

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 9038

Introduced by REP. JAVIER MIGUEL L. BENITEZ

EXPLANATORY NOTE

The Philippine sugar industry has historically been a significant agricultural sector and a source of livelihood for thousands of Filipino farmers, workers, and their families. The sector's governance and regulatory framework are principally anchored on Executive Order ("EO") No. 18 (Series of 1986), which created the Sugar Regulatory Administration ("SRA") and vested it with the authority to promote orderly production, marketing, and supply regulation of sugar, and Republic Act ("RA") No. 10659 (2015), otherwise known as the Sugarcane Industry Development Act of 2015 ("SIDA"), which institutionalized productivity improvement programs, infrastructure support, research and development, and human resource development for the industry.

In recent years, however, the sector has experienced sustained volatility in production, pricing, and market stability that cannot be explained by ordinary market cycles alone. Instead, stakeholders from industry organizations, labor groups, and government agencies have identified deep-seated structural issues in the regulatory regime, coupled with emerging market challenges, as fundamental drivers of the current crisis.

A combination of misaligned import policies, regulatory gaps with respect to emerging sweeteners such as high-fructose corn syrup ("HFCS"), and agricultural productivity constraints has contributed to downward pressure on farmgate prices and widespread stakeholder distress. In 2025, the SRA approved the importation of up to 424,000 metric tons (MT) of refined sugar under Sugar Order No. 8 to bolster buffer stocks,¹ a decision that was controversial among planters and smaller producers who contend that excessive refined sugar imports risked depressing domestic prices and exacerbating oversupply conditions.

¹ Context.ph, *SRA Approves 424,000 MT Sugar Import to Bolster Supply, Stabilize Prices* (July 9, 2025), <https://context.ph/2025/07/09/sra-approves-424000-mt-sugar-import-to-bolster-supply-stabilize-prices/>.

Parallel to concerns over refined sugar imports, the importation and utilization of HFCS and other artificial sweeteners have been linked by industry associations to weakening demand for domestically produced sugar. In response to these concerns, the SRA raised import clearance fees for HFCS and explored regulatory measures under the Harmonized System to address large volumes entering the market.²

Market data indicates significant instability in buffer stock levels and price signals across recent crop years. While some reports suggest that physical stocks of raw and refined sugar remain within buffer targets, industry organizations argue that end-of-crop inventories are higher than historically normal levels and that unregulated imports distort supply signals, which in turn suppresses the millgate and farmgate prices.³

At the same time, audits and stakeholder testimonies have underscored longstanding implementation challenges in RA 10659. State auditors have flagged unutilized or underutilized allocations under SIDA programs, including block farm support and farm machinery distribution, and congressional oversight bodies have noted slow implementation of non-infrastructure initiatives intended to improve productivity and farmer incomes.⁴ Prior versions of SIDA mandated significant annual appropriations (including 15 percent each for research and development and socialized credit), but utilization rates across several components have been inconsistent, hindering the law's full impact.⁵

Emerging environmental risks, such as pest infestations affecting sugarcane yields, further compound the industry's structural challenges and highlight the need for coordinated research, extension, and climate adaptation planning.⁶

The current regulatory framework primarily derived from EO 18, and SIDA is widely regarded by stakeholders as insufficiently agile to address these multifaceted challenges. EO

² Nanette Guadalquiver, Hike in HFCS import clearance fee seen to curb use of artificial sugar, Phil. News Agency (September 20, 2024, 7:19 pm), <https://www.pna.gov.ph/articles/1233862>.

³ GMA Integrated News, *No Shortage in Sugar Supply Despite No Importation Until Mid-2026* – SRA, GMA News Online (Oct. 15, 2025, 2:19 PM), <https://www.gmanetwork.com/news/money/economy/963213/no-shortage-in-sugar-supply-despite-no-importation-until-mid-2026-sra/story/>.

⁴ Daily Tribune, *COA Flags Unused SRA Budget*, Daily Trib. (Jan. 13, 2025), <https://tribune.net.ph/2025/01/13/coa-flags-unused-sra-budget>.

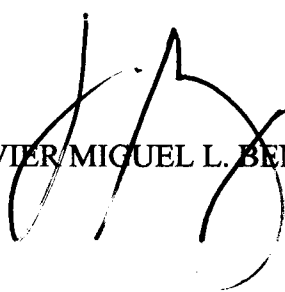
⁵ Visayan Daily Star, *Solons Want ₱2-B SIDA Budget Restored*, Visayan Daily Star (Sept. 18, 2024), <https://visayandailystar.com/solons-want-p2b-sida-budget-restored/>.

⁶ Philippine Council for Agric., Aquatic & Nat. Res. Rsch. & Dev., *Philippine Sugar: Stable Prices Offer Relief, Output Exceeds Targets, but Pest Threat and Unauthorized Sugar Imports Pose Risks* (Jan. 22, 2026), <https://ispweb.pcaarrd.dost.gov.ph/philippine-sugar-stable-prices-offer-relief-output-exceeds-targets-but-pest-threat-and-unauthorized-sugar-imports-pose-risks/>.

18 predates major developments in global trade and the proliferation of alternative sweeteners, resulting in ambiguity around jurisdiction over non-sugar sweeteners and modern import classification practices. Meanwhile, SIDA's framework for fund allocation and program execution has proven difficult to implement effectively, with underspending on key components and limited capacity to leverage research and climate-resilient strategies.

This measure therefore seeks to amend EO 18 and RA 10659 to: expand the SRA's regulatory jurisdiction to include sugar substitutes and by-products; strengthen import policy through data-driven triggers; democratize the composition and decision-making processes of the governing board; institutionalize transparency and accountability measures; and modernize SIDA fund allocation with a focus on climate resilience, farmer welfare, and enhanced market stabilization mechanisms.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



JAVIER MIGUEL L. BENITEZ

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9088

Introduced by REP. JAVIER MIGUEL L. BENITEZ

AN ACT STRENGTHENING THE SUGAR INDUSTRY BY EXPANDING THE MANDATE AND COMPOSITION OF THE SUGAR REGULATORY ADMINISTRATION, RATIONALIZING THE ALLOCATION OF THE SUGAR INDUSTRY DEVELOPMENT FUND, AND INSTITUTIONALIZING SYSTEMS FOR TRADE REMEDIES AND CLIMATE ADAPTATION, AMENDING FOR THE PURPOSE EXECUTIVE ORDER NO. 18, SERIES OF 1986, AND REPUBLIC ACT NO. 10659, OTHERWISE KNOWN AS THE SUGARCANE INDUSTRY DEVELOPMENT ACT OF 2015, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* – This Act shall be known as the "*Tunay na Ugnayan, Buhay, at Oportunidad sa Asukal (TUBO) Act of 2026.*"

SEC. 2. *Declaration of Policy.* – It is the policy of the State to ensure the stability and sustainability of the sugar industry, recognizing its role as a key driver of rural employment and national food security. The State shall adopt a data-driven, inclusive, and climate-resilient framework for industry development. It is imperative to democratize the governance of the industry, regulate all forms of sweeteners to ensure fair competition, and prioritize domestic production and refining capacity in the formulation of trade policies.

**CHAPTER I
AMENDMENTS TO EXECUTIVE ORDER NO. 18**

SEC. 3. *Expansion of SRA Mandate.* – Section 3 of Executive Order ("E.O.") No. 18 is hereby amended to read as follows:

"SEC. 3. *Powers and Functions.* – The Sugar Regulatory Administration shall have the following powers and functions:

