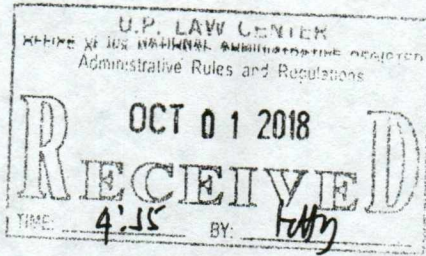




Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
Philippines 1101
TIN 000-784-336

SUGAR REGULATORY ADMINISTRATION RECORDS SECTION	
RELEASED	
BY: _____	<i>Cuby</i>
DATE: _____	OCT 01 2018



1 October 2018

SUGAR ORDER NO. 2
Series of 2018-2019

Subject: **Sugar Import Program for Crop Year 2018-19**

WHEREAS, in its *Preliminary Report on Inflation for August 2018* the National Economic and Development Authority (NEDA) reported that headline inflation accelerated to 6.4 percent in August 2018, which is the highest since March 2009;

WHEREAS, the aforementioned NEDA Preliminary Report attributed the rise in inflation to *faster growth in the price indices of*, among others, food and non-alcoholic beverages (8.5% in August 2018 from 7.1% in July 2018), and further noted that among food products that posted higher inflation, *sugar, jam, honey, chocolate and confectionary* posted an increase from 7.4% in July 2018 to 9.1% in August 2018;

WHEREAS, as monitored by SRA Monitoring teams, as of weekending September 25, 2018, prevailing raw sugar prices were at P55.00/kilo retail and P1,980.00/50-kilo bag wholesale while prevailing refined sugar prices were at P64.00/kilo retail and P2,550.00/50-kilo bag wholesale, which are high under normal conditions;

WHEREAS, President Rodrigo Roa Duterte through Administrative Order No. 13 Series of 2018 directed the SRA and the Department of Agriculture to initiate import measures to immediately bring down prices particularly of food products including sugar particularly stating *there is an urgent need to tame price spikes of basic agricultural commodities by adopting measures to streamline administrative procedures to allow importation that will address shortfall on supply and ensure stable prices of agricultural products in the domestic market*;

WHEREAS, the different sugar planters and millers associations have submitted to the Department of Agriculture or to SRA their respective proposals and position papers which, in general, support importation of sugar at this time;

WHEREAS, one of the objectives in the creation of SRA is to *stabilize prices at a level reasonably profitable to the producers and fair to consumers*, and that any sugar import program must adhere to the regulatory framework under Executive Order No. 18, Series of 1986 and Republic Act 10659 or the Sugar Industry Development Act of 2015;

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

Section 1: This Sugar Import Program shall be for Crop Year 2018-2019.

Section 2: Volume. The volume covered by this Order shall not exceed One Hundred Fifty Thousand metric tons (150,000 MT) raw or refined sugar.

Section 3: Eligible Importers. This Import program shall be open and voluntary to natural or juridical persons that are registered with the Sugar Regulatory Administration (SRA) as International Sugar Traders, in good standing, for Crop Year 2018-19. It is emphasized that end-users of sugar or sugar-using industries may participate in the Import program provided they are SRA-Registered International Sugar Traders, in good standing, for Crop Year 2018-19.

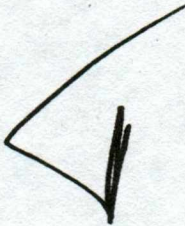


Section 4: Allocation per Eligible Importer: Every eligible importer may apply for SRA Clearance for Release of Imported Sugar and Allocation of two thousand five hundred (2,500) metric tons raw or refined sugar as minimum per application but not more than fifteen thousand (15,000) metric tons raw or refined sugar as maximum. Eligible importers may submit as many applications provided its total volume applied for does not exceed the maximum 15,000 metric tons of raw or refined sugar per eligible importer and that the total volume for this program does not exceed the 150,000 metric tons of raw or refined sugar as provided in Section 2.

Section 5: Procedure for Application of SRA Clearance for Release of Imported Sugar (SRA Clearance) and Allocation. The 150,000 MT raw or refined sugar shall be allocated to eligible importers on a **FIRST-COME, FIRST-SERVE** basis following this procedure:

5.1 The SRA Regulation Department in Quezon City, **specifically Office of the Regulation Manager III, Ground floor, Main Building, Sugar Centre Building, North Avenue, Diliman Quezon City**, shall begin accepting submission of applications and requirements under this Import Program starting at **9:00 A. M. of October 8, 2018**.

5.2 Eligible importers shall submit a duly notarized application letter, signed by the President, Partner, or Owner (in the case of corporations, partnerships, or single proprietorships) indicating the volume applied for, type of sugar (raw or refined), the purpose of the sugar (for domestic sale, domestic consumption or use), country of origin, and specific address of the SRA-Registered Warehouse where the sugar shall be stored, with an undertaking that the applicant shall comply with this Order and other resolutions or circulars of SRA on this importation.

5.3 The eligible importers shall also submit the following documents, together with the Duly Notarized Application:

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- i. Bill/s of Lading;
 - ii. Commercial Invoice/s;
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- iii. Packing List/s;
- iv. Certificate of Analysis (from the country of origin);
- v. Payment for Applicable SRA Fees;
- vi. Payment for Bond, and
- vii. Other Requirements the SRA Board may require (for newly registered International Sugar Traders).

