



# PHILSUTECH

## NEWSLETTER

PHILSUTECH Bldg., Magsaysay Avenue, Bacolod City, Philippines

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## Mar assures support for sugarcane industry



*DILG Sec. Mar Roxas (standing 6th from L) and SRA Adm. Gina B. Martin (seated left) pose with Philsutech officers and Past Presidents. (Standing L-R) Joel Lopa, Ramon A. Picornell, Jr., Javier T. Sagarbarria, Board Chairman Terence S. Uygongco, Primitivo G. Rivera, Jr., Linley Retirado, Nilo A. Florcruz, Democrito Oppus, Overall Convention Chairman Mario G. Palma, Corp. Sec. & Admin Manager Haydee V. Rivera, Renato P. Cabati and Virgilio H. Lopez*

"I got your back."

This was the assurance to the sugarcane industry made on August 12, 2015 by DILG Sec. Mar Roxas in his keynote address during the opening ceremony of the 62nd Philsutech Annual National Convention at Waterfront Hotel, Cebu City.

Roxas, who is credited for championing the sugar industry in preventing the Bureau of Internal Revenue from imposing value-added tax (VAT) on raw sugar, recalled that during his stint as Trade and Industry Secretary, he helped negotiate the postponement of tariff reduction on imported sugar. (See Page 8 for excerpts of Sec. Mar Roxas' speech.)

He commended the industry for lobbying for the passage of the Sugarcane Industry Development Act, surviving the threat of BIR's imposition of VAT on raw sugar and in making headways in addressing the perennial problem of sugar smuggling.

While praising the industry's accomplishments in solving past problems, Roxas underscored the need for the industry to remain united and be "together" in facing the certainty of new challenges.

He said that the agricultural sector is one of the most difficult industries to be in because of the presence of the largest

variable which is weather patterns which can wreak havoc on projections and production plans.

To respond to these challenges, he cited three areas that the industry should focus on.

"Of the coming challenges, scale will be very, very important. What was once large will now be medium. It is very important in terms of logistics, volume, breadth of decision-making and, most importantly, in terms of capital requirements," Roxas pointed out.

Scale is going to be a key determinant of success in the coming years, particularly in respect to the Asean integration, according to Roxas.

He next mentioned capital as another factor that the industry should think about.

"At an average of P1,500 per LKg, prices are good. It is very important what you decide with the margins that you have. Investment and re-investment will determine who the winners will be, who the survivors will be in the next five to ten years," he stated.

Moreover, Roxas emphasized the need for innovation. He recalled that, when he was growing up, it was a very different sugar industry. Today the dynamics are so much different.

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## Welcome Address of Cebu Governor



Much has changed since we last met a year ago. The Sugarcane Industry Development Act has been signed, the US has raised our sugar quota for 2016, the Department of Agriculture is seeking a zero duty tariff on Philippine sugar exports to Japan and we are now transitioning into the Asean integration.

Historically, the sugar industry has been able to flourish and support itself thru the efforts of the private sector. However, there are new challenges that we must face together, both private and government.

Now we are living in a new Filipino era, a new Filipino generation where the private sector and the government can work hand in hand for growth, sustainability, success and an optimistic future.

Though we have accomplished much over this past year, I believe that you can do more. You need to focus on efficient production, advance technology, product diversification and improved policies that support and enhance our sugar industry, as well as all Philippine industries.

Let us continue to strive in our endeavors for a better tomorrow and then let's see how much we have accomplished when we meet again next year.

Mabuhay ang Philsutech and, once more, welcome to Cebu! Daghan kaayong salamat!

**HILARIO P. DAVIDE III**  
Governor, Province of Cebu



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## Welcome Address of the Philsutech President

*Welcome to the 62nd Philsutech Annual National Convention with the theme “**Harnessing Technology for the Sugarcane Industry in a Changing Environment**”.*

*As of now, we have already more than 800 registered participants in this year’s convention and more are still registering as of this moment. We have 125 product exhibitors which offer diverse products and services which we can use to optimize our production processes.*

*Today we will have two speakers, our guest of honor and Sugar Board Member Atty. Jesus Barrera, who can give us the national government’s policy direction for the sugarcane industry. Tomorrow, we will have SRA Admin. Gina Martin to brief us on the present status of the industry as well as a glimpse of what to expect in Crop Year 2015-2016.*

*We also have technical papers and product presentations which can update your industry knowledge in the fields of Agriculture & Farm Engineering, Process, Management, Factory Engineering and Bio-Energy & Environmental Management.*

*This line-up of powerhouse speakers, technical presentations and product exhibitors points towards an exciting and fruitful convention. I hope each one of you will take every opportunity to learn something new while enjoying yourself in the warm camaraderie of our fellow members.*

*Again, welcome to our 62nd Philsutech Annual National Convention!*

**ANTHONY GERALD S. MARAÑON**  
President



## Message of the Overall Convention Chairman

Today we celebrate the 62nd Founding Anniversary of our association, the Philippine Sugar Technologists Association, Inc. (PHILSUTECH). By tradition, the anniversary is celebrated with the annual convention where men and women of the sugar industry converge to share experiences and exchange ideas and technology.

This year’s convention is very timely because our local sugar industry is entering a new economic order with the full implementation of the ASEAN free trade agreement.

While this integration allowed our sugarcane products to enter the Asean market, it also brought in stiffer competition, especially with cheaper sugar products from Southeast Asia. There are opportunities but there are also threats.

For three days starting today, the best minds in the fields of sugarcane culture and sugar manufacture will present ideas and technologies that will convert these threats to more opportunities for the Philippine sugarcane industry.

PHILSUTECH once again will serve as a venue and forum for these exchanges. And at the end of this convention, when we go back to our respective places of work, we will be full of hopes that our industry will fight, win and survive.

Therefore, as your convention chairman, I thank you all for coming. And by the authority vested in me, I hereby declare this 62nd Annual Convention open!

**MARIO G. PALMA**  
2015 Overall Convention Chairman

MAR.... from page 1

DILG Sec. Mar Roxas (center) with (L-R) Rep. Samsam Gullas (1st District-Cebu), Cebu Gov. Hilario P. Davide III, Philsutech President Gerald Anthony S. Marañon and Board Chairman Terence S. Uygongco, Rep. Luigi Quisumbing (6th District-Cebu) and SRA Adm. Gina B. Martin



Change has come and change will come at a much more accelerated pace. It is the way of the world, he explained.

Thankfully, he said, technology has provided the industry with additional sources of revenue in terms of power and biofuels.

“While there are new challenges, what is important is for the industry together to arrive at responses to these challenges.”



Philsutech officers receive the priest's blessing during the offertory of the Thanksgiving Mass.



Comedienne extraordinaire Giselle Sanchez makes several members of the audience dance to her song during the Gala Night.



Board Chairman Terence S. Uygongco (L), President Anthony Gerald S. Marañon and Corp. Sec. & Admin Manager Haydee V. Rivera accompany DILG Sec. Mar Roxas and Cebu Gov. Hilario P. Davide III to the Grand Pacific Ballroom.

