

**[SRA SUGAR ORDER NO. 1, SERIES 2004-2005,
August 24, 2004]**

SUGAR POLICY FOR CROP YEAR 2004-2005

WHEREAS, Executive Order No. 18, dated 28 May 1986, vested the Sugar Regulatory Administration with the power to establish and maintain a balanced relationship between sugar production and the requirements of sugar and to maintain such marketing conditions as will ensure stabilized prices at levels reasonably profitable to the producers and fair to consumers;

WHEREAS, domestic demand is estimated to be 2.04 Million Metric Tons this Crop Year 2004-2005;

WHEREAS, the Philippines was allocated 13.5% of the total import requirements of the U.S. for Quota Year 2004-2005, or an equivalent of 142,160 MTRV (137,353 MTCW);

WHEREAS, the country has had successive increases in production for the past four (4) crop years and there is an expectation that sugar production for Crop Year 2004-2005 will be more than enough to meet our domestic and U.S. quota requirements;

WHEREAS, the country will end this crop year with more than adequate inventory of raw and refined sugar;

WHEREAS, there is now a need to allocate a portion of the Crop Year 2004-2005 sugar production (excess of our requirements) to the World Market in order to maintain stability of domestic sugar prices at levels beneficial to both the producers and consumers as mentioned in the first paragraph hereof;

WHEREAS, in order to promote the effective merchandising of sugar and its products in the domestic, U.S. and World markets, it will be necessary to allocate the Crop Year 2004-2005 sugar production to such quantities as to place those engaged in the sugar industry on a basis of economic viability;

NOW, THEREFORE, pursuant to the powers vested in the Sugar Regulatory Administration (SRA), it is hereby ordered that:

SECTION 1. Production and Classes of Sugar - Sugar production for the Crop Year 2004-2005 (September 01, 2004 to August 31, 2005) is expected to be 2.28 Million Metric Tons and shall be quedanned by the mill companies, as implementors of this Sugar Order, in the following percentages:

"A" or U.S. Quota - 4.00%
Sugar