John O'Connor and Associates Pty Ltd

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3 June 2013

Mr Scott Wilson
A/g National Manager
International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

RECEIVED

D 4 JUN 2013

Director Operational Support Trade Measures Branch

Dear Mr Wilson

Public File

Continuation Application – Processed dried currants exported from Greece

I act on behalf of Sunbeam Foods Pty Ltd ("Sunbeam Foods"). Attached for your consideration is an application made on behalf of Sunbeam Foods for the continuation of anti-dumping measures on processed dried currants exported from Greece.

Sunbeam Foods is the largest processor of dried currants in Australia. Sunbeam Foods considers the anti-dumping measures have been effective in minimizing the injury to the Australian industry manufacturing processed dried currants. It is Sunbeam Foods' view that in the absence of measures material injury would likely recur from dumped Greek exports of processed currants.

By this application, Sunbeam Foods is seeking an extension of the measures for a further five year period beyond the scheduled expiry date of 15 January 2014.

If you have any questions concerning the attached continuation application, please do not hesitate to contact me.

Yours sincerely

John O'Connor

Director

Cc Chris Ellis

John Clerra

General Manager Fruit Supply Sunbeam Foods Pty Ltd

APPLICATION FOR CONTINUATION OF A DUMPING DUTY NOTICE

PROCESSED DRIED CURRANTS

exported from

GREECE

Provide details of the name, street and postal address, of the applicant seeking the continuation.

The applicant company requesting the continuation (or extension) of anti-dumping measures applicable to processed dried currants is Sunbeam Foods Pty Ltd (hereafter referred to as "Sunbeam Foods").

Sunbeam Foods address is as follows:

Sunbeam Foods Pty Ltd Waltham Avenue P.O. Box 21 IRYMPLE VICTORIA 3498

Provide details of the name of the contact person, including their position, telephone number and facsimile number, and e-mail address.

The appropriate contact person at Sunbeam that can readily assist with inquiries regarding this application is:

Name:

Mr Chris Ellis

Title:

General Manager Fruit Supply, Sunbeam Foods Pty Ltd

Telephone:

(03) 5051 4403

Facsimile:

(03) 5051

E-mail:

cellis@sunbeamfoods.com.au

This application for the continuation of anti-dumping measures for processed currants exported from Greece has been prepared with the assistance of:

Name:

Mr. John O'Connor

Company:

John O'Connor & Associates Pty Ltd

Telephone: Facsimile:

(07) 3342 1921 (07) 3342 1931

E-mail:

imoconnor@optusnet.com.au

Please refer to Confidential Attachment 1 for a copy of an Authority to Represent authorization.

Name other parties supporting this application.

Sunbeam Foods Pty Ltd is not the sole manufacturer of processed currants in Australia, although it is the largest Australian processor accounting for approximately 80 per cent of total production of processed currants in Australia.

Australian Premium is also a processor of Australian dried currants. Australian Premium's production accounts for the balance of Australian production for processed currants. It is considered that Australian Premium would support this application for the continuation of anti-dumping measures on processed currants exported from Greece.

Contact details for Australian Premium are as follows:

Mr Alan Williamson Managing Director Australian Premium Dried Fruits Pty Ltd P O Box 10106 Mildura Victoria 3502 Tel: (03) 5025 6210 Fax: (03) 5025 6199

info@apdf.com.au

Sunbeam Foods understands that the Dried Fruits Australia (formerly the Australian Dried Fruits Association – ADFA) representing the growers of dried currants also supports this application for the continuation of the measures.

Contact details for the Dried Fruits Association are as follows:

Dried Fruits Australia 31 Deakin Avenue Mildura Victoria 3502 Tel: (03) 5023 5174 Fax: (03) 5023 3321

- Provide details of the current anti-dumping measure(s) the subject of this continuation application, including:
 - Tariff classification;
 - · The countries or companies specified;
 - Date of publication of the measure.

The good the subject of current anti-dumping measures are processed dried currants of the grape variety *Vitis Vinifera L. Black Corinth*. The processed dried currants are classified to tariff sub-heading 0806.20.00, statistical code 29, in Schedule 3 of the *Customs Tariff Act 1995*.

The rate of duty for the goods exported from Greece is 5 per cent.

