

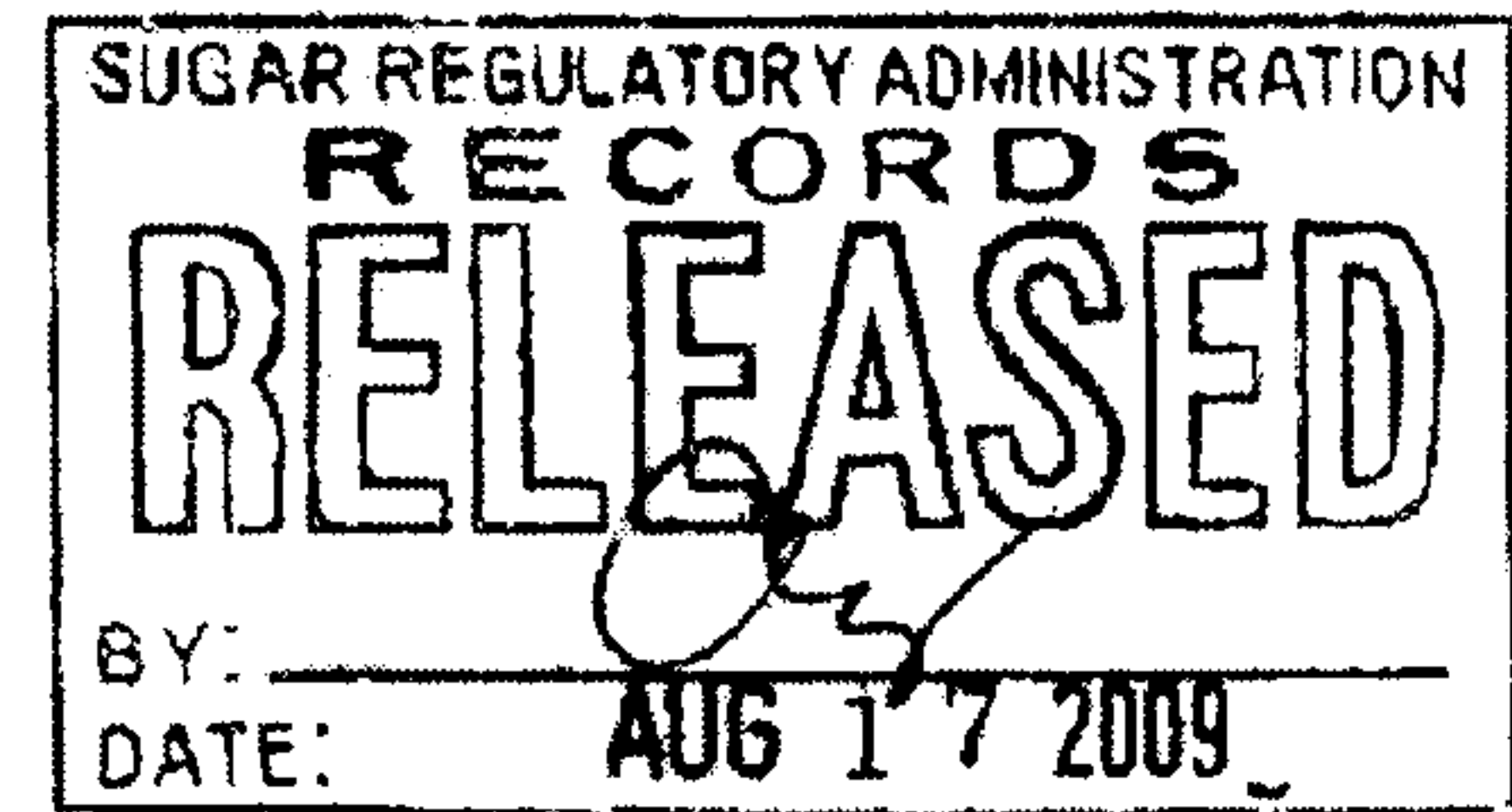


July 1, 2009

CIRCULAR LETTER NO. 30

Series of 2008-2009

SUBJECT : GUIDELINES ON THE PRODUCTION OF BIOETHANOL



Pursuant to the policies on bioethanol fuel production embodied in Sugar Order No. 14, series of 2008-2009, the following guidelines shall be implemented by the Sugar Regulatory Administration (SRA):