GRAND RAFFLE DRAW WINNERS

Prize	Winner	Solicitor
Grand Prize P500,000.00	SANDRA CARDENAS Bacolod City	J.E.B. Cardenas Bacolod City
1st Minor Prize P75,000.00	LEOVA KOTICO Don Carlos, Bukidnon	Ma. Victoria Velasco Busco, Bukidnon
2nd Minor Prize P40,000.00	JOSE CYRIL B. MANALO Luntal, Tuy, Batangas	Isagani B. Apacible CADPI
3rd Minor Prize P20,000.00	PAMPANGA MDDFI SRA Larec, Pampanga	Joel G. Ronario SRA Larec, Pampanga
4th Minor Prize P10,000.00	MASTURA M. WAHAB Marbel, Matalam, Cotabato	Constancio B. Galinato DASUCECO

CONSOLATION PRIZE WINNERS (P2,500 EACH)

Winner	Address	Solicitor
1 GIOVANNI L. KILAYKO	First Farmers Holding Corp	Rosanna E. Galanza
2 SAGREX CORPORATION	Bo. Pampanga, Davao City	Anthony Gerald S. Maranon
3 MARIA JUDITH S. EBCAS	Cambalading, Albuerta, Leyte	Antonio R. Aunzo (HISUMCO)
4 DORINA MICHELLE B. TRAPAGO	Roxol Bioenergy Corp	Jonah M. Dador (Roxol)
5 HERNIE C. ALPAS	Roxol Bioenergy Corp	Jonah M. Dador (Roxol)
6 MARY NELYN D. GUILATAN	Brgy. Tibsok, San Enrique	Nelson P. Delfin (SCI)
7 ODON V. DE GUZMAN	Canetown Subd. Victorias City	Felomin J. de Asis, Jr. (VMC)
8 FERDIE V. FLORES	Bacobo St., Ermita, Manila	JM Borbon (Iloilo City)
9 JOCELYN C. SALADERO	Kalilangan, Bukidnon	Romaria P. Javelona
10 NOLLY JAMIGUE	Wao	Ma. Victoria Velasco (Busco)

WINNERS OF SEARCH FOR BEST TECHNICAL PAPER	
1st Place	"Mitigating the Effects of Climate Change Through Identification of Drought & Water-logging Tolerant Varieties" By: Haydee Villariez, Jogit Demaraye & Rosalyn Luzaran (PHILSURIN - Victorias Experiment Station)
2nd Place	"Cane & Sugar Yields Affected by % Cane Point Germination, De-Trashing & Lodging" By: B. Manlapaz, M. Guevarra, A. Burcer & A. Bacani (SRA)
3rd Place	"Two Probable Good Ratooners from Foreign Introductions" By: Chona R. Untal, Michael Rabuco, Rosalyn Luzaran & Haydee Villariez (PHILSURIN)
SPECIAL RECOGNITION	
1	"A New Polarimetric Dextran & Sucrose Test" By: Nigel D. Flutter BSC (Hons) Group Sales & Marketing Manager (Optical Activity Ltd, Index Instruments Ltd, Index Instruments (US) Inc)
2	"Enzymatic Decomposition of Dextran in Sucrose Solution" By: K. Abraham, S. Hagen, K. Schlumback, A.A. Rohde, E. Flotez (Technical University Berlin, Germany)
3	"Steam Economics in Sugar Cane Processing" By: Ralf Saener (General Manager BMA (Kunming) Trading Co. Ltd.) & Liu Jinjun (Project Manager & Technologist BMA)
4	"Improving Boiler Combustion Using Computational Fluid Dynamic Modeling" By: Schalk van dee Merwe SW & Du Toit P. (John Thompson)
5	"Cane Preparation – Optimised Technology" By: Matthieu Legall & Steve Inskip (Fives Fletcher Ltd)



Sandra Cardeñas of Bacolod City displays her P500,000.00 tax-free prize for winning the 1st Place in the Grand Raffle Draw. With her are Corp. Sec. & Admin Manager Haydee V. Rivera, Treasurer Danilo G. Villanueva and President-elect Mario G. Palma.

Roxas reminded them.

Other highlights of the convention's opening activities were the Thanksgiving Mass early in the morning and, after the address of Sec. Roxas, the conferment of the Don Carlos Locsin Award to tycoon Julio O. Sy, Sr. for his outstanding contributions to the growth of the sugar industry. (See Page 14 for Julio o. Sy, Sr. story.)

After the formal opening, delegates updated their knowledge on the latest developments in the sugar industry thru the technical paper and product presentations in the fields of Agriculture & Farm Engineering, Process, Management, Factory Engineering and Bio-Energy & Environmental Management.

SRA Board Member Atty. Jesus Barrera was the first plenary speaker who expounded on the salient points of the recently approved Implementing Rules and Regulations of the Sugarcane Industry Development Act. (See Page 16 for excerpts of Atty. Jesus Barrera's presentation.)

The day prior to the convention's opening, the sponsors, product exhibitors and members engaged in friendly competition during the annual sports tournament on lawn tennis and golf at the Cebu Country Club. (See Page 19 for story.)

In the afternoon of August 11, the product exhibits were formally opened at the Waterfront Hotel with Philsutech Past President (1997-1998) and Danao City Vice-Mayor Ramon "Red" H. Durano VI as the guest of honor and speaker while the evening was topped by the Exhibitors Talent Competition and Fellowship Night.

On August 13, industry stakeholders listened to Sugar Regulatory Administrator Ma. Regina B. Martin give a report on the status of the 2014-2015 sugar milling campaign. She also delivered the projected global and domestic sugar supply and demand scenario for Crop Year 2015-2016. (See Page 12 for excerpts of SRA Adm. Regina B. Martin's speech.)

The Gala Night and Ball was held at Waterfront's Grand Pacific Ballroom on August 13. Supposedly, the Outstanding Sugar Practitioner Award was to

be conferred that night but there was no sufficient time to solicit the desired number and quality of nominations so the committee deferred the award for this year. Nonetheless, the members and guests enjoyed themselves with the performance of comedienne extraordinaire Giselle Sanchez and the live band which belted out music for ballroom dancing.

August 14, the final day of the convention, was slated for the general assembly, business meeting, oath-taking of newly-elected members of the Philsutech Board of Directors and awarding of the Best Technical Paper contest.

Past President (Year 2011-2012) and 2015 Overall Convention Chairman Mario G. Palma of the URC Sugar Group was elected as Philsutech President. (See Page 18 for story.)

The Early Bird Cash Prize of P20,000 requires the presence of the winner at the time of the draw. It was the lucky day of Virginia S. Tandog of Cotabato MDDCFI because, before her name came up, three names were initially drawn but they were all out of the venue at the time of the draw and thus they forfeited the prize.

In the Search for Best Technical Paper, the entry titled "Mitigating the Effects of Climate Change Through Identification of Drought & Water-logging Tolerant Varieties" by Haydee Villariez, Jogit Demaraye and Rosalyn Luzaran of PHILSURIN - Victorias Experiment Station bagged the award.

The grand raffle draw, which offers a top prize of P500,000.00 tax-free, followed after the business meeting. Sandra Cardeñas of Bacolod City won the Grand Prize.



Virginia S. Tandog of Cotabato MDDCFI is ecstatic after receiving the P20,000 cash prize as the Early Bird Winner during the General Membership Meeting.



Philsurin's Haydee P. Villariez (L) and Chona R. Untal show their certificates and prize for winning 1st Place and 3rd Place, respectively, in the Search for Best Technical Paper.



The Vicmigo group led by Sportsfest Vice-Chairman Roy Quima (R) diligently attended the General Membership Meeting

## PP Red Durano opens product exhibits

Philsutech Past President (1997-1998) and Danao City Vice-Mayor Ramon “Red” H. Durano VI was the guest of honor and speaker during the formal opening of the product exhibits on August 11, 2015 for the 62nd Philsutech Annual National Convention at Waterfront Hotel, Cebu City.

