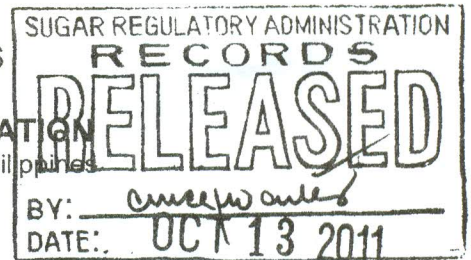




October 12, 2011

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



CIRCULAR LETTER NO. 5
Series of 2011-2012

TO : ALL SUGARCANE PLANTERS AND MILLERS

MONITORING SERVICE FEE IMPOSED UNDER GAO NO. 1, Series of 2010-2011, AND IMPLEMENTED THROUGH MC NO. 1 & 1-A, Series of 2011-2012

Milling has begun, and the SRA P2.00 Monitoring Service Fee had been imposed, as reflected in all raw sugar quedans. For the seeming inadequate information dissemination and confusion that lead to your lack of awareness of the order, we hereby send our sincerest apologies.

However, allow me to share that the Sugar Board, during its deliberations, considered this action as necessary for two main reasons: 1) the need to implement programs for global competitiveness of the sugarcane industry in the Year 2015 and beyond, and 2) the need for SRA to be financially sustainable.

The sugar industry has evolved into the sugarcane industry, with its viability shifting from the single product output into a diversified product mix. The actions of other sugar-producing countries requires that the Philippines improves its crop estimate system, mapping and registration of all sugarcane farms, quedan and sugar monitoring system, and re-tool its personnel in the discharge of its regulatory, extension and R & D functions, among others. The growing use of sugarcane into sugar, ethanol, electricity, bio-products and chemicals, bio-fertilizers, and other products, which have been started in other countries calls for thorough studies and researches in increasing productivity, mechanization, and cost reduction. To draw up a responsive strategy toward this end with the goal of global competitiveness is imperative.

Internally, the SRA has to respond to the challenges of the times. Due to the personnel rationalization program implemented in the year 2007, the SRA has reduced its structure. But more importantly, it has become financially self-reliant. This means that for the past four (4) years, the SRA has operated from its self-generated income. With increasing salaries as mandated by law, and increasing cost of goods and services, the budget of SRA has been increasing at a rate of about 20% per year. While the agency is admittedly financially sound and will continue to be so in the next couple of years, there is a need to prepare for the projected increase in fund requirement to sustain operations. More importantly, it must meet the challenges of the coming years, especially for year 2015 and beyond.

Given the above explanation and declaration of purpose, it is our wish that you will understand why we have to impose the P2.00 Monitoring Service Fee.


MA. REGINA B. MARTIN
Administrator