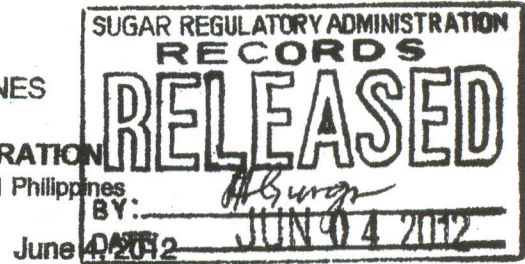




REPUBLIC OF THE PHILIPPINES  
Department of Agriculture  
SUGAR REGULATORY ADMINISTRATION  
North Avenue, Diliman, Quezon City, 1101 Philippines



**Sugar Order No. 10**  
Series of 2011-2012

**Subject: Guidelines on Filling-up the Additional U.S. Sugar Quota for Quota Year 2011-2012**

**Whereas**, the United States allocated an additional volume of 75,540 metric tons raw value (MTRV) of raw cane sugar to the Philippines under the U.S. Sugar Quota Program, which has to arrive in the United States on or before October 1, 2012;

**Whereas**, it is in the national interest of the Philippines to fill-up and ship-out the additional allocated volume under the U.S. Quota Program as this will further solidify our country's hold over the third largest share in the U.S. sugar quota and enhance our standing as a reliable source of exportable raw cane sugar;

**Whereas**, Sugar order No. 2, Series of 2011-2012 and Sugar Order No. 9, Series of 2011-2012, ordered the verification of "A" sugar quedan-permits for Crop Year 2011-2012 including reinstated "A" quedans covered by Sugar Order No. 8, Series of 2011-2012;

**Whereas**, in the event the volume of "A" sugar is not enough to fill the additional U.S. sugar quota allocation, an advance swapping of "D" to "A" may be implemented solely for the purpose of filling up the deficiency in the "A" sugar for the additional U.S. quota for Quota Year 2011-2012

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

**Section 1.** Sugar exporters with "A" or U.S. Quota Sugar quedan-permits issued in the current Crop Year 2011-2012 are hereby advised to apply with the SRA for export allocations attaching thereto the aforesaid "A" quedan-permits for verification/processing in order to fill-up the additional U.S. sugar quota allocation for Quota Year 2011-2012 based on Sugar Order No. 10, Series of CY 2011-12. Further sugar exporters with outstanding (unshipped) verified "A" quedan-permits are required to submit an Undertaking to Ship the "A" sugar.

1.1 The deadline for the submission of the application for export allocation and verification and the Undertaking to Ship the "A" sugar shall be on June 8, 2012. A sample of the Undertaking to Ship is attached as Annex "A".

1.2 Failure to submit the Undertaking to Ship of the verified "A" within the deadline may be subject to the penalties provided in Section 2.8 of Sugar Order No. 10, Series of 2009-2010, as determined by the Sugar Board, and is deemed "A" for replenishment pursuant to Sugar Order 9, Series of 2010-2011.

1.3 The additional U.S. Sugar Quota allocation for this Quota Year 2011-2012 shall be allocated among sugar exporters on a "First Come-First Served Basis", based on the date and order of verification. Likewise, all sugar shipments to the U.S. shall be made on a "First-In, First-Out" basis.

**Section 2.** Sugar exporters with replenishment rights under Sugar Order No. 9, Series of 2010-2011 and whose "A" sugar were actually shipped to the United States forming part of the additional U.S. sugar quota for Quota Year 2011-2012 are given until August 31, 2014 to replenish their advanced-swapped "B" to "A" under Sugar Order No. 9, Series of 2010-2011. It is emphasized that the one-year extension for replenishment is limited to the volume of "A" sugar actually shipped to the U.S. by the sugar exporter under the additional U.S. quota allocation.

**Section 3.** Immediately after the deadline for submission of the Undertaking to Ship mentioned in Section 1.1, the Regulation Department of SRA shall determine if the volume of "A" sugar covered by all submitted Undertaking to Ship is enough to fill-up the additional U.S. sugar quota allocation.

3.1 In the event the volume of "A" sugar covered by an Undertaking to Ship is not enough, the SRA based on the Report of the Regulation Department shall notify the various sugar farmers and mills associations/federations and exporters of this fact and the volume of the deficiency, and post the same on its website.

3.2 The deficiency in the additional U.S. quota for Quota Year 2011-2012 shall be filled through advance-swapped "D" sugar to "A" sugar represented by "D" quodan-permits for CY 2011-2012 described in the succeeding Section 4.

**Section 4.** The volume of advanced swapped "D" to "A" that will fill the deficiency shall be awarded through bidding of the replenishment bond for which the Terms of Reference shall be issued by the SRA Special Bids and Awards Committee. The bidding shall be held no later than June 15, 2012.

