | | |
|---|--|---------|---------|---------|---------|--------------------------------------|---------|------------------------------------|---------|---------|--------------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 65.22 | 66.00 | 67.00 | 70.00 | 75.00 | 77.00 | 79.00 | 81.00 | 82.00 | 83.00 | 84.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.832 | 0.862 | 0.841 | 0.879 | 0.942 | 0.967 | 0.992 | 1.017 | 1.030 | 1.042 | 1.055 |
| for ethanol | | | | | | | | | | | |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 46.0 | 46.0 | 46.0 | 46.0 | 46.0 | 46.0 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | LONG-TERM TARGETS (2023-24) | | | |
| 1. | Block Farming, No. of block farms | | | | | 30 | | 80 | | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | 100% | | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | | | | | 30% | | 80% | | | |
| 4. | HYV Propagation, % adoption | | | | | 80% | | 100% | | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent/concrete roads | | | | | 25% | | 80% | | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | 100% 20 | | | |
| 8. | Installation of Automated Weather Stations, No. of Units | | | | | 2 | | 2 | | | |

Table 11.18. Medium & Long-Term Action Plans and Targets of Victorias Mill District

| Victorias Mill District | | | | | | | | | | | |
|--------------------------------|--|---------|---------|---------|---------|--------------------------------------|---------|---------|------------------------------------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 69.04 | 70.00 | 71.00 | 73.00 | 78.00 | 80.00 | 82.00 | 83.00 | 84.00 | 85.00 | 86.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 2.176 | 2.200 | 2.260 | 2.324 | 2.483 | 2.547 | 2.610 | 2.559 | 2.590 | 2.621 | 2.652 |
| for ethanol | | | | | | 0.549 | 0.563 | 0.653 | 0.661 | 0.668 | 0.676 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 18.0 | 18.0 | 18.0 | 40.0 | 40.0 | 40.0 | 40.0 | 50.0 | 50.0 | 50.0 | 50.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | | LONG-TERM TARGETS (2023-24) | | |
| 1. | Block Farming, No. of block farms | | | | | 80 | | | 150 | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | | 100% | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | | | | | 30% | | | 80% | | |
| 4. | HYV Propagation, % adoption | | | | | 80% | | | 100% | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent / concrete roads | | | | | 25% | | | 80% | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | | 100% 20 | | |
| 8. | Installation of Automated Weather Stations, No. of Units | | | | | 2 | | | 2 | | |

Table 11.19. Medium & Long-Term Action Plans and Targets of Bais-Ursumco Mill District

| Bais-URSUMCO Mill District | | | | | | | | | | | |
|--------------------------------|--|---------|---------|---------|---------|--------------------------------------|---------|---------|------------------------------------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 56.28 | 58.00 | 59.00 | 60.00 | 65.00 | 67.00 | 69.00 | 74.00 | 75.00 | 76.00 | 77.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 1.510 | 1.550 | 1.615 | 1.642 | 1.779 | 1.834 | 1.889 | 2.026 | 2.053 | 2.080 | 2.108 |
| for ethanol | | | | | | | | | | | |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 20.0 | 20.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | | LONG-TERM TARGETS (2023-24) | | |
| 1. | Block Farming, No. of block farms | | | | | 80 | | | 150 | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | | 100% | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | | | | | 30% | | | 80% | | |
| 4. | Yield Trials / HYV Propagation, % adoption | | | | | 80% | | | 100% | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent / concrete roads | | | | | 25% | | | 80% | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | | 100% 20 | | |
| 8. | Automated Weather Stations, No. of Units | | | | | 2 | | | 2 | | |
| 9. | Liming program, % farm area applied | | | | | 100% | | | | | |

Table 11.20. Medium & Long-Term Action Plans and Targets of Tolong Mill District

| Tolong Mill District | | | | | | | | | | | |
|--------------------------------|--|---------|---------|---------|---------|--------------------------------------|---------|---------|------------------------------------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 50.79 | 52.00 | 53.00 | 55.00 | 60.00 | 62.00 | 65.00 | 70.00 | 72.00 | 73.00 | 74.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.458 | 0.500 | 0.502 | 0.521 | 0.568 | 0.587 | 0.616 | 0.663 | 0.682 | 0.691 | 0.701 |
| for ethanol | | | | | | | | | | | |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | | LONG-TERM TARGETS (2023-24) | | |
| 1. | Block Farming, No. of block farms | | | | | 20 | | | 50 | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | | 100% | | |
| 3. | Irrigation / Drainage Improvement % Irrigated / Improved drainage | | | | | 30% | | | 80% | | |
| 4. | Yield Trials / HYV Propagation, % adoption | | | | | 60% | | | 100% | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent / concrete roads | | | | | 25% | | | 80% | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | | 100% 20 | | |
| 8. | Automated Weather Stations, No. of Units | | | | | 2 | | | 2 | | |
| 9. | Liming program, % of farm areas applied | | | | | 100% | | | | | |

Table 11.21. Medium & Long-Term Action Plans and Targets of Capiz Mill District

| Capiz Mill District | | | | | | | | | | | |
|--------------------------------|--|---------|---------|---------|---------|--------------------------------------|---------|---------|------------------------------------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 47.95 | 50.00 | 51.00 | 52.00 | 55.00 | 57.00 | 59.00 | 61.00 | 65.00 | 66.00 | 67.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.432 | 0.450 | 0.469 | 0.478 | 0.396 | 0.410 | 0.425 | 0.439 | 0.468 | 0.475 | 0.482 |
| for ethanol | | | | | 0.110 | 0.114 | 0.118 | 0.122 | 0.130 | 0.132 | 0.134 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | | LONG-TERM TARGETS (2023-24) | | |
| 1. | Block Farming, No. of block farms | | | | | 20 | | | 50 | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | | 100% | | |
| 3. | Irrigation / Drainage Improvement, % of area served | | | | | 30% | | | 80% | | |
| 4. | HYV Propagation, % adoption | | | | | 60% | | | 100% | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent / concrete roads | | | | | 25% | | | 80% | | |
| 7. | Capacity building / HRD for farmers & workers % of farmers & workers trained No. of scholars | | | | | 75% 10 | | | 100% 20 | | |
| 8. | Automated Weather Stations, No. of Units | | | | | 2 | | | 2 | | |
| 9. | Installation of Soils laboratory, % completion | | | | | 100% | | | | | |
| 10. | SRA sugar pricing policy | | | | | Policy study undertaken | | | | | |

Table 11.22. Medium & Long-Term Action Plans and Targets of Monomer Mill District

| Monomer Mill District | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|--------------------------------------|---------|---------|---------|------------------------------------|--------------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 50.55 | 52.00 | 53.00 | 54.00 | 58.00 | 60.00 | 62.00 | 64.00 | 68.00 | 69.00 | 70.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.166 | 0.178 | 0.177 | 0.180 | 0.194 | 0.200 | 0.207 | 0.214 | 0.227 | 0.230 | 0.234 |
| for ethanol | | | | | | | | | | | |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | | | LONG-TERM TARGETS (2023-24) | |
| 1. Block Farming, No. of block farms | | | | | | 20 | | | | 50 | |
| 2. Farm Mechanization, % Mechanized | | | | | | 50% | | | | 100% | |
| 3. Irrigation / Drainage Improvement, % of area served | | | | | | 30% | | | | 80% | |
| 4. HYV Propagation, % adoption | | | | | | 60% | | | | 100% | |
| 5. Soil fertility mapping, % completion | | | | | | 100% | | | | | |
| 6. Farm to Mill Roads, % permanent / concrete roads | | | | | | 25% | | | | 80% | |
| 7. Capacity building / HRD for farmers & workers | | | | | | | | | | | |
| % of farmers & workers trained | | | | | | 75% | | | | 100% | |
| No. of scholars | | | | | | 10 | | | | 20 | |
| 8. Automated Weather Stations, No. of Units | | | | | | 2 | | | | 2 | |

Table 11.23. Medium & Long-Term Action Plans and Targets of Passi-Iloilo Mill District

| Passi-Iloilo Mill District | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|--------------------------------------|---------|---------|---------|------------------------------------|--------------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 54.22 | 55.50 | 56.00 | 58.00 | 60.00 | 62.00 | 64.00 | 66.00 | 70.00 | 71.00 | 71.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.688 | 0.700 | 0.718 | 0.744 | 0.770 | 0.795 | 0.821 | 0.847 | 0.898 | 0.911 | 0.911 |
| for ethanol | | | | | | | | | | | |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 15.0 | 15.0 | 15.0 | 15.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | | | LONG-TERM TARGETS (2023-24) | |
| 1. Block Farming, No. of block farms | | | | | | 25 | | | | 50 | |
| 2. Farm Mechanization, % Mechanized | | | | | | 50% | | | | 100% | |
| 3. Irrigation / Drainage Improvement, % of area served | | | | | | 30% | | | | 80% | |
| 4. HYV Propagation, % adoption | | | | | | 60% | | | | 100% | |
| 5. Soil fertility mapping, % completion | | | | | | 100% | | | | | |
| 6. Farm to Mill Roads, % permanent / concrete roads | | | | | | 25% | | | | 80% | |
| 7. Capacity building / HRD for farmers & workers | | | | | | | | | | | |
| % of farmers & workers trained | | | | | | 75% | | | | 100% | |
| No. of scholars | | | | | | 10 | | | | 20 | |
| 8. Automated Weather Stations, No. of Units | | | | | | 2 | | | | 2 | |

Table 11.24. Medium & Long-Term Action Plans and Targets of Santos-Lopez Mill District

| Santos-Lopez Mill District | | | | | | | | | | | |
|-----------------------------------|---|---------|---------|---------|---------|--------------------------------------|---------|------------------------------------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 53.48 | 55.00 | 56.00 | 57.00 | 59.00 | 61.00 | 63.00 | 64.00 | 66.00 | 67.00 | 68.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.299 | 0.320 | 0.320 | 0.325 | 0.337 | 0.348 | 0.360 | 0.365 | 0.377 | 0.382 | 0.388 |
| for ethanol | | | | | | | | | | | |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | | | | | | | | | | | |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | LONG-TERM TARGETS (2023-24) | | | |
| 1. | Block Farming, No. of block farms | | | | | 25 | | 50 | | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | 100% | | | |
| 3. | Irrigation / Drainage Improvement, % of area served | | | | | 30% | | 80% | | | |
| 4. | HYV Propagation, % adoption | | | | | 60% | | 100% | | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent / concrete roads | | | | | 25% | | 80% | | | |
| 7. | Capacity building / HRD for farmers & workers | | | | | | | | | | |
| | % of farmers & workers trained | | | | | 75% | | 100% | | | |
| | No. of scholars | | | | | 10 | | 20 | | | |
| 8. | Automated Weather Stations, No. of Units | | | | | 2 | | 2 | | | |

Table 11.25. Medium & Long-Term Action Plans and Targets of Bogota-Medellin & Durano Mill District

| Bogota-Medellin / Durano Mill Districts | | | | | | | | | | | |
|--|---|---------|---------|---------|---------|--------------------------------------|---------|------------------------------------|---------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 45.46 | 46.00 | 48.00 | 49.00 | 52.00 | 54.00 | 56.00 | 58.00 | 62.00 | 63.00 | 64.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.359 | 0.370 | 0.384 | 0.392 | 0.416 | 0.432 | 0.448 | 0.464 | 0.496 | 0.507 | 0.500 |
| for ethanol | | | | | | | | | | | 0.078 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| INTERVENTIONS | | | | | | MEDIUM-TERM TARGETS (2018-19) | | LONG-TERM TARGETS (2023-24) | | | |
| 1. | Block Farming, No. of block farms | | | | | 25 | | 50 | | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | 100% | | | |
| 3. | Irrigation / Drainage Improvement, % of area served | | | | | 30% | | 80% | | | |
| 4. | HYV Propagation, % adoption | | | | | 60% | | 100% | | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent / concrete roads | | | | | 25% | | 80% | | | |
| 7. | Capacity building / HRD for farmers & workers | | | | | | | | | | |
| | % of farmers & workers trained | | | | | 75% | | 100% | | | |
| | No. of scholars | | | | | 10 | | 20 | | | |
| 8. | Automated Weather Stations, No. of Units | | | | | 2 | | 2 | | | |
| 9. | SRA Policies - Synchronization of harvesting & milling to optimize yield & sugar pricing, not dictated by DTI | | | | | | | | | | |

Table 11.26. Medium & Long-Term Action Plans and Targets of Ormoc-Kananga Mill District

| Ormoc-Kananga Mill District | | | | | | | | | | | |
|--------------------------------|--|---------|---------|---------|---------|---------|--------------------------------------|---------|------------------------------------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 43.09 | 44.00 | 45.00 | 46.00 | 49.00 | 51.00 | 53.00 | 55.00 | 58.00 | 60.00 | 62.00 |
| 2. Cane Production, Million MT | | | | | | | | | | | |
| for sugar | 0.349 | 0.360 | 0.381 | 0.389 | 0.415 | 0.432 | 0.449 | 0.466 | 0.491 | 0.511 | 0.528 |
| for ethanol | | | | | 0.189 | 0.197 | 0.204 | 0.212 | 0.224 | 0.231 | 0.239 |
| 3. Commercial Power Generation | | | | | | | | | | | |
| MW | | | | | | | | | | | |
| INTERVENTIONS | | | | | | | MEDIUM-TERM TARGETS (2018-19) | | LONG-TERM TARGETS (2023-24) | | |
| 1. | Block Farming, No. of block farms | | | | | 25 | | 50 | | | |
| 2. | Farm Mechanization, % Mechanized | | | | | 50% | | 100% | | | |
| 3. | Drainage Improvement, % of area served | | | | | 30% | | 80% | | | |
| 4. | Yield Trials / HYV Propagation, % adoption | | | | | 60% | | 100% | | | |
| 5. | Soil fertility mapping, % completion | | | | | 100% | | | | | |
| 6. | Farm to Mill Roads, % permanent / concrete roads | | | | | 25% | | 80% | | | |
| 7. | Capacity building / HRD for farmers & workers | | | | | 75% | | 100% | | | |
| | % of farmers & workers trained | | | | | 10 | | 20 | | | |
| 8. | Automated Weather Stations, No. of Units | | | | | 2 | | 2 | | | |
| 9. | Liming program, % of farm areas applied | | | | | 100% | | | | | |

Table 11.27a. Medium & Long-Term Action Plans and Targets of Bukidnon Mill District

| Bukidnon Mill District | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|---------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 52.24 | 53.00 | 55.00 | 56.00 | 60.00 | 62.00 | 65.00 | 67.00 | 70.00 | 72.00 | 73.00 |
| 2. LKg / TC | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.05 | 2.10 |
| 3. Cane Prodn, Million MT | | | | | | | | | | | |
| 4. Sugar Prodn, Million MT | 3.639 | 3.705 | 3.844 | 3.993 | 4.278 | 5.227 | 5.480 | 5.648 | 5.901 | 6.064 | 5.914 |
| 5. Area Planted, Has. | | | | | | | | | | | |
| | 69,663 | 69,906 | 69,906 | 71,304 | 84,304 | 84,304 | 84,304 | 84,304 | 84,304 | 84,220 | 81,008 |
| 6. Area Expansion, Has. | | | | | | | | | | | |
| | | | | 1,398 | 13,000 | (ethanol) | | | | | |
| 7. Commercial Power Generation, Capacity | | | | | | | | | | | |
| MW | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 21.0 | 31.0 | 31.0 | 31.0 | 31.0 | 31.0 |

Table 11.27b. Medium & Long-Term Action Plans and Targets of Bukidnon Mill District

| Bukidnon Mill District | | | |
|------------------------|--|----------------------------------|-----------------------------|
| INTERVENTIONS | | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. | Block Farming, No. of block farms | 50 | 100 |
| 2. | Farm Mechanization (% Mechanized) | | |
| | Land Preparation | 70% | 100% |
| | Cultivation | 60% | 100% |
| | Harvesting | 40% | 70% |
| 3. | Irrigation / Drainage Improvement | | |
| | % Irrigated | 10% | 20% |
| | % Improved drainage | | |
| 4. | HYV Propagation, % adoption | 70% | 100% |
| 5. | Farm to Mill Roads, % permanent/concrete roads | 25% | 80% |
| 6. | Capacity building / Training for farmers & workers | | |
| | % of farmers & workers trained | 80% | 100% |
| | No. of scholars | 20 | 20 |
| 7. | Installation of Automated Weather Stations | | |
| | No. of units | 4 | 10 |
| 8. | Soil fertility mapping, % coverage | 100% | |
| 9. | Development of Expansion Areas, Has. | 550 | 1,450 |

Table 11.28a. Medium & Long-Term Action Plans and Targets of Davao Mill District

| Davao Mill District | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 42.17 | 45.00 | 47.00 | 48.00 | 54.00 | 56.00 | 58.00 | 60.00 | 65.00 | 68.00 | 69.00 |
| 2. LKg / TC | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.05 | 2.05 | 2.05 | 2.05 | 2.10 |
| 3. Cane Prodn, MMT | 0.478 | 0.490 | 0.506 | 0.517 | 0.581 | 1.023 | 1.366 | 1.480 | 1.548 | 1.548 | 1.709 |
| 4. Sugar Prodn, MMT | 0.047 | 0.047 | 0.050 | 0.051 | 0.082 | 0.085 | 0.090 | 0.090 | 0.090 | 0.090 | 0.095 |
| 5. Area Planted, Has. | 11,335 | 10,556 | 10,767 | 10,767 | 10,800 | 22,767 | 22,767 | 22,767 | 22,767 | 22,767 | 22,767 |
| 5. Commercial Power Generation, capacity | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 0 | 5.0 | 5.0 | 5.0 | 5.0 | 10.0 | 10.0 | 10.0 |

Table 11.28b. Medium & Long-Term Action Plans and Targets of Davao Mill District

| Davao Mill District | | |
|---|--|--|
| INTERVENTIONS | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. Block Farming, No. of block farms | 15 | 30 |
| 2. Farm Mechanization % Mechanized | | |
| Land Preparation | 60% | 100% |
| Cultivation | 60% | 100% |
| Harvesting | 40% | 80% |
| 3. Irrigation / Drainage Improvement | | |
| % Irrigated / Improved drainage | 50% | 80% |
| % drainage improvements | | |
| 4. HYV Propagation, % adoption | 70% | 100% |
| 5. Farm to Mill Roads, % permanent/concrete roads | 25% | 80% |
| 6. Capacity building / HRD for farmers & workers | | |
| % of farmers & workers trained | 75% | 100% |
| No. of scholars | 10 | 20 |
| 7. Installation of Automated Weather Stations | | |
| No. of units | 4 | 6 |
| 8. Soil fertility mapping, % completion | 100% | |
| 9. Development of Expansion Areas, Has. | 5,000 | 5,000 |

Table 11.29a. Medium & Long-Term Action Plans and Targets of Cotabato Mill District

| Cotabato Mill District | | | | | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Crop Year | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 1. TC/Ha | 45.83 | 48.00 | 49.00 | 51.00 | 54.00 | 56.00 | 58.00 | 60.00 | 65.00 | 68.00 | |
| 2. Cane Prodn, MMT | 0.505 | 0.450 | 0.420 | 0.437 | 0.463 | 0.480 | 0.497 | 0.514 | 0.557 | 0.583 | 0.592 |
| 3. Sugar prodn, MMT | 0.0625 | 0.045 | 0.042 | 0.045 | 0.05 | 0.05 | 0.05 | 0.06 | 0.065 | 0.070 | 0.075 |
| 4. Total Area Planted, Has. | 11,030 | 8,491 | 8,576 | 8,576 | 8,576 | 8,576 | 8,576 | 8,576 | 8,600 | 8,600 | 8,600 |
| 5. Commercial Power Generation | | | | | | | | | | | |
| MW | 0 | 0 | 0 | 0 | 0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |

*includes expansion areas in Bataan, Zambales, etc. for bioethanol production by Luzon Bioenergy Corp.

Table 11.29b. Medium & Long-Term Action Plans and Targets of Cotabato Mill District

| Cotabato Mill District | | |
|---|----------------------------------|--------------------------------|
| INTERVENTIONS | MEDIUM-TERM TARGETS (2018-19) | LONG-TERM TARGETS (2023-24) |
| 1. Block Farming, No. of block farms | 25 | 50 |
| 2. Farm Mechanization % Mechanized | | |
| Land Preparation | 50% | 100% |
| Cultivation | 50% | 100% |
| Harvesting | 50% | 80% |
| 3. Irrigation / Drainage Improvement | | |
| % Irrigated | 20% | 80% |
| % Improved drainage | 20% | 80% |
| 4. Yield Trials / HYV Propagation, % adoption | 70% | 100% |
| 5. Farm to Mill Roads, % permanent/concrete roads | 25% | 100% |
| 6. Capacity building / HRD for farmers & workers | | |
| % of farmers & workers trained | 75% | 100% |
| No. of scholars | 10 | 20 |
| 7. Installation of Automated Weather Stations | | |
| No. of units | 2 | 4 |
| 8. Soil fertility mapping, % completion | 100% | |
| 9. Liming program, % applied | 50% | 100% |
| 10. Development of Expansion Areas, Has. | | |

11.2. Block Farm Implementation Plan

I. INTRODUCTION

1. Background

As early as January 2011, the concept of block farming was announced by Administrator Ma. Regina Bautista-Martin of SRA as the flagship program of her administration to prepare the small farmers when the tariff of sugar will be reduced to 5% in year 2015. She conceptualized the program as an avenue of promoting agribusiness and entrepreneurship among the small farming communities with the block farm as an agribusiness enterprise.

Secretary Proceso J. Alcala, the DA Secretary, fully supported the block farming program of SRA which he included as part of the DA-DAR-DENR Convergence Initiative. When the SRA Administrator and DAR Secretary Virgilio de los Reyes met in one of the gatherings for the Agrarian Reform

Communities in Negros Occidental, sometime in February 2011, the block farming program for the Agrarian Reform Beneficiaries was extensively discussed by the two leaders.

2. Rationale

SRA production and productivity data in crop year 2013-2014 (Table 11.2.1) showed that small farms of 5 hectares and less comprised around 82 % of the total farms with a total land area of 120,364 hectares and still counting due to the on-going distribution of lands under the agrarian reform program. The average farm productivity is way below the national average productivity. In general, the Philippine farm productivity is below the Thailand productivity having an average of around 70 tons cane per hectare compared to the Philippines with only 59 tons cane per hectare in CY 2013-2014. In a way, the low productivity of small farms have influenced the national average. Productive farms in the Philippines can yield even more than 100 tons cane per hectare given the right fertilizer, with properly mechanized and irrigated farms and right timing of planting and harvesting operations that are synchronized with mill operations.

Table 11.2.1 Farm Profile of Philippine Sugarcane Farms

| Profile of Philippine Sugarcane Farms, CY 2013-2014 | | | | | | |
|---|----------------|----------------|---------------|----------------|-------------------|----------------|
| Farm Size | No. of Farmers | Percent | No. of Farms | Percent | Area (has) | Percent |
| | | No. of Farmers | | No. of Farms | | Area |
| Below 5.00 Has. | 63,761 | 81.46% | 67,512 | 75.51% | 120,364 | 28.44% |
| 5.01 - 10.00 | 7,851 | 10.03% | 9,515 | 10.64% | 56,745 | 13.41% |
| 10.01 -25.00 | 3,730 | 4.77% | 5,656 | 6.33% | 63,806 | 15.08% |
| 25.01 - 50.00 | 1,637 | 2.09% | 2,977 | 3.33% | 62,837 | 14.85% |
| 50.01 - 100.00 | 911 | 1.16% | 2,044 | 2.29% | 56,755 | 13.41% |
| 100.01 & Above | 386 | 0.49% | 1,706 | 1.91% | 62,658 | 14.81% |
| TOTAL | 78,276 | 100.00% | 89,411 | 100.00% | 423,165.45 | 100.00% |

The country's sugarcane farms have a huge potential to grow economically if the farmers are given the right support especially for the small farms and the appropriate infrastructure programs are provided by the government that help in achieving optimum farm productivity.

II. PROGRAM COMPONENTS

1. Description

The block farming program is the operational consolidation of small sugarcane farms with low farm productivities to take advantage of plantation-scale production for easier deployment / access of support facilities such as logistical, financial and marketing support services. Operations and farm management of small farms will be consolidated into a minimum “block farms” of 30 hectares. Ownership of each small farm is still maintained and respected, thus giving the landowners a share in the profits or earnings in using the land for sugarcane production. Through a consolidated and professional management of contiguous farms, productivity will improve beyond the national average level of 56 tons cane per hectare given the appropriate infrastructure and timely support / financial services.

2. Program Status and Milestones

For the period of 2012 to 2014, twenty eight (28) block farms were operationalized under the convergence initiative of DAR-DA-SRA. In 2012, four (4) pilot block farms were launched in Balayan, Batangas which were already operational for two cropping seasons and fifteen (15) more operated for their first cropping season. Remaining block farms will complete their first cropping season as block farms in crop year 2014-2015.

Monitoring reports of SRA showed an increase in sugarcane yield of the 19 pilot block farms (Table 11.2.2) during their operation in CY 2013-2014 at an average of 29.2%, comparing their yields prior to participation in the block farm program versus farm productivities when they operated as block farms.

Table 11.2.2. SRA-DAR-DA Pilot Block Farms as of CY 2013-14

| Block Farms (BF) | Tons Cane / Hectare | | % Increase |
|--|---------------------|---------------|---------------|
| | Prior to Block Farm | As Block Farm | |
| 1. Binhi ni Abraham, Concepcion, Tarlac | 40.00 | 70.00 | 75.00% |
| 2. North Cluster Producers Coop, Paniqui, Tarlac | 50.00 | 100.00 | 100.00% |
| 3. Lucban MPC, Blayan, Batangas | 37.00 | 50.58 | 36.70% |
| 4. Kamahari MPC, Nasugbu, Batangas | 43.67 | 57.31 | 31.23% |
| 5. Damba MPC, Nasugbu, Batangas | 41.00 | 47.31 | 15.39% |
| 6. Prenza MPC, Lian, Batangas | 50.00 | 54.81 | 9.62% |
| 7. Kauswagan MPC, Pontevedra, Negros Occ. | 45.44 | 55.48 | 22.10% |
| 8. Gen. Malvar MPC, Pontevedra, Negros Occ. | 38.00 | 53.27 | 40.18% |
| 9. Minaba MPC, Kabankalan, Negros Occ. | 42.05 | 52.92 | 25.85% |
| 10. Hda. Bernardita ARB MPC (Cadiz, Negros Occ. | 77.00 | 82.75 | 7.47% |
| 11. Casa MPC, Talisay, Negros Occ. | 59.25 | 67.04 | 13.15% |
| 12. SYCIP Plantation Workers, Manjuyod, Negros Or. | 80.00 | 123.55 | 54.44% |
| 13. San Julio Farm Workers MPC, Tanjay, Negros Or. | 55.00 | 65.00 | 18.18% |
| 14. KASFARBECO, Bais, Negros Or. | 52.00 | 65.00 | 25.00% |
| 15. LARBEMCO, Bayawan, Negros Or. | 41.50 | 49.83 | 20.07% |
| 16. RAMPUCO MPC | 58.00 | 75.00 | 29.31% |
| 17. MAFARMPUCO | 45.00 | 50.66 | 12.58% |
| 18. SUFARMPUCO | 55.00 | 60.00 | 9.09% |
| 19. Agutayan-Cubay ARC | 55.00 | 60.00 | 9.09% |
| AVERAGE | 50.78 | 65.29 | 29.18% |

3. Implementing Agency / ies

Lead Agency : Sugar Regulatory Administration
 Partners : Department of Agrarian Reform (DAR)
 Department of Agriculture (DA)
 Mill District Development Councils (MDDCs)

4. Target Beneficiaries

Beneficiaries shall be small farmers of SRA-validated farms with sizes of 5 hectares and less, ARBs or non-ARBs

II. OBJECTIVES AND TARGETS

1. Objectives

- To provide the small sugarcane farmers with ample technical, financial, infrastructure and marketing support by consolidating small farms to achieve economies of scale;

- To improve the farm productivity of small farms through block farming;
- To reduce cost of production and provide a sustainable income for small sugarcane farmers.

