

Republic of the Philippines Department of Agriculture

SUGAR REGULATORY ADMINISTRATION

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SUGAR REGULATORY ADMINISTRATION

August 8, 2024

SUGAR ORDER NO. 05

U.P. LAW CENTER Series of 2023-2024 CE of the NATIONAL ADMINISTRATIVE REGISTER Administrative rules and Regulations AUG 0 8 2024 E G I S T E R E Registration Registration SUBJE YEAR 2023-2 SUBJE YEAR 2023-2 SUBJE YEAR

SUBJECT : 1ST SUGAR IMPORT PROGRAM FOR CROP YEAR 2023-2024 and FOR THE PRODUCTION CROP YEAR 2023-2024

WHEREAS, Executive Order No. 18, series of 1986, provides that one of the objectives in the creation of the SRA is to ensure adequate and stable supply of sugar for domestic consumption in order to stabilize prices at a level reasonably profitable to the producers and fair to the consumers;

WHEREAS, Section 8 of SIDA affirms the mandate of the SRA to regulate the supply of sugar in the country, in addition to its powers and functions under Executive Order No. 18, Series of 1986, and establish a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar;

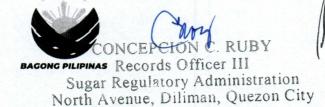
WHEREAS, despite the relatively stable supply and prices of sugar as of end of June 2024, the finite supply of sugar and the effect of El Nino on sugar farming necessitates a pre-emptive and decisive action on the part of the government in order to ensure a reasonable and stable supply and price thereof;

WHEREAS, taking into consideration Official Historical Data on Supply and Withdrawal of Sugar as well as the comments of the stakeholders, and so as to maintain adequate actual stocks of sugar and ensure stable and reasonable prices therefore, the SRA deems it necessary to implement a timely government intervention by way of importation of refined sugar;

NOW, THEREFORE, by authority vested in the Sugar Regulatory Administration, the following is hereby ordered:

Section 1. This shall be the 1ST Sugar Import Program for Crop Year 2023-2024 and for the Production Crop Year 2023-2024. The intention of this sugar import program is to ensure that despite the projected ill-effects of El Nino for Crop Year 2024-2025, the country will continue to have sufficient actual supply of sugar for domestic consumption and for buffer stock.

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Section 2. Eligible Participants. This Sugar Import Program shall be open to All eligible participants ("Eligible Importer") of Sugar Order No. 2, Series of 2023-2024, AND of Sugar Order No. 3, Series of 2023-2024, or their assignees; Provided that they are Licensed SRA International Sugar Trader in good standing.

Section 3. Volume and Type of Sugar. The volume of imported refined sugar covered by this Order shall not exceed TWO HUNDRED FORTY THOUSAND METRIC TONS (240,000.00 MT). The same includes, to wit:

- 3.1 A maximum volume of ONE HUNDRED SEVENTY SIX THOUSAND FIVE HUNDRED METRIC TONS (176,500.00 MT) of refined sugar for eligible importers qualified under Sugar Order No. 2, Series of 2023-2024, and
- 3.2 A maximum volume of SIXTY THREE THOUSAND FIVE HUNDRED METRIC TONS (63,500.00 MT) of refined sugar for eligible importers qualified under Sugar Order No. 3, Series of 2023-2024.

Section 4. Definition of Terms. For purposes of this Sugar Order, and unless the context shall otherwise provide, the following terms shall mean:

- (a) Refined sugar sugar with color range of 1-100 ICUMSA unit and a minimum polarization of 99.8 polarization.
- (b) Consumers shall refer to institutional users, retailers, wholesalers, traders, and manufacturers/industrial users.

Section 5. Volume. The volume allocated to participants of this Sugar Order, computed by the SRA on the basis of, among others, the terms and conditions of Sugar Order No. 2, Series of 2023-2024, and of Sugar Order No. 3, Series of 2023-2024, shall be approved or ratified by the SRA Board.

In the event that locally produced raw sugar covered by Sugar Quedans enrolled under Sugar Order No. 2, Series of 2023-2024, are utilized for export to the United states of America under Sugar Order No. 3, Series of 2023-2024, the eligible importer/assignee of such Sugar Quedans can no longer avail of the privilege of a priority in the allocation for the importation of sugar afforded under the provisions of Sugar Order No. 2, Series of 2023-2024, insofar as the sugar covered by the said Sugar Quedans are concerned.

Section 6. Period for Submission of Applications and Award of Allocation. The SRA Regulation Department in Quezon City and Bacolod City shall begin accepting applications and requirements for importation under this Sugar Import Program from the date of effectivity of this order and until five working (5) days thereafter. Import allocations shall be awarded within Five (5) working days from the expiration of the period for the acceptance of applications.

