

**[ SRA SUGAR ORDER NO. 1-A, SERIES OF 2007-2008, October 17, 2007 ]**

**REVISED SUGAR POLICY ON THE PERCENTAGE ALLOCATION FOR CROP YEAR 2007-2008 AND CONVERSION OF "C" OR RESERVE SUGAR TO "B" OR DOMESTIC SUGAR**

WHEREAS, Sugar Order No. 1, Series of 2007-2008, provided for the following allocations: "A" or US Quota Sugar = 7%, "B" or Domestic Sugar = 80%, "C" or Reserve Sugar = 5% and "D" or World Market Sugar = 8%;

WHEREAS, Sugar Order No. 1 was premised on a sugar production of about 2.3 Million Metric Tons (MMT) and a domestic demand of about 1.9 Million Metric Tons (MMT);

WHEREAS, Section 5 of Sugar Order No. 1, states that SRA shall undertake periodic assessment of the 2007-2008 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 supply situation in each market;

WHEREAS, Section 3 of Sugar Order No. 1, provides that the "C" or Reserve sugar therein allocated may be disposed of as "B" (Domestic) sugar or "D" (World market) sugar depending on the production and consumption trends";

WHEREAS, rainfall in Negros/Panay for September 2007 was one hundred sixty percent (160%) above normal which resulted to delayed or slowed down harvest and low purity;

WHEREAS, as a result of unfavorable weather conditions, production of raw and refined sugar as of 30 September 2007 was lower by about forty percent (40%) and fifty percent (50%) respectively. On the other hand, withdrawals increased by nineteen percent (19%) and forty seven percent (47%) respectively, in comparison with the same period of Crop Year 2006-2007;

WHEREAS, local retail prices of raw and refined sugar have risen to P36.00/kg. and P40.00/kg. respectively, drawing unfavorable attention from the consuming public;

WHEREAS, there is a need to adjust the current sugar allocation policy in order to address the prevailing production/consumption (withdrawal) and price trends;

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

SECTION 1. Revised Percentage Allocation of Classes of Sugar.