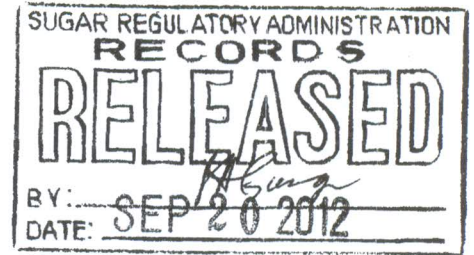




Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
Philippines 1101
TIN 000-784-336



11 September 2012

SUGAR ORDER NO. 2
Series of 2012-2013

**SUBJECT: FILLING UP THE U.S. QUOTA FOR QUOTA YEAR 2012-2013
AND GUIDELINES IN THE VERIFICATION & SHIPMENT OF
"A" U.S. QUOTA SUGAR**

WHEREAS, the United States of America has allocated for the Philippines an initial quota of 144,901 Metric Tons Raw Value (MTRV) or 138,827 Metric Tons Commercial Weight (MTCW) for Quota Year 2012-2013;

WHEREAS, under the Tariff Rate Quota (TRQ) country allocations for raw sugar for the said Quota Year, the United States Trade Representative (USTR) has waived the quarterly shipment requirement (shipping pattern restrictions) of our regular allocation of 138,827 MTCW;

WHEREAS, Certificate for Quota Eligibility (CQE) will be issued to the Philippines to ship any volume of raw sugar at any given time/period as part of our regular allocation of 138,827 MTCW within the Quota Year 2012-2013;

WHEREAS, carry-over stocks of "A" or U.S. Quota sugar remained at 33,980 MT while balance of replenishment for "A" U.S. Quota sugar amounted to 105,599.70 MT;

WHEREAS, it is in the national interest that the **"First Come-First Served"** policy of allocating the U.S. Quota among sugar traders/exporters shall apply;

WHEREAS, there is a need to ensure that the full quota is actually shipped to the United States after the verification of "A" quedans has been accomplished;

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

Section 1. Coverage of Verification. All "A" or U.S. Quota sugar quedan-permits issued during the current Crop Year 2012-2013 and previous Crop Year/s, (regular, swapped, verified and reinstated "A" sugar), are eligible for verification under this Sugar Order.

- 1.1 The applicant (sugar producers, sugar traders/exporters) shall declare and indicate in its application the purpose of verification of the "A" sugar quedan-permits whether it is for "A" export to the U.S. or for replenishment into "B" domestic sugar.

Section 2. "A" Sugar Declared for U.S. Quota Allocation. Sugar traders/exporters are hereby advised to apply with the SRA for export allocations attached thereto the "A" sugar quedan permits for verification/processing in order to fill up the allocation of the U.S. Sugar Quota for Quota Year 2012-2013.



- 2.1 The U.S. Quota Allocation for Quota Year 2012-2013 shall be allocated among the sugar exporters on a "First Come-First Served" basis. Likewise, all sugar shipments to the U.S. shall be made on a "**First-In, First-Out**" basis.
- 2.2 In the event the exporter shall have sold his verified "A" quedan-permits to another party, the allocation of the said exporter is deemed cancelled, in which case, the said "A" quedan-permits shall be again subject to verification by the SRA for allocation on a "**First Come-First Served**" basis.
- 2.3 All fees and charges due the SRA for the processing of documents relative to the filling up of the 2012-2013 U.S. Quota Allocation shall be subject to SRA General Administrative Order No. 1, dated 11 May 2011.

Section 3. Procedures in the Verification of or Replenishment of "A" or U.S. Quota sugar into "B" Domestic Sugar.

- 3.1 "A" sugar quedans of current crop year 2012-2013 and previous crop year 2011-2012 are eligible for replenishment.
- 3.2 The sugar producer, sugar trader/exporter shall submit to SRA the Application letter for Replenishment of the "A" or U.S. Quota Sugar stating therein the quantity of sugar to be replenished and the name of consignee with Replenishment Rights. In such case that the application for verification has no replenishment rights, the applicant is required to submit a Letter of Authorization/Assignment of Rights from the concerned sugar trader/exporter.

Section 4. Deadline of Verification of "A" or U.S. Quota sugar. In order to ensure the filling up of the U.S. Quota at the earliest possible time, hereunder is the scheduled deadline of submission of "A" quedans for verification:

| WEEK ENDING | DEADLINE OF VERIFICATION | DEADLINE OF SHIPMENT/ NOMINATION OF VESSEL |
|-------------------------------|-----------------------------------|-------------------------------------------------------|
| Previous Crop Year/s | Oct. 15, 2012 | Dec. 21, 2012 |
| Sept. 2, 2012 – Oct. 28, 2012 | Nov. 15, 2012 | Dec. 21, 2012 |
| Nov. 4, 2012 – End of milling | 2 months after the Week Ending | 3 months after the Week Ending |

2.1 The subject "A" quedans if not verified with the SRA on or prior to the said deadline shall be considered as homeless and non-negotiable/non-marketable and the same cannot be withdrawn from the mill.

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2.1 The subject "A" quedans if not verified with the SRA on or prior to the said deadline shall be considered as homeless and, non-negotiable/non-marketable and the same cannot be withdrawn from the mill.

Section 5. Undertaking to Ship. An Undertaking to ship "A" to the United States shall be signed by the trader/exporter, indicating his commitment to ship the "A" sugar on or before the schedule as established/set by this Sugar Order.

Sugar Planters presenting their "A" sugar for verification are, however, exempted from Section 5 of this Sugar Order, provided that this same sugar is committed by an exporter for shipment to the United States.

Failure to submit the Undertaking to ship of the verified "A" 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.

Section 6. Filing of Application. The application for verification of the subject "A" shall be filed with the Regulation Department, Quezon City.

Section 7. Effectivity. This Sugar Order shall take effect immediately.

Section 8. Consistency. Provisions of Sugar Orders, Circular Letters, and/or other rules and regulations contrary to or inconsistent with this Sugar Order, are hereby amended, modified or revoked accordingly.

BY AUTHORITY OF THE SUGAR BOARD:



MA. REGINA BAUTISTA-MARTIN
Administrator