The anti-dumping measures applicable to exporters of processed dried currants from Greece are due to expire on 15 January 2014. The measures were imposed on 15 January 2009¹ by the then Minister responsible for Customs matters, following acceptance of the recommendations contained in Trade Measures Report No.140.

The anti-dumping measures on processed dried currants apply to all exporters in Greece.

Provide a detailed statement setting out the reasons for seeking continuation
of the anti-dumping measure. Applicants must provide evidence addressing
whether, in the absence of measures, dumped or subsidised imports would
cause material injury to the local industry producing like goods.

(i) Product

The goods the subject of this continuation application are processed dried currants. Sultanas, Muscat raisins, unprocessed currants or blended dry mixtures are excluded from the goods covered by the measures.

Trade Measures Report No. 140 further clarified the goods covered by the measures as follows²:

"Dried currants are black raisins. Raisins are a dried vine fruit (i.e. predominantly seedless grapes of the variety Vitis Vinifera L.) of which there are two very distinct types (i.e. black and white raisins). Currants are black raisins that are dried under the sun and consumed predominantly as dried fruits in food and sweets or alone. Greek currants are of the variety (cultivars) Vitis Vinifera L. Black Corinth. Sub-varieties of Vitis Vinifera L. Black Corinth include Provincial, Vostizza and Gulf."

² Ibid, P. 14.

¹ Trade Measures Report No. 140.

Further:

"The goods under consideration ("GUC") do not include buck currants or red currants, nor does it include berries (e.g. red berries). The GUC also does not include a reference to the percentage content of currants as the applicants consider once a tolerance level is included, product could be tailored specifically to circumvent the description."

(ii) Application coverage

Sunbeam Foods is seeking the continuation of the anti-dumping measures applicable to processed dried currants exported from Greece for a further five year period from 15 January 2014.

(iii) Processed currants market in Australia

The Australian market for processed dried currants is supplied by the Australian industry and imports. Customs and Border Protection recently conducted a review of measures investigation into processed dried currants exported from Greece by a single exporter, Agricultural Co-Operative Union Aeghion ("Aeghion") — Trade Measures Report No. 192 refers. During the review inquiry, Customs and Border Protection did not identify any information that suggested the Australian processed dried currants market in Australia had changed since the original investigation.

It was confirmed by Customs and Border Protection that processed dried currants are sold into three market segments in Australia. These include:

- retail;
- food service; and
- industrial food processing.

The market segments are differentiated by pack size. For example:

- the retail market involves pack sizes of 300 gram to 1 kilogram; and
- the food service and industrial segment involves larger pack sizes, including 10 kg and 12.5 kg sizes.

Customs and Border Protection considered the food service and industrial segments as one market segment (and referred to the segment as the 'industrial food' segment).

The retail segment of the processed dried currants market is represented by supermarkets, fresh produce and health stores. The industrial food segment includes bulk buyers of processed dried currants such as bakeries, biscuit, cake and cereal manufacturers, where competition from imports of Greek currants is the greatest.

The Australian market is supplied by Sunbeam Foods, Australian Premium Dried Fruits, and imports. Greece is the largest import source for processed dried currants, followed by South Africa. In the twelve month harvest year to February 2013, Greece accounted for two-thirds of total imports of processed dried currants, with the remaining third of total imports sourced from South Africa. Please refer to Table 1.1 below for details of annual imports of processed dried currants over the period March 2010 to February 2013.

Table 1.1 - Imports of processed currants 2010/11 to 2012/13 - aggregate data only (metric kilograms)

	2010/11	2011/12	2012/13
Greece	1,294,250	1,640,375	465,000
	551,418	462,900	216,440
South Africa	3.541	20,550	11,422
Other	1.849,209	2,123,825	692,862
Total	1,849,209	2,120,020	,

Notes:

Year is harvesting year March to February. 1.

South Africa is second largest source country for processed dried currants. 2.

Processed currant export prices to Australia (iv)

Export prices for processed dried currants are available in Australian Bureau of Statistics ("ABS") import clearance data. Imports of processed dried currants from Greece are identifiable on a monthly basis.

Please refer to Confidential Attachment 2 for monthly import data for currants sourced from ABS over the three-year period 2010/11 to 2012/13.

In the absence of measures, is it likely that imports of processed (v) currants from Greece will increase?

