



Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
Philippines 1101
TIN 000-784-336



MEMO-ADM-2018-May-053

May 23, 2018

SUGAR ORDER NO. 9
Series of 2017-2018

SUBJECT: RECLASSIFICATION (CONVERSION) OF "D" OR WORLD MARKET SUGAR INTO "B" OR DOMESTIC SUGAR FOR CROP YEAR 2017-2018

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

WHEREAS, market forces are driving domestic prices of sugar up due to a drop in the estimated production for this Crop Year 2017-2018;

WHEREAS, SRA records show that significant volume of "D" or World Market Sugar for this current crop year and immediately preceding crop year have remained unshipped which can be used to further augment domestic sugar stocks;

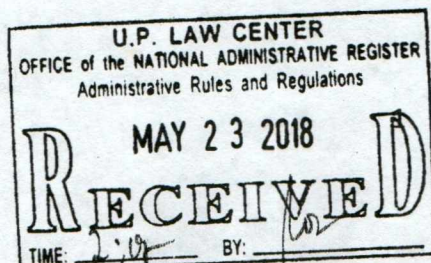
WHEREAS, various national and local (planters/millers) federations/ associations/ organizations have requested Sugar Regulatory Administration (SRA) to consider reclassification (conversion) of "D" or World Market Sugar into "B" or Domestic Sugar subject to certain conditions herein provided;

WHEREAS, it is in the national interest to institute measures that will bring about stabilized prices of "B" Domestic Sugar which are reasonably profitable to the producers and fair to the consumers;

WHEREAS, following the directive of the President to prioritize the needs of the domestic market, the Secretary of Agriculture directed the SRA to manage the domestic sugar supply to ensure ample and stable supply of sugar for the domestic market particularly during the off-milling and early months of the incoming milling season;

NOW, THEREFORE, under and by virtue of the powers vested in the SRA, it is hereby ordered that:

Section 1. Conversion Program. This Program covers the conversion of verified "D" World market sugar quedans to "B" Domestic market sugar quedans. This Program shall cover only verified "D" sugar quedans produced in Crop Year 2017-2018 and Crop Year 2016-2017.



1.1 Unverified "D" sugar quedans for Crop Year 2017-2018 and Crop Year 2016-2017 may still be covered by this Conversion Program provided, that, the quedans are submitted to SRA Regulation Department in Quezon City or Bacolod City for verification and reinstatement pursuant to Sugar Order 4 & 4-A, Series of 2017-2018 no later than May 31, 2018.

1.2 The volume "D" sugar quedans eligible under this Conversion Program shall be the total volume verified by May 31, 2018.

1.3 Unverified "D" sugar quedans for Crop Year 2017-2018 and Crop Year 2016-2017 after May 31, 2018, and those previous crop years that are not covered by the Program shall not be eligible for conversion.

Section 2. Conversion Rights of Planters and Millers. Under this Conversion Program, producers of "D" sugar for Crop Year 2017-2018 and Crop Year 2016-2017 shall have Conversion Rights. As used in this Sugar Order, Conversion Rights shall refer to the right to convert "D" sugar to "B" sugar. These rights shall belong to sugar planters and millers who have produced "D" sugar in Crop Year 2017-2018 and Crop Year 2016-2017. Conversion rights shall be in the form of Certificate of Conversion Rights (COCR) issued by SRA.

2.1 The COCR shall indicate the conversion coefficient of the planter or miller per unit (Lkg-bag). The conversion coefficient shall be determined by dividing the total verified "D" as determined by SRA for Crop Year 2017-2018 and Crop Year 2016-2017, respectively with the total "D" sugar produced for that corresponding crop year. Thereafter, the Conversion Rights of the planter or miller shall be equal to his total number of Lkg-bags "D" sugar produced for Crop Year 2017-18 and Crop Year 2016-2017, respectively multiplied with the Conversion Coefficient for that crop year.

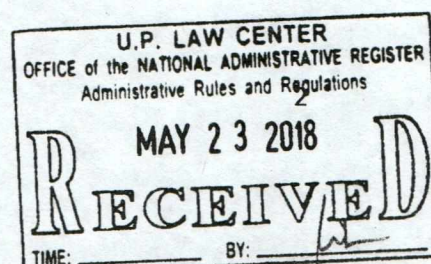
2.2 For determining the conversion coefficient, total "D" production in Crop Year 2017-18 is 87,828 MT and for Crop Year 2016-17 was 196,176 MT.

2.3 Producers may assign, sell or consolidate their conversion rights or certificates.

2.4 COCR under the Program must be submitted to SRA for conversion of "D" sugar quedans to "B" sugar quedans no later than July 6, 2018. Unused conversion rights/certificates after said deadline are no longer valid for conversion.