I. Certification of existing sugarcane plantations as feedstock areas and plant site for bioethanol production

A. Criteria

The following existing sugarcane plantations shall qualify for certification as feedstock production areas and plant site for bioethanol production to ensure sufficiency of domestic sugar supply and maintain the viability of sugar mills:

1. All existing sugarcane plantation areas not covered by any existing sugar milling district (such as the Antique area, etc.);
2. All existing sugarcane plantation areas covered by existing sugar milling districts that will not exceed the Overall E-Cane Quota (OEQ) for bioethanol production;
 - The Sugar Board shall promulgate a Sugar Order that will determine the OEQ for bioethanol production and the mechanism of implementation thereof, in a particular crop year based on preliminary crop estimates and after assessment of the sugarcane supply situation for sugar manufacture;
3. Separate Certifications shall be issued for feedstock production areas and plant site areas;
4. Plant site areas are subject to land conversion from agricultural to agro-industrial to be deliberated by the National Technical Committee on Land Use Matters (NTECLUM- DA/DAR/DENR).



B. Requirements

B.1 Certification of Existing Sugarcane Plantations as Feedstock Areas

- a) Letter addressed to the SRA Administrator requesting certification, *original copy*
- b) Filled-up Application Form (*SRA Form B-1*), *original copy*
- c) SRA Prescribed Matrix of List of Areas for SRA Certification (*SRA Form B-2*), *original copy*
- d) SEC Registration or CDA Registration with Articles of Incorporation / Cooperation & By-Laws, *certified photocopy*
- e) Taxpayer's Identification Card or duly stamped BIR TIN Form, *certified photocopy*
- f) Proof of payment of SRA applicable fees – Official Receipt or Deposit Slip, *certified photocopy*

B.2 Certification of existing sugarcane plantations for plant site / land conversion purposes only:

- *Proof of ownership*
- *Comprehensive Land Use Plan /Zoning Ordinance approved by the Sangguniang Bayan / Panlalawigan*

C. Applicable Fees

To be paid directly to the SRA Treasury Division or deposited to the SRA account with the Land Bank of the Philippines (LBP) specific for bioethanol collections:

C.1 SRA Certification of Sugarcane Plantations as Feedstock Production Areas

- a. **Filing Fee** - to cover cost of office supplies and communication expenses; to be paid upon submission of letter requesting certification:
 - **P1,000.00** – regardless of farm size



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Sugar Center Bldg., North Ave., Diliman, Quezon City, P.O. Box 70 U.P.

b. **Inspection Fee** - to cover transportation cost and per diem (SRA MDO & driver) and other administrative costs incurred during validation of areas and issuance of certification:

1. As a precondition to DOE Accreditation prior to the Construction of bioethanol production facilities (First application)

- For a total area equal to or less than 1,000 hectares = P15,000.00
- For every additional 500 hectares or less = P 2,000.00

2. Subsequent applications for certification of additional areas

- For a total area of 500 hectares or less = P 5,000.00
- For every additional 100 hectares or less = P 500.00

