



REPUBLIC OF THE PHILIPPINES
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City
P.O. Box 70, U.P. Diliman, Quezon City
TIN 000-784-336-000



24 August 2004

SUGAR ORDER NO. 1

Series of 2004-2005

**SUBJECT : SUGAR POLICY FOR
CROP YEAR 2004 - 2005**

WHEREAS, Executive Order No. 18, dated 28 May 1986, vested the Sugar Regulatory Administration with the power to establish and maintain a balanced relationship between sugar production and the requirements of sugar and to maintain such marketing conditions as will ensure stabilized prices at levels reasonably profitable to the producers and fair to consumers;

WHEREAS, domestic demand is estimated to be **2.04 Million Metric Tons** this Crop Year 2004-2005;

WHEREAS, the Philippines was allocated 13.5% of the total import requirements of the U.S. for Quota Year 2004-2005, or an equivalent of 142,160 MTRV (137,353 MTCW);

WHEREAS, the country has had successive increases in production for the past four (4) crop years and there is an expectation that sugar production for Crop Year 2004-2005 will be more than enough to meet our domestic and U.S. quota requirements;

WHEREAS, the country will end this crop year with more than adequate inventory of raw and refined sugar;

WHEREAS, there is now a need to allocate a portion of the Crop Year 2004-2005 sugar production (excess of our requirements) to the World Market in order to maintain stability of domestic sugar prices at levels beneficial to both the producers and consumers as mentioned in the first paragraph hereof;

WHEREAS, in order to promote the effective merchandising of sugar and its products in the domestic, U.S. and World markets, it will be necessary to allocate the Crop Year 2004-2005 sugar production to such quantities as to place those engaged in the sugar industry on a basis of economic viability;

NOW, THEREFORE, pursuant to the powers vested in the Sugar Regulatory Administration (SRA), it is hereby ordered that:

Section 1. Production and Classes of Sugar - Sugar production for the Crop Year 2004-2005 (September 01, 2004 to August 31, 2005) is expected to be **2.28 Million Metric Tons** and shall be quodanned by the mill companies, as implementors of this Sugar Order, in the following percentages:

"A" or U.S. Quota Sugar	-	4.00%
"B" or Domestic Sugar	-	86.00%
"D" or World Market	-	<u>10.00%</u>
Total	-	100.00 %

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Section 2. (a) As a general rule, except as hereinafter provided, sugar and molasses production for the Crop Year 2004-2005 shall be issued by mill companies weekly sugar quedan-permits/molasses storage certificates in the name of the individual planter or mill company.

(b) In cases of "A" and "B" sugar, however, where a planter has expressly authorized the mill company in writing or has executed a production/marketing agreement in favor of his association/cooperative which agreement provides for the consolidation of his weekly sugar/molasses production in the name of the association/cooperative, the mill company concerned shall issue consolidated weekly sugar quedan-permits/molasses storage certificates in the name of the association/cooperative with an attached listing of the planters and their corresponding production covered by said sugar quedan-permits/molasses storage certificates.

Section 3. Rules and Regulations/Implementing Guidelines for "D" Sugar - A Separate Sugar Order/Circular Letter shall be issued to serve as rules and regulations/implementing guidelines for the quedanning/liquidation and export of the "D" or World Market sugar.

Section 4. Periodic Assessments, Percentage Adjustment - The SRA shall undertake periodic assessment of the 2004-2005 sugar production and on the basis of such assessment, it may adjust from time to time the percentage distribution of the different classes of sugar and/or take the necessary action to address the situation, including the introduction of a "C" reserve classification if needed.

Section 5. Revalidation of Unused Quedan Permit Forms - Pursuant to Section 6, Sugar Order No. 1, Series of 1995-1996, dated 01 September 1995, it is hereby reiterated, that, beginning this Crop Year 2004-2005, and thereafter, all unused sugar quedan-permit forms of the previous crop year shall no longer be allowed for revalidation.

Section 6. Repealing Clause - All Provisions of Sugar Orders, Circular Letters, rules and regulations inconsistent with or contrary to this Sugar Order are hereby amended, modified or revoked accordingly.

BY AUTHORITY OF THE SUGAR BOARD:


JAMES C. LEDESMA
Administrator