2. Deliverables

a. Target Outputs

- Hired 50 junior agriculturists to assist in providing technical assistance and technologies to block farms
- Business / deployment plans of 50 block farms
- Farm and budget plans of 50 block farms
- Rehabilitated the soils of 1,500 hectares of block farms
- Trained 1,500 block farm enrollees using OPSI modules (Appendix 3)
- 50 locations of one-hectare demo farms
- 50 locations of one-hectare high-yielding variety (HYV) nurseries
- 8 sets of training equipment
- 50 sets of farm machineries, implements & irrigation equipment
- Financed the farm operations of 50 block farms @ P50,000/hectare

b. Desired Outcomes

- 5 tons cane per hectare minimum increase in sugarcane tonnage per block farm provided that there is no typhoon damage and pest infestation
- P 100 per 50-kilo bag minimum reduction of cost of production of raw sugar produced, granting that there is no escalation in the price of farm inputs

3. Medium-Term Targets

Table 11.2.3. Block Farm Medium-Term Targets

| Years | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------|------|------|------|------|------|
| % Small Farmers Enrolled in Block Farms | 2% | 10% | 30% | 42% | 55% | 68% |
| % Area of Small Farms Covered by Block Farms | 0.5% | 3% | 10% | 15% | 25% | 35% |

Notes: As of CY 2011-2012, number of small farms was 54,042 and area of small farms was 108,699 hectares

III. IMPLEMENTATION PHASES

1. Identification and Prioritization of Beneficiaries

- SRA and / or DAR pre-identifies and obtain profiles of small farmers cooperatives and organizations who have legal personality (SEC, CDA or DOLE-registered) and qualify for the block farm program
- Farm areas of individual enrollees are surveyed by SRA technical personnel and junior agriculturists to validate ownership and farm size
- Identified and pre-qualified block farms should apply for SRA accreditation
- Organizational maturity and financial capability are assessed as basis for grants through the general appropriations
- The priority 50 block farms will be assessed by SRA as to its organizational stability and capability. Organizationally stable block farms will be prioritized in terms of granting them with HYV nurseries and farm machineries
- Continual briefings, orientations and trainings will be given to all block farms and give focus to the strengthening of those with weak organizational structure for them to be able to receive grants from the government
- Remaining block farms over and above the funded 50 block farms will be lined-up for funding the following year

2. Beneficiaries and Locations

The target 50 block farm beneficiaries and locations pre-identified by SRA and DAR to qualify for government grants will be selected from among those validated and accredited by SRA.

3. Interventions and Activities

- Prospective block farms organizations are profiled by SRA or DAR and lists of interested enrollees who wanted to join the block farm program are evaluated
- Individual farms of block farm enrollees are validated by SRA through GPS mapping and exact area of each farm are finalized for inclusion in the block farm program
- Briefing, orientation, awareness and bookkeeping seminars are given to organized block farms
- Soil samples are gathered by SRA agriculturists, Mill District Officers (MDOs) and hired Junior agriculturists and analyzed in SRA soils laboratories as basis for fertilization and soil amendments / rehabilitation
- Farm and budget plans of each individual farms are prepared with the assistance of SRA technical personnel and hired junior agriculturists which is a requirement of Landbank in crop loan applications
- Potential farm managers are selected among the block farm enrollees who will be trained as future farm managers
- Each block farm should be managed by a professional manager and in the absence of such, the SRA MDO will initially coach the block farm on how to manage their farms as an agribusiness enterprise
- Farm management seminars and trainings are conducted to block farm enrollees more particularly the SRA Outreach Program for the Sugar Industry (OPSI) training which is a 3-day seminar/workshop that contains a comprehensive course on sugarcane farm management and good agricultural practices.

This includes cross farm visits to progressive farms in the country

- Block farm enrollees are also sponsored for cross farm visits to observe best practices of progressive farms within the country and in neighboring countries as well like Thailand
- Demo farms are made available to each block farm as model farms where the best technologies and good agricultural practices are showcased. A MOA between the block farm lot owner and the SRA will be executed for the establishment and operation of a demo farm where farm inputs will be funded by the government
- A one-hectare HYV nursery will be funded by government to multiply and propagate good varieties of sugarcane in the block farm. A MOA shall be executed between SRA and the block farm beneficiary. Most block farms use old varieties because these are cheaper compared to high-yielding varieties. A one-hectare HYV nursery could generate approximately 600,000 pieces of canepoints or planting materials that could be planted in a 12-hectare sugarcane field. The nursery should be maintained by the block farm sustainably for 5 years and planting materials shall be distributed to member-enrollees at reasonable profit margins
- Farm machineries, implements and equipment will be given to the priority 50 block farms in the form of a grant which they will manage as a business undertaking. Those who are not organizationally and financially ready to manage the deployment of farm machineries cannot be a recipient of such machineries, instead, the machineries will be operated by a service provider with a profit-sharing scheme agreement with the block farm owners. The machineries shall be turned over to the block farms once they are organizationally and financially capable or at the end of the service life of the machineries
- Block Farm Business plan or Farm Machinery deployment plan shall be outsourced and a requirement prior to the delivery of such farm machineries
- SRA MDOs and junior agriculturists will coach the block farm for a term of 6 years with some government support, (technical /

financial / infrastructure), and thereafter they should have managed their farms as an agribusiness enterprise

- A cluster of block farms will be established in Luzon, Visayas and Mindanao as island representatives to the block farm national level

Table 11.2.4. Budgetary Requirement of the Block Farm Program – 2016 GAA

| Description / Components | Total Budgetary Requirement of 50 block farms (BF) | Target Outputs |
|---|--|--|
| Orientation / farm management seminars & trainings like OPSI and cross farm visits | 19,532,200 (782,200 for training eqpt of Luzon, Visayas & Mindanao; Training MOOE @ 375,000 / BF that includes transportation, meals, venue, accommodation, training materials and honorarium of speakers | Minimum of 1,500 BF enrollees trained |
| Soils rehabilitation of block farms | 16,027,500 @ 10,685/BF for Soils analysis and soil rehabilitation materials and services | Minimum of 1,500 hectares rehabilitated |
| Hiring of Junior Agriculturists to assist in providing technical services to block farms | 11,880,000 @ P650 /day salary. + P250/day transportation allowance for 22 days/mo | 50 Junior agriculturists hired |
| Establishment of one-hectare Demo Farms per BF to showcase latest technologies and best practices in sugarcane farming | 4,294,750 @ 85,895/ha/BF includes farm inputs (machinery services, labor, planting materials, irrigation, fertilizer, herbicides, weedicides, carabao plowing / cultivation, hauling, loading, harvesting costs, etc) | 50 hectares of Demo Farms |
| Establishment of one-hectare HYV Nursery per BF as source of good quality and high-yielding variety material for the block farms. Land rental and administrative cost shall be shouldered by the block farms while farm inputs shall be charged to the gov't fund | 4,294,750 @ 85,895/ha/BF includes farm inputs (machinery services, labor, planting materials, irrigation, fertilizer, herbicides, weedicides, carabao plowing / cultivation, hauling, loading, harvesting costs, etc) | 50 hectares of HYV Nurseries |
| Preparation of business / deployment plans - outsourced | 1,250,000 @ 25,000 / BF | Business / deployment plans of 50 block farms |
| Procurement of farm machinery | 347,750,000 @6,955,000 / BF | 50 sets of farm machineries, implements & equipment |
| Financing for crop loans | 82,500,000 @50,000/ha; 50 block farms with 30 has. per block farm | Minimum of 1,500 hectares of BF financed through socialized credit |
| GRAND TOTAL | 487,529,200 | |

Figure 11.1. Block Farm Implementation Schedule – GANTT Chart

| Activities | 2015 | | 2016 | | | |
|--|------|----|------|----|----|----|
| | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| 1. Profiling / GPS mapping of block farms | | | | | | |
| 2. Assessment / Prioritization of 50 BFs for funding under GAA | | | | | | |
| 3. Soils sampling & analysis | | | | | | |
| 4. Hiring of technical assistants/ agriculturists | | | | | | |
| 5. Orientation / briefings of selected BFs | | | | | | |
| 6. Soil rehabilitation | | | | | | |
| 7. Preparation of farm plans & processing of credit financing | | | | | | |
| 8. Establishment of HYV nurseries | | | | | | |
| 9. Procurement of farm machineries | | | | | | |
| 10. Establishment of demo farms | | | | | | |
| 11. Farm management trainings, cross farm visits, etc. | | | | | | |
| 12. Technical services & coaching | | | | | | |
| 13. Monitoring & Evaluation | | | | | | |

IV. MONITORING AND EVALUATION

1. Project Monitoring

- SRA shall assign a regular monitoring team under the Planning & Policy Department for all programs and projects funded by the general appropriations
- The monitoring team shall be equipped with knowhow on GPS and geo-tagging of projects
- The monitoring team shall submit quarterly monitoring reports to the Sugar Board
- The SRA Finance shall regularly monitor the funds flow and liquidation of cash advances especially by the block farm beneficiaries

2. Reportorial Requirements and Liquidation Schedules

- The block farms through the SRA MDOs assigned in the mill district are required to submit quarterly progress reports to the SRA Administrator
- Schedule of fund liquidation shall be strictly observed by block farm beneficiaries. Delinquent block farms that do not possess valid justifications for delayed liquidation of cash advances shall be closely monitored and shall be blacklisted for future grants. Removal from the SRA blacklist shall be subject to assessment by the SRA Internal Audit Department and approved by the Sugar Board.

11.3 Sugarcane Roadmap 2020 and Its Medium-Term Plans and Targets (2015-2020)

Some of the action plans and targets generated from the action planning sessions with the individual MDDCs of each mill district has generated conservative targets based on existing capacities and support from the government. Ideal targets are set by SRA in its overall medium-term plan for the sugarcane industry granting that the provisions and funding support under the Sugarcane Industry Development Act of 2015 will be fully implemented. Tables 11.3.1 – 11.3.3 showed the national targets of each priority program under the Sugarcane Roadmap 2020. The breeding and farm mechanization programs should be supported by a strong R & D program in collaboration with state universities, DOST-PCARRD, PHILMECH and DA-BAR. The block farm and Human Resource Development programs should be likewise supported with an active extension support and skills / experts development programs by SRA, DOLE, TESDA, state universities, and other government agencies.

Table 11.3.1. Infrastructure & HRD Medium – Term Targets, 2015-2020

Medium-Term Targets – Years 2015-2020

| Crop Year | Farm-to-Mill Roads Constructed (Kilometers) | Area Served by Irrigation System (Hectares) | Area Served by Drainage Project (Hectares) | No. of Farmers / Workers Trained | No. of Scholars | |
|--------------------------|--|--|---|----------------------------------|--|------------------------|
| | | | | | Under-graduate/ Graduate/ Post Doctorate | Technical / Vocational |
| 2013-14 | 0 | 0 | 0 | 7,197 | 17 | 0 |
| 2014-15 | 0 | 0 | 0 | 7,500 | 17 | 0 |
| 2015-16 | 0 | 0 | 0 | 20,000 | 319 | 50 |
| 2016-17 | 300 | 10,000 | 5,000 | 50,000 | 319 | 100 |
| 2017-18 | 300 | 10,000 | 5,000 | 50,000 | 302 | 100 |
| 2018-19 | 300 | 10,000 | 5,000 | 50,000 | 302 | 100 |
| 2019-20 | 300 | 10,000 | 5,000 | 50,000 | 302 | 100 |
| Total (2015-2020) | 1,200 | 40,000 | 20,000 | 227,500 | 237 undergraduates 72 post doctorates 92 graduate courses | 200 graduates |

Table 11.3.2. Breeding, Soil Rehabilitation and Block Farm Medium – Term Targets, 2015-2020

Medium-Term Targets – Years 2015-2020

| Crop Year | % Adoption of High-Yielding Variety | Area with Soil Fertility Maps, Hectares | Area Covered by Soil Rehabilitation, Hectares | % Small Farmers Covered by Block Farms | % Area Covered by Block Farms, Hectares |
|-------------------|-------------------------------------|---|---|--|---|
| 2013-14 | 60% | 10,000 | 0 | 1% | 0.2% |
| 2014-15 | 61% | 0 | 0 | 2% | 0.5% |
| 2015-16 | 63% | 23,000 | 0 | 10% | 3% |
| 2016-17 | 65% | 200,000 | 10,000 | 30% | 10% |
| 2017-18 | 67% | 200,000 | 20,000 | 42% | 15% |
| 2018-19 | 69% | - | 20,000 | 55% | 20% |
| 2019-20 | 72% | - | 22,000 | 68% | 25% |
| Total (2015-2020) | 72% | 423,000 | 72,000 | 68% | 25% |

Table 11.3.3. Farm Mechanization Medium – Term Targets, 2015-2020

Source

Medium-Term Targets – Years 2015-2020

| Crop Year | % Mechanized Farms | | | |
|-----------|--------------------|-------------|------------|---------|
| | Land Preparation | Cultivation | Harvesting | Loading |
| 2013-14 | 60% | 15% | 1% | 1% |
| 2014-15 | 60% | 15% | 1% | 1% |
| 2015-16 | 64% | 17% | 1% | 1% |
| 2016-17 | 68% | 19% | 2% | 2% |
| 2017-18 | 72% | 21% | 5% | 5% |
| 2018-19 | 76% | 23% | 10% | 10% |
| 2019-20 | 80% | 25% | 15% | 15% |

Source : SRA Planning & Policy Department

11.4. Institutional Development Measures

- A. Completion within 3 months of the SRA Rationalization / Reorganization program in line with SRA's expanded mandate under the Sugarcane Industry Development Act (SIDA).
- B. Official Launching of an Industry-Endorsed Industry Roadmap - Q1
- C. Creation by DA of a Sugarcane Industry Development Council (SIDC) as overall coordinating body (composition subject to due consultation with Government and Private sectors) to serve as venue for harmonization of plans, programs and resolution of issues affecting the Industry.
- D. Creation of an SRA internal TWG under the Sugar Board to i) prepare its agency-specific 2-year Action Plan (2015-2016) aligned with the Roadmap and ii) to serve as the Secretariat in all Roadmap-related activities and functions;
- E. Creation of an SRA Communications / Public Relations Group to craft/oversee / implement the Sugarcane Industry Communications Plan upon launching of the new Roadmap;
- F. Creation of the following committees under the SIDC:
 - 1. Oversight Committee to oversee the implementation of the Roadmap Action Plan;
 - 2. Program Committees (for Block Farming, RD&E, Mill District Development, Farm Mechanization, HRD and other programs) that will oversee the formulation and implementation of Specific Action Plans for each program and to submit and follow up Roadmap-related Project Proposals to concerned Agencies;

11.5. Productivity improvement programs for the Agriculture Sector, with implementing partners and various fund sources (Tables 11.5.1 & 11.5.2):

- A. **Block farming program** – Institutionalization of the Block Farming Program in each Milling District with the goal of transforming small marginal farms into block farms and agribusiness units with the assistance of SRA, MDDCs, GFIs and private service providers. Annex A showed the accomplishments and support services of the block farm program in collaboration with DAR & DA.

B. Research, Development & Extension

1. Crafting and implementation of an industry-wide R,D & E Masterplan in collaboration with State Universities, other government research institutions, private research institutions and international research organizations
2. Expansion and TESDA accreditation of SRA's Outreach Program for the Sugar Industry (OPSI)
3. Expansion of extension services in partnership with the MDDCs, sugar mills, sugar refineries, bioethanol distilleries, investors, industrial users, etc.
4. HYV yield verification and ecological tests in all sugarcane mill districts by MDDCs and R&D partners
5. Rapid propagation of selected HYVs found suitable for specific mill districts through increase in number and size of HYV nurseries operated by MDDCs
6. Facilitation by MDDCs, mill and SRA field personnel of Farm Planning and crop monitoring activities in order to improve synchronization of harvesting and milling operations and the preparation of crop estimates
7. Commercialization of R & D outputs and technologies in partnership with the private sector
8. Global search of advance technologies and acquisition of sugarcane foreign varieties through bilateral cooperation agreements and participation in international fora

C. Farm Productivity Improvement Activities

1. Designation of Mill District Development Council Foundations (MDDCFI's) as lead implementor and catalyst for productivity improvement interventions in each sugarcane mill district, with initial task of formulating their own District Development Plans and securing support for the same from district stakeholders
2. Soil rehabilitation / liming program to improve soil quality in all Districts
3. Farm mechanization program (establishment of service providers or securing access to the financing program for acquisition of farm equipment or tractor services under the general appropriations for the sugarcane sector as mandated under the Sugarcane Act of 2015)
4. Irrigation systems development with DA-BSWM/NIA assistance
5. Identification of priority farm-to-mill roads and rehabilitation of the same to specifications suited to trucks loaded with sugarcane, with funding

support from the General Appropriations Act as provided in the sugarcane act through DPWH or LGU'S

D. Human Resource Development

1. Crafting of a Human Resource Development Plan for the Sugarcane Industry in coordination with Bureau of Workers with Special Concerns (DOLE-BWSC formerly BRW) and the NGO sector to improve the skills of workers and farmers and their dependents towards the development of the sugarcane industry.

E. Public Relations Program

1. Crafting and implementation of a Communications/Public Relations Campaign

11.6. Other Industry Development Initiatives

A. Access to Credit

1. Provision of Socialized credit to farmers, service providers and emerging support industries through the general appropriations as mandated by the sugarcane act and partner GFIs

B. Support Industries Development, with assistance from DTI/PEZA-BOI/LGUs

1. Campaign for Investments in Support Industries for farm and mill operations, i.e., establishment of local fabrication industries and service providers, through LGU *OTOP* or enterprise development programs or assistance from *Negosyo* Centers
2. Establishment of sugarcane ecozones as business hubs
3. Diversify product streams to increase income of producers, farmers and workers

Table 11.5.1. 2016 Priority Programs and Required Investments

| Programs | Performance Indicator | Physical Targets | Budgetary Requirement & Fund Sources (Millions, Pesos) | | |
|---|---|-------------------------------|--|-------------|-------------|
| | | | GAA | SRA | ODA |
| A) Block Farming Program | No. of block farms operationalized | 200 | 300.0 | 10.0 | 100.0 - DAR |
| B) R, D & E Program | | | | | |
| 1. HYV Nurseries | No. of Hectares | 1,500 | 130.0 | 5.0 | |
| 2. Breeding of new varieties | No. of foreign varieties acquired/tested | 4 | 2.0 | 5.0 | |
| | No. of new varieties bred | 2-SRA 3-PHILSURIN/ SUCs | 3.0 | 10.0 | |
| 2. Adaptability trials | No. of Hectares tested | 300 | 25.0 | 5.0 | |
| | NCT tests conducted | 15 | 5.0 | | |
| | Hectares of demo farms | 100 | 10.0 | 2.0 | |
| 3. Crop Estimate System | No. of weather stations installed | 120 | 24.0 | | |
| 4. Soil Fertility Mapping | No. of soils laboratories assisted / installed | 10 | 45.0 | | |
| | No. of soil fertility district maps generated | 5 | | 2.0 | |
| | No. of district soil monoliths generated | 5 | 5.0 | | |
| 5. Soil Rehabilitation Program | Hectares rehabilitated | 10,000 | 10.0 | | |
| | No. of small farmers assisted | 3,500 | | | |
| 6. Capacity building of farmers | No. of experts hired | 20 | 15.0 | 2.0 | |
| | No. of OPSI trainings | 20 | | | |
| | No. of farmers/workers trained as farm managers | 500 | | | |
| | No. of farmers/workers trained agripreneurs | 50 | | | |
| 7. Accelerated Technology Generation & Transfer | No. of farmer-beneficiaries to new technologies | 2,500 | 12.5 | 10.0 | |
| 8. Research Projects thru PHILSURIN, SUCs, Millers associations, etc. | No. of research projects undertaken | 5 | 13.5 | 10.0 | |
| Subtotal | | | 300.0 | 61.0 | |

Table 11.5.1. 2016 Priority Programs and Required Investments

(continuation)

| Programs | Performance Indicator | Physi-cal Targets | Budgetary Requirement & Fund Sources (Millions, Pesos) | | |
|--|--|----------------------|--|-------------|----------------|
| | | | GAA | SRA | ODA |
| C. Farm mechanization program | | | | | |
| 1. Mechanized land preparation & planting | No. of sets tractors & implements acquired | 30 | 60.0 | | 60.0 |
| 2. Mechanized loading & hauling | No. of loaders acquired | 20 | 10.0 | | 10.0 |
| | No. of trucks acquired | 5 | 10.0 | | 20.0 |
| 3. Mechanized harvesting | No. of harvesters / cutters acquired | 10 | 20.0 | | 20.0 |
| | Subtotal | | 100.0 | | 110.0 |
| D. Socialized Credit program thru LBP | | | | | |
| 1. Financing of mill/farm support industries | No. of support industries assisted | 2 | 50.0 | | |
| 2. Financing of service providers | No. of service providers assisted | 2 | 50.0 | | |
| 3. Crop loan financing | Hectares financed | 2,000 | 100.0 | | |
| | Subtotal | | 200.0 | | |
| D. Infrastructure program | | | | | |
| 1. Irrigation system | Hectares covered by irrigation | 20,000 | 150.0 | | 150.0 |
| 2. Drainage improvement | Hectares covered by improved drainage | 5,000 | 50.0 | | 50.0 |
| 2. Farm-to-mill Roads | Km road constructed | 70 | 800.0 | | 1,000.0 |
| | Subtotal | | 1,000.0 | | 1,200.0 |
| E. Scholarship program for the development of skills needed by the sugarcane industry | | | | | |
| 1. Vocational Courses | No. of scholars | 500 | 25.0 | | |
| 2. Bachelors Degree Courses | No. of scholars | 400 | 75.0 | 5.0 | |
| | Subtotal | | 100.0 | | |
| F. Communications / Public Relations Program | | | | | |
| | No. of PR campaigns conducted | 5 | - | 5.0 | - |
| GRAND TOTAL | | | 2,000.0 | 71.0 | 1,410.0 |

Table 11.5.2. Sugarcane Roadmap 2020 Priority Programs (Physical Targets)

| Programs | Performance Indicator | Physical Targets | | | | | |
|--------------------------------------|--|------------------|-----------------------------|--------|--------|--------|--------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| A) Block Farming Program | | | | | | | |
| 1. Operationalization of block farms | No. of block farms operationalized | 50 | 200 | 200 | 200 | 200 | 200 |
| B) R, D & E Program | | | | | | | |
| 1. HYV Nurseries | No. of Hectares | 100 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| 2. Breeding of new varieties | No. of foreign varieties acquired/tested | 2 | 4 | | 4 | | |
| | No. of new varieties bred | | 2-SRA 3-PHILSURIN / SUCs | 5 | 5 | 5 | 5 |
| 2. Adaptability trials | No. of Hectares tested | 100 | 300 | 300 | 300 | 300 | 300 |
| | NCT tests conducted | 5 | 15 | 15 | 15 | 15 | 15 |
| | Hectares of demo farms | 24 | 100 | 100 | 100 | 100 | 100 |
| 3. Crop Estimate System | No. of weather stations installed Generation of crop modeling software and database | 90 | 120 | | 1 set | | |
| 4. Soil Fertility Mapping | No. of soils laboratories assisted / installed | 2 | 10 | 5 | 5 | 5 | 5 |
| | No. of soil fertility district maps generated | 2 | 5 | 17 | | | |
| | No. of district soil monoliths generated | | 5 | 10 | 9 | | |
| | No. of district soil monoliths generated | | | | | | |
| 5. Soil Rehabilitation Program | Hectares rehabilitated | | 10,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| | No. of small farmers assisted | | 3,500 | 7,000 | 7,000 | 7,000 | 7,000 |

Table 11.5.2. Sugarcane Roadmap 2020 Priority Programs (Physical Targets) - Continuation

| Programs | Performance Indicator | Physical Targets | | | | | |
|---|---|------------------|-------|-------|--------|--------|--------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| B) R, D & E Program | | | | | | | |
| 6. Capacity building of farmers | No. of experts hired | 10 | 20 | 20 | 20 | 20 | 20 |
| | No. of OPSI trainings | 50 | 500 | 500 | 500 | 500 | 500 |
| | No. of farmers/workers trained as farm managers | | 50 | 100 | 100 | 100 | 100 |
| | No. of farmers/workers trained as agripreneurs | | | | | | |
| | | | | | | | |
| 7. Accelerated Technology Generation & Transfer | No. of farmer-beneficiaries to new technologies | 500 | 2,500 | 5,000 | 10,000 | 10,000 | 10,000 |
| 8. Research Projects thru PHILSURIN, SUCs, Millers associations, etc. | No. of research projects undertaken | 1 | 5 | 10 | 10 | 10 | 10 |

**Table 11.5.2. Sugarcane Roadmap 2020 Priority Programs – Physical Targets
(continuation)**

| Programs | Performance Indicator | Physical Targets | | | | | |
|--|---|------------------|---------|---------|---------|---------|---------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| C. Farm mechanization | | | | | | | |
| 1. Mechanized land preparation & planting | No. of sets of tractors & implements acquired | | 30 | 30 | 30 | 30 | 30 |
| 2. Mechanized loading & hauling | No. of loaders acquired No. of trucks acquired | | 20 5 | 20 5 | 20 5 | 20 5 | 20 5 |
| 3. Mechanized land preparation | No. of harvesters/cutters acquired | | 20 | 20 | 20 | 20 | 20 |
| D. Socialized Credit | | | | | | | |
| 1. Financing of mill/farm support industries | No. of support industries assisted | | 2 | 3 | 3 | 3 | 3 |
| 2. Financing of service providers | No. of service providers assisted | | 2 | 3 | 3 | 3 | 3 |
| 3. Crop Loan Financing | Hectares Financed | 100 | 2,000 | 2,500 | 2,500 | 2,500 | 2,500 |

Table 11.5.2. Sugarcane Roadmap 2020 Priority Programs – Physical Targets (continuation)

| Programs | Performance Indicator | Physical Targets | | | | | |
|--|---------------------------------------|------------------|----------|----------|----------|----------|----------|
| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| E. Infrastructure program | | | | | | | |
| 1. Irrigation system | Hectares covered by irrigation | | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| 2. Drainage improvement | Hectares covered by improved drainage | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 2. Farm-to-mill Roads | Km road constructed | | 70 | 150 | 150 | 150 | 150 |
| F. Scholarship program for the development of skills, technologists and technical / agribusiness experts needed by the sugarcane industry | | | | | | | |
| 1. Vocational Courses | No. of scholars | | 500 | 500 | 500 | 500 | 500 |
| 2. Bachelors Degree Courses | No. of scholars | 12 | 100 | 100 | 100 | 100 | 100 |
| G. Communications / Public Relations Program | No. of PR campaigns conducted | | 5 | 5 | 5 | 5 | 5 |

