



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

SUGAR REGULATORY ADMINISTRATION
RECORDS SECTION
RELEASED
 BY: *C. Ruby*
 DATE: JUN 11 2018

MEMO-ADM-2018-June-06

11 June 2018

SUGAR ORDER NO. 10
 Series of 2017-2018

Subject: **SUGAR IMPORT PROGRAM FOR CROP YEAR 2017-2018**

WHEREAS, SRA initial production estimate for Crop Year 2017-2018 was at 2.35 million metric tons, with a carry-over inventory from the previous crop year of 497,770 metric tons and estimated domestic demand of 2.17 million metric tons;

WHEREAS, from the start of the present crop year sugarcane tonnage and productivity (LKg/TC) were weak resulting in tonnage being down by 34.75% and productivity also down by 2.67% compared to last year's levels;

WHEREAS, demand of both raw and refined sugar have significantly increased this crop year, with raw sugar withdrawals increasing by 2.58% and refined sugar withdrawals by 21.30% from last year's volumes;

WHEREAS, with lower production and high withdrawals for both raw sugar and refined sugar, raw sugar stocks on hand is at 602,393 metric tons, which is lower by 38.87% from last year, and refined sugar stocks is at 288,363.30 metric tons, down 33.43% from last year;

WHEREAS, to provide additional supply to the domestic market, the SRA Board issued a series of sugar orders that increased the allocation of "B" sugar while simultaneously reducing the allocations for "A" U.S. Market sugar and "D" World Market sugar;

WHEREAS, with the projected ending balance, prices have gradually and continuously gone up, with "B" sugar prices averaging around P1,962.66/LKg from P1,300.00/LKg when the crop year started in September 2017;

WHEREAS, the stakeholders of the sugar industry, such as planters, planters' associations/federations and sugar millers and refiners, have written SRA to express their concerns on increasing prices and demanding SRA to act decisively with dispatch to contain it, even calling for the importation of sugar in view of the urgency of the supply situation;

WHEREAS, SRA had consultative meetings with the Department of Agriculture as well as the Department of Trade and Industry on the current situation in the production for raw and refined sugar, and the high prices thereof. The concerned Departments agreed that SRA should adopt additional and responsive measures to ensure domestic supply and stabilize sugar prices;

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;

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 Records Officer II
 Sugar Regulatory Administration
 Diliman, Quezon City

WHEREAS, the program shall require a Certificate of Reclassification Rights (CORR) in order to effectively regulate the importation; provided that any importation must be reasonably profitable to sugar producers, who have been experiencing low prices of sugar for the last two crop years as a result of importation of cheap subsidized high fructose corn syrup, at the same time fair to consumers;

WHEREAS, additional supply for the domestic market through importation can be undertaken by SRA pursuant to its power under Executive Order No. 18, to wit: *to establish and maintain such balanced relation between production and requirement of sugar and such marketing conditions as will insure stabilized prices at a level reasonably profitable to the producers and fair to consumers;*

WHEREAS, SRA made consultation with majority of the stakeholders of the sugar industry, and the latter submitted their written recommendations, in the adoption of the rules on sugar importation;

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

Section 1. This Sugar Import Program shall be for Crop Year 2017-2018.

Section 2. Volume. The volume covered by this Order shall not exceed 200,000 metric tons sugar, divided into the following specifications:

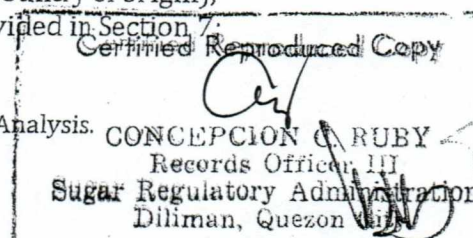
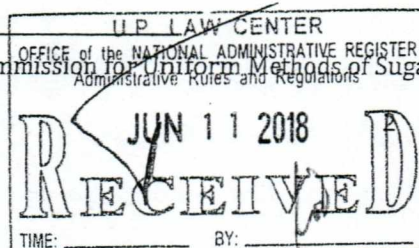
- (1) 100,000 metric tons are bottlers' grade refined sugar (35 ICUMSA¹),
- (2) 50,000 metric tons are standard grade refined sugar (100 ICUMSA),
- (3) 50,000 metric tons are raw sugar for domestic tolling/direct consumption.

Section 3. Eligible Importers. The Program shall be open and voluntary to natural or juridical persons that are SRA-registered International Sugar Traders, in good standing, for Crop Year 2017-2018.

