

Received:  
15 December 2014



**APPLICATION FOR  
DUMPING AND/OR  
COUNTERVAILING DUTIES**

**Prepared or preserved tomato products exported by and  
La Doria S.p.A and Feger di Gerardo Ferraioli SpA**

**10<sup>th</sup> December 2014**

**AUSTRALIAN CUSTOMS AND BORDER PROTECTION SERVICE**

**Application for Dumping and  
Countervailing Duties**

**DECLARATION**

I request in accordance with Section 269TB of the Customs Act 1901 that the Minister publish in respect of goods the subject of this application:

- a dumping duty notice, or
- a countervailing duty notice, or
- a dumping and a countervailing duty notice

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Signature:



Name: Peter Kelly

Position: Managing Director

Company: SPC Ardmona  
50 Camberwell Road, Hawthorn East, Vic 3123 Australia

ABN: 60 004 077 105

Date: 10<sup>th</sup> December 2014

# **PART A**

## **INJURY**

### **TO AN AUSTRALIAN INDUSTRY**

#### **IMPORTANT**

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

For advice about completing this part please contact the Customs Dumping Liaison Unit on:

 **(02) 6275-6066** Fax **(02) 6275-6990**

## **A-1 Identity and communication.**

**Please nominate a person in your company for contact about the application:**

SPC Ardmona  
50 Camberwell Road, Hawthorn East, Vic 3123 Australia

Fax: 03 9861 8911 |  
ABN: 60 004 077 105

**If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).**

**Blackburn Croft and Co Limited  
149- 155 Pamell road  
Po box 37-553, Parnell  
Auckland, New Zealand  
Tel: 64-9-358 4343  
Email: bcc@tradecon.co.nz**

## **A-2 Company information.**

- 1. State the legal name of your business and its type (eg. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.**

SPC Ardmona Operations Limited (SPC Ardmona)

- 2. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.**

Refer confidential attachment A2.2 (rev1) highlighting current structure and describing the roles

- 3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.**

SPC Ardmona is wholly owned subsidiary of SPC Ardmona Limited – 100%

- 4. If your company is a subsidiary of another company list the major shareholders of that company.**

SPC Ardmona Limited is wholly owned subsidiary of Coca Cola Amatil Limited.

- 5. If your parent company is a subsidiary of another company, list the major shareholders of that company.**

The major shareholders of Coca Cola Amatil are listed in its annual report. Refer attachment A2.5

- 6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).**

Refer attachment A 2.6

**7. Are any management fees/corporate allocations charged to your company by your parent or related company?**

Yes management fees/corporate allocations charged

**8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.**

SPC Ardmona has no relationship with any exporter or importer of the goods that are subject of this application

**9. Provide a copy of all annual reports applicable to the data supplied in Appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.**

**Coca Cola Amatil's latest annual reports can be found at :**

<http://ccamatil.com/InvestorRelations/Pages/AnnualReports.aspx>

A copy of the 2013 and 2014 half annual reports are attached for your reference. Ref attachment A2.5

**10. Provide details of any relevant industry association.**

- Australian Food and Grocery Council.
- Australian Processing Tomato Research Council.
- Canned Fruits Industry Council of Australia (CFICA),

**A-3 The imported and locally produced goods.**

**1. Fully describe the imported product(s) the subject of your application:**

- **Include physical, technical or other properties.**
- **Where the application covers a range of products, list this information for each make and model in the range.**
- **Supply technical documentation where appropriate.**

The goods subject of the application are tomatoes (peeled or unpeeled) prepared or preserved otherwise than by vinegar or acetic acid, either whole or in pieces (including diced, chopped or crushed) with or without other ingredients (including vegetables, herbs or spices) in packs not exceeding 1.14 litres in volume (prepared or preserved tomatoes), exported from Italy by La Doria S.p.A and Feger di Gerardo Farraioli S.p.A. The following tomato products do not form part of this application: pastes, purees, sauces, pasta sauces, juices and sundried tomatoes.

The common container sizes of the imported prepared or preserved tomatoes the subject of this application are 300grams to 850grams, but the application covers all container sizes up to and including 1.14L.

The imported goods could be packaged in different containers such as cans, glass jars, pouches or Tetra packs.

Products sold in multi-unit packs for example, 3X400gram cans are to be considered as three single packs.

The imported prepared or preserved tomatoes can be labelled with a generic, a house brand / private label for retailer or a proprietary label. The imported prepared or preserved tomatoes the subject of this application covers all imported prepared or preserved tomatoes regardless of how labelled.

Back of the pack information and pictures of the imported products are attached in appendix attachment A3.1.