**Section 5.** Winning bidders shall be issued a notice of award and shall be required to submit to SRA within three (3) days after the bidding an Undertaking to Ship the

Advance Swapped "D" sugar to "A" sugar. Failure to submit the Undertaking to Ship within the deadline shall cause the automatic cancellation of the notice of award and shall be subject to penalties (provided in Section 2.8 of Sugar Order No. 10, Series of 2009-2010 as determined by the Sugar Board) which will be outlined in the Terms of Reference that will be issued. The sample of the Undertaking to Ship is attached as Annex "A-1".

**Section 6.** In addition to the Undertaking to Ship, a purchase contract or any proof of definite shipment to the U.S. for the additional sugar quota must be submitted by the exporter to the SRA on or before August 15, 2012. Any shortfall in the volume to fill up the additional quota, as determined from the submission of these stated proof of definite shipment, will be distributed by the Sugar Board to exporters with capability to ship out the said deficient volume. All documents submitted in compliance with this Section shall be treated as confidential by SRA.


**Section 7.** Deadline to apply for replenishment of the actual volume shipped of the advance swapped "D" to "A" authorized under this sugar order shall be on August 31, 2013. Failure to replenish the advance swapped "D" sugar to "A" sugar within the deadline shall result in the forfeiture of the replenishment bond. Forfeited replenishment bond shall be distributed to the various sugar farmers' federations and millers' associations based on their share of raw sugar production for Crop Year 2011-2012.

**Section 8.** All "A" or US Market quedan-permits issued from weekending June 9, 2012 up to the end of Crop Year 2011-2012 are eligible of shipment under the additional US quota of CY 2011-2012, the US quota of Crop Year 2012-2013 if there is any, as well as for replenishment of advance-swapped "B"-to-"A" pursuant to Sugar Order No. 9, 2010-2011.

**Section 9.** Sugar Orders, Circulars and/or Rules and Regulations contrary to or inconsistent with this Sugar Order are hereby amended, modified or revoked accordingly.

**Section 10.** This Sugar Order shall take effect immediately.

**BY AUTHORITY OF THE SUGAR BOARD**



**Ma. Regina Bautista-Martin**  
Administrator

**UNDERTAKING TO SHIP "A" SUGAR  
TO THE UNITED STATES**

KNOW ALL MEN BY THESE PRESENTS

I/WE \_\_\_\_\_ of legal age and  
a resident of \_\_\_\_\_

(as the authorized representative of \_\_\_\_\_, a  
legal company/enterprise with office at \_\_\_\_\_  
\_\_\_\_\_)

**hereby states:**

That in my/our application for verification of \_\_\_\_\_ metric tons  
or \_\_\_\_\_ 50 kilo-bags (Lkg-bags) of "A" or U.S. Quota Sugar with  
the Sugar Regulatory Administration dated \_\_\_\_\_, I/We do  
hereby undertake to ship the said volume of "A" sugar to the United States for  
Quota Year \_\_\_\_\_ on or before \_\_\_\_\_.

That should I/We fail to ship to the U.S. the aforementioned volume of  
"A" on the date indicated, I/We hereby bind myself/ourselves to pay the penalty  
that shall be imposed on the volume of "A" not physically shipped to the United  
States for Quota Year \_\_\_\_\_ and abide by the decision of the SRA Board  
on the matter.

That I/WE executed this Undertaking freely, willingly and with full  
knowledge of its provisions.

Signed:

\_\_\_\_\_

**UNDERTAKING TO SHIP "A" SUGAR  
TO THE UNITED STATES**

KNOW ALL MEN BY THESE PRESENTS

I/WE \_\_\_\_\_ of legal age and  
a resident of \_\_\_\_\_

(as the authorized representative of \_\_\_\_\_, a  
legal company/enterprise with office at \_\_\_\_\_  
\_\_\_\_\_)

**hereby states:**

That in my/our application for verification of \_\_\_\_\_ metric tons  
or \_\_\_\_\_ 50 kilo-bags (Lkg-bags) of "A" or U.S. Quota Sugar (from  
advance swapped "D"- "A") with the Sugar Regulatory Administration dated  
\_\_\_\_\_, I/We do hereby undertake to ship the said volume of "A"  
(from advance swapped "D"- "A") sugar to the United States for Quota Year  
\_\_\_\_\_ on or before \_\_\_\_\_.

That should I/We fail to ship to the U.S. the aforementioned volume of  
"A" (from advance swapped "D"- "A") on the date indicated, I/We hereby bind  
myself/ourselves to pay the penalty that shall be imposed on the volume of "A"  
(from advance swapped "D"- "A") not physically shipped to the United States for  
Quota Year \_\_\_\_\_ and abide by the decision of the SRA Board on the  
matter.

That I/WE executed this Undertaking freely, willingly and with full  
knowledge of its provisions.

Signed:

\_\_\_\_\_