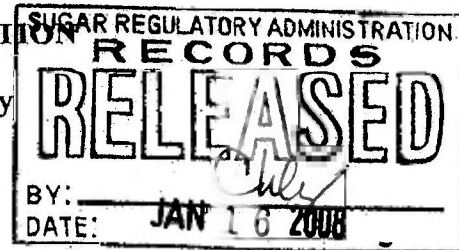




REPUBLIC OF THE PHILIPPINES
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City
P.O. Box 70, U.P. Diliman, Quezon City
TIN 000-784-336-000



11 January 2008

SUGAR ORDER NO. 7
Series of 2007-2008

SUBJECT: IMPLEMENTATION OF THE COLLECTION OF MONITORING FEE OF P1.00/Lkg-BAG (INSTEAD OF P2.00/Lkg-BAG) OF RAW SUGAR COVERED BY RAW SUGAR QUEDANS.

WHEREAS, the Philippine sugar industry continues to be threatened by the influx of smuggled sugar and by technical smuggling/alleged misuse of "D" sugar allocations which have affected domestic supply and market prices;

WHEREAS, the industry has produced a continuing surplus over the last four (4) years and therefore needs to find markets for this surplus that are most favorable to the industry and its stakeholders;

WHEREAS, it is imperative that the industry finds ways to a) curtail sugar smuggling in all its forms, b) effectively exercise its regulatory functions through, among others, close monitoring of sugar movements and storage, and c) continue to find viable markets for its excess production;

WHEREAS, it is for the long term interest and benefit of the sugar industry that it monitor and properly evaluate U.S. and World Market developments affecting its viability;

WHEREAS, there is a need to set up an effective Sugar Monitoring and Anti-Smuggling Program that will address the above-stated concerns;

WHEREAS, it is necessary to generate additional funds that will allow the industry to effectively pursue the above-stated activities;

NOW, THEREFORE, under and by virtue of the authority vested in the Sugar Regulatory Administration (SRA), the following is hereby ordered:

SERVICE FEE (P1.00/Lkg only) FOR RAW SUGAR The Monitoring Service Fee for all sugar covered by raw sugar quedans under General Administrative Order No. 1, Series of 2002-2003 dated February 20, 2003 is hereby revived and implemented but only for the amount of

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P1.00/Lkg-bag. This P1.00/Lkg-bag fee shall be collected over and above all existing liens and fees;

SECTION 2. PURPOSES. The P1.00/Lkg Monitoring Service Fee shall fund the Sugar Monitoring and Anti-Smuggling Program of the SRA and the sugar industry, inclusive of the expenses for Intelligence Consultant/s and Agents, additional Regulation Officers (contractual) assigned to monitor the movement and/or storage of sugar stocks, and Consultants contracted to monitor and analyze U.S. and World Market sugar industry developments and promote/facilitate the continuity of the Philippine's United States sugar quota (for the "A" sugar);

SECTION 3. IMPLEMENTING RULES.

- 3.1 The P1.00/Lkg Monitoring Service Fee shall be collected against all Raw Sugar quedans. For this purpose, Sugar Mills are hereby directed to incorporate/annotate the P1.00/Lkg lien on all the raw sugar quedans starting production week-ending as stated in the effectivity clause (Section 5). The concerned SRA Regulation Officers shall collect the P1.00/Lkg on all raw sugar upon withdrawal. Otherwise stated, no raw sugar covered by this sugar order shall be withdrawn unless the P1.00/Lkg is paid;
- 3.2 The SRA shall create a special account to which all fees collected for the above purpose shall accrue, and it shall be in the nature of a TRUST FUND to be disbursed pursuant to the above stated purposes.
- 3.3 The SRA Administrator is hereby authorized to issue hereafter additional the Implementing Rules and Regulations, after consultation with the industry stakeholders, through a corresponding Circular Letter.

SECTION 4. CONSISTENCY. Provisions of Sugar Orders, Circular Letters and/or other regulations contrary to or inconsistent with this Sugar Order are hereby amended, modified, or revoked accordingly.

SECTION 5. EFFECTIVITY. This Sugar Order shall be effective for Crop Year 2007-2008 starting production period January 14-20, 2008 (week-ending January 20, 2008).

BY AUTHORITY OF THE SUGAR BOARD:


RAFAEL L. COSCOLLUELA
Administrator