## **2. What is the tariff classification and statistical code of the imported goods.**

The goods are classified within tariff subheading 2002100060 Tomatoes, whole or in pieces, prepared or preserved otherwise than by vinegar or acetic acid, in packs not exceeding 1.14 L in Schedule 3 of the Customs Tariff Act 1995.

The current rate of duty is 5% except where appropriate for US, Thai, Chilean and AANZ originating goods which are free of duty.

## **3. Fully describe your product(s) that are 'like' to the imported product:**

- **Include physical, technical or other properties.**
- **Where the application covers a range of products, list this information for each make and model in the range.**
- **Supply technical documentation where appropriate.**
- **Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.**

SPC Ardmona's products are prepared or preserved tomatoes either whole (peeled or unpeeled) or in pieces (like diced, chopped, or crushed) in water or juice, with or without added vegetables, herbs and /or spices, prepared or preserved otherwise than by vinegar or acetic acid in pack sizes typically up to and including 1.14 L which are suitable for purchase from retailers by individual consumers. ("Domestic prepared or preserved tomatoes")

- SPC Ardmona produces prepared or preserved tomatoes in the form of chopped, flavoured, whole and crushed tomatoes. Though diced products are preferred by vast majority of consumer price is the key purchase criterion Ref attachment A3.3.a
- SPC Ardmona's prepared or preserved tomatoes are currently packed into cans. Imported products currently competing with SPC Ardmona's products are also in cans. However imported goods can be in various forms of packaging formats including glass jars and pouches. These products would be similar to SPC Ardmona's products as they would have similar functional and commercial attributes. The package does not alter the essential characteristics of the product.
- The majority of the SPC Ardmona's and imported products in the supermarkets are in 400g and 800g size cans however consumers switch between these based on prices.
- Technical specifications of SPC Ardmona's products are attached (Ref Attachment A 3.3 b)

## **4. Describe the ways in which the essential characteristics of the imported goods are alike to the goods produced by the Australian industry.**

The prepared tomato products produced by SPC Ardmona are identical to, or very closely resemble, the imported processed tomato retail products imported into Australia. The basis for this is that:

- The products have similar composition, sizes, cuts and ingredients
- The products are directly substitutable
- The products compete directly in the same markets
- The products have the same end-uses.

Physical likeness:

As indicated in attachment A3.3.b and A 3.1

- The imported products are available in the same size packaging as SPC Ardmona's products. The majority of the products available in 400grams and 800 grams size cans.
- The key ingredient in the imported are prepared tomato and SPC Ardmona's prepared products are tomatoes and are available with similar composition and liquid.

- Both imported products and SPC Ardmona's products are available in the same cuts such as diced, chopped, whole, crushed or mixed with herbs and spice

Commercial likeness:

- Both imported products and SPC Ardmona's prepared tomatoes are available on supermarket's shelves and compete with each other as is indicated in attachment A3.4
- Consumers switch between SPC Ardmona's products and imported products. The key purchase criteria driving the purchase decision is price. (ref attachment A 3.3)

Functional likeness:

- Both imported and SPC Ardmona's products are used by consumers for preparing meals and are interchangeable.

**5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.**

The ANZSIC code applicable to the domestic prepared tomato products industry is category 1140 Division C- Manufacturing; Sub division 11- Food product manufacturing.

(Fruit and vegetable processing, Fruit, preserved, manufacturing, including canned and bottled)

**6. Provide a summary and a diagram of your production process.**

The growers (SPC Ardmona's Suppliers) deliver the tomatoes to the processors on the same day as they are picked. SPC Ardmona aims to bring the fresh tomatoes to the 'bright can' stage (that is, an unlabelled can) within 24 hours of delivery. Once tomatoes are received at the canning factory, they are washed, graded and steam peeled. The tomatoes may be left whole or diced or crushed prior to being put into cans. XXXXXXXX (*describes the process*)

**7. If your product is manufactured from both Australian and imported inputs:**

- describe the use of the imported inputs; and
- identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

The Key raw material input for the prepared tomatoes is raw tomatoes which are domestically sourced.

**8. If your product is a processed agricultural good, you may need to complete Part C.3 (close processed agricultural goods).**

Domestic prepared or preserved tomato products produced by SPC Ardmona are not close processed agricultural products because the harvest of tomatoes grown for consumption in fresh form (i.e. for the fresh tomato market) is not substantially devoted to use in the production of prepared or preserved tomato products (i.e. for the prepared tomato market). Tomatoes are also grown for other products such as paste, puree, sauces. SPC Ardmona is not aware of the quantity of tomatoes produced for sale into the fresh tomato market.

**9. Supply a list of the names and contact details of all other Australian producers of the product.**

SPC Ardmona is not aware of any other Australian producers of prepared or preserved tomato products of the kind specified in this application.