Durano, accompanied by Philsutech Board Chairman Terence S. Uygongco and wife Pia, President Anthony Gerald S. Marañon, Corporate Secretary & Admin Manager Haydee V. Rivera and other officers, toured the exhibit grounds after the opening rites.

One hundred and twenty-five product exhibitors participated in the convention. The exhibit, which occupied majority of the basement and the ground and second floors of the hotel, featured domestic and foreign companies which offer agricultural machineries, mill and distillery equipment and supplies, fertilizers and technological innovations and solutions which can enhance sugarcane production and industry operations.

A substantial number of exhibitors were foreign companies, most of which are regular participants during Philsutech conventions.

The product exhibit opening was followed later that evening by the Fellowship Night and Exhibitors’ Talent Competition with the theme “A Night on Broadway”. Overall Convention Chairman Mario G. Palma and Lovely Villanueva hosted the event.

Sagrex Corporation emerged as Champion and took home the P10,000 cash prize. NSK and Alps Maintaineering Services settled for 1st Runner-up (P7,000) and 2nd Runner-up (P5,000) honors, respectively, while Yokogawa’s performers were awarded a P3,000 Consolation Prize.

The Convention Organizers also rendered a warmly applauded guest performance.

Another highlight of the affair was the contest for Best in Broadway Attire for Male and Female Category. Several finalists were chosen among the male participants but the judges were unable to decide which contestant really stood out. For the Female Category, Kamille Yee of the Philsutech Secretariat was declared the winner, receiving a cash prize of P2,500 and a 3-days, 2-nights stay for two persons at Two Seasons Hotel in Boracay.



*Vice-Mayor Ramon “Red”  
H. Durano VI*



*Board Chairman Terence S. Uygongco and other officers accompany PP Ramon “Red” H. Durano VI in touring the product exhibit booths.*



*PP Ramon “Red” H. Durano VI (4th from L) leads the ribbon-cutting for the formal opening of the product exhibits. Assisting him are (L-R) Overall Convention Chairman Mario G. Palma, Board Chairman Terence S. Uygongco and wife Pia, Corp. Sec. & Admin Manager Haydee V. Rivera and President Anthony Gerald S. Marañon with other officers.*

# A Night on Broadway



Sagrex Corporation emerged as Champion in the Exhibitors Talent Competition.



NSK performers won 1st Runner-up honors.



Kamille Yee of the Philsutech Secretariat was adjudged the Best in Broadway Attire – Female Category. With her is Mr. Elvic Penalzoza of Two Seasons Hotel.



Alps Maintaineering Services settled for 2nd Runner-up.



Yokogawa was awarded the Consolation Prize.



The five finalists for the Best in Broadway Attire – Male & Female Categories are flanked by emcees Lovely Villanueva and Mario Palma.



The convention organizers turned in a warmly applauded guest performance.

## Speech of DILG Secretary Mar Roxas 62nd Philsutech Annual National Convention August 12, 2015



*DILG Sec. Mar Roxas delivers his keynote address.*

Sugar is in my blood. My mother is from Negros and my father is from Capiz in the area of Capiz Sugar Central. I have sugar in both sides of my family.

I was talking to Gina some months ago and one of the topics of our conversation was... I asked the question, "What is the most powerful word in the English dictionary?"

Love? Maybe. Hope? Maybe.

The most powerful word in the English dictionary is "together". Together has love in it and it has hope in it. And together is what makes us come together to attain a purposeful action towards a common direction. And that is the reason why the sugar industry is in such a good shape as it has been for some time. Congratulations to all of you! You have come together.

Together the sugar industry has overcome the challenges of changing weather patterns. You have overcome the constant, perennial problem of smuggling. You are now in the position where the Bureau of Customs agree in concept and in principle to

having designees from the sugar industry as overseers or having to exercise oversight over importations of the classification codes of products important to the sugar industry. That way you can see in the pre-shipment inventories and you can tell what ought to be monitored.

Together the sugar industry has put together legislative action... It is not easy to pass a law. You now have a law – the Sugar Industry Development Act that commits P2 billion to infrastructure support for additional production.

Not price support, not production support but infrastructure support which is WTO-compliant. It provides a minimum level of government support, no matter what happens, so that the sugar industry continues to be healthy, to be strong and to be ready for whatever challenges come in the future.

And there will be many challenges. That is why together you will overcome the challenge of Asean integration. I was Trade Secretary when this was negotiated. I tried as best as we can to postpone the reduction of tariff for the sugar industry and we were successful for a little bit of time.

Eventually, liberalization is going to come to pass. We have gained a little time to be much stronger so we can face this challenge... and we can face this challenge if we remain together.

Together, you overcame and you continue to overcome the challenge of bureaucratic overreach where the bureaucracy interprets laws in its own way, not thinking about the broader implications and sometimes not even thinking about common sense but really simply pursuing its own narrow focus.

You overcame that with the definition of raw sugar in the VAT. You will continue to overcome that in the years coming whenever the bureaucracy overreaches its bounds. And together you will also overcome the usual challenges that are present in any



*DILG Sec. Mar Roxas proudly shows the Plaque of Appreciation given to him by Philsutech for delivering the keynote address during the opening of the 62nd Philsutech Annual National Convention. With him are (L-R) Overall Convention Chairman Mario G. Palma, President Anthony Gerald S. Marañon, Sugar Regulatory Administrator Gina B. Martin and Board Chairman Terence S. Uygongco.*



*DILG Sec. Mar Roxas (standing center) and SRA Adm. Gina B. Martin (seated 3rd from L) pose with Philsutech officers. (Standing L-R) VP & Dir. Alfredo O. Sapa, Dir. Danilo M. Jugno, Board Chairman Terence S. Uygongco, President Anthony Gerald S. Marañon, Dir. Jake Rodrigo K. Mayor, Dir. Anthony D. Sanchez, VP & Dir. George C. Garcia, (Seated L-R) VP & Dir. Fernando M. Hernandez, VP & Dir. Susan C. Benitez, Corp. Sec. & Admin Manager Haydee V. Rivera, VP & Dir. Almira G. Rey and Dir. Philip J. Vecino*

industry, particularly an industry in the agricultural sector.

The agricultural sector is one of the most difficult industries to be in because it is there that there is always the largest variable which is weather patterns. Too much rain, too little rain, storms, winds all destroy whatever projections and whatever plans you might have for yourselves and for your businesses.

Nobody can overcome this by themselves. You can only overcome this if, in fact, you are together.

In order to respond to these challenges, I bring to your attention three areas that you can think about.

Of the coming challenges, scale will be very, very important. What was once large will now be medium. I think it is very important in terms of logistics, volume, breadth of decision-making and, most importantly, in terms of capital requirements. I think that scale is going to be a key determinant of success in the coming years. This is very important, particularly in respect to the Asean integration.

I think capital is also going to be very important in and of itself. I think it is very important to keep investing and re-investing. At an average of P1,500 per LKg, prices are good. I remember when I was in DTI and we were working together, the price per LKg was P800. Now at P1,500, I guess it's a little bit more (comfortable).

I think it is very important what you decide with the margins that you have... that you are enjoying today and in the past years. I think investment and re-investment is going to determine who the winners will be and who the survivors will be and who the weak ones who will fall by the wayside are going to be in the next five to ten years.