- (a) To recommend the establishment of a sugar production coefficient and a production quota which shall be attached to the land for every planter;
- (b) To institute regulations for implementing, controlling, and monitoring the production quotas;
- (c) **TO MONITOR, REGULATE, AND EXERCISE REGULATORY JURISDICTION OVER THE IMPORTATION, CLASSIFICATION, AND UTILIZATION OF ALL SUGARS, SUGAR SUBSTITUTES, HIGH FRUCTOSE CORN SYRUP (HFCS), CHEMICALLY PURE FRUCTOSE, AND OTHER CALORIC OR NON-CALORIC SWEETENERS, WHETHER LOCALLY PRODUCED OR IMPORTED. *PROVIDED*, THAT IN ACCORDANCE WITH ARTICLE XIX OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT 1994) AND REPUBLIC ACT NO. 8800 (SAFEGUARD MEASURES ACT), THE SRA MAY RECOMMEND TEMPORARY RESTRICTIONS OR ADJUSTMENTS ON THE IMPORTATION OF SWEETENERS TO PREVENT OR REMEDY SERIOUS INJURY TO THE DOMESTIC SUGAR INDUSTRY.**
- (d) To establish domestic, export, and reserve allocations;
- (e) **TO MONITOR, REGULATE, AND EXERCISE REGULATORY JURISDICTION OVER MOLASSES AND OTHER BY-PRODUCTS OF SUGARCANE PROCESSING, INCLUDING THEIR IMPORTATION, CLASSIFICATION, AND DISTRIBUTION, IN COORDINATION WITH THE BOC AND THE DEPARTMENT OF AGRICULTURE (“DA”). THE SRA SHALL ESTABLISH A MOLASSES IMPORT MONITORING SYSTEM, INCLUDING A LICENSED IMPORTER REGISTRY, QUOTA MECHANISM, AND PENALTY SYSTEM TO PREVENT TECHNICAL SMUGGLING, UNDERDECLARATION, OR OVER-IMPORTATION;**
- (f) **TO MAINTAIN A 24/7 SUGAR INDUSTRY HOTLINE AND DIGITAL INFORMATION DASHBOARD TO PROVIDE STAKEHOLDERS WITH REAL-TIME DATA ON PRICES, IMPORT VOLUMES, AND WEATHER ADVISORIES;**
- (g) To explore and expand the domestic and foreign markets for sugar and its by-products, to assure mutual benefits to consumers and producers, and to promote and maintain proper balance of production of sugar and its by-products;

- (h) To institute, implement, and regulate an orderly system of que-danning, disposition, and withdrawals of sugar from warehouses;
- (i) To evaluate and recommend to the President new projects involving the production of sugar and its by-products and another products derived from sugarcane and sugar;
- (j) To issue permits and licenses and collect corresponding fees and levies on the processing and manufacture of sugar and its by-products and other products derived from sugarcane and sugar;
- (k) To enter, make and execute routinary contracts as may be necessary for or incidental to the attainment of its purposes between any persons, firm, public or private, and the Government of the Philippines;
- (l) To do all such other things, transact such other businesses and perform such functions directly or indirectly necessary incidental or conducive to the attainment of the purposes of the Sugar Regulatory Administration."

SEC. 4. *Reconstitution of the Sugar Board.* – Section 4 of E.O. No. 18 is hereby amended to read as follows, notwithstanding the provisions of Republic Act No. 10149:

"SEC. 4. *Governing Body; Sugar Board.* – All corporate powers of the Sugar Regulatory Administration shall be vested in, and exercised by, the Sugar Board. The Board shall be composed of ~~[an Administrator, who shall act as its chairman, to be appointed by the President of the Philippines, and two (2) members. The two members of the Board shall likewise be appointed by the President of the Philippines upon the recommendation of the sugar industry, with one member representing themillers and the other representing the planters.]~~ **THE FOLLOWING SEVEN (7) MEMBERS:**

- (a) THE ADMINISTRATOR, WHO SHALL ACT AS CHAIRMAN, TO BE APPOINTED BY THE PRESIDENT OF THE PHILIPPINES;**
- (b) ONE (1) REPRESENTATIVE FROM THE SUGAR MILLERS;**
- (c) ONE (1) REPRESENTATIVE FROM THE SUGAR PLANTERS;**
- (d) ONE (1) REPRESENTATIVE FROM THE SUGAR REFINERIES;**
- (e) ONE (1) REPRESENTATIVE FROM SMALL FARMERS AND AGRARIAN REFORM BENEFICIARIES (ARBS);**
- (f) ONE (1) REPRESENTATIVE FROM LABOR (FIELD AND MILL WORKERS); AND**

(g) ONE (1) REPRESENTATIVE FROM INDUSTRIAL USERS OR CONSUMERS.

PROVIDED, THAT THE REPRESENTATIVES FROM THE PRIVATE SECTORS SHALL BE APPOINTED BY THE PRESIDENT FROM A LIST OF NOMINEES SUBMITTED BY THEIR RESPECTIVE RECOGNIZED NATIONAL ORGANIZATIONS. PROVIDED FURTHER, THAT NO POLICY OR SUGAR ORDER REGARDING IMPORTATION SHALL BE VALID WITHOUT A MAJORITY VOTE OF THE BOARD AND MANDATORY CONSULTATION WITH THE SUGARCANE INDUSTRY STAKEHOLDER CONSULTATIVE ASSEMBLY (“SCA”). PROVIDED FURTHER, THAT TO ENSURE COMPLIANCE WITH INTERNATIONAL TRADE OBLIGATIONS, ANY PROVISIONAL IMPORTATION MEASURES OR RECLASSIFICATIONS ADOPTED DURING NATIONAL EMERGENCIES MUST BE ACCOMPANIED BY A FORMAL JUSTIFICATION SUBMITTED TO CONGRESS AND THE DEPARTMENT OF TRADE AND INDUSTRY (“DTI”) WITHIN THIRTY (30) DAYS OF ISSUANCE. PROVIDED FINALLY, THAT IN CASES OF NATIONAL EMERGENCY, FOOD SECURITY THREATS, OR EXTRAORDINARY INFLATIONARY PRESSURES, THE PRESIDENT MAY AUTHORIZE PROVISIONAL IMPORTATION MEASURES, SUBJECT TO POST-FACTO REVIEW BY THE SUGAR BOARD WITHIN THIRTY (30) DAYS.

The Sugar Board shall meet in regular session once a month. The Board may be called by the Chairman ~~of both private sector's representatives~~ to a special session as the need arises.

The Administrator shall be the Chief Executive Officer of the Sugar Regulatory Administration."

SEC. 5. *CONSULTATIVE ASSEMBLY.* – A new section to be denominated as Section 4-A of E.O. No. 18 is hereby added to read as follows:

“SEC. 4-A. *CONSULTATIVE ASSEMBLY.* – THE SRA SHALL CONDUCT A MANDATORY CONSULTATIVE ASSEMBLY AT LEAST TWICE A YEAR (AT THE BEGINNING AND END OF THE CROP YEAR) WITH REPRESENTATIVES OF SMALL FARMERS, ARBS, WORKERS, MILLERS, REFINERS, INDEPENDENT AUDITORS, AND INDUSTRIAL USERS TO REVIEW INDUSTRY CONDITIONS, SUGAR ORDER IMPACTS, AND SIDA PROGRAM IMPLEMENTATION. THE MEETING SHALL BE PUBLICLY ANNOUNCED AND DOCUMENTED.”

SEC. 6. *Joint SRA-FDA Task Force on sweetener regulation.* — A new Section Section 4-B of E.O. No. 18 is hereby added to read as follows:

“SEC. 4-B. *JOINT SRA-FDA TASK FORCE ON SWEETENER REGULATION.* – THERE IS HEREBY CREATED A JOINT SRA-FDA TASK FORCE TO CLEARLY DELINEATE THE REGULATORY MANDATES OVER SUGAR SUBSTITUTES AND EMERGING SWEETENERS. THE SRA SHALL RETAIN EXCLUSIVE JURISDICTION OVER VOLUME ALLOCATION, TRADE CLASSIFICATION, IMPORT CLEARANCES, AND MARKET IMPACT ASSESSMENTS. THE FOOD AND DRUG ADMINISTRATION (“FDA”) SHALL RETAIN EXCLUSIVE JURISDICTION OVER FOOD SAFETY, PRODUCT FORMULATION, AND HEALTH LABELING STANDARDS. THE TASK FORCE SHALL MEET QUARTERLY AND SUBMIT AN ANNUAL REPORT TO CONGRESS.

SEC. 7. *REFINERY CAPACITY REPORTING.* – A new section to be denominated as Section 4-C of E.O. No. 18 is hereby added to read as follows:

“SEC. 4-C. *REFINERY CAPACITY REPORTING.* – THE SRA SHALL REQUIRE ALL REFINERIES TO SUBMIT MONTHLY REPORTS ON THEIR ACTUAL PRODUCTION CAPACITY, UTILIZATION RATES, AND PRODUCTION OF BOTTLER’S GRADE SUGAR. THE REPORT SHALL BE VERIFIED THROUGH RANDOM AUDITS AND MADE PUBLICLY AVAILABLE THROUGH THE SRA DASHBOARD.”

SEC. 8. *INDUSTRY MARKETING AND BODEGA SYSTEM.* – A new section to be denominated as Section 4-D of E.O. No. 18 is hereby added to read as follows:

“SEC. 4-D. *INDUSTRY MARKETING AND BODEGA SYSTEM.* – THE SRA SHALL DEVELOP A NATIONAL SUGAR MARKETING PROGRAM, INCLUDING AN INDUSTRY BODEGA SYSTEM, TO FACILITATE CENTRALIZED STORAGE, VERIFICATION OF PRODUCTION, AND STABILIZATION OF PRICES. THE PROGRAM SHALL BE IMPLEMENTED IN COORDINATION WITH THE DA, DEPARTMENT OF TRADE AND INDUSTRY (“DTI”), AND THE LAND BANK OF THE PHILIPPINES (“LBP”).”

