



# CONFEDERATION OF SUGAR PRODUCERS ASSOCIATION, INC.

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January 27, 2023

## **THE SUGAR REGULATORY ADMINISTRATION**

Sugar Center Building, North Avenue  
Diliman, Quezon City

**Thru: MR. DAVID JOHN THADDEUS P. ALBA**  
Administrator

**Dear Members of the Sugar Board:**

We thank Adm. Alba for his response to our January 13, 2023 letter-request for:

- 1) SRA's Pre-final Crop Estimate for Crop Year 2022-2023,
- 2) Raw and Refined Sugar Supply and Demand Projection for CY 2022-2023,
- 3) Summary of Actual and Projected Volume of Sugar requirements of the CSD industry and
- 4) Volume and Schedule of Arrival of Sugar Imports under the announced proposal to import 450,000 MT of sugar this year.

Absent SRA's own recommendations regarding Item no. 4, we have studied the data covering the first three items above and, even as we take cognizance of the possibility that there may be adjustments or corrections to the same, we take note of the following:

- 1) Critical Raw sugar balances in July (15,560 MT) and August (-16,458 MT)
- 2) Negative Refined sugar balance in July (-23,042.39 MT) and low ending balance in August (43,315.40 MT)
- 3) Total annual withdrawals/demand per SRA data = 2,133,223 MT raw equivalent
- 4) Average total monthly demand = 177,768 MT
- 5) Ideal two-month buffer stock before start of milling = 300,000 to 350,000 MT
- 6) Annual Refined Sugar (Standard & Bottler's Grade) requirements of Industrial users = 1,088,832 MT or an average of 90,736 MT/month.

On the basis of the above data, we submit for your consideration our position regarding the proposed importation plan, to wit:

**A. Sugar Importation Program for balance of Crop Year 2023-2024:**

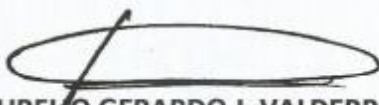
- 1) **Importation schedule** – 175,000 MT in July '23 and 175,000 MT in August '23, to cover the projected shortage prior to start of milling of the new crop;
- 2) **Total imports, July-August = 350,000 MT**, with possibility of additional 50,000 to 100,000 MT depending on actual consumption trend and projected rate of milling of the new crop, which is usually dependent on crop maturity and weather conditions, as determined by SRA's pre-milling crop estimate;
- 3) The proposed import schedule will minimize the adverse effect of imports on millgate prices when regular milling begins in September 2023;
- 4) The appropriate Sugar Orders should be issued after due consultation with industry stakeholders, at least 6 weeks before target arrival of shipment/s;
- 5) Proportion of Raw vs Refined shall be determined by SRA based on assessment of market requirements.

**B. Institutionalization of Sugar Policy mechanism**

1. In order to institutionalize an orderly sugar policy mechanism, it is recommended that SRA establish trigger points (determined through timely assessment of consumption versus supply trends) that will signal the need for consultations with the industry to determine appropriate sugar policy at any given time. Towards this end, it will be useful for SRA to undertake measures to activate and engage the mandated Stakeholders' Consultative Assembly (SCA) and formalize by way of Administrative Order, the guidelines for the institutionalization of the SCA, to include, among others, the following: a) stakeholder representation, b) manner, schedule and venue of consultations, and c) the provision of pertinent and timely information for the guidance of all stakeholders.

Hoping that our recommendations will receive your favorable attention, we would like to thank you for your timely response and assure you of our continuing cooperation in all matters affecting the sugar industry.

Very truly yours,



**AURELIO GERARDO J. VALDERRAMA, JR.**  
President