

[SRA SUGAR ORDER NO. 8, s. 2006-2007, January 31, 2007]

REVISED SUGAR POLICY ON THE PERCENTAGE ALLOCATION FOR CY 2006-2007

WHEREAS, the Philippines has been granted a Tariff Rate Quota (TRQ) of 167, 174 MTCW (OR 173.025 MTRV) by the United States for Quota Year (QY) 2006-2007;

WHEREAS, for Crop Year 2006-2007, as of January 21, 2007, 98,118 Metric Tons (MT) "A" or Export sugar have already been produced, and an additional of 29,783 MT of "A" or Export sugar is listed as carry-over inventory from previous crop years;

WHEREAS, production for Crop Year 2006-2007 which was originally estimated to reach 2,240,000 Metric Tons (MT) is still on track to reach close to that target based on the latest crop surveys;

WHEREAS, the issuance of Sugar Order No. 7, Series of 2006-2007 on the deadline for verification should flush out all the "A" or Export sugar produced and to be produced for the eventual timely shipment to the United States;

WHEREAS, Section 2 (B) of Executive Order (EO) No. 18, Series of 1986, mandates the SRA to establish and maintain such balanced relation between production and requirement of sugar and such marketing conditions as will ensure stabilized prices at levels reasonably profitable to the producers and fair to consumers;

WHEREAS, Section 5 of Sugar Order No.1, Series of 2006-2007 provides that "The SRA shall undertake periodic assessment of the 2006-2007 sugar production and on the basis of such assessment, it may adjust from time to time the percentage distribution of the different classes of sugar and/or take the necessary action to address the situation";

WHEREAS, market conditions today indicate that it will be disadvantageous to the producers to carry significant quantities of locked out "A" or Export sugar (excess "A" or Export sugar produced after quota has been met) now that "A" Export sugar prices are unusually lower than "B" or Domestic sugar prices;

WHEREAS, the milling season is still in full swing and weekly sugar production is still considerably higher than demand as measured in sugar withdrawals from the warehouses;

WHEREAS, the Sugar Alliance of the Philippines (SAP), in its letter dated 31 January 2007, supports the adjustment of "A" export sugar classification and leaves to the discretion of SRA to "decide what the final queadanning ratios would be";

NOW THEREFORE, under and by virtue of the authority vested in the Sugar