Table 11.5.3. Sugarcane Roadmap 2020 Priority Programs – Financial Requirements, Millions of Pesos

| Programs | Performance Indicator | Financial Requirements, Millions Pesos | | | | | | | | | | | | | | | | | |
|--------------------------------------|---|--|-----------|-----|------------|-----------|------------|------------|-----------|------------|------------|-----------|------------|------------|-----------|------------|------------|-----------|------------|
| | | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | | 2020 | | |
| | | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA |
| A) Block Farming Program | | | | | | | | | | | | | | | | | | | |
| 1. Operationalization of block farms | No. of block farms operationalized | 50 | 10 | | 300 | 10 | 100 | 300 | 10 | 100 | 300 | 10 | 100 | 300 | 10 | 100 | 300 | 10 | 100 |
| <i>Subtotal, Block Farming</i> | | <i>50</i> | <i>10</i> | | <i>300</i> | <i>10</i> | <i>300</i> |
| B) R, D & E Program | | | | | | | | | | | | | | | | | | | |
| 1. HYV Nurseries | No. of Hectares | 5 | 5 | | 130 | 5 | | 130 | 5 | | 130 | 5 | | 130 | 5 | | 130 | 5 | |
| 2. Breeding of new varieties | No. of foreign varieties acquired /tested | 2 | 4 | | 2 | 5 | | 2 | | | 2 | 5 | | 2 | 5 | | 2 | 5 | |
| | No. of new varieties bred | | 10 | | 3 | 10 | | 3 | 10 | | 3 | 10 | | 3 | 10 | | 3 | 10 | |
| 2. Adaptability trials | No. of Hectares tested | 5 | 5 | | 25 | 5 | | 25 | 5 | | 25 | 5 | | 25 | 5 | | 25 | 5 | |
| | NCT tests conducted | | | | 5 | | | 5 | | | 5 | | | 5 | | | 5 | | |
| | Hectares of demo farms | | | | 10 | 2 | | 10 | 2 | | 10 | 2 | | 10 | 2 | | 10 | 2 | |

| Programs | Performance Indicator | Financial Requirements, Million Pesos | | | | | | | | | | | | | | | | | |
|--------------------------------|---|---------------------------------------|--------|-----|---------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|------|-----|-----|
| | | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | | 2020 | | |
| | | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA |
| 3. Crop Estimate System | No. of weather stations installed Generation of crop modeling software and database | 6 | 12 | | 24 | | | 4.0 | | | | | | | | | | | |
| 4. Soil Fertility Mapping | No. of soils laboratories assisted / installed No. of soil fertility district maps generated No. of district soil monoliths generated | 5.0 | 5 2 | | 45 5 | 2.0 | | | | | | | | | | | | | |
| 5. Soil Rehabilitation Program | Hectares rehabilitated No. of small farmers assisted | | | | 10 | | | 20 | | | 20 | | | 20 | | | | 20 | |

NOTE: GAA is included for possible supplementary budget in 2015; SRA has no national subsidy / appropriations from year 2008-2015

Table 11.5.3. Sugarcane Roadmap 2020 Priority Programs – Financial Requirements, Millions of Pesos (Continuation)

| Programs | Performance Indicator | Financial Requirements, Millions Pesos | | | | | | | | | | | | | | | | | |
|---|--|--|-----------|-----|------------|-----------|-----|------------|-----------|-----|------------|-----------|-----|------------|-----------|-----|------------|-----------|-----|
| | | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | | 2020 | | |
| | | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA |
| 6. Capacity building of farmers | No. of experts hired No. of OPSI trainings No. of farmers/workers trained as farm managers No. of farmers/workers trained as agripreneurs | 2 | 2 | | 15 | 2 | | 15 | 2 | | 15 | 2 | | 15 | 2 | | 15 | 2 | |
| 7. Accelerated Technology Generation & Transfer | No. of farmer-beneficiaries to new technologies | 2 | 6 | | 12.5 | 10 | | 12.5 | 15 | | 12.5 | 20 | | 12.5 | 20 | | 12.5 | 20 | |
| 8. Research Projects thru PHILSURIN, SUCs, Millers associations, etc. | No. of research projects undertaken | 5 | 10 | | 13.5 | | | 23.5 | | | 23.5 | | | 23.5 | | | 23.5 | | |
| Subtotal, R,D & E32 | | | 51 | | 300 | 41 | | 300 | 39 | | 300 | 49 | | 300 | 49 | | 300 | 49 | |

| Programs | Performance Indicator | Financial Requirements, Millions Pesos | | | | | | | | | | | | | | | | | |
|--|---|--|-----|-----|------------|-----|------------|------------|-----|------------|------------|-----|------------|------------|-----|------------|------------|-----|------------|
| | | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | | 2020 | | |
| | | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA |
| C) Farm Mechanization Program | | | | | | | | | | | | | | | | | | | |
| 1. Mecha-nized land preparation & planting | No. of sets of tractors & implements acquired | | | | 60 | | 60 | 60 | | 60 | 60 | | 60 | 60 | | 60 | 60 | | 60 |
| 2. Mecha-nized loading & hauling | No. of loaders acquired No. of trucks acquired | | | | 10 10 | | 10 20 |
| 3. Mecha-nized land preparation | No. of harvesters/cutters acquired | | | | 20 | | 20 | 20 | | 20 | 20 | | 20 | 20 | | 20 | 20 | | 20 |
| Subtotal, Farm Mechanization | | | | | 100 | | 110 |

In turn, the farmers will have to invest an average of twenty eight billion pesos (at Php70,000 per hectare for 400,000 hectares) for farm development, farm inputs and harvesting / hauling services.

Table 11.5.3. Sugarcane Roadmap 2020 Priority Programs – Financial Requirements, Millions of Pesos (Continuation)

| Programs | Performance Indicator | Financial Requirements, Millions Pesos | | | | | | | | | | | | | | | | | |
|---|------------------------------------|--|-----|------------|------|-----|------------|------|-----|------------|------|-----|------------|------|-----|------------|------|-----|-----|
| | | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | | 2020 | | |
| | | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA |
| D. Socialized Credit | | | | | | | | | | | | | | | | | | | |
| 1. Financing of mill/ farm support industries | No. of support industries assisted | | | 50 | | | 50 | | | 50 | | | 50 | | | 50 | | | |
| 2. Financing of service providers | No. of service providers assisted | | | 50 | | | 50 | | | 50 | | | 50 | | | 50 | | | |
| 3. Crop Loan Financing | Hectares Financed | | | 200 | | | 200 | | | 200 | | | 200 | | | 200 | | | |
| Subtotal, Socialized Credit | | | | 300 | | | 300 | | | 300 | | | 300 | | | 300 | | | |

| Programs | Performance Indicator | Financial Requirements, Millions Pesos | | | | | | | | | | | | | | | | | |
|--|---------------------------------------|--|-----|-----|--------------|-----|--------------|--------------|-----|--------------|--------------|-----|--------------|--------------|-----|--------------|--------------|-----|--------------|
| | | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | | 2020 | | |
| | | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA |
| E. Infrastructure program | | | | | | | | | | | | | | | | | | | |
| 1. Irrigation system | Hectares covered by irrigation | | | | 150 | | 150 | 150 | | 150 | 150 | | 150 | 150 | | 150 | 150 | | 150 |
| 2. Drainage improvement | Hectares covered by improved drainage | | | | 50 | | 50 | 50 | | 50 | 50 | | 50 | 50 | | 50 | 50 | | 50 |
| 2. Farm-to-mill Roads | Km road constructed | | | | 800 | | 2,000 | 800 | | 2,000 | 800 | | 2,000 | 800 | | 2,000 | 800 | | 2,000 |
| Subtotal, Infrastructure | | | | | 1,000 | | 2,200 | 2,000 | | 2,200 |
| F. Scholarship program for the development of skills, technologists and technical / agribusiness experts needed by the sugarcane industry | | | | | | | | | | | | | | | | | | | |
| 1. Vocational Courses | No. of scholars | | | | 25 | | | 25 | | | 25 | | | 25 | | | 25 | | |

| | | | | | | | | | | | | | | | | | | | | |
|--|---------------------------------|--|-------------|-----|--------------|-----------|--------------|--------------|-----------|--------------|--------------|-----------|--------------|--------------|-----------|--------------|--------------|-----------|--------------|--|
| 2. Bachelors Degree Courses | No. of scholars | | 5 | | 75 | 5 | | 75 | 5 | | 75 | 5 | | 75 | 5 | | 75 | 5 | | |
| Programs | Performance Indicator | Financial Requirements, Millions Pesos | | | | | | | | | | | | | | | | | | |
| | | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | | 2020 | | | |
| | | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | GAA | SRA | ODA | |
| <i>Subtotal, Scholarship</i> | | | 5 | | 100 | 5 | | 100 | 5 | | 100 | 5 | | 100 | 5 | | 100 | 5 | | |
| F. Communications / Public Relations Program | No. of PR cam-paigns conduc-ted | | 2 | | | 2 | | | 2 | | | 2 | | | 2 | | | 2 | | |
| <i>Subtotal, PR</i> | | | 2 | | | 2 | | | 2 | | | 2 | | | 2 | | | 2 | | |
| GRAND TOTAL | | | 8273 | | 2,000 | 58 | 2,610 | 3,100 | 56 | 2,610 | |

12. OUTPUTS AND SECTORAL OUTCOMES

The programs outlined above will spur the sugarcane industry towards greater competitiveness, productivity and eventual stability. Farm productivity will be increased from 59 TC/Ha to 70 TC/Ha by crop year 2019-2020. Increased sugar output will enable the supply of 2.3 million metric tons of competitively-priced sugar to the domestic market, around 150,000 metric tons to the world market and 137,000 metric tons for the US quota. Bioethanol output will supply at least 57% of the mandated requirement in Crop Year 2015-2016 and 100% of mandated requirements by CY 2019-2020. The number of larger-sized farms (30 hectares and up) will also increase by 100-150 Block Farms per year with the implementation of the Block Farm Program. Farm and mill support industries / MSME's will emerge in well-managed Milling Districts with support from DTI and LGU's with aggressive LED and "*Negosyo*" programs. Sugar ecozones will be established as rural development hubs by forward-looking mills seeking to establish integrated operations (cane growing, milling, refining, power cogeneration, ethanol production and production of other products within their ecozones) in order to enhance their competitive positions.

Tables 12.1 & 12.2 enumerates the target outputs, sectoral outcomes and inclusive growth indicators once all interventions and programs are in place and implemented within the medium-term period. Annual contribution of the industry to the national economy is expected to increase then from P 87 billion to P100 billion not counting the socio-economic impact to the lives of the industry's 5 million dependents, farmers and workers.

| Table 12.1. Sugarcane Roadmap 2020 (By Crop Year) – Targets | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (Crop Year) | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| A. Production | | | | | | | |
| 1. <i>Sugar (MT)</i> | 2,461,808 | 2,500,000 | 2,621,000 | 2,666,900 | 2,713,718 | 2,761,472 | 2,810,182 |
| 2. <i>Bioethanol (Liters), from cane</i> | 31,504,200 | 49,109,270 | 89,181,007 | 235,812,269 | 235,812,269 | 235,812,269 | 235,812,269 |
| from molasses | 40,033,439 | 70,890,730 | 103,218,993 | 113,218,993 | 196,000,000 | 196,000,000 | 196,000,000 |
| 3. <i>Sugarcane production, MT</i> | 25,456,025 | 26,506,757 | 27,484,014 | 29,905,065 | 30,237,242 | 30,575,371 | 30,919,549 |
| 3.1 <i>Sugarcane (MT) for sugar</i> | 25,005,965 | 25,805,196 | 26,210,000 | 26,536,318 | 26,868,495 | 27,206,624 | 27,550,802 |
| 3.2 <i>for bioethanol</i> | 450,060 | 701,561 | 1,274,014 | 3,368,747 | 3,368,747 | 3,368,747 | 3,368,747 |
| B. Area (Hectares) | 430,834 | 434,537 | 436,580 | 461,723 | 461,723 | 461,723 | 461,723 |
| for sugar | 423,333 | 423,036 | 416,032 | 408,251 | 401,022 | 394,299 | 393,583 |
| for bioethanol | 7,501 | 11,501 | 20,549 | 53,472 | 60,701 | 67,424 | 68,140 |
| C. Self-sufficiency | | | | | | | |
| 1. <i>Sugar, %</i> | | | | | | | |
| % of Domestic Demand | 113% | 111% | 114% | 114% | 114% | 113% | 113% |
| % of Total Demand | 102% | 96% | 100% | 100% | 100% | 100% | 100% |
| 2. <i>Bioethanol, %</i> | 19% | 31% | 50% | 89% | 110% | 110% | 109.88% |
| Mandated Bioethanol Blend, % | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| D. National Yield | | | | | | | |
| 1. <i>TC/Ha for Sugar, Average</i> | 59.07 | 61.00 | 63.00 | 65.00 | 67.00 | 69.00 | 70.00 |

Table 12.2. Sugarcane Roadmap 2020 (By Crop Year) – National Inclusive Growth Indicators

| (Crop Year) | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|---------|---------|---------|---------|
| E. Farmers' Income (Pesos / LKg) - @ Planters' share of 65%; | | | | | | | |
| @ Composite Price, P/Ha | 1,480 | 1,450 | 1,400 | 1,350 | 1,300 | 1,250 | 1,200 |
| 1. High Production Cost Scenario | | | | | | | |
| @ Ratoon Production Cost, P70,000/ha | 41,376 | 43,835 | 44,660 | 44,645 | 44,362 | 43,807 | 41,384 |
| @ Plant Cane Production Cost, P100,000/ha | 11,376 | 13,835 | 14,660 | 14,645 | 14,362 | 13,807 | 11,384 |
| @ Average Production Cost at 60% ratoon + 40% plant cane, P82,000/ha | 29,376 | 31,835 | 32,660 | 32,645 | 32,362 | 31,807 | 29,384 |
| 2. Low Production Cost Scenario | | | | | | | |
| @ Ratoon Production Cost, P50,000/ha | 61,376 | 63,835 | 64,660 | 64,645 | 64,362 | 63,807 | 61,384 |
| @ Plant Cane Production Cost, P80,000/ha | 31,376 | 33,835 | 34,660 | 34,645 | 34,362 | 33,807 | 31,384 |
| @ Average Production Cost at 60% ratoon + 40% plant cane, P62,000/ha | 49,376 | 51,835 | 52,660 | 52,645 | 52,362 | 51,807 | 49,384 |
| F. Jobs Generated | | | | | | | |
| <i>Total Number of workers (1.5 jobs/ha + 2500 jobs/1.0 milliom MT sugar + 10 jobs / million liters bioethanol)^{1/}</i> | 652,721 | 658,547 | 662,315 | 701,610 | 701,727 | 701,847 | 701,968 |

^{1/} Conservative estimate; DOLE record shows more than 700,000 beneficiaries to SAF

13. MONITORING AND EVALUATION

The Implementing Rules and Regulations (IRR) of the Sugarcane Industry Development Act provides for the creation of program committees composed of government agencies and private sector which shall prepare the program-specific masterplans, monitor and evaluate the milestones of each program supported by SRA units as technical working group. SRA, on the other hand, has its own project monitoring and evaluation team which shall sit down with the program committees in the planning and monitoring aspect.

All projects implemented in the mill district level shall be geotagged and quarterly outputs and deliverables shall be measured. Corrective actions shall be implemented to delayed implementations of projects or those projects that are implemented not in accordance to specifications and the process flow of each project shall be reviewed regularly if proper protocols are observed during project implementation. Implementing guidelines of all projects shall be in place to guide in the efficient and effective implementation of all industry programs and projects. The SRA will also call for a stakeholders consultative assembly in the identification of programs and to be consulted on the level of success of the programs that were implemented for the industry.

The program committees under the Sugarcane Industry Development Act are the following:

1. Block Farm Committee
2. Farm Mechanization Committee
3. Human Resource and Development Committee
4. Infrastructure Committee
5. R, D & E Committee
6. Mill District Development Program Committee

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| 7.2 | Role of AEC Countries in Sugar Trade, CY 2012-2013 |
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| 11.1 | Block Farm Implementation Schedule 0 GANTT CHART |

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5. National Renewable Energy Plan, 2011-2030 – A document prepared by the National Renewable Energy Board
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8. R. A. 9513 otherwise known as the Renewable Energy Act of 2008
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ANNEXES

ANNEX A – BLOCK FARM PROGRAM ACCOMPLISHMENTS & SUPPORT SERVICES

Average 32.8% actual Increase in cane yield per hectare in 15 pilot Block Farms.
In peso terms, income increased by P25,000 per hectare at current prices.

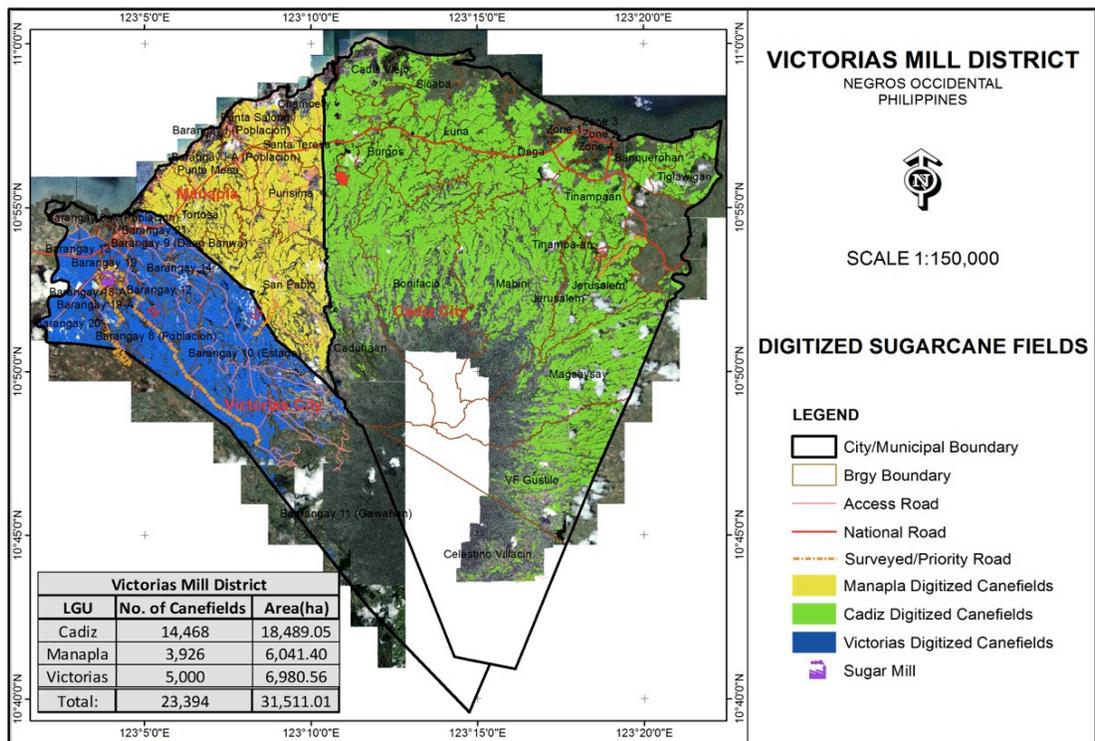
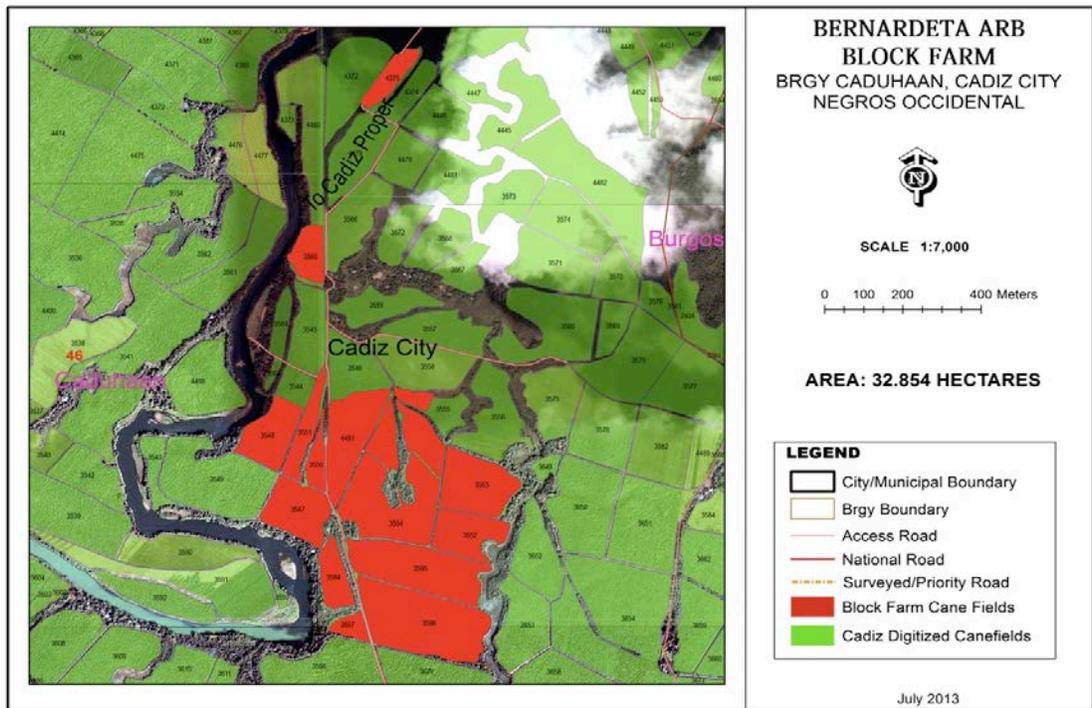
| Block Farm (BF) | Prior TC/Ha | BF TC/Ha | % Increase | Remarks |
|--|-------------|----------|------------|---------------------------|
| 1. Binhi ni Abraham (Concepcion, Tarlac) | 40.00 | 70.00 | 75% | On first year |
| 2. North Cluster Producers Coop (Paniqui, Tarlac) | 50.00 | 100.00 | 100% | On first year |
| 3. Lucban MPC (Balayan, Batangas) | 37.00 | 50.58 | 36.7% | 48.27 TC/Ha in first year |
| 4. Kamahari MPC (Nasugbu, Batangas) | 43.67 | 57.31 | 31.2% | 48.72 TC/Ha in first year |
| 5. Damba MPC (Nasugbu, Batangas) | 41.00 | 47.31 | 13.3% | 45.42 TC/Ha in first year |
| 6. Prenza MPC (Lilian, Batangas) | 50.00 | 54.81 | 9.6% | 55.00 TC/Ha in first year |
| 7. Kauswagan MPC (Pontevedra, Negros Occ) | 45.44 | 55.48 | 22.1% | On first year |
| 8. Gen Malvar MPC (Pontevedra, Negros Occ) | 38.00 | 53.27 | 40.2% | On first year |
| 9. Minaba MPC (Kabangkalan, Negros Occ) | 42.05 | 52.92 | 25.9% | On first year |
| 10. Hda. Bernardita ARBMPC (Cadiz, Negros Occ) | 77.00 | 82.75 | 7.5% | On first year |
| 11. CASA MPC (Talisay, Negros Occ) | 59.25 | 67.04 | 13.1% | On first year |
| 12. SYCIP Plantation Workers (Manjuyod, Negros Oriental) | 80.00 | 123.55 | 54.4% | On first year |
| 13. San Julio Farm Workers (Tanjay, Negros Oriental) | 55.00 | 65.00 | 18.2% | On first year |
| 14. KASFARBECO (Bais, Negros Oriental) | 52.00 | 65.00 | 25.0% | On first year |
| 15. LARBEMCO (Bayawan, Negros Oriental) | 41.50 | 49.83 | 20.1% | On first year |

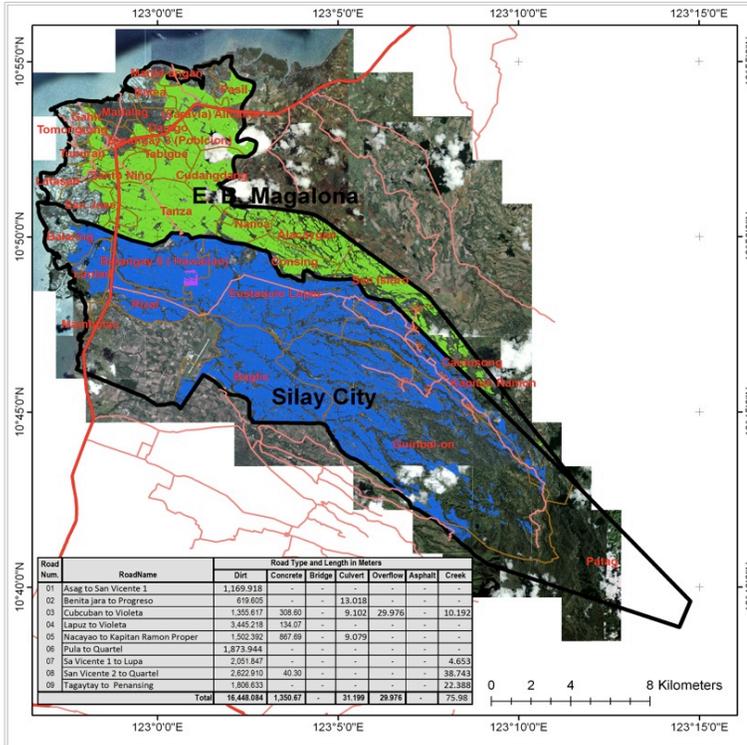
Based on SRA data, farms of 10 hectares and below produce an average of 98.5 bags, while farms of 25 to 50 hectares can produce 129.3 bags per hectare, or 31% increase by consolidation. Another 10% by using HYVs.