SEC. 9. *Functions of the Sugar Board.* —Section 6 of E.O. No. 18 is hereby amended to read as follows:

“SEC. 6. *Functions of the Sugar Board.* — The Board shall have the following powers of the functions:

- (a) To prescribe, amend, modify, or repeal rules and regulations, governing the manner in which the general business of the Board shall be exercised subject to the approval of the President;**
- (b) To establish policies pertaining to the sugar and sugarcane production control, quedanning of sugar produced; withdrawals from sugar**

warehouses; issuance of permits and licenses in the processing and manufacture of raw sugar, refined and other classes of sugar; issuance of permits and licenses and other related issues pertaining to the specific and general powers prescribed in this Executive Order;

(c) **ISSUE A PUBLIC SUMMARY OF ITS DELIBERATIONS AND DECISIONS FOR EVERY SUGAR ORDER, INCLUDING THE BASIS FOR THE DECISION, VOTES CAST, AND ANY DISSENTING OPINIONS. THE MINUTES SHALL BE PUBLISHED WITHIN FIFTEEN (15) DAYS AFTER EACH BOARD MEETING AND SHALL BE POSTED ON THE SRA WEBSITE.**

(d) To enter into contracts, transactions, or undertakings of whatever nature which are necessary or incidental to its functions and objectives with any natural or juridical persons and with any foreign government institutions, private corporations, partnership or private individuals;

(e) **ESTABLISH A SYSTEM OF POST-IMPLEMENTATION REVIEW FOR ALL SUGAR ORDERS, PARTICULARLY THOSE INVOLVING IMPORTATION, TO ASSESS THEIR IMPACT ON DOMESTIC PRICES, INVENTORY LEVELS, AND FARMER WELFARE. THE REVIEW SHALL BE PRESENTED TO CONGRESS AND THE SCA ANNUALLY.**

(f) To fix the compensation of the Administrator and the other officers and employees of the Sugar Regulatory Administration, subject to the approval of the Office of the President of the Philippines;

(g) To approve the annual and/or such supplemental budgets of the Sugar Regulatory Administration as may be submitted to it by the Administrator from time to time; and

(h) To perform such other duties, like the preparation of a study on particular issues regarding the sugar industry, as may be assigned to it by the President of the Philippines.

CHAPTER II

AMENDMENTS TO REPUBLIC ACT NO. 10659 (SIDA)

SEC. 10. *Productivity Improvement Programs.* – Section 3 of Republic Act (“R.A.”) No. 10659 is hereby amended to read as follows:

“SEC. 3. *Productivity Improvement Programs.* – ~~[To boost the production of sugarcane and sugar, and increase the incomes of sugarcane farmers/planters and farm-~~

workers,] **AS A MAJOR COMPONENT OF THE SIDP**, the following Productivity Improvement Programs shall be implemented **TO BOOST THE PRODUCTION OF SUGARCANE AND SUGAR AND INCREASE THE INCOMES OF SUGARCANE FARMERS AND FARM WORKERS:**

- (a) Block Farm Program. – The Block Farm Program for sugarcane farming being implemented by the Sugar Regulatory Administration (SRA), the Department of Agriculture (DA), the Department of Agrarian Reform (DAR), and other government agencies is hereby institutionalized and shall be further enhanced and supported.

For purposes of this Act, the Program is the consolidation of small farms including farms of agrarian reform beneficiaries, as one larger farm, with a minimum area of [~~thirty (30)~~] **TEN (10)** hectares within a two-kilometer radius, to take advantage of the economies of scale in the production of sugarcane, such that the activities in the small farms are aligned and implemented to ensure the efficient use of farm machineries and equipment, deployment of workers, volume purchase of inputs, financing, and other operational advantages, as well as recognition by sugar mills, government financial institutions, private investors, but the ownership of each small farm remains with the landowners.

The SRA, the DA, the DAR and other concerned government agencies shall provide common service facilities, such as farm machineries and implements, grants or start-up funding for the needed production inputs, technology adoption, livelihood and skills training and other development activities for the block farm and its members, and other support activities that may be identified.

To ensure the success of, and compliance to the objectives of the Program, the SRA shall:

- (1) Develop guidelines for sugarcane farms to qualify for and continue to participate in the Program;
- (2) Provide farm management, technical assistance, and professional services support to block farms, in coordination with the DA, the DAR and other concerned government agencies;
- (3) Monitor the development and productivity of block farms;
- (4) Recommend, after six (6) years, the cessation of the Program on block farms that have failed to improve productivity or raise efficiency, or graduation of block farms that have achieved high and sustainable productivity and profitability on its operations; and

- (5) Implement a certification system as a mechanism to access grants, low interest financing, and other incentives and support from Official Development Assistance (ODA); and market access of sugarcane: *Provided*, That sugar mills, bioethanol distilleries and other markets of sugarcane shall provide market access priority to the SRA-certified block farms.

(b) Farm Support Program. – For other farms that are not eligible under the Block Farm Program, the SRA AND ITS IMPLEMENTING PARTNERS shall make available a support program which shall include, among others, the provision of (1) socialized credit; and (2) **FINANCIAL ASSISTANCE FOR SMALL FARMERS TILLING FIVE (5) HECTARES OF LESS, AND (3) APPROPRIATE** farm management, technical assistance; and professional services:

- (i) **SOCIALIZED CREDIT** – Socialized credit shall be made available, through the Land Bank of the Philippines (LBP) **TO PLANTERS' ASSOCIATIONS OR COOPERATIVES, FARMERS/WORKERS ORGANIZATIONS AND AGRARIAN REFORM BENEFICIARIES' ORGANIZATIONS**, for the acquisition of production inputs, farm machineries, and implements necessary for the continuous production of sugarcane: *Provided*, That the loans shall be **MADE** available ~~[to]~~ **THROUGH** sugarcane farmers' **ASSOCIATIONS, FARMERS/WORKERS ORGANIZATIONS AND AGRARIAN REFORM BENEFICIARIES AND ORGANIZATIONS** duly registered with the SRA AND DEPARTMENT OF LABOR AND EMPLOYMENT; *Provided, further*, That the **LOANS SHALL BE COVERED BY THE QUEDANS OF FARMER-MEMBERS WHO AVAIL OF THE LOAN FACILITY, AND, ~~[lender shall have a lien on the quedan of farmers who obtained a crop loan until the crop loan is fully paid:]~~** *Provided, finally*, That farmers cannot be granted another loan until the loan is fully paid.
- (ii) **FINANCIAL ASSISTANCE - DIRECT ASSISTANCE THROUGH BRIDGE FINANCING SHALL BE PROVIDED TO FARMERS' ASSOCIATIONS AND/OR COOPERATIVES, FARMERS/WORKERS ORGANIZATIONS AND AGRARIAN REFORM BENEFICIARIES AND ORGANIZATIONS, FOR DIRECT MARKETING OF THEIR MEMBERS' SUGAR AND MOLASSES.**

THE SRA, DAR AND LBP SHALL ISSUE SIMPLIFIED GUIDELINES ON THE ADMINISTRATION AND

**OPERATIONALIZATION OF THE SOCIALIZED CREDIT
FACILITY AND BRIDGE-FINANCING MECHANISM UNDER
THE FARM SUPPORT PROGRAM.**

- (iii) Farm Management **ASSISTANCE THROUGH** Technical ~~[Assistance]~~ and Professional Services –The SRA, the DA, the DAR, the Department of Labor and Employment (DOLE), the Technical Education and Skills Development Authority (TESDA), state universities and colleges (SUCs) **SHALL, IN COORDINATION WITH ARB AND OTHER FARMERS' ORGANIZATIONS AND CONCERNED LGUS AS WELL AS** ~~[and other concerned]~~ private and nongovernment organizations (NGOs) ~~[shall]~~ formulate and implement a deployment program of agricultural engineers, agriculturists and farm technicians for the provision of farm management **ADVICE**, technical assistance and professional services to ~~[these farms]~~ **THE SUGARCANE FARMERS/WORKERS ORGANIZATIONS AND AGRARIAN REFORM BENEFICIARIES AND ORGANIZATIONS.**

~~[To ensure immediate payment of farmers and secure their income from sugarcane, farmers may enter into any payment method with the sugar mills or distilleries for their sugarcane.]~~

**SRA SHALL COORDINATE AND OVERSEE THE FARM
MANAGEMENT ASSISTANCE COMPONENT OF THE FARM
SUPPORT PROGRAM.**

- (c) Farm Mechanization Program. – **SUGARCANE** Planters/farmers ~~[of sugarcane farms]~~, including **ARB** block farms and farms of agrarian reform beneficiaries, shall be encouraged and trained to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of sugarcane.

