



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-ADM-2015-Dec-003

December 08, 2015

SUGAR ORDER NO. 4
Series 2015-2016

SUBJECT : FILLING UP THE UNITED STATES SUGAR QUOTA AND EXPORT REPLACEMENT PROGRAM FOR CROP YEAR 2015-2016

WHEREAS, Sugar Order No. 1, Series of 2015-16 provides for a 100% "B" or Domestic Sugar Market allocation of sugar produced in the current Crop Year 2015-16;

WHEREAS, the United States recently announced the Raw Sugar Quota for Fiscal Year 2016 at 1,117,195 metric tons raw value (MTRV) with the Philippines getting its regular allocation of 135,508 metric tons commercial weight:

WHEREAS, it is to the national interest that the Philippines export to the United States under its sugar quota allocation while ensuring sufficient supply of sugar for the domestic market for the crop year;

WHEREAS, latest production figures for the crop year show raw sugar production may be lower than the initial production estimate of 2.27 million tons;

WHEREAS, Executive Order No. 18, Series of 1986 provides that the Sugar Regulatory Administration (SRA) has the power and function to establish domestic, export and reserve allocations in order to attain the objective of establishing and maintaining such balanced relation between production and requirement of sugar;

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

Section 1. Eligibility of Previous Years "A" Quedans. All "A" or U.S. Sugar Quota sugar quedan-permits issued in previous crop years are eligible for shipment under the U.S. Quota Year 2015-16, provided, that the "A" or U.S. Quota sugar quedan-permits are verified and reinstated.

1.1 Application for verification shall begin upon issuance of this Order. The deadline for verification shall be no later than **January 4, 2016**. "A" or U.S. Quota sugar quedan-permits of previous crop years not verified by this date shall remain homeless, non-negotiable, ineligible for shipment under the U.S. Sugar Quota Year 2015-16, and cannot be withdrawn from the mill unless authorized by the SRA.

1.2 "A" or U.S. Sugar Quota sugar quedan-permits for verification and reinstatement shall be subject to a reinstatement fee of P 30.00/LKg-bag.

"A" quedans which had been converted to "B" under Sugar Order No.11, Series of 2014-2015 are not eligible for export under this program.

Section 2. Eligibility of "B" Quedans for U.S. Export. In the event the volume of reinstated "A" sugar is not sufficient to fill up the allocation of the Philippines, locally-produced, original "B" or Domestic Market sugar/quedans for Crop Year 2015-16 and for two previous crop years (Crop Years 2013-14 and 2014-15) shall be eligible for shipment to the U.S. Sugar Quota. Provided, the export of "B" sugar to the U.S. shall be open and voluntary to any sugar planter, planters association/cooperative, mill/refinery, mill/refinery association, industrial user of sugar, and



sugar exporter (referred as "exporter"). Provided, further, the exporter must be duly registered with SRA as an international trader for Crop Year 2015-16.

"B" sugar/quedans from the conversion of "D" to "B" under Sugar Order No. 10 and 10-A, Series of 2013-2014 and Sugar Order No. 7, Series of 2014-2015 are not eligible for export to U.S. or for Replacement under Section 8 of this Sugar Order.

Section 3. Volume of "B" Quedans/Sugar for U.S. Export. The total volume of exports to the U.S. Sugar Quota, comprising of "A" sugar, "B" sugar, or combination of both, shall not exceed 135,508 metric tons commercial weight. Provided, that the SRA Board may adjust the volume up to the additional allocation that may be given to the Philippines under the U.S. Sugar Quota in Crop Year 2015-16.

Section 4. Procedure. Exporters shall apply with SRA for export allocation, attaching thereto the "A" sugar quedan permits for verification and reinstatement and "B" sugar quedan permits for processing in order to fill up the allocation to the U.S. Sugar Quota for Quota Year 2015-16.

4.1 The allocation of the Philippines for Quota Year 2015-16 shall be allocated among sugar traders/exporters on a "First Come - First Served" **with vessel presentation** required hereunder. Likewise, all sugar shipments to the U.S. shall be made on a "First-In, First-Out" basis.

4.2 In the event the exporter shall have sold his verified "A" sugar quedan-permits to another party, the allocation of the said exporter is deemed cancelled. In which case, the said "A" sugar quedan-permits shall be again subject to verification by the SRA for allocation on a "First Come-First Served" but with vessel presentation basis.