Support Services for Block Farms

| Block Farm (BF) | Equipment Grants under DAR's ARCESS Program | Credit under DA-DAR-LBP APCP (Approved Loan) |
|--|---|--|
| 1. Binhi ni Abraham (Concepcion, Tarlac) | 4WD tractor (90 HP) | PhP 10.000 M |
| 2. Lucban MPC (Balayan, Batangas) | 4WD Tractor (90HP), 17 tonner Dump Truck | |
| 3. Kamahari MPC (Nasugbu, Batangas) | 4WD Tractor (90HP), 17 tonner Dump Truck | |
| 4. DAMBA MPC (Nasugbu, Batangas) | 4WD Tractor (90HP), 17 tonner Dump Truck | |
| 5. Prenza MPC (Lilian, Batangas) | 4WD Tractor (90HP), 17 tonner Dump Truck | |
| 6. Kauswagan MPC (Pontevedra, Negros Occ) | | PhP 2.474 M |
| 7. Gen Malvar MPC (Pontevedra, Negros Occ) | Two 4WD tractor, 10 wheeler dump truck, light-duty shredder | PhP 1.260 M |
| 8. Minaba MPC (Kabangkalan, Negros Occ) | | PhP 2.621 M |
| 9. Hda. Bernardita ARBMPC (Cadiz, Negros Occ) | 4WD Tractor (120 HP), 10 wheeler dump truck | PhP 3.200 M |
| 10. CASA MPC (Talisay, Negros Occ) | 4WD Tractor (120 HP), 10 wheeler dump truck | PhP 1.920 M |
| 11. Sycip Plantation Workers MPC (Manjuyod, Negros Oriental) | 4WD Tractor (120 HP), 10 wheeler dump truck | PhP 15.000 M |
| 12. San Julio Farm Workers MPC (Tanjay, Negros Oriental) | 4WD Tractor (120 HP), 10 wheeler dump truck | |
| 13. KASFARBECO (Bais, Negros Oriental) | 4WD Tractor (120 HP), 10 wheeler dump truck | |
| 14. LARBEMCO (Bayawan, Negros Oriental) | 4WD Tractor (120 HP), 10 wheeler dump truck | |

ANNEX B – SAMPLE DIGITIZED & VALIDATED MILL DISTRICT MAPS WITH BLOCK FARMS





HPCO MILL DISTRICT
NEGROS OCCIDENTAL
PHILIPPINES



SCALE 1:140,000

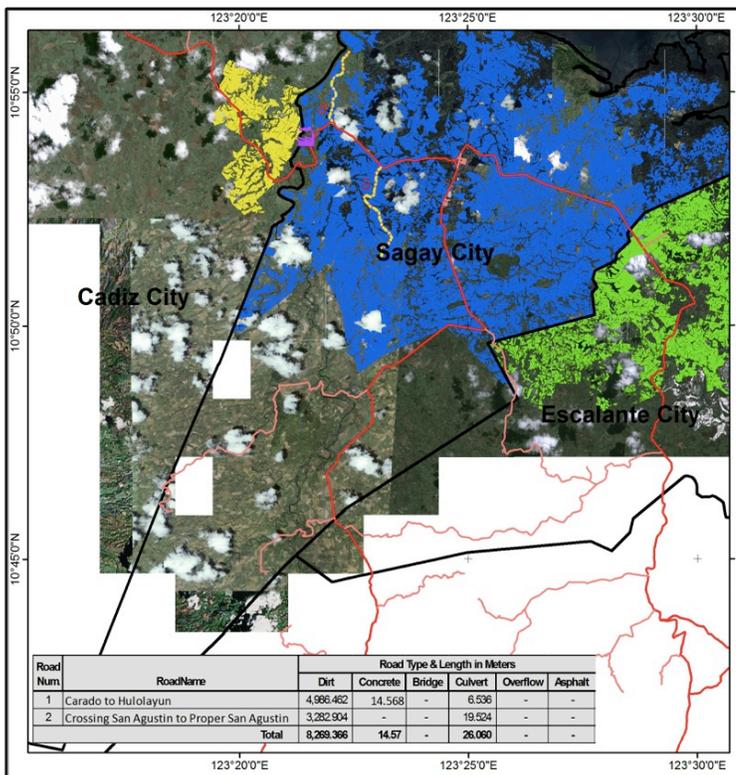
Coordinate System:
WGS1984 UTM ZONE 51N



**DIGITIZED SUGARCANE FIELDS
WITH ROAD STATISTICS**

LEGEND:

- City/Municipal Boundary
- Brgy Boundary
- National Road
- Access Road
- EB Magalona Digitized CaneFields
- Silay Digitized CaneFields
- Sugar Mill



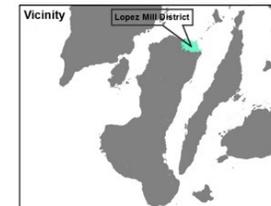
LOPEZ MILL DISTRICT
NEGROS OCCIDENTAL
PHILIPPINES



SCALE 1:110,000

0 2 4 8 Kilometers

Coordinate System:
WGS1984 UTM ZONE 51N



**DIGITIZED SUGARCANE FIELDS
WITH ROAD STATISTICS**

LEGEND:

- City/Municipal Boundary
- Brgy Boundary
- National Road
- Priority Road
- Access Road
- Cadiz Digitized CaneFields
- Escalante Digitized CaneFields
- Sagay Digitized CaneFields
- Sugar Mill

ANNEX C

SRA ACTION PROGRAMS AND KRAS: CROP YEAR 2014-2015 TO 2019-2020 (to be updated by the TWG into a detailed "SRA Action Plan 2020")

A. Agency Rationalization and Reorganization, First Semester 2015

B. Organizing for Roadmap Implementation, First Quarter 2015

1. Creation of the Sugarcane Industry Development Council (SIDC) and the Roadmap Oversight Committee (ROC)
2. Creation of SRA-TWG to serve as SIDC Secretariat and to update SRA's 5-year Action Plan (2015-2020)
3. Creation of Program Development Committees for a) the Block Farm Program, b) RD&E, c) Mill District Development, d) Farm Mechanization, e) Human Resource Development and other programs as may be found necessary by the SIDC. Functions and responsibilities of the above will be defined by the SIDC with the assistance of the TWG.

C. Exercise of Regulatory/Monitoring functions (Agency-funded):

1. Capacity / performance monitoring of sugar mills
2. Sugar Market Study
3. Installation of automated weather stations in all mill districts as basis for weather trends and farm planning
4. Identification and mapping of expansion areas
5. Firm and transparent regulatory framework for the utilization of sugarcane and production / marketing / distribution / food safety of sugar
6. Systematic monitoring of sugarcane supply chain and projects using new information system technologies such as electronic quedan tracking and validation, geo-tagging of projects and production facilities, digitization of all sugarcane fields and other advances in IT

D. Implementation of Roadmap Programs

- Productivity improvement programs like block farming, capacity building through the Outreach Program for the Sugar Industry (OPSI) of SRA
- Transformation of block farms as agribusiness units within the mill districts
- Strengthening the Mill District Development Council Foundation Inc. (MDDCFIs) catalyzing the sustainability of each sugarcane mill district
- Strengthening Research, Development and Extension through collaboration with State Universities, other government research institutions, private research institutions and international research organizations and drafting of industry-wide R, D & E Masterplan
- Expansion of extension and production services in partnership with the MDDCs, sugar mills, sugar refineries, bioethanol distilleries, investors, industrial users, etc.
- Commercialization of R & D outputs and technologies in partnership with the private sector
- Crafting of a Human Resource Development Plan for the Sugarcane Industry in coordination with DOLE to improve the skills of workers and farmers and TESDA accreditation of the SRA Outreach Program for the Sugar Industry (OPSI)
- Global search of advance technologies and acquisition of sugarcane foreign varieties through bilateral cooperation agreements and participation in international for a

5. Advocacies:

- Development of support industries for farm and mill operations like establishment of local fabrication industries and service providers
- Establishment of sugarcane ecozones
- Diversify product streams to increase income of producers, farmers and workers
- Capacity improvement of sugar mills through farm productivity improvement and search for new and expansion areas
- Farm mechanization and irrigation contributing to the attainment of the 70 TC/ha cane productivity by 2015-2016

ANNEX D

CREATION OF THE SUGAR INDUSTRY DEVELOPMENT COUNCIL (SIDC)

I. SIDC Oversight Committee:

- Functions - serves as the overall coordinating body for the harmonization of plans, programs and resolution of issues affecting the sugarcane industry; oversee the implementation of roadmap action plans
- Composition – DA representative to Sugar Board as Chair, SRA Administrator as Co-Chair, and duly designated representatives of the following agencies / organizations with a rank not lower than a Director or Vice-Chairman / Vice-President of an organization:
 1. DAR
 2. DPWH
 3. SMPFI
 4. NACUSIP
 5. 5 leading planters confederations

II. SIDC Technical Working Group

- Functions - serves as Secretariat of the SIDC and various program committees; conduct a review of the 5-year action plan and the Sugarcane Roadmap 2020
- Composition – SRA Planning & Policy as TWG Head , with members from R,D & E, Regulation, Finance, Internal Audit Departments of SRA and SMPFI

III. SIDC Program Committees

- Functions - formulate specific action plans or masterplans of each program, oversee the implementation of such specific action plans and prepare, submit and follow up roadmap-related project proposals to concerned agencies or NGOs

- Composition of each program committees:
 1. *Block Farming Program Committee* – SRA Board Member as Chairperson, USEC/ASEC/Director of DAR as Vice-Chairperson with DA, SRA, DOLE, SMPFI, PHILSUCOR, Foundations of planters associations and MDDCs as members
 2. *R, D & E Committee* – PHILSURIN President as Chairperson, SRA Board Member as Vice-Chairman with millers associations, SMPFI, PHILSUTECH, PASRI, DA-BAR, SUCs/UPLB, DOST-PCARRD /PCIERRD as members
 3. *Mill District Development Committee* – SRA Board Member as Chairperson, SMPFI as Vice-Chairperson, with members from PSMA, PHILSURIN, EPAP, planters federations, refinery, block farms, and SRA
 4. *Farm Mechanization Program Committee* - SRA Board Member as Chairperson, DA-PHILMECH as Vice-Chair with PCARRD-DOST, UPLB, SUCs, PHILSUTECH, SMPFI and Planters Federations as members
 5. *Infrastructure (FMR, irrigation, drainage, bridges, loading ports, etc.) Program Committee* – DA as Chairperson, DPWH as Vice-Chairperson with SRA, NIA, DA-BSWM and SMPFI as members
 6. *Human Resource Development Committee* – DOLE as Chairperson, SRA as Vice-Chair, with representatives of Foundations of planters federations, DA, DAR, TESDA-DOLE, SUC, millers associations, NACUSIP, planters federations as members
 7. *Public Relations Program Committee* – SRA as Chair, SMPFI as Vice-Chair with representatives of EPAP, foundations of planters federations, millers associations as members.

