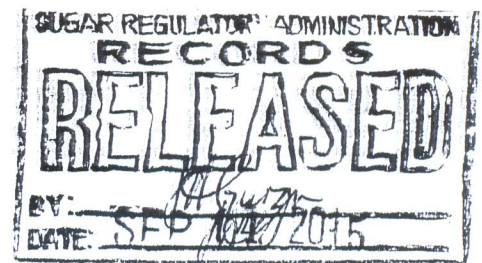




Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
Philippines 1101
TIN 000-784-336



MEMO - PPD - 2015 - SEPT - 017

September 11, 2015

SUGAR ORDER NO. 3

Series of 2015 - 2016

**SUBJECT: MORATORIUM OF SRA REGISTRATION ON NEW APPLICANTS OF
MOLASSES-BASED BIOETHANOL PRODUCTION AND MANDATORY
FEEDSTOCK DECLARATION OF ALL EXISTING BIOETHANOL
PRODUCERS**

WHEREAS, the biofuels law mandates that all liquid fuels for motors and engines sold in the Philippines shall contain locally-sourced biofuels components;

WHEREAS, combined molasses requirement based on production capacities of fifteen (15) SRA-registered bioethanol producers (ANNEX "A") using various feedstocks like sugarcane, sugar and molasses reached 1.4 million metric tons while locally-produced molasses is only around 1.0 million metric tons;

WHEREAS, out of the fifteen (15) SRA-registered molasses-based bioethanol producers, operational distilleries in 2015 have a total requirement of around 800,000 metric tons and two more distilleries are expected to operate by the last quarter of 2015 which will increase the demand of local molasses to around 1.0 million metric tons;

WHEREAS, the limitless participation of molasses-based distilleries in the bioethanol fuel program may trigger unreasonable spikes in the prices of molasses which will translate to an increase in the price of bioethanol fuel and use of imported molasses which is not allowed under the biofuels law;

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WHEREAS, bioethanol production has been identified under the sugarcane roadmap as a major market for sugarcane and the main thrust of SRA and the Sugarcane Industry Development Act of 2015 is farm productivity improvement which will redound to the production of more sugarcane, sugar / sugar syrup and molasses to cater to the feedstock requirement of the bioethanol program in the medium-term;

NOW, THEREFORE, under and by virtue of the powers vested in SRA, it is hereby ordered that:

SECTION 1. Moratorium on the Issuance of SRA Registration on "New Applicants" of Molasses-Based Bioethanol Production

SRA shall no longer issue registration certificates to "new applicants" of molasses-based bioethanol production effective crop year 2015-2016 until such time that local molasses production exceeds the estimated requirements of existing bioethanol distilleries.

Registration of bioethanol producers using feedstocks other than molasses are not covered by the moratorium. SRA registration of bioethanol producers using hydrous alcohol shall be subject to policy issuances of the DOE as recommended by the NBB Bioethanol Committee.

All pending applications filed with SRA prior to the issuance of this order and all existing SRA-registered bioethanol producers applying for renewal of SRA registration who declares molasses as new or additional feedstock are exempted from the moratorium.



