



Republic of the Philippines
Department of Agriculture

SUGAR REGULATORY ADMINISTRATION

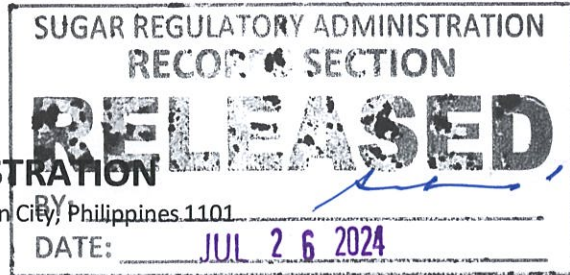
Sugar Center Bldg., North Avenue, Diliman, Quezon City, Philippines 1101

TIN 000-784-336

Website: <http://www.sra.gov.ph>

Email Address: srahead@sra.gov.ph

Tel No. (632) 8929-3633, (632) 3455-2135, (632) 3455-3376

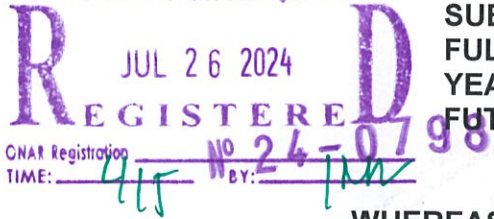


July 19, 2024

SUGAR ORDER NO. 3

Series of 2023-2024

U.P. LAW CENTER
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations



SUBJECT : EXPORT OF RAW SUGAR IN FULFILLMENT OF THE US SUGAR QUOTA FOR THE YEAR 2024 TO AVAIL OF ALLOCATION FOR FUTURE IMPORT PROGRAM.

WHEREAS, Section 8 of the Sugarcane Industry Development Act of 2015 affirms the mandate of the SRA to regulate the supply of sugar in the country, in addition to its powers and functions under Executive Order No. 18, series of 1986, and establish a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar;

WHEREAS, as local sugar production for the past several years is lower than the demand therefore and given the less than ideal actual stocks of sugar in the country for the past several years, the Philippines has not been able to fulfill its commitment under the U.S. Raw Sugar Tariff-Rate Quota World Trade Allocation ("US Quota" for brevity) since Crop Year 2020-2021, up to Crop Year 2023-24.

WHEREAS, the Philippines, being a long-time trade partner of the U.S.A. and a member of the WTO, has an unwavering commitment to honor its commitment to the U.S.A. in particular, and to the international community in general.

WHEREAS, last November 2023, to relieve the raw market of supply, the SRA requested for a re-allocation from the U.S.A. for Crop Year 2023-24, and the U.S.A. granted such request in May 2024, with a volume of 25,300.00 Metric Tons.

WHEREAS, the current total production of locally produced sugar for Crop Year 2023-2024 has exceeded 1,920,000 Metric Tons, thereby exceeding the previous crop year's total production by more than 120,000 Metric Tons, and likewise allowing the Philippines to fulfill its US Quota allocation of 25,300.00 Metric Tons.



S.O. 3, Series of 2023-2024/p.1



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WHEREAS, as the locally produced sugar intended for the fulfillment of the US Quota is classified as "A" and has always been priced lower than locally produced sugar intended for the domestic market and classified as "B", hence, for Crop Year 2023-2024 and in consideration of the plight of the sugar farmers, no locally produced sugar was classified as "A".

WHEREAS, eligible participants of Sugar Order No. 2, Series of 2023-2024, having already voluntarily purchased at a premium locally produced sugar, have again expressed their willingness to help the government fulfill its allocation under the US Sugar Quota despite the lower return therefore and the additional cost and uncertainty inherent to the exportation of sugar.

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

Section 1. This shall be the 1ST Export of Sugar in fulfillment of the US Sugar Quota Allocation for the Year 2024 in order to participate in future Import Program. The intention of this Voluntary US Export of 25,300 Metric Tons of locally produced raw sugar is to allow the Philippines to fulfill, after a non-compliance of more than three (3) years, its obligations under the significantly reduced U.S. Raw Sugar Tariff-Rate Quota World Trade Allocation.

Section 2. Eligible Participants. This Voluntary Limited Volume US Export of Locally Produced Raw Sugar in fulfillment of the 25,300.00 Metric Ton US Quota for the year 2024 shall be open to the qualified participants of Sugar Order No. 2, Series of 2023-2024, whose Sugar Quodans are dated January 28, 2024 or earlier, and have been reclassified from "B" to "C"; PROVIDED, that at the time of availment of the privilege under this Sugar Order, the participant remains to be an SRA Licensed International Sugar Trader in good standing.

Section 3. Volume and Type of Sugar, Coverage, Terms. The maximum volume of locally produced raw sugar for export to the United States of America covered by this Order shall be:

3.1 **TWENTY-FIVE THOUSAND THREE HUNDRED METRIC TONS** (25,300.00 MT) of locally produced RAW sugar.

3.2 At any time during the effectivity of this Sugar Order, the SRA may, if deemed warranted and through a notice issued by the SRA Administrator, order the temporary or permanent stoppage of the implementation of this 1ST Voluntary Limited Volume US Export of Locally Produced Raw Sugar to the USA in fulfillment of the US Quota.