The SRA, the DA and the DAR, in partnership with local government units (LGUs), **AND THE PRIVATE SECTOR**, consistent with the provisions of Republic Act No. 10601, otherwise known as the "Agricultural and Fisheries Mechanization (AFMech) Law", shall:

- (1) Introduce or expand the use of **APPROPRIATE EQUIPMENT AND** machineries for the different stages of sugarcane farming;
- (2) Formulate and implement a Sugarcane Farm Mechanization Program at the mill district levels and block farms, **IN COORDINATION WITH MDDCs AND SUGARCANE PLANTERS' ORGANIZATIONS;** ~~[and]~~

(3) Support the establishment, operation and maintenance of Agri-fisheries Machinery and Equipment Service Centers, as provided in Section 9 of Republic Act No. 10601, in sugarcane areas and, for this purpose, provide socialized credit to service centers: *Provided*, That these service centers shall emphasize the provision of plowing, harrowing, weeding, fertilization, harvesting and other farm mechanization services to sugarcane farms that do not have the capability to purchase or maintain their own machineries and equipment.

(4) ~~[To-d]~~ Develop ~~[and]~~, deploy, **AND PROMOTE THE USE OF** appropriate, **LOCALLY-DESIGNED AND MANUFACTURED/FABRICATED** machineries and ~~[equipment]~~ **IMPLEMENTS**, ~~[the SRA,]~~ through its research centers, in collaboration with the ~~[Philippine Sugar Research Institute, the]~~ Philippine Center for Post-Harvest Development and Mechanization, the Bureau of Agricultural Research, SUCs, other concerned government agencies, and industry stakeholders, ~~[shall]~~

(5) Formulate and conduct a research, development and extension program for sugarcane farm mechanization and engineering.

(6) **PROMOTE AND INCENTIVIZE THE ADOPTION OF DATA-DRIVEN AND PRECISION HARVESTING PRACTICES AMONG SUGARCANE PLANTERS, BLOCK FARMS, AND COOPERATIVES, INCLUDING THE INTEGRATION OF CANE MATURITY MONITORING, YIELD MAPPING, AND HARVEST SCHEDULING TOOLS, IN COORDINATION WITH MILLS, MDDCs, AND THE SUGAR REGULATORY ADMINISTRATION'S RESEARCH CENTERS.**

~~[The LBP shall manage the socialized credit facility under the Farm Support Program and the Farm Mechanization Program.]~~

~~The SRA, the DA, the DAR, and the LBP shall issue the guidelines on the administration and lending of the socialized credit facility.]~~

THE SRA SHALL MANAGE THE FARM MECHANIZATION PROGRAM.”

SEC. 11. *Research and Development.* – Section 4 of Republic Act (“R.A.”) No. 10659 is hereby amended to read as follows:

“SEC. 4. *Research and Development.* – The SRA, in coordination with the Department of Science and Technology (DOST), as well as relevant state universities and government research and development institutions, **AS WELL AS PHILSURUN AND SIMILAR INSTITUTIONS IN** ~~[and]~~ the private sector, shall intensify researches on: **CANE GROWING TECHNOLOGIES TO ENHANCE**

PRODUCTIVITY; SUGARCANE VARIETIES THAT ARE [sugarcane] high yielding [or] **AND PEST, flood, OR DROUGHT-resistant; [varieties]; pest AND DISEASE control and prevention; THE latest [farming,] milling, refining and biomass co-generation technologies; soil analysis and AMELIORATION; fertility mapping of sugarcane areas; weather monitoring and climate change adaptation measures; DATA-DRIVEN AND PRECISION HARVESTING TECHNOLOGIES, INCLUDING THE USE OF SATELLITE IMAGERY, REMOTE SENSING, SOIL AND CANE MATURITY ANALYTICS, AND DIGITAL DECISION-SUPPORT TOOLS TO OPTIMIZE HARVEST TIMING AND YIELD; sugar and sweetener consumption; and other viable SUGARCANE-BASED products TO DIVERSIFY THE INDUSTRY'S REVENUE BASE.** [that can be derived from sugarcane]. The DA and the DOST shall likewise provide assistance to the SRA to improve the latter's crop forecasting and crop monitoring activities or programs."

SEC. 12. *Extension Services.* – Section 5 of Republic Act ("R.A.") No. 10659 is hereby amended to read as follows:

"Section 5. *Extension Services.* – TO COMPLEMENT AND ENHANCE THE [In addition to] extension services provided by the DA/SRA, the DAR, the SUCs and private **SECTOR/ [and] NGOs, extension services in sugar districts shall be provided by the SRA WITH/THROUGH SRA-ACCREDITED MDDCS AND/OR PLANTERS' ASSOCIATIONS VIA PARTNERING AGREEMENTS [and the mill district development councils (MDDCs)].** Extension services [that can be provided] shall include, but not limited to, provision of technical assistance and advice, conduct of tests, propagation, and **DISTRIBUTION [dissemination] of high yielding varieties AND DISSEMINATION OF TECHNICAL INFORMATION RELATED THERETO, and operation/SUPERVISION of demonstration AND NURSERY/SEED farms.**

TO ENHANCE THEIR OWN EXTENSION SERVICES, MDDCS AND/OR PLANTERS' ASSOCIATIONS ARE ENCOURAGED TO ESTABLISH LINKAGES WITH, AND SECURE COUNTERPART RESOURCES FROM, GOVERNMENT AGENCIES, NGOS, POS, AND THOSE LGUS WHICH HAVE SUGARCANE-GROWING AREAS."

~~[For its extension services, MDDCs may develop linkages with NGOs, peoples' organizations, and LGUs. It may likewise secure funding for its extension services from private sector sources.]"~~

SEC. 13. *Human Resource Development.* – Section 6 of Republic Act ("R.A.") No. 10659 is hereby amended to read as follows:

SEC. 6. *Human Resources Development.* – All stakeholders in the sugarcane industry shall contribute to the development of a sustainable human resource for the industry. Towards this end, the DOLE, in collaboration with the SRA, the

Commission on Higher Education, the TESDA, the Professional Regulation Commission (PRC), LGUS, and [the] private sector **ORGANIZATIONS (NGOS/CSOS) ENGAGED IN EDUCATION, SKILLS TRAINING, JOBS GENERATION AND LIVELIHOOD DEVELOPMENT PROGRAMS SUCH AS SIFI AND OTHER GOVERNMENT-ACCREDITED SOCIO-ECONOMIC DEVELOPMENT ARMS OF THE INDUSTRY OR PLANTERS' ORGANIZATIONS**, shall formulate and implement a Human Resources Development (HRD) Master Plan for the sugarcane industry which shall include, but not limited to, the following:

- (a) Capacity building, skills trainings, **JOB GENERATION, AND** institutional strengthening of the sugarcane industry workers, small farmers and agrarian reform beneficiaries and their organizations to actively contribute in productivity and competitiveness;
- (b) Scholarship program for the underprivileged but deserving college and post graduate students who are taking up courses in relevant fields of discipline in SUCs which have programs in agriculture, agricultural engineering and mechanics, and chemical engineering/sugar technology; and for vocational courses and skills development for farmers and farm technicians, and skilled workers in sugar mills, sugar refineries, distilleries and biomass power plants;
- (c) Conduct of capability training or attendance to local or international trainings and seminars by farmers, mill, refinery, distilleries and biomass power plant technicians, including the SRA technical personnel on the latest technologies **AND SKILLS** related to sugarcane farming, manufacture or production of sugar and other products derived from sugarcane;
- (d) Formulation and implementation of competency standards and training regulations for technical vocational education and training for the sugarcane industry by the TESDA; and
- (e) Upgrading of facilities, faculty development and strengthening of the on-the-job training (OJT) program of agri-based higher education institutions in sugarcane areas towards the production of highly employable and globally competitive graduates needed by the sugarcane industry; **AND**
- (f) **FINANCIAL AND ORGANIZATIONAL MANAGEMENT TRAININGS FOR FARMERS/WORKERS ORGANIZATIONS AND AGRARIAN REFORM BENEFICIARIES AND ORGANIZATIONS."**

SEC. 14. *Infrastructure Support.* – Section 7 of R.A. No. 10659 is hereby amended to read as follows:

"Section 7. *Infrastructure Support.* – TRANSPORT INFRASTRUCTURE, FARM-TO-MILL ROADS, AND IRRIGATION FACILITIES SHALL BE PROVIDED to facilitate the transport of sugarcane to mills and distilleries, enhance the **PACKAGING**, marketing and export of sugar and other products derived from sugarcane, and complement productivity improvement measures in this Act,

~~[Transport infrastructure, farm-to-mill roads, and irrigation facilities shall be provided.]~~ **TO WIT:**

- (a) **Transport Infrastructure.** – The **DEPARTMENT OF ECONOMY, PLANNING, AND DEVELOPMENT (DEPDEV)** ~~[National Economic and Development Authority (NEDA)]~~, the Department of Transportation and Communications (DOTC), the Department of Public Works and Highways (DPWH), and the Philippine Ports Authority (PPA), shall include in their annual Development Plans and Priority Investment Programs the immediate construction and/or improvement of existing transloading ports for export or coast-wide transport of sugar and other products derived from sugarcane in key sugarcane producing provinces. The SRA shall submit to these agencies, six (6) months from the start of the effectivity of this Act, a priority list of transloading ports covered by this provision.
- (b) **Farm-to-Mill Roads.** – The ~~[NEDA]~~ **DEPDEV**, the DA, the DPWH, and concerned LGUs, shall include in their annual Priority Investment Program the ~~[immediate]~~ construction and/or rehabilitation of farm-to-mill roads in key sugarcane producing provinces. The SRA shall prepare and submit to these agencies and LGUs, **PROVINCIAL AND LOCAL**, within six (6) months from the start of effectivity of this Act, a Farm-to-Mill Road **DEVELOPMENT** Master Plan **WITH A LISTING OF** ~~[and]~~ priority farm-to-mill roads ~~[at]~~ **WITHIN** the mill district**S** as basis for the **ANNUAL** planning, programming and investment prioritization **UNDER THE SIDP**.
- (c) **Irrigation.** – The National Irrigation Administration (NIA), the Bureau of Soils and Water Management (BSWM), and concerned LGUs, in coordination with the SRA, **MDDCS, ARB ORGANIZATIONS AND FARMERS' ASSOCIATIONS**, shall construct appropriate, efficient and cost-effective irrigation facilities, pump and other pressurized irrigation systems, rain capture and water impounding facilities in block farms and other sugarcane farms. The SRA shall submit to these agencies **AN UPDATED** ~~[the]~~ list of priority **IRRIGATION DEVELOPMENT SITES LOCATED IN** sugarcane areas within six (6) months from the start of the effectivity of this **REVISED** Act. The DA and the NIA shall include in ~~[its]~~ **THEIR** annual budget**S** the item ~~[or provision on]~~ **PROVIDING FOR THE** construction and rehabilitation of irrigation facilities, rain capture and water impounding facilities in sugarcane-**GROWING** areas.

To promote the conservation of water resources and encourage and involve the participation of sugar mills, refineries and distilleries in providing irrigation to sugarcane areas, the utilization for irrigation of wastewater discharge of mills, refineries, or distilleries, that meet the specifications of the DA on the safe reuse of wastewater for irrigation, fertilization and other agricultural uses, is considered "reuse" and, therefore, exempt from wastewater charges under the system provided

under Section 13 of Republic Act No. 9275, also known as the "Philippine Clean Water Act of 2004".

SEC. 15. *Mill Efficiency Improvement Program.* – A new Section to be denominated as Section 9 of R.A. 10659 is hereby added to read as follows:

“SEC. 9. MILL EFFICIENCY IMPROVEMENT PROGRAM. – MILL EFFICIENCY IMPROVEMENT PROGRAM - TO IMPROVE OVERALL SUGAR RECOVERY FROM CANE DELIVERED TO SUGAR MILLS, AND TO HELP SUGAR MILLS REDUCE MILLING COSTS, A MILL EFFICIENCY IMPROVEMENT PROGRAM SHALL BE ESTABLISHED WITH AN SIDP COUNTERPART GRANT-AND-LOAN FUNDING MECHANISM TO ENCOURAGE/INCENTIVIZE SUGAR MILL UPGRADING/MODERNIZATION.

THE SRA, DA AND LBP, IN CONSULTATION WITH STAKEHOLDERS (PSMA AND PHILSUTECH), SHALL ISSUE THE GUIDELINES ON THE ADMINISTRATION OF THE MILL EFFICIENCY IMPROVEMENT PROGRAM.”

SEC. 16. *SRA SIDA Management Structure.* – A new Section to be denominated as Section 10 of R.A. 10659 is hereby added to read as follows:

“SEC. 10. SRA SIDA MANAGEMENT STRUCTURE - TO EFFECTIVELY PERFORM ITS FUNCTIONS, AND TO ENSURE EFFECTIVE, INCLUSIVE, AND TIMELY ACCOMPLISHMENT OF THE SIDP AND ITS DECLARED GOALS, THE SUGAR REGULATORY ADMINISTRATION SHALL:

(a) ESTABLISH AN ORGANIZATIONAL STRUCTURE RESPONSIVE TO SRA’S EXPANDED FUNCTIONS UNDER SIDA.

(i) A FULL-TIME SIDA PROGRAM MANAGEMENT GROUP (SIDA-PMG) SHALL BE ESTABLISHED BY THE SRA WITHIN 90 DAYS FROM THE DATE OF EFFECTIVITY OF THIS ACT, TO ENABLE EFFICIENT, TIMELY AND EFFECTIVE IMPLEMENTATION OF PROGRAMS WITH CLEAR LINES OF RESPONSIBILITY, STREAMLINED PROCEDURES, AND TIMELINES CONSISTENT WITH THE ANTI-RED TAPE ACT, SUBJECT TO COMPLIANCE WITH APPROPRIATE CIVIL SERVICE RULES.

(ii) PROGRAM MANAGEMENT TEAMS UNDER QUALIFIED PROJECT MANAGEMENT OFFICERS SHALL MANAGE OR MONITOR/COORDINATE THE DIFFERENT PROGRAM COMPONENTS UNDER A FULL-TIME DEPUTY ADMINISTRATOR ACTING AS SIDA EXECUTIVE DIRECTOR, WHO WILL PERFORM DIRECT SUPERVISION

AND/OR COORDINATION OF ALL SIDA-FUNDED PROGRAMS. THE DEPUTY ADMINISTRATOR, ACTING AS SIDA EXECUTIVE DIRECTOR, SHALL NOT BE A MEMBER OF THE SUGAR BOARD.

- (iii) THE SRA ADMINISTRATOR SHALL PERFORM GENERAL SUPERVISION OVER THE DEPUTY ADMINISTRATOR (SIDA EXECUTIVE DIRECTOR), WHO SHALL BE RESPONSIBLE FOR THE TIMELY SUBMISSION OF REQUIRED PERFORMANCE OR ACCOMPLISHMENT REPORTS, THROUGH THE ADMINISTRATOR, TO THE SUGAR BOARD, CONGRESS, THE DEPARTMENT OF AGRICULTURE, AND TO INDUSTRY STAKEHOLDERS THROUGH THE SUGARCANE INDUSTRY STAKEHOLDERS' CONSULTATIVE ASSEMBLY (SCA), AS PROVIDED IN SECTION 9(B) HEREOF, ON A REGULAR AND TIMELY BASIS.**
- (iv) THE SUGAR BOARD SHALL EXERCISE OVERSIGHT FUNCTION OVER SIDA PROGRAM IMPLEMENTATION AND PROVIDE FOR CORRECTIVE ACTION WHENEVER NECESSARY.**

(b) INSTITUTIONALIZE THE SCA, AND CREATE, AS NEEDED, PROJECT-BASED SUGARCANE INDUSTRY DEVELOPMENT ADVISORY COMMITTEES (SIDAC) OR TECHNICAL WORKING GROUPS (TWG):

- (i) THE SCA, PREVIOUSLY MANDATED BY DA MC NO. 11 OF 2021, AND COMPOSED OF REPRESENTATIVES FROM CONCERNED SECTORS, SHALL BE CONSULTED BY THE SRA ON ANY PROPOSED PROMULGATION OF POLICIES, REGULATIONS AND PROGRAMS DIRECTLY AFFECTING THE INDUSTRY. THE GUIDELINES PROVIDED IN DA-MC NO.11 OF 2021 SHALL REMAIN IN EFFECT UNLESS AND UNTIL AMENDED BY THE SECRETARY OF AGRICULTURE IN CONSULTATION WITH THE MEMBERS THEREOF.**
- (ii) THE SIDAC/TWG SHALL BE TIME-BOUND STUDY GROUPS COMPOSED OF INDUSTRY EXPERTS AND REPUTABLE STAKEHOLDER INSTITUTIONS (AND PROFESSIONAL CONSULTANTS WHEN ALLOWED AND NECESSARY), SUPERVISED BY THE DEPUTY ADMINISTRATOR/EXECUTIVE DIRECTOR AND CHAIRED BY AN SCA-NOMINATED INDUSTRY STAKEHOLDER, TO REVIEW AND/OR FORMULATE PLANS, PROGRAMS, POLICIES AND INDUSTRY DEVELOPMENT STRATEGIES,**

INCLUDING THE SUGARCANE INDUSTRY ROADMAP, INDUSTRY REFORM STUDIES, INDUSTRY PROGRAMS AND OTHER INITIATIVES, AND TO COLLABORATE WITH AND CONSULT THE SCA REGARDING THE SAME.

