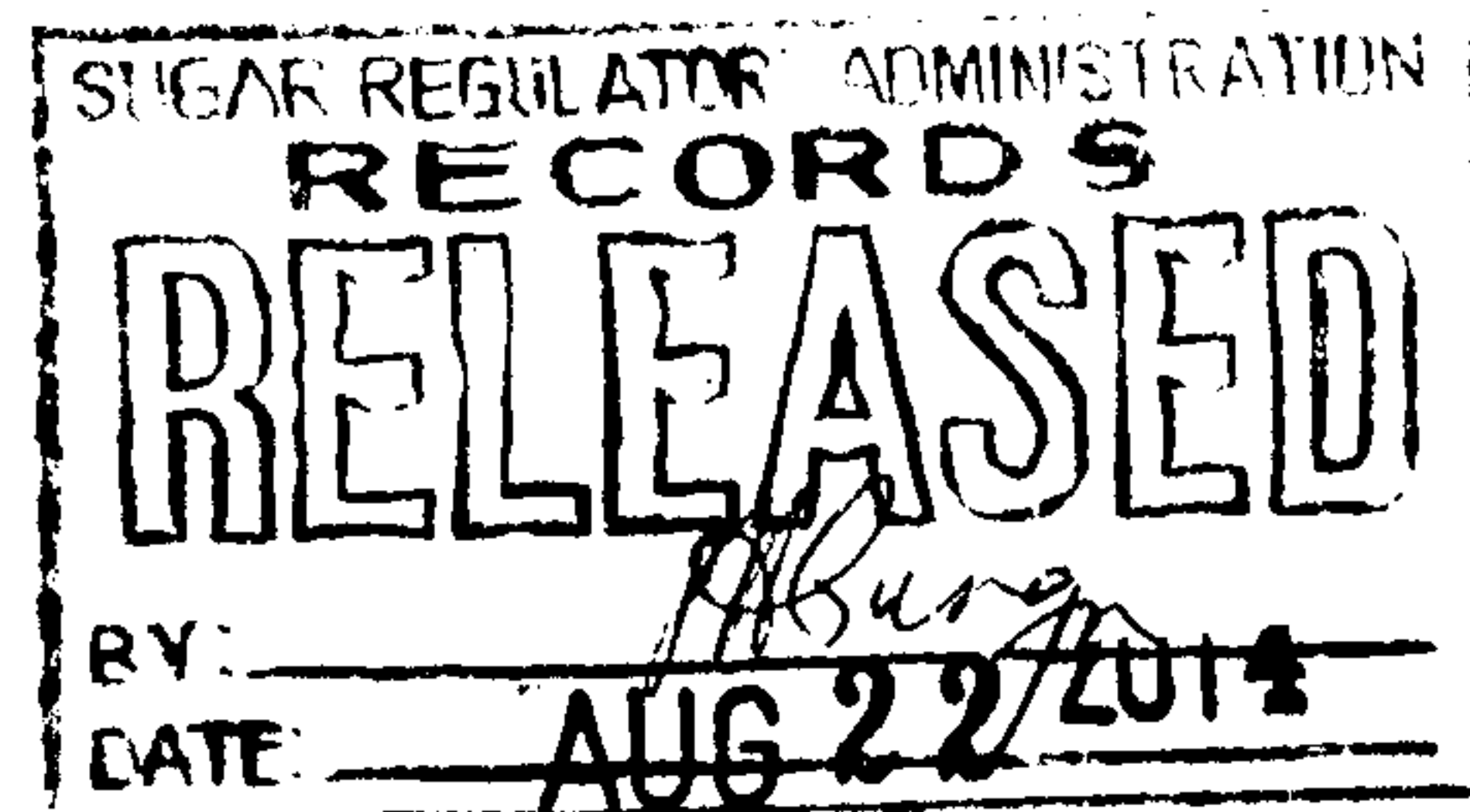




Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
Philippines 1101
TIN 000-784-336



August 20, 2014

SUGAR ORDER NO. **10-A**

Series of 2013-2014

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

WHEREAS, there is a need to ensure stable supply of sugar in the domestic market with the increase in the demand of "B" sugar by more or less 2%;

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 the remaining volume of "D" or World Market sugar verified last May 31, 2014 in the quantity of 11,962.28 MT 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 the remaining verified "D" or World Market sugar into "B" or domestic sugar subject to certain conditions;

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 September 08, 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. The remaining "D" sugar quedans for CY2013-14 verified last May 31, 2014 in the quantity of 11,962.28 MT shall be qualified for reclassification (conversion) into "B" sugar quedans.

iv. The Conversion Coefficient of all individual producers per unit (Lkg-bag) shall be 0.0577888 (determined by dividing remaining "D" volume of 11,962.28 with the total "D" Sugar produced of 207,000 for Crop Year 2013-2014) Thereafter, the



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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.

On the basis of Memorandum dated May 28, 2014, 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 printed Conversion Rights Certificate with security features duly issued covering the volume of "D" sugar eligible for conversion shall be distributed in the same manner as stated in Sugar Order No. 10, Series of 2013-2014.

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 **PhP5.00/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