Lastly, I think innovation is very important. As I was growing up, I spent a lot of time in Bacolod... in Negros. It was a very different sugar industry. There was the milling district, there were the "bagons". It was quite predictable where you are going to get your canes, what your cost was, when milling would start, what portion of it will go to the US... so on and so forth.

Today the dynamics are so much different. Change has come and change will come at a much more accelerated pace. It is the

way of the world.

Thankfully, technology has provided the industry with additional sources of revenue. These potential sources of revenue are available to you if you apply yourselves to them... in power as well as in biofuels or in alternative energies.

While there are new challenges, and there will always be new challenges, what is important is for the industry together to arrive at responses to these challenges. Over the last four or five years, you have

been able to do that and that brought you to where you are today. Not everything is perfect but clearly so much better than how we found the industry in 2009-2010. For that, the credit belongs to you.

Last Friday the President passed unto my shoulders the burden of carrying on the fight for Daang Matuwid. We have come a long way but we have so much more to go. We have succeeded in so many things but we can still succeed and we have to succeed in so many more.

Just like in the industry... the challenges in the past have been won but there will always be new challenges. Likewise with our country. The challenges of the past have been overcome but there will always be new challenges.

I ask for your help. I appeal to you for all of us to stay together... to stay in the Daang Matuwid that has brought us the prosperity that we are enjoying today.

To encapsulate all of these, to the sugar industry, I say, "I got your back!"



*DILG Sec. Mar Roxas (4th from L) poses with leaders of the sugar industry. With him are (standing L-R) Confed Negros-Panay Chairman Francisco dela Rama, NFSP President Enrique D. Rojas, Philsutech Board Chairman Terence Uygongco, former SRA Adm. Bernard Trebol, Panayfed President Danilo A. Abelita, (seated L-R) Confed President Pablo Lorenzo III, SIFI President Edith Y. Villanueva, SRA Adm. Gina B. Martin, Mrs. Pia Uygongco and Unifed President Manolet Lamata.*

# THE GRAND ENTRANCE

Philsutech Officers and Sugar Industry Leaders  
PHILSUTECH ANNUAL NATIONAL CONVENTION  
Waterfront Hotel, Cebu City (August 13, 2015)



**ANTHONY GERALD S. MARAÑON**  
*Philsutech President*



**TERENCE S. UYONGCO**  
*Chairman of the Board*



**MARIO G. PALMA**  
*Overall Convention Chairman*



**MAR ROXAS**  
*DILG Secretary*



**GINA B. MARTIN**  
*SRA Administrator*



**HAYDEE V. RIVERA**  
*Corp. Sec. & Admin Manager*



**DIR. ANTHONY D. SANCHEZ**  
*(Process Division)*



**DANILO G. VILLANUEVA**  
*Treasurer*



**DIR. DANILO M. JUGNO**  
*(Management Division)*



**DIR. GEORGE C. GARCIA**  
*(Factory Eng'g Division)*



**HILARIO P. DAVIDE III**  
*Cebu Governor*



**REP. LUIGI QUISUMBING**  
*6th District-Cebu*



**REP. SAMSAM GULLAS**  
*1st District-Cebu*



**DIR. JAKE RODRIGO K. MAYOR**  
*(Bioenergy & Env't Mngt Division)*



**ALFREDO O. SAPA**  
*VP & Dir.*  
*(Management Division)*



**ALMIRA G. REY**  
*VP & Dir.*  
*(Process Division)*



**DIR. PHILIP J. VECINO**  
*VP & Dir.*  
*(Factory Eng'g Division)*



**SUSAN C. BENITEZ**  
*VP & Dir.*  
*(Bioenergy & Env't Mngt Division)*



**FERNANDO M. HERNANDEZ**  
*VP & Dir.*  
*(Agri & Farm Eng'g Division)*

# “Investing in the Philippine Sugarcane Industry”

Speech of Sugar Regulatory Administrator Ma. Regina Bautista-Martin  
62nd PHILSUTECH Annual National Convention  
August 13, 2015



**Ma. Regina B. Martin**  
SRA Administrator

## World Sugar Outlook

In the recent International Sugar Organization (ISO) Conference in Guatemala, the forecast for raw sugar prices in the world market for Crop Year 2015-16 is cautious and not very optimistic.

The ISO reports that “despite a projected return of a global deficit in 2015/16, any significant price recovery may be slowed down by 6 consecutive years of surplus production and large build-up in inventories by importing countries.”

In simple terms, expect the same level of world market prices for

sugar, at 12-13 cents/lb, in the coming crop year. The situation is mainly influenced by the stockpiles of most importing countries (such as China) that built up during the past 6 years of production surpluses and the new trade policy measures that are set to modify their duty-free, quota-free sugar import policies (such as the European Union).

Therefore, notwithstanding a contraction of global production against global consumption, world sugar prices are expected to remain weak, as there will be less takers.

**Domestic Sugar Price Vs. World Market Price:** Fortunate for us, we have been relatively insulated from this trend. Records bear out that our average monthly composite prices for the past two crop years have been significantly higher than raw sugar or refined sugar world market prices by an average of P1,000 for raw sugar and P1,200 for refined sugar per LKg bag.

This situation may be good for us producers in the short term. However, it may not be to our advantage in the long run. As long as a significant price difference persists, there will be demands for structural adjustments to reflect actual market conditions.

For example, in Thailand, there are calls for abandonment of policy for government to set prices of domestic sugar; in the United States, the Corn Refiners Association has come out against the US Sugar Program and allocated US\$1million as lobby fund against it; and the European Union will be introducing reforms to its Sugar Policies in September 2017.

While there have been no formal directives from the executive departments for SRA to make similar adjustments, it is better for us to be prepared by being competitive and diversified.

We have laws, rules and regulations that help our sugarcane industry become competitive without sacrificing profits, which is the bottom line of investing in this industry. Importantly, these laws and regulations help make our sugarcane industry a magnet for investment.

## Enabling Laws

Your question then is this: “On WHAT shall we invest?” And my answer will be the same for over the past four years: invest in ethanol, power co-generation and other products from sugarcane.

The environment for this product diversification strategy are supported by enacted laws of the Philippines: The Biofuels Law for Bioethanol; The Renewable Energy Law for

Power Generation; and the newly-enacted Sugarcane Industry Development Act.

**Current Investments in Bioethanol:** I am sure that a lot of feasibility studies have been done for ethanol and power generation. The rise in the

number of ethanol plants since 2010 attests to the fact that the Biofuels Law have been able to lure investments in this sector.

The implementation of the 10% mandated blend, the bioethanol reference price, and the mechanism for 100% purchase and lifting of the locally-produced ethanol by the oil companies shored up investor interests in the past two years.

I am confident that investments will pour in the coming years such that we shall have more plants that can produce our needed 500 million liters in year 2020. By year 2025, we shall have the capacity to produce our own ethanol to comply with the mandated 20% blend target of the Philippine Energy Plan.

However, volume targets are not enough. As producers, we should also put into context your production capacities and market environment to supply and absorb the higher bioethanol mandate – both on the policy and technical aspects.

“Can we supply the needed volume by 2020? Do we have flex-fuel cars to feed the 20% bioethanol?”

Thailand was able to bring in flex-fuel vehicles from Asian manufacturers and introduce E20 and E85 with the initiatives of the producers themselves and policy support of the government.

Therefore, I encourage and challenge you to strengthen and shape-up your organizations as bioethanol and biomass-based power producers to have a unified voice in lobbying your cause with the policy-makers and legislators!

