



REPUBLIC OF THE PHILIPPINES
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City
P.O. Box 70, U.P. Diliman, Quezon City
TIN 000-784-336-000



27 March 2007

SUGAR ORDER NO. 10
Series of 2006-2007

**SUBJECT : GUIDELINES FOR DISPOSING "D"
OR WORLD MARKET SUGAR**

WHEREAS, Section 2 (B) of Executive Order (EO) No. 18, Series of 1986 mandates the SRA to establish and maintain such balanced relation between production and requirement of sugar and such marketing conditions as will ensure stabilized prices at levels reasonably profitable to the producers and fair to consumers;

WHEREAS, Section 2 (C) of Executive Order (EO) No. 18, Series of 1986, further states that the Sugar Regulatory Administration (SRA) is created to promote the effective merchandising of sugar and its by-products in the domestic and foreign markets so that those engaged in the sugar industry will be placed on a basis of economic viability;

WHEREAS the sugar production for Crop Year 2006-2007 which was originally estimated to reach 2,240,000 Metric Tons (MT) is still on track to reach close to that target based on the latest crop surveys;

WHEREAS, pursuant to the above-cited provisions, the SRA in its Sugar Order No. 4, Series of 2006-2007 has allocated a portion of the sugar production for "D" or World Market sugar and as of week ending March 18, 2007, out of the total 1,858,473MT raw sugar produced, 111,509MT has been allocated as "D" or World Market Sugar, and only 16,024MT (as of March 23, 2007) of which has been converted to "E" or CBW Processor/Exporter sugar, and none has been actually exported to the world market ;

WHEREAS, the "D" or World Market sugar produced could not be fully consumed by the CBW Processor/Exporters of sugar-based products as in fact as of March 23, 2007, partial sugar allocation granted to them have been only about 45,000MT;

WHEREAS, the "D" or World Market sugar is primarily intended for export to the world market to remove from the domestic market the excess sugar produced.

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WHEREAS, maintaining a significant volume of "D" or World Market sugar in the domestic warehouses even after the end of the crop year will distort the supply balance, and consequently affect the prices of "B" or domestic sugar and the sugar industry's prospect for the following crop year;

WHEREAS, the Sugar Alliance of the Philippines (SAP), in its letter dated March 14, 2007, has recommended that *"all the "D" sugar issued for CY 2006-07 should have been exported to the world market, or sold to CBW operators after having been converted to "E" and/or contracted for withdrawal on or before August 31, 2007 (the end of the crop year), and further requested that "the mill companies be ordered through a Sugar Order to have such sugar that is not withdrawn or contracted for withdrawal be auctioned as "D" by the mill companies, the proceeds of which will be remitted to the legitimate owners of the aforementioned "D" quedans"*.

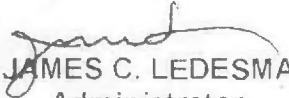
NOW THEREFORE, under and by virtue of the authority vested in the Sugar Regulatory Administration (SRA), it is hereby ordered that:

Section 1. All "D" or World Market sugar produced in Crop Year 2006-2007 must either be sold/contracted/committed for sale to the Sugar-Based Food Manufacturers/Exporters or sold to the world market on or before **August 31, 2007**.

Section 2. "D" sugar not sold/contracted/committed for sale to the Sugar-Based Food Manufacturers/Exporters or still not shipped out after August 31, 2007 shall be sold to the world market. To effect this, the SRA shall look into applicable schemes for the appropriate disposal of this sugar, such as that recommended by the SAP as mentioned in the last Whereas Clause to ensure that the same is sold to the Sugar-Based Food Manufacturers/Exporters or the world market. For this purpose, the SRA shall issue a Circular Letter as implementing rules and regulations (IRR) of this sugar order.

Section 3. Provisions of Sugar Orders, Circular Letters, rules and regulations contrary to or inconsistent with this Sugar Order are hereby revised, modified or revoked accordingly.

BY AUTHORITY OF THE SUGAR BOARD:


JAMES C. LEDESMA
Administrator