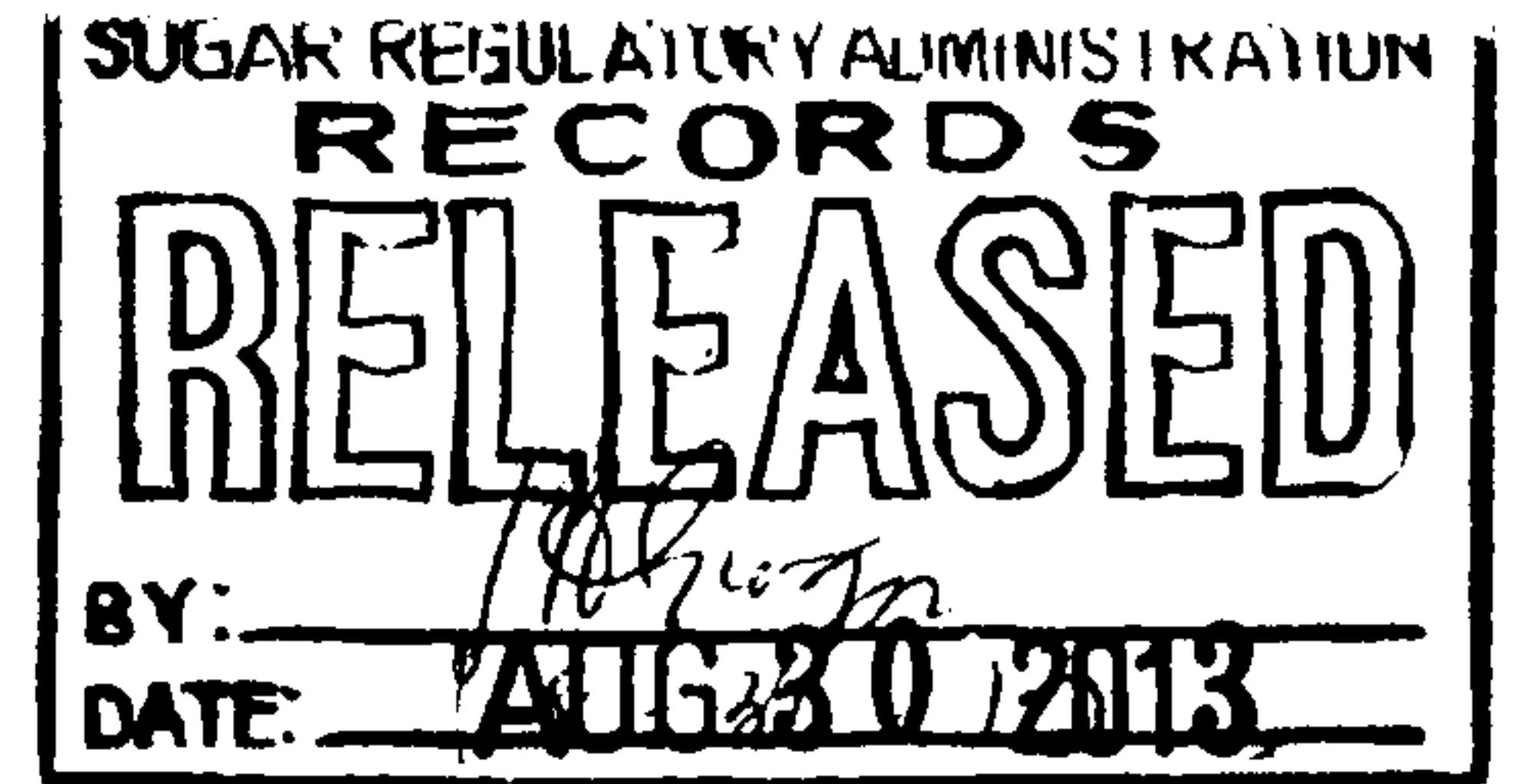


Republic of the Philippines
 Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
 Sugar Center Bldg., North Ave., Diliman, Quezon City
 Philippines 1101
 TIN 000-784-336