ANNEX E. Sugarcane Mill District Coverage

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|------------------------|----------------|----------------|---------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 1. ISABELA | ISABELA | Alicia | | To be determined |
| | | Angadanan | | |
| | | Cauayan | | |
| | | East Echague | | |
| | | Naguillan 1 | | |
| | | Naguillan 2 | | |
| | | Reina Mercedes | | |
| | | West Echague | | |
| | | Benito Soliven | | |
| | | San Mariano | | |
| | | Mallig | | |
| | | Quezon | | |
| | | Quirino | | |
| | | Cabagan | | |
| | | Delfin Albano | | |
| | | Gamu | | |
| | | Ilagan | | |
| | | San Pablo | | |
| | | Sto. Tomas | | |
| | | Tumaini | | |
| | IFUGAO, KALINGA | | | |
| 2. CARSUMCO | CAGAYAN | AMULUNG | CORDOVA | Lito M. Caranguian |
| | | | LA SUERTE | Agriculturist II |
| | | | NABBIALAN | |
| | | | NANGALASAUAN | |
| | | ENRILE | BATO | |
| | | | LEMU | |
| | | | LIWAN | |
| | | | ROMA NORTE | |
| | | | ROMA SUR | |
| | | IGUIG | STA. BARBARA | |
| | | PIAT | BALANAY | |
| | | | BALAYMANOK | |
| | | | BINULU | |
| | | | CALANTAK | |
| | | | CSU | |
| | | | C-Y | |
| | | | DUGAYUNG | |
| | | | MAGUILLING | |
| | | | MALAGAMUT | |
| | | | MALASAT | |
| | | | MARUSIP | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|----------------|--------------|------------------------|---------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 2. CARSUMCO | CAGAYAN | PIAT | NANAMBAN, PALAYAN | Lito M. Caranguian |
| | | | PANISSIN, STO. DOMINGO | Agriculturist II |
| | | | TALINGANAY, UMABANG | |
| | | | VILLA REYNO, VILLAREY | |
| | | | WARAT, WATAWAT | |
| | | | ZONES 1, 2, 4 | |
| | | SOLANA | AFUROG, ASILANG | |
| | | | BANTAY, CADAANAN | |
| | | | CAMAGONG | |
| | | | DAMORTIS, DIVISORIA | |
| | | | FURAGUI, KAMAGONG | |
| | | | LANNIG, MALAMAG | |
| | | | NABBOTUAN | |
| | | | NANGALISAN | |
| | | | PADUL, SAMPAGUITA | |
| | | STO. NINO | VIRGINIA | |
| | | TUAO | ALABIAO, BICOK | |
| | | | BUGNAY, CATO | |
| | | | FUGU, KINAMA | |
| | | | LAKAMBINI | |
| | | | MAMBACAG | |
| | | | PATA, SAN JUAN | |
| | | | SAN LUIS, SAN VICENTE | |
| | | | STO. TOMAS, VILLALAIDA | |
| | | TUGUEGARAO | CARIG | |
| | ISABELA | CABAGAN | SAN ANTONIO | |
| | | STA. MARIA | NAGANACAN | |
| | | | SAN MANUEL | |
| | | | CENTRO | |
| | | | VILLABUENA | |
| | KALINGA | RIZAL | BABALAG | |
| | | | BAGBAG | |
| | | | CENTRO | |
| | | | KINAMA | |
| | | | PINUCOK | |
| | | | SAN PEDRO | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|---------------|---------------|------------------------------|------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 3. TARLAC | TARLAC | BAMBAN | ANUPOL | Joel G. Ronario |
| | | | BANGCU, CULUBASA | Agriculturist II |
| | | | CUTCUT 1 ST & 2ND | |
| | | | DELA CRUZ, LAPAZ | |
| | | | MALONZO, MALUPA | |
| | | | PACALCAL, SAN PEDRO | |
| | | | SAN RAFAEL, SAN ROQUE | |
| | | | SAN VICENTE | |
| | | CAMILING | LIBUEG | |
| | | CAPAS | ARENGORENG | |
| | | | BUENO, CUBCUB | |
| | | | DOLORES | |
| | | | ESTRADA, LAWY | |
| | | | MANGGA, MANLAPIG | |
| | | | MARUGLU, ODONNEL | |
| | | | PUBLIC FOREST | |
| | | | STA JULIANA, STA. LUCIA | |
| | | | STA RITA, STO DOMINGO | |
| | | | STO ROSARIO | |
| | | | TALAGA | |
| | | CONCEPCION | CAFE | |
| | | | CALIUS GUECO | |
| | | | CALULUAN, CASTILLO | |
| | | | CORAZON DE JESUS | |
| | | | CULATINGAN | |
| | | | GREEN VILLAGE | |
| | | | LILIBANGAN, MAGAO | |
| | | | MOTRICO, MURCIA | |
| | | | PANDO, PARANG | |
| | | | PARULONG, PASAJES | |
| | | | PITABUNAN, STA ROSA | |
| | | | SAN BARTOLOME | |
| | | | SAN FRANCISCO | |
| | | | SAN JUAN, SAN MARTIN | |
| | | | SAN NICOLAS, SANTIAGO | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|---------------|--------------|----------------------|------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 3. TARLAC | TARLAC | CONCEPCION | STO CRISTO, STO NINO | Joel G. Ronario |
| | | | TINANG, TELABANCA | Agriculturist II |
| | | | TALIMUNDOC | |
| | | GERONA | ABAGON, AMACALAN | |
| | | | APSAYAN, AYSON | |
| | | | BAWA, BUENLAG | |
| | | | BULARIT, CADANGLAAN | |
| | | | CARBONEL, CARDONA | |
| | | | CATURAY, DANZO | |
| | | | DECOLOR, DON BASILIO | |
| | | | LUNA, MAGASPAC | |
| | | | MALAYEP, MATAPITAP | |
| | | | MATAYUNCAB | |
| | | | OLUYBUAYA | |
| | | GERONA | PINASLING, PLASTADO | Joel G. Ronario |
| | | | RIZAL, SAN ANTONIO | Agriculturist II |
| | | | SAN BARTOLOME | |
| | | | SAN JOSE, SANTIAGO | |
| | | | SEMBRANO, SULIPA | |
| | | | TAGUMBABO, TANGCARAN | |
| | | | VILLA PAZ | |
| | | LA PAZ | COMILLAS, DUMARAIS | |
| | | | MATAYUMTAYUM | |
| | | | MAYANG, SIERRA | |
| | | MONCADA | ABLANG-SAPANG | |
| | | | BANAOANG, CALAPAN | |
| | | | MALUAC | |
| | | | TOLEGA | |
| | | PANIQUI | ABOGADO | |
| | | | ACOCOLAO | |
| | | | APULID | |
| | | | BANTOG | |
| | | | BRILLIANTE | |
| | | | CABAYAOSAN | |
| | | | CANAN | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|----------|--------------|----------------------------|--------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| 3. TARLAC | TARLAC | PANIQUI | CARINO, DAPDAP | Joel G. Ronario |
| | | | CAYANGA | Agriculturist II |
| | | | CULIBANGBANG | |
| | | | ESTACION, MANAOIS | |
| | | | MATALAPITAP | |
| | | | NIPACO, PATALAN | |
| | | | POBLACION NORTE | |
| | | | RANGAYAN, SALUMAGUE | |
| | | | SAMPUT | |
| | | | SAN JUAN DE MILLA | |
| | | | SINIGPIT, STA INES | |
| | | | TABLANG | |
| | | PURA | BUENAVISTA | |
| | | | CADANGLAAN | |
| | | | ESTIPONA, LIAO | |
| | | | MAASIN, MATINDEG | |
| | | | MAUNGIB, NAYA | |
| | | | NILASIN, NILASIN II | |
| | | | POBLACION, POROC, SINGAT | |
| | | RAMOS | CORAL, GRITEB, PANCE | |
| | | | POBLACION CENTER | |
| | | | POBLACION NORTH | |
| | | | POBLACION SOUTH | |
| | | | SAN JUAN | |
| | | | SAN RAYMUNDO | |
| | | SAN MANUEL | SAN AGUSTIN | |
| | | TARLAC CITY | ALVINDIA SEGUNDO | |
| | | | ARMENIA, ASTURIAS, BALANTI | |
| | | | BALETE, BALIBAGO, BANABA | |
| | | | BANTOG, BORA, BUHILIT | |
| | | | CUTCUT, DALAYAP, DELA PAZ | |
| | | | LUISITA | |
| | | | MALIGAYA | |
| | | | MAPALACIAO | |
| | | | MORIONES | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|---------------|--------------|-----------------------------|------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 3. TARLAC | TARLAC | TARLAC CITY | SAN CARLOS, San MANUEL | Joel G. Ronario |
| | | | SAN JOSE, SAN PASCUAL | Agriculturist II |
| | | | SAN JOSE DE ORQUICO | |
| | | | SAN SEBASTIAN | |
| | | | SAPANG MARAGUL | |
| | | | SEPUNG CALSADA | |
| | | | SINAIT, STA MARIA, STO NINO | |
| | | | TEXAS, UNGOT | |
| | | | VILLA BACOLOR | |
| | | VICTORIA | BACULONG, BALBALATO, BANGAR | |
| | | | BATANG BATANG, BULO | |
| | | | CABULUAN, CRUZ, LALAPAC | |
| | | | MALUID, PALAC PALAC | |
| | | | SAN AGUSTIN, SAN ANDRES | |
| | | | SAN FRANCISCO | |
| | | | SAN JACINTO | |
| | NUEVA ECIJA | GAPAN | MABURAK | |
| | | | PUTING TUBIG | |
| | | GUIMBA | MAYBUBON | |
| | | SAN ANTONIO | SAN JOSE | |
| | PANGASINAN | MANAOAG | MANAOAG | |
| | | MANGATARE M | MANGATAREM | |
| | | ALCALA | SAN PEDRO APARTADO | |
| | | VILLASIS | VILLASIS | |
| 4. PAMPANGA | BATAAN | Bagac | San Antonio | Laverne Olalia |
| | | Dinalupihan | Dalao , Tucap | Agriculturist II |
| | | | Pagalanggang | |
| | | Hermosa | Balsic | |
| | | | Culis | |
| | PAMPANGA | Angeles City | Anonas , Capaya, Cuayan | |
| | | | Sapa Libutad | |
| | | | Sapang Bato | |
| | | Arayat | Arenas | |
| | | | San Antonio | |
| | | | Telapayung | |
| | | Bacolor | Balas , Banlic, Cabalantian | |
| | | | Concepcion | |
| | | | Dolores | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|----------|---------------|------------------------------------|-----------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 4. PAMPANGA | PAMPANGA | Bacolor | Duat , Parulog, Potrero | Laverne Olalia |
| | | | Maliwalu | Agriculturist II |
| | | | San Antonio , San Isidro, Tinajero | |
| | | Floridablanca | Calantas | |
| | | | Carmencita | |
| | | | Dampe , Malabo, Pabanlag | |
| | | | Paguiruan , Palmayo, San Jose | |
| | | | Solib | |
| | | Guagua | Ascomo | |
| | | Lubao | San Francisco | |
| | | | Prado | |
| | | Mabalacat | Calumpang | |
| | | Magalang | Navaling | |
| | | | San Bartolome | |
| | | | San Pablo , San Roque | |
| | | | Sto. Rosario | |
| | | Mexico | Acle , Anao, Culubasa | |
| | | | Dalisdis , Eden, Ganduz | |
| | | | Pandacaqui | |
| | | | Pangatlan , Panipuan | |
| | | | Suclaban | |
| | | | Tangle | |
| | | Porac | Babo Pangulo , Babo Sacan | |
| | | | Balas , Balubad, Balucbuc | |
| | | | Calzadang Bayu | |
| | | | Dawi | |
| | | | Had. Dolores | |
| | | | Jalung , Mancatian, Manuali | |
| | | | Mitla , Palat, Pias, Pio, Planas | |
| | | | Pulung Santol | |
| | | | Salu | |
| | | | Sepung Bulaon | |
| | | | Sta. Cruz | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|-----------------|-------------------|------------------------------------|-------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 4. PAMPANGA | Pampanga | San Fernando City | Baliti | Laverne Olalia |
| | | | Calulut , Del Carmen, Del Rosario | Agriculturist II |
| | | | Lara , Dela Paz, Maimpis, Malino | |
| | | | Malpitic , Panipuan, Saguin | |
| | | | Sindalan | |
| | | Sta. Ana | San Pablo | |
| | | Sta. Rita | Dila-dila | |
| | | | San Basilio | |
| | | | | |
| 5. DON PEDRO | BATANGAS | CALATAGAN | BALIBAGO | Celso T. Ersando |
| | | | BALITOC, BIGA,, BUCAL, CARETUNAN | Senior Agriculturist |
| | | | COMBENTUHAN | |
| | | | GULOD, HUKAY, LUKSUHIN | |
| | | | P.BANDERA | |
| | | CALATAGAN | PANTIHAN | Celso T. Ersando |
| | | | PAROLA, POBLACION, QUILITISAN | Senior Agriculturist |
| | | | REAL , SAMBUNGAN, STA ANA | |
| | | | T.BUCAL, TALISAY, TANAGAN | |
| | | LIAN | AGUHA | |
| | | | ALTURA | |
| | | | B.POOK , B. TUBIG, BAGBAG, BAKAYAN | |
| | | | BALANOY , BALIBAGO, BINUBUSAN | |
| | | | BULSA | |
| | | | BUNGAHAN | |
| | | | CALAONGAN | |
| | | | CALERO | |
| | | | CALUMPIT | |
| | | | CANIADA | |
| | | | CAPITO | |
| | | | CUMBA | |
| | | | ELENAHAN | |
| | | | HERMOSA | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|-----------------|--------------|----------------------------|--|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 5. DON PEDRO | BATANGAS | LIAN | HUMAYINGAN | Celso T. Ersando Senior Agriculturist |
| | | | L.TUBIGAN, LIGTASIN | |
| | | | LITLIT, LUMANIAG, LUYAHAN | |
| | | | M.PARANG, MALARUHATAN | |
| | | | MATABUNGKAY, MOLINO | |
| | | | P.CRUZAN, PADER, PAJO | |
| | | | PRENZA, PUTTING KAHROY | |
| | | | SAMPALUKAN | |
| | | | TANAG | |
| | | NASUGBU | ABEJAR, ABILO, BALIMBING | |
| | | | BALOBO | |
| | | | BALOC-BALOC | |
| | | | BANILAD, BAUTISTA, BILARAN | |
| | | | BUBUYAN , BUHAY, BULIHAN | |
| | | | BUNDUCAN, BUTUCAN | |
| | | | CATANDAAN , CALAYO | |
| | | | COGUNAN, COLASTICA | |
| | | | DAMULAG, DALUGDOG | |
| | | | DAYAP, HABA, HALANG | |
| | | | HOSPITAL , HIMAMAO | |
| | | | HULO | |
| | | | JULIANAHAN | |
| | | | K.IGTIW | |
| | | | K.PUSA | |
| | | | K.REINA | |
| | | | K.TAPAS | |
| | | | KAYLAWAY | |
| | | | LATAG | |
| | | | LOOC | |
| | | | M.PULO | |
| | | | MALAPAD NA BATO | |
| | | | MAUGAT | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|-----------------|--------------|---------------------------|-------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 5. DON PEDRO | BATANGAS | NASUGBU | MUNTING INDANG | Celso T. Ersando |
| | | | P.ILOG, PANTALAN, PANUCA | Senior Agriculturist |
| | | | PINKIAN, PARAIG, PATLIW | |
| | | | PONGOL , PULO, PUTAT | |
| | | | SEBUCAWAN, REPARO, SABANG | |
| | | | TALA, TAMPISAW, TUMALIM | |
| | | | UTOD | |
| | | TUY | ACLE , BANCALAN, BIAA | |
| | | | CABANCALAN, BAYUDBOD | |
| | | | CACAWATIHAN, BOLBOC | |
| | | | CAFEHAN, DALIMA, DAO | |
| | | | LUMBANGAN, GUINHAWA | |
| | | | LUNTAL , LAGNAS | |
| | | | M.CORRAL | |
| | | | M.PARANG | |
| | | | MAGAHIS | |
| | | | MALALAY | |
| | | | MALIBU | |
| | | | MATAYWANAC | |
| | | | MAYANTOC | |
| | | | OBISPO | |
| | | | PALICO | |
| | | | PALINGKARO | |
| | | | POBLACION | |
| | | | PUTIC | |
| | | | PUTOL | |
| | | | SABANG | |
| | | | SAN JOSE | |
| | | | SUCOL | |
| | | | TACTAC | |
| | | | TALON | |
| | | | TOONG | |
| | CAVITE | | | |
| | LAGUNA | | | |
| | QUEZON | | | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|-----------------|--------------|-----------------------------|------------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 6. BALAYAN | BATANGAS | Alitagtag | Balabang | Lucio S. Santiago III |
| | | | Bucal, Concepcion | Senior Agriculturist |
| | | | Dalipit, Concordia, Dalig | |
| | | | Dominador | |
| | | | Kawayan | |
| | | | Libis, Mulawin, Muzon | |
| | | | Poblacion, Pinagcruzan | |
| | | | Pooc, San Jose, San Juan | |
| | | | Sta Cruz | |
| | | Balayan | Baclas | |
| | | | Biga, Bolboc, Cacawatihan | |
| | | | Calantas, Cagayan, Calan | |
| | | | Caloocan | |
| | | | Camastilisan | |
| | | | Caybunga, Canda | |
| | | | Cayponce, Dalig, Dao, Dilao | |
| | | | Duhatan | |
| | | | Durungao, Ermita, Gapas | |
| | | | Guimalas | |
| | | | Gumamela | |
| | | | Lagnas, Lanatan, Latag | |
| | | | Lucban, M. Tubig, Magabe | |
| | | | Magahis, Malakay, Malibu | |
| | | | Mayantoc | |
| | | | Navotas | |
| | | | Patugo | |
| | | | Pinalayan | |
| | | | Pooc | |
| | | | Putol | |
| | | | Ruhatan | |
| | | | Sampaga | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|-----------------|---------------|---------------------------|------------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 6. BALAYAN | BATANGAS | Balayan | Sambat | Lucio S. Santiago III |
| | | | Sampalukan | Senior Agriculturist |
| | | | Sanpiro, Santol, Sucol | |
| | | | Taludtod, Tactac, Talan | |
| | | | Tanagan | |
| | | | Tanggoy | |
| | | | Tejero | |
| | | Batangas City | Balete, Banaba, Katandal | |
| | | | Mahacot, Kalumala | |
| | | | Soro-soro | |
| | | Bauan | Asis | |
| | | | Balayong | |
| | | | Cupang | |
| | | | Manghinao | |
| | | | Muzon, Rizal | |
| | | Calaca | Aromahan | |
| | | | B. Tubig, Bacalas, Bonbon | |
| | | | Calantas, Bucal | |
| | | | Caluangan | |
| | | | Calumpit | |
| | | | Carasuche | |
| | | | Caretonan, Coral | |
| | | | Coral ni Bakal | |
| | | | Coral ni Lopez | |
| | | Calaca | Cultihan | |
| | | | Dacanlao | |
| | | | Damiana, Dao, Duhatan | |
| | | | La Huerta, Gulod | |
| | | | Lampasan | |
| | | | Loma | |
| | | | Lumbang | |
| | | | Lumbang na Matanda | |
| | | | Lumbang na Bata | |
| | | | M. Coral | |
| | | | M. Tubig | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|-----------------|--------------|------------------------------|------------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 6. BALAYAN | BATANGAS | Calaca | Madalunot | Lucio S. Santiago III |
| | | | Magabe, Makina, Niogan | Senior Agriculturist |
| | | | P. Cawong 1 & 2, P. Bato | |
| | | | P. Cawong 2 | |
| | | | P. Makina | |
| | | | Pantay 1 & 2 | |
| | | | Sambungan, Pinagcruzan | |
| | | | Sinisian, Sugod, Tactac | |
| | | | Taludtod, Tallsay | |
| | | | Tampisaw | |
| | | | Timbain | |
| | | Cuenca | Bungahan, Dalipit | |
| | | | Sto Niño, San Felipe | |
| | | Ibaan | Balanga, Bucal, Bungahan | |
| | | | Colongan, Calamias | |
| | | | Dayapan, Cullat | |
| | | | Lapu-lapu, Lucsuhin | |
| | | Ibaan | M. Tubig, Mabalor | |
| | | | Matala, Malainin | |
| | | | Poblacion, Palindan, Pangao | |
| | | | San Agustin | |
| | | | Sandalan, Sto Nino, Talaiban | |
| | | | Tulay | |
| | | Lemery | Ayao-iyao | |
| | | | Bucal, Cahilan, M. Bayan | |
| | | | Matingain, Malinis | |
| | | | Sinisian | |
| | | | Sinisian West | |
| | | | Talaga | |
| | | | Tampisaw | |
| | | | Tubigan | |
| | | | Tulay | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|-----------------|--------------|----------------------------------|------------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 6. BALAYAN | BATANGAS | Lipa City | Anilao | Lucio S. Santiago III |
| | | | Antipolo, Balintawak | Senior Agriculturist |
| | | | Bolboc, Banay-banay | |
| | | | Inusluban, Dagatan | |
| | | | Kayumangi, Latag | |
| | | | Lumbang na Matanda | |
| | | | P. Cruzan, Pag-ulingin | |
| | | | Pag-ulingin Bata | |
| | | | Pag-ulingin Matanda | |
| | | | Pinagkawitan, Tambo | |
| | | Malvar | Bagong Pook | |
| | | Padre Garcia | Banaba | |
| | | | Banay-banay, Bawi, Bucal | |
| | | | Dalugdog | |
| | | Padre Garcia | Manggas, Maugat, Pansol | |
| | | | Quilo-quilo, Payapa | |
| | | | San Felipe, San Miguel, Tamak | |
| | | Rosario | Baybayin, Cahigan, Colongan | |
| | | | Maalas-as | |
| | | | Macalamcam | |
| | | | Malaya, Marilag, Masaya | |
| | | | Natu, Namunga | |
| | | | Quilib | |
| | | | San Ignacio | |
| | | | San Roque | |
| | | | Sta Cruz | |
| | | | Timbugan | |
| | | San Jose | Anus | |
| | | | Bagong Pook | |
| | | | Calansayan | |
| | | | Don Luis | |
| | | | Mujon | |
| | | | Natunuan | |
| | | | Sabang | |
| | | | Tampoy | |
| | | | Tugtug | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|-----------------|--------------|---------------------------------|---|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 6. BALAYAN | BATANGAS | San Juan | Buhay na Sapa | Lucio S. Santiago III Senior Agriculturist |
| | | | Calit-calit | |
| | | | Janao-janao, Sico | |
| | | San Luis | Abiacao | |
| | | | Bagong Tubig | |
| | | | Bungliw | |
| | | | Calumpang, Durungao, Malinis | |
| | | | Muzon, Mangahan | |
| | | | Talon-Tejero, Taliba, Talon | |
| | | | Tunggal | |
| | | San Nicolas | Abelo, Balete, Bancoro | |
| | | | Maabud, Hipit, Calangay | |
| | | | Mulawin | |
| | | | Resplandor Total | |
| | | | Sinturisan Total | |
| | | | Talang Total | |
| | | San Pascual | Galerang Kawayan | |
| | | | Kapitanan | |
| | | | M. Na Lupa | |
| | | | Poblacion, Pia, Malaking Pulo | |
| | | | Resplandor | |
| | | | Sambat | |
| | | | San Mariano | |
| | | Sto Tomas | Santiago | |
| | | Sta Teresita | Antipolo | |
| | | | Bihis, Burol, Calumala, Cuta | |
| | | | Irucan, Cuta East, Cuta West | |
| | | | Kalayaan | |
| | | | Maabud | |
| | | | Pacifico | |
| | | | Poblacion | |
| | | | Poblacion 1 | |
| | | | Poblacion 2 | |
| | | | Poblacion 3 | |
| | | | Sampa | |
| | | | Sampa-Pacifico | |
| | | | Sinipian | |
| | | | Sta Cruz | |
| | | | Tambo | |
| | | | Tampisaw | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|-----------------|--------------|--------------------------------|--|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 6. BALAYAN | BATANGAS | Taal | Apacay | Lucio S. Santiago III Senior Agriculturist |
| | | | Baclas | |
| | | | Balisong, Bolboc, Buli | |
| | | Taal | Butong | |
| | | | Carasuchi, Cawit, Cubamba | |
| | | | H. Gahol, Cultihan | |
| | | | Jalang, Iba, Ilog, Ipil | |
| | | | Pansol, Luntal, Latag, Laguile | |
| | | | Tala, Siiran, Sabang, Pooc | |
| | | | Tampisaw, Tawilisan, Tulo | |
| | | Tanauan | Altura | |
| | | | Altura Bata | |
| | | | Altura matanda | |
| | | | Altura south | |
| | | | Bagumbayan, Banjo | |
| | | | Banjo Uno, Banjo East | |
| | | | Bilog-bilog, Cale, Carasa | |
| | | | Janopol, Hidalgo | |
| | | | Janopol Oriental | |
| | | | Loma | |
| | | | Luyos | |
| | | | Malaking Pulo | |
| | | | Montaña | |
| | | | Natatas | |
| | | | Pagaspas | |
| | | | Pantay Bata | |
| | | | Pantay Matanda | |
| | | | Sala | |
| | | | Santor | |
| | | | Sulpoc | |
| | | | Talaga | |
| | | | Trapiche 1 | |
| | | | Trapiche 4 | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|----------------------|--------------|------------------------|-----------------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 6. BALAYAN | BATANGAS | Taysan | Bucal | Lucio S. Santiago III |
| | | | Malaking Pulo | Senior Agriculturist |
| | | | Mataas na Lupa | |
| | | | San Isidro, Tilambo | |
| 7. PENSUMIL | CAMARINES SUR | Baao | Agdangan | 1. Salvador B. Ocampo |
| | | | Caranday | Agriculturist II |
| | | | Sn Juan | |
| | | | Sn Rafael | 2. Ma. Teresa M. Caballero |
| | | | | Agriculturist II |
| | | Bombon | Siembre, San Antonio | |
| | | | Sta Cruz | |
| | | Bula | Banasi | |
| | | | Casugad, Lanipga | |
| | | | Pecuaría, Pawili | |
| | | Calabanga | Bigaas, Camuning | |
| | | | Labog, Fabrica | |
| | | | Manguiring | |
| | | Goa | Abucayan, Balainan | |
| | | | Tagongtong | |
| | | Iriga City | La Medalla | |
| | | | Niño Jesus | |
| | | | Perpetual Help | |
| | | | Sn Antonio, Sagrada | |
| | | | Sn Rafael, San Vicente | |
| | | | Tubigan | |
| | | Magarao | Carangcang | |
| | | Milaor | Maycatmon | |
| | | Minalabac | Taririk | |
| | | Nabua | Inapatan | |
| | | Naga | Cararayan, Carolina | |
| | | | Sn Isidro, Panicason | |
| | | Ocampo | Ayugan, Cabariwan | |
| | | | Gatbo, Del Rosario | |
| | | | Guinaban, Hanawan | |
| | | | May-Ogob, Hibago | |
| | | | Moriones, Oras, Pinit | |
| | | | Sn Antonio, Salvacion | |
| | | | Sn Francisco | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|----------------------|--------------|-------------------------|-----------------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| A. LUZON | | | | |
| 7. PENSUMIL | CAMARINES SUR | Ocampo | Sn Roque | 1. Salvador B. Ocampo |
| | | | Sn Vicente, Sta Cruz | Agriculturist II |
| | | | Sto Niño | 2. Ma. Teresa M. Caballero |
| | | Pasacao | Caranan | Agriculturist II |
| | | Piji | Bagong Sirang | |
| | | | Binanuaanan | |
| | | | Cabuclodan, Cadlan | |
| | | | Caroyroyan, Curry | |
| | | | Himaa, Del Rosario | |
| | | | Millsite, Palestina | |
| | | | Sto Niño, Sagurong | |
| | | | Tinangis | |
| | | San Fernando | Lupi | |
| | | San Jose | Tambangan | |
| | | Sagñay | Aniog, Bolo, Del Carmen | |
| | | | Minadongjol, Kilantaa | |
| | | | Nabuntalan, Quilomaon | |
| | | | Tinorongan, Tarabog | |
| | | Tigaon | Ambawan | |
| | | | Cabalinadan | |
| | | | Caraycayon | |
| | | Tigaon | Coyaw-yaw | |
| | | | Gaao | |
| | | | Gubat | |
| | | | Huyon Huyon | |
| | | | Libod | |
| | | | M-balod | |
| | | | Ocine | |
| | | | Panagan | |
| | | | Salvacion | |
| | | | Tinawagan | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|-----------------------|--------------|------------------------|------------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 1. BUKIDNON | BUKIDNON | Cabanglasan | | 1. Wilfredo A. Mapano |
| EWA No. 1 | | Impasug-ong | | Senior Agriculturist |
| | | Lantapan | | |
| | | Malaybalay | | 2. Alan F. Buque |
| | | Maramag | | Agriculturist II |
| | | Quezon | | |
| | | San Fernando | | |
| | | Valencia | | |
| 2. BUKIDNON | BUKIDNON | Dangcagan | | 3. Arthur Saludes |
| EWA No. 2 | | Kitaokitao | | Agriculturist II |
| | | Don Carlos | | |
| | | Kibawe | | 4. Ismael B. Braga |
| | | Damulog | | Agriculturist II |
| | | Kadingilan | | |
| | | Pangantucan | | |
| | | Kalilangan | | |
| | LANAO DEL SUR | Wao | | |
| | | Bumbaran | | |
| | NORTH COTABATO | Banisilan | | |
| 3. DAVAO | DAVAO DEL SUR | Bansalan | Bonifacio | Edgar V. Aclao, Sr. |
| | | | Buenavista , Curvada | Senior Agriculturist |
| | | | Libertad , Eman, Dolo | |
| | | | Linawan , Mabuhay | |
| | | | Managa , Mabunga | |
| | | | New Clarin , Sibayan | |
| | | | Tinongtongan , Tubod | |
| | | | Union | |
| | | Digos City | Balabag , Colorado | |
| | | | Dulangan , Goma | |
| | | | Matti , Mahayahay | |
| | | | Ruparan , Lungag | |
| | | | San Agustin | |
| | | | San Roque , Tiguman | |
| | | | Tres de Mayo | |
| | | Hagonoy | Clib , Kibuaya, Lanuro | |
| | | | Guihing , La union | |
| | | | Lapulabao | |
| | | | Mahayahay | |
| | | | Malabang | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|--------------------------|--------------|---|----------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 3. DAVAO | DAVAO DEL SUR | Hagonoy | Maliit Digos | Edgar V. Aclao, Sr. |
| | | | New Quezon | Senior Agriculturist |
| | | | Paligue , Poblacion, Sacub Tologan , San Guillermo | |
| | | Kiblawan | Bagong Negros | |
| | | | Bagong Silang | |
| | | | Bagumbayan , Balasiao | |
| | | | Bunot , Bonifacio | |
| | | | Cogon Bacaca | |
| | | | Kibongbong, Dapok, Ihan | |
| | | | Kisulan , Latian, Manual | |
| | | | Molopolo , Maraga-a | |
| | | | New Sibonga , Panaglib | |
| | | | Poblacion , Pasig | |
| | | | Pocaleel , San Isidro | |
| | | | San Pedro , San Jose | |
| | | | Sto. Niño , Waterfall | |
| | | Magsaysay | 1. Bacungan | |
| | | | 2. Bala | |
| | | | 3. Balnate | |
| | | | 4. Barayong | |
| | | | 5. Blocon | |
| | | | 6. Dalumay | |
| | | | 7. Glamang | |
| | | | 8. Kasuga | |
| | | | 9. Mabini | |
| | | | 10. Poblacion | |
| | | | 11. San Isidro | |
| | | | 12. San Miguel | |
| | | Malalag | 1. Bulacan | |
| | | | 2. Dalongbong | |
| | | | 3. Magdulog | |
| | | | 4. New Baclayon | |
| | | | 5. Rizal | |
| | | | 6. San Isidro | |
| | | | 7. Tagansuli | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|---------------|--------------|-----------------------------------|----------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 3. DAVAO | DAVAO DEL SUR | Matan-ao | Bagumbayan | Edgar V. Aclao, Sr. |
| | | | Bangkal , Buas, Buri, Cabligan | Senior Agriculturist |
| | | | Camanchiles , Ceboza | |
| | | | Dungan Pekong , Katipunan | |
| | | | Kibao, Kauswagan | |
| | | | La Suerte , Langaan, Manga | |
| | | | New Visayas , New Murcia | |
| | | | Sampaguita , Poblacion | |
| | | | San Jose , Saub, Savoy, Sinawilan | |
| | | | Tamlangon , Tibongbong | |
| | | | San Vicente , Towak, Sinaragan | |
| | | Padada | 1. Katipinan | |
| | | | 2. Malinao | |
| | | | 3. Osmeña | |
| | | | 4. Paligue | |
| | | | 5. Poblacion | |
| | | | 6. Tologan | |
| | | | Total | |
| | | Sulop | 1. Batang | |
| | | | 2. Buguis | |
| | | | 3. Carre | |
| | | | 4. Clib | |
| | | | 5. Katipunan | |
| | | | 6. Kiblagon | |
| | | | 7. Labon | |
| | | | 8. Litos | |
| | | | 9. Luparan | |
| | | | 10. McKinley | |
| | | | 11. New Cebu | |
| | | | 12. Palili | |
| | | | 13. Parami | |
| | | | 14. Poblacion | |
| | | | 15. Roxas | |
| | | | 16. Sulongvale | |
| | | | 17. Tagolilong | |
| | | | 18. Talao | |
| | | | 19. Tanwalang | |
| | | | 20. Waterfall | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|---------------------------|----------------------|---------------------------------|--|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 3. DAVAO | DAVAO DEL SUR | DAVAO DEL SUR | Lapla | Edgar V. Aclao, Sr. Senior Agriculturist |
| | | | Laperas | |
| | SOUTH COTABATO | General Santos | Apopong , Batomelong | |
| | | | Mabuhay , Conel | |
| | | | Lower Labay , Olympog | |
| | | | Sinawal , Pulatana | |
| | | | Tinagakan , Upper Labay | |
| | | | Bawing , Cabuay | |
| | | Surallah | 1. Lamsugod | |
| | | | 2. Centrala | |
| | | T'Boli | 1. Aflex | |
| | | Isulan | 1. Poblacion | |
| | | Pres. Quirino | 1. Poblacion | |
| | | | 2. Tinungan | |
| | | HYSFC | Cebulan , Tagabuli, Tolugan | |
| | | | Panaglib, New Sibunga | |
| | | | Maliit Digos , Mahayahay | |
| | | | Kibuaya , New Quezon | |
| | | | Malabang , San Miguel, Buas | |
| | 6. SARANGANI PROV. | Maasim | Lamlangil | |
| | | Malungon | Alkikan , Ampon, Banahaw | |
| | | | JP Laurel , Banate, Biangan | |
| | | | Lower Mainit , Kawayan, Kitakal | |
| | | | Malalag cogon , Malandag | |
| | | | Malungon gamay , Nagpan | |
| | | | San Miguel , Poblacion | |
| | | | San Roque | |
| | | | Tagaytay | |
| | | | Talus | |
| | | | Upper Lumabat | |
| | | | Upper Mainit | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|------------------------|----------------|----------------------------|----------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 3. DAVAO | SARANGANI PROV. | Polomolok | 1. Aquino Gate | Edgar V. Aclao, Sr. |
| | | | 2. Glamang | Senior Agriculturist |
| | | | 3. Klinan 6 | |
| | | | 4. Magsaysay | |
| | | | 5. Matin-ao | |
| | | | 6. Poblacion | |
| | | | 7. Polo | |
| | | | 8. Silway | |
| | | | 9. Cannery | |
| | | | 10. Upper Klinan | |
| 4. COTABATO | MAGUINDANAO | Buluan | Poblacion | Ireneo F. Nuñez |
| | | Datu A. Sangki | Banaba, Talahik | Senior Agriculturist |
| | | Datu Montawal | Tuka | |
| | | Datu Paglas | Kalumenga | |
| | | Pagagawan | Tunggol | |
| | | Pagalungan | Linandangan, Poblacion | |
| | | Paglat | Damakling, Damasulay | |
| | | | Salam, Kakal, Kampo | |
| | | Pandag | Poblacion | |
| | | S.K. Pendatun | Poblacion, Ramcar | |
| | | Talayan | Kudin | |
| 4. COTABATO | NORTH COTABATO | Alamada | Pigcawaran | |
| | | Aleoson | Dunguan, Pagangan | |
| | | Antipas | Malatab | |
| | | | New Pontevedra | |
| | | Arakan | Doroloman, Malibatuan | |
| | | | Poblacion | |
| | | Carmen | Aroman | |
| | | | Katanayanan, Kibayao | |
| | | | Kibugtungan, Kibenes | |
| | | | Kimadzil, Kitulaan, Lanoon | |
| | | | Malapag, Liliongan | |
| | | | Manarapan, Manili | |
| | | | Rancho, Nasapean | |
| | | | Taculen, Tacupan | |
| | | | Tawantawan | |
| | | Colombio | Libertad | |
| | | Esperanza | Villamor | |
| | | Kabacan | Bangilan | |
| | | | Bannawag | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|---------------------------|--------------|-------------------------------|------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 4. COTABATO | NORTH COTABATO | Kabacan | Dagupan | Ireneo F. Nuñez |
| | | | Katidtuan | Senior Agriculturist |
| | | | Lower Malamote | |
| | | | Malanduaque, Nangaan | |
| | | | Sangadong, Pedtad | |
| | | | Sanggadong | |
| | | Kidapawan | Amas, Binoligan | |
| | | | Junction, Gayola | |
| | | | Kalaisan, Kalasuyan | |
| | | | Linangkob, Katipunan | |
| | | | Macebuleg, Malinan | |
| | | | San Isidro, Onica, Paco | |
| | | | San Roque, Sikitan | |
| | | | Sumbac, Sto Nino | |
| | | | Patadon, San Roque | |
| | | Magpet | Alibayon , Bantac | |
| | | | Kabisig, Del Pilar, Kamada | |
| | | | Poblacion, Mahongcog | |
| | | | Tagbac | |
| | | Makilala | Poblacion | |
| | | | Sinkatulan | |
| | | Matalam | Kibudok | |
| | | | Central Malamote | |
| | | | Dalapitan | |
| | | | Estado | |
| | | | F.Valdevieso | |
| | | | Ilian | |
| | | | Kabulakan | |
| | | | Kidama | |
| | | | Killada | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|---------------------------|--------------|----------------------------|-------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 4. COTABATO | NORTH COTABATO | Matalam | Kinudal | Ireneo F. Nuñez |
| | | | Lambayao, Lampayan | Senior Agriculturist |
| | | | Manubuan, Magoncia | |
| | | | Manupal, Marbel | |
| | | | Marbel condring | |
| | | | Marbel Kayakaya | |
| | | | Natutungan, Napasaan | |
| | | | New abra | |
| | | | New Alimodian | |
| | | | New Bogasong | |
| | | | Patadon, Poblacion | |
| | | | Sarayan, Salvacion | |
| | | | Sta.Maria, Tacub | |
| | | | West Patadon | |
| | | M'lang | Bialong, Buayan, Buenaflor | |
| | | | Dalipe, Calunsan | |
| | | | Gaunan | |
| | | | Katipunan | |
| | | | Kibia | |
| | | | La fortuna | |
| | | | La Suerte | |
| | | | Langkong | |
| | | | libo-o | |
| | | | Lika | |
| | | | Langkong | |
| | | | Luz village | |
| | | | Magallon | |
| | | | Malayan | |
| | | | New Antique | |
| | | | New Barbasa | |
| | | | New Calibo | |
| | | | New Consolacion | |
| | | | New Esperanza | |
| | | | New Janiuay | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|-----------------------|---------------|-----------------------------|------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 3. COTABATO | NORTH COTABATO | M'lang | New Kalibo | Ireneo F. Nuñez |
| | | | New Lawaan, New Rizal | Senior Agriculturist |
| | | | Palma Perez, Pag-asa | |
| | | | Pulanglupa, Sangat | |
| | | | Tawantawan, Teresita, Tibao | |
| | | | Ugpay | |
| | | Pigcawayan | Simsiman | |
| | | Pikit | Balungis, Batulawan | |
| | | | Gokotan, Gli-gli | |
| | | | Ladtingan | |
| | | | Nunguan | |
| | | Pres. Quirino | Mangilala | |
| | | | Sinakulay | |
| | | | Suben | |
| | | Pres. Roxas | Datu Sundungan | |
| | | | Alegria | |
| | | | Lamalama | |
| | | | Lomonay | |
| | | | New Cebu | |
| | | | Sagkungan | |
| | | | Bato-Bato | |
| | | | Del Carmen | |
| | | | Kamarahan | |
| | | | Kimauring | |
| | | | Kisupaan | |
| | | | La esperanza | |
| | | | Labu-o | |
| | | | Poblacion | |
| | | Surallah | Buenavista | |
| | | Tulunán | Banayal | |
| | | | Bual | |
| | | | Dungos | |
| | | | Kanibong | |
| | | | La esperanza | |
| | | | Lampagang | |
| | | | Maybula | |
| | | | Minapan | |
| | | | Nabundasan | |
| | | | New Kulasi | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------|---------------------------|--------------|-----------------------------|---|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 4. COTABATO | NORTH COTABATO | Tulunán | New Panay | Ireneo F. Nuñez Senior Agriculturist |
| | | | Pupuyon, Sibsib, Tallsawa | |
| | | | Tuburan, Tambac | |
| | SOUTH COTABATO | Banga | Bo. 5. And 9 | |
| | | | Poblacion, Malaya, Lamba | |
| | | Koronadal | Concepcion | |
| | | Norala | Bgy.dose | |
| | | | Garido | |
| | | Polomolok | Klinan 6, Glamang | |
| | | | Silway 8, Poblacion | |
| | | Sto. Nino | M. Roxas | |
| | | | Tenumigues | |
| | | Surallah | Bo. 10, Colongolo, Dajay | |
| | | | Lambontong | |
| | | | Lamsugod | |
| | | | Moloy, Naci, Sampao | |
| | | | Tubi-Allah, Takepan | |
| | | Tantangan | Magon | |
| | | | New Cuyapo | |
| | | | Poblacion | |
| | SULTAN KUDARAT | Bagumbayan | Bai saripinang | |
| | | | Biwang | |
| | | | Busok | |
| | | | Daguma | |
| | | | Kapaya | |
| | | | Nakan | |
| | | | Poblacion | |
| | | | Sison | |
| | | | Tuburan | |

