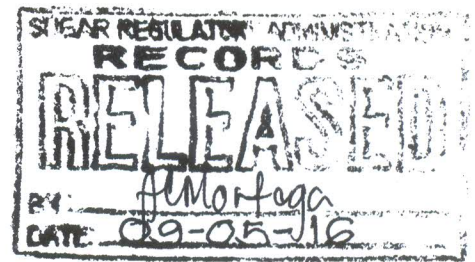




Republic of the Philippines  
 Department of Agriculture  
**SUGAR REGULATORY ADMINISTRATION**  
 Sugar Center Bldg., North Ave., Diliman, Quezon City  
 Philippines 1101  
 TIN 000-784-336



MEMO-REG-OTM-2016-Aug-014

August 31, 2016

**SUGAR ORDER NO. 1**

Series of 2016 - 2017

**SUBJECT : SUGAR POLICY FOR CROP YEAR 2016 - 2017**

**WHEREAS**, Executive Order No. 18, dated 28 May 1986, vested the Sugar Regulatory Administration (SRA) with the power to establish and maintain a balanced relationship between sugar production and the requirements of sugar and to maintain such marketing conditions as will ensure stabilized prices at levels reasonably profitable to the producers and fair to consumers;

**WHEREAS**, domestic demand is estimated to be more or less 2.15 Million Metric Tons this Crop Year 2016-2017;

**WHEREAS**, the U.S. market continues to be a reliable market and remains an instrument to stabilize domestic sugar supply that its allocation is imperative regardless of volume;

**WHEREAS**, in order to promote the effective merchandising of sugar and its products in the domestic and U.S. markets, it will be necessary to allocate the Crop Year 2016-2017 sugar production to such quantities as to place those engaged in the sugar industry on a basis of economic viability;

**NOW, THEREFORE**, pursuant to the powers vested in the Sugar Regulatory Administration (SRA), it is hereby ordered that:

**Section 1. Production and Classes of Sugar** - Sugar production for the Crop Year 2016-2017 (September 01, 2016 to August 31, 2017) is expected to be 2.25 Million Metric Tons and shall be quedanned by the mill companies, as implementors of this Sugar Order, in the following percentage:

|                              |             |
|------------------------------|-------------|
| "A" or U.S. Market Sugar     | 8%          |
| "B" or Domestic Sugar Market | 92%         |
| <b>TOTAL</b>                 | <b>100%</b> |

**Section 2. Issuance of Quedan-Permits/Molasses Storage Certificates**

As a general rule, except as hereinafter provided, sugar mill companies shall issue weekly sugar quedan-permits/molasses storage certificates in the name of the individual planter or mill companies for their corresponding shares of sugar and molasses production for the Crop Year 2016-2017.

In case of "A" and "B" sugar, however, where a planter has expressly authorized the mill company in writing or has executed a production/marketing agreement in favor of his association/cooperative which agreement provides for the consolidation of his weekly sugar/molasses production in the name of the association/cooperative, mill company concerned shall issue consolidated weekly sugar quedan-permits/molasses storage certificates in the name of the association/cooperative with an attached listing of the planters and their corresponding production covered by said sugar quedan-permits/molasses storage certificates.



**Section 3. Block Quedanning of "A" or U.S. Sugar Quota.** Block (consolidated) quedans for "A" shall be issued in the name of the planters' association/cooperative to which the individual planter belongs, or the sugar mill in cases of non-affiliated planters. Planters who chose to have their "A" sugar quedans issued individually shall write the concerned mill which shall automatically implement the issuance of the individual quedans starting week ending after receipt of such letter, copy furnished the SRA.

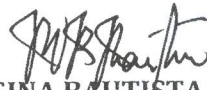
**Section 4. Periodic Assessments, Percentage Adjustment.** The SRA shall undertake periodic assessment of the Crop Year 2016-2017 sugar production and withdrawal trend and on the basis of such assessment, it may from time to time adjust the percentage distribution of the different classes of sugar as provided in this Sugar order and/or take the necessary action to address the situation.

**Section 5. Non-revalidation of Unused Quedan Permit Forms.** Pursuant to Section 6, Sugar Order No. 1, Series of 1995-1996, dated 01 September 1995, it is hereby reiterated that this Crop Year 2016-2017, and thereafter, all unused sugar quedan-permit forms of the previous crop year shall no longer be allowed for revalidation.

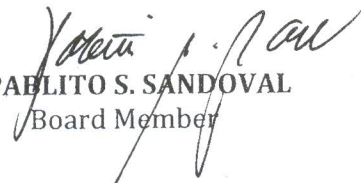
**Section 6. Effectivity Clause.** This Sugar Order shall take effect on September 1, 2016.

**Section 7. Repealing Clause.** All provisions of Sugar Orders, Circular Letters, rules and regulations inconsistent with or contrary to this Sugar Order are hereby amended, modified or revoked accordingly.

**BY AUTHORITY OF THE SUGAR BOARD:**




**MA. REGINA BAUTISTA-MARTIN**  
Administrator



**PABLITO S. SANDOVAL**  
Board Member



**ATTY. JESUS L. BARRERA**  
Board Member



**EMANUEL F. PIÑOL**  
Secretary  
Department of Agriculture