5.4 The SRA Regulation officer accepting the applications with complete documents shall first determine whether the applicant is an eligible importer as provided under Section 3. Applications and documents submitted by non-eligible importers will not be accepted nor processed by SRA. Thereafter, the Regulation officer shall examine whether the application letter and documents conforms with Sections 5.2 & 5.3. Failure of the President, Partner, or Owner (in the case of corporations, partnerships, or single proprietorships) to sign, non-notarization of the application letter, absence of the undertaking or incomplete documents shall be grounds for SRA not to accept or process the application.

After determining that the application complies with the requirements and that the applicant is an eligible importer, the SRA Regulation officer shall check the total import volume available.

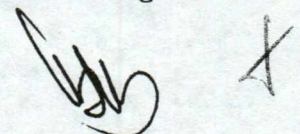
If the volume applied is within the total volume covered by this Sugar Order and complies with the volume per eligible importer in Section 4, the SRA Regulation Officer shall stamp "RECEIVED" on the application indicating the date and time of receipt and writing his initials thereon. The Regulation officer shall then record in a ledger, in the order of receipt, the name of eligible importer, volume applied for, type of sugar, date of application and documents submitted.

The Regulations Department shall maintain a record of the volume allocated per eligible importer and the balance of the total import volume available for allocation. **For purposes of transparency, the ledger book shall be open for examination by the public at a reasonable time of any working day.**

5.5 SRA shall issue the SRA Clearance and the corresponding allocation only upon complete submission of the documents in Sections 5.2 & 5.3 with the SRA Regulation Department, Quezon City.

Section 6. Classification of Imported Sugar: SRA Clearances shall indicate a "C" Reserved sugar classification.

Section 7. Payment of Bond: Every allocation shall be subject to a bond of One Hundred Fifty Pesos (P150.00) per 50-kilo bag of sugar, either raw or refined sugar. The total amount of the bond shall be in the form of a Surety Bond or Manager's Check payable to the Sugar Regulatory Administration. The bond shall be made to answer for violations or non-compliance by the eligible importers to the orders, resolutions or circulars of SRA on this import program. The total amount of the bond shall be returned to the eligible importer upon reclassification of its "C" imported sugar to "B" sugar.



Section 8. SRA Clearance Fees: The SRA shall collect a fee of thirty pesos (P30.00) per 50-kilo bag of raw sugar or thirty three pesos (P33.00) per 50-kilo bag of refined sugar allocated to every eligible trader.

Section 9. Date of Arrival of Imported Sugar: Sugar imported under this import program and part of the 150,000 metric ton allocation must arrive in the Philippines no later than December 31, 2018. Any volume that arrives after the said date shall be classified as "C" Reserved Sugar indefinitely. Furthermore, an eligible importer that fails to bring in any volume of or its entire allocation by December 31, 2018 shall have its registration with SRA as international sugar trader revoked or suspended as determined by the SRA Board.

Section 10: Warehousing and Monitoring of Imported "C" Sugar. The "C" sugar imported under this Order shall be stored in the SRA-Registered Warehouse indicated by the eligible importer in its application prior to its reclassification and release as "B" Domestic market sugar.

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

10.2 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.

10.3 Written requests for advance refining of imported "C" sugar shall be filed with Regulation Department, Quezon City, indicating the volume to be tolled and refinery. Requests for advance refining must be filed before tolling, and shall comply with the applicable orders and circulars of SRA.

Section 11. Reclassification of "C" to "B" sugar. Eligible importers shall write the SRA Board requesting for the reclassification of the "C" sugar to "B" sugar. 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. Only after the reclassification to "B" sugar can the imported sugar be released to the domestic market.

Section 12. Sanctions.

12.1 Sugar imported in excess of 15,000 metric tons raw or refined sugar per eligible importer shall not be considered part of this import program and shall not be issued an SRA Release Clearance. This is without prejudice to the other penalties that the SRA Board may decide to impose such as, but not limited to, suspension of registration as International or Domestic Sugar Trader, forfeiture of the bond, or suit for violation of the Agricultural Anti-Smuggling Act.

12.2 Sugar imported in excess of the 150,000 metric tons raw or refined sugar shall not be considered part of this import program shall be classified as "C" Reserve Sugar indefinitely and subject to fines as determined by the SRA Board.

12.3 The imported sugar classified as "C" shall not be withdrawn from their SRA-Registered 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 decide to impose such as, but not limited to, suspension or revocation of registration as international and domestic trader, suit for violation of the Agricultural Anti-Smuggling Act, etc.

12.4 Non-compliance with the Warehousing provisions in Section 10 shall be subject to fines as determined by the SRA Board.

Section 13. Other provisions. Any natural or juridical person that imports sugar but not an eligible importer under Section 3 or does not have an approved allocation under Section 5 of this Order shall not be issued an SRA Clearance, without prejudice other penalties the SRA shall impose including, but not limited to, suit for violation of the Agricultural Anti-Smuggling Act.

Section 14. 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 15. A copy of this Order shall be filed with the Office of the National Registrar, U.P. Law Center, Diliman, Quezon City.

Section 16. This Order shall take effect five (5) days after issuance.

APPROVED BY:

SEC. EMMANUEL F. PINOL
Ex-Officio Chairman

ENGR. HERMENEGLDO R. SERAFICA
Administrator

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

(on leave)
ATTY. EMILIO BERNARDINO L. YULO
Board Member - Planters' Representative