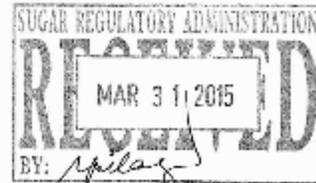
| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------|-----------------------|---------------|-----------------------------------|------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| B. MINDANAO | | | | |
| 4. COTABATO | SULTAN KUDARAT | Colombio | Bunawan | Ireneo F. Nuñez |
| | | | Lomoyon, Lumaga, Mayo | Senior Agriculturist |
| | | | Poblacion, Natividad | |
| | | Esperanza | Daladap, Dukay, Guiamalia, Kamasi | |
| | | | Sagasa, Pamintingan | |
| | | | Salabaka | |
| | | Isulan | Bambad, Delotilla | |
| | | | New Pangasinan, Poblacion | |
| | | Lambayong | Gansing, Lilit, Mamali Uno | |
| | | | Midtapok, Matiampong | |
| | | | New Cebu | |
| | | | Pimbalayang, Poblacion | |
| | | | Tawantawan, Sadsalan | |
| | | Pres. Quirino | Bagumbayan | |
| | | | Bayawa, Estrella | |
| | | | Kalanawi dos, Katiku | |
| | | | Malingon, Mangelen | |
| | | | San Jose, San Emmanuel | |
| | | | Tinaungan | |
| | | | Tual | |
| | | | Tuato | |
| | | | Poblacion | |
| | | | Tonggol | |
| | | Surallah | Centrala | |
| 4. COTABATO | SULTAN KUDARAT | Tacurong | Baras | |
| | | | Dumagil | |
| | | | Kalandagan | |
| | | | Katungal | |
| | | | Montilla | |
| | | | New Isabela | |
| | | | Poblacion | |
| | | | San Emmanuel | |
| | | | San Pablo | |
| | | | San Rafael | |
| | | | Tina | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|--------------------------------|--------------------|-----------------------------|-----------------------|--------------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| C. VISAYAS | | | | |
| MILL DISTRICT | COVERAGE | | | PERSONNEL ASSIGNED |
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| 1. HPCO | NEGROS OCC. | E.B. Magalona | | Roberto C. Velasco, Jr. |
| | | Silay city | Hawaiian, Lantad | Senior Agriculturist, MDO |
| | | | E. Lopez, Balaring | |
| | | | Capt. Ramon | |
| | | | Guimbalaon, Bagtic | |
| | | | Rizal, Patag, Mabulac | |
| 2. Bacolod-Murcia/ FFHC | NEGROS OCC. | Talisay City | | Antonio S. Alulod |
| | | Bacolod City | | Agriculturist II |
| | | Murcia | | |
| | | Don Salvador Benedicto City | | |
| | | Silay City | Guinhalaran 4 & 5 | |
| 3. La Carlota / Ma-ao | NEGROS OCC. | La Carlota | | 1. Helen B. Lobaton |
| | | Pontevedra | | Senior Agriculturist, MDO |
| | | La Castellana | | 2. Tomas Buendia, Jr |
| | | Villadolid | | Agriculturist II |
| | | Bago City | | 3. Dee Arr D. Paglumotan |
| | | Pulupandan | | Agriculturist II |
| | | San Enrique | | |
| 4. Victorias | NEGROS OCC. | Cadiz City | | Eduardo F. Tupino |
| | | Manapla | | MDO, Agriculturist II |
| | | Victorias City | | |
| 5. Lopez / Sagay-Danao | NEGROS OCC. | Sagay City | | 1. Julian Geolingo |
| | | Escalante City | | Senior Agriculturist, MDO |
| | | Toboso | | 2. Cyril Vera |
| | | | | Agriculturist II |
| 6. San Carlos | NEGROS OCC. | San Carlos City | | Rogelio Lavina |
| | | Calatrava | | MDO, Agriculturist II |
| | | Canlaon City | | |
| | | Guinhungan | | |
| | | Vallehermoso | | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|---------------------------------|--------------------|------------------------|----------|------------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| C. VISAYAS | | | | |
| 7. Biscom | NEGROS OCC. | Moises Padilla | | Jade M. Villarias |
| | | Isabela, Hinigaran | | OIC MDO, Agriculturist II |
| | | Himamaylan | | |
| | | Binalbagan | | |
| 8. Sonedco - Dacongogon | NEGROS OCC. | Kabankalan City | | 1. Jade M. Villarias |
| | | Cauayan | | MDO, Agriculturist II |
| | | Ilog | | 2. Edgardo M. Adalia |
| | | Sipalay City, Candoni | | Agriculturist II |
| | | Hinobaan | | |
| 9. Bais-Ursumco | NEGROS OR. | Amlan | | Fernando C. Sauro, Jr |
| | | Ayungon, Sibutan | | MDO, Agriculturist II |
| | | Dumaguete City | | |
| | | La Libertad, Bais City | | |
| | | Jimalalod, San Jose | | |
| | | Manjuyod, Mabinay | | |
| | | Pamplona, Tanjay | | |
| | | Zamboangita | | |
| | | Basay, Tayasan | | |
| | | Bindoy | | |
| 10. Tolong | NEGROS OR. | Bayawan | | Protacio Arnaiz |
| | | Sta Catalina, Siaton | | MDO, Senior Agriculturist |
| | | Basay | | |
| 11. Passi - Santos Lopez | ILOILO | Badianan | | Elmer Belandres |
| | | Cabatuan, Calinog | | MDO, Agriculturist II |
| | | Dueñas, Dingle | | |
| | | Janiuay | | |
| | | Lambunao | | |
| | | Maasin, Passi | | |
| | | San Enrique, Pototan | | |
| | | New Lucena, Mina | | |
| | | Barotac Nuevo | | |
| | | Dumangas, Anilao | | |
| | | Ajuy, Banate | | |
| | | San Rafael | | |
| | | Lemery | | |
| | | Sara | | |
| | | Concepcion | | |
| | | Barotac Viejo | | |
| | | San Dionisio | | |

| Sugarcane Mill Districts | COVERAGE | | | PERSONNEL ASSIGNED |
|-----------------------------------|-----------------|-----------------------------|--------------------------|------------------------|
| | PROVINCE | MUNICIPALITY | BARANGAY | |
| C. VISAYAS | | | | |
| 12. Monomer - Capiz | CAPIZ | Bingawan, Iloilo | | Rex J. Jinon |
| | | Cuartero, Capiz | | |
| | | Dao, Capiz | | |
| | | Dumalag, Capiz | | |
| | | Dumarao, Capiz | | |
| | | Ivisan, Capiz | | |
| | | Jamindan, Capiz | | |
| | | Mambusao, Capiz | | |
| | | Roxas City, Capiz | | |
| | | Sapi-an, Capiz | | |
| | | Sigma, Capiz | | |
| | | Tapaz, Capiz | | |
| | | President Roxas, Capiz | | |
| | | Pontevedra, Capiz | | |
| | | Pilar, Capiz | | |
| | | Panit-an, Capiz | | |
| | | Panay, Capiz | | |
| | | Maayon, Capiz | | |
| | | Estancia, Iloilo | | |
| | | Carles, Iloilo | | |
| | Batad, Iloilo | | | |
| | Balasan, Iloilo | | MDO, Agriculturist II | |
| 13. Bogo Medellin / Durano | CEBU | Bogo | | Paulino A. Oñal |
| | | San Remegio | | |
| | | Medellin, Daan Bantayan | | |
| | | Daan Bantayan | | |
| | | Danao City, Tabogon, Borbon | | |
| | | Mandaue, Carmen, Tuburan | | |
| 14. Ormoc Hisumco | LEYTE | Ormoc | | Jessie Alao |
| | | Albuera, Kananga, Carigara | | |
| | | Kananga | | |
| | | Capoocan, Merida, Villaba | | |
| | | Palompon | | |
| | Matag-ob | | | |

**Office of the President
of the Philippines
Malacañang**



MALACAÑANG RECORDS OFFICE

Manila, March 30, 2015

HON. MA. REGINA BAUTISTA-MARTIN
Administrator
Sugar Regulatory Administration
Quezon City

Madam :

I have the honor to transmit for your information and guidance, a certified copy of Republic Act No. 10659 which was approved on March 27, 2015 entitled **"AN ACT PROMOTING AND SUPPORTING THE COMPETITIVENESS OF THE SUGARCANE INDUSTRY AND FOR OTHER PURPOSES."**

Thank you.

Very truly yours,

MARIANITO M. DIMAANDAL
Director IV

S. No. 2400
H. No. 4833

Republic of the Philippines
Congress of the Philippines
Metro Manila
Sixteenth Congress
Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-eighth day
of July, two thousand fourteen.

— ■ —
[REPUBLIC ACT NO. 10659]

AN ACT PROMOTING AND SUPPORTING THE
COMPETITIVENESS OF THE SUGARCANE INDUSTRY
AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of
the Philippines in Congress assembled:*

SECTION 1. *Short Title.* – This Act shall be known as
the “Sugarcane Industry Development Act of 2015”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the
policy of the State to promote the competitiveness of the
sugarcane industry and maximize the utilization of sugarcane
resources, and improve the incomes of farmers and farm
workers, through improved productivity, product diversification,
job generation, and increased efficiency of sugar mills.

For these purposes, the State shall: (a) establish productivity improvement programs; (b) provide the needed infrastructure support; (c) enhance research and development of other products derived from sugar, sugarcane, and their by-products; (d) provide human resource development and extension services; and (e) provide financial assistance to small farmers.

SEC. 3. Productivity Improvement Programs. - To boost the production of sugarcane and sugar, and increase the incomes of sugarcane farmers/planters and farm workers, the following Productivity Improvement Programs shall be implemented:

(a) **Block Farm Program.** - The Block Farm Program for sugarcane farming being implemented by the Sugar Regulatory Administration (SRA), the Department of Agriculture (DA), the Department of Agrarian Reform (DAR), and other government agencies is hereby institutionalized and shall be further enhanced and supported.

For purposes of this Act, the Program is the consolidation of small farms including farms of agrarian reform beneficiaries, as one larger farm, with a minimum area of thirty (30) hectares within a two-kilometer radius, to take advantage of the economies of scale in the production of sugarcane, such that the activities in the small farms are aligned and implemented to ensure the efficient use of farm machineries and equipment, deployment of workers, volume purchase of inputs, financing, and other operational advantages, as well as recognition by sugar mills, government financial institutions, private investors, but the ownership of each small farm remains with the landowners.

The SRA, the DA, the DAR and other concerned government agencies shall provide common service facilities, such as farm machineries and implements, grants or start-up funding for the needed production inputs, technology adoption, livelihood and skills training and other development activities for the block farm and its members, and other support activities that may be identified.

To ensure the success of, and compliance to the objectives of the Program, the SRA shall:

(1) Develop guidelines for sugarcane farms to qualify for and continue to participate in the Program;

(2) Provide farm management, technical assistance, and professional services support to block farms, in coordination with the DA, the DAR and other concerned government agencies;

(3) Monitor the development and productivity of block farms;

(4) Recommend, after six (6) years, the cessation of the Program on block farms that have failed to improve productivity or raise efficiency, or graduation of block farms that have achieved high and sustainable productivity and profitability on its operations; and

(5) Implement a certification system as a mechanism to access grants, low interest financing, and other incentives and support from Official Development Assistance (ODA); and market access of sugarcane: *Provided*, That sugar mills, bioethanol distilleries and other markets of sugarcane shall provide market access priority to the SRA-certified block farms.

(b) **Farm Support Program.** - For other farms that are not eligible under the Block Farm Program, the SRA shall make available a support program which shall include, among others, the provision of (1) socialized credit; and (2) farm management, technical assistance; and professional services:

(i) Socialized credit shall be made available, through the Land Bank of the Philippines (LBP), for the acquisition of production inputs, farm machineries, and implements necessary for the continuous production of sugarcane: *Provided*, That the loans shall be available to sugarcane farmers duly registered with the SRA: *Provided, further*, That the lender shall have a lien on the quantum of farmers who obtained a crop loan until the crop loan is fully paid: *Provided, finally*, That farmers cannot be granted another loan until the loan is fully paid.

To ensure immediate payment of farmers and secure their income from sugarcane, farmers may enter into any payment method with the sugar mills or distilleries for their sugarcane.

(ii) Farm Management, Technical Assistance and Professional Services -The SRA, the DA, the DAR, the Department of Labor and Employment (DOLE), the Technical Education and Skills Development Authority (TESDA), state universities and colleges (SUCs), and other concerned private and nongovernment organizations (NGOs) shall formulate and implement a deployment program of agricultural engineers, agriculturalists and farm technicians for the provision of farm management, technical assistance and professional services to these farms.

(c) Farm Mechanization Program. - Planters/farmers of sugarcane farms, including block farms and farms of agrarian reform beneficiaries, shall be encouraged and trained to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of sugarcane.

The SRA, the DA and the DAR, in partnership with local government units (LGUs), consistent with the provisions of Republic Act No. 10601, otherwise known as the "Agricultural and Fisheries Mechanization (AFMech) Law", shall:

(1) Introduce or expand the use of machineries for the different stages of sugarcane farming;

(2) Formulate and implement a Sugarcane Farm Mechanization Program at the mill district levels and block farms; and

(3) Support the establishment, operation and maintenance of Agri-fisheries Machinery and Equipment Service Centres, as provided in Section 9 of Republic Act No. 10601, in sugarcane areas and, for this purpose, provide socialized credit to service centers: *Provided*, That these service centers shall emphasize the provision of plowing, harrowing, weeding, fertilization, harvesting and other farm mechanization services to sugarcane farms that do not have the capability to purchase or maintain their own machineries and equipment.

To develop and deploy appropriate machineries and equipment, the SRA, through its research centers, in collaboration with the Philippine Sugar Research Institute, the Philippine Center for Post-Harvest Development and

Mechanization, the Bureau of Agricultural Research, SUCs, other concerned government agencies, and industry stakeholders, shall formulate and conduct a research, development and extension program for sugarcane farm mechanization and engineering.

The LBP shall manage the socialized credit facility under the Farm Support Program and the Farm Mechanization Program.

The SRA, the DA, the DAR, and the LBP shall issue the guidelines on the administration and lending of the socialized credit facility.

SEC. 4. *Research and Development.* - The SRA, in coordination with the Department of Science and Technology (DOST), as well as relevant state universities and government research and development institutions and the private sector, shall intensify researches on sugarcane high yielding or flood resistant varieties; pest control and prevention; latest farming, milling, refining and biomass co-generation technologies; soil analysis and fertility mapping of sugarcane areas; weather monitoring and climate change adaptation measures; sugar and sweetener consumption; and other viable products that can be derived from sugarcane. The DA and the DOST shall likewise provide assistance to the SRA to improve the latter's crop forecasting and crop monitoring activities or programs.

SEC. 5. *Extension Services.* - In addition to extension services provided by the DA, the DAR, the SUCs and private and NGOs, extension services in sugar districts shall be provided by the SRA and the mill district development councils (MDDCs). Extension services that can be provided shall include, but not limited to, provision of technical assistance and advice, conduct of tests, propagation, and dissemination of high yielding varieties, and operation of demonstration farms.

For its extension services, MDDCs may develop linkages with NGOs, peoples' organizations, and LGUs. It may likewise secure funding for its extension services from private sector sources.

SEC. 6. *Human Resources Development.* - All stakeholders in the sugarcane industry shall contribute to the development of a sustainable human resources for the industry. Towards this end, the DOLE, in collaboration with the SRA, the Commission on Higher Education, the TESDA, the Professional Regulation Commission (PRC) and the private sector, shall formulate and implement a Human Resources Development (HRD) Master Plan for the sugarcane industry which shall include, but not limited to, the following:

(a) Capacity building, skills trainings, institutional strengthening of the sugarcane industry workers, small farmers and agrarian reform beneficiaries and their organizations to actively contribute in productivity and competitiveness;

(b) Scholarship program for the underprivileged but deserving college and post graduate students who are taking up courses in relevant fields of discipline in SUCs which have programs in agriculture, agricultural engineering and mechanics, and chemical engineering/sugar technology; and for vocational courses and skills development for farmers and farm technicians, and skilled workers in sugar mills, sugar refineries, distilleries and biomass power plants;

(c) Conduct of capability training or attendance to local or international trainings and seminars by farmers, mill, refinery, distilleries and biomass power plant technicians, including the SRA technical personnel on the latest technologies related to sugarcane farming, manufacture or production of sugar and other products derived from sugarcane;

(d) Formulation and implementation of competency standards and training regulations for technical vocational education and training for the sugarcane industry by the TESDA; and

(e) Upgrading of facilities, faculty development and strengthening of the on-the-job training program of agri-based higher education institutions in sugarcane areas towards the production of highly employable and globally competitive graduates needed by the sugarcane industry.

SEC. 7. *Infrastructure Support.* - To facilitate the transport of sugarcane to mills and distilleries, enhance the

marketing and export of sugar and other products derived from sugarcane, and complement productivity improvement measures in this Act, transport infrastructure, farm-to-mill roads, and irrigation facilities shall be provided.

(a) *Transport Infrastructure.* - The National Economic and Development Authority (NEDA), the Department of Transportation and Communications (DOTC), the Department of Public Works and Highways (DPWH), and the Philippine Ports Authority (PPA), shall include in their annual Development Plans and Priority Investment Programs the immediate construction and/or improvement of existing transloading ports for export or coast-wide transport of sugar and other products derived from sugarcane in key sugarcane producing provinces. The SRA shall submit to these agencies, six (6) months from the start of the effectivity of this Act, a priority list of transloading ports covered by this provision.

(b) *Farm-to-Mill Roads.* - The NEDA, the DA, the DPWH, and concerned LGUs, shall include in their annual Priority Investment Program the immediate construction and/or rehabilitation of farm-to-mill roads in key sugarcane producing provinces. The SRA shall prepare and submit to these agencies and LGUs, within six (6) months from the start of effectivity of this Act, a Farm-to-Mill Road Master Plan and priority farm-to-mill roads at the mill district as basis for the planning, programming and investment prioritization.

(c) *Irrigation.* - The National Irrigation Administration (NIA), the Bureau of Soils and Water Management, and concerned LGUs, in coordination with the SRA, shall construct appropriate, efficient and cost effective irrigation facilities, pump and other pressurized irrigation systems, rain capture and water impounding facilities in block farms and other sugarcane farms. The SRA shall submit to these agencies the list of priority sugarcane areas within six (6) months from the start of the effectivity of this Act. The DA and the NIA shall include in its annual budget the item or provision on construction and rehabilitation of irrigation facilities, rain capture and water impounding facilities in sugarcane areas.

To promote the conservation of water resources and encourage and involve the participation of sugar mills, refineries and distilleries in providing irrigation to sugarcane

areas, the utilization for irrigation of wastewater discharge of mills, refineries, or distilleries, that meet the specifications of the DA on the safe reuse of wastewater for irrigation, fertilization and other agricultural uses, is considered "reuse" and, therefore, exempt from wastewater charges under the system provided under Section 13 of Republic Act No. 9275, also known as the "Philippine Clean Water Act of 2004".

SEC. 8. Sugar Supply Monitoring System. - As the agency mandated to regulate the supply of sugar in the country, in addition to its powers and functions under Executive Order No. 18, series of 1986, the SRA shall establish a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar.

To accurately determine the supply of sugarcane and sugar in the country and to provide sound basis for diversification, planning and policy, it is mandated that the following shall register with the SRA:

(a) Sugarcane farmers, farmers' associations/federations, mills/mill associations, sugarcane consolidators and muscovado producers;

(b) Distilleries, using molasses, sugar or sugarcane as ingredient for alcohol: *Provided*, That importers and consignees of imported molasses regularly report to the SRA, among other information, the volume of molasses imported;

(c) International and domestic sugar traders, including wholesale traders and repackers, muscovado and molasses traders and customs bonded warehouses (CBWs) of food processors importing sugar for reexport: *Provided*, That international and domestic sugar traders and the CBW food processors shall likewise submit a list of all their warehouses of sugar;

(d) Warehouses of sugar, and business establishments that manufacture or sell bags or sacks for packing sugar; and

(e) Cane hauling and harvesting service providers.

The SRA shall provide the forms and make sure that the manner of registration shall be the least possible cost to

the stakeholder concerned particularly agrarian reform beneficiaries. The information gathered shall be used to develop a sugarcane industry database which shall be administered and updated by the SRA. Any of the aforementioned entities that shall not register shall be subject to penalties imposed by the SRA.

SEC. 9. Classification and Regulation of Supply of Sugar. - The SRA, in the exercise of its regulatory authority, shall classify imported sugar according to its appropriate classification when imported at a time that domestic production is sufficient to meet domestic sugar requirements. The Bureau of Customs (BOC) shall require importers or consignees to secure from the SRA the classification of the imported sugar prior to its release.

SEC. 10. Value-Added Tax (VAT) Zero-Rated on Refined Sugar for Export. - Pursuant to Section 106(A)(2)(a)(1) of the National Internal Revenue Code, VAT zero-rated shall be imposed on refined sugar withdrawn from warehouses for actual physical export to the world market.

To differentiate refined sugar from raw sugar for VAT purposes, refined sugar refers to sugar whose content of sucrose, by weight, in the dry state corresponds to a polarimeter reading of 99.5° and above, and raw sugar means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.5°.

The Bureau of Internal Revenue, in consultation with the SRA and industry stakeholders, shall issue the necessary regulation to implement this section.

SEC. 11. Mandated Appropriations. - The Department of Budget and Management (DBM) is hereby mandated to include annually, starting the year 2016, an initial aggregate amount of Two billion pesos (P2,000,000,000.00) in the President's program of expenditures for submission to Congress and allocated, as follows:

(a) Fifteen percent (15%) for grants to block farms under the Block Farm Program;

(b) Fifteen percent (15%) for socialized credit under the Farm Support and Farm Mechanization Programs;

(c) Fifteen percent (15%) for research and development, capability building and technology transfer activities under Research and Development, Extension Services, Human Resources Development, and Farm Support Programs;

(d) Five percent (5%) for scholarship grants to be provided under paragraph (b) of Section 6, Human Resources Development; and

(e) Fifty percent (50%) for infrastructure support programs.

In the identification and prioritization of specific programs and projects, the SRA shall conduct prior consultation with representatives of block farms, sugarcane farmers and workers, sugar millers, refiners, bioenergy producers, and producers of other products derived from sugarcane and its by-products. The Department shall issue the necessary guidelines for this purpose.

For the current year, the DBM shall include in a supplemental budget, that may be formulated, the amount of Two billion pesos (P2,000,000,000.00) and following the allocation prescribed in this section.

SEC. 12. *Non-Exemption from Comprehensive Agrarian Reform Program (CARP) Coverage.* - Nothing in this Act shall exempt any landholding from CARP Coverage.

SEC. 13. *Implementing Rules and Regulations.* - The DA, in consultation with concerned government agencies and sugarcane industry stakeholders, shall issue the implementing rules and regulations of this Act within ninety (90) days starting from the effectivity of this Act.

SEC. 14. *Separability Clauses.* - If any provision of this Act is declared unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

SEC. 15. *Repealing Clause.* - All laws, decrees, executive orders and rules and regulations or part or parts thereof inconsistent with any provision of this Act are hereby repealed, modified or amended accordingly.

SEC. 16. *Effectivity.* - This Act shall take effect after fifteen (15) days from its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,

Feliciano Belmonte Jr.
FELICIANO BELMONTE JR.
Speaker of the House of Representatives

Franklin M. Drilon
FRANKLIN M. DRILON
President of the Senate

This Act which is a consolidation of Senate Bill No. 2400 and House Bill No. 4633 was finally passed by the Senate and the House of Representatives on February 2, 2015 and February 3, 2015, respectively.

Marilyn B. Barua-Yap
MARILYN B. BARUA-YAP
Secretary General
House of Representatives

Oscar L. Yanes
OSCAR L. YANES
Secretary of the Senate

Approved: MAR 27 2015

Benigno S. Aquino III
BENIGNO S. AQUINO III
President of the Philippines





Republic of the Philippines
DEPARTMENT OF AGRICULTURE
Office of the Secretary
Elliptical Road, Diliman,
Quezon City



Republic of the Philippines
DEPARTMENT OF AGRICULTURE
Series of 2015

DEPARTMENT CIRCULAR NO. 07

RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT NO. 10659

Pursuant to Section 13 of Republic Act No. 10659, otherwise known as the "Sugarcane Industry Development Act of 2015", the Department of Agriculture, in consultation with concerned government agencies and sugarcane industry stakeholders, hereby issues, adopts and promulgates the following implementing rules and regulations.

SECTION 1. Short Title. This Act shall be known as the "Sugarcane Industry Development Act of 2015."

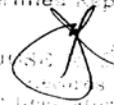
RULE 1. TITLE AND SCOPE

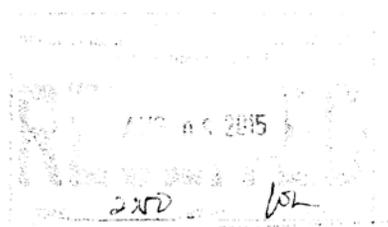
Rule 1.1. Title. This Department Circular shall be known as the Implementing Rules and Regulations (IRR) of Republic Act No. 10659 otherwise known as the Sugarcane Industry Development Act of 2015. The latter shall be referred to as the "Act" in this IRR.

Rule 1.2. Scope. The scope of this IRR is to provide rules, regulations and/or guidelines for the implementation of the following provisions of the Act:

- a. Sugarcane Industry Productivity Improvement Programs;
- b. Research and Development;
- c. Extension Services;
- d. Human Resources Development;
- e. Infrastructure Support;
- f. Sugar Supply Monitoring Systems;
- g. Classification and Regulation of Supply of Sugar;
- h. Value-Added Tax (VAT) Zero-Rated on Refined Sugar for Export;
- i. Mandated Appropriations; --
- j. Non-exemption from Comprehensive Agrarian Reform Program (CARP) Coverage.

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Secretary II
Sugar Regulatory Administration
Quezon City



The IRR shall likewise provide the roles and responsibilities of the government agencies, government-owned and controlled corporations, government financing institutions, state colleges and universities, private research institutions, and private sector stakeholders mentioned in the Act.

SECTION 2. Declaration of Policy. It is hereby declared the policy of the State to promote the competitiveness of the sugarcane industry and maximize the utilization of sugarcane resources, and improve the incomes of farmers and farm workers, through improved productivity, product diversification, job generation, and increased efficiency of sugar mills.

For these purposes, the State shall: (a) establish productivity improvement programs; (b) provide the needed infrastructure support; (c) enhance research and development of other products derived from sugar, sugarcane, and their by-products; (d) provide human resource development and extension services; and (e) provide financial assistance to small farmers.

RULE 2. DECLARATION OF POLICY AND DEFINITION OF TERMS

Rule 2.1. Declaration of Policy. It is hereby declared the policy of the state to promote the competitiveness of the sugarcane industry and maximize the utilization of sugarcane resources, and improve the incomes of farmers and farm workers, through improved productivity, product diversification, job generation, and increased efficiency of sugar mills.

For these purposes, the State shall:

- a. Establish productivity improvement programs;
- b. Provide the needed infrastructure support;
- c. Enhance research and development of other products derived from sugar, sugarcane, and their by-products;
- d. Provide human resource development and extension services; and
- e. Provide financial assistance to small farmers.

Rule 2. 2. Definition of Terms. As used in this IRR, the following terms shall be defined as follows:

- a. Block Farm—a consolidation of small sugarcane farms including farms of agrarian reform beneficiaries, as one larger farm, with a minimum

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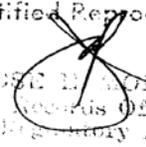
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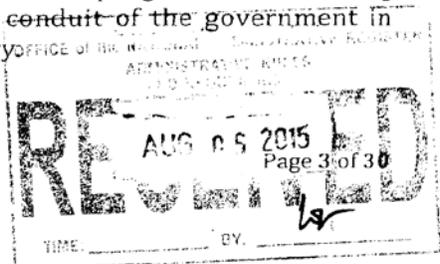

DIRECTOR GENERAL
Department of Agrarian Reform Administration

contiguous area of thirty (30) hectares within a two-kilometer maximum distance from each other.

- b. Common service facilities (CSF) - refer to SRA-registered entities that provide technical, professional, marketing or farm services such as but not limited to plowing, planting, harvesting, hauling and trucking to block farms and other sugarcane farms. Common service facilities may be operated by block farms, mill district development councils, individual farmers, farmers' associations or federations, or private corporations. Common service facilities can also refer to common service centers or service providers.
- c. Ethanol Producers Association of the Philippines (EPAP) - a Securities and Exchange Commission (SEC)-registered, non-stock, non-profit association of bioethanol fuel producers in the Philippines.
- d. Farm-to-mill roads - shall mean roads connecting the sugarcane farms to any sugarcane processing facilities such as sugar mills, ethanol distilleries, biomass power plants and other production facilities using sugarcane as raw material with specifications that can handle truckloads of sugarcane. ●
- e. Institutionalized - shall mean to make or establish as a regular program of government by law.
- f. Mill District - refers to a contiguous area wherein a sugar mill, bioethanol distillery or any processing facility of sugarcane together with all sugarcane plantations adherent thereto are operating. A plantation is deemed adherent by virtue of sugarcane being delivered to a processing facility regardless of contract relation between the processing facility and plantation or its landowner and / or any other person cultivating sugarcane in the plantation contiguous to the facility.
- g. Mill District Development Council (MDDC) - a SEC or Cooperative Development Authority (CDA)-registered non-government organization in a sugarcane mill district which is composed of, among others, representatives from the sugar mill, distillery, planters' associations in the district, Philippine Sugar Research Institute (PHILSURIN), and Sugar Regulatory Administration (SRA).
- h. Philippine Sugar Corporation (PHILSUCOR) - a government-owned and controlled corporation created under Presidential Decree No. 1890, one of its mandated functions being to provide assistance in the preparation, financing and execution of sugar development or expansion programs, with among others, borrowing and lending powers, as a ~~conduit of the government in~~ assisting the development of the sugar industry.

