



REPUBLIC OF THE PHILIPPINES
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City
P.O. Box 70, U.P., Diliman, Quezon City
TIN 0000-784-336



07 September 2004



SUGAR ORDER NO. 2
Series of 2004 – 2005

SUBJECT : EXPORT OF "D" SUGAR FOR CY 2004 – 2005

WHEREAS, there is an expected volume of 228,000 Metric Tons of "D" World Market sugar pursuant to the production percentages under Section 1 of SRA Sugar Order No. 1, Series of 2004-2005, dated 24 August 2004, said volume represent the expected excess of our domestic and U.S. quota requirements;

WHEREAS, there is a need to facilitate the availability of the "D" World Market sugar and expedite the timely shipment of same in a given period in order to insure the stability of sugar prices at levels reasonably profitable to the producers and fair to consumers;

WHEREAS, Sugar Order No. 10, Series of 2003-2004, re : Advance Swapping into "D" or World Market Sugar Produced During Crop Year 2003-2004, was issued to allow for the early shipment of advance swapped "Ds" ;

NOW, THEREFORE, under and by virtue of the powers vested in the Sugar Regulatory Administration (SRA), it is hereby ordered that;

Section 1. Quedanning of the "D" World Market Sugar – The quedanning of the "D" or World Market sugar production shall be using the "A" or U.S. Quota sugar quedan-permit forms of CY 2004-2005 after the said "A" quedan-permits have been properly stamped as "D" and validated by the SRA Sugar Production and Regulation Officers (PCROs) assigned at the millsites.

Mill companies shall, on a weekly basis, issue consolidated (block quedanning) "D" quedan-permits to planters (planters' share) in the name of the planters' association/cooperative as assignee, attached thereto the list of planters' by planters' association/cooperative and their corresponding volumes of "D" sugar.

For the non-affiliated planters, quedanning of the "D" sugar shall be joined with those of the mill or any planters' association/cooperative of their choice, attached thereto the list of planters and their corresponding volumes of sugar.

Section 2. Liquidation Price. The liquidation price of the "D" sugar shall be in reference to the prevailing World Market prices, New York Sugar No. 11, London #5 (Whites) and any other reference market that is applicable.

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Section 3. Schedule of Shipment to the World Market – There shall be three (3) tranches in the export shipment of the “D” sugar to the World Market on a “First In – First Out” basis, the schedule of which are as follows:

Tranche	Week-ending Period	Expected “D” Sugar from Production ^{1/} (In Metric Tons)	Deadline of Filing of Application for Shipment	Estimated Date of Departure (EDD)
1 st	September 05 to December 31, 2004	70,000	Jan. 15, 2005	Jan. 31, 2005
2 nd	January 01 to February 25, 2005	78,000	Mar. 15, 2005	Mar. 31, 2005
3 rd	March 1 to April 15, 2005	45,000	April 30, 2005	May 15, 2005
2/ 4 th	April 16 to Aug. 31, 2005	37,000		

1/ - Based on CY 2004-2005 monthly productions

2/ - Shipments to be announced later

The SRA shall still accept applications for export using “D” quedans which tranche failed to meet its deadline of filing of application for shipment, subject to penalty mentioned herein.

Section 4. Advance Swapping. The “B” or Domestic sugar and the “A” or U.S. Export sugar produced during the current CY 2004-2005 shall still be allowed for advance swapping into “D” or World Market sugar starting November 1, 2004 after the October 30, 2004 deadline has lapsed pursuant to Sugar Order No. 10, Series of 2003-2004.

Only “B” and “A” quedan-permits (regular or not swapped) issued during the aforesaid crop year are eligible for advance swapping.

Section 5. Regular Swapping – The “D” quedan-permits of the current Crop Year 2004-2005 shall be allowed swapping with the “B” or Domestic quedan-permits / “A” or Export quedan-permits only for physical positioning prior to shipment.

All swapping (regular or advanced swapping) as provided herein/in this Order shall be charged with a fee of ₱1.50 per Lkg-Bag. Other requirements of herein swapping shall be in accordance with the requirements of Regular Swapping prescribed in Circular Letter No. 31, Series of 1997-1998.

Section 6. Transfer of Exportable Sugar - Transfer of exportable sugar, “A” and “D” sugar, to the loading ports, e.g. Pulupandan Port, is hereby authorized prior to loading on vessel for shipment.

The loading ports shall be considered as subsidiary or extension warehouses of the mills and as such, the transferred sugar shall remain the responsibility of the mills concerned.

The aforesaid transfer shall be effected by the mill concerned upon request of the exporter/shipper, said request duly approved by the SRA.

The cost of transferring the sugar, such as hauling and handling expenses, shall be charged by the mills to the exporters/shippers thereof.



Section 7. Sugar Transfer Order (STO). To effect the subject transfer and for proper monitoring and control by SRA, a Sugar Transfer Order (STO), copy attached, shall be accomplished by the concerned mill upon receipt of the approved request of transfer (of the exporter/shipper) by the SRA.

The STO shall be prepared in four (4) copies duly approved and signed by the authorized mill representative and furnished the following:

1. Planters' association/cooperative.
2. Sugar Production Regulation Officer (SPRO) assigned thereat who will transmit same to the Production Control and Regulation Office (PCRO), SRA, Diliman, Quezon City.
3. Warehouseman assigned at the bulk terminal/loading port.
4. Sugar Production Regulation Officer (SPRO) assigned at the bulk terminal/loading port.

Section 8. Penalty - (a) In order to insure the availability of "D" sugar for its timely shipment per schedule herein, a penalty of **Ten Pesos (₱10.00) per LKg-Bag per day** shall be imposed and collected from holders of "D" quedans still outstanding beyond the deadline of filing of application for its shipment corresponding to its tranche, e.g. January 15, 2005 – 1st tranche.

Likewise, a penalty of **Ten Pesos (₱10.00) per LKg-Bag per day** shall be imposed and collected from sugar traders/exporters whose "D" quedans have been surrendered to the mill but unwithdrawn and failed to meet the Estimated Date of Departure (EDD) corresponding to its tranche, e.g. January 31, 2005 1st tranche.

(b) The collection of the penalties hereof shall accrue to SRA.

Section 9. Portion of the "D" sugar may be made available to the food processors of sugar-based products for export under the Customs Bonded Warehouse (CBW) chargeable to their 2004 import allocations and subject to Implementing Rules and Regulations (IRR) to be promulgated.

Section 10. Refining of the "D" Sugar – Only actual exporters/shippers and CBW processors/exporters of Philippine sugar to the World Market for the current crop year shall be allowed refining of the "D" sugar under special circumstances allowed under IRR.

The refinery shall require the party tolling the "D" sugar approval of the SRA for refining of same.

Section 11. A Circular Letter shall be issued to serve as implementing guidelines of this Order.

Section 12. This Sugar Order shall take effect **September 1, 2004.**

Section 13. Provisions of Sugar Orders, Circular Letters and/or other rules and regulations contrary to or inconsistent with this Sugar Order, are hereby amended, modified or revoked accordingly.

BY AUTHORITY OF THE SUGAR BOARD:


JAMES C. LEDESMA
Administrator