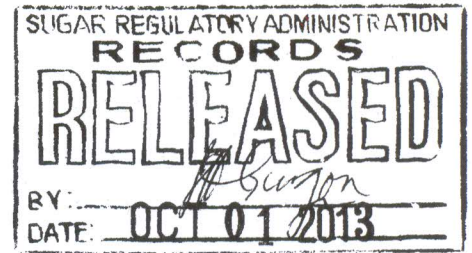




REPUBLIC OF THE PHILIPPINES
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Araneta Street, Singang, Bacolod City 6100 Philippines



26 September 2013

SUGAR ORDER NO. 2
Series of 2013-2014

**SUBJECT: FILLING UP THE U.S. QUOTA FOR QUOTA YEAR 2013-2014
AND GUIDELINES IN THE VERIFICATION & SHIPMENT OF
"A" U.S. QUOTA SUGAR**

WHEREAS, the United States of America has allocated for the Philippines an initial quota of 142,160.00 Metric Tons Raw Value (MTRV) or 136,201.00 Metric Tons Commercial Weight (MTCW) for Quota Year 2012-2013;

WHEREAS, under the Tariff Rate Quota (TRQ) country allocations for raw sugar for the said Quota Year, the United States Trade Representative (USTR) has waived the quarterly shipment requirement (shipping pattern restrictions) of our regular allocation of 136,201.00 MTCW;

WHEREAS, Certificate for Quota Eligibility (CQE) will be issued to the Philippines to ship any volume of raw sugar at any given time/period as part of our regular allocation of 136,201.00 MTCW within the Quota Year 2013-2014;

WHEREAS, it is in the national interest that the "First Come-First Served" policy of allocating the U.S. Quota among sugar traders/exporters shall apply;

WHEREAS, there is a need to ensure that the full quota is actually shipped to the United States after the verification of "A" quedans has been accomplished;

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

Section 1. Coverage of Eligibility. All "A" or U.S. Quota sugar quedan-permits issued during the current Crop Year 2013-2014 and previous Crop Year/s, (regular, swapped, verified and reinstated "A" sugar, not reinstated/unverified and homeless "A" sugar), are eligible for shipment under the U.S. Quota Year 2013-2014 subject to the conditions set in this Sugar Order.

Section 2. "A" Sugar Declared for U.S. Quota Allocation. Sugar traders/exporters are hereby advised to apply with the SRA for export allocations attached thereto the "A" sugar quedan permits for verification/processing in order to fill up the allocation of the U.S. Sugar Quota for Quota Year 2013-2014.

- 2.1 The U.S. Quota Allocation for Quota Year 2013-2014 shall be allocated among the sugar exporters on a "First Come-First Served" basis. Likewise, all sugar shipments to the U.S. shall be made on a "**First-In, First-Out**" basis.
- 2.2 In the event the exporter shall have sold his verified "A" quedan-permits to another party, the allocation of the said exporter is deemed cancelled, in which case, the said "A" quedan-permits shall be again subject to verification by the SRA for allocation on a "**First Come-First Served**" basis.

- 2.3 All fees and charges due the SRA for the processing of documents relative to the filling up of the 2013-2014 U.S. Quota Allocation shall be subject to SRA General Administrative Order No. 1, dated 11 May 2011.

Section 3. Deadline of Verification of "A" or U.S. Quota sugar. In order to ensure the filling up of the U.S. Quota at the earliest possible time, hereunder is the scheduled deadline of submission of "A" quedans for verification:

<u>WEEK ENDING</u>	<u>DEADLINE OF VERIFICATION</u>	<u>DEADLINE OF SHIPMENT</u>
Previous Crop Year/s	December 15, 2013	March 31, 2014
Sept. 01, 2013 – May 25, 2014	3 months after the Week Ending	August 01, 2014
June 01, 2014 - End of Milling	To be announced later	To be announced later

3.1 The subject "A" quedans if not verified with the SRA and/or shipped on or prior to the said deadline shall be considered as homeless and non-negotiable/non-marketable, and the same cannot be withdrawn from the mill.

Section 4. Undertaking to Ship. An Undertaking to ship "A" to the United States shall be signed by the trader/exporter, indicating his commitment to ship the "A" sugar on or before the schedule as established/set by this Sugar Order.

Sugar Planters presenting their "A" sugar for verification are, however, exempted from Section 4 of this Sugar Order, provided that this same sugar is committed by an exporter for shipment to the United States.

Failure to submit the Undertaking to ship of the verified "A" may be subject to the penalties provided in Section 2.8 of Sugar Order No. 10, Series of 2009-2010, as determined by the Sugar Board.

Section 5. Physical Shipment of Verified "A" of Crop Years 2012-2013 & 2013-2014.

5.1 "A" U.S. Quota sugar of previous Crop Year 2012-2013 and current Crop Year 2013-2014 must be physically shipped out of the Philippines not later than the deadline of shipment as stated in Section 3 of this Order.

5.2 Failure to meet the **shipping out deadlines** shall be declared as **"HOMELESS"** without prejudice to other sanctions that the SRA Board may impose.

Section 6. Reinstatement, Verification and Shipment of "A" Quedans of Previous Crop/s (CY 2012/13 and Prior Years).

6.1 **Unverified/Not Reinstated and Homeless "A" quedans** – The holders of the unverified/not reinstated and homeless "A" quedans of the previous crop year/s shall apply for reinstatement prior to application for verification. It shall be charged with a Reinstatement Fee of Php30.00 per LKg-bag.

6.2 Failure to Meet the December 15, 2013 Deadline on Reinstatement and Verification - The holders of "A" quedans of the previous crop year/s which failed to submit their application for verification on the deadline of **December 15, 2013**, shall be charged with a Reinstatement Fee of **Php30.00 per LKg-bag plus Php1.00 per day per LKg-bag** reckoned from the time it become homeless until the filing of the request for reinstatement.

6.3 Failure to Meet the March 31, 2013 Shipping Deadline. The holders of verified "A" quedans of the previous crop/s which failed to meet the shipping deadline on March 31, 2014 shall become homeless. It is still eligible for shipment until August 01, 2014 upon payment of a Reinstatement Fee of **Php60.00 per LKg-bag plus Php1.00 per day per LKg-bag** reckoned from the time it failed to meet the original shipment deadline (March 31, 2014). "A" quedans of previous crops which failed to meet the August 01, 2014 shall become homeless until a new reinstatement policy is issued.

Section 7. Current Crop (CY 2013/14) Verification/Shipping Deadline - The holders of "A" quedans of the current crop which failed to meet the **verification/shipping deadline** shall be charged with a Reinstatement fee of **Php15.00 per LKg-bag**.

Section 8. Filing of Application. The application for verification, shipment and reinstatement of the subject "A" shall be filed with the Regulation Department, Quezon City.

Section 9. Effectivity. This Sugar Order shall take effect immediately.

Section 10. Consistency. 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:



MA. REGINA BAUTISTA-MARTIN
Administrator