

SUGAR REGULATORY ADMINISTRATION
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Department of Agriculture
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SUGAR ORDER NO. 2
Series of 2022-2023

**SUBJECT : SUGAR IMPORT PROGRAM
FOR CROP YEAR 2022-2023**

WHEREAS, Executive Order No. 18 provides that one of the objectives in the creation of the SRA is to ensure adequate and stable supply of sugar for domestic consumption in order to stabilize prices at a level reasonably profitable to the producers and fair to consumers;

WHEREAS, Section 2 of the Republic Act 10659 or the Sugarcane Industry Development Act (SIDA) declares it the policy of the state to promote the competitiveness of the sugarcane industry and maximize the utilization of sugarcane resources, and improve the incomes of farmers and farm workers, through improved productivity, product diversification, job generation, and increased efficiency of sugar mills.

WHEREAS, Section 8 of SIDA affirms the mandate of the SRA to regulate the supply of sugar in the country, in addition to its powers and functions under Executive Order No. 18, series of 1986, and establish a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar.

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;

WHEREAS, after due consultation, the Stakeholders of the Sugar Industry have submitted their respective positions and letters of endorsement recognizing the need for an importation program for crop year 2022-2023;

WHEREAS, after taking into consideration all comments, inputs and information the SRA deems it necessary to adopt additional, responsive and pre-emptive measures to ensure domestic supply and manage sugar prices, in

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order to achieve the foregoing policy declarations through timely government intervention by way of importation in order to maintain a balanced supply and demand of sugar for domestic consumption;

WHEREAS, in view of prevailing circumstances when sugar production and supply are usually stable characterized by the start of the milling season for Crop Year 2022-2023, the SRA, in the exercise of its regulatory authority on a “pro hac vice” or “for this one particular occasion” basis, and taking into consideration its mandate of classifying imported sugar according to its appropriate classification, deems it necessary to provide an import program.

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 2022-2023.

Section 2. Eligible Participants. This import program shall be open to all duly registered SRA International Sugar Trader, in good standing for crop years 2020-21 and 2021-22, and with renewed registration as International Sugar Trader for Crop year 2022-23. The intention is that the imported sugar shall be open and available for consumption by all industrial users and consumers.

Section 3. Volume and Type of Sugar. The maximum volume covered by this Order shall not exceed ONE HUNDRED FIFTY THOUSAND METRIC TONS (150,000 MT) of refined sugar, broken down as follows:

- 3.a. SEVENTY FIVE THOUSAND METRIC TONS (75,000 MT) allocated to Industrial Users ;
- 3.b. SEVENTY FIVE THOUSAND METRIC TONS (75,000 MT) allocated to Consumers;

Section 4. Definition of Terms. For purposes of this Sugar Order, and unless the context shall otherwise provide, the following terms shall mean:

- (a) Refined sugar – sugar with color range of 1-100 ICUMSA unit and a min. polarization of 99.8 polarization.
- (b) Industrial users – shall include food, confectionaries, biscuits, bread, candies, milk, juice and beverage manufacturers that use refined sugar in the manufacture of their finished products/s for sale exclusively in the domestic market.



- (c) Consumers - shall be referred to wholesalers and traders engaged in selling sugar in bulk to retailers; and retailers refer to individuals selling sugar in small quantities to the general public for consumption.

Section 5. Volume per Eligible Importer. The volume for allocation per registered SRA International Sugar Trader shall be pro-rated respectively on each volume assignment as stated in Section 3.a and 3.b, with those under Section 3.a to be based on their excise tax payments for fiscal year 2020-2021.

Provided that, those who have participated in the previous import program under SO 3 series of 2021-2022 as Industrial Users shall not be eligible to participate in this import program as under Section 3.b.

Section 6. Period for Submission of Applications and Award of Allocation. The SRA Regulation Department in Quezon City and Bacolod City shall begin accepting applications and requirements under this Import Program within three (3) days after date of effectivity of this Sugar Order. The award of allocations shall be three (3) days after the last day of acceptance.

Section 7. Requirements and Application for Importation and Allocation. The duly-registered international trader shall submit the following requirements:

7.1. A duly notarized application letter signed by the President/Chief Executive Officer, Partner or Owner to participate in the Import Program with the following details:

- 7.1.a. The volume of sugar applied for, whether under Section 3.a or Section 3.b
- 7.1.b. Country of origin;
- 7.1.c. Specific address of SRA-registered warehouse where the imported sugar shall be stored;
- 7.1.d. Undertaking stating the following:
 - 1. That the applicant shall purchase an equal volume of locally produced refined sugar as the volume of imported sugar that may be allocated to the applicant under this Import Program. Should the applicant purchase locally produced raw sugar, the conversion shall be on a 1:1.2 basis. The deadline for the purchase of locally produced sugar shall be on August 31, 2023.
 - 2. That the applicant shall completely distribute their allocations to respective clients for industrial use and/or direct consumption within one (1) month from November 15, 2022.



3. That the applicant shall comply with this Order and other resolutions or circulars of SRA on importation.

7.2 Original or certified true copies of the following:

- 7.2.a. Valid Food and Drug Administration Certificate of Product Registration of the refined sugar to be imported by Registered International Sugar Traders;
- 7.2.b. Valid Food and Drug Administration License to Operate for Industrial Users and Registered International Sugar Traders;
- 7.2.c. For Industrial Users who pay excise tax for their Sugar Based Products, all Excise Tax Return duly received/validated by the Bureau of Internal Revenue for Fiscal Year 2020-2021.