In the original investigation period of 1 April 2007 to 31 March 2008 exports of processed dried currants to Australia were estimated at approximately 1,500 tonnes. During the period 2002 to 2006, annual import volumes from Greece of processed dried currants averaged approximately 2,000 tonnes (refer Non-Confidential B-2.1 in Sunbeam Foods original application).

In Table 1.1 above, imports of processed currants from Greece in 2010/11 and 2011/12 were approximately 1,294 tonnes and 1,640 tonnes respectively. 2012/13, imports from Greece reduced to approximately 465 tonnes.

Greece is the largest grower of dried currants globally. Greek exporters have maintained distribution links into the Australian market - as evidenced by Frutex's request for a review of variable factors applicable to exports by Aeghion. It is anticipated that Greek exports of currants will likely increase to levels of previous years - between 1,500 and 2,000 tonnes per annum. However, these volumes are only likely in the absence of anti-dumping measures as it is Sunbeam Food's view that the measures operate as a deterrent to the export of Greek currants at dumped prices.

Anti-dumping measures by other countries (vi)

Sunbeam Foods is not aware of anti-dumping measures applying to processed dried currants in any other jurisdiction.

Are imports of processed currants likely to be dumped? (vii)

As indicated above, Customs and Border Protection has recently conducted a review of variable factors investigation into exports of processed dried currants exported to Australia by Aeghion. Aeghion was a supplier to Frutex Australia Pty Ltd ("Frutex"), a large importer of processed dried currants from Greece.

The Review investigation was commenced on 24 October 2012 and an announcement notifying of the Minister's decision to vary the variable factors applicable to exports by Aeghion was published on 13 May 2013.

The Aeghion review investigation period was from 1 October 2011 to 30 September 2012. It is Sunbeam Foods' understanding that the likely investigation period in an investigation for the continuation of measures would be the period 1 April 2012 to 31 March 2013. The continuation investigation period would therefore overlap the most recent variable factors review investigation period for Aeghion in a six-month period.

Aeghion cooperated with Customs and Border Protection's investigations. Aeghion provided Customs and Border Protection with a completed exporter questionnaire response. Customs and Border Protection did not visit Aeghion during the variable factors inquiry, however, was satisfied that the information provided by Aeghion could be used for normal value purposes.

Customs and Border Protection determined normal values for Aeghion under s.269TAC(1) on the basis of domestic sales by Aeghion in Greece, with adjustments for fair comparison with Aeghion's export prices to Australia throughout the investigation period. Customs and Border Protection determined that Aeghion's export prices during the investigation period were at dumped prices with a margin of 4.2 per cent.

Aeghion's domestic sales of 12.5 kg Corinthian Vostizza Currants were considered by Customs and Border Protection to be identical to Aeghion's export sales of processed dried currants to Australia. Adjustments to Aeghion's normal value for domestic credit terms, export inland freight and FOB related expenses were made, to arrive at a normal value based upon an FOB cash sale basis.

Trade Measures Report No. 140 indicates that dumping margins determined by Customs and Border Protection for Greek exporters across the investigation period ranged between 30 and more than 80 per cent. During this period, average export prices for processed currants exported from Greece were at an approximate A\$FOB value of \$1.65 per kg (refer Non-Confidential Attachment B-2.1 of Sunbeam Foods original application).

Greek export prices to Australia in 2012/13 have increased to levels of \$2.58 and \$3.11 per kg (with 42.5 tonnes declared at a questionable \$6.05 per kg in June 2012. It is apparent that the anti-dumping measures — despite an appreciation of the Australian dollar — have increased in accordance with the anti-dumping measures. Nevertheless, Customs and Border Protection's investigation into the variable factors applicable to exports by Aeghion determined that its export sales over the period 1 October 2011 to 30 September 2012 were at dumped prices of 4.2 per cent.

Sunbeam Foods submits that in the absence of anti-dumping measures it is likely that Greek exporters of processed currants would reduce export prices to Australia to secure increased volumes at comparable levels evident prior to the imposition of the anti-dumping measures.

Sunbeam Foods notes Customs and Border Protection's comments in Report No. 192 concerning Frutex's import prices post the Aeghion variable factors review investigation period:

"Customs also notes that Frutex imported currants from Greece since the end of the investigation period. Customs determined from its commercial database that the weighted average export price of currants imported by Frutex from Greece for these recent shipments remained at levels consistent with those observed within the investigation period."