C.2 SRA Certification of Existing Sugarcane Plantations as Plant Site

a. **Existing Filing Fee for Land Conversion applications:**

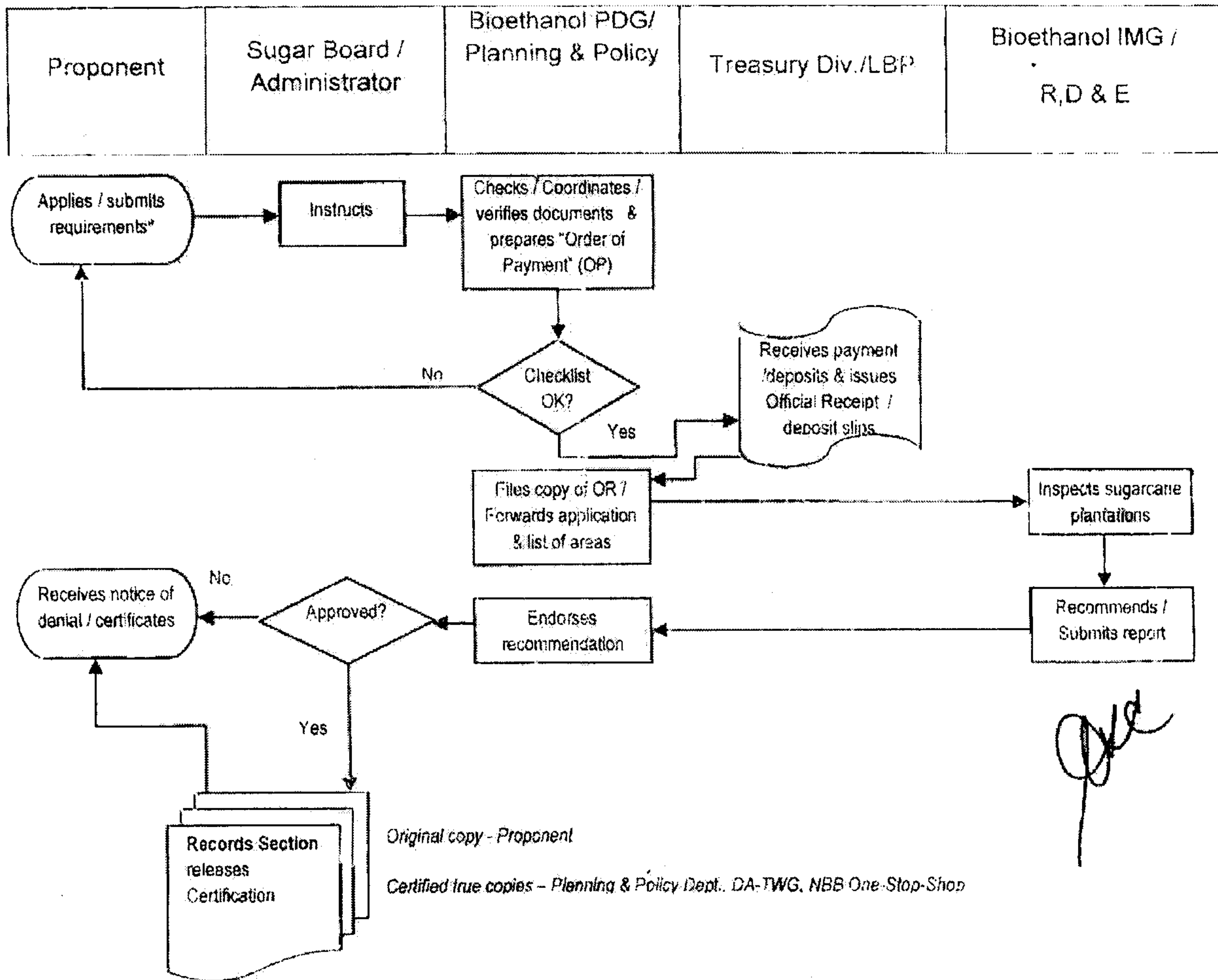
- P 1,000.00 – for areas \leq 5 hectares
- P 2,000.00 - for areas $>$ 5 hectares

