

Republic of the Philippines Department of Agriculture

SUGAR REGULATORY ADMINISTRATION

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March 10, 2025

SUGAR REGULATORY ADMINISTRATION

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SUGAR ORDER NO. 5 Series of 2024-2025

U.P. LAW CENTER
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations MAR 1 2 2025

SUBJECT: EXPORT OF FARMERS' SHARE RAW SUGAR IN FULFILLMENT OF THE US SUGAR QUOTA ALLOCATION FOR THE YEAR 2025 TO AVAIL OF THE PRIVILEGE TO PARTICIPATE IN FUTURE IMPORT PROGRAMS.

WHEREAS, Section 8 of SIDA affirms the mandate of the SRA to regulate the supply of sugar in the country, in addition to its powers and functions under Executive Order No. 18, series of 1986, and establish a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar;

WHEREAS, the Philippines, being a long-time trade partner of the U.S.A. and a member of the WTO, has an unwavering commitment to honor its commitment to the U.S.A. in particular, and to the international community in general.

WHEREAS, eligible participants of Sugar Order No. 2, Series of 2024-2025, having already voluntarily purchased at a premium locally produced farmers' share sugar, have again expressed their willingness to help the government fulfill its allocation under the 2025 US Sugar Quota despite the lower return therefore and the additional cost and uncertainty inherent to the exportation of sugar.

NOW, THEREFORE, by authority vested in the Sugar Regulatory Administration, the following is hereby ordered:

Section 1. This shall be the 1st Export of Farmers' Share Raw Sugar in fulfillment of the US Sugar Quota Allocation for the Year 2025 in order to participate in future Import Programs. The objective of this Voluntary US Export of 66,000 Metric Tons of farmers' share raw sugar is to allow the Philippines to fulfill, for the second straight year, its obligations under the U.S. Raw Sugar Tariff-Rate Quota World Trade Allocation.

Section 2. Eligible Participants. This Voluntary Limited Volume US Export of Farmers' Share Raw Sugar in fulfillment of the 66,000.00 Metric Ton U\$ Sugar Quota allocation for the year 2025 shall be open to qualified participants of

Management System ISO 9001:2015



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Sugar Order No. 2, Series of 2024-2025, whose raw sugar are covered under Section 3.4 (i) of the said sugar order, PROVIDED that at the time of the effectivity of this sugar order, the participant remains to be an SRA Licensed International Sugar Trader in good standing.

Section 3. Volume and Type of Sugar, Coverage, Terms. The maximum volume of farmers' share raw sugar for export to the United States of America covered by this Order shall be:

- 3.1 SIXTY SIX THOUSAND METRIC TONS (66,000.00 MT) of raw sugar covered under Section 3.4 (i) of SRA Sugar Order No. 2, Series of 2024-2025.
- 3.2 At any time during the effectivity of this Sugar Order, the SRA may, if deemed warranted and through a notice issued by the SRA Administrator, order the temporary or permanent stoppage of the implementation of this 1st Limited Volume US Export of Farmers' Share Raw Sugar in fulfillment of the 2025 US Sugar Quota allocation.
- 3.3 The 66,000.00 MT of raw sugar covered under this Sugar Order shall be proportioned among the eligible participants in the manner hereinafter stated, to wit:

i) TERMS:

Volume of raw sugar that a Participant under this Sugar Order may export to the USA in fulfillment of the 2025 US Sugar Quota - VAP

Total Volume of sugar enrolled under SO 2, S. 2024-2025 and covered under Section 3.4 (i) thereof - VSO2 (maximum of 120,000MT)

Volume of sugar (enrolled under Section 3.4(i), SO 2, S. 2024-2025) owned by a Participant - VQP

Total Volume of 2025 US Quota - VUSQ (maximum of 66,000MT)

ii) FORMULA:

VAP = (VQP divided by VSO2) multiplied by VUSQ

VAP = total volume of farmers' share raw sugar that an eligible participant under this Sugar Order may export to the USA infulfillment of the 2025 US Sugar Quota allocation.

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- iii) In the computation of the volume allocated to each of the participant under the 2025 US Sugar Quota, in case of waiver/non-participation/disqualification on the part of the owner of raw sugar covered under Section 3.4(i) of SO2, S. 2024-2025, his allocated volume shall be divided, pro rata, among the remaining eligible participants.
- 3.4 Participation in this Sugar Order shall be through the submission, on or before the prescribed deadline, by an eligible entity of an application/intent to participate, and compliance with the terms and conditions prescribed under this Sugar Order and the relevant SRA Issuances, provided that the application is subsequently approved by the SRA Administrator.

Subject to the approval of the SRA Administrator, the Regulation Department shall, not later than three (3) working days from the effectivity of this Order, issue a Memorandum Circular stating the requirements and/or procedures necessary under this Sugar Order.