7.3 Proof of Payment of Performance Bond required in Section 13 hereof.

Section 8. Time of Arrival of Imports. Registered International Sugar Traders participating in this Import Program shall ensure that their respective allocated volumes shall arrive in the Philippines not later than **November 15, 2022**. As such, each participant shall be given one (1) month from November 15, 2022 to completely distribute their allocations to respective clients for industrial use and/or direct consumption and submit to SRA within 30 calendar days thereafter written proof of compliance to the said actual distribution.

Any volume that arrives after the said date shall be classified as "C" (Reserve Sugar") subject to future reclassification, if it is so required.

Furthermore, importers that fail to bring in any volume of its allocation on or before November 15, 2022, may be impose sanctions and penalties by the Sugar Board as it may deem fit and proper.

Section 9. Requirements for Issuance of SRA Clearance for Release. Registered International Trader to this Import Program shall submit to the SRA Regulation Department in Quezon City or Bacolod City the following requirements for issuance of SRA Clearance for release of imported sugar:

- 9.1 Duly notarized application letter for issuance of SRA Clearance indicating the volume of imported sugar applied for;
- 9.2 Bill of Lading;
- 9.3 Commercial Invoice of imported sugar;
- 9.4 Packing List;
- 9.5 Certificate of Analysis (from country of origin);



- 9.6 Proof of Payment of Applicable SRA fees provided under relevant sugar orders;
- 9.7 Proof of Payment of Performance Bond of P750 per 50-kilo bag;
- 9.8 Reimbursement of performance bond, faithful compliance of the provisions of this order, and upon proof of purchase of domestic sugar of CY 2022/23 not later than August 31,2023; and
- 9.9 Other requirements as the SRA Board may require.

Section 10. SRA Clearance Fees. The SRA shall collect a fee of Thirty Three Pesos (P33.00) per 50-kilo bag of refined sugar as SRA Clearance Fee.

Section 11. Classification and Reclassification. Given the urgency of the requirement for Industrial Users and Consumers, so as not to compromise the availability of the current Crop Year Production which is expected to improve in January 2023, all imported sugar under this Import Program shall automatically be classified as "B" sugar.

Necessary conversion fees shall be paid upon application for import processing and such automatic conversion of imported volume for this particular SO shall be approved by the SRA ADMINISTRATOR. Only when approval from SRA Administrator is obtained will release of stocks from SRA registered warehouses or from vessel can be allowed for release to the domestic market.

Section 12. Warehousing and Monitoring of Imported Sugar.

12. 1 Imported sugar classified under this Sugar Order shall only be stored in an SRA-registered warehouse or directly to the declared Industrial User's warehouse or Consumers' warehouse as indicated in the importer's application, however, the declared Industrial User's or Consumer's warehouses must be pre-inspected to avoid comingling of stocks, should there be any other than the imported sugar.

12.2 Imported sugar may be stored in the same SRA-registered warehouse where domestically produced sugar is stored. Provided that imported sugar shall be segregated as a separate pile for monitoring of SRA.

12.3 All warehouses storing imported sugar shall each maintain a ledger that shall record, among others, dates of delivery of the imported sugar to the SRA-registered warehouse and the dates and volume of withdrawal of reclassified "B" sugar from the same warehouse.

12.4 Non-compliance with the above warehousing rules shall be subject to fines as determined by the SRA Board.



Section 13. Performance Bond. Every allocation shall be subject to a bond of **Seven Hundred Fifty Pesos (P750.00)** per 50-kg bag. The total amount of the bond shall be payable to the Sugar Regulatory Administration in form of Manager's Check. The bond shall be made to answer for violations or non-compliance by the eligible participants to the orders, resolutions or circulars of SRA.

Provided, this performance bond shall be released upon submission of proof of purchase (Sugar Release Order/ Sugar Delivery Order/ Refined Sugar Quedan) of an equal volume of locally produced sugar contemporaneous with the importation and compliance to the undertaking stated in Section 7 item 7.1.d. Otherwise, the bond shall be forfeited in favor of SRA which shall then be allocated to finance fertilizer subsidy programs and such other developmental programs to alleviate the plight of the sugarcane farmers.

Provided further, that these local sugar purchases, in the case of refined sugar shall be on 1:1 basis and in the case of raw sugar shall be on a 1:1.2 basis.

Section 14. Sanctions.

14.1 Non-compliance with or violation of any provision of this Order or any orders, resolutions or circulars of SRA by eligible participants shall result in the forfeiture of the entire Performance Bond and perpetual disqualification to participate in the import programs of the SRA, as determined by the SRA Board, without prejudice to other sanctions as provided in the SRA Book of Penalties and existing laws, rules, regulations and issuances.

14.2 Any natural or juridical person that imports sugar but is not an Eligible Participant or does so without the approved allocation granted by SRA shall be considered as engaged in sugar smuggling and will be prosecuted under RA 10845 or the Anti-Agricultural Smuggling Act and other existing laws, rules, regulations and issuances.

Section 15. Provisions of other sugar orders, circulars, letters and or rules and regulations contrary to or inconsistent with this Order are hereby amended, modified or revoked accordingly.

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

Section 17. This Order shall take effect after three (3) days from filing with the Office of the National Registrar, UP Law Center, Diliman, Quezon City.



Approved By:

H.E. PRESIDENT FERDINAND R. MARCOS, JR.
Secretary of Agriculture

DOMINGO F. PANGANIBAN
Senior Undersecretary Department of Agriculture

DAVID JOHN THADDEUS P. ALBA
Acting SRA Administrator

MA. MITZI V. MANGWAG
Acting Board Member-Millers' Representative

PABLO LUIS S. AZCONA
Acting Board Member-Planters Representative