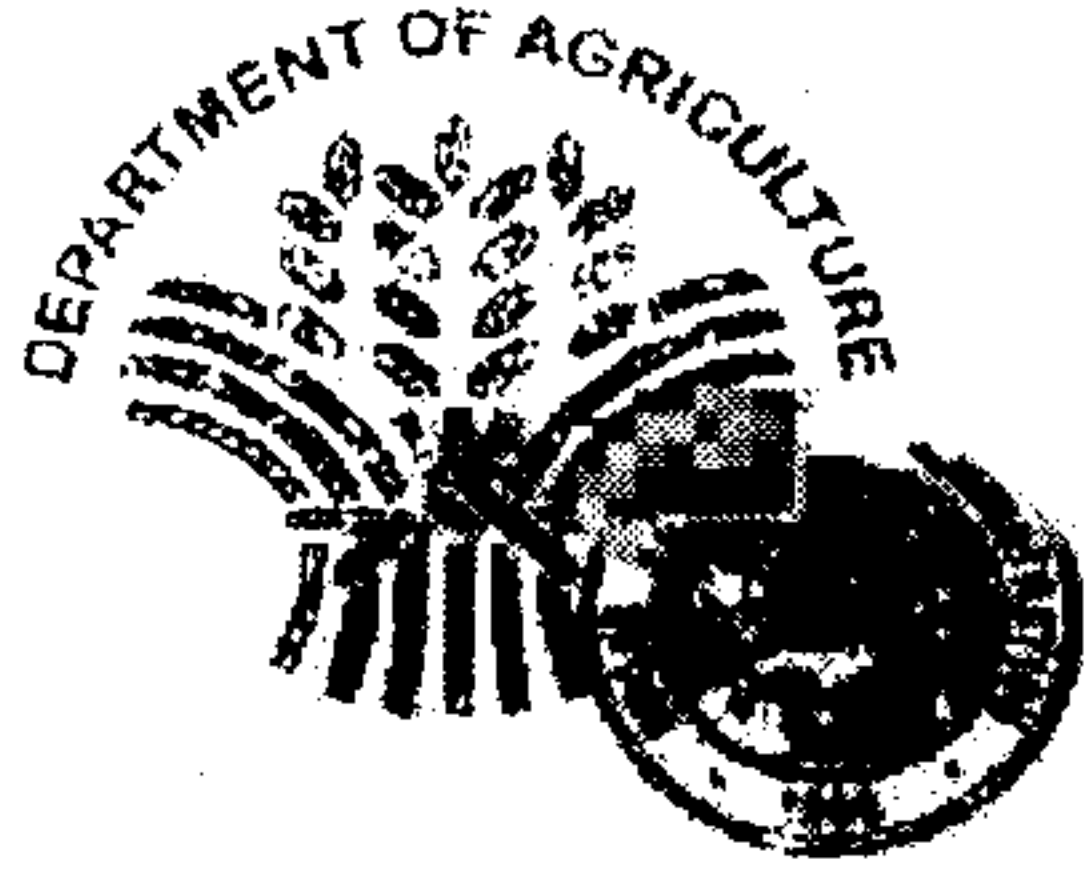
b. **Existing Inspection Fee for Land Conversion purposes:**

- P 10,000.00 – for areas \leq 5 hectares
- P 15,000.00 – for areas $>$ 5 hectares



D. PROCESS FLOW - Certification of Existing Sugarcane Plantations as Feedstock Production and Plant Site Areas for Bioethanol Production





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II. **Registration of Bioethanol Producers / Manufacturers**

1. *Bioethanol Manufacturers / Producers shall :*

- Register with SRA prior to commercial operation;
- Renew registration every crop year.

2. *Criteria for the Issuance of Registration Certificates:*

- **All bioethanol fuel producers** using sugarcane, sugar, sugar syrups, molasses and other products from sugarcane and sugar as feedstocks for **bioethanol fuel manufacture**;
- Producers of bioethanol, **other than bioethanol fuel**, using sugarcane, sugar, sugar syrups and other products from sugarcane and sugar, **except molasses**, shall be required to register with SRA.
- Compliance to monthly submission of the SRA prescribed E-Cane Reports (*SRA Forms B-4 to B-7*), as applicable;
- Compliance to SRA policies, rules and regulations on bioethanol production;
- Payment of monitoring fee and other SRA liens, as applicable;
- Secured SRA Certification on the utilization of existing sugarcane plantations for bioethanol production, as applicable.