Section 3. Procedure for Conversion of "D" Sugar To "B" Sugar. Any person natural or juridical that is registered with the SRA as a domestic sugar trader may apply for conversion of "D" sugar quedans to "B" sugar quedans through the complete submission to SRA Regulation Department in Quezon City or Bacolod City of the following requirements:

- i) Application letter for conversion of "D" sugar quedans to "B" sugar quedans;
- ii) Verified "D" sugar quedans for Crop year 2017-2018 and/or Crop Year 2016-2017, and
- iii) COCR corresponding to the volume and crop year of verified "D" sugar quedans for Crop Year 2017-2018 or Crop Year 2016-2017 for conversion to "B" sugar quedans,
- iv) Proof of payment of applicable fees,
- v) Other requirements that the SRA Board may decide to impose.



3.1 No application for conversion shall be accepted or processed by SRA without the complete requirements listed above, specifically the COCR.

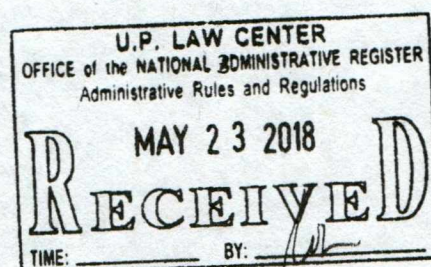
3.2 The conversion of "D" sugar to "B" sugar shall be **voluntary** to those holding verified "D" sugar quedans for Crop Year 2017-2018 and Crop Year 2016-2017. **The conversion of "D" sugar to "B" sugar for the crop years covered by this Program shall be at a 1:1 ratio.**

Section 4. Other Procedural Provisions. The SRA shall require the collaboration of the mills in preparing the COCR of planters and millers and in coming up with a specified volume of "D" sugar eligible for conversion as mill share and planter share, both for associated planters as well as the unaffiliated planters as the case maybe, indicating further whether they are blocked or unblocked "D" sugar quedans. To this effect, the SRA shall issue a Memorandum to all sugar mills and planter's associations indicating the volume of "D" sugar produced as mill share and individual planter's share for both associated and non-associated planters, the correctness of which shall be verified by the latter.

4.1 On the basis of the verified Memorandum stated above, the SRA Quezon City, for Luzon and Mindanao produced sugar, and the SRA Bacolod City for the Visayas produced sugar shall issue the COCR to the respective miller and planter blocked and unblocked, associated or unassociated/unaffiliated covering Crop Year 2017-18 and Crop Year 2016-2017, respectively.

4.2 The corresponding pre-printed conversion COCR with security features shall be distributed as follows:

- a. Through the mill
 - for its mill share
 - for the unassociated planters
- b. Through the planters association, for its member-planters, with blocked or unblocked "D" quedans.
- c. The Certificate of Conversion Rights per Crop Year shall be issued in two (2) copies and distributed as follows:
 - i) Original copy - To the mill, for its mill share and for unassociated planters
 - To the Planter Association, for its member- planters, blocked or unblocked
 - ii) Second Copy - To SRA
- d. The holder of the Certificate of Conversion Rights for the particular crop year covered by this Sugar Order shall attach the COCR to his application for conversion of "D" to "B" sugar together with the verified "D" sugar quedans issued in the same crop year as his COCR for reclassification. It is emphasized that only COCR's and verified "D" sugar quedans of the same crop year covered by this Sugar Order shall be accepted for conversion. For example, COCR for



Crop Year 2017-2018 and "D" sugar quedans of Crop Year 2017-2018 shall be accepted for conversion.

Section 5. The "D" sugar quedans for Crop Year 2017-2018 that were advanced refined shall only be allowed conversion into "B" upon completion of swapping (regular) process as provided in Sugar Order 6, Series of 1994-1995. "D" sugar quedans that have been reclassified as "B" or Domestic Sugar under the Program may be used for swapping.

Section 6. Verified "D" sugar quedans for Crop Year 2017-18 and Crop Year 2016-2017 applied for conversion to "B" sugar quedans shall be charged by SRA with a fee of P10.00 per Lkg-bag.

Section 7. The "D" sugar quedans approved for reclassification shall be stamped **"RECLASSIFIED FOR WITHDRAWAL AS "B" OR DOMESTIC SUGAR."**

Section 8. A Letter of Authority addressed to the concerned mill/refinery allowing/authorizing the withdrawal of the "D" sugar as "B" sugar shall be issued by the SRA.

Section 9. This Sugar Order shall be valid for Crop Year 2017-2018 only, and shall take effect three (3) days after publication.

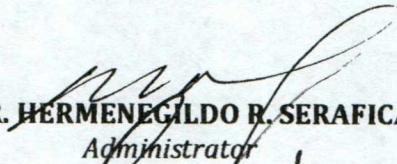
Section 10. A copy of this Order shall be filed with the Office of the National Administrative Registrar, U.P. Law Center, Diliman, Quezon City, and posted on the SRA website.

Section 11. Provisions of Sugar Order, Circular Letters, Rules and Regulations contrary to or inconsistent with this Sugar Order are hereby revised, modified or revoked accordingly.

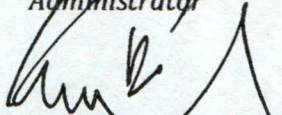
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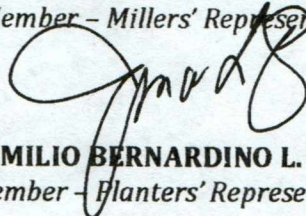
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