



Republic of the Philippines

SUGAR REGULATORY ADMINISTRATION

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SUGAR REGULATORY ADMINISTRATION	
RECORDS	
RELEASED	
BY: _____	DATE: SEP 05 2008

September 4, 2008

SUGAR ORDER NO. 1

Series of 2008-2009

SUBJECT: SUGAR POLICY FOR CROP YEAR 2008-2009

WHEREAS, Executive Order No. 18, dated 28 May 1986, vests the Sugar Regulatory Administration with the power to establish and maintain a balanced relationship between sugar production and the requirements of the market, and to maintain such marketing conditions as will ensure stabilized prices at levels reasonably profitable to producers and fair to consumers;

WHEREAS, Crop Year 2007-2008 produced a bumper crop of 2,454,989 MT sugar;

WHEREAS, the increase in domestic demand has not kept pace with increases in production, resulting in a high ending inventory as of August 31, 2008;

WHEREAS, in order to attain the balance required for a stable and viable market environment, it is necessary to enable the timely and effective merchandising of sugar in the Domestic, U.S. and World markets;

WHEREAS, it is therefore deemed necessary to allocate sugar production of Crop Year 2008-2009 in such proportions as to meet the current and reserve requirements of the Domestic market as well as the projected US quota, and to facilitate the early shipment (export) of surplus sugar in order to place the sugar industry on more viable economic footing;

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 Crop year 2008-2009 (Week ending September 07, 2008 to August 31, 2009) - estimated at 2,257,360 Metric Tons - shall be quedanned by the mill companies, as implementors of this Sugar Order, in the following percentages:

"A" or U. S. Quota Sugar	-	10%
"B" or Domestic Sugar	-	68%
"C" or Reserve Sugar	-	15%
"D" or World Market	-	7%
TOTAL		100%
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Section 2. Issuance of quedan-permits/molasses certificates.

- (a) As a general rule, except as herein provided, sugar mill companies shall issue weekly sugar quedan-permits/molasses storage certificates in the name of the individual planter or mill companies for their corresponding shares of sugar and molasses production for the crop year 2008-2009.

- (b) In the case of "D" sugar, however, each mill company shall issue blocked (consolidated) weekly sugar quedan-permits under the name of the concerned association/cooperative with an attached listing of the member-planters and their corresponding production covered by said sugar quedan-permits, subject to the provisions under Section 3 hereof.

Section 3. Block Quedanning of "D" sugar and monthly maturity thereof. Block (consolidated) quedans for "D" sugar shall be issued under the name of the planters' association to which the individual planter belongs, or of the sugar mill in cases of non-affiliated sugar planters. Planters who choose to have their "D" sugar quedans issued individually shall write the concerned mill, which shall automatically implement the issuance of the individual quedans starting the week-ending after receipt of such letter, copy furnished the SRA. To ensure that "D" sugar is exported or otherwise sold in a timely manner to qualified food processor-exporters/CBWs, "D" quedans issued within the month shall mature and shall be bidded out at the end of the same month. Separate guidelines shall be issued for the guidance of qualified buyers of the "D" sugar.

Section 4. Periodic Assessments, Percentage adjustment- The SRA shall undertake periodic assessment of the 2008-2009 sugar production and consumption trend, and on the basis of such assessment, may adjust from time to time the percentage distribution of the different classes of sugar and/or take the necessary action to address the situation.

Section 5. Non-revalidation of Unused Quedan Permit Forms- Pursuant to Section 6, Sugar Order No. 1, Series of 1995-96, dated 01 September 1995, it is hereby reiterated that this Crop Year 2008-2009, and thereafter, all sugar quedan-permit forms of the previous crop year shall no longer be allowed for revalidation.

Section 7. 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 THE AUTHORITY OF THE SUGAR BOARD


RAFAEL L. COSCOLLUELA