3. *Requirements*

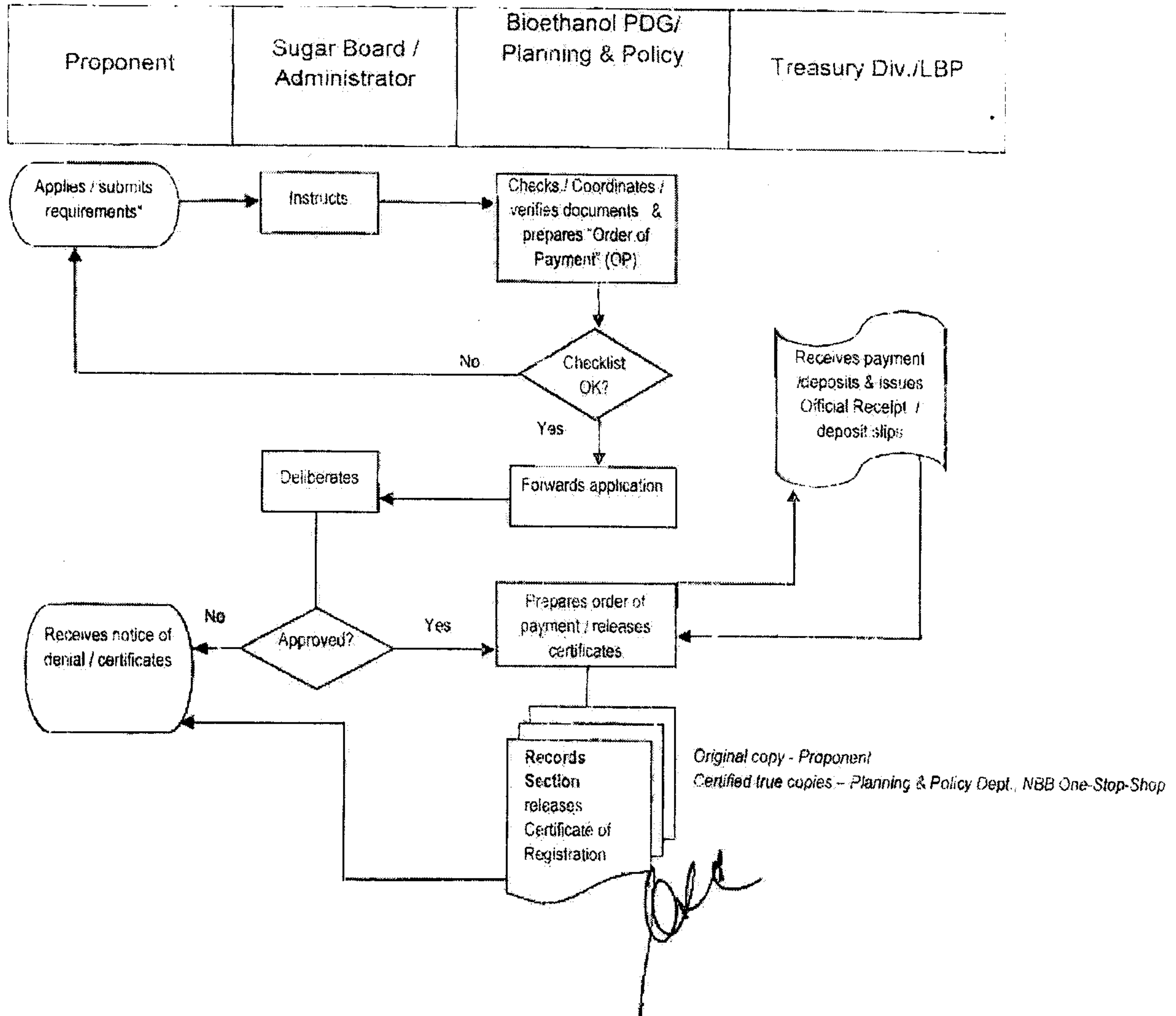
- a) Letter requesting registration, *original copy*
- b) Filled-up Application Form (*SRA Form B-3*), *original copy*
- c) Compliance to monthly submission of SRA Prescribed Matrix for E-Cane Report, for renewal only
- d) Mayor's Permit, *certified photocopy*
- e) SEC Registration or CDA Registration with Articles of Incorporation / Cooperation & By-Laws, *certified photocopy*
- g) Taxpayer's Identification Card or duly stamped BIR TIN Form, *certified photocopy*
- g) Proof of payment of SRA applicable fees – Official Receipt or Deposit Slip, *certified photocopy*

4. *Applicable Fees*

- Registration fee is P 2,000 (new registrants and renewal)
- No filing fee or inspection fee shall be collected.



