



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

30 January 2006



SUGAR ORDER NO. 7
Series of 2005-2006

**SUBJECT : PROVIDING FOR "B-2" DOMESTIC SUGAR
FOR THE NATIONAL FOOD AUTHORITY (NFA)**

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

WHEREAS, there is a need to provide affordable sugar in the domestic market because prices in the said market are alarmingly high even at this period of peak production;

WHEREAS, after consultations with all the sectors concerned, it has been agreed that the classification and allocation of sugar under Sugar Order Nos. 1, 3, and 3-A, Series of 2005-2006, need to be revised in order to address the aforesaid situation in accordance with the aforesaid mandate of Executive Order No. 18;

WHEREAS, the National Food Authority (NFA) Council in its 27 January 2006 meeting has approved the proposals of the SRA, among others, for the NFA to procure a special allocation of domestic sugar specifically for NFA, said volume of sugar is estimated to be around 5,000 MT for the remainder of the current Crop Year 2005-2006 and to engage in the domestic selling of sugar;

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

SECTION 1. PRODUCTION AND CLASSES OF SUGAR. (a) The classification and percentage allocation of sugar under SRA Sugar Order Nos. 1, 3 and 3-A, Series of 2005-2006, are hereby amended and revised in the manner as hereinafter provided.

(b) There is hereby established and provided a "B-2" class of sugar as special allocation specifically for NFA. The said class of sugar shall be procured by the NFA at a fixed liquidated gross price of PHP950.00/LKg-Bag.

(c) All sugar produced beginning week-ending 05 February 2006 shall be quedanned by the mill companies, as implementors of this Sugar Order, in the following classification and percentage allocation:

"A" or U.S. Quota Sugar	10.00%
"B" or Domestic Sugar	89.50%
"B-2" or NFA Sugar	<u>0.50%</u>
TOTAL	100.00%

SECTION 2. QUEDANNING OF THE "B-2" OR NFA SUGAR. The "B" or Domestic sugar quedan-permit forms for Crop Year 2005-2006 shall be used to cover every week-ending's production of "B-2" or NFA sugar and shall be issued after the said "B" quedan-permits have been properly stamped as "B-2" or NFA sugar and validated by the SRA Sugar Production Control and Regulation Officers (SPCROs) assigned at the millsites.

Mill companies shall, on a weekly basis, issue consolidated (block quedanning) "B-2" quedan-permits to planters (planters' share) in the name of the planters' association/cooperative as assignee, attached thereto the list of planters by planters' association/cooperative and their corresponding volumes of sugar.

For the non-affiliated planters, quedanning of the "B-2" sugar shall be joined with those of the mill or any planters' association/cooperative of their choice, attached thereto the list of planters and their corresponding volumes of sugar.

SECTION 3. PROCESSING AND DISTRIBUTION OF THE "B-2" SUGAR. Provided an Executive Order (E.O.) is issued by the Office of the President authorizing NFA to procure and sell domestic sugar as above-mentioned, the NFA shall handle the processing of the "B-2" sugar into refined form and make it available to the domestic market through its designated retail outlets.

SECTION 4. AGREEMENT BETWEEN THE SRA AND NFA. . The SRA and NFA shall execute a Memorandum of Agreement (MOA) stating among others, that only "B-2" sugar of CY 2005-2006 shall be procured by NFA at a liquidation price prescribed in this Order and distributed/sold to the domestic market in refined form at a retail price of lower than the prevailing market price.

SECTION 5. A Circular Letter shall be issued as implementing guidelines of this Order.

SECTION 6. This Order shall take effect immediately.

SECTION 7. Provisions of Sugar Orders, Circular Letters, rules and regulations contrary to or inconsistent with this Order are hereby amended, revoked or modified accordingly.

BY AUTHORITY OF THE SUGAR BOARD:


JAMES C. LEDESMA
Administrator