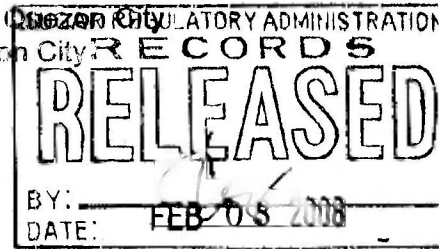




Republic of the Philippines
SUGAR REGULATORY ADMINISTRATION

Sugar Center, North Avenue, Diliman, Quezon City
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TIN 000-784-336-000



07 February 2008

SUGAR ORDER NO. 7- A
Series of 2007-2008

SUBJECT: REVOCATION OF SUGAR ORDER NO. 7, SERIES OF 2007-2008, AND ITS REPLACEMENT WITH SUGAR ORDER NO. 7- A, PROVIDING FOR THE COLLECTION OF P1.00/Lkg ON THE RAW SUGAR PRODUCTION OF SUGAR PLANTERS AND MILLERS WHO SUBSCRIBE TO SUPPORT THE SUGAR MONITORING AND ANTI-SMUGGLING PROGRAM OF THE SUGAR INDUSTRY

WHEREAS, in order to fund an urgently-needed Sugar Monitoring and Anti-Smuggling Program, the Sugar Regulatory Administration issued Sugar Order No. 7, Series of 2007-2008, entitled IMPLEMENTATION OF THE COLLECTION OF MONITORING FEE OF P1.00/Lkg-bag (instead of P2.00/Lkg-bag) OF RAW SUGAR COVERED BY RAW SUGAR QUEDANS;

WHEREAS, from the time Sugar Order No. 7, Series of 2007-2008 was implemented (Week ending January 20, 2008), only one planter association initially contested the said Sugar Order while the rest complied with it;

WHEREAS, the SRA nevertheless created the Sugar Monitoring and Anti-Smuggling Task Force (SMAS-TF) and proceeded to operate within the bounds of operational and administrative constraints attendant to the use of public funds;

WHEREAS, initial operations of the Sugar Monitoring and Anti-Smuggling Task Force (SMAS-TF) successfully flushed out in three separate operations more than 14,000 Lkg-bags of refined sugar believed to be illegally imported and now in the process of forfeiture;

WHEREAS, the sugar industry has opined that the initial SMAS-TF operations not only confirm the industry's allegations of the existence of smuggling but also highlight the imperative need to fight sugar smuggling with greater vigor unhampered by bureaucratic red tape;

WHEREAS, the P1.00/Lkg collection is essentially a private sector contribution to a joint government-private sector undertaking and the industry strongly believes that the effective operation of the SMAS-TF requires quick response, full flexibility and minimal red tape while retaining adequate levels of accountability;

WHEREAS, it will be more practical to course this private sector contribution through a registered and accountable private organization willing and qualified to act as Trustee for the fund, subject to the provisions of a Memorandum of Agreement that will ensure the proper utilization of the Fund consistent with the purpose for which it is contributed;

WHEREAS, the Sugar Master Plan Foundation, Inc. (SMPFI), a duly-registered and SRA-recognized organization, initiated and funded by the sugar industry and currently engaged in promoting the industry's long-term welfare and viability, has manifested its willingness to act as Trustee and to provide organizational support in managing the Sugar Monitoring and Anti-Smuggling Program, in cooperation with the SRA and the SMAS Oversight Committee created by SRA to ensure transparency and accountability;

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

SECTION 1. SUGAR ORDER NO. 7, SERIES OF 2007-2008 entitled "IMPLEMENTATION OF THE COLLECTION OF MONITORING FEE OF P1.00/Lkg-BAG (INSTEAD OF P2.00/Lkg-bag) OF RAW SUGAR COVERED BY RAW SUGAR QUEDANS" is hereby revoked upon replacement by this new order. Otherwise stated, Sugar Order No. 7, Series of 2007-2008 shall remain valid only until weekending February 17, 2008.

SECTION 2. COLLECTION OF P1.00/Lkg-BAG FOR THE SUGAR MONITORING AND ANTI-SMUGGLING PROGRAM. The amount of P1.00 per 50-kilo bag of sugar shall be annotated by the mills as a voluntary lien on all raw sugar produced by planters and mills who subscribe to support the sugar monitoring and anti-smuggling operations as a private-sector-funded initiative, led by the Sugar Regulatory Administration in partnership with the Sugar Alliance of the Philippines, the Presidential Anti-Smuggling Group (PASG) and other concerned government agencies. The Sugar Master Plan Foundation Inc. shall serve as the Trustee of the Fund, subject to the provisions of a Memorandum of Agreement between the SRA and the SMPFI.

Considering the urgent need to continue the operations of the Sugar Monitoring and Anti-Smuggling Program and the fact that all sugar planters' associations/federations and mills have complied with Sugar Order No. 7, Series of 2007-2008 particularly the contribution on the P1.00/Lkg, **sugar planters' associations/federations and mills shall be deemed to have authorized the contribution of P1.00/Lkg of raw sugar for the purposes herein mentioned unless SRA receives on or before the effectivity of this order, a Board Resolution or official letter from an individual Mill or Association/Federation, copy furnished the concerned mill, stating that it will not subscribe to the P1.00/Lkg contribution for the Sugar Monitoring and Anti-Smuggling Program.**

SECTION 3. PURPOSES. The P1.00/Lkg Monitoring Service Fee shall fund the Sugar Monitoring and Anti-Smuggling Program of the SRA and the sugar industry, inclusive of the expenses for Intelligence Consultant/s and Agents, additional Regulation Officers (contractual) assigned to monitor the movement and/or storage of sugar stocks, and Consultants contracted to monitor and analyze U.S. and World Market sugar industry developments and promote/facilitate the continuity of the Philippine's United States sugar quota (for the "A" sugar);

SECTION 4. SRA AS COLLECTING AGENT. The SRA shall serve as the collecting agent of the funds for the Sugar Monitoring and Anti-smuggling Operations and shall remit to the SMPFI the total amount collected on a weekly basis. For this purpose, the concerned SRA regulation officers shall collect P1.00/Lkg on all raw sugar except those covered by the appropriate Resolutions/Letters, upon surrender of their corresponding quedans. Otherwise stated, no raw sugar, unless exempted by virtue of Resolutions (as provided for herein) shall be withdrawn unless the P1.00/Lkg is paid.

SECTION 5. ENSURING DISSEMINATION OF THIS SUGAR ORDER. To ensure that all concerned parties are informed of this order, all Regulation Officers assigned in raw sugar mills are hereby ordered to furnish a copy of this order, the sugar mill and planters associations in their respective areas of jurisdiction and forward to the Quezon City Regulation Department the copy of receipt thereof.

SECTION 6. CONSISTENCY. Provisions of Sugar Orders, Circular Letters and/or other regulations contrary to or inconsistent with this Sugar Order are hereby amended, modified or revoked accordingly.

SECTION 7. EFFECTIVITY. This Sugar Order shall be effective beginning Week-ending February 24, 2008 and shall remain valid for Crop Year 2007-2008.

BY AUTHORITY OF THE SUGAR BOARD


RAFAEL L. COSCOLLUELA
Administrator