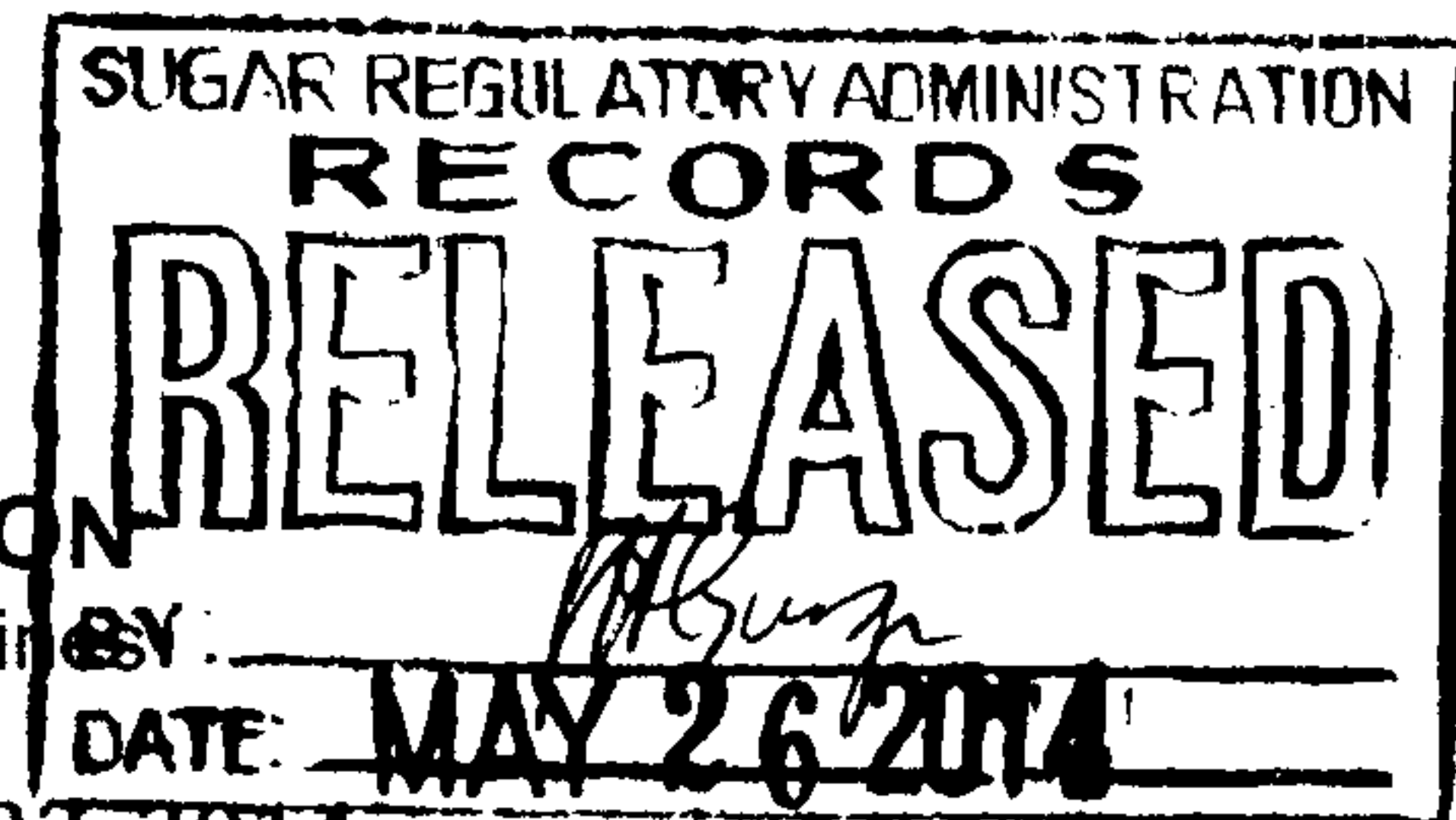




REPUBLIC OF THE PHILIPPINES
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City, 1101 Philippines



May 23, 2014

SUGAR ORDER NO. 10
Series of 2013-2014

SUBJECT : RECLASSIFICATION (CONVERSION) OF "D" OR WORLD MARKET SUGAR INTO "B" OR DOMESTIC SUGAR UNDER CERTAIN CONDITIONS

WHEREAS, the current trend of domestic sugar prices is moving upward mainly brought about by an unprecedented increase in demand for local sugar;

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

WHEREAS, SRA records show that significant volume of "D" or World Market sugar has remained unshipped which can be utilized to alleviate the perceived tightness in domestic sugar stock balance;