August 30, 2013

SUGAR ORDER NO. 1
 Series of 2013-2014

SUBJECT: SUGAR POLICY CROP YEAR 2013-2014

WHEREAS, Executive Order No. 18, dated 28 May 1986, vested the Sugar Regulatory Administration (SRA) 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 more or less 2.10 Million Metric tons this Crop Year 2013-2014;

WHEREAS, the U.S. market continues to be a reliable market and remains an instrument to stabilize domestic sugar supply that its allocation is imperative regardless of volume;

WHEREAS, in order to promote the effective merchandising of sugar and its products in the domestic, U.S. and World Markets, it will be necessary to allocate the Crop Year 2013-2014 sugar production to such quantities as to place those engaged in the sugar industry on a basis of economic viability;

WHEREAS, amidst challenges ahead, it is to the best interest of the sugarcane industry to strengthen and reinforce its diversification effort;

WHEREAS, SRA in pursuit of its mandate to expand the market of sugar and its by-products shall encourage the use of "D" world market sugar for the ethanol.

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

Section 1. Production and Classes of Sugar - Sugar Production for Crop Year 2013-2014 (September 1, 2013 to August 31, 2014) is expected to be 2.45 Million Metric Tons and shall be quedanned by the mill companies, as the implementers of this Sugar Order, in the following percentages:

"A" or US Quota Sugar	2%
"B" or Domestic Sugar	86%
"D" or World Market Sugar	12%

Section 2. Issuance of Quedan-Permits/Molasses Storage Certificate

- a) As a general rule, except as herein provided, sugar mill companies shall issue weekly sugar quedan permits/molasses storage certificates in the name of the individual planter or mill company for their corresponding shares of sugar and molasses production for the Crop Year 2013-2014.



- b) In cases of "A" and "B" sugar, however, where the planter has expressly authorized the milling company in writing or has executed a production/marketing agreement in favour of his association/marketing which agreement provides for the consolidated weekly sugar quedan/molasses 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" of US Quota sugar quedan permit forms of CY 2013-2014 after said "A" quedan permits have been properly stamped as "D" and validated by the SRA Regulation Officers (RO's) assigned at the mill sites;

Section 4. Block quedanning of "A" or US Quota Sugar and "D" or World Market Sugar. Block (consolidated) quedans for "A" and "D" shall be issued in the name of the planters' association/cooperative to which the individual planter belongs, or the sugar mill in cases of non-affiliated planters. Planters who choose to have their "A" and "D" sugar quedans issued individually, **provided that the minimum quantity shall not be less than 500 Lkg-bags**, shall write the concerned mill which shall automatically implement the issuance of the individual quedans starting week ending after receipt of such letter, copy furnished the SRA.

Section 5. Periodic Assessment, Percentage Adjustment. The SRA shall undertake periodic assessment of the Crop Year 2013-2014 sugar production and consumption of the Crop Year 2013-2014 sugar production and consumption trend, taking into account and in consideration of the impact of the SRA bioethanol program, and on the basis of such assessment, it may from time to time adjust the percentage distribution of the different classes of sugar as provided in this Sugar Order and/or take the necessary action to address the situation.

Section 6. Non-revalidation of Unused Quedan Permits. Pursuant to Section 6, Sugar Order No.1 Series of 1995-1996, dated September 1, 1995, it is hereby reiterated that this Crop Year 2013-2014 and thereafter, all unused quedan permit forms on the previous crop year shall no longer be allowed for re-validation.

Section 7. Effectivity Clause. This Sugar Order shall take effect on September 1, 2013.

Section 8. Repealing Clause. All provisions of Sugar Orders, Circular Letters, rules and regulations contrary or inconsistent with this Sugar Order are hereby amended, modified, or revoked accordingly.

BY THE AUTHORITY OF THE SUGAR BOARD:


MA. REGINA BAUTISTA-MARTIN
Administrator