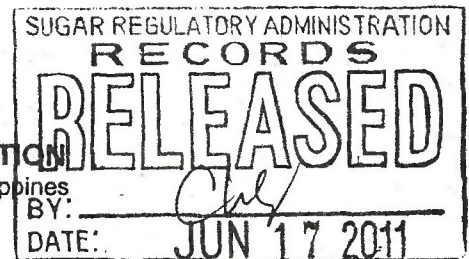




REPUBLIC OF THE PHILIPPINES  
Department of Agriculture  
**SUGAR REGULATORY ADMINISTRATION**  
North Avenue, Diliman, Quezon City, 1101 Philippines



16 June 2011

**SUGAR ORDER NO. 10**  
Series of 2010-2011

**SUBJECT : SHIPMENT OF ADVANCE-SWAPPED "B" OR DOMESTIC SUGAR TO "A" OR U.S. EXPORT SUGAR**

**WHEREAS**, Section 2 (B) of Executive Order No. 18, Series of 1986 mandates the SRA to establish and maintain such balanced relation between production and requirement of sugar and such marketing conditions as will ensure stabilized price levels reasonably profitable to producers and fair to consumers;

**WHEREAS**, Sugar Order No. 9, Series of 2010-2011 allowed advance-swapping or "B" or Domestic sugar in to "A" or U.S. Market Sugar and the application for the same has reached no less than 160,000 Metric Tons;

**WHEREAS**, the application for advance-swapping is more than the requirement for the additional U.S. quota of the current crop year, and will fill up the whole traditional quota for the next crop year;

**WHEREAS**, there is a need to physically ship the advance-swapped sugar to the U.S. in order to attain the balance required for a stable and viable market environment;

**WHEREAS**, the provisions of Sugar Order No. 8, Series of 2010-2011, specifically Section 2.1 on the verification of "A" quedans issued from May 1, 2011 onwards need to be rationalized;

**NOW, THEREFORE**, under and by virtue of the authority vested in the Sugar Regulatory Administration (SRA), the following is hereby ordered:

**Section 1. Filling up of the additional U.S. Quota allocation.**

- 1.1. "A" U. S. Quota sugar verified for U.S. Quota Year 2010-2011 under Sugar Order No. 8, Series of 2010-2011 shall have first priority for the additional shipment to the United States for Quota Year 2010-2011.
- 1.2. In the event that the aggregate verified "A" quedans will not be enough to fill-up the additional U. S. Quota, the difference shall be

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filled-up from the advance swapping on a "First come-First Served" basis.

**Section 2. Commitment to Shipment**

2.1 All holders of advance-swapped "B" to "A" pursuant to Sugar Order No. 9, Series of 2010-2011, as amended, are hereby required to submit a duly-notarized Undertaking to Ship their advance-swapped "B" to "A" to the Office of the SRA Administrator, indicating therein the Quantity of Sugar to be exported, Name of Shipper, Port of Loading, Expected Date of Departure, Port and Country of Destination. Said undertaking must be submitted to the SRA not later than July 15, 2011.

2.2. All advance-swapped "B" to "A" that are not included in the Undertaking to Ship are hereby reverted to "B", and must be submitted to the SRA Regulation Department at Quezon City, for stamping as "B" and recording. No fee shall be collected for this purpose. Such submission must be done no later than August 15, 2011. Failure to submit such advance-swapped "B" to "A" shall render the quedan "HOMELESS" and therefore non-negotiable.

2.3 The reverted "B" as ordered in Section 2.2 above may be applied for advance-swapping to "D" or World Market Sugar based on a separate order issued by SRA for that purpose. The aforesaid swapping shall be exempted from paying the advance swapping fee.

**Section 3. Physical Shipment of Current Crop Year U.S. Quota and Early Shipment of Next Year U.S. Quota**

3.1 All sugar represented by verified "A" and advance-swapped "B" to "A" qualifying in Section 1.1 above must be physically shipped out of the Philippines not later than July 31, 2011 for the current crop year quota, and not later than October 30, 2011 for the next crop year quota.

3.2 All quedan-permits that fail to meet the deadline set in above Sections 2.1 and 3.1 herein will be declared "HOMELESS" and shall be subjected to SRA rules on said matter, including imposition of stiff penalties.

**Section 4.** Section 2.1 of Sugar Order No. 8, Series of 2010-2011 is hereby modified or amended to wit: "the verification of deadline of "A" quedan-permits issued on May 1, 2011 until June 12, 2011 shall continue to be 15 days after the issuance. On the other hand, the verification of "A" quedan-permits issued from June 19, 2011 until

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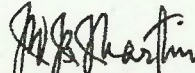
the end of milling is hereby suspended. All quotas issued from June 19, 2011 until the end of crop year will be eligible for inclusion in the next crop year U.S. quota or may be applied for replenishment of the advance-swapped "B" to "A", subject to Sugar Order No. 9, Series of 2010-2011 and all other applicable rules and regulations." All other provisions of Sugar Order No. 8, Series of 2010-2011 not contrary to this modification or amendment shall continue to have full force and effect.

**Section 5.** The existing requirements for export shipment applications shall apply.

**Section 6.** Provisions of Sugar Orders, Circular Letters, and rules and regulations contrary or inconsistent with this Sugar Order are hereby revised, modified or revoked accordingly.

**Section 7.** This Sugar Order shall take effect immediately.

**BY AUTHORITY OF THE SUGAR BOARD**



**MA. REGINA BAUTISTA-MARTIN**  
Administrator