**Biomass-based Power Generation Program:** On the other hand, after some setbacks, the number of sugar mills and ethanol plants now seriously considering to increase power generation capacities and selling excess power to the grid has increased.

I know of mills who have generously shared part of their income with the planters. I hope that all mills and distilleries will pursue this diversification path, since energy demand will continue to increase in the years to come. I now sit as member in the National Renewable Energy Board (NREB) and I embedded in their minds that the potentials from sugarcane are huge.

Comparatively, our power from biomass is cheaper than all other renewables, except for hydro. Thus, if we can increase our energy production, then this will translate to lower electricity cost to consumers. In addition, we will add value to the farms, as we have to produce the feedstock of the biomass power plants.



SRA Adm. Gina B. Martin poses with (L-R) Overall Convention Chairman Mario G. Palma, President Anthony Gerald S. Marañon and Board Chairman Terence S. Uygongco after receiving her Plaque of Appreciation.



SRA Adm. Gina B. Martin (8th from L) poses with Philsutech officers. (L-R) VP & Dir. George C. Garcia, VP & Dir. Alfredo O. Sapa, VP & Dir. Fernando M. Hernandez, Dir. Danilo M. Jugno, VP & Dir. Susan C. Benitez, VP & Dir. Almira G. Rey, Board Chairman Terence S. Uyongco, President Anthony Gerald S. Marañon, Dir. Jake Rodrigo K. Mayor, Dir. Anthony D. Sanchez and Dir. Philip J. Vecino

Ethanol and Power Generation are very much attractive to sugarcane millers. That is why many of our mills are already investing in these product lines.

Slowly but surely, I assure you that the mills has done their study on this. I thank the millers who have embraced this idea and invested on these businesses! You are surely leading the good road to the survival of our sugarcane industry!

#### Industry Menus Towards Competitiveness

But we need to do more...

Since year 2011, I have advocated that our sugar production should be enough to cover for our domestic and US market requirements, plus some modest export to the world market. That strategy has enabled us to stabilize our domestic sugar price and allowed us to respond properly for any distortion in the market. That also thwarted sugar smuggling and legal importation.

In this respect, may I also thank the planters who have answered the call to increase their productivity. This has allowed us to buy some time against sugar imports when our domestic demand started to surge higher.

With increasing sugar demand - as manifested in the increasing withdrawal in the past 3 years - we need to increase our production by increasing our area planted to sugarcane and increasing our cane productivity per hectare.

As emphasized by Sec. Mar Roxas yesterday, we need to work on economical scales that address each passing time in each particular location and sector. We need to increase our sugar production because the high-class problem mentioned by Sec. Mar yesterday will definitely increase our sugar consumption – better economy, more sugar to be needed. This is where we need to invest!

We need to invest in techniques that will increase our yield per hectare! We need to invest in consolidating our farms into plantations of economical scale!

We need to invest in providing technical advice and examples of good farming practices to our farmers! We need to invest in programs that will convert our sugarcane farmers into agri-businessmen!

#### Sugarcane Industry Vision

In my speech last year, I showed you our vision of a fully integrated sugarcane industry. The vision has two imperatives at both ends of the industry spectrum: 1) downstream support industries for development of the farm and mill, and 2) new upstream industries to produce new products from sugarcane. And to start it off, we need investments in all of these.

**Farm Support Industries & Role of MDDCs:** Let's look at the downstream industries for farms.

We need fabricators of implements, we need more tractors, we need manufacturers of farm machines, we need repair shops for tractors and implements, we need to use new technologies in the way we manage our farms and in the way we grow our crops.

We need cheaper fertilizer, locally-produced organic or inorganic fertilizers and support the coops of importing fertilizer in bulk for distribution in the mill district.

Through the socialized credit program of the Sugarcane Act, financing cost would be made accessible and cheaper. The MDDCs will serve as the focal point in the identification of all farm support services in the mill district.

Let us invest on these endeavors!

#### Mill & Distillery Support Industries:

For the mills, I have asked before why do you have to buy your replacement parts abroad. Simple answer: because there are no businesses that can address your

requirements.

Thus, we need to invest in fabrication and foundry shops. We need to invest in engineering and design enterprises. All these must be world-class so that there is no reason to import. These will require investments.

#### Sugarcane Industry Development Act of 2015

At the other end, development of new products needs investment in research. We need to invest in technical research. We need to invest in market studies. We need to research on applicability of new technologies to produce new products. We need to design the manufacturing machines. In the words of our Guest Speaker yesterday, Sec. Mar: "We need to innovate".

All of these new opportunities are supported by the Sugarcane Industry Development Act. The government will provide the impetus for the developments to happen. It will invest in farm-to-mill roads. It will invest in irrigation. It will invest in human resource development. It will invest in improving the farming practices.

In the words of Sec. Mar, "the government is going to build the infrastructure" through this law. Thus, we only need to get involved. We need to invest as well. We need to provide our counterpart.

Again, in the words of Sec. Mar: "We need to work together."

#### Production Allocation for CY 2015-16

Given the aforementioned scenarios, I am sure many of you are pencil-pushing on the allocation for the coming crop year. By my tradition, let me give you my own projections. I base this on my own personal observation of the weather, cane growth, and other factors, discussions with producers, and candid talks with "Philippine sugar soothsayers".

Our estimated production for the coming year will be about 2.25 – 2.35 million metric tons. Our domestic demand will be around 2.2 MMT. Thus, as we prioritize our local demand, sugar production allocation might be the same as the current allocation. The Sugar Board will still decide on the final allocation before the start of the crop year.

This is my fifth and last address to Philsutech as SRA Administrator. And my appeal to you is this:

Invest in the PHL sugarcane industry NOW!

Invest in your OWN industry!

Invest in the industry that NURTURED your family over the years!

Invest in the industry that brought you WEALTH and allowed you to travel the world!

Invest in the industry that you LOVE.

Endeavors as SRA Administrator

As I look back through past five years, I can proudly say that I invested so much in the sugarcane industry. I invested my time. I invested my talent. I invested my advocacy. And I will continue to invest in it even when I will no longer be your administrator. So, I hope that you will invest as well to the industry that has been yours for so long a time.

Thank you very much for all the support and "wake up calls" for me to perform better towards a sustainable sugarcane industry!

## Julio O. Sy: Opportunity in Adversity



PP Eduardo V. Conception, chair of the Don Carlos L. Locsin Award Committee, presents the 2015 Don Carlos L. Locsin Award to Julio O. Sy, Jr. and his wife Anisia together with PP Rene P. Cabati, member of the DCL award committee and President Anthony Gerald S. Marañon

The crash of world sugar prices in the mid-80s led to the foreclosure of numerous mills, including BUSCO Sugar Milling Company in Brgy. Butong, Quezon, Bukidnon. Despite the gloomy outlook for the sugar industry at that time, a group of enterprising businessmen bought the mill just as the 1988-1989 milling season kicked off.

The new owners instituted repairs and maintenance at fever pitch and BUSCO began milling operations on December 5, 1988, three months after the new owners took over.

In its maiden season under the new management, the 6,000 ton canes per day (TCD) mill crushed 986,471 tons of canes and produced almost 2 million 50-kilo bags of sugar.

From that modest beginning almost 30 years ago, BUSCO is now the country's largest sugar mill (18,000 TCD installed capacity) and one of the largest in sugar production, and the biggest sugar refinery in the country.