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Records Officer II
Sugar Regulatory Administration
Manila, Quezon City



- i. Philippine Sugar Research Institute Foundation, Inc. (PHILSURIN) – a SEC-registered non-stock, non-profit corporation created through the efforts of the National Council of Sugar Producers which is the private sector arm for sugarcane research, development and extension services.
- j. Raw Sugar – means sugar whose content of sucrose, by weight, in the dry state corresponds to a polarimeter reading of less than 99.5^o.
- k. Refined Sugar –refers to sugar whose content of sucrose, by weight, in the dry state corresponds to a polarimeter reading of 99.5^o and above.
- l. Small Sugarcane Farms – refers to sugarcane farms with an area of 5 hectares and less.
- m. Sugar Industry Foundation, Inc. (SIFI) –it is a foundation which provides, among others, livelihood and skills training, medical and dental assistance, scholarships, and community development to sugarcane industry farmers, workers and their dependents pursuant to Republic Act 6982.
- n. Sugar Master Plan Foundation, Inc. (SMPFI) – is a foundation which recommends policy and programs for the viability and continued development of the sugarcane industry. The SMPFI is funded from contributions of sugar producers.
- o. Sugar Regulatory Administration (SRA) – a government-owned and controlled corporation created under Executive Order No. 18, series of 1986. When used in this IRR, SRA shall refer to SRA Sugar Board.

SECTION 3. *Productivity Improvement Programs.* To boost the production of sugarcane and sugar, and increase the incomes of sugarcane farmers/planters and farm workers, the following Productivity Improvement Programs shall be implemented:

(a) *Block Farm Program.* The Block Farm Program for sugarcane farming being implemented by the Sugar Regulatory Administration (SRA), Department of Agriculture (DA), Department of Agrarian Reform (DAR), and other government agencies is hereby institutionalized and shall be further enhanced and supported.

For purposes of this Act, the Program is the consolidation of small farms including farms of agrarian reform beneficiaries, as one larger farm, with a minimum area of thirty (30) hectares within a two-kilometer radius, to take advantage of the economies of scale in the production of sugarcane, such that the activities in the small farms are aligned and implemented to ensure the efficient

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 Director
 Sugar Regulatory Administration
 1000 Shiloh Road, Cebu City

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who obtained a crop loan until the crop loan is fully paid: *Provided, finally,* That farmers cannot be granted another loan until the loan is fully paid.

To ensure immediate payment of farmers and secure their income from sugarcane, farmers may enter into any payment method with the sugar mill or distilleries for their sugarcane.

(ii) Farm Management, Technical Assistance and Professional Services – The SRA, the DA, the DAR, Department of Labor and Employment (DOLE), Technical Education and Skills Development Authority (TESDA), state universities and colleges (SUCS), and other concerned private and nongovernment organizations shall formulate and implement a deployment program of agricultural engineers, agriculturists and farm technicians for the provision of farm management, technical assistance and professional services to these farms.

(c) *Farm Mechanization Program.* Planters/farmers of sugarcane farms, including block farms and farms of agrarian reform beneficiaries, shall be encouraged and trained to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of sugarcane.

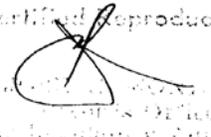
The SRA, the DA and the DAR, in partnership with local government units (LGUs), consistent with the provisions of Republic Act No. 10601, otherwise known as the "Agricultural and Fisheries Mechanization (AFMech) Law", shall:

1. Introduce or expand the use of machineries for the different stages of sugarcane farming;
2. Formulate and implement a Sugarcane Farm Mechanization Program at the mill district levels and block farms; and
3. Support the establishment, operation and maintenance of Agri-fisheries Machinery and Equipment Service Centers, as provided in Section 9 of Republic Act No. 10601, in sugarcane areas and, for this purpose, provide socialized credit to Service Centers: *Provided,* That these Service Centers shall emphasize the provision of plowing, harrowing, weeding, fertilization, harvesting and other farm mechanization services to sugarcane farms that do not have the capability to purchase or maintain their own machineries and equipment.

To develop and deploy appropriate machineries and equipment, the SRA, through its research centers, in collaboration with the Philippine Sugar Research Institute, the Philippine Center for Post-Harvest Development and Mechanization,

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SRA
Department of Labor and Employment

the Bureau of Agricultural Research, SUCs, other concerned government agencies, and industry stakeholders, shall formulate and conduct a research, development and extension program for sugarcane farm mechanization and engineering.

The Land Bank of the Philippines (LBP) shall manage the socialized credit facility under the Farm Support Program and the Farm Mechanization Program.

The SRA, the DA, the DAR, and the LBP shall issue the guidelines on the administration and lending of the socialized credit facility.

RULE 3. PRODUCTIVITY IMPROVEMENT AND SUPPORT PROGRAMS

Rule 3.1. Implementation of Productivity Improvement Programs. Pursuant to Section 3 of the Act, to boost the production of sugarcane and sugar, and increase the incomes of sugarcane farmers/planters and farm workers, the following productivity improvement programs shall be implemented:

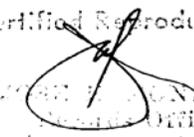
(A) Block Farm Program

i) Institutionalization. The Block Farm Program for sugarcane farming which is implemented by the Sugar Regulatory Administration (SRA), Department of Agriculture (DA), Department of Agrarian Reform (DAR), and other government agencies is hereby institutionalized and shall be further enhanced and supported.

The Block Farm Program is the consolidation of small sugarcane farms including farms of agrarian reform beneficiaries, with an area of 5 hectares and below per farm, as one larger farm-unit with a minimum area of thirty (30) hectares within a two-kilometer radius. The two-kilometer radius shall be the distance between the perimeters of neighboring block farms.

The consolidation of small sugarcane farms into a block farm shall be on the management of farm operations to take advantage of the economies of scale in the production of sugarcane, such that the activities in the small farms are aligned and implemented to ensure the efficient use of farm machineries and equipment, deployment of workers, volume purchase of inputs, financing and other operational advantages, as well as recognition by sugar mills, government financial institutions, private investors. Ownership of each small farm that makes up a block farm shall remain with its owner.

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JOSE L. ALONZO
Secretary II
Sugar Regulatory Administration
Manila, Luzon City

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A block farm may organize itself as an association or cooperative, among others, which shall have a legal personality that is accredited by SRA. An SRA-accredited block farm can be recognized by and engaged in agreements with government agencies and financial institutions, non-government organizations (NGO), sugar mills, distilleries, and private investors on areas of supply arrangements, financing, investments, etc.

ii) Implementors and Support Programs. The SRA, as the lead implementor, the DA, the DAR and other concerned government agencies shall provide common service facilities, such as farm machineries and implements, irrigation and drainage equipment / facilities, grants or start-up funding for the needed production inputs, technology adoption, livelihood and skills training and other development activities for the block farm and its members, and other support activities identified under the sugarcane roadmap or as determined by SRA to be appropriate under the circumstances. Provided, that the support programs under this provision shall be extended to block farms accredited by SRA only.

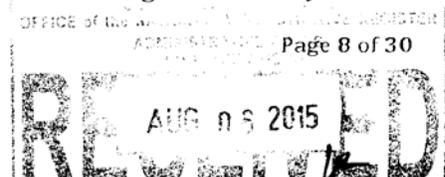
The grants or start-up funding for production inputs of block farms shall include but not limited to labor cost, planting materials, fertilizer, soil rehabilitation, soils analysis, herbicides, weedicides, tractor services, harvesting and hauling services, and crop insurance. Provided, that grants or start-up funding can be availed only once by a block farm. However, as an exception, a block farm may avail of additional grants or start-up funding when, as determined by SRA, its crops, equipment, facilities and structures have been significantly damaged by force majeure events. Block farms that have already availed of start-up funding in the form of a grant, have to recourse to Socialized Credit in Rule 3.1(B) (ii) (1) of this IRR as additional financing. Provided, that no grants or start-up funding and socialized credit can be availed by a block farm simultaneously in the same crop year.

As for the livelihood and skills training and other development activities for block farms, SRA shall enter into agreements with concerned government agencies on the mechanics of the program, guidelines for documentation, funding, utilization, accounting and liquidation of the activities under this program.

iii) Common Service Facilities. The common service facilities that shall be funded under the Block Farm Program shall be those service facilities and service providers established and operated by SRA-accredited block farms. Provided, that the general criteria for funding of common service facilities established and operated by SRA-accredited block farms are: (a) the common service facilities must be a separate juridical entity from the block farm, (b) it must be duly registered with the appropriate government agency, (c) must be of good standing, (d) ~~must be organizationally stable.~~

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JOSE V. MONDREDO
Regional Officer - II
Sugar Regulatory Administration



(e) must have the organizational capability and personnel knowledge to operate and manage a common service facility, (f) has the financial capacity for the repair and maintenance of farm machineries and equipment, and (g) must have a deployment plan of machinery and equipment to the farms with provision on motor pooling. Otherwise, if a SRA-accredited block farm does not meet the general criteria or no block farm has established a common service facility in the area, the operation of common service facility in the area shall be awarded to non-block farm established or operated common service facilities created and referred under Rule 3 (C) (i), which will primarily serve the mechanization needs of block farms and small farmers. The same foregoing criteria shall apply to such non-block farm common service facilities.

The SRA, through the joint recommendation of the Block Farm Program Committee and Farm Mechanization Committee created under Rule 3 (C) (ii) of this IRR, shall establish guidelines for application, registration, and evaluation of block farm and non-block farm common service facilities/service centers. Provided, that socialized credit for non-block farm common service facilities shall be subject to consultation with LBP.

iv) Role of SRA in the Block Farming Program. To ensure the success of, and compliance with the objectives of the Program, the SRA through the Block Farm Committee shall:

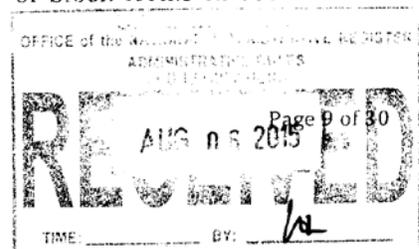
- 1) Develop guidelines for sugarcane farms to qualify for and continue to participate in the Program, including guidelines for certification or accreditation of block farms;
- 2) Provide farm management, technical assistance, and professional services support to block farms, in coordination with the DA, the DAR, DOLE, Technical Education and Skills Development Authority (TESDA), Professional Regulations Commission (PRC), University of the Philippines - Los Baños (UPLB) and other concerned government agencies;

In the absence of expertise or due to lack of technical personnel, SRA may hire or outsource the necessary expertise in order to carry out the said functions which will be funded by the general appropriations and / or from any fund available for the purpose.

- 3) Monitor the development and productivity of block farms in coordination with the Block Farm Program Committee;

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JOSE E. MONDONEO
Records Officer II
Sugar Regulatory Administration



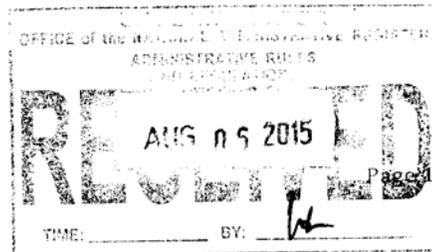
- 4) Recommend to the DA and DAR, in consultation with the Block Farm Committee, after six (6) years, the cessation of the Program on block farms that have failed to improve productivity or raise efficiency, or graduation of block farms that have achieved high and sustainable productivity and profitability on its operations; and
- 5) Implement a certification system as a mechanism to access grants or start-up funding, low interest rate financing, and other incentives and support from the government and Official Development Assistance (ODA); and market access of sugarcane: Provided, That, sugar mills, bioethanol distilleries and other markets of sugarcane shall provide market access priority to the SRA-certified or accredited block farms. As used in this provision, market access priority to SRA - accredited block farms means that sugar mills, bioethanol distilleries and other markets of sugarcane shall not refuse sugarcane deliveries from such block farms.

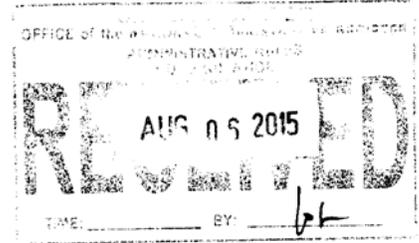
v) Creation of Block Farm Program Committee. A Block Farm Program (BFP) Committee shall be created that shall determine and recommend to SRA the programs, projects and activities to be developed, adopted, funded or prioritized under this program. Provided, that the programs, projects and activities recommended by the Committee and approved by SRA must be in line with or towards the attainment of the objectives or targets of the SRA Roadmap. The Committee shall be composed of SRA Board member as Chairperson, representative of the Department of Agrarian Reform (DAR), representative of the Department of Agriculture (DA), one representative each from established block farm in Luzon, Visayas, and Mindanao, one representative from the SRA-registered sugar millers association, one representative from the SRA-registered refiners' association, one representative from SRA-registered sugarcane farmers' federation, and one sugarcane planter representative from the Sugar Master Plan Foundation, Inc. (SMPFI). The Chairperson may call on other concerned government agencies or private sector stakeholders to attend meetings when needed.

The Committee shall be assisted by a technical working group (TWG) headed by the SRA focal person for block farms and made up of designated personnel from the appropriate departments of SRA. Members and representatives from other concerned agencies and stakeholders shall not receive per diems for their participation in the Committee.

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 Records Officer II
 Sugar Crops Safety Administration
 Quezon City





(B) Farm Support Program

i) Coverage. For other farms that are not eligible under the Block Farm Program, the SRA, as the implementing agency of this Program, shall make available a support program which shall include, among others, the provision for (i) socialized credit, and (ii) farm management, technical assistance, and professional services. Farms that fall under the Farm Support (FS) Program are farms with aggregate areas beyond five (5) hectares but less than thirty (30) hectares, not members of any SRA-accredited block farm, and managed by an individual farmer, farmers' association or federation, or Mill District Development Council (MDDC). Provided, that farms with areas of 5 hectares and less that are not members of any SRA-registered block farm are also eligible under the FS Program.

ii) Program Components and Mechanics of Implementation. Financial assistance and support services under the FS Program shall be provided in the following manner:

1. Socialized credit. The funds for socialized credit shall be released directly to SRA, provided, it shall be made available through the Landbank of the Philippines (LBP) for the acquisition of production inputs, farm machineries and implements necessary for the continuous production of sugarcane. SRA, however, may tap the Philippine Sugar Corporation (PHILSUCOR) as conduit of LBP for loans to eligible farms. For this purpose, SRA, LBP and PHILSUCOR shall enter into a memorandum of agreement covering, among others, mechanics, terms and conditions of the socialized credit including interest and application requirements that ensures timely release of loans to borrowers. DA and DAR may be a party to the agreement, when necessary. Provided, that LBP and/or PHILSUCOR shall regularly submit to SRA reports on the loans released and loan payments specifying the name of borrowers, amount borrowed / paid and dates of loan releases and payments as basis for SRA evaluation, monitoring and impact assessments. Provided, further that LBP and/or PHILSUCOR shall attend, upon request of SRA, any meeting or hearing on the Socialized Credit Program.

The loans under the Socialized Credit Program shall be made available to sugarcane farmers and service centers duly registered with the SRA. Provided, that the lender shall have a lien on the quedan of farmers who obtained a crop loan until the loan is fully paid. Provided, further that farmers cannot be granted another loan until existing loan has been fully paid. However, as an exception, farmers with existing loans may be granted additional loans or have their existing loans restructured when, as determined by SRA, their sugarcane crop, equipment, facilities and structures has been significantly damaged by force majeure events.

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Records Officer II
Sugar Regulatory Administration
Davao, Quezon City

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As socialized credit, the interest rate on the loan shall be significantly lower than the prevailing market rate with simplified documentary requirements for availment. LBP and/or PHILSUCOR shall conduct an information campaign on the mechanics, terms and conditions for availment of the socialized credit among the sugarcane industry stakeholders upon signing of the agreement with SRA.

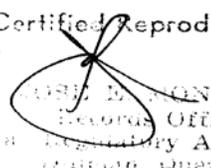
To ensure immediate payment of farmers and secure their income from sugarcane, farmers may enter into any payment method with the sugar mills or distilleries for their sugarcane. Provided, that all sugar produced regardless of payment arrangements shall be subject to the SRA policies on production allocation of sugar as to their market destination and shall also be subject to SRA orders and regulations particularly on the collection of fees and charges in the production of sugar and other products and by-products derived from sugarcane and sugar, pursuant to Executive Order No. 18, series of 1986.

2. Farm Management, Technical Assistance and Professional Services. A Human Resource Development Plan (HRDP) Committee shall be created, and chaired by SRA and co-chaired by DOLE. Government and private sector representatives in the committee are representatives of the DA, the DAR, Technical Education and Skills Development Authority (TESDA), University of the Philippines (UPLB), the Philippine Regulatory Commission (PRC), representative from SRA-registered sugarcane farmers' federation, sugarcane planter from the SMPFI, the Sugar Industry Foundation, Inc. (SIFI), SRA-registered millers association, SRA-registered refiners' association, one each from the workers' foundation of farmers' federations, and from SRA-registered sugar workers association.

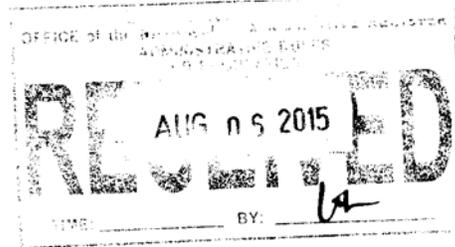
The HRDP Committee shall develop a deployment program of agricultural engineers, agriculturists and farm technicians that shall provide the necessary technical and professional assistance to sugarcane farmers. Provided, that the outsourcing of experts for farm management, technical assistance and other professional services shall be included for funding in the general appropriations.

The HRDP Committee shall also come up with a Human Resource Development (HRD) Master plan for the sugarcane industry which shall, among others, identify the needed or priority expertise for deployment and fields of discipline to be included in the Scholarship Program of the industry. Provided, that the HRDP Committee shall likewise implement the programs and activities provided under Rule VI on Human Resource Development of this IRR.

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Records Officer II
Sugar Regulatory Administration
Manila, Quezon City

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The Committee shall be assisted by a technical working group (TWG) made up from the appropriate department of SRA. Members and representatives from aforementioned agencies and stakeholders shall not receive per diems for their participation in the Committee.

(C) Farm Mechanization Program

i) Coverage. Farmers of sugarcane farms, including block farms and farms of agrarian reform beneficiaries, shall be encouraged and trained to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of sugarcane. For this purpose, the SRA, the DA, and the DAR, in partnership with Local Government Units (LGUs), consistent with the provisions of Republic Act No. 10601, otherwise known as the "Agricultural and Fisheries Mechanization (AFMech) Law", shall:

- 1) Introduce or expand the use of machineries for the different stages of sugarcane farming;
- 2) Formulate a Farm Mechanization Master plan at the mill district and block farms levels; and
- 3) Support the establishment, operation and maintenance of Agri-business Machinery and Equipment Service Centers, as provided in Section 9 of Republic Act No. 10601, in sugarcane areas and, for this purpose, provide socialized credit to Service Centers: Provided, that these Service Centers shall emphasize the provision of plowing, harrowing, weeding, fertilization, harvesting and other farm mechanization services to sugarcane farms that do not have the capability to purchase or maintain their own machineries and equipment. Provided, further the Service Centers referred herein shall be non-block farm operated.

ii) Creation of Farm Mechanization Committee. A Farm Mechanization (FM) Committee shall be created to formulate projects and activities to attain the foregoing objectives and recommend the same to SRA for adoption and implementation. The Farm Mechanization Committee shall also develop a Farm Mechanization Program for the sugarcane industry, and jointly with the Block Farm Committee, in consultation with LBP, shall recommend to SRA the guidelines for registration and prioritization for funding of SRA-registered Common Service Centers under this provision.

The FM Committee shall be chaired by SRA Board member and composed of representatives from the DA- Philippine Center for Post-Harvest Development and Mechanization (DA-PHILMECH), DA-Bureau of Agricultural Research (DA-BAR),

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JOSE B. BENZONARDO
Team's Officer II
Sugar Regulatory Administration

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, Department of Science and Technology -Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (DOST-PCAARRD), DAR, LGUs, UPLB, one representative from SRA-registered millers association, one representative from SRA-registered refiners' association, one representative from SRA-registered sugarcane farmers' federation, one sugarcane planter representative from SMPFI, and representatives of concerned MDDCs.

The Committee shall be assisted by a technical working group (TWG) made up of designated personnel from the appropriate departments of SRA. Members and representatives from aforementioned agencies and stakeholders shall not receive per diems for their participation in the Committee.

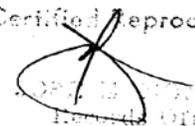
iii) Common Service Centers. SRA shall require the registration of Agribusiness Machinery and Equipment Service Centers (or Common Service Centers) that shall avail of the funding support under the socialized credit of the Farm Mechanization Program. The common service centers created under this provision shall be subject to the guidelines jointly issued by the Block Farm and Farm Mechanization committees.

iv) Financing. The Landbank of the Philippines (LBP) shall manage the socialized credit facility under Farm Mechanization Program. In line with this, SRA and LBP shall enter into a Memorandum of Agreement to implement this provision.

Section 4. Research and Development. The SRA, in coordination with the Department of Science and Technology (DOST), as well as relevant state universities and government research and development institutions and the private sector, shall intensify researches on sugarcane high yielding or flood resistant varieties; pest control and prevention; latest farming, milling, refining and biomass co-generation technologies; soil analysis and fertility mapping of sugarcane areas; weather monitoring and climate change adaptation measures; sugar and sweetener consumption; and other viable products that can be derived from sugarcane. The DA and the DOST shall likewise provide assistance to the SRA to improve the latter's crop forecasting and crop monitoring activities or programs.

RULE 4. RESEARCH AND DEVELOPMENT

Rule 4.1. Implementors and Program Components. The SRA, in coordination with the Department of Science and Technology (DOST), UPLB, as well as relevant state universities and colleges, and government research and development institutions including that of the private sector, shall intensify researches on sugarcane high-yielding or flood-resistant varieties; pest control and prevention; latest farming,

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OPI B. BENDONEDO
Records Officer II
Sugar Laboratory Administration

milling, refining and biomass co-generation technologies, soils analysis and fertility mapping of sugarcane areas; weather monitoring and climate change adaptation measures, among others; sugar and sweetener consumption; and other viable products that can be derived from sugarcane.

Towards this objective, a Research, Development and Extension Services (R, D & E) Committee shall be created with the SRA Board member as chairperson. Representatives from DA-BAR, DA-PHILMECH, DOST-PAG-ASA, DOST-PCAARRD, Philippine Council for Industry, Energy and Emerging Technology Research and Development (DOST-PCIEERD), UPLB, CHED, PHILSURIN, SRA-registered millers association, SRA-registered refiners' association, SRA-registered sugarcane farmers' federation, and one sugarcane planter representative from the SMPFI, and representatives from the MDDCs are the members of the committee. The R, D & E Committee shall make recommendations to SRA on the projects, activities and researches that shall be conducted, undertaken or prioritized by SRA in line with this provision, taking into consideration the R, D & E priorities identified in the sugarcane roadmap, the new and emerging technologies, changes in the investment climate and new thrusts of the sugarcane industry. The Chairperson may call on other concerned agencies or private sector stakeholders to attend meeting when the need arises. The Committee shall be assisted by a technical working group (TWG) headed by an SRA personnel from the R, D and E Department and made up of designated personnel from the appropriate departments of SRA. Members and representatives from aforementioned agencies and stakeholders shall not receive per diems for their participation in the Committee.

The DA and the DOST shall likewise provide assistance to the SRA to improve the latter's crop monitoring and forecasting activities or programs.

Section 5. Extension Services. In addition to extension services provided by the DA, the DAR, the SUCs and private and nongovernment organizations, extension services in sugar districts shall be provided by the SRA and the mill district development councils (MDDC). Extension services that can be provided shall include, but not limited to, provision of technical assistance and advice, conduct of tests, propagation, and dissemination of high yielding varieties, and operation of demonstration farms.

For its extension services, MDDCs may develop linkages with nongovernment organizations, peoples' organizations, and LGUs. It may likewise secure funding for its extension services from private sector sources.

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Secretary II
Sugar Regulatory Administration
Manila, Quezon City

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RULE 5. EXTENSION SERVICES

Rule 5.1. Implementors. In addition to extension services provided by the DA, the DAR, the UPLB, the SUCs and private and non-government organizations, extension services in sugarcane districts shall be provided by the SRA and the Mill District Development Councils (MDDCs). Provided, that the MDDCs shall be responsible for the formulation of the development plan of its mill district in line with or according to the objectives or targets of the SRA Roadmap. The extension personnel of SRA in the MDDC shall assist in the preparation of the development plan of that mill district.

A Mill District Development Program (MDDP) Committee shall be created and shall be chaired by SRA Board member. The MDDP Committee shall be composed of representatives from DA, UPLB, SUCs, PHILSURIN, SRA-registered sugar millers association, SRA-registered refiners association, SRA-registered biofuel/bioenergy producers' association, one representative from sugarcane planters' federation, one sugarcane planter representative from the SMPFI, and one representative from the MDDCs of Luzon, Visayas and Mindanao as members. The Committee shall be assisted by a technical working group (TWG) made up of designated personnel from the appropriate departments of SRA. Members and representatives from aforementioned agencies and stakeholders shall not receive per diems for their participation in the Committee.

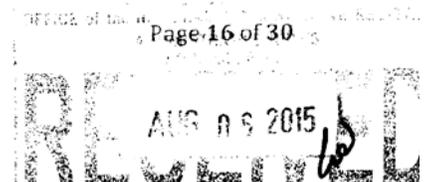
The MDDP Committee shall develop the guidelines for the funding, prioritization and implementation of the development plan submitted by the MDDCs. In addition, the MDDP Committee shall review every five (5) years or sooner when necessary the programs, projects, activities and implementation of the SRA Roadmap, and shall make recommendations to SRA for their amendment or modification. In performing its functions as stated in the Act and this IRR, the MDDP Committee may call upon other government agencies and private sector stakeholders to participate in meetings.

Rule 5.2. Components. Extension services that can be provided shall include, but not limited to, technical assistance and advice, conduct of tests, propagation, and distribution of high-yielding varieties, and operation of demonstration farms. For its extension services, MDDCs may develop linkages with non-government organizations, people's organizations, and LGUs. It may likewise secure funding for its extension services from private sector sources.

Rule 5.3. Funding. The MDDCs may avail of funding from the government's general appropriations through the SRA for its extension services projects subject to Commission on Audit (COA) accounting rules and regulations with the following

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Records Officer II
Sugar Regulatory Administration
Department of Agriculture



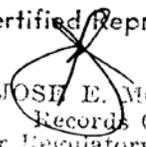
conditions:(i) the proponent MDDC is accredited by the SRA, (ii) has the organizational capacity to implement and manage the project, and (iii) has no pending financial obligations or unliquidated funds with SRA.

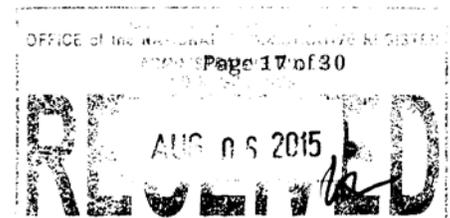
Section 6. Human Resources Development. All stakeholders in the sugarcane industry shall contribute to the development of a sustainable human resource for the industry. Towards this end, the DOLE, in collaboration with the SRA, the Commission on Higher Education, the TESDA, the Professional Regulation Commission (PRC) and the private sector, shall formulate and implement a Human Resource Development (HRD) Master Plan for the sugarcane industry which shall include, but not limited to, the following:

- a) Capacity building, skills trainings, institutional strengthening of the sugarcane industry workers, small farmers and agrarian reform beneficiaries and their organizations to actively contribute in productivity and competitiveness;
- b) Scholarship program for the underprivileged but deserving college and post graduate students who are taking up courses in relevant field of disciplines in SUCs which have programs in agriculture, agricultural engineering and mechanics, and chemical engineering/sugar technology; and for vocational courses and skills development for farmers and farm technicians, and skilled workers in sugar mills, sugar refineries, distilleries and biomass power plants;
- c) Conduct of capability training or attendance to local or international trainings and seminars by farmers, mill, refinery, distilleries and biomass power plant technicians, including the SRA technical personnel on the latest technologies related to sugarcane farming, manufacture or production of sugar and other products derived from sugarcane;
- d) Formulation and implementation of competency standards and training regulations for technical vocational education and training for the sugarcane industry by the TESDA; and
- e) Upgrading of facilities, faculty development and strengthening of the on-the-job training program of agri-based higher education institutions in sugarcane areas towards the production of highly employable and globally competitive graduates needed by the sugarcane industry.

