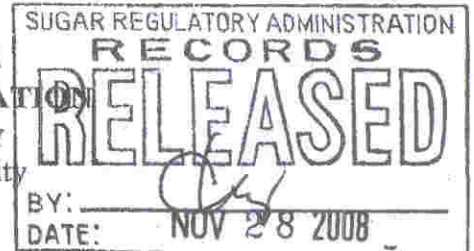




REPUBLIC OF THE PHILIPPINES  
SUGAR REGULATORY ADMINISTRATION  
North Avenue, Diliman, Quezon City  
P.O. Box 70, U.P. Diliman, Quezon City  
TIN 000-784-336-000



24 November 2008

SUGAR ORDER No. 7  
Series of 2008 - 2009

**SUBJECT: GUIDELINES FOR THE REPLENISHMENT OF "B" SUGAR  
ADVANCE-SWAPPED TO "A" OR "D"**

**WHEREAS**, because of the large beginning inventory for crop year 2008 - 2009, the Sugar Regulatory Administration (SRA), through the Sugar Board has issued Sugar Order No. 15, Series of 2007-2008 and Sugar Order No. 4, Series of 2008-2009 allowing the advance swapping of "B" quedans to "A" or "D" quedans to encourage and facilitate the early export of "A" and "D" sugar to their respective intended markets;

**WHEREAS**, the main purpose of the advance swapping program is to reduce the volume of domestic sugar surplus in the market;

**WHEREAS**, in advance swapping, the sugar exporters need to purchase "B" (Domestic) sugar and export it as "A" (U.S. Quota) sugar or "D" (World Market) sugar;

**WHEREAS**, traders/exporters who engage in the program will incur initial trading losses since "B" (Domestic) sugar is priced higher than the "A" (U.S. Quota) and "D" sugar; hence, this program is workable only if an additional percentage for replenishment is allowed for the exporters to recover the loss incurred as a result of the advance swapping;

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

**Section 1.** The "A" and "D" quedan permits issued starting the current crop year (2008 - 2009) shall be allowed (eligible) to replenish the "B" quedans advance-swapped to "A" or "D" quedans (as authorized by Sugar Order No. 15, Series of 2007-2008 and Sugar Order No. 4, Series of 2008-2009) provided that the sugar representing the "B" sugar quedans advance-swapped to "A" or "D" had been actually exported;

The "B" quedans advance-swapped to "A" quedans shall be replenished by "A" quedans at a ratio of 1.12 Lkg bags "A" for every 1.0 Lkg bag "B"; in the same manner that "B" quedans advance swapped to "D" quedans shall only be replenished by "D" quedans at a ratio of 1.12 Lkg-bags "D" for every 1.0 Lkg bag "B";

Sugar Order Re: Replenishment; 1 of 2

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**Section 2.** The replenishment of the advance-swapped "B" quedans with the "A"/"D" sugar of CY 2008-2009 shall be allowed to commence on April 1, 2009.

**Section 3.** Applications for replenishment of advance-swapped "B" to "A"/"D" shall be filed in any of the following SRA Offices:

- a. Regulation Department, SRA Quezon City
- b. Regulation Department, SRA Bacolod City

**Section 4.** The deadline for the filing of applications for replenishment of advance-swapped "B" quedans under this Sugar Order shall be not later than December 31, 2009. Applications for replenishment of advance-swapped "B" quedans shall not be accepted thereafter.

**Section 5.** The requirements of regular swapping application per Circular Letter No. 31, Series of 1997-1998 shall apply to herein replenishment program.

**Section 6.** The "A" or "D" quedans subject of replenishment shall be stamped as follows:

**"SURCHARGED FOR WITHDRAWAL AS "B" OR  
DOMESTIC SUGAR PER SUGAR ORDER NO. 71,  
SERIES OF 2008-2009, DATED NOVEMBER 24, 2008".**

**Section 7.** A Letter Addressed to the concerned mills allowing/authorizing the withdrawal of the "A"/"D" sugar as "B" shall be issued by the SRA.

**Section 8. Effectivity.** This Order shall take effect immediately.

**Section 9. 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 THE AUTHORITY OF THE SUGAR BOARD

  
RAFAEL L. COSCOLLUELA  
Administrator