



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

24 February 2004



SUGAR ORDER NO. 6
Series of 2003-2004

SUBJECT : PROVIDING FOR "C" OR RESERVE SUGAR AND FOR OTHER PURPOSES

WHEREAS, Section 4 of SRA Sugar Order No. 1, Series of 2003-2004, dated 28 August 2004 provides that the Sugar Regulatory Administration (SRA) shall undertake periodic assessments of the 2003-2004 sugar production and, on the basis of such assessments, it shall adjust from time to time the percentage distribution of the different classes of sugar;

WHEREAS, the price of "B" or Domestic sugar had dropped to an alarmingly low level that it seriously imperiled the economic viability of the sugar industry;

WHEREAS, Section 2 (B) of Executive Order No. 18 mandates the SRA to establish and maintain such balanced relation between production and requirement of sugar and such marketing conditions as will ensure stabilized prices at a level reasonably profitable to the producers and fair to consumers;

WHEREAS, after consultations with all sectors concerned, it has been agreed that the classification and allocation of sugar under Sugar Order No. 1, Series of 2003-2004, need to be revised in order to address the aforesaid situation in accordance with the aforesaid mandate of Executive Order No. 18;

WHEREAS, as a consequence of the low farmgate prices of sugar which prevailed for quite a time, producers have been discouraged from harvesting a second (2nd) crop this CY 2003-2004, hence, there is an expected drop in sugar production this crop year to 2,130,000 Metric Tons from the previous estimate of 2,230,000 Metric Tons;

WHEREAS, as a result of the aforesaid drop in production, there is a need to stop the allocation of "D" or World market sugar in CY 2003-2004 sugar production;

WHEREAS, the NFA Council in its 11 February 2004 meeting approved the proposal for the National Food Authority (NFA) to engage in the domestic trading of sugar specifically to purchase "C" or Reserve sugar up to a maximum volume of 70,000 MT produced during CY 2003-2004 for a period of four (4) weeks;

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

Section 1. Production and Classes of Sugar. (a) The classification and percentage allocations of sugar under SRA Sugar Order Nos. 1 and 1-A, Series of 2003-2004, are hereby amended and revised in the manner as hereinafter provided.

(b) There is hereby established and provided a class "C" or Reserve sugar. The said class "C" sugar shall subsequently be reclassified as "B" or Domestic sugar, to the exclusion of any other class of sugar, and shall be released to the domestic market after thirteen (13) weeks (91 days) from the date of the week-ending period indicated in the covering "C" quedans.

(c) The classification of "D" or World Market sugar and its percentage allocation of 4% for the current Crop Year 2003-2004 production shall be until week-ending 29 February 2004.

This provision shall in effect cancel the 3rd tranche schedule but not the 1st and 2nd tranches as provided for in Section 1 of SRA sugar Order No. 2-A, Series of 2003-2004, re: Schedule of Shipment to the World Market.

(d) All sugar produced beginning week-ending 07 March 2004 shall be quedanned by the mill companies, as implementors of this Sugar Order, in the following classification and percentage allocation:

"A" or U.S. Quota Sugar	6.00%
"B" or Domestic Sugar	73.50%
"B-1" or Food Processors'/Exporters' Sugar	0.50%
"C" or Reserve Sugar	<u>20.00%</u>
TOTAL	100.00%

Section 2. Quedanning of the "C" or Reserve Sugar. The "B" or Domestic sugar quedan-permit forms for Crop Year 2003-2004 shall be used to cover every week-ending's production of "C" or Reserve sugar and shall be issued after the said "B" quedan-permits have been properly stamped as "C" or Reserve sugar and validated by the SRA, Sugar Production Control and Regulation Officers (PCROs) assigned at the millsites.

Mill companies shall, on a weekly basis, issue consolidated (block quedanning) "C" quedan-permits to planters (planters' share) in the name of the planters' association/cooperative as assignee, attached thereto the list of planters by planters' association/cooperative and their corresponding volumes of "C" sugar.

For the non-affiliated planters, quedanning of the "C" sugar shall be joined with those of the mill or any planters' association/cooperative of their choice, attached thereto the list of planters and their corresponding volumes of sugar.

Section 3. Agreement Between the SRA and NFA. The SRA and NFA shall execute a Memorandum of Agreement (MOA) stating among others, that only "C" or Reserve sugar shall be purchased by NFA within the prescribed period of time, and the liquidation prices.

Section 4. A Circular Letter shall be issued as implementing guidelines of this Order.

Section 5. This Order shall take effect on 01 March 2004.

Section 6. Provisions of Sugar Orders, Circular Letters, rules and regulations contrary to or inconsistent with this Order are hereby amended, revoked or modified accordingly.

BY AUTHORITY OF THE SUGAR BOARD:


JAMES C. LEDESMA
Administrator