Sunbeam Foods has not observed an increase in the Greek export prices to Australia post the Aeghion review investigation period. It is therefore evident that export prices subsequent to the investigation period were also at dumped prices (following the comments of Customs and Border Protection) and that future export prices at these levels will also likely be at dumped prices.

It is considered that in the absence of the anti-dumping measures, it is likely that exports of processed dried currants from Greece to Australia would likely be at dumped prices.

(viii) Will future imports of processed currants from Greece cause injury, or threaten to cause injury, to the Australian industry?

Trade Measures Report No. 140 considered the impact of Greek exports of processed dried currants on:

- the growers of currants; and
- the processors of dried currants.

Customs and Border Protection determined that the Australian producers (i.e./ processors) of dried currants experienced injury in the following forms:

- price depression in the industrial segment;
- price suppression in the industrial market segment and overall;
- loss of sales volume in the retail market segment;
- losses in the industrial market segment; and
- unprofitable rates of return in the industrial market segment.

Customs and Border Protection also determined that Australian dried currant growers experienced injury in the form of:

- price depression;
- price suppression;
- loss of sales volume; and
- unprofitable rates of return.

Sunbeam Foods provided Customs and Border Protection with financial data demonstrating its cost-to-make-and-sell ("CTM&S") processed currants throughout the Aeghion review period. Sunbeam Foods' profit improved following the imposition of measures and the payments from processors to growers also increased post the imposition of measures. However, in the 2012/13 year, further price competition from imports (confirmed by Customs and Border Protection in Report No. 192 as having been at dumped prices) has resulted in a reduction in the payments to growers for unprocessed dried currants.

The present reduced prices to growers by the Australian processors indicates that the Australian industry producing processed currants in the absence of anti-dumping measures is susceptible to a recurrence of material injury from Greek exports of processed dried currants at dumped prices. Further, Sunbeam Foods CTM&S data for the three periods 2010/11 to 2012/13 included with this application highlights a deterioration of the company's profit on processed currants.

Sunbeam Foods is also aware of two recent examples of price undercutting from imported Greek currants in the industrial segment of the market. Sunbeam Foods recently tendered for the supply of processed currants and was rejected at a price of \$xxxx per kg. The feedback from [company] was that the incumbent pricing for import supply was at a similar level, and it was of no commercial benefit to switch supply.

It should be noted that a price of \$xxxx per kg was well below Sunbeam Foods' pricing levels for industrial processed dried currants in 2012/13.

Sunbeam Foods was also rejected on an offer to supply at [company] at \$xxxx per kg, with the price for imported processed currants at \$xxxx per kg (again well below Sunbeam Foods price realizations).

Sunbeam Foods therefore contends that future export prices for processed dried currants from Greece are likely to be injurious to the Australian industry producing like goods.

(viii) Conclusions on dumping and material injury in the absence of measures on processed currants exported from Greece

It is Sunbeam Foods' position that the anti-dumping measures applicable to processed dried currants exported from Greece have reduced the level of material injury experienced by the industry in the 2007/08 investigation period (and earlier periods). The imposition of the measures imposed required Greek exporters to raise export prices to levels that enabled processors to increase prices to Australian growers for raw material dried currants.

The recent review inquiry into Aeghion's variable factors confirmed that its exports were at dumped margins of 4.2 per cent. In the absence of anti-dumping measures it is likely that Greek export prices for processed dried currants would fall, as Greek exporters seek to increase volumes to historic export levels.

Recent competitive offers for imported Greek currants are at levels below Sunbeam Foods' average net realizations. Anti-dumping measures are require to ensure Greek exporters do not reduce export prices to injurious levels that will negatively impact on both the Australian growers of dried currants and the Australian processors of dried currants.

The Aeghion review indicates that Greek exporters of processed dried currants have maintained distribution links to Australia. The Review also confirmed that Greek exporters have continued to export to Australia at dumped prices, despite the anti-dumping measures that have applied. Recent competitive offers for Greek currants confirm that the dumped prices undercut the Australian industry's selling prices and are injurious to the Australian industry. The anti-dumping measures applicable to Greek exporters ensure a reasonable level of restraint in terms of injurious dumping. The measures are warranted for a further five-year period to prevent a recurrence of material injury from dumping.

Sunbeam Foods is concerned that in the event the anti-dumping measures applicable to processed dried currants exported from Greece are allowed to expire on 15 January 2014, it is likely that the Australian industry producing processed dried currants 9including the growers of dried currants) would experience a recurrence of, or be threatened with, material injury from dumped exports from Greece.