## **A-4 The Australian market.**

### **1. Describe the end uses of both your product and the imported goods.**

SPC Ardmona's prepared or preserved tomatoes products and the comparable imported products have the same end-uses, namely that they are used predominantly in the preparation of meals such as sauces, soups and stews for consumption by households. They compete for the shelf space on the supermarket shelves and sales to smaller retailer outlets such as delicatessens and corner stores.

Some unknown (but probably small) quantities are likely purchased for use in the food service industry but generally that industry purchases product in larger pack sizes above 1.14L for production of larger volumes of sauces, soups and stews.

### **2. Generally describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:**

- **sources of product demand;**
- **marketing and distribution arrangements;**
- **typical customers/users/consumers of the product;**
- **the presence of market segmentation, such as geographic or product segmentation;**
- **causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;**
- **the way in which the imported and Australian product compete; and**
- **any other factors influencing the market.**

SPC Ardmona's preserved tomato products and the comparable imported products are both demanded by consumers for household meal preparation.

Broadly, the market for preserved tomatoes comprises the following segments:

- sales to the major supermarkets (*XXXX customer details*)
- sales to continental stores and smaller food stores; and

Both products are purchased by these channels for on-sale to consumers.

Major supermarket chains account for the most significant share of the sales of the products concerned with the remaining sales being to smaller retailers.

In addition as mentioned above, lesser volume is sold to the food services industry for these pack sizes. This segment mainly consists of sales to the catering industry, restaurant trade and institutions such as hospitals, nursing homes and prisons

Marketing arrangements differ according to the channel through which the products are sold. Major supermarket chains purchase products and require SPC Ardmona to accept various marketing conditions for the sale of the product. In particular, *XXXX (SPC Ardmona's commercial arrangement)*.

Distribution arrangements differ according to the retailer concerned, with major retail chains requiring SPC Ardmona to supply products to their distribution centres and SPC Ardmona supplying smaller retailers through distributors.

The major customers of SPC Ardmona's products as indicated above are the supermarket chains and to a much lesser extent the smaller retailers. (*Refer confidential attachment XXX and XXX explaining distribution network and its participants*)

There is no significant geographic or product segmentation of the products. Consumers will substitute between different pack sizes within the range of the sizes of product that are the subject of this application (i.e. from 400g to 800g) depending on the prices of the various sizes



(i.e. they will substitute two 400g for one 800g depending on relative prices).

SPC Ardmona has undertaken extensive consumer research on the factors affecting purchase criteria of the consumers and some relevant results are included in attachment A 3.3. Consumer demand for the preserved tomatoes category as a whole has been reasonably stable, with imported products substituting for the Australian products. Therefore demand for the Australian SPC Ardmona products has fallen considerably in recent years owing to the impact of the dumped imported products.

Australian supply of raw tomatoes for processing is seasonal. (XXXX *Commercial in Confidence*)

Australian and imported products compete fundamentally on price, given that their composition and other features are essentially the same. The major supermarket chains are the major purchasers of both products in the Australian market, and in recent years have imported increasing quantities especially of products marketed under their own private label brands. (XXXX *describes marketing arrangements*)

**3. Identify if there are any commercially significant market substitutes for the Australian and imported product.**

There are no commercially significant substitutes.

**4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.**

Confidential Appendix A1 has been completed. See Industry Confidential Appendix A1. ( XXX *commercial in confidence describing information presented*)

**5. Complete appendix A2 (Australian market).**

Confidential Appendix A2 has been completed. (Refer attached appendix A2). As the information presented in A2 is used to calculate relative shares of imported products vs Australian products, this analysis is required to be carried out at same level of trade. Canned tomatoes are sold in various channels such as major supermarkets, food service, minor retail etc. (Refer Attachment B- SPC confidential XXX attachment detailing distribution network). As sales through major supermarkets form the most significant part of the sales, presenting relative share in this market would be most appropriate.

- XXXXXXXXXX (*Commercial in Confidence*) are the major supermarkets.
- XXXXX (*confidential details of customers*) provide sales data for what is captured at checkout to IRiAztec ( Aztec). Aztec processes this data into a database for interrogative analysis.
- SPC Ardmona purchases scan databases from Aztec and the raw data from the retailers. Therefore information on actual sales of ( domestic and imported) canned tomatoes to the consumers through these retailers is available to SPC Ardmona
- Sales through XXXX (*confidential details of customers*) are not included in the Aztec scan sales database.
- The best estimate available in the market for sales through XXX (information is from Aztec's in home panel data (Aztec panel data) is. Aztec panel data contains shopping behaviour of 5000 panellists who scan their purchases on a continual basis to identify patterns in shopping behaviour. This information along with information from tender documents were used to establish sales through XXXX (*confidential details of customers*).
- Therefore size of the total grocery canned tomato market can be estimated adding sales through XXXXX (*confidential details of customers*)
- SPC Ardmona is the only manufacturer of like goods in Australia.