- (iii) SRA CORPORATE FUNDS SHALL BE UTILIZED FOR SCA CONSULTATIONS (WITH COUNTERPART FROM SCA STAKEHOLDERS FOR TRAVEL AND LODGING, WHENEVER APPLICABLE) AND FOR SIDC MEETINGS, CONFERENCES, PLANNING WORKSHOPS OR SIMILAR ACTIVITIES.**
 - (iv) THE SUGAR BOARD SHALL APPOINT THE MEMBERS OF EACH DESIGNATED SIDAC AND DEFINE ITS FUNCTION/S, EXPECTED OUTPUTS, TIMEFRAME AND PROVIDE FOR THE APPROPRIATE BUDGET, WHICH SHALL BE SOURCED FROM CORPORATE FUNDS.**
 - (v) A FORMAL AND REGULAR CONSULTATIVE PROCESS WITH THE SCA SHALL BE ESTABLISHED AND GUIDED BY AN APPROPRIATE SRA ADMINISTRATIVE CIRCULAR.**
 - (vi) STAKEHOLDERS SHALL BE PROVIDED WITH TIMELY AND OPEN ACCESS TO INDUSTRY DATA USED FOR PLANNING AND POLICY FORMULATION.**
 - (vii) TO ENSURE FULL TRANSPARENCY AND STAKEHOLDER INVOLVEMENT IN SRA POLICY DELIBERATIONS, THE SCA SHALL SERVE AS THE CONSULTATIVE AND INFORMATION-SHARING MECHANISM BETWEEN THE SUGAR BOARD AND INDUSTRY STAKEHOLDERS.**
- (c) ESTABLISH A SUGAR SUPPLY MONITORING SYSTEM - AS THE AGENCY MANDATED TO REGULATE THE SUPPLY OF SUGAR IN THE COUNTRY, IN ADDITION TO ITS POWERS AND FUNCTIONS UNDER EXECUTIVE ORDER NO. 18, SERIES OF 1986, THE SRA ESTABLISH A SUPPLY CHAIN MONITORING SYSTEM FROM SUGARCANE TO SUGAR AT THE RETAIL LEVEL TO ENSURE SUFFICIENCY AND SAFETY OF SUGAR.**

TO ACCURATELY DETERMINE THE SUPPLY OF SUGARCANE AND SUGAR IN THE COUNTRY AND TO PROVIDE SOUND BASIS FOR DIVERSIFICATION, PLANNING AND POLICY, IT IS MANDATED THAT THE FOLLOWING SHALL REGISTER WITH THE SRA:

- (i) SUGARCANE FARMERS, FARMERS' ASSOCIATIONS/FEDERATIONS, MILLS/MILL ASSOCIATIONS, SUGARCANE CONSOLIDATORS AND MUSCOVADO PRODUCERS;
- (ii) DISTILLERIES, USING MOLASSES, SUGAR OR SUGARCANE AS INGREDIENT FOR ALCOHOL, PROVIDED, THAT IMPORTERS, AND CONSIGNEES OF IMPORTED MOLASSES REGULARLY REPORT TO THE SRA, AMONG OTHER INFORMATION, THE VOLUME OF MOLASSES IMPORTED;
- (iii) INTERNATIONAL AND DOMESTIC SUGAR TRADERS, INCLUDING WHOLESALE TRADERS AND REPACKERS, MUSCOVADO AND MOLASSES TRADERS AND CUSTOMS-BONDED WAREHOUSES (CBWS) OF FOOD PROCESSORS IMPORTING SUGAR FOR REEXPORT, PROVIDED, THAT INTERNATIONAL AND DOMESTIC SUGAR TRADERS AND THE CBW FOOD PROCESSORS SHALL LIKEWISE SUBMIT A LIST OF ALL THEIR WAREHOUSES OF SUGAR;
- (iv) WAREHOUSES OF SUGAR, AND BUSINESS ESTABLISHMENTS THAT MANUFACTURE OR SELL BAGS OR SACKS FOR PACKING OF SUGAR; AND
- (v) CANE HAULING AND HARVESTING SERVICE PROVIDERS.

THE SRA SHALL PROVIDE THE FORMS AND MAKE SURE THAT THE MANNER OF REGISTRATION SHALL BE THE LEAST POSSIBLE COST TO THE STAKEHOLDER CONCERNED PARTICULARLY AGRARIAN REFORM BENEFICIARIES. THE INFORMATION GATHERED SHALL BE USED TO DEVELOP A SUGARCANE INDUSTRY DATABASE WHICH SHALL BE ADMINISTERED AND UPDATED BY THE SRA. ANY OF THE AFOREMENTIONED ENTITIES THAT SHALL DO NOT REGISTER SHALL BE SUBJECT TO PENALTIES IMPOSED BY THE SRA.

- (d) CLASSIFY AND REGULATE THE SUPPLY OF SUGAR, SYRUPS UNDER AHTN 17.02, AND HIGH-INTENSITY SWEETENERS OTHERWISE KNOWN AS SUGAR SUBSTITUTES – SRA, IN THE EXERCISE OF ITS REGULATORY AUTHORITY AND MANDATE UNDER EXECUTIVE ORDER NO. 18, SERIES OF 1986 AND IN LINE WITH SECTION 2(B) HEREOF, SHALL ALSO ESTABLISH AND STRENGTHEN A MONITORING AND REGULATION MECHANISM OVER THE IMPORTATION AND ENTRY OF SYRUPS UNDER AHTN 17.02, AS WELL AS HIGH-INTENSITY SWEETENERS, INCLUDING BUT NOT LIMITED TO SODIUM CYCLAMATE AND

SUGAR SUBSTITUTES SUCH AS FRUCTOSE/HFCS, ASPARTAME, ACESULFAME, SUCRALOSE, AND SACCHARIN.

TOWARDS THIS END, SRA SHALL CLASSIFY IMPORTED SUGAR AND SUGAR SUBSTITUTES ACCORDING TO THE APPROPRIATE CLASSIFICATION AND SUGAR ORDERS TO AVOID IMPORTATION WHEN LOCAL PRODUCTION IS SUFFICIENT TO MEET DOMESTIC SUGAR REQUIREMENTS. THE BOC SHALL REQUIRE IMPORTERS OR CONSIGNEES TO SECURE FROM THE SRA THE PROPER CLEARANCE AND CLASSIFICATION OF THE IMPORTED SUGAR PRIOR TO ITS RELEASE, SUBJECT TO PAYMENT OF APPROPRIATE FEES AND CHARGES.

SEC. 17. *Classification, Regulation, and Priority in Supply.* – Section 9 (Now Section 11) of R.A. No. 10659 is hereby amended to read as follows:

"SECTION [9] 11. *Classification, Regulation, and Priority in Supply.* – The SRA, in the exercise of its regulatory authority, shall classify imported sugar according to its appropriate classification [~~when imported at a time that domestic production is sufficient to meet domestic sugar requirements.~~]

THE SRA SHALL ONLY AUTHORIZE THE IMPORTATION OF SUGAR WHEN THE DOMESTIC INVENTORY FALLS BELOW BUFFER STOCKS OF 200,000 RAW SUGAR AND 200,000 REFINED SUGAR OR WHEN DOMESTIC PRODUCTION IS PROJECTED TO BE INSUFFICIENT TO MEET CONSUMPTION FOR THE NEXT THREE (3) MONTHS, BASED ON VALIDATED FIELD DATA.

