

20 May 2011

SUGAR ORDER NO. 9
Series of 2010-2011

**SUBJECT: ADVANCE SWAPPING OF CROP YEAR 2010-2011 "B" OR
DOMESTIC SUGAR TO "A" OR U.S. MARKET SUGAR**

WHEREAS, Section 2 (B) of Executive Order 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 price levels reasonably profitable to producers and fair to consumers;

WHEREAS, Sugar Order No. 1, Series of 2010-2011 allocated only for "A" or U.S. Market Sugar and "B" or Domestic Market Sugar;

WHEREAS, the Philippines have been given an additional allocation of 60,000 MTRV (or 57,480 metric tons) for shipment to the United States, in addition to its basic yearly quota;

WHEREAS, the Philippines will be able to fully serve its basic U.S. quota, and has committed to fully serve the additional allocation;

WHEREAS, the volume of verified "A" quedans for shipment to the U.S. has reached more than 174,000 metric tons as of May 16, 2011, which is not enough to fully serve the total U.S. allocation for the current quota year;

WHEREAS, ending stock balances for the crop year will be higher than normal levels, due the higher than expected production for the crop year, coupled with weak withdrawal;

WHEREAS, an early shipment of next crop year's U.S. quota will help ease the pressure of high sugar stock inventory in the country, and help stabilize the sugar situation;

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

Section 1. ADVANCE SWAPPING OF "B" TO "A"

- a. This advance swapping program is open to all sugar producers, millers, traders and holders of outstanding quedan permits.
- b. All outstanding "B" sugar quedan-permits issued in Crop Year 2010-2011 are hereby allowed (eligible), on a voluntary basis, for advance swapping into "A" or U.S. Quota Sugar for Quota Years 2010-2011 and 2011-2012. Applications for advance swapping shall be accepted starting from the issuance of this order until June 17, 2011.

- c. The "B" quedan-permits subject of advance swapping shall be charged with an Advance Swapping Fee of P5.00/LKg-Bag.
- d. The requirements for regular swapping application per Circular Letter No. 31, Series of 1997-1998 shall apply to the herein advance swapping.
- e. The "B" quedans subject of advance swapping shall be stamped **"SURCHARGED FOR WITHDRAWAL AS "A" (U.S. QUOTA SUGAR) PER SUGAR ORDER NO. 9, SERIES OF 2010-2011 DATED MAY 20, 2011"**.
- f. A Letter of authority addressed to the concerned mills/refineries allowing/authorizing the withdrawal of the (advance-swapped) "B" sugar as "A" shall be issued by the SRA.

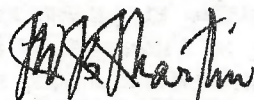
Section 2. REPLENISHMENT OF ADVANCE-SWAPPED "B" TO "A"

- a. The "B" quedan-permits hereto advance-swapped to "A" under this Sugar Order shall be allowed replenishment starting September 1, 2011 until August 31, 2013.
- b. The "A" quedan-permits issued in Crop Years 2011-2012 and 2012-2013 only shall allowed (eligible) to replenish the "B" sugar quedans advance-swapped to "A" (as authorized by this sugar order) provided that the sugar representing the "B" sugar quedans advance-swapped to "A" had actually been exported to the United States.
- c. The "B" quedan-permits which were advance-swapped to "A" quedans shall be replenished at a ratio of 1.50 Lkg-bag of "A" quedans for every 1.0 Lkg-bag of "B" quedans.
- d. The requirements of regular swapping application per Circular Letter No. 31, Series of 1997-1998 shall apply to the herein replenishment program.
- e. The "A" quedans subject of replenishment shall be stamped **"SURCHARGED FOR WITHDRAWAL AS "B" OR DOMESTIC SUGAR PER SUGAR ORDER NO. 9, SERIES OF 2010-2011, DATED MAY 20, 2011."**
- f. A Letter of Authority addressed to the mills allowing the withdrawal of the (replenished) "A" sugar as "B" shall be issued by SRA.

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

Section 4. This Sugar Order takes effect immediately.

BY AUTHORITY OF THE SUGAR BOARD:



MA. REGINA BAUTISTA- MARTIN
Administrator