- Therefore, total imports sold through the grocery channel can be estimated by deducting the sales of domestically produced goods from total retail sales.
- Sales of alleged dumped goods (subject of this application) were estimated to be '44% of the total imports from Italy (SEF page 63)'. Value of this was calculated using ABS data on imports.( Refer SPC confidential attachment B-1.5)
- Products that make up this volume were established. (Refer *confidential attachment XXX* giving methodology/source used to establish the products.). This is used for reflecting volume and value of dumped goods in A2.
- It is our understanding that the remaining imports sold through the retail channel are from Italy as well.
- Small proportion of the total imports from other countries (as reflected in ABS data) are to channels other than grocery, therefore do not get reflected in the A2.

Total Australian market volume model ( retail and other channels) can be constructed by using actual scan sales from Aztec, SPC Ardmona sales, Aztec panel data and ABS data. However

- Refer confidential attachment A4.5.1 for the backup information
- Refer confidential attachment A4.5.2 for the explanatory notes to A2
- Refer confidential attachment A4.5.3 for the estimated dumped products list

**6. Use the data from appendix A2 (Australian market) to complete this table:**

Market data Appendix A2 has been used to prepare the following table.

**Table A-4.6 – Australian Market : Retail market (XXXX customer information)**

Period Tonnes	(a) Your Sales	(b) Other Aust <sup>n</sup> Sales	(c) Total Aust <sup>n</sup> Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	(g) Total Market (c+f)
2010	100		100	100	100	100	100
2011	65		65	104	130	116	102
2012	65		65	115	114	115	101
2013	71		71	108	109	108	98
2014HY*	43		43	53	53	53	50

\*Based on Jan-Jun sales 2014

**A-5 Applicant's sales.**

**1. Complete appendix A3 (sales turnover).**

Confidential Appendix A3 has been completed and is attached.

- Sales volumes are depicted in tonnes sold to all domestic channels, though retail channel is the largest.
- Sales value is Net sales revenue for SPC Ardmona i.e. ex-factory sales value.
- Difference between A2 and A3 is because:
  - A2 depicts retail channel sales only, whereas A3 includes sales to other channel such as distress sales, food service, green grocery, etc. apart from retail channel.
  - A2 depicts Retail sales value of the products (that is sales from supermarkets to consumer ) and A3 shows net sales value ( that is ex factory sales value).
  - (Refer *explanatory note 'XXX explaining reconciliation between appendix due to level of trade.*)

2. Use the data from appendix A3 (sales turnover) to complete these tables.

Indexed table of Applicant's sales quantities\*

Quantity	2010	2011	2012	2013	2014HY
<b>All products</b>					
Australian market	100	95	88	80	39
Export market	100	55	49	68	4
<b>Total</b>	100	92	85	79	36
<b>Like goods</b>					
Australian market	100	68	72	72	44
Export market	100	19	24	17	15
<b>Total</b>	100	68	72	72	44

Indexed table of Applicant's sales values\*

Value	2010	2011	2012	2013	2014HY
<b>All products</b>					
Australian marke	100	95	88	82	42
Export market	100	56	61	76	7
<b>Total</b>	100	93	86	82	40
<b>Like goods</b>					
Australian marke	100	74	72	73	46
Export market	100	-45	28	19	18
<b>Total</b>	100	73	71	73	46

3. Complete appendix A5 (sales of other production) if you have made any:

- internal transfers; or
- domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.

Confidential appendix 5 has been completed and is attached.

4. Complete appendix A4 (domestic sales).

Confidential Appendix A 4 and confidential explanatory note (XXXXXX) to A4

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

N/A

6. Attach a copy of distributor or agency agreements/contracts.

Refer to confidential attachment A 5.6

7. Provide copies of any price lists.

Refer to confidential attachment A 5.7

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.

- Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).

- If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.

XXXX SPC Ardmona's commercial arrangement explanation

9. Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.

Please refer to attachment confidential A5.9. (SPC Ardmona's commercial arrangement explanation)

## **A-6 General accounting/administration information.**

1. Specify your accounting period.

1<sup>st</sup> January to 31<sup>st</sup> December

2. Provide details of the address(es) where your financial records are held.

Andrew Fairley Avenue, Shepparton, VIC, 3630  
50 Camberwell Road, Hawthorn East, VIC, 3123

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- chart of accounts;

Refer confidential Attachment A 6.3.a

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);

**Coca Cola Amatil's latest annual reports can be found at:**

<http://ccamatil.com/InvestorRelations/Pages/AnnualReports.aspx>

A copy of the 2013 annual and 2014 half year reports are attached for your reference.

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.

*These documents should relate to:*

1. the division or section/