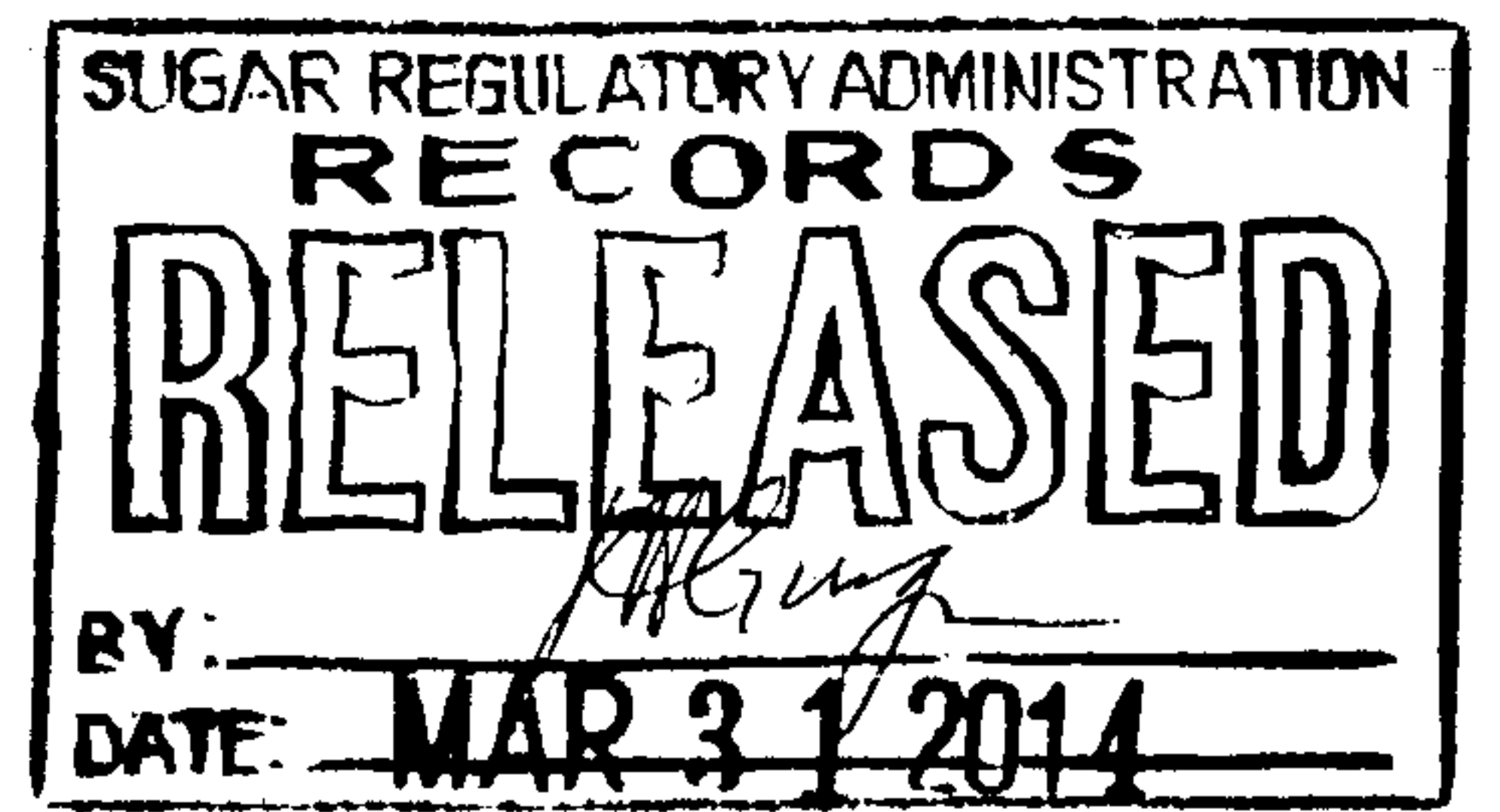




Republic of the Philippines
Department of Agriculture
SUGAR REGULATORY ADMINISTRATION
Sugar Center Bldg., North Ave., Diliman, Quezon City
Philippines 1101
TIN 000-784-336



SRA MEMORANDUM ORDER NO. 3

Date: March 28, 2014

TO: **MILLS LOCATED IN AREAS UNDER STATE OF CALAMITY PER PROCLAMATION NO. 682 DATED NOVEMBER 11, 2013**

FROM: **ADMINISTRATOR
SUGAR REGULATORY ADMINISTRATION**

SUBJECT: **DISPOSAL OF DAMAGED SUGAR AND TREATMENT OF MOLASSES LOSS BROUGHT ABOUT BY SUPER TYPHOON YOLANDA**

Pursuant to SRA Board Resolution No. 2014-060 discussed and approved February 27, 2014 the following rules and regulations shall be observed:

The mill shall submit to SRA an inventory report and list of Outstanding Quedans / Molasses Storage Certificates for the issuance of a STOP ORDER in compliance with Sugar Order No. 5, series of 1994-1995 and Sugar Order No. 3, series of 1995-1996.

FOR SUGAR

Mill:

1. Upon payment of the insurance claim, all outstanding quedans covering the damaged sugar shall be consolidated and issued a replacement to facilitate withdrawals and correction of the registry.
2. The CY 2013-2014 quedan forms for raw sugar shall be used and shall be issued in the name of the winning bidder. It shall indicate the total volume based on its original classification.
3. The remarks "DAMAGED SUGAR" shall be stamped on both quedan portion and permit portion including the Sugar Release Order that will be issued during its withdrawal from the warehouse.
4. The Mill shall pay all the liens pertaining to the damaged sugar to SRA and to other intended agencies.



5. The Mill shall make an entry of the consolidated quedans and cancel from their book inventory all the outstanding quedans that had been consolidated. The same shall be deducted accordingly from the stock-on-hand which shall be reflected in the SMS report to be submitted to SRA.

Quedan Holders of Outstanding Quedans:

6. All quedan holders of the aforestated damaged sugar are hereby ordered to surrender their quedans to the Mill for cancellation and the mill shall effect payment less unpaid liens and storage fees up to November 7, 2013.

Winning Bidder:

7. The winning bidder or new owner of the damaged sugar shall be required to bag the sugar in sacks, marked with or stamped "DAMAGED SUGAR".
8. The winning bidder or new owner shall specify the destination and subject the goods to monitoring procedures by SRA, such as issuance of shipping permits, escorting to as needed and other security measures for public safety.

FOR MOLASSES

Mill:

1. All outstanding molasses certificates covering molasses lost during the calamity shall be consolidated and will be issued a replacement Molasses Storage Certificate (MSC) properly annotated with **"Replacement to Cover Lost Molasses"**.
2. The mill shall make an entry of the consolidated MSC to its registry and cancel all the outstanding MSCs. The same quantity shall be deducted from the book balance in SMS Form 3.

Holders of Outstanding MSCs:

1. All holders of the aforestated lost molasses are hereby ordered to surrender their certificates for cancellation and payment by the mill.

Responsibilities of the Regulation Officer:

1. Shall implement the replacement of quedans/MSCs and the cancellation from the mill's registry;
2. To ensure segregation of stocks from the new production and monitor completion of withdrawals of the damaged sugar from the warehouse within the specified time agreed by the insurer, the mill and the new owner/winning bidder;
3. Shall report any untoward incident to SRA and see to it that all the activities pertaining to this disposal shall be properly reflected in the SMS.

HISUMCO's case which was covered by SRA Memorandum Order No. 2 dated March 5, 2014 is exempted from this Memorandum.



MA. REGINA BAUTISTA-MARTIN
Administrator

Cc: Regulation Dept. - Visayas