THE SRA SHALL ENSURE THAT IMPORTATION DOES NOT DISTORT DOMESTIC PRICES BY ENFORCING A RELEASE SCHEDULE FOR IMPORTED SUGAR THAT CORRESPONDS WITH THE DOMESTIC HARVESTING AND MILLING CALENDAR. IMPORTATION SHALL BE PROHIBITED DURING THE FIRST THREE (3) MONTHS OF THE MILLING SEASON, UNLESS THE SUGAR BOARD DECLARES AN EMERGENCY DUE TO AN UNFORESEEN SHORTAGE.

IN THE EVENT THAT IMPORTATION IS DEEMED NECESSARY BY THE SUGAR BOARD, PRIORITY SHALL BE GIVEN TO THE IMPORTATION OF RAW SUGAR FOR TOLLING BY ACCREDITED DOMESTIC SUGAR REFINERIES, TO UTILIZE LOCAL REFINING CAPACITY AND GENERATE VALUE-ADDED ECONOMIC ACTIVITY. IMPORTATION OF REFINED SUGAR SHALL ONLY BE ALLOWED IF LOCAL REFINERIES CANNOT MEET THE SPECIFIC QUALITY OR VOLUME REQUIREMENTS OF INDUSTRIAL USERS.

ALL IMPORTED RAW SUGAR FOR TOLLING SHALL INITIALLY BE CLASSIFIED AS 'C' (RESERVE) SUGAR AND SHALL ONLY BE RECLASSIFIED AS 'B' (DOMESTIC) SUGAR UPON PROOF OF REFINING AND IN ACCORDANCE WITH A SCHEDULED RELEASE TO THE MARKET TO PREVENT PRICE DISTORTIONS.

The BOC shall require importers or consignees to secure from the SRA the classification of the imported sugar prior to its release.

PROVIDED, THAT ALL IMPORT RESTRICTIONS ENFORCED UNDER THIS SECTION SHALL BE EVALUATED IN LIGHT OF DOMESTIC CONSUMPTION REQUIREMENTS, INVENTORY DATA, AND THE PHILIPPINES' COMMITMENTS UNDER THE WORLD TRADE ORGANIZATION (WTO) AGREEMENT ON SAFEGUARDS.

THE SRA SHALL ADOPT AN ANNUAL ECONOMIC IMPACT AND WTO COMPLIANCE REPORT TO ENSURE THAT IMPORT ALLOCATIONS DO NOT ARBITRARILY RESTRICT TRADE BEYOND WHAT IS NECESSARY TO REMEDY DOMESTIC MARKET DISTORTIONS."

SEC. 18. *Value-Added Tax (VAT) Zero-Rated on Refined Sugar for Export* – Section 10 (Now Section 12) of R.A. No. 10659 is hereby amended to read as follows:

"Section [10]. 12 *Value-Added Tax (VAT) Zero-Rated on Refined Sugar for Export.* – Pursuant to [~~Section 106(A)(2)(a)(1) of the National Internal Revenue Code~~] **SPECIFIC PROVISIONS OF THE INTERNAL REVENUE CODE**, VAT zero-rated shall be imposed on refined sugar withdrawn from warehouses for actual physical export to the world market **OR FOR USE OF QUALIFIED FOOD EXPORTERS SUBJECT TO COMPLIANCE WITH SRA REQUIREMENTS.**

~~[To differentiate refined sugar from raw sugar for VAT purposes, refined sugar refers to sugar whose content of sucrose, by weight, in the dry state corresponds to a polarimeter reading of 99.5° and above, and raw sugar means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.5°.]~~

The Bureau of Internal Revenue, in consultation with the SRA and industry stakeholders, shall issue the necessary regulation to implement this section."

SEC. 19. *Reallocation of SIDA Funds.* – Section 11 (Now Section 13) of R.A. No. 10659 is hereby amended to read as follows:

"SEC. [14]. 13 *Mandated Appropriations.* – The Department of Budget and Management (DBM) is hereby mandated to include annually, starting [2016] **2027**, an initial aggregate amount of Five Billion Pesos

(P5,000,000,000.00) in the President's program of expenditures for submission to Congress and allocated as follows:

- (a) [~~Fifteen percent (15%)~~] **TWELVE PERCENT (12%)** for grants to block farms under the Block Farm Program;
- (b) [~~Fifteen percent (15%)~~] **SIX PERCENT (6%)** for socialized credit under the Farm Support and Farm Mechanization Programs;
- (c) **Fifteen percent (15%)** for research and development, capability building, and technology transfer activities under Research and Development, Extension Services, Human Resource Development, and Farm Support Programs;
- (d) [~~Five percent (5%)~~] **TWO PERCENT (2%)** for scholarship grants to be provided under paragraph (b) of Section 6, Human Resources Development;
- (e) [~~Fifty percent (50%)~~] **THIRTY PERCENT (30%)** for infrastructure support programs, including farm-to-mill roads and irrigation;
- (f) **TWENTY PERCENT (20%) FOR A CLIMATE ADAPTATION AND RESILIENCE FUND, TO SUPPORT CLIMATE-SMART AGRICULTURE, PROCUREMENT OF DROUGHT/FLOOD-RESISTANT VARIETIES, AND CLIMATE-INDEXED CROP INSURANCE;**
- (g) **TEN PERCENT (10%) FOR CROP DIVERSIFICATION AND INTERCROPPING PROGRAMS, TO PROMOTE HIGH-VALUE CROPS AND REDUCE MONOCROP DEPENDENCE;**
- (h) **FIVE PERCENT (5%) FOR WOMEN AND YOUTH IN SUGAR PROGRAMS, PROVIDING LEADERSHIP TRAINING, BUSINESS INCUBATION, AND MATERNAL HEALTH SUPPORT; AND**

PROVIDED, THAT THE SRA SHALL MAINTAIN A PUBLICLY ACCESSIBLE ONLINE DASHBOARD UPDATED QUARTERLY, DETAILING THE UTILIZATION, BENEFICIARY STATUS, AND GEOGRAPHIC DISTRIBUTION OF ALL SIDA FUNDS TO ENSURE TRANSPARENCY.

In the identification and prioritization of specific programs and projects, the SRA shall conduct prior consultation with representatives of block farms, sugarcane farmers and workers, sugar millers, refiners, bioenergy producers,

and producers of other products derived from sugarcane and its by-products. The Department shall issue the necessary guidelines for this purpose.

For the current year, the DBM shall include in a supplemental budget, that may be formulated, the amount of [~~Two billion pesos (P2,000,000,000.00)~~] **FIVE BILLION PESOS (P5,000,000,000.00)** and following the allocation prescribed in this section."

SEC. 20. A new section to be denominated as Section 6-A of R.A. 10659 is hereby added to read as follows:

"SEC. 6-A. ANTI-ABUSE AND LKG/TC MANIPULATION PREVENTION. – THE SRA SHALL ESTABLISH A SYSTEM OF REGULATORY AUDITS AND SANCTIONS AGAINST SUGAR MILLS OR ENTITIES THAT MANIPULATE LKG/TC RESULTS, INCLUDING FALSE LABORATORY REPORTS, TAMPERING WITH SAMPLES, OR OTHER FORMS OF DATA FRAUD. ANY VIOLATION SHALL BE SUBJECT TO FINES, SUSPENSION OF LICENSE, OR OTHER PENALTIES."

SEC. 21. A new section to be denominated as Section 6-B of R.A. 10659 is hereby added to read as follows:

"SEC. 6-B. MOLASSES REGULATION AND MONITORING. —THE SRA SHALL INCLUDE MOLASSES IN THE SIDA FUND PROGRAMS FOR RESEARCH, INFRASTRUCTURE, AND MARKET DEVELOPMENT, AND SHALL IMPLEMENT STRICT MONITORING OF MOLASSES IMPORTS TO PREVENT TECHNICAL SMUGGLING OR OVER-IMPORTATION."

CHAPTER III

EMERGENCY STABILIZATION AND FARMER PROTECTION MEASURES

SEC. 22. *Temporary Moratorium on Sugar Importation.* - There shall be a temporary moratorium on the commercial importation of sugar for a period of eighteen (18) months from the effectivity of this Act to remedy serious injury and over-importation distortions in the domestic industry, in accordance with GATT Article XIX.

The moratorium shall automatically lapse after eighteen (18) months unless otherwise extended by the Congress. *Provided, that* during the said 18-month period, the Sugar Board, in consultation with the SCA and upon review of the Sugar Industry Roadmap, may extend, suspend, or re-impose the restriction once annually if it determines that domestic buffer stocks remain compromised or that unfair trade practices persist.

Importation may only be authorized within the moratorium period upon a formal declaration by the Sugar Board, supported by validated field inventory data, that:

- (a) Domestic stock levels have fallen below a critical threshold defined in Section 17; and
- (b) Domestic production is projected to be insufficient to meet national consumption within the next three (3) months.

