



REPUBLIC OF THE PHILIPPINES  
**SUGAR REGULATORY ADMINISTRATION**  
North Avenue, Diliman, Quezon City  
P.O. Box 70, U.P., Diliman, Quezon City  
TIN 0000-784-336



20 August 2002

**SUGAR ORDER NO. 1**  
Series of 2002-2003

**SUBJECT : SUGAR POLICY FOR  
CROP YEAR 2002 - 2003**



**WHEREAS**, Executive Order No. 18, dated 28 May 1986, vested the Sugar Regulatory Administration 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 a level reasonably profitable to the producers and fair to consumers";

**WHEREAS**, domestic demand is estimated to be One Million Nine Hundred Fifty Thousand Metric Tons (1,950,000 MT) this Crop Year 2002-2003;

**WHEREAS**, while the Philippines was allocated 13.5% of the total import requirements of the U.S. during the previous Quota Year 2001-2002, not all of this allocation was shipped out which sugar was subject of Advance Swapping into "B" or Domestic sugar;

**WHEREAS**, the maximum 50% replenishment of the Advance Swapped "A" of CY 2001-2002 pursuant to S.O. No. 6, Series of 2001-2002 and the unshipped "A" of CY 2001-2002, will result to significant volume of "A" sugar available to start the early filling up of the U.S. market for Quota Year 2002-2003;

**WHEREAS**, there is also, a need to allocate portion of the Crop Year 2002-2003 production for the food processors and exporters, e.g. Philippine Food Processors' and Exporters' Organization (PHILFOODEX), in order to provide them cheaper sugar so as to enable them to remain competitive in the world market;

**WHEREAS**, in order to promote the effective merchandising of sugar and its by-products in the domestic and U.S. markets, it will be necessary to allocate the 2002-2003 sugar production to such quantities as to place those engaged in the sugar industry on a basis of economic viability;

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

**Section 1. Production and Classes of Sugar** - Sugar production for the Crop Year 2002-2003 (September 01, 2002 to August 31, 2003) is estimated at 1,900,000 Metric Tons and shall be quedanned by the mill companies, as implementors of this Sugar Order, in the following percentages:

|   |   |              |
|---|---|--------------|
| "A" or U.S. Quota Sugar                         | - | 5.00%        |
| "B" or Domestic Sugar                           | - | 94.50%       |
| "B-1" or Food Processors' /<br>Exporters' Sugar | - | 0.50%        |
| <b>Total</b>                                    | - | <b>100 %</b> |

Tel: 926-1933; 920-2416; 920-4367  
Fax: 920-4325

**Section 2.** (a) As a general rule, except as hereinafter provided, sugar and molasses production for the Crop Year 2002-2003 shall be issued by mill companies weekly sugar quedan-permits/molasses storage certificates in the name of the individual planter or mill company.

(b) In cases, however, where a planter has expressly authorized the mill company in writing or has executed a production/marketing agreement in favor of his association/cooperative which agreement provides for the consolidation of his weekly sugar/molasses production in the name of the association/cooperative, mill company concerned shall issue consolidated weekly sugar quedan-permits/molasses storage 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. Periodic Assessments, Percentage Adjustment** – The SRA shall undertake periodic assessment of the 2002-2003 sugar production and on the basis of such assessment, it shall adjust from time to time the percentage distribution of the different classes of sugar.

**Section 4. Revalidation of Unused Quedan Permit Forms** – Pursuant to Section 6, Sugar Order No. 1, Series of 1995-1996, dated 01 September 1995, it is hereby reiterated, that, beginning this Crop Year 2002-2003, and thereafter, all unused sugar quedan-permit forms of the previous crop year shall no longer be allowed for revalidation.

**Section 5. Repealing Clause** – All Provisions of Sugar Orders, Circular Letters, rules and regulations inconsistent with or contrary to this Sugar Order are hereby amended, modified or revoked accordingly.

**BY AUTHORITY OF THE SUGAR BOARD:**

  
**JAMES C. LEDESMA**  
Administrator