- 3.5 Eligible participants under this Sugar Order who have complied with all the terms and conditions stated herein and with the requirements/procedures set forth in a Memorandum Circular issued pursuant to this Order shall be given priority in future government programs for sugar importation, on the basis of the volume of farmers' share raw sugar actually exported by the participant or his assignee/s to the USA in fulfillment of the 2025 US Sugar Quota Allocation, at a ratio of 1:2.5 (locally produced farmers' share raw sugar actually exported to the USA:imported sugar); subject to the following terms and conditions:
 - i) In the event that future government programs for sugar importation are implemented, importation privileges of eligible participants under Sugar Order No. 2, Series of 2024-2025, shall be given priority over the importation privileges of eligible participants under this Sugar Order;
 - ii) Subject to the provisions of the immediately preceding paragraph, eligible participants under this Sugar Order shall initially be allowed to import sugar at a minimum ratio of 2:1 (locally produced farmers' share raw sugar actually exported to the USA:imported sugar);

Thereafter and subject to the issuance of Sugar Orders on the matter if necessary, eligible participants under this Sugar Order shall be allowed to import sugar at a ratio equivalent to the difference between the 1:2.5 (locally produced farmers' share raw sugar actually exported to the USA:imported sugar) ratio and

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the ratio already availed of by the said participant in previous importation/s;

- the prescribed deadline, submit to the SRA a written and notarized undertaking explicitly and positively stating i) that it will export raw sugar to the US in fulfillment of the 2025 US Sugar Quota Allocation, and ii) the actual volume of raw sugar that it will export;
- iv) Eligible participants under this Sugar Order shall, on or before March 30, 2025, i) apply for an in-loading permit relative to the particular sugar quedans representing the volume of sugar that it will export to the US and ii) present a valid US TRQ sales contract for the sugar intended to be exported under the 2025 US TRQ allocation, and which sales contract must explicitly state the specific refinery qualified for the US TRQ program; and
- v) Unless otherwise approved by the SRA through the SRA Administrator, Raw sugar covered under this sugar order shall be shipped out of the Philippines not later than August 15, 2025.
- 3.6 The privileges afforded by this Sugar Order to an eligible participant shall, at any time before the same is availed of and if approved by the SRA Administrator, be transferrable, provided the transferee is a Licensed SRA International Sugar Trader in good standing.
- 3.7 This Sugar Order notwithstanding, the SRA categorically states that there is presently no sugar order for sugar importation pertaining to CY 2024-2025.
- 3.8 Failure on the part of an Eligible participant who has submitted a notarized undertaking under Section 3.5 (iii) of this Sugar Order to comply, on or before March 30, 2025, with all of the provisions stated in Sections 3.4 and 3.5 (iv) of this Sugar Order shall result in the automatic forfeiture, without need of any notice, of i) the privilege afforded to the said participant to export farmers' share raw sugar to the US under the 2025 US Sugar Quota Allocation and ii) the enrollment in Sugar Order No. 2, Series of 2024-2025, of ALL sugar owned by the participant.
- 3.9 Failure on the part of an Eligible participant who has submitted a notarized undertaking under Section 3.5 (iii) of this Sugar Order to comply, on or before the prescribed deadline, with the provisions stated in Section 3.5 (v) of this Sugar Order shall likewise result in the automatic forfeiture, without need of any notice, of i) the privilege afforded to the said participant to export farmers' share raw sugar to the US under the 2025 US Sugar Quota Allocation and ii) the enrollment of

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ALL sugar owned by the participant in Sugar Order No. 2. Series of 2024-2025.

Section 4. Definition of Terms. For purposes of this Sugar Order, and unless the context shall otherwise provide, the following terms shall mean.:

- (a) SRA Domestic Sugar Trader person/s or business entities created under the laws of the Philippines with an SRA issued License to Operate as Domestic Sugar Trader for the current crop year.
- (b) SRA International Sugar Trader person/s or business entities created under the laws of the Philippines with an SRA issued License to Operate as International Sugar Trader for the current crop year.
- (c) Quedan A quedan is the equivalent of a warehouse receipt. A quedan shows ownership of a specified amount of sugar in a warehouse or sugar central. A negotiable instrument, it is a primary trading document in the Philippine sugar industry.

Section 5. Sanctions. Non-compliance with or a violation of any provision of this Sugar Order or any orders, resolutions, or memorandum circulars of the SRA by Eligible Participants shall result in the imposition of sanctions as the SRA may deem proper, including but not limited to i) the forfeiture and/or cancellation of any and all privilege contained in this Sugar Order, and ii) those provided in the SRA/government Book of Penalties and existing laws, rules, regulations and issuances.

Section 6. Provisions of other sugar orders, circulars, letters and or rules and regulations contrary to or inconsistent with this Sugar Order are hereby amended, modified or revoked accordingly.

Section 7. A copy of this Sugar Order shall be filed with the Office of the National Registrar, UP Law Center, Diliman Quezon City.

Section 8. This Sugar Order shall take effect three (3) days after the date of its filing with the Office of the National Registrar, UP Law Center, Diliman, Quezon City.

Approved By:

ERANCISCO P. TIU LAUREL, JR. Secretary, Department of Agriculture

Chairperson

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