

**[SRA SUGAR ORDER NO. 10, SERIES 2003-2004,
June 23, 2004]**

**ADVANCE SWAPPING INTO "D" OR WORLD MARKET SUGAR OF
SUGAR PRODUCED DURING CROP YEAR 2003-2004**

WHEREAS, Executive Order No. 18, Series of 1986, mandates the Sugar Regulatory Administration (SRA) to maintain balanced relation between production (supply) and requirement (demand) of sugar;

WHEREAS, current assessment of sugar production of CY 2003-2004 is expected to increase by 7% and domestic demand to drop by 2% from the previous CY 2002-2003, such that even during the months of lean production (June-August) there will be an oversupply of sugar;

WHEREAS, at the end of CY 2003-2004 (31 August 2004) or beginning CY 2004-2005 (01 September 2004), it is expected that there will be significant volume of overhang of "A" or U.S. Export sugar and "B" or domestic sugar (raw and refined);

WHEREAS, it is of national interest to place those engaged in the sugar industry in an environment of economic viability by disposing of the excess sugar of CY 2003-2004 as early as possible in order to stabilize the prices of sugar at levels reasonably profitable to the producers and still fair to consumers;

WHEREAS, the only market available or open to dispose of the excess sugar of CY 2003-2004 is the World Market;

WHEREAS, there is an urgent need to ship out the aforesaid excess sugar to the world market so as not to aggravate the situation of oversupply of sugar come the period of peak production of next Crop year 2004-2005;

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

SECTION 1. All outstanding "A" and "B" quedan-permits (raw and refined/regular and swapped) issued during the CY 2003-2004 are hereby allowed (eligible for) on a voluntary basis for advance swapping into "D" or World Market sugar.

A maximum volume of 100,000 MT of "D" sugar shall be allowed to be exported to the world market during the period August to December, 2004 as part of this program.

SECTION 2. The quedan-permits subject of advance swapping shall be charged with an Advance Swapping Fee of P2.50/Kg-Bag pursuant to