Section 4. Requirements for Issuance of SRA Clearance: SRA Board shall approve the issuance of the Clearance for Release of Imported Sugar (SRA Clearance) to eligible International Sugar Traders/importers, and only upon complete submission of the following requirements with the Regulation Department, Quezon City:

- a) Reclassification Certificates corresponding to the volume and specifications of sugar applied for SRA Clearance;
- b) Duly notarized application letter, signed by the President, Partner, or Owner (in the case of corporation, partnership, or single proprietorship, respectively), with an Undertaking to comply with this Order and other orders, resolutions, and circulars of SRA. The application letter shall indicate the volume and sugar specification, country of origin of the sugar, date of arrival, port of entry of the vessel and port of discharge of the sugar, and specific address of SRA registered warehouse/s where the imported sugar shall be stored;
- c) Request for assignment transfer of the imported sugar with copy of the Deed of Assignment, if applicable;
- d) Bill of Lading;
- e) Commercial Invoice;
- f) Packing List;
- g) Certificate of Analysis (from the country of origin);
- h) Proof of payment of bond as provided in Section 7.

¹International Commission for Uniform Methods of Sugar Analysis.



- i) Proof of payment of applicable SRA fees; and,
- j) Other requirements that the SRA Board may prescribe.

4.1 Applications for SRA Clearance that do not comply with the sugar specifications mentioned in Section 2 hereof or with incomplete requirements shall be a ground for the denial of the application.

4.2 Upon written request by an eligible international sugar trader/importer, the SRA Board may allow the assignment or transfer of its imported sugar but only to another eligible international sugar trader/importer. Provided that, the total volume of 200,000 metric tons as covered by this Order shall not be exceeded as a result of the assignment or transfer.

4.3 The sugar imported under this Program shall be classified by SRA as "C" Reserved sugar in order that it can be released from the Bureau of Customs. For this purpose, the SRA Clearance issued on the imported sugar shall indicate a classification as "C" sugar.

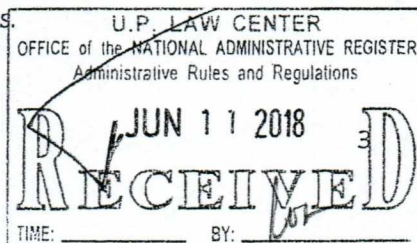
Section 5. Deadline for Validation of Reclassification Certificates. Eligible International Sugar Traders are advised to apply with the SRA for their import allocations together with the aforesaid Reclassification Certificates from planters and/or millers for validation on or before July 6, 2018. The import allocations shall be approved by the SRA Board. Reclassification Certificates not presented by International Sugar Traders to SRA for validation after the said date shall no longer be valid for issuance of SRA Clearance.

Section 6. Date of Application of SRA Clearance. SRA shall accept applications for SRA Clearance beginning June 18, 2018. Last day for application for SRA Clearance shall be on August 31, 2018.

Section 7. Payment of Bond. The bond shall be in the amount of P250.00/LKg-bag sugar imported under this Program. The total amount of the bond shall be in Manager's Check issued or payable to the "Sugar Regulatory Administration". The bond shall be made to answer for the violations or non-compliance by the international sugar trader/importer of the orders, resolutions, or circulars of SRA particularly this Sugar Order, without prejudice to the other penalties that the SRA may decide to impose and to liability under existing laws, rules and regulations. The total amount of the bond shall be returned to the importer/trader after August 31, 2018 and only upon reclassification to "B" sugar of all its imported "C" sugar.

Section 8. Reclassification Certificates and Reclassification to "B" Sugar. Under this Program, planters and millers of "B" sugar shall have Reclassification Rights for bottlers' grade refined sugar and standard refined/raw sugar. As used in this Sugar Order, Reclassification Rights shall refer to the right to reclassify imported "C" sugar to "B" sugar. These rights shall belong to sugar planters and millers who have produced "D" sugar in Crop Year 2017-2018. Reclassification rights shall be in the form of Certificate of Reclassification Rights (CORR) issued by SRA.

8.1 SRA shall issue three (3) CORRs to planters and millers. The first CORR shall be for the 100,000 metric tons bottlers' grade refined sugar (35 ICUMSA). It shall indicate the reclassification coefficient per unit (LKg-bag) for bottlers' grade refined sugar (35 ICUMSA) specification. **The reclassification coefficient shall be computed by dividing the planter or miller's "D" production for Crop Year 2017-18 with the total "D" sugar production for same crop year.** Thereafter, the Reclassification Rights of the planter or miller shall be his reclassification coefficient multiplied by 100,000 metric tons.



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8.2 The second CORR shall be for 50,000 metric tons standard grade refined sugar (100 ICUMSA), which shall indicate the reclassification coefficient per unit (LKg-bag) for that specification of refined/raw sugar. **The reclassification coefficient shall be computed by dividing the planter or miller's "D" production for Crop Year 2017-18 with the total "D" sugar production for same crop year.** Thereafter, the Reclassification Rights of the planter or miller shall be his reclassification coefficient multiplied by 50,000 metric tons.

8.3 The third CORR shall be for 50,000 metric tons raw sugar, which shall indicate the reclassification coefficient per unit (LKg-bag) for that specification of refined/raw sugar. **The reclassification coefficient shall be computed by dividing the planter or miller's "D" production for Crop Year 2017-18 with the total "D" sugar production for same crop year.** Thereafter, the Reclassification Rights of the planter or miller shall be his reclassification coefficient multiplied by 50,000 metric tons.

