



# SUGAR REGULATORY ADMINISTRATION

Araneta St., Singcang, Bacolod City 6100 Philippines  
Tel nos. 433-4962 to 69 FAX 434-5123 TIN 000-784-336



August 28, 2003

## SUGAR ORDER NO. 1

Series of 2003-2004

**SUBJECT : SUGAR POLICY FOR  
CROP YEAR 2003-2004**

**WHEREAS**, Executive Order No. 18 dated May 28, 1986 vested the Sugar Regulatory Administration with the power to establish and maintain a balanced relationship between sugar production and the requirements of sugar and to maintain such marketing conditions as will insure stabilized prices at a level reasonably profitable to the producers and fair to consumers;

**WHEREAS**, domestic demand is expected to be around 2.06 Million Metric Tons for the Crop Year 2003-2004;

**WHEREAS**, the Philippines was allocated 13.5% of the total import requirements of the U.S. for Quota Year 2003-2004, or an equivalent of 142,160 MTRV (137,353 MTCW);

**WHEREAS**, the replenishment of the remaining 50% of the Advance Swapped "A" of Crop Year 2001-2002 and Advanced Swapped "A" of Crop Year 2002-2003 will result to significant volume of "A" sugar available to start the early filling up of the U.S. Market for Quota year 2003-2004;

**WHEREAS**, the country has had three (3) years of successive increase in production and there is an expectation that sugar production for Crop Year 2003-2004 will be more than enough to meet our domestic and U.S. quota requirements;

**WHEREAS**, the country will end this crop year with more than adequate inventory of raw and refined sugar;

**WHEREAS**, there is now a need to allocate a portion of the Crop Year 2003-2004 sugar production (excess of our requirements) to the World Market in order to maintain stability of domestic sugar prices at levels beneficial to both the producers and consumers as mentioned in the first paragraph hereof;

**WHEREAS**, there is also a need to allocate a portion of the Crop Year 2003-2004 sugar production for the food processors and exporters, e.g. Philippine Food Processors' and Exporters' Organization (PHILFOODEX), in order to provide them cheaper sugar so as to enable them to remain competitive;

**WHEREAS**, in order to promote the effective merchandising of sugar and its by-products in the domestic, U.S. and World markets, it will be necessary to



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allocate the Crop Year 2003-2004 sugar production to such quantities as to place those engaged in the sugar industry on a basis of economic viability;

**NOW, THEREFORE**, pursuant to the powers vested in the Sugar Regulatory Administration (SRA), it is hereby ordered that:

**Section 1. Production and Classes of Sugar** – Sugar production for the Crop Year 2003-2004 (September 01, 2003 to August 31, 2004) is expected to be within the range of 2.16 - 2.27 Million Metric Tons and shall be quedanned by the mill companies, as implementors of this Sugar Order, in the following percentages:

“A” or U.S. Quota Sugar	-	4.00%
“B” or Domestic Sugar	-	91.50%
“B-1” or Food Processors/ Exporters’ Sugar	-	0.50%
“D” or World Market Sugar	-	4.00%
<b>Total</b>	-	<u>100.00%</u>

**Section 2.** (a) As a general rule, unless otherwise provided by SRA, sugar and molasses production for the Crop Year 2003-2004 shall be issued by mill companies weekly sugar quedan-permits/molasses storage certificates in the name of the individual planter or mill company.

(b) In cases of “A” and “B” sugar, however, where a planter has expressly authorized the mill company in writing or has executed a production/marketing agreement in favor of his association/cooperative which agreement provides for the consolidation of his weekly sugar/molasses production in the name of the association/cooperative, the mill company concerned shall issue consolidated weekly sugar quedan-permits/molasses storage certificates in the name of the association/cooperative with an attached listing of the planters and their corresponding production covered by said sugar quedan-permits/molasses storage certificates.

**Section 3. Rules & Regulations/Implementing Guidelines For “D” & “B-1” Sugar** – A separate Sugar Order/Circular Letter shall be issued to serve as rules and regulations/implementing guidelines for the quedanning/liquidation and export of the “D” or World Market sugar and the quedanning/liquidation of the “B-1” sugar.

**Section 4. Periodic Assessments, Percentage Adjustment** – The SRA shall undertake periodic assessment of the 2003-2004 sugar production and on the basis of such assessment, it may adjust from time to time the percentage distribution of the different classes of sugar and/or take the necessary action to address the situation.



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### **Section 5. Revalidation of Unused Quedan-Permit Forms -**

Pursuant to Section 6, Sugar Order No. 1, Series of 1995-1996, dated September 01, 1995, it is hereby reiterated that, beginning this Crop Year 2003-2004, and thereafter, all unused sugar quedan-permit forms of the previous crop year shall no longer be allowed for revalidation.

### **Section 6. Repealing Clause -**

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

**BY AUTHORITY OF THE SUGAR BOARD:**

  
**JAMES C. LEDESMA**  
Administrator