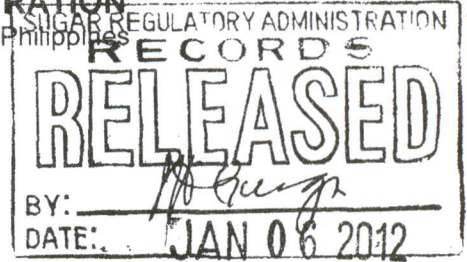




REPUBLIC OF THE PHILIPPINES
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City, 1101 Philippines



December 21, 2011

SUGAR ORDER NO. 5
Series of Crop Year 2011-2012

SUBJECT : Reiteration of SRA Policies on Advance Refining

WHEREAS, advance refining of raw sugar is practised by integrated mill-refinery operators for purposes of hedging on some operational advantages of simultaneous operations, such as achieving full refinery capacity utilization, availing of mill-provided amenities (steam, power and water) and timely provision for market demand of refined sugar.

WHEREAS, by virtue of sugar classification, not all raw sugar produced by integrated operators are outrightly refinable in their original quedan, hence the need to first qualify these excepted sugar classes (A, C, and D) for advance refining in accordance with SRA regulatory rules.

WHEREAS, for CY 2011-2012, the volume of excepted sugar is 28% (20% D and 8% A) of the projected production and with so much volume to reckon with, SRA must enforce its policies to ensure that these sugars are physically available when their specific market so demands.

NOW THEREFORE, under and by virtue of the powers vested upon the Sugar Regulatory Administration, the following are hereby ordered:

Section I. Definition of Terms. Authorized and Unauthorized Advance Refining

1. Advanced refining is authorized when there is appropriate application and approval to refine non-B sugar (in original quedan form) which have prescribed market classifications (A, C, D) or those with maturity before conversion/reclassification to B sugar.

2. It is unauthorized when integrated mill-refinery continually pass on the refinery the raw sugar produced by the mill in disregard of authority/approval/clearance/maturity to refine excepted sugar classes (A, C, D), and in violation of existing SRA policies on raw sugar withdrawals.

Section II. Existing Fees and Penalties Thereon

1. An Advance Refining Fee Php 5.00 per Lkg for authorized/approved advance refining application.
2. An Advanced Refining Penalty of

1st Offense : Fine of Php 100.00/Lkg

2nd Offense: Fine of Php 150.00/Lkg

3rd Offense: Fine of Php 200.00/Lkg and/or suspension of or cancellation of license”

for verified unauthorized advance refining, per SRA Book of Penalties.

Section III. Enforcement of Advance Refining Policies

1. Application for Approval of Request for Advance Refining

- 1.1 Requesting refineries must submit a letter – request for the advance refining of A and D sugars or both for SRA’s approval. All approvals shall be further subject to the following terms and conditions:
 - 1.1.1 A letter of application for advance refining shall be filed with the SRA, Diliman, Quezon City attached thereto the physical “A” and “D” quedans with listing, sorted chronologically by mill and date of production and affidavit of ownership of the above-mentioned quedans, duly notarized.
 - 1.1.2 Only (1) Refined Sugar Quedan (RSQ) per Trader shall be issued to cover the equivalent refined sugar indicating therein the date of

abu.