3.3 The 25,300.00 MT of locally produced Raw Sugar covered under this Sugar Order shall be proportioned among the eligible participants in the manner hereinafter stated, to wit:

i) TERMS:

Volume of raw sugar that a Participant under this Sugar Order may export to the USA in fulfillment of the 2024 US Sugar Quota - VAP

Total Volume of reclassified Quedans enrolled under SO 2, S. 2023-2024 and dated January 28, 2024 or earlier - TVQ

Reclassified Volume of Quedans (enrolled in SO 2, S. 2023-2024) owned by a Participant - VQP

Total Volume of US Quota - 25,300.00 MT

ii) FORMULA:

$VAP = (VQP \text{ divided by } TVQ) \text{ multiplied by } 25,300.00 \text{ MT}$

VAP = total volume of locally produced raw sugar that an eligible participant under this Sugar Order may export to the USA in fulfillment of the US Sugar Quota.

iii) In the computation of allocation for export in fulfillment of the 2024 US Sugar Quota, in case of waiver or non-participation on the part of the owner of a Sugar Quedan dated January 28, 2024 or earlier, already reclassified to "C", and enrolled under SO2, S. 2023-2024, the total volume covered by the afore-said Sugar Quedan shall be subtracted from the "Total Volume of reclassified Quedans (TVQ) enrolled under SO 2, S. 2023-2024. Thereafter, the same formula above-stated shall be used in computing for the volume of US export allocated to each eligible participant.

3.4 Participation in this Sugar Order shall be through the submission by an eligible entity of an application/intent to participate, together with the complete requirements relevant to the exportation of sugar in fulfillment of the US Sugar Quota, provided that the application is subsequently approved by the SRA Administrator.

Subject to the approval of the SRA Administrator, the Regulation Department shall, not later than three (3) working days from the effectivity of this Order, issue a Memorandum Circular stating the requirements and/or procedures necessary under this Sugar Order.



3.5 Eligible participants under this Sugar Order who have complied with all the conditions stated herein and with the requirements of the Memorandum Circular issued pursuant to this Order shall be given priority in future government program for sugar importation, on the basis of the volume of locally produced raw sugar actually exported to the USA in fulfillment of the 2024 US Quota, at a ratio of 1:2.5 (locally produced raw sugar actually exported to the USA:imported sugar); subject to the following terms and conditions:

- i) In the event that a future government program for sugar importation is implemented, importation privileges of eligible participants under Sugar Order No. 2, Series of 2023-2024, shall be given priority over the importation privileges of eligible participants under this Sugar Order;
- ii) Subject to the provisions of the immediately preceding paragraph, eligible participants under this Sugar Order shall, in cases where the volume of an importation program is insufficient to cover the entire ratio above-stated, initially be allowed to import sugar at a ratio determined on the basis of volume of sugar in excess of that pertaining to those covered by Sugar Order No. 2, Series of 2023-2024;

Thereafter and subject to the issuance of a Sugar Order on the matter, eligible participants under this Sugar Order shall be allowed to import sugar at a ratio equivalent to the difference between the 1:2.5 (locally produced raw sugar actually exported to the USA:imported sugar) and the ratio already availed of by the said participant in previous importation/s;

- iii) In cases where raw sugar covered by Sugar Quedans enrolled under Sugar Order No. 2, Series of 2023-2024, are utilized for export under this Sugar Order, the participant owner/assignee of such Sugar Quedans can no longer avail of the privilege of a priority in the allocation for the importation of sugar afforded under the provisions of Sugar Order No. 2, Series of 2023-2024, insofar as the sugar covered by the said Sugar Quedans are concerned.

3.6 The privileges afforded by this Sugar Order to an eligible participant shall, at any time before the same is availed of and if approved by the SRA Board, be transferrable, provided the transferee is a Licensed SRA International Sugar Trader in good standing.

3.7 This Sugar Order notwithstanding, **the SRA categorically states that there is presently no program for sugar importation.**



Section 4. Definition of Terms. For purposes of this Sugar Order, and unless the context shall otherwise provide, the following terms shall mean.:

- (a) SRA Domestic Sugar Trader – person/s or business entities created under the laws of the Philippines with an SRA issued License to Operate as Domestic Sugar Trader for the current crop year.
- (b) SRA International Sugar Trader – person/s or business entities created under the laws of the Philippines with an SRA issued License to Operate as International Sugar Trader for the current crop year.
- (c) Quedan - A quedan is the equivalent of a warehouse receipt. A quedan shows ownership of a specified amount of sugar in a warehouse or sugar central. A negotiable instrument, it is a primary trading document in the Philippine sugar industry.

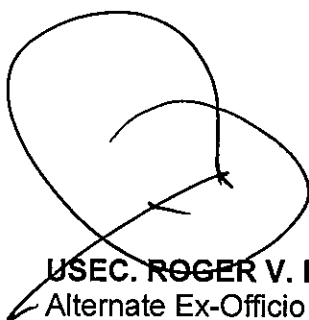
Section 5. Sanctions. Non-compliance with or a violation of any provision of this Sugar Order or any orders, resolutions, or circulars of the SRA by Eligible Participants shall result in the imposition of sanctions as the SRA may deem proper, including but not limited to i) the forfeiture and/or cancellation of any and all privilege contained in this Sugar Order, and ii) those provided in the SRA/government Book of Penalties and existing laws, rules, regulations and issuances.

Section 6. Provisions of other sugar orders, circulars, letters and or rules and regulations contrary to or inconsistent with this Sugar Order are hereby amended, modified or revoked accordingly.

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

Section 8. This Sugar Order shall take effect three (3) days after the date of its filing with the Office of the National Registrar, UP Law Center, Diliman, Quezon City.


APPROVED BY:



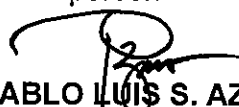
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