5. PROCESS FLOW – Registration of Bioethanol Manufacturer / Producer





III. **Registration of Bioethanol Feedstock Traders / Brokers**

Existing SRA policies and guidelines on the registration of sugar, molasses and muscovado traders shall apply to the registration of bioethanol feedstock traders / brokers.

IV. **Collection of Monitoring Fee and Bioethanol Research, Development & Extension (BRDE) Lien**

- All bioethanol producers using sugarcane, sugar, sugar syrups and other products from sugarcane and sugar, *except molasses*, as feedstocks for bioethanol manufacture shall pay to SRA a monitoring fee of five (5) centavos and a BRDE lien of ten (10) centavos per liter of bioethanol produced and sold;
- No monitoring fee and BRDE lien shall be collected from bioethanol producers using molasses as feedstock.
- The monitoring fee and BRDE lien may be paid to SRA in the following manner:
 - Collected by the SRA SRO in the form of a check;
 - Remitted directly to the SRA Treasury Division, in the form of cash or check; or
 - Deposited in the SRA's account at the Land Bank of the Philippines.
- The monitoring fees collected by SRA shall be part of its corporate fund and the BRDE lien shall be deposited in a separate account to fund R,D & E projects of the bioethanol industry.
- Utilization of the BRDE fund shall be managed by the Bioethanol Consultative Board created by Sugar Order No. 3, series of 2007-2008 and shall be governed by existing COA rules and regulations.



V. Assignment of an SRA Regulation Officer (SRO) in all bioethanol production facility

- SRA shall assign one SRO in every bioethanol production facility in the country using sugarcane, sugar, sugar syrups and other products from sugarcane and sugar, **except molasses**, as feedstocks for bioethanol manufacture. The SRO shall monitor bioethanol production, collect the necessary fees and liens and provide other regulatory, advisory and facilitation services.
- No SRO shall be assigned in bioethanol production facilities using molasses as feedstock.

VI. Importation of Feedstocks for Bioethanol Production

Existing SRA policies and guidelines on the importation of sugar, molasses and other products from sugarcane and sugar shall apply to the importation of bioethanol feedstocks.

VII. Creation of the SRA Bioethanol Project Development Group (PDG) and Bioethanol Inspection and Monitoring Group (IMG)

In the absence of an organic unit for bioethanol within SRA, the following core groups are created to perform specific duties and responsibilities relative to bioethanol:

1. Bioethanol Project Development Group (BPDG) – The Planning & Policy Department (as the unit in charged of special projects, coordination, reporting and data management), shall:

- Receive and facilitate the processing of documents submitted to the SRA by the Proponents or Bioethanol Investors;
- Assist proponents in completing SRA-specific requirements;
- Endorse to the Bioethanol Inspection and Monitoring Group (BIMG) all pending applications for certification, including pertinent documents, for the conduct of area inspection and assessment;
- Maintain an up-to-date database consisting of, but not limited to, bioethanol production statistics, farm statistics, feedstock production and delivery statistics and other bioethanol-related information;



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- Submit necessary reports, through the Administrator, to the National Biofuels Board (NBB);
 - Act as SRA Coordinator with the NBB Technical Secretariat / NBB One-Stop-Shop.
2. *Bioethanol Inspection and Monitoring Group (BIMG) – The R,D & E Department (as the unit in charged of technical aspects of the agricultural & industrial sectors of the sugarcane industry), shall:*
- Upon receipt of applications endorsed by the BPDG, conduct inspection and assessment of existing sugarcane growing areas proposed for bioethanol production;
 - Submit to the Sugar Board, through the BPDG, inspection / assessment reports and corresponding recommendations on applications for certification of sugarcane areas proposed for bioethanol production;
 - Submit to the Bioethanol PDG, in the prescribed forms, monthly monitoring reports on sugarcane feedstock utilization and other farm statistics.

