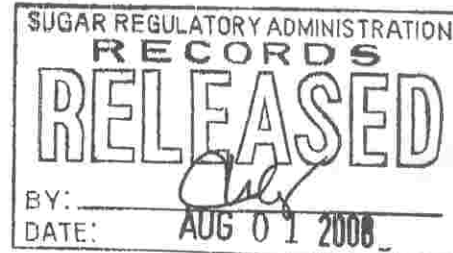




Republic of the Philippines  
**SUGAR REGULATORY ADMINISTRATION**  
Sugar Center, North Avenue, Diliman, Quezon City  
P.O Box 70, U.P. Diliman, Quezon City  
TIN 000-784-336-000

31 July 2008

SUGAR ORDER NO. 15  
Series of 2007-2008



**SUBJECT : RECLASSIFICATION (CONVERSION) OF ALL "C" (RESERVE) SUGAR OF CROP YEAR 2007-2008 TO "B" (DOMESTIC) SUGAR; ADVANCE SWAPPING "B" TO "A" (US QUOTA) OR "D" (WORLD MARKET) 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 the producers and fair to consumers;

**WHEREAS**, Sugar Order No. 1-B and 1-C, Series of 2007-2008, provided for "C" or Reserve sugar allocation as usually practiced during the onset of peak production;

**WHEREAS**, due to rapidly increasing prices of fertilizer, fuel and other production inputs, sugar producers have sought the timely conversion of their remaining "C" sugar to "B" sugar;

**WHEREAS**, with the record high production this crop year, there is a need to remove, partly through early shipments to the US quota and world markets, excess sugar from the domestic market to maintain a reasonable volume of domestic supply;

**WHEREAS**, if there is enough "A" or U.S. Quota sugar available for shipment to the United States (U.S.), the sugar exporters have indicated their willingness and ability to ship to the U.S. earlier than the usual first shipment which happens on or about March; and that this would require advance swapping of "B" sugar to "A";

**WHEREAS**, there is also a sufficient market for "D" or world market sugar;

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

I. **RECLASSIFICATION (CONVERSION) OF "C" TO "B" SUGAR**

Section 1. **RECLASSIFICATION (CONVERSION) OF "C" SUGAR PRODUCED DURING CY 2007-2008 TO "B" SUGAR.**

All remaining "C" (Reserve) sugar produced for crop year 2007-2008 are hereby reclassified (converted) to "B" (Domestic) sugar **effective immediately**.

The "C" quedan-permits covering the sugar subject to conversion, when surrendered to the issuing mill companies for the purpose of withdrawing the corresponding volume of sugar therefrom, shall be stamped "RECLASSIFIED AS "B" OR DOMESTIC SUGAR PURSUANT TO S.O. NO. 15 SERIES OF 2007-2008" by the SPROs assigned thereat.

## II. ADVANCE SWAPPING OF "B" TO "A" OR "D" SUGAR

Section 2. All outstanding "B" sugar quedan-permits (regular or swapped) including those "C" reclassified/converted to "B" of Crop Year 2007-2008 are hereby allowed (eligible), on a voluntary basis, for advance swapping into "A" or U.S. Quota Sugar for Quota Year 2008-2009 or "D" (World Market Sugar);

Section 3. The "B" quedan-permits subject of advance swapping shall be charged with an Advance Swapping Fee of P2.50/Lkg-Bag pursuant to General Administrative Order No. 1, Series of 2002-2003.

Section 4. The "B" quedan permits hereto advance-swapped to "A" or "D" under this Sugar Order shall be allowed replenishment from the new crop (CY 2008-2009) "A" or "D" sugar respectively. The SRA shall issue appropriate guidelines for the replenishment of the advance-swapped "B" to "A" or "D" quedans through a subsequent Sugar Order.

Section 5. The requirements for regular swapping application per Circular Letter No. 31, Series of 1997-1998 shall apply to herein advance swapping.

Section 6. The "B" quedans subject of advance swapping shall be stamped "SURCHARGED FOR WITHDRAWAL AS "A" (U.S. QUOTA SUGAR) or "D" (World Market Sugar) PER SUGAR ORDER NO. 15 SERIES OF 2007-2008 DATED JULY 31, 2008

Section 7. A letter of Authority addressed to the concerned mills/refineries allowing/authorizing the withdrawal of the "B" sugar as "A" or "D" shall be issued by the SRA.

Section 8. Provisions of Sugar Orders, Circular Letters, rules and regulations contrary to or inconsistent with this Sugar Order is hereby revised, modified or revoked accordingly.

Section 9. This Sugar Order shall take effect immediately.

BY AUTHORITY OF THE SUGAR BOARD

  
**RAFAEL L. COSCOLLUELA**  
 Administrator