This year's Don Carlos Locsin Awardee is the driving force behind BUSCO's surge to the forefront of the sugar industry. He is also largely instrumental in transforming Mindanao, particularly the province of Bukidnon, from a marginal player in the industry to the second largest sugar-producing area in the country with almost 25% share in national sugar output.

Our awardee is the eldest child of a Chinese couple from Xiamen who migrated to Dumaguete, Negros Oriental. His father



DCL Awardee Julio O. Sy, Sr. is surrounded by Philsutech officers and guests, among whom are (L-R) Cebu Gov. Hilario P. Davide III, Rep. Samsam Gullas (1st District-Cebu), Luigi Quisumbing (6th District-Cebu), SRA Adm. Gina B. Martin and DILG Sec. Mar Roxas.

left for Manila to work, leaving their mother to manage the small family business while raising their 12 children.

He was a second year BS Commerce student at Silliman University when their rice and corn store in Dumaguete was razed by fire. As the eldest, he and his brother Susano were tasked to rebuild the business from the ashes to augment their father's income.

From that baptism of fire, he built a business empire which encompasses sugar milling and trading, banking and finance, engineering and construction, shipping and port operations, agricultural trading and real estate and other allied ventures.

Aside from BUSCO and Hideco Sugar Milling Company in Kananga, Leyte, the other companies which he heads are Bayview Park Hotel, Jurong Engineering (Philippines), Agila Farms, Cebu International Finance Corp, Consolidated Agri Management Corp, Dumaguete Business Park, Dumaguete Coconut Mills, July Development Corp, Bacong Arrastre and Stevedoring Corp, Dumaguete City Development Bank, Marayo Holdings, Makati Agro Trading and New Bian Yek Commercial.

He is the Vice-President / Chairman of Dumaguete Rice and Corn, Inc. and Victorias Quality Packaging Company, as well as Director of July Lighterage Corp, Lorenzo Shipping Corp and Orient Foods Industries. He is also a member of Pampanga Sugar Development Company's Executive Committee.

He has donated lots in Dumaguete City for government



DILG Sec. Mar Roxas joins the Philsutech Presidents in celebrating the conferment of the 2015 Don Carlos L. Locsin Award to Julio O. Sy, Sr. with his wife.

offices and schools. He is also a silent benefactor of schools, particularly Silliman University, and an untiring donor for religious, educational and civic projects.

“While education definitely adds value to the person, it will not determine how one will eventually fare in life,” said our DCL awardee who proved that the lack of a college degree is no hindrance to success.

Our awardee is married to Anisia Dy, a Filipino-Chinese girl from Cagayan de Oro whose parents later moved to Dumaguete. The couple is blessed with four children, all of whom are successful in their respective fields of endeavor.

He moved to Manila in the 70s to explore more business opportunities. His early ventures included the joint acquisition with his former Silliman schoolmate Roman Yap of the famed Roxas Boulevard landmark Bayview Park Hotel.

With his business partners, he engaged in sugar trading, eventually joining the bidding in Victorias Milling Company, the country’s largest sugar producer. With one foot inside the sugar industry, the group decided to acquire BUSCO in 1988 and they designated tonight’s awardee as its President and Chief Executive Officer.

He led the restoration and rehabilitation of BUSCO and galvanized the mill workers, sugar planters and the local government and the people of Bukidnon behind his vision of a viable and sustainable sugar industry in the province.

With his encouragement and support, underscored by the crop loans extended by the mill and his banks, the mill’s existing partner planters devoted more land for cane cultivation while more and more Bukidnon farmers engaged in sugarcane farming.

The expanded area and increased sugarcane harvest prompted the mill to upgrade from 6,000 TCD to 8,000 TCD in CY 91-92 and by another 2,000 TCD in the next three crop years. In CY 92-93, BUSCO’s almost 3.4 million bags production propelled it in the list of the biggest sugar producers in the country.

BUSCO’s rapid growth attracted the attention of other investors who also wanted their slice of Bukidnon’s sugar pie. Undeterred by the looming competition, BUSCO further expanded its capacity from 10,000 TCD to 12,000 TCD.

CY 97-98 marked the entry of Crystal Sugar Company in Maramag, Bukidnon. From its initial 4,000 TCD capacity, Crystal expanded to 7,000 TCD in just a couple of years. Moreover, multinational corporations joined the fray, convincing Bukidnon farmers to shift from sugarcane to pineapples and bananas. Unfazed by these developments, BUSCO added another 2,000 TCD to its capacity and planned for 4,000 TCD more.

At the turn of the millennium, BUSCO produced more than 4.1 million bags, second only to Vicmico. On the other hand, Crystal produced more than 2.3 million bags. The combined output of the two mills at more than 6.5 million bags has transformed Bukidnon from a bit player into a top-billing producer in the Philippine sugar industry.

Behind the rise of BUSCO and the province of Bukidnon and Mindanao as major players in the sugar industry are the vision and motivation provided by our DCL Awardee.

Perhaps more than his business acumen and judicious management skills, what propelled his ventures to surmount adversities is the force of his personality.

People laud his unbending integrity and fairness. Thus, Bukidnon planters continued the partnership with the mill despite the enticements of multinational corporations to shift to other commercial crops.

During the difficult years of BUSCO, he was there as the beacon and the anchor for the employees. He leads by example. He wouldn’t ask his employees to do something that he himself will not do. Thus, his people are willing to go the extra mile for him.

As one of his closest friends aver, “He listens, he teaches, he shows, he leads, he helps with the right combination of gentleness and firmness, never giving in to bursts of anger even in the most difficult circumstances.”

Moreover, he has great concern for other people, particularly those who work for him and the company. He gives paramount importance to them and their families. He ensures that workers’ rights and needs are not sacrificed in the altar of profit, as he believes that addressing people’s needs is key to the success of the company.

When asked for the secret of the success of his business ventures, he said, “Work hard, choose the right people and treat them well. Growing a business is like striving for a bigger pie not so much for yourself but to share with other people.”

Ladies and gentlemen, for his pioneering entrepreneurial spirit and his outstanding achievements, contributions and support to the Philippine Sugar Industry, PHILSUTECH is proud to present the 2015 Don Carlos Locsin Award to **MR. JULIO O. SY, SR.!**



2015 Don Carlos L. Locsin Awardee Julio O. Sy, Jr., assisted by his wife Anisia, delivers his message after receiving the award.



DILG Sec. Mar Roxas joins the Sy family in celebrating the conferment of the 2015 Don Carlos L. Locsin Award to Julio O. Sy, Sr. with PP Rene P. Cabati, Member of the DCL Award.

# Implementing Rules and Regulations of the Sugarcane Industry Development Act of 2015

SRA Board Member Atty. Jesus Barrera  
62nd Philsutech Annual National Convention  
August 14, 2015



The Sugarcane Industry Development Act of 2015 (SIDA) is the one of the major legislations specifically for the sugar industry in the last 20 to 30 years. The last major legislation was the Social Amelioration Act but it was not focused on the development and competitiveness of the industry.

SIDA was signed into law by Pres. Benigno Aquino III on March 27, 2015. Its Implementing Rules and Regulations were issued by Agriculture Sec. Proceso Alcala on August 5, 2015.

SIDA's objectives are: 1) Establish productivity improvement programs; 2) Provide needed infrastructure support; 3) Enhance research and development of other products derived from sugar, sugarcane and their by-products; 4) Provide human resource development and extension services; and, 5) Provide financial assistance to small planters.