VIII. Fines and Penalties

Any violation to SRA policies and guidelines governing the production of bioethanol shall be subject to a fine of **fifty thousand pesos (P 50,000.00)** and **revocation of registration certificates.**

IX. Effectivity

This circular takes effect immediately.


RAFAEL L. COSCOLLUELA
Administrator

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Tel. No. (632) 455-7402, (632) 455-2135, (632) 455-2566; Telefax No. (632) 455-3375

Website: www.sra.gov.ph; Email Address: srahead@sra.gov.ph

SRA Form B-1

SRA PRESCRIBED APPLICATION FORM
SRA Certification Of Existing Sugarcane Plantations As Feedstock Production and Plant
Site Areas For Bioethanol Production
CY _____

Business Name: _____

Plant Site Location : _____

Business Address : _____

Contact Numbers :

Plant Site : _____

Business Office in Metro Manila: _____

Date Established : _____

Date to Start Commercial Operation : _____

Estimated Number of Factory Workers : _____

Feedstock / s : _____

Rated Capacity :

Tons Cane per day (TCD) : _____

Tons Molasses per day (TMD) : _____

Liters Ethanol per day (LED) : _____

Estimated Operatings Days Per Year: _____

Estimated Cogeneration Capacity, MW (if applicable) : _____

Projected Annual Bioethanol Production : _____

Proprietor / s : _____

Estimated Annual Area Requirement (Hectares) :

From Existing Sugarcane Plantations: _____

From Expansion Areas : _____

Total Area Requested for Certification (Hectares) : _____

Total No. of Landowners : _____ **Total No. of Farms:** _____

Sugar Milling Districts Covered: _____

Prepared by : _____ **Date Prepared:** _____

Name & Signature of Proponent's Authorized Representative

Contact Numbers/Cellphone No. : _____

SRA Form B-2

**SRA PRESCRIBED MATRIX
SUGARCANE PLANTATION AREAS FOR BIOETHANOL PRODUCTION**

Business Name : _____
 Business Address : _____
 Plant Site Location : _____
 Sugar Milling District : _____

Landowners / Planters	Farm Locations	Area per Farm (Hectares)	Production (CY _____)		Productivity LKG / Ha.
			MT Sugar	MT Sugarcane	
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
TOTAL					

Prepared by: _____ Date Prepared: _____
(Name & Signature of Proponent's Authorized Representative)

-----*(Items below are to be filled up by the SRA MDO/Inspector)*-----

Recommendations and Findings :

-----*Use additional sheets if necessary*-----

Inspected & Validated by: _____ Date Inspected : _____
Name & Signature of SRA MDO

NOTE: Please sign all pages containing list of areas inspected - these will be attached to the SRA Certification

SRA Form B-3

SRA PRESCRIBED APPLICATION FORM
Registration of Bioethanol Manufacturers / Producers
CY _____

Business Name: _____

Plant Site Location : _____

Business Address : _____

Contact Numbers :

Plant Site : _____

Business Office in Metro Manila: _____

Date Established : _____

Date to Start Commercial Operation : _____

Estimated Number of Factory Workers : _____

Feedstock / s : _____

Rated Capacity :

Tons Cane per day (TCD) : _____

Tons Molasses per day (TMD) : _____

Liters Ethanol per day (LED) : _____

Estimated No. of Operating Days Per Year: _____

Estimated Cogeneration Capacity, MW (if applicable): _____

Projected Annual Bioethanol Production : _____

Proprietor / s : _____

Plant/Operations Manager : _____

Estimated Annual Area Requirement, if applicable (Hectares):

From Existing Sugarcane Plantations: _____

From Expansion Areas : _____

Total Estimated Feedstock Production Area (Hectares) : _____

Estimated Annual Molasses Requirement (MT) : _____

Prepared by : _____ Date Prepared: _____

Name & Signature of Proponent's Authorized Representative

Contact Numbers/Cellphone No. : _____

