



Republic of the Philippines
Department of Agriculture

SUGAR REGULATORY ADMINISTRATION

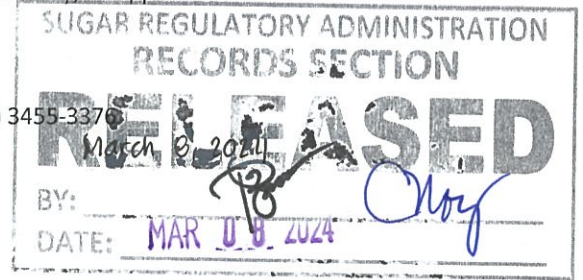
Sugar Center Bldg., North Avenue, Diliman, Quezon City, Philippines 1101

TIN 000-784-336

Website: <http://www.sra.gov.ph>

Email Address: srahead@sra.gov.ph

Tel No. (632) 8929-3633, (632) 3455-2135, (632) 3455-3376



SUGAR ORDER NO. 2
Series of 2023-2024

U.P. LAW CENTER
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations

R MAR 08 2024 **D**
REGISTRATION NO. 0276

ONAR Registration TIME: 130 BY: LWA

SUBJECT : VOLUNTARY PURCHASE OF CROP YEAR 2023-2024 LOCALLY PRODUCED SUGAR FOR RECLASSIFICATION TO RESERVE SUGAR TO AVAIL OF ALLOCATION FOR FUTURE IMPORT PROGRAM.

WHEREAS, Executive Order No. 18, Series of 1986, provides that one of the objectives in the creation of the SRA is to ensure adequate and stable supply of sugar for domestic consumption in order to stabilize prices at a level reasonably profitable to the producers and fair to consumers;

WHEREAS, Section 8 of SIDA affirms the mandate of the SRA to regulate the supply of sugar in the country, in addition to its powers and functions under Executive Order No. 18, series of 1986, and establish a supply chain monitoring system from sugarcane to sugar at the retail level to ensure sufficiency and safety of sugar;

WHEREAS, after taking into consideration all data on record and the comments of the stakeholders, with the manifestation of support of registered sugar traders, the SRA deems it necessary to adopt additional, responsive and pre-emptive measures through timely government intervention by way of voluntary limited volume purchase of locally produced raw sugar at a premium, to be temporarily reclassified to "C" Reserved sugar for a specified period of time in order to maintain a balanced supply and demand of sugar for domestic consumption while ensuring reasonable and stable prices;

NOW, THEREFORE, by authority vested in the Sugar Regulatory Administration, the following is hereby ordered:

Section 1. This shall be the 1ST Voluntary Limited Volume Purchase of Locally Produced Raw Sugar to be reclassified as "C" Reserved, in order to avail of allocation for future Import Program. The intention of this Voluntary Limited Volume Purchase of locally produced raw sugar is to help secure and stabilize the farmgate prices of locally produced sugar while at the same time ensuring fair and reasonable retail prices. This Sugar Order shall be applicable to production for Crop Year 2023-2024.



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Section 2. Eligible Participants. This Voluntary Limited Volume Purchase of Locally Produced Raw Sugar shall be open to, among others, farmers, farmer's groups, farmer's cooperative, farmer's association, sugar millers, manufacturers, & beverage makers, who are licensed SRA Domestic or International Sugar Trader in good standing for the relevant crop year, has no pending case with the SRA, has an updated and paid registration/license fees, has submitted the reportorial requirements, and is legally allowed by the SRA to engage in sugar trading activities,

Section 3. Volume and Type of Sugar, Coverage, Terms. The initial maximum volume of locally produced sugar covered by this Order shall be:

- 3.1 THREE HUNDRED THOUSAND METRIC TONS (300,000 MT) of RAW sugar.
- 3.2 The raw sugar covered by this Sugar Order shall only be applicable to the planters' share covered by Quedans for crop year 2023-24.
- 3.3 At any time during the effectivity of this Sugar Order, the SRA may, through a notice issued by the SRA Administrator, order the temporary or permanent stoppage of further implementation of this 1ST Voluntary Limited Volume Purchase of Locally Produced Sugar. Any and all Notice issued shall be effective the next Monday after the date of issuance of the said Notice.
- 3.4 The 300,000 MT of locally produced Raw Sugar covered under this Order shall be proportioned in the manner hereinafter stated, to wit:
 - i) A maximum of 60,000.00 MT, for sugar covered by Quedans whose dates of issue are on or before the week ending January 28, 2024, and
 - ii) A minimum of 240,000.00 MT, for sugar covered by Quedans whose dates of issue are on or after the week ending February 3, 2024.
- 3.5 Participation in this Sugar Order by an eligible participant shall be on a first come first served basis, reckoned from (a) the acknowledgment by the Regulation Department of the SRA of the submission by the eligible participant of the complete requirements for the application for reclassification of raw sugar covered by Quedans compliant with Sections 3.2, 3.3, & 3.4 of this Sugar Order from B"/domestic to "C"/reserved, AND (b) the physical surrender of the Quedans to be reclassified. Provided, that the application for reclassification is subsequently approved.