Programs under the SIDA are: 1) Productivity Improvement Programs; 2) Research and Development; 3) Extension Services; 4) Human Resources Development; and, 5) Infrastructure Support. Each program is handled by a committee chaired by an SRA/SRA Board member with members from concerned government agencies and private sector stakeholders.

## A. Productivity Improvement Programs (PIP)

The PIP's three components are Block Farm, Farm Support and Farm Mechanization.

1. The **Block Farm Program** aims to consolidate small sugarcane farms, including ARBs' farms of 5 hectares and below, into a larger unit of not less than 30 hectares per block farm. It must be a juridical entity duly-accredited by SRA. Ownership of individual farms shall remain with the owner, not with the block farm.

Block farms are entitled to grants / start-up funding for production inputs but this can be availed of only once, except when the crop, equipment, facilities or structures have been significantly damaged by force majeure.

Block farms that availed of grants / start-up funding have recourse to socialized credit as additional financing, provided no grant/start-up funding and socialized credit can be availed simultaneously in the same crop year.

Block farms will be provided with irrigation and drainage equipment, technology adoption, livelihood and skills training and other development and support activities. They shall also be provided with common service facility, such as farm machinery and equipment.

2. The **Farm Support Program (FSP)** covers farms not eligible under the Block Farm Program. These farms should be more than 5 but less than 30 hectares and not a member of any block farm. Farmers with less than 5 hectares who are not members of a block farm can also avail of the FSP, which includes Socialized Credit, Farm Management, Technical Assistance and Professional Services.

The Socialized Credit shall be made available through LBP, but SRA may tap PHILSUCOR. The financing is for acquisition of production inputs for continued production of sugarcane. This will be available to eligible sugarcane farmers and non-block farm service centers duly registered with SRA.

As socialized credit, the interest rate shall be significantly lower than

prevailing market rate with simplified documentary requirements for availment.

The lender shall have a lien on the quedan until the loan is fully paid. Farmers cannot be granted another loan until the existing loan is fully paid, except when the creditor's sugarcane crop, equipment, facilities and structures have been significantly damaged by force majeure.

The Farm Management, Technical Assistance and Professional Services under the FSP shall be implemented through the Human Resource Development Plan (HRDP) Committee.

The HRDP Committee shall develop a deployment program of agricultural engineers, agriculturists and farm technicians who shall provide technical and professional assistance to farmers. It shall also develop the HRD Master Plan for the sugarcane industry.

3. The **Farm Mechanization Program** covers projects and activities that introduce / expand the use of machineries in sugarcane farming, develop a Farm Mechanization Master Plan at the mill district and block farm levels, and support the establishment of Agri-business Machinery and Equipment Service Centers (or Common Service Centers). SRA-accredited non-block farm Common Service Centers may also avail of Socialized Credit.

## B. Research and Development Program

SRA shall intensify researches on HVYs or flood-resistant varieties, pest control and prevention, latest farming, milling, refining and biomass co-generation technologies, soils analysis and fertility mapping, weather monitoring and climate change adaptation measures, sugar and sweetener consumption and researches on other viable products from sugarcane.

The R&D Committee shall recommend to SRA the projects, activities and researches that shall be conducted. The law also directs the DA and DOST to assist SRA in improving its crop monitoring and forecasting activities.

## C. Extension Services Program

The Extension Services Program shall be provided by the SRA and the MDDCs. The MDDCs, assisted by SRA, shall formulate the development plan of its mill district.

A Mill District Development Plan Committee shall be created to develop guidelines for the funding, prioritization and implementation of the development plan and to review every 5 years, or sooner, the programs, projects, activities and implementation of the SRA Roadmap and recommend necessary amendments or modifications to SRA.

## D. Human Resource Development Program

The HRD Program provides for the formulation and implementation

of an HRD Plan which includes capacity building, skills trainings and institutional strengthening of industry workers, small farmers and ARBS and their organizations.

It shall also formulate a scholarship program for college and post-graduate students, with priority on dependents of sugarcane industry farmers and workers, taking up courses in relevant fields of disciplines in SUCs.

The HRD Program shall conduct capability training or facilitate attendance to local or international trainings and seminars on latest technologies in sugarcane farming, manufacture or production of sugar and other products derived from sugarcane.

It shall formulate and implement competency standards and training regulations for tech-voc education and training for the sugarcane industry by the TESDA. It will likewise spearhead the upgrading of facilities, faculty development and strengthening of the on-the-job training program of agri-based higher education institutions in sugarcane areas.

#### E. Infrastructure Support Program

The three components of the Infrastructure Support Program are the Transport Infrastructure, Farm-to-Mill Roads and Irrigation.

1. Transport Infrastructure: NEDA, DOTC, DPWH and PPA shall include in their annual Development Plans and Priority Investment Programs the immediate construction / improvement of existing trans-loading ports for export or coastwise transport of sugar and other sugarcane-based products. Six months after SIDA effectivity, SRA shall submit a priority list of trans-loading ports.

2. Farm-to-Mill Roads (FMRs): NEDA, DOTC, DPWH and concerned LGUs shall include in their Annual Priority Investment Program the immediate construction / rehabilitation of FMRs roads. Six months after SIDA effectivity, SRA shall submit an FMR Master Plan and priority FMR roads at the mill district. Proposed FMRs should have GPS maps and should be part of the mill district road network plan.

The first priority for funding of FMRs shall be roads connected to the national highways or arterial roads leading to block farms, small farms and expansion areas with at least 100 hectares of plantations. Second priority shall be roads connected to national highways or arterial roads leading to at least 100 hectares of sugarcane farms.

3. Irrigation: NIA, BSWM and concerned LGUs shall construct irrigation facilities, pump and other pressurized irrigation systems, rain capture and water impounding facilities in block farms / sugarcane farms. Six months after SIDA effectivity, SRA shall submit the list of priority sugarcane areas.

The DA and the NIA shall include in its annual budget the item or provision on construction / rehab of irrigation facilities, rain capture and water impounding facilities in sugarcane areas, including provision of communal drainage systems, especially in water-logged sugarcane areas.

The utilization for irrigation of wastewater discharge of mills, refineries and distilleries that meet DA specifications on safe reuse of waste water is considered re-use and exempt from wastewater charges under RA 9275.

The law also contains provisions on Sugar Supply Monitoring Systems, Classification and Regulation of Supply of Sugar, Value-Added Tax (VAT) Zero-Rated on Refined Sugar for Export and the Mandated Appropriations.

1. Sugar Monitoring and Regulations: SRA shall establish a supply chain monitoring system from sugarcane to sugar at the retail level. SRA shall lead the implementation of food safety regulation on all forms and classifications of sugar from sugarcane.

SRA shall be the sole competent authority to formulate and provide the

technical definition of all forms of sugar derived from sugarcane.

Sugarcane farmers, farmers' associations/federations, mills/mills associations, sugarcane consolidators, muscovado producers, distilleries using molasses, sugar or sugarcane for alcohol, international and domestic sugar traders, sugar warehouses, business establishments that manufacture or sell bags or sacks for packing sugar and cane hauling and harvesting service providers are required to register with and follow reportorial directives of SRA.

2. Class and Regulation of Supply of Sugar: When sugar is imported at a time that production is sufficient to meet domestic requirements, SRA shall classify imported sugar into "A" (US Quota), "B" (Domestic Market), "C" (Reserved), "D" (World Market), "E" (World Market Sugar for Food Processors/Exporters and CBWs) or "F" (World Market Sugar for Ethanol) sugar.