4.3 All fees and charges due the SRA for processing of documents relative to filling-up of the 2015-16 U.S. Sugar Quota shall be subject to SRA Administrative Order No. 1, dated May 11, 2011.

Section 5. Date of U.S. Shipments. SRA shall issue the corresponding memorandum circular on the date/s of shipments to the U.S. Sugar Quota. Reinstated "A" sugar quedan-permits not shipped on such date shall be considered homeless, non-negotiable, and cannot be withdrawn from the mill unless authorized by the SRA. On the other hand, "B" sugar quedan-permits not shipped on its indicated date shall be subject to the decision of the SRA Board.

Section 6. Undertaking to Ship. A notarized undertaking to ship the "A" sugar and/or "B" sugar to the U.S. must be submitted by the exporter to the SRA together with the documents mentioned in Section 4, indicating its commitment to ship the "A" and the "B" on the dates of shipment to be indicated in the memorandum circular. An Undertaking to Ship the "A" sugar and/or "B" submitted to SRA sugar cannot be withdrawn by the exporter without the approval of the SRA Board.

Sugar planters presenting their "A" sugar for verification and reinstatement are exempted from the submission of the Undertaking to Ship requirement, provided, the same sugar is committed by exporter for shipment to the United States.

Section 7. Filing of Application. The application for export to the U.S. Sugar Quota, shall be entertained beginning January 6, 2016, after the verification and reinstatement of "A" sugar quedan permits for export to the U. S. All such applications shall be filed with the Regulation Department, Quezon City.

Section 8. "B" Sugar Replacement Program. Only exporters that exported "B" sugar to the U.S. Sugar Quota shall be issued Clearance for Release of Imported sugar for their sugar importations. All sugar imported under this program shall be stored in a SRA registered warehouse prior to its classification and release as "B", which warehouse must be opened to inspection by SRA at any given time even without prior notice. The SRA Board shall reclassify the imported sugar to "B" sugar **before June 1, 2016**. Provided, further, the imported sugar may either be in raw form or in raw basis.

The issuance of the Clearance for Release shall be subject to the applicable fees, liens and charges of SRA.

Section 9. Arrival of the Replacement Sugar. Sugar imported under the preceding section must arrive after the actual export/shipment of "B" sugar to the U.S. but before the end of Crop Year 2015-16. Provided, the SRA Board may direct the arrival of the replacement sugar at an earlier date than June 1, 2016 when the sugar supply situation requires it.

Section 10. Replacement Ratio: The replacement ratio for every 50-kilogram bag exported to the U.S. quota shall be 1 : 1.25. Provided, any exporter that imports in excess of his allowable replacement shall have his excess volume classified as "C" sugar indefinitely. Furthermore, his eligibility under Section 11 and registration as international trader revoked in the event the "C" sugar is withdrawn without reclassification and clearance by SRA.

Section 11. Exporters that participated in filling up the U.S. Sugar Quota and replacement program, for purposes of similar import program/s as may be determined necessary by SRA for Crop Year 2015-16, are eligible to participate therein, subject to the participation of sugar planter/s, planter associations/cooperatives and sugar mills.

Section 12. Any natural or juridical person that imports sugar outside of the U.S. Sugar Quota and Replacement Program under this Order shall not be issued Clearance for Release of Imported Sugar and have his imported sugar indefinitely classified as "C" without prejudice to additional penalties that the SRA Board may impose.

Section 13. The eligibility of "B" sugar for export to the U.S. Sugar Quota and Replacement Program shall be valid only in Crop Year 2015-16.

Section 14. The SRA Board may amend or modify this Sugar Order when it determines the situation so requires.

Section 15. This Sugar Order shall take effect upon issuance hereof.

Section 16. A copy of this Sugar Order shall be filed with the Office of the National Registrar, U.P. Law Center, Diliman, Quezon City.

Section 17. Provisions of Sugar Orders, Circular Letters, and/or other rules and regulations contrary to inconsistent with this Sugar Order, are hereby amended, modified, or revoked accordingly.

BY AUTHORITY OF THE SUGAR BOARD:


MA. REGINA BAUTISTA-MARTIN
Administrator