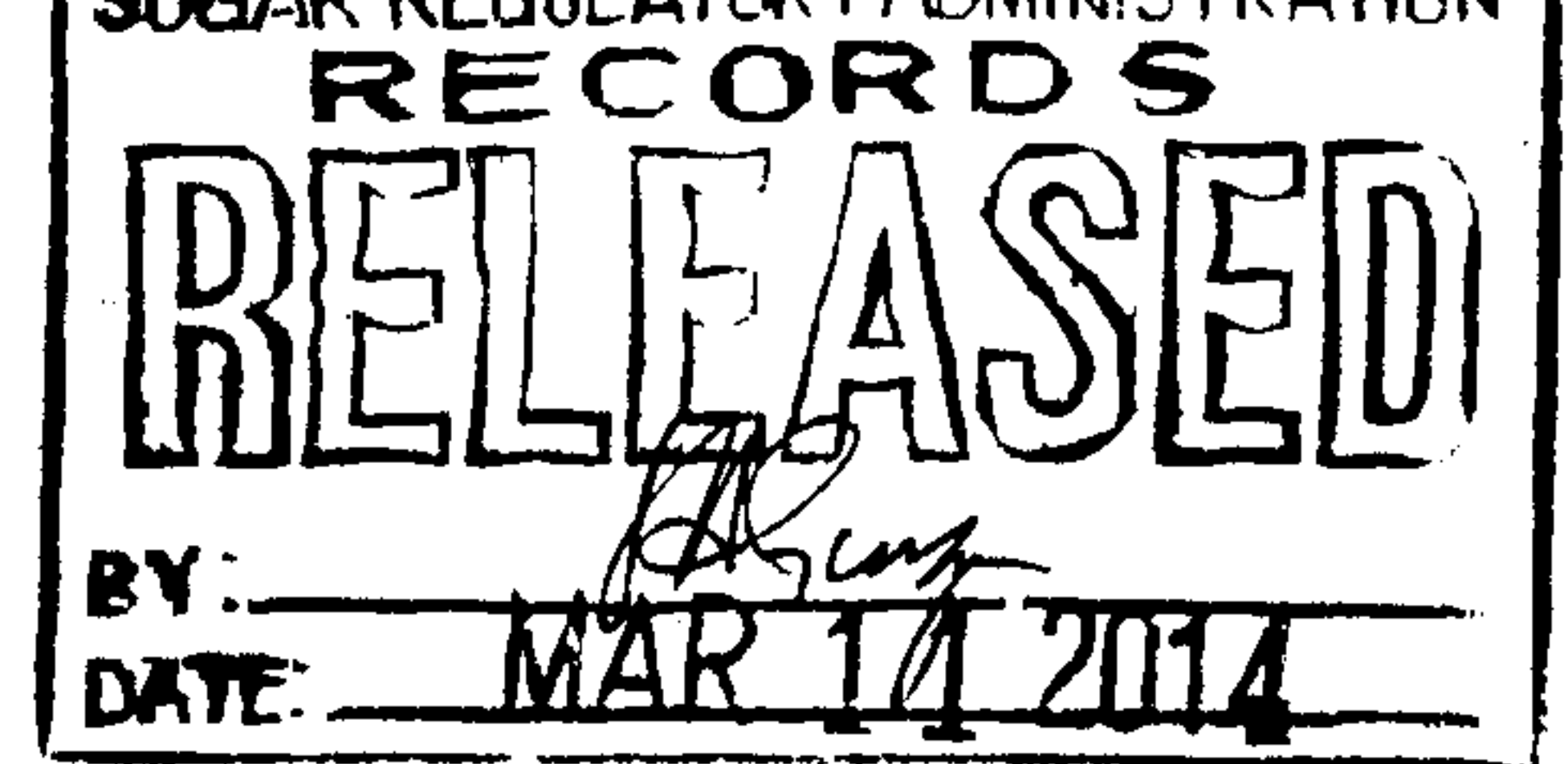




Republic of the Philippines  
Department of Agriculture  
**SUGAR REGULATORY ADMINISTRATION**  
Araneta Street, Singcang, Bacolod City,  
Philippines 6100  
TIN 0000-784-336



SRA MEMORANDUM ORDER NO. 2

Date: March 5, 2014

TO: **HIDECO SUGAR MILLING COMPANY**

Attention: **MR. MARIO G. CARACUEL**  
Resident Manager

FROM: **ADMINISTRATOR**  
**SUGAR REGULATORY ADMINISTRATION**

SUBJECT: **DISPOSAL OF DAMAGED SUGAR IN HIDECO SUGAR MILLING COMPANY BROUGHT ABOUT BY SUPER TYPHOON YOLANDA**

Pursuant to SRA Board Resolution No 2014-060 discussed and approved February 27, 2014, the following rules and regulations shall be observed in the disposal of damaged sugar; to wit: 32,152 LKg-bags raw and 1,330 Lkg-bags refined:

Mill:

1. Upon payment of the insurance claim, all outstanding quedans covering the damaged sugar shall be consolidated and issued a replacement to facilitate withdrawals and correction of the registry.
2. The CY 2013-2014 quedan forms for raw and refined sugar shall be used and shall be issued in the name of the winning bidder. It shall indicate the total volume based on its original classification.
3. The remarks "DAMAGED SUGAR" shall be stamped on both quedan portion and permit portion including the Sugar Release Order that will be issued during its withdrawal from the warehouse.
4. HISUMCO shall pay all the liens pertaining to the damaged sugar to SRA and to other intended agencies.
5. HISUMCO shall make an entry of the consolidated quedans and cancel from their book inventory all the outstanding quedans that had been consolidated. The same shall be deducted accordingly from the stock-on-hand which shall be reflected in the SMS report to be submitted to SRA.



Quedan Holders of Outstanding Quedans:

6. All quedan holders of the aforestated damaged sugar are hereby ordered to surrender their quedans to HISUMCO for cancellation and payment less unpaid liens and storage fees up to November 7, 2013.

Winning Bidder:

7. The winning bidder or new owner of the damaged sugar shall be required to bag the sugar in sacks, marked with or stamped "DAMAGED SUGAR"
8. The winning bidder or new owner shall specify the destination and render the goods subject to monitoring procedures by SRA, such as issuance of shipping permits, escorting to as needed and other security measures for public safety.

Regulation Officer:

1. Shall implement the replacement of quedans and the cancellation of the outstanding quedans from the registry;
2. To ensure segregation of stocks from the new production and monitor completion of withdrawals of the damaged sugar from the warehouse within the specified time agreed by the insurer, the mill and the new owner.
3. Shall report any untoward incident to SRA and see to it that all the activities pertaining to this disposal shall be properly reflected in the SMS.

  
MA. REGINA BAUTISTA-MARTIN  
Administrator

Cc: Regulation Dept. - Visayas