Subject to the approval of the SRA Administrator, the Regulation Department shall, not later than three (3) working days from the effectivity of this Order, issue a Memorandum Circular stating the

requirements and/or procedures necessary for the application for reclassification of locally produced raw sugar covered by this Order.

- 3.6 Locally produced raw sugar covered by this Order shall be limited to a maximum volume of 300,000.00 MT, provided the same is compliant with Sections 3.2, 3.3, 3.4, and 3.5 of this Order, and that any and all raw sugar purchased in excess thereof or in violation of the provisions stated in this Order shall automatically be classified and treated as not falling under the ambit of this Sugar Order.
- 3.7 The SRA shall, immediately after the total volume of raw sugar covered under this Sugar Order has been availed of, issue a "Notice" stating such fact, thereby likewise announcing the conclusion of the instant voluntary limited volume purchase of locally produced raw sugar covered by this Order.
- 3.8 Unless sooner approved by the SRA Board for reclassification back to "B" or domestic sugar, "C"/Reserved raw sugar covered by this Order shall remain classified as such for a period of ninety (90) days. Every reclassification shall be subject to the appropriate charges as mandated by existing SRA Rules and Issuances on the matter.
- 3.9 Eligible participants who purchased locally produced raw sugar under this Sugar Order and who have complied with all the conditions stated herein and with the requirements of the Memorandum Circular issued pursuant to Section 3.5 of this Order shall be given priority in future government program for sugar importation, on the basis of the volume of raw sugar purchased under this Sugar Order, at a ratio of 1.5:1 (locally produced raw sugar purchased:imported sugar).
- 3.10 The privilege afforded by this Sugar Order to an eligible participant shall, at any time before the same is availed of and if approved by the SRA Board, be transferrable, provided the transferee is likewise an "eligible participant".
- 3.11 This Sugar Order notwithstanding and on the basis of SRA's February 1, 2024 Supply and Demand data on raw and refined sugar showing sufficient actual stocks thereof, the SRA categorically states that there is presently no program for sugar importation.

Section 4. Definition of Terms. For purposes of this Sugar Order, and unless the context shall otherwise provide, the following terms shall mean.:

- (a) SRA Domestic Sugar Trader – person/s or business entities created under the laws of the Philippines with an SRA issued License to Operate as Domestic Sugar Trader for the current crop year.

(b) SRA International Sugar Trader – person/s or business entities created under the laws of the Philippines with an SRA issued License to Operate as International Sugar Trader for the current crop year.

(c) Quedan - A quedan is the equivalent of a warehouse receipt. A quedan shows ownership of a specified amount of sugar in a warehouse or sugar central. A negotiable instrument, it is a primary trading document in the Philippine sugar industry.

Section 5. Additional Requirement. As part of the requirements for the reclassification to "C"/reserved of the raw sugar purchased under this Order, Eligible Participants shall submit to the SRA Regulation Department in Quezon/Bacolod City, as additional requirement, to wit:

5.1. A duly notarized undertaking signed by the President/Chief Executive Officer, Chief Operating Officer, Partner or Owner stating:

1. The specific address of SRA-registered warehouse where the sugar purchased under this Order will be stored, if and when the same is withdrawn from the sugar mill, and
- 2 That the Eligible Participants shall comply with the terms and conditions of this Sugar Order, as well as that of the resolutions and/or circulars of the SRA/government on the purchase of locally produced sugar.

Section 6. Warehousing and Monitoring of Local Raw Sugar.

6.1 The Monitoring of the sugar purchased under this Order shall be reported through a weekly SMS report, and shall be verified by the SRA Regulations Officer assigned at sugar mills.

6.2 Non-compliance with the above stated warehousing requirements shall be subject to fines and/or sanctions as determined by the SRA.

Section 7. Sanctions.

7.1 Non-compliance with or a violation of any provision of this Sugar Order or any orders, resolutions, or circulars of the SRA by Eligible Participants shall result in the imposition of sanctions as the SRA may deem proper, including but not limited to i) the forfeiture and/or cancellation of any and all privilege contained in this Sugar Order, and ii) those provided in the SRA/government Book of Penalties and existing laws, rules, regulations and issuances.

Section 8. Provisions of other sugar orders, circulars, letters and or rules and regulations contrary to or inconsistent with this Sugar Order are hereby amended, modified or revoked accordingly.

Section 9. A copy of this Sugar Order shall be filed with the Office of the National Registrar, UP Law Center, Diliman Quezon City.

Section 10. This Sugar Order shall take effect three (3) days after the date of its filing with the Office of the National Registrar, UP Law Center, Diliman, Quezon City.

Approved By:


FRANCISCO P. TIU LAUREL, JR.
Secretary of Agriculture


PABLO LUIS S. AZCONA
Acting SRA Administrator / CEO


MA. MITZI V. MANGWAG
Board Member
Millers' Representative


DAVID ANDREW L. SANSON
Acting Board Member
Planters' Representative