8.4 All three (3) CORRs for planters/planters' associations and millers shall be issued by SRA Regulation Department, Quezon City.

8.5 Reclassification Certificates can be assigned, transferred, or consolidated by eligible importers/international sugar traders or by sugarcane planters or millers.

8.6 The SRA Board shall reclassify the imported "C" sugar to "B" sugar upon submission by the eligible importer/international sugar trader to the SRA Regulation Department, Quezon City, of a written request for reclassification indicating the volume to be reclassified and the address of the warehouse where the "C" sugar is stored.

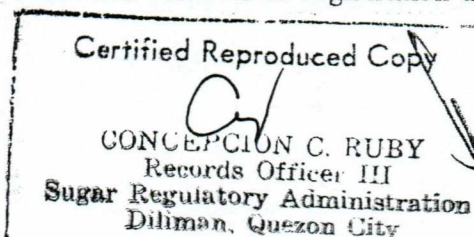
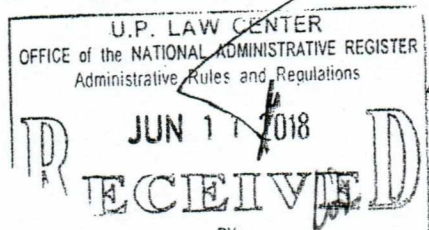
8.7 Deadline for application for reclassification shall be no later than August 31, 2018. Provided that, the SRA Board may direct the reclassification of the sugar at any time before August 31, 2018. Imported "C" sugar not applied for reclassification to "B" sugar after the August 31, 2018 shall cause the forfeiture of the International Sugar Trader's entire bond and the unreclassified sugar may remain as "C" sugar indefinitely, as may be determined by the Sugar Board, without prejudice to additional penalties the SRA Board may impose.

Section 9. Warehousing and Monitoring of Imported "C" Sugar. Sugar imported under this Order and classified as "C" shall be stored in an SRA registered warehouse prior to its reclassification and release as "B" sugar.

9.1 The "C" sugar may be stored in the same SRA registered warehouse where domestically produced sugar is stored. Provided that, it shall be segregated as a separate pile for the monitoring of SRA.

9.2 All warehouses storing imported "C" sugar shall each maintain a ledger that shall record, among others, date/s of delivery of the "C" sugar, updated volume of "C" sugar in the warehouse, date/s of withdrawal of "C" sugar, date/s and volume of "C" sugar tolled (if applicable), etc. No transfer of "C" sugar from one SRA registered warehouse to another SRA registered warehouse shall be allowed without a prior written request and SRA Board approval.

Section 10. Sanctions. Sugar imported without SRA Clearance and appropriate classification as provided for herein, which is not part of the Program, shall not be released from the Bureau of Customs. The importer/international sugar trader of imported sugar that is released into the market without SRA Clearance and appropriate classification shall be liable to penalties the SRA Board may impose such as, but not limited to, forfeiture of bond corresponding to the volume of excess, suspension and non-renewal of registration as sugar



trader or both, file suit for violation of the Agricultural Anti-Smuggling Act, and other special laws, rules and regulations.

10.1 Imported sugar classified as "C" shall not be withdrawn from their warehouse without reclassification to "B" sugar. Any volume of "C" that is withdrawn shall have its entire bond forfeited without prejudice to the other penalties that the SRA Board may impose on the importer or sugar trader such as, but not limited to, suspension or revocation and non-renewal of registration as sugar trader, file suit for violation of the Agricultural Anti-Smuggling Act, etc.

10.2 Non-compliance with the Warehousing provisions in Section 8 shall be subject to fines as determined by the SRA Board.

Section 11. Other provisions. Any natural or juridical person that imports sugar but is not eligible under Section 3 hereof or does not submit the requirements for issuance of SRA Clearance as provided for in Section 4 hereof is disqualified from this program and shall not be issued any SRA Clearance, without prejudice to other penalties that the SRA shall impose including, but not limited to, file suit for violation of the Agricultural Anti-Smuggling Act.

Section 12. Provisions of other sugar orders, circular letters, and/or rules and regulations contrary to or inconsistent with this Order are hereby amended, modified, or revoked accordingly.

Section 13. A copy of this Order shall be filed with the Office of the National Registrar, U.P. Law Center, Diliman, Quezon City.

Section 14. This Order shall take effect three (3) days after publication in a newspaper of general circulation.

APPROVED BY:

SEC. EMMANUEL F. PIÑOL
Ex-Officio Chairman

ENGR. HERMENEGILDO R. SERAFICA
Administrator

ATTY. ROLAND B. BELTRAN
Board Member - Millers' Representative

ATTY. EMILIO BERNARDINO L. YULO
Board Member - Planters' Representative

DEPARTMENT OF AGRICULTURE
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