SEC. 23. *National Sugar Stabilization Buying and Price Support Program.* - The Sugar Regulatory Administration (“SRA”), in coordination with the DA and the LBP, shall establish a National Sugar Stabilization Buying and Price Support Program to prevent market collapse, protect farmer income, and maintain strategic reserve stocks. Whenever the verified national average millgate price falls below the certified national cost of production, as determined by the SRA, the Administration is authorized to purchase domestically produced sugar at a support price derived from transparent cost-of-production studies conducted in consultation with industry stakeholders.

Sugar acquired under this Program shall form part of a strategic reserve intended to stabilize domestic supply and mitigate price volatility, with implementation designed to prioritize small farmers and agrarian reform beneficiaries and to prevent distress selling. All purchases shall be subject to transparent procurement rules and post-purchase audit, and the SRA shall submit an annual report to Congress detailing the operation and fiscal impact of the Program.

Funding shall be sourced from SIDA allocations and such supplemental appropriations as Congress may provide. Nothing in this section shall be construed as authorizing expenditures beyond available appropriations.

SEC. 24. *Emergency Cash Assistance to Distressed Farmers.* -- The SRA, in coordination with the DA and the Department of Social Welfare and Development, shall establish an Emergency Cash Assistance Program for small sugar farmers and agrarian reform beneficiaries experiencing severe income disruption arising from price collapse, pest infestation, climate-related disasters, or crop failure. Assistance under this Program shall be fast-tracked to ensure immediate relief and shall not be subject to ordinary procedural delays that defeat its emergency character.

Implementation shall prioritize farmers with landholdings below five (5) hectares and shall be guided by simplified eligibility verification and direct disbursement mechanisms.

SEC. 25. *Fertilizer and Farm Input Subsidy Program.* - The DA, in coordination with the SRA, DTI, and the Fertilizer and Pesticide Authority (FPA), shall implement a targeted subsidy program providing:

- (a) Up to thirty percent (30%) subsidy on fertilizers and pesticides;
- (b) Up to thirty percent (30%) subsidy on farm machinery and implements;
- (c) Bulk procurement programs to stabilize input prices; and
- (d) Tax relief mechanisms for essential agricultural inputs.

Priority beneficiaries shall be small farmers, Agrarian Reform Beneficiaries, and registered block farms.

SEC. 26. *Land Bank Moratorium.* - Upon the effectivity of this Act, a one-year moratorium is hereby imposed on the accrual of penalties and interest on loans extended by the LBP to small sugar planters, agrarian reform beneficiaries, sugar farmer cooperatives, and registered block farms. During the moratorium period, the LBP shall implement restructuring mechanisms for affected loans to prevent foreclosure, forced asset liquidation, and farmer displacement.

The SRA shall evaluate the condition of beneficiaries and submit a recommendation to Congress on whether an extension of the moratorium is warranted.

SEC. 27. *Milling Schedule Reform.* - The SRA, in consultation with millers and planters, shall establish a staggered milling calendar designed to improve cane maturity management, minimize off-season unemployment, stabilize regional economic activity, and reduce production bottlenecks within the sugar industry. Mill operators may recommend opening schedules based on crop conditions, validated field data and cane maturity analytics, and operational capacity, subject to review and validation by the SRA to ensure coordination and industry-wide balance.

SEC. 28. *Sugar Industry Roadmap Review.* - Within one (1) year from the effectivity of this Act, the SRA, in coordination with the Sugar Consultative Assembly, shall conduct a comprehensive review of the Sugar Industry Roadmap and programs funded under the Sugarcane Industry Development Act. The review shall evaluate implementation gaps, recommend structural and policy reforms, align modernization objectives with current industry conditions, and strengthen priorities relating to climate resilience and farmer income stability.

The SRA shall submit the results of the review to Congress and thereafter provide annual progress reports on the implementation of recommended reforms.

SEC. 29. *Mandatory Industry Reporting System.* - The National Sugar Industry Data and Monitoring System established under Section 3(f) of this Act shall serve as the official reporting and accounting platform of the SRA. All sugar mills, warehouses, refiners, traders, and industrial users shall submit periodic production, inventory, and withdrawal reports in a standardized format prescribed by the SRA.

The system shall support price stabilization, anti-smuggling enforcement, and supply forecasting. Data collected under this section may be shared with relevant government agencies for regulatory and enforcement purposes, subject to existing data privacy laws.

SEC. 30. *Mandatory Reporting and Transparency by Sugar Mills.* - All licensed sugar mills shall submit regular production, recovery rate, inventory, and pricing reports to

the SRA. The SRA shall conduct random audits and laboratory verification to ensure accuracy of reported figures.

Failure to submit accurate reports or tampering with production data shall constitute a regulatory violation subject to administrative fines, suspension of license, or other sanctions as may be provided by implementing rules.

SEC. 31. *Strengthened Anti-Smuggling Enforcement.* - The SRA, in coordination with the BOC and other law enforcement agencies, shall implement enhanced monitoring and verification measures to prevent technical smuggling, underdeclaration, and illegal diversion of sugar and molasses imports.

The SRA is authorized to inspect shipments, audit importer records, and require traceability documentation for imported sugar and by-products. Violations shall be subject to confiscation, penalties, and administrative sanctions consistent with existing customs and trade laws.

SEC. 32. *Industrial Sugar Usage Audit.* - Industrial users of sugar shall maintain auditable records of sugar withdrawals and usage. The SRA may conduct compliance audits to verify that imported or classified sugar is used for its declared purpose and does not distort domestic market supply.

SEC. 33. *Sugar Mill Accountability and Compliance Program.* - The SRA shall establish a compliance framework governing mill operations to promote fair dealing between mills and planters. The framework shall include standards for recovery rate verification, timely disclosure of pricing information, and accessible dispute resolution mechanisms for farmers.

SEC. 34. *Mechanization and Farm Modernization Support.* - The DA, in coordination with the SRA, shall expand mechanization and modernization programs for sugar farms, including access to shared equipment, support for locally fabricated machinery, and engineering assistance for irrigation and land preparation. Priority shall be given to small farmers and cooperatives.

SEC. 35. *Promotion of Value-Added Sugar Industries.* - The SRA and the DTI shall support the development of value-added sugar products and downstream industries to diversify income sources and increase domestic economic activity within sugar-producing regions.

CHAPTER IV REVENUE AND TAX POLICY RECOMMENDATIONS

SEC. 36. *Policy Recommendation on Artificial Sweeteners.* - Congress declares it the policy of the State to evaluate the economic and public health impact of artificial or chemical sweeteners on the domestic sugar industry and related agricultural sectors.

The DOF, BIR, and the DEPDev are hereby directed to jointly conduct a study and submit to Congress, within one (1) year from the effectivity of this Act, recommendations on the feasibility of fiscal or regulatory measures affecting artificial sweeteners, their impact on domestic agriculture and public health, and mechanisms to ensure fair market competition between sucrose and substitute sweeteners.

Nothing in this section shall be construed as imposing an immediate tax or fiscal measure.

CHAPTER V FINAL PROVISIONS

SEC. 37. *Monitoring of Mill Efficiency.* – Pursuant to its authority under this Act, the SRA is hereby mandated to strictly monitor the LKG/TC (Liters-Kilogram per Ton Cane) recovery rates of all sugar mills. The SRA shall conduct random, unannounced audits of mill laboratory results. Mills consistently falling below the national average recovery rate without justifiable cause shall be subject to penalties and mandatory technical rehabilitation.

SEC. 38. *Penalties for Unregulated Importation.* – Any person or entity found importing sugar, sugar substitutes, or premixes without the requisite clearance from the SRA shall be subject to the confiscation of goods and a fine equivalent to three times the landed cost of the shipment, in addition to other penalties provided by the Customs Modernization and Tariff Act (CMTA).

SEC. 39. *Implementing Rules and Regulations.* – The DA, in consultation with concerned government agencies and the SCA, as mandated by DA Memorandum Circular No. 11, Series of 2021, shall formulate the Implementing rules and regulations (IRR) under this Act within ninety (90) days starting from this Act's effectivity, with the objective of providing clear definitions, streamlined procedures and processes, and simplified rules, in order to improve program implementation and utilization of the sida grant funds and loan funds, and to ensure transparency and accountability in the administration of the allocated funds.

SEC. 40. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 41. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly. Specifically, the provisions of Republic Act No. 10149 governing the composition of the governing board of government-owned or controlled corporations shall not apply to the SRA, whose Board composition shall be governed by this Act.

SEC. 42. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,