Sunbeam Foods requests the CEO of Customs and Border Protection to commence a formal investigation into Sunbeam Foods' request that the anti-dumping measures applicable to processed dried currants exported from Greece be extended for a further five-year period.

 Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter, eg Australian manufacturers, importers, exporters, users.

Exporters:

Sunbeam Foods consider the following exporters may be interested in an investigation into the continuation of anti-dumping measures on processed dried currants exported from Greece:

- (i) Agricultural Cooperatives Union 21 Corinthou St, P.O. Box 9 AEGHION GREECE 251 00 Tel: 30 26910 22409 Fax: 30 26910 22384
- (ii) The Couniniotis Group
 Parthenon S.A.,
 P.O. Box 1
 ANGHION GREECE 25 100
 Tel: 30 2691 074473-6
 Fax: 30 2691 074484

Importers

The following importers may be interested in the continuation investigation:

- (i) Frutex Australia Pty Ltd 18 St Albans Road KINGSGROVE NSW 2208 Tel: (02) 9502 6500 Fax: (02) 9502 6511
- (ii) Scalzo Food industries 156-174 Kensington Road WEST MELBOURNE VICTORIA 3003 Tel: (03) 9245 7000 Fax: (03) 9245 7050

List of Attachments

<u>No.</u>	Description	Comidential/Non-Comidential
1 2	Authority to Represent Import Data for Processed currants	Confidential Confidential
3	and other dried fruit Sunbeam Foods' CTM&S financial data for processed dried currants (by pack size)	Confidential

Confidential/Non-Confidential



APPLICATION

FOR

CONTINUATION OF A DUMPING DUTY AND/OR A COUNTERVAILING DUTY NOTICE

OR

CONTINUATION OF AN UNDERTAKING

Trade Measures Branch Australian Customs Service

APPLICATION FOR CONTINUATION OF MEASURES

REQUIRED INFORMATION

- 1. Provide details of the name, street and postal address, of the applicant seeking the continuation.
- Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.
- 3. Name other parties supporting this application.
- 4. Provide details of the current anti-dumping measure(s) the subject of this continuation application, including:
 - · tariff classification
 - · the countries or companies specified
 - · date of publication of the measure
- 5. Provide a detailed statement setting out reasons for seeking continuation of the anti-dumping measure. Applicants must provide evidence addressing whether, in the absence of measures, dumped or subsidised imports would cause material injury to the local industry producing like goods. Applicants should refer to the "Guidelines for Preparing an Application for Continuation of Measures" for assistance.
- Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter eg Australian manufacturers, importers, exporters, users.

APPLICATION UNDER SECTION 269ZHB OF THE CUSTOMS ACT 1901 FOR CONTINUATION OF A DUMPING DUTY OR COUNTERVAILING DUTY NOTICE OR CONTINUATION OF AN UNDERTAKING

I herek	by request, in accordance with section 269ZHC of the his Act 1901 that the Minister:
N	continue a dumping duty notice, or
	continue a countervailing duty notice, or
	continue the undertaking given under the Customs Act 1901 by
(Name	of company or organisation)
in resp	ect of the goods the subject of this application.
I believ	e that the information contained in this application:
	provides reasonable grounds for continuation of the anti- dumping measure; and is complete and correct to the best of my knowledge and belief.
Signati	ire:
Name:	CHRIS ELLIS.
Positio	n: General Manager Fruit Supply. Ony: SUNBEAM FOODS Pty Ltd.
Compa	my: SUNBEAM FOODS Pty 21d.
	3/06/2013.

OF THE APPLICATION

This application, together with the supporting evidence and information, should be lodged with either:

The National Manager

OR

The Director, Dumping Liaison Unit

Trade Measures Branch
Australian Customs Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

OR

Sent by facsimile to **02 6275-6990**

NON-CONFIDENTIAL VERSION

The application must also be available in a non-confidential version for distribution to interested parties. At the time of lodgement Customs requires two non-confidential copies (as well as two confidential versions).

Applicants must ensure that they clearly show, in a non-confidential version of their application, the reasons for seeking continuation of the measure. An application will not be accepted unless it is accompanied by a non-confidential version which adequately reflects the reasons for seeking continuation of the measure, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible.