



REPUBLIC OF THE PHILIPPINES
SUGAR REGULATORY ADMINISTRATION
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CIRCULAR LETTER NO. 5
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**TO : ALL SUGAR MILLS AND CONCERNED HOLDERS
OF RAW SUGAR QUEDANS**

**SUBJECT : COMPULSORY DISPOSITION OF THE RAW SUGAR
COVERED BY OUTSTANDING QUEDANS OF PREVIOUS
CROP YEARS**

The Sugar Regulatory Administration (SRA), in the exercise of its regulatory functions is reviewing its policies concerning outstanding quedan-permits issued during the previous crop years.

It has been observed that following SRA's physical and quedan inventory operations, particularly immediately after the end of each Crop Year (CY), the majority of mills still have in their books an inventory of outstanding raw quedans of previous crop years. The said inventory, indicating the total stock balances of the mills, may not be reflective of the true carry-over stock for the new crop year that is of good quality and available to the market/s because of the deterioration of the raw sugar covered by the said quedans. It is also possible that quedans might have been lost/misplaced/forgotten by the holder/s.

In view of the above situation, the SRA is considering a policy that will require raw sugar covered by outstanding quedans issued during the previous crop years to be disposed of by the mills through public auction/bidding. Not included is the immediate CY prior to the current crop year (e.g. 2007-2008). The proceeds of the auction/bidding, less the applicable storage fee/penalty, shall be held in escrow by the mills and paid to holders who will surrender the

subject quedans to the mills for withdrawal of the corresponding volume of raw sugar therefrom.

In anticipation of this order, all holders of outstanding quedans for CY 2006-2007 and earlier are hereby advised to already dispose the raw sugar covered by the said quedans before the compulsory disposition order is made.

In the event that the SRA decides to implement the said policy, the implementing Rules and Regulations (IRR) shall be issued accordingly.


RAFAEL L. COSCOLLUELA
Administrator