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Section 7. Requirements and Application for Importation and Allocation. The Eligible Importer shall submit to the SRA Regulation Department in Quezon City and/or Bacolod City the following requirements:

- 7.1. A duly notarized application letter signed by the President/Chief Executive Officer, Chief Operating Officer, Partner or Owner to participate in the Sugar Import Program with the following details:
 - 7.1.a. The volume of sugar applied for as determined by the SRA under Section 5 hereof;
 - 7.1.b. Country of origin;
 - 7.1.c. Specific address of SRA-registered warehouse where the imported sugar shall be stored;
 - 7.1.d. Undertaking stating the following:
 - 1. That the Eligible Importer shall completely distribute its allocation to its clients for industrial use and/or consumer, as the case may be, on or before September 15, 2025.
 - That the Eligible Importer shall comply with this Order and other resolutions or circulars of SRA on sugar importation.
- 7.2 Original or certified true copies of the following:
 - 7.2.a. Valid Food and Drug Administration Certificate of Product Registration of the refined sugar to be imported;
 - 7.2.b. Valid Food and Drug Administration License to Operate for Registered International Sugar Traders;
 - 7.2.c. Latest valid applicable Bureau of Internal Revenue (BIR) Certificate of Tax Clearance/Certificate of No tax Liability;
 - 7.2.d. Certificate of Good Standing/No Derogatory Record from Securities and Exchange Commission (SEC) for corporations and partnerships, from the Department of Trade and Industry (DTI) for single proprietorships, and from the Cooperative Development Authority (CDA) for cooperatives;
- 7.3 Proof of Payment of Performance Bond required in Section 13 hereof.

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Section 8. Period of Arrival of Imports. It is recommended to the Eligible Importers who are granted allocations under this Sugar Import Program to have the allocated volume arrive in the Philippines around September 15, 2024. Any imported volume of refined sugar that arrives under this sugar order shall be classified as "C" ("Reserve Sugar") subject to future disposition or reclassification, as SRA deems necessary.

Section 9. Requirements for Issuance of SRA Clearance for Release. Eligible Importers under this Sugar Import Program shall submit to the SRA Regulation Department in Quezon City or Bacolod City the following requirements for issuance of SRA Clearance for release of imported sugar:

- 9.1 Duly notarized application letter for issuance of SRA Clearance indicating the volume of imported sugar applied for;
- 9.2 Bill of Lading;
- 9.3 Commercial Invoice of imported sugar;
- 9.4 Packing List;
- 9.5 Certificate of Analysis (from country of origin);
- 9.6 Proof of payment of applicable SRA fees provided under relevant sugar orders;
- 9.7 Proof of Payment of Performance Bond of **P 250.00** per 50-kilo bag; and
- 9.8 Other requirements as the SRA Board may require.

Section 10. SRA Clearance Fees. The SRA shall collect a fee of Thirty Three Pesos (P33.00) per 50-kilo bag of imported refined sugar as SRA Clearance Fee.

Section 11. Classification and Reclassification. Necessary conversion fees shall be paid upon application for import processing and such conversion of imported volume for this particular Sugar Order shall be approved by the SRA BOARD. Only after approval from SRA BOARD has been obtained can the stocks be released from SRA registered warehouses or from the vessel, for sale to the domestic market.

Section 12. Warehousing and Monitoring of Imported Sugar.

- 12. 1 Imported sugar classified under this Sugar Order shall only be stored in an SRA-registered warehouse or directly to the Consumer's warehouse as indicated in the importer's application. However, the declared Consumer's warehouses must be preinspected to avoid co-mingling of imported sugar stocks and domestic sugar stocks.
- 12.2 Imported sugar may be stored in the same SRA-registered warehouse where domestically produced sugar is stored. Provided that imported sugar shall be segregated as a separate pile for monitoring of SRA.

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- 12.3 All warehouses storing imported sugar shall each maintain onsite a ledger that shall record, among others, dates of delivery of the imported sugar to the SRA-registered warehouse and the dates and volume of withdrawal of reclassified "B" sugar from the same warehouse.
- 12.4 Non-compliance with the above warehousing rules shall be subject to fines as determined by the SRA.

Section 13. Performance Bond. Every allocation of imported refined sugar shall be subject to a bond of Two Hundred Fifty Pesos (P250.00) per 50-kg bag. The total amount of the bond shall be payable to the Sugar Regulatory Administration in the form of a Manager's Check. The bond shall be made to answer for violations or non-compliance by the Eligible Importers to the orders, resolutions or circulars of SRA.

Provided, this performance bond shall be released upon submission of SRA Clearance for Release required under Section 9 of this Sugar Order and proof of compliance with the provisions of Sections 7.1 to 7.2.d hereof. Otherwise, the bond may be forfeited in favor of SRA.

Section 14. Sanctions.

14.1 Non-compliance with or violation of any provision of this Sugar Order or any orders, resolutions or circulars of SRA by Eligible Importers may result in the forfeiture of the Performance Bond or a portion thereof without prejudice to other sanctions as the SRA may deem proper including those provided in the SRA Book of Penalties and existing laws, rules, regulations and issuances.

14.2 Any natural or juridical person that imports sugar but is not an Eligible Importer or does so without the approved allocation granted by SRA shall be considered as engaged in sugar smuggling and will be prosecuted under RA 10845 or the Anti-Agricultural Smuggling Act and other existing laws, rules, regulations and issuances.

Section 15. Provisions of other sugar orders, circulars, letters and or rules and regulations contrary to or inconsistent with this Sugar Order are hereby amended, modified or revoked accordingly.

Section 16. A copy of this Sugar Order shall be filed with the Office of the National Registrar, UP Law Center, Diliman Quezon City.

Section 17. This Sugar Order shall take effect three (3) days from its filing with the Office of the National Registrar, UP Law Center, Diliman, Quezon City.

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Approved By:

FRANCISCO P. YIU LAUREL, JR.

PABLO I

Secretary Department of Agriculture Chairperson

USEC, ROGER V, NAVARRO Alternate Ex-Officio Chairperson

SRA Administrator and CEO

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MA. MITZI V. MANGWAG Board Member Millers' Representative

DAVÍD ANDREW L. SANSON Board Member Planters' Representative

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