RULE 6. HUMAN RESOURCES DEVELOPMENT

Rule 6.1. Mandate. Pursuant to Section 6 of the Act, all stakeholders in the sugarcane industry shall contribute to the development of a sustainable human resource for the industry.

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Records Officer II
Sugar Regulatory Administration
Ortigas Center, Quezon City



Rule 6.2. Implementors. The DOLE, in collaboration with the SRA, the Commission on Higher Education, the UPLB, the TESDA, the Professional Regulation Commission (PRC) and the private sector shall formulate and implement a Human Resource Development Master plan for the sugarcane industry which shall include, but not limited to the following:

(a) Capacity building, skills trainings, institutional strengthening of the sugarcane industry workers, small farmers and agrarian reform beneficiaries and their organizations to actively contribute in productivity and competitiveness. Provided, that the aforementioned activities shall be conducted atleast once every crop year starting in the crop year after the effectivity of this IRR, when funding is available;

(b) Scholarship program for the underprivileged but deserving college and post graduate students who are taking up courses in relevant field of disciplines in SUCs which have programs in agriculture, agribusiness, agricultural engineering and mechanics, chemical engineering / sugar technology; and for vocational courses and skills development for farmers and farm technicians, and skilled workers in sugar mills, sugar refineries, distilleries and biomass power plants. Provided, that the scholarship program shall give priority to dependents of sugarcane industry farmers and workers. Provided, further that vocational courses and skills development trainings shall commence in the crop year after the effectivity of this IRR, when funding is available;

For this purpose, HRDP Committee created under Rule 3(B)(2) of this IRR, in addition to its functions stated therein, shall formulate and recommend to SRA the guidelines for the Scholarship program which includes the qualifications of scholars and identification of undergraduate, graduate, post doctorate courses including professorial chairs that are relevant to the sugarcane industry.

(c) Conduct of capability training or attendance to local or international trainings and seminars by farmers, mill, refinery, distilleries and biomass power technicians, including the SRA technical personnel, on the latest technologies related to sugarcane farming, manufacture or production of sugar and other products derived from sugarcane Provided, that the capability training shall be conducted atleast once every crop year starting in crop year the after the effectivity of this IRR. Provided, further that attendance to local and international trainings and seminars shall be endorsed by the HRDP Committee to the SRA for its approval. International trainings and seminars shall be funded from the general appropriations of SRA.

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Records Officer II
Sugar Regulatory Administration
Davao, Quezon City

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(d) Formulation and implementation of training regulations for technical vocational education and training for the sugarcane industry by the TESDA. Towards this purpose, the SRA shall assist TESDA in the formulation and implementation of training regulations for the sugarcane industry workforce; and,

(e) Upgrading of facilities, faculty development and strengthening of the on-the-job training program of agri-based higher education institutions in sugarcane areas towards the production of highly employable and globally competitive graduates needed by the sugarcane industry. For this purpose, state universities and colleges and agri-based higher education institutions shall submit to the HRDP Committee proposals for the upgrading of facilities, faculty development and strengthening of OJT programs for funding. Provided, that SUCs or agri-based higher education institutions that are beneficiaries and partners of the program shall have the commitment to implement the program atleast on a five year term.

SECTION 7. *Infrastructure Support.* To facilitate the transport of sugarcane to mills and distilleries, enhance the marketing and export of sugar and other products derived from sugarcane, and complement productivity improvement measures in this Act, transport infrastructure, farm-to-mill roads, and irrigation facilities shall be provided.

(a) *Transport Infrastructure.* The National Economic and Development Authority (NEDA), the Department of Transportation and Communications (DOTC), the Department of Public Works and Highways (DPWH), and the Philippine Ports Authority (PPA), shall include in their annual Development Plans and Priority Investment Programs the immediate construction and/or improvement of existing trans-loading ports for export or coast-wide transport of sugar and other products derived from sugarcane in key sugarcane producing provinces. The SRA shall submit to these agencies, six (6) months from the start of the effectivity of this Act, a priority list of trans-loading ports covered by this provision.

(b) *Farm-to-Mill Roads.* The NEDA, the DA, the DPWH, and concerned LGUs, shall include in their annual Priority Investment Program the immediate construction and/or rehabilitation of farm-to-mill roads in key sugarcane producing provinces. The SRA shall prepare and submit to these agencies and LGUs, within six (6) months from the start of effectivity of this Act, a Farm-to-Mill Road Master Plan and priority farm-to-mill roads at the mill district as basis for the planning, programming and investment prioritization.

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Records Officer - II
Sugar Regulatory Administration
Davao, Davao City

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(c) *Irrigation.* The National Irrigation Administration (NIA), the Bureau of Soils and Water Management, and concerned LGUs, in coordination with the SRA, shall construct appropriate, efficient and cost effective irrigation facilities, pump and other pressurized irrigation systems, rain capture and water impounding facilities in block farms and other sugarcane farms. The SRA shall submit to these agencies the list of priority sugarcane areas within six (6) months from the start of the effectivity of this Act. The DA and the NIA shall include in its annual budget the item or provision on construction and rehabilitation of irrigation facilities, rain capture and water impounding facilities in sugarcane areas.

To promote the conservation of water resources and encourage and involve the participation of sugar mills, refineries and distilleries in providing irrigation to sugarcane areas, the utilization for irrigation of wastewater discharge of mills, refineries, or distilleries, that meet the specifications of the DA on the safe reuse of wastewater for irrigation, fertilization and other agricultural uses, is considered "reuse" and, therefore, exempt from wastewater charges under the system provided under Section 13 of Republic Act No. 9275, also known as the "Philippine Clean Water Act of 2004".

RULE 7. INFRASTRUCTURE SUPPORT

Rule 7.1. Mandate. To facilitate the transport of sugarcane to mills and distilleries, enhance the marketing and export of sugar and other products derived from sugarcane, and complement productivity improvement measures in this Act, transport infrastructure, farm-to-mill roads and irrigation facilities shall be provided.

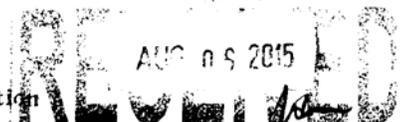
(a) **Transport Infrastructure.** The National Economic and Development Authority (NEDA), the Department of Transportation and Communications (DOTC), the Department of Public Works and Highways (DPWH), and the Philippine Ports Authority (PPA), shall include in their annual Development Plans and Priority Investment Programs the immediate construction and / or improvement of existing trans-loading ports for export or coastwise transport of sugar and other products derived from sugarcane in key sugarcane-producing provinces. The SRA, through the Infrastructure Program Committee, shall submit to these agencies, six (6) months from the start of the effectivity of this Act, a priority list of trans-loading ports covered by this provision. Provided, that to attain the objective of this provision, NEDA shall endorse for ICC approval projects proposed under this Rule, if applicable.

(b) **Farm-to-Mill Roads.** The NEDA, the DA, the DPWH, and concerned LGUs, shall include in their Annual Priority Investment Program the immediate construction

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Records Officer II
Sugar Regulatory Administration
Davao - Quezon City



and /or rehabilitation of farm-to-mill roads in key sugarcane producing provinces. The SRA, through the Infrastructure Program Committee, shall submit to these agencies and LGUs, within six (6) months from the start of the effectivity of this Act, a Farm-to-Mill Road Master plan and priority farm-to-mill roads at the mill district as basis for the planning, programming and investment prioritization. Provided, that to attain the objective of this provision, NEDA shall endorse for ICC approval projects proposed under this Rule, if applicable.

(c) Irrigation. The National Irrigation Administration (NIA), the Bureau of Soils and Water Management, and concerned LGUs, in coordination with the SRA, shall construct appropriate, efficient and cost effective irrigation facilities, pump and other pressurized irrigation systems, rain capture and water impounding facilities in block farms and other sugarcane farms. The SRA, through the Infrastructure Program Committee, shall submit to these agencies the list of priority sugarcane areas within six (6) months from the start of the effectivity of this Act. The DA and the NIA shall include in its annual budget the item or provision on construction and rehabilitation of irrigation facilities, rain capture and water impounding facilities in sugarcane areas. The DA and NIA shall also include the provision of communal drainage systems especially in water-logged sugarcane areas.

To promote the conservation of water resources and encourage and involve the participation of sugar mills, refineries and distilleries in providing irrigation to sugarcane areas, the utilization for irrigation of wastewater discharge of mills, refineries, or distilleries, that meet the specifications of the DA on the safe reuse of wastewater for irrigation, fertilization and other agricultural uses, is considered "reuse" and, therefore, exempt from wastewater charges under the system provided under Section 13 of Republic Act No. 9275, also known as the "Philippine Clean Water Act of 2004". Towards this purpose, the SRA and representatives from SRA-registered sugar mills' association and SRA-registered distilleries' association shall be represented in the DA Committee and Technical Working Group in charge of processing the approval of the reuse of the wastewater discharges from the sugar mills, sugar refineries and distilleries for fertilization, irrigation and other agricultural uses.

Rule 7.2. Creation of Infrastructure Program Committee. There shall be created an Infrastructure Program (IP) Committee to be chaired by an SRA Board member and composed of representatives from NEDA, DPWH, PPA, DA, NIA, Bureau of Soils and Water Management (BSWM) and one representative from SRA-registered millers association, one representative from SRA-registered refiners association, one sugarcane representative from SRA-registered farmers' federation, one sugarcane planter representative from the SMPFI, and one representative each from block farms in Luzon,

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Sugar Regulatory Administration
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Visayas, and Mindanao. Provided, that the IP Committee may call on other agencies or private sector stakeholders to attend meetings when needed. Among other functions, the IP Committee shall:

(i) Prepare project proposals to implement the Infrastructure Program of the Act, including the priority list of trans-loading ports, Farm to Mill Roads Master Plan or Road Network Plan and priority list of farm to mill roads at the mill district level, and priority list of sugarcane producing areas for construction or rehabilitation or appropriate irrigation facilities. Provided, that the proposed farm-to-mill roads have GPS maps and part of the mill district road network plan. The general guidelines for the determination for priority funding of farm to mill roads under the Act shall be the following:

a. First priority of farm-to-mill roads shall be those connected to the national highways or arterial roads, leading to block farms, small farms and expansion areas with at least 100 hectares of sugarcane plantations and validated by the MDDCs or planters organizations.

b. Second priority of farm-to-mill roads shall be those connected to national highways or arterial roads, leading to at least 100 hectares of sugarcane farms and validated by the MDDCs or planters organizations.

Provided, further that the IP Committee may consult the MDDP Committee created under Rule 5 of this IRR in the preparation of project proposals;

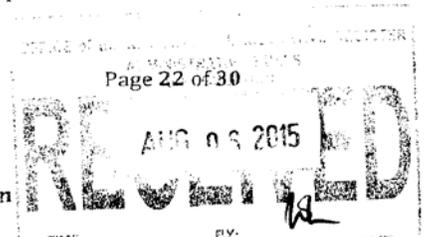
(ii) Submit the project proposals and work for their approval with SRA, and monitor their implementation;

(iii) Develop guidelines and/or mechanics for the identification and prioritization of projects under the Infrastructure Program for funding under the Act; and,

(iv) Other functions that will contribute or lead to the attainment of the objectives of the Infrastructure Program.

The IP Committee shall be assisted by a technical working group (TWG) headed by the SRA Manager of the Policy and Planning Department and made up of designated personnel from the appropriate departments of SRA. Members and representatives from aforementioned agencies and stakeholders shall not receive per diems for their participation in the Committee.

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Records Officer - II
Sugar Regulatory Administration
Davao, Davao City



Section 8. Sugar Supply Monitoring System. As the agency mandated to regulate the supply of sugar in the country, in addition to its powers and functions under Executive Order No. 18, series of 1986, the SRA shall establish a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar.

To accurately determine the supply of sugarcane and sugar in the country and to provide sound basis for diversification, planning and policy, it is mandated that the following shall register with the SRA:

- (a) Sugarcane farmers, farmers' associations/federations, mills/mill associations, sugarcane consolidators and muscovado producers;
- (b) Distilleries, using molasses, sugar or sugarcane as ingredient for alcohol: *Provided*, That importers and consignees of imported molasses regularly report to the SRA, among other information, the volume of molasses imported;
- (c) International and domestic sugar traders, including wholesale traders and repackers, muscovado and molasses traders and custom bonded warehouses (CBW) of food processors importing sugar for re-export: *Provided*, That international and domestic sugar traders and the CBW food processors shall likewise submit a list of all their warehouses of sugar;
- (d) Warehouses of sugar, and business establishments that manufacture or sell bags or sacks for packing sugar; and
- (e) Cane hauling and harvesting service providers.

The SRA shall provide the forms and make sure that the manner of registration shall be the least possible cost to the stakeholder concerned particularly agrarian reform beneficiaries. The information gathered shall be used to develop a sugarcane industry database which shall be administered and updated by the SRA. Any of the aforementioned entities that shall not register shall be subject to penalties imposed by the SRA.

RULE 8. SUGAR MONITORING AND REGULATIONS

Rule 8.1. Sugar Supply Monitoring System. Pursuant to Section 8 of the Act, as the agency mandated to regulate the supply of sugar in the country, in addition to its powers and functions under Executive Order No. 18, series of 1986, the SRA shall establish a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar. To this effect, the SRA shall be the lead agency in

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JOSE A. MONTELIBANO
Secretary
Sugar Regulatory Administration

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the implementation of the food safety regulation on all forms and classifications of sugar derived from sugarcane. Furthermore, the SRA shall be the sole competent authority to formulate and provide the technical definition of all forms of sugar derived from sugarcane.

Rule 8.2. Registration. To accurately determine the supply of sugarcane and sugar in the country and to provide sound basis for diversification, planning and policy, it is mandated that the following shall register with SRA:

- (a) Sugarcane farmers, farmers' associations / federations, mills / mills associations, sugarcane consolidators and muscovado producers;
- (b) Distilleries using molasses, sugar or sugarcane as ingredient for alcohol; Provided, That importers and consignees of imported molasses regularly report to the SRA, among other information, the volume of molasses imported;
- (c) International and domestic sugar traders, including wholesale traders and repackers, muscovado and molasses traders and custom bonded warehouses (CBW) of food processors importing sugar for re-export; Provided, That international and domestic sugar traders and the CBW food processors shall likewise submit a list of all their warehouses of sugar;
- (d) Warehouses of sugar, and business establishments that manufacture or sell bags or sacks for packing sugar; and
- (e) Cane hauling and harvesting service providers.

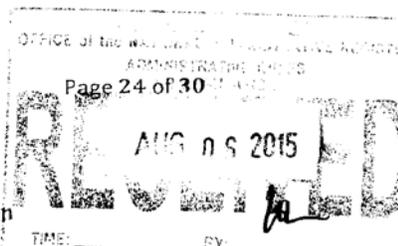
Any of the aforementioned entities that do not register when directed in writing shall be subject to penalties imposed by SRA.

Rule 8.3. Mechanics of Registration. The SRA shall provide the forms and make sure that the manner of registration shall be the least possible cost to the stakeholder concerned particularly agrarian reform beneficiaries. For this purpose, the SRA shall issue a Sugar Order on the guidelines and requirements of registration.

Rule 8.4. Purpose of Registration. The information gathered shall be used to develop a sugarcane industry database which shall be administered and updated by the SRA. Towards this objective and purpose, the SRA shall strengthen its management information system capability and provide funds for the development of information systems and databases of the sugarcane industry.

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Records Officer II
Sugar Regulatory Administration
Davao Region Office



Rule 8.5. Collaboration. For food sufficiency and food safety purposes, concerned government entities such as the Department of Trade and Industry (DTI) and LGUs shall be requested to share with the SRA their databases of business permits and LGU permits issued to the aforementioned entities which are doing business with the sugarcane industry. To this effect, the SRA shall provide funds for the conduct of an initial survey of the list of establishments generated by the databases of the DTI and the LGUs up to the barangay level in accordance with the Commission on Audit (COA) accounting rules and regulations.

Section 9. Classification and Regulation of Supply of Sugar. The SRA, in the exercise of its regulatory authority, shall classify imported sugar according to its appropriate classification when imported at a time that domestic production is sufficient to meet domestic sugar requirements. The BOC shall require importers or consignees to secure from the SRA the classification of the imported sugar prior to its release.

RULE 9. Classification and Regulation of the Supply of Sugar

Rule 9.1. Classification of Imported Sugar. Pursuant to Section 9 of the Act, the SRA, in the exercise of its regulatory authority, shall classify imported sugar according to its appropriate classification of "A" or U.S. quota sugar, "B" or Domestic market sugar, "C" or Reserved sugar, or "D" or World market sugar, "E" or World market sugar for food processors/exporters and custom bonded warehouses, or "F" or World market sugar for ethanol, when imported at a time that domestic production is sufficient to meet domestic requirements. SRA shall prepare the necessary guidelines in the determination of sufficient supply. Prior to importation, all importers shall declare and submit to SRA the volume of their quarterly sugar requirements within the subject year of importation as basis for the determination of sugar sufficiency level, the appropriate sugar classification and allowable volume of importation, if necessary.

Rule 9.2. Regulation of Imported Sugar. The BOC shall require importers or consignees to secure from the SRA the classification of the imported sugar prior to its release. To this effect, SRA may issue the SRA clearance to Release Imported Sugar from BOC with the appropriate sugar classification, subject to the submission of all documentary requirements and payment of applicable fees and charges. This regulation shall cover all forms of imported sugar classified under tariff heading 1701 from country/ies of origin with equivalent food safety measures evidenced by Sanitary and Phytosanitary (SPS) certifications or its equivalent.

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Records Officer II
Sugar Regulatory Administration
Davao, Quezon City

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SECTION 10. Value-Added Tax (VAT) Zero-Rated on Refined Sugar for Export. – Pursuant to Section 106 (A) (2) (a) (1) of the National Internal Revenue Code, VAT zero-rated shall be imposed on refined sugar withdrawn from warehouses for actual physical export to the world market.

To differentiate refined sugar from raw sugar for VAT purposes, refined sugar refers to sugar whose content of sucrose, by weight, in the dry state corresponds to a polarimeter reading of 99.5° and above, and raw sugar means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.5°.

The Bureau of Internal Revenue, in consultation with the SRA and industry stakeholders, shall issue the necessary regulation to implement this Section.

**RULE 10. Value-Added Tax (VAT) Zero-Rated
On Refined Sugar for Export**

Rule 10.1. Mandate. Pursuant to Section 106 (A) (2) (a) (1) of the National Internal Revenue Code, VAT zero-rated shall be imposed on refined sugar withdrawn from warehouses for actual physical export to the world market.

Rule 10.2. Definition of Refined and Raw Sugar for Value Added Tax. To differentiate refined sugar from raw sugar for VAT purposes, refined sugar refers to sugar whose content of sucrose, by weight, in the dry state corresponds to a polarimeter reading of 99.5° and above, and raw sugar means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.5°.

Rule 10.3. Regulation. The Bureau of Internal Revenue (BIR), in consultation with the SRA and industry stakeholders, shall issue the necessary regulation to implement this Section.

SECTION 11. Mandated Appropriations. The Department of Budget and Management (DBM) is hereby mandated to include annually, starting the year 2016, an initial aggregate amount of Two Billion Pesos (P2,000,000,000.00) in the President's program of expenditures for submission to Congress and allocated, as follows:

(1) Fifteen percent (15%) for grants to Block Farms under the Block Farm Program;

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JOSIE MONTECINO
Revenue Officer - II
Sugar Regulatory Administration
Dorongan, Marikina City

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(2) Fifteen percent (15%) for Socialized Credit under the Farm Support and Farm Mechanization Programs;

(3) Fifteen percent (15%) for research and development, capability building and technology transfer activities under Research and Development, Extension Services, Human Resources Development, and Farm Support Programs;

(4) Five percent (5%) for scholarship grants to be provided under paragraph (b) of Section 6, Human Resources Development; and

(5) Fifty percent (50%) for Infrastructure Support programs.

In the identification and prioritization of specific programs and projects, the SRA shall conduct prior consultation with representatives of block farms, sugarcane farmers and workers, sugar millers, refiners, bioenergy producers, and producers of other products derived from sugarcane and its by-products. The Department shall issue the necessary guidelines for this purpose.

For the current year, the DBM shall include in a supplemental budget that may be formulated, the amount of Two Billion Pesos (P2,000,000,000.00) and following the allocation as prescribed in this Section.

RULE 11. MANDATED APPROPRIATIONS

Rule 11.1. Program Allocations. Pursuant to Section 11 of the Act, the Department of Budget and Management (DBM) is hereby mandated to include annually, starting the year 2016, an initial aggregate amount of Two Billion Pesos (P 2,000,000,000) in the President's program of expenditures for submission to Congress and allocated, as follows:

- (a) Fifteen percent (15%) for grants to Block Farms under the Block Farm Program;
- (b) Fifteen percent (15%) for Socialized Credit under the Farm Support and Farm Mechanization Programs;
- (c) Fifteen percent (15%) for research and development, capability building and technology transfer activities under Research and Development, Extension Services, Human Resources Development and Farm Support Programs;

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Records Officer - II
Sugar Regulatory Administration
Davao City

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(d) Five percent (5%) for scholarship grants to be provided under paragraph (b) of Section 6 of the Act, Human Resources Development; and

(e) Fifty percent (50%) for Infrastructure Support programs.

For the current year, the DBM shall include in a supplemental budget that may be formulated, the amount of Two Billion Pesos (P2,000,000,000.00) and following the allocation prescribed in this Section.

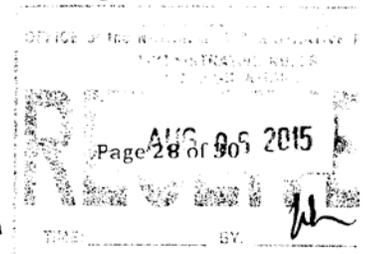
Rule 11.2. Mechanics of Funding. The SRA shall submit to DBM every budget year the proposed priority projects and programs in line with the Medium-Term Roadmap of the sugarcane industry (SRA Roadmap), taking into consideration the new investment environment, the technological advancements and the new policy thrusts of the government subject to DBM evaluation and endorsement for their inclusion in the President's National Expenditure Program (NEP). The priority projects and programs shall be taken from the projects submitted by the different program committees created under this IRR which were approved by SRA. Provided that the different committees may at their discretion conduct consultations with stakeholders prior to adoption of a program, project or activity and submission to SRA for approval. Provided, further, that the SRA may develop its own, approve and implement programs, projects, and activities to be funded under the Act subject to prior consultation with the stakeholder consultative assembly created under Rule 11.4.

Rule 11.3. Strict Requirement for Funding. No program, project, or activity shall be approved by SRA for implementation and funding unless in line with or towards the attainment of the objectives or targets indicated in the SRA Roadmap.

Rule 11.4. Call for a Stakeholder Consultative Assembly. Pursuant to Section 11 of the Act, the SRA shall call for a Stakeholder Consultative Assembly (SCA) composed of representatives of the different sugarcane farmers' federations, sugar millers association, sugar refiners association, ethanol distilleries association, sugar workers association, block farms, mill district development councils, and sugar traders. The consultative assembly shall serve as forum where SRA shall conduct consultations prior to approval or implementation of any program, project, or activity under the Act. Provided, that SRA may request other agencies to attend the consultative meetings to clarify or help explain the programs, projects, or activities. SCA meetings shall be presided by the SRA Administrator.

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Records Officer II
Sugar Regulatory Administration
Davao, Davao City



In the preparation for the meetings and agenda of the consultative assembly meetings, the SRA shall be assisted by the Technical Working Group (TWG) headed by the Manager, Policy and Planning Department, and made up of designated personnel from the appropriate departments of SRA. Attendees and members of the SCA technical secretariat shall receive no per diems. Only members of the SCA TWG shall receive refunds for liquidated expenses for their participation in the Committee.

The TWGs of the various program committees created under this IRR shall coordinate with and assist the SCA TWG in the preparation and conduct of assembly meetings.

Rule 11.5. Schedule of SCA and Program Committee Meetings. SCA and the various committees shall meet regularly or when needed.

Rule 11.6. Operating Fund. The administrative costs, travel costs and other actual expenses of the different committees and their respective TWGs and the SCA and its TWG shall be derived or funded from the SRA corporate fund subject to COA rules and regulations and approval of the Sugar Board.

Section 12. Non-Exemption from Comprehensive Agrarian Reform Program (CARP) Coverage. Nothing in this Act shall exempt any landholding from CARP Coverage.

**RULE 12. NON-EXEMPTION FROM
COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP)**

Rule 12.1. Pursuant to Section 12 of the Act, nothing in this Act shall exempt any landholding from CARP coverage.

SECTION 13. Implementing Rules and Regulations. The DA, in consultation with concerned government agencies and sugarcane industry stakeholders, shall issue the Implementing Rules and Regulations of this Act within ninety (90) days starting from the effectivity of this Act.

RULE 13. IMPLEMENTING RULES AND REGULATIONS

Rule 13.1. Reporting. The SRA shall be the lead agency in the implementation of the provisions of this Act. Provided, That the SRA shall submit annual reports on the implementation of the provisions of the Act including status and accomplishments of priority programs to the DA, the DBM, the House of Representatives and the Senate Committees of Agriculture.

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Records Officer II
Sugar Regulatory Administration
Diliman, Quezon City

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SECTION 14. *Separability Clause.* If any provision of this Act is declared unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

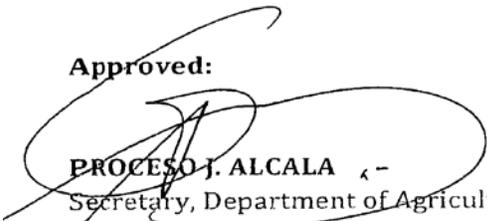
SECTION 15. *Repealing Clause.* All laws, decrees, executive orders and rules and regulations or part or parts thereof inconsistent with any provision of this Act are hereby repealed, modified or amended accordingly.

SECTION 16. *Effectivity.* This Act shall take effect after fifteen (15) days from its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

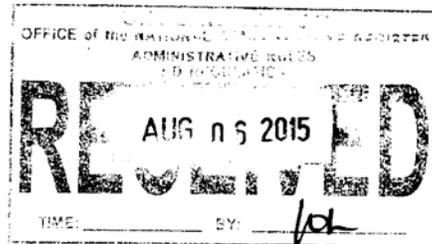
**RULE 14. EFFECTIVITY OF THE IMPLEMENTING RULES
AND REGULATIONS**

Rule 14.1. The Implementing Rules and Regulations shall take effect fifteen (15) days after publication in the Official Gazette or a newspaper of general circulation.

Approved:


PROCESO J. ALCALA -
Secretary, Department of Agriculture
Date: August 4, 2015

DEPARTMENT OF AGRICULTURE
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Sugar Regulatory Administration
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