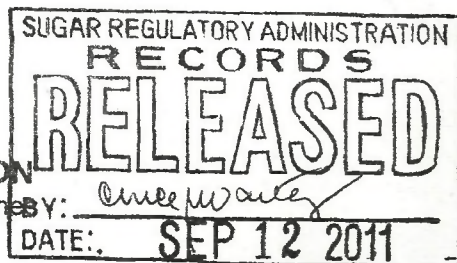




REPUBLIC OF THE PHILIPPINES
 Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
 North Avenue, Diliman, Quezon City, 1101 Philippines
 TIN 0000-784-336



08 September 2011

SUGAR ORDER NO. 1
 Series of 2011-2012

SUBJECT : SUGAR POLICY FOR CROP YEAR 2011-2012

WHEREAS, Executive Order No. 18, dated 28 May 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 ensure stabilized prices at levels reasonably profitable to the producers and fair to consumers;

WHEREAS, domestic demand is estimated to be below 2.00 Million Metric Tons this Crop Year 2011-2012;

WHEREAS, the Philippines' allocation for U.S. Quota Year 2011-2012 is 144,901 MTRV (138,827 MTCW);

WHEREAS, in order to promote the effective merchandising of sugar in the domestic, U.S. and World markets, it will be necessary to allocate the Crop Year 2011-2012 sugar production to such proportions as to place those engaged in the sugar industry on a basis of economic viability;

WHEREAS, there is also a need to prepare for a possible surplus generated from a higher domestic production, and such preparation calls for setting aside an allocation which will absorb the said projected surplus, which if not disposed of to market/s other than the domestic market, can adversely affect the viability of the sugar industry;

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 2011-2012 (September 01, 2011 to August 31, 2012) is expected to be 2.40 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	-	8%
"B" or Domestic Sugar	-	72%
"D" or World Market Sugar	-	<u>20%</u>
TOTAL		100%

Section 2. Issuance of quedan-permits/molasses certificates.

(a) As a general rule, except as hereinafter provided, sugar mill companies shall issue weekly sugar quedan-permits/molasses storage certificates in the name of

the individual planters or mill companies for their corresponding sugar and molasses production for the crop year 2011-2012.

- (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. Quedanning of "D" or World Market Sugar. The quedanning of the "D" or World market sugar production shall be done using the "A" or U.S. Quota sugar quedan-permit forms of CY 2011-2012 after the said "A" quedan-permits have been properly stamped as "D" and validated by the SRA Regulation Officers (ROs) assigned at the millsites.

Section 4. Block Quedanning of "D" (World market) sugar. Block (consolidated) quedans for "D" sugar shall be issued under the name of the planters' association/cooperative to which the individual planter belongs, or of the sugar mill in cases of non-affiliated sugar planters. Planters who choose to have their "D" sugar quedans issued individually shall write the concerned mill which shall automatically implement the issuance of the individual quedans starting the week ending after receipt of such letter, copy furnished the SRA.

Section 5. Periodic Assessments, Percentage Adjustment. The SRA shall undertake periodic assessments of the 2011-2012 sugar production and withdrawals 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.

Section 6. Non-revalidation of Unused Quedan Permit Forms. Pursuant to Section 6, Sugar Order No. 1, Series of 1995-96, dated 01 September 1995, it is hereby reiterated that beginning this Crop Year 2011-2012, and thereafter, all unused sugar quedan-permit forms of the previous crop year shall no longer be allowed for revalidation.

Section 7. 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


MA. REGINA BAUTISTA-MARTIN
Administrator