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

3. VAT Zero rated on Refined Sugar for Export: VAT zero-rated shall be imposed on refined sugar withdrawn from warehouses for actual physical export to the world market. Refined sugar refers to sugar whose content of sucrose, by weight, in the dry state corresponds to a polarimeter reading of 99.50 and above while raw sugar means sugar whose content of sucrose by weight, in the dry state, corresponds to a polarimeter reading of less than 99.50.

4. Mandated Appropriations: The DBM is mandated to include annually, starting 2016, an initial P2 billion in the President's program of expenditures for submission to Congress and allocated as follows: 15% for grants to Block Farms; 15% for Socialized Credit; 15% for research and development, capability building and technology transfer activities; 5% for scholarship grants; and 50% for Infrastructure Support programs.

SRA should submit to DBM every budgetary year the proposed priority projects and programs in line with SRA Roadmap.

A Stakeholder Consultative Assembly (SCA) should be constituted as a forum to inform the industry on the projects and activities being implemented pursuant to SIDA. SRA should consult the SCA on all projects submitted for SRA approval.

The government and private sector representatives in the different project committees and SCA, including the secretariat that shall assist them, shall NOT receive per diems.



SRA Board Member Atty. Jesus Barrera receives his Plaque of Appreciation from President Anthony Gerald S. Marañon and VP & Dir. Fernando M. Hernandez.

## PP Mario G. Palma elected anew as Philsutech president for 2015-2016

Past President (Year 2011-2012) overall convention chairman 2011 and Philsutech 62nd Annual National Convention Overall Convention Chairman Mario G. Palma of the URC Sugar Group was elected once again as the Philsutech President for Fiscal Year 2015-2016 during the General Membership Meeting last August 14, 2015 at the Waterfront Hotel, Cebu City.

Immediate Past President Anthony Gerald S. Marañon assumed the Chairmanship of the Board of Directors.

Palma was initially elected as the Director for Management and was catapulted to the top post when the Board of Directors elected the new set of officers after their oath-taking administered by Past President Linley Retirado.

Other officers who were elected as directors in their respective divisions were Leandro Pineda Crystal Sugar (Factory Engineering), Roberto Belleza, Panayfed (Agriculture & Farm Engineering), Jettison Tee, CAPDI (Bio-Energy & Environmental Management) and Ma. Lynette Jover, Victorias Planters Association (Process).

With the vacancy in the Management Division brought about by Palma's ascension to the presidency, Fernando H. Corpuz of SRA was appointed Vice-Chairman of the Division.

The incumbent directors who are serving the second year of their term assumed the position of Vice-President & Director of their respective divisions. They are Philip J. Vecino (Factory Engineering), Jake Rodrigo K. Mayor (Bio-Energy & Environmental Management), Anthony D. Sanchez (Process) and Danilo M. Jugno (Management).

Plaques of Appreciation were also given to the 2014-2015 outgoing officers led by Chairman of the Board Terence S. Uygongco, President Anthony Gerald S. Marañon, Factory Engineering Division VP & Dir. George C. Garcia and Dir. Philip J. Vecino, Agriculture & Farm Engineering Division VP & Dir. Fernando M. Hernandez and Vice-Chairman Ernie S. Infante, Bio-Energy & Environmental Management Division VP & Dir. Susan C. Benitez and Dir. Jake Rodrigo K. Mayor, Process Division VP & Dir. Almira G. Rey and Dir. Anthony D. Sanchez, and Management Division VP & Dir. Alfredo O. Sapa and Dir. Danilo M. Jugno.

Treasurer Danilo G. Villanueva and Corporate Secretary & Administrative Manager Haydee V Rivera were also recognized for their services to the association.



Newly-elected Philsutech President Mario G. Palma expresses his gratitude to the Board and members for their trust and confidence.



The new Board of Directors, assisted by Corp. Sec. & Admin Manager Haydee V. Rivera, elect the new President for 2015-2016.



Plaques of Appreciation were presented to the 2014-2015 officers of the Association. (Front Row, L-R) Dir. George C. Garcia, VP & Dir. Alfredo O. Sapa, VP & Dir. Susan C. Benitez, Corp. Sec. & Admin Manager Haydee V. Rivera, VP & Dir. Almira G. Rey, Dir. Philip J. Vecino, Dir. Anthony D. Sanchez, (Back Row, L-R) Dir. Danilo M. Jugno, Board Chairman Terence S. Uygongco, President Anthony Gerald S. Marañon, Dir. Jake Rodrigo K. Mayor and VP & Dir. Fernando M. Hernandez



Outgoing Philsutech Board Chairman Terence S. Uygongco thanks the Philsutech officers and members for cooperating with and supporting his programs during his tenure.



The newly-elected officers take their oath of office to PP Linley Retirado, Inducting Officer.

# Philsutech Annual Sportsfest kicks off at Cebu Country Club



Philsutech Sportsfest officials and participants are raring to start the lawn tennis tourney.



Overall Convention Chairman Mario G. Palma (left) prepares for the ceremonial volley of the lawn tennis tourney while Board Chairman Terence S. Uyongco leads the ceremonial tee-off for the golf tournament.

Sports-minded Philsutech officers and members as well as convention sponsors and product exhibitors converged at the Cebu Country Club for the annual sportsfest on August 11, 2015, the day before the formal opening of the 62nd Philsutech Annual National Convention at Waterfront Hotel, Cebu City.

Participants engaged in friendly competition in golf and lawn tennis (doubles) facilitated by Tournament Chairman Allan M. Varga and Vice-Chairman Roy Quima.

Chairman of the Board Terence S. Uyongco led the ceremonial tee-off for the golf tourney while Overall Conventio Chairman Mario G. Palma presided over the ceremonial volley for the tennis event.

Eliel Curan of Bukidnon Planters Association (BPA) and Jerumayo Cipriano of Crystal Sugar Company dominated the lawn tennis tourney while Arturo Callao

and Francis Derrick Belderol of Sugarcane Growers Association of Bukidnon won first runner-up honors. Varga and Palma, representing the convention organizers, settled for second runner-up.

Winners of the golf tourney are:

Division A: Neil Menguito (Goldmunzen) – Champion; Roger Arato (Schaeffer Phils.) – 1st Runner-Up; Randy Arevalo (BPA) – 2nd Runner-Up; Lindsey Salilig (CMRP Automation) - Lowest Gross;

Division B: Tirzo Muruet (M3M) – Champion; Janne Lundgren (SKF Phils.) – 1st Runner-Up; Tony Ambrosio (Cavite Biofuel Producers) – 2nd Runner-Up; Mario Pilones (SKF Phils.) - Lowest Net

Division C: Jhon Allan Vinta (Micromatic) – Champion; Domenica Tolentino (Moto Industrial Traders Corp) – 1st Tunner-Up; and Wenifredo Mabitad (SKF Phils.) – 2nd Runner-Up.



Golf and lawn tennis winners show off their trophies as they pose with Philsutech President Anthony Gerald S. Marañon (standing 6th from L) and Sportsfest Chairman Allan M. Varga (standing 2nd from R) and Vice-Chairman Roy Quima (front row, 2nd from R).



# 62nd PHILSUTECH ANNUAL NATIONAL CONVENTION

Waterfront Hotel, Lahug, Cebu City, Philippines

August 10 - 14, 2015

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