WHEREAS, the Sugar Regulatory Administration (SRA) has received resolutions of various national and local sugar (planters/millers) federations/associations/organizations requesting and justifying their call for reclassification (conversion) of "D or World Market sugar into "B" or Domestic sugar subject to certain conditions;

WHEREAS, the various national and local (planters/millers) federations/associations/organizations have likewise requested SRA to consider the volume of the verified "D" sugar by May 31, 2014 as the basis for the volume that can be converted to "B" to augment domestic sugar stock;

WHEREAS, the Secretary of Agriculture directed the SRA to manage the domestic supply of sugar 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 Rights of Planters and Millers

i. By virtue of this Order, producers of "D" sugar for Crop Year 2013-2014 are hereby granted Conversion Rights. As used in this Sugar Order, Conversion Right shall refer to the right to convert "D" sugar to "B" sugar. This right shall belong to sugar planters and millers who have produced "D" sugar in Crop Year 2013-14.

ii. Conversion Rights can be sold, assigned or consolidated. However, it must be exercised no later than July 1, 2014. Conversion rights not exercised after said deadline shall no longer be valid.

Section 2. Procedure for conversion of "D" sugar to "B" sugar

iii. "D" sugar quedans for CY 2013-14 must be verified by May 31, 2014. The volume of the "D" sugar that can be converted to "B" sugar shall be decided by SRA after the final verification on May 31, 2014 of "D" sugar quedans. "D" sugar quedans that are unverified after the said deadline shall not be accepted for conversion to "B". The SRA shall issue an Order three (3) working days after the aforesaid deadline containing, among others, the volume of verified "D" that can be converted to "B", the Conversion Coefficient, etc.

iv. The Conversion Coefficient of all individual producers per unit (Lkg-bag) shall be determined by dividing convertible "D" volume as determined by SRA based on Sec. 2(iii) with the total "D" Sugar produced for Crop Year 2013-2014 which is Two Hundred Seven Thousand (207,000.00) Metric Tons. Thereafter, the total Conversion Rights of a producer shall be equal to his total number of Lkg-bags "D" sugar produced for Crop Year 2013-2014 multiplied with the Conversion Coefficient.

v. The conversion of "D" sugar to "B" sugar shall be voluntary to planters, millers and traders holding "D" raw sugar quedans issued in Crop Year 2013-2014. The conversion of "D" to "B" shall be at a 1:1 ratio.

vi. The SRA, in collaboration with the mills shall determine the Conversion Right of the individual planter, producer and manufacturer or miller per mill and come up with a specified volume of "D" sugar eligible for conversion as mill share and the individual planter member 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.

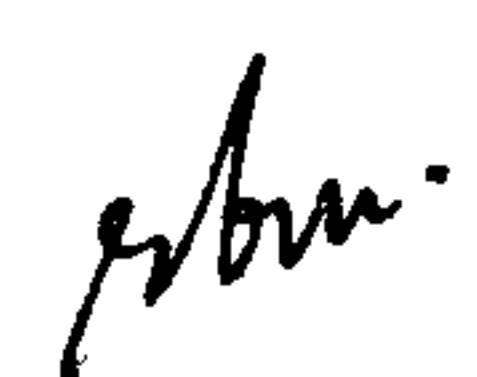
On the basis of the verified Memorandum stated above, the SRA Quezon City, for Luzon and Mindanao produced sugar and the SRA Bacolod City for the Visayas produced sugar shall issue a Conversion Rights Certificate to the respective miller and planter blocked and un-blocked, associated or otherwise;

The corresponding pre-printed Conversion Rights Certificate with security features duly issued covering the volume of "D" sugar eligible for conversion 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 Conversion Rights Certificate 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 Conversion Rights Certificate shall attach the same to his application for conversion of "D" to "B" sugar together with the "D" raw sugar quedans for reclassification.

Section 3. "D" quedans applied for conversion to "B" quedans shall be charged by SRA with a fee of P5.00/LKg-bag.

Section 4. The "D" sugar quedans subject of reclassification shall be stamped "RECLASSIFIED FOR WITHDRAWAL AS "B" OR DOMESTIC SUGAR ".



Section 5. 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 SRA.

Section 6. This Sugar Order shall be valid for Crop Year 2013-14 only. And it shall take effect immediately.

Section 7. A copy of this Order shall be filed with the Office of the National Administrative Registrar, U.P. Law Center, Diliman, Quezon City.

Section 8. Provisions of Sugar Order, Circular Letters, Rules and Regulations contrary to or inconsistent with this Sugar Order are hereby revised, modified or revoked accordingly.

BY AUTHORITY OF THE SUGAR BOARD:



MA. REGINA BAUTISTA-MARTIN
Administrator