



SUGAR REGULATORY ADMINISTRATION

Araneta St., Singcang, Bacolod City 6100 Philippines
Tel nos. 433-4962 to 69 FAX 434-5123 TIN 000-784-336



August 28, 2003

SUGAR ORDER NO. 1

Series of 2003-2004

**SUBJECT : SUGAR POLICY FOR
CROP YEAR 2003-2004**

WHEREAS, Executive Order No. 18 dated May 28, 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 insure stabilized prices at a level reasonably profitable to the producers and fair to consumers;

WHEREAS, domestic demand is expected to be around 2.06 Million Metric Tons for the Crop Year 2003-2004;

WHEREAS, the Philippines was allocated 13.5% of the total import requirements of the U.S. for Quota Year 2003-2004, or an equivalent of 142,160 MTRV (137,353 MTCW);

WHEREAS, the replenishment of the remaining 50% of the Advance Swapped "A" of Crop Year 2001-2002 and Advanced Swapped "A" of Crop Year 2002-2003 will result to significant volume of "A" sugar available to start the early filling up of the U.S. Market for Quota year 2003-2004;

WHEREAS, the country has had three (3) years of successive increase in production and there is an expectation that sugar production for Crop Year 2003-2004 will be more than enough to meet our domestic and U.S. quota requirements;

WHEREAS, the country will end this crop year with more than adequate inventory of raw and refined sugar;

WHEREAS, there is now a need to allocate a portion of the Crop Year 2003-2004 sugar production (excess of our requirements) to the World Market in order to maintain stability of domestic sugar prices at levels beneficial to both the producers and consumers as mentioned in the first paragraph hereof;

WHEREAS, there is also a need to allocate a portion of the Crop Year 2003-2004 sugar 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;

WHEREAS, in order to promote the effective merchandising of sugar and its by-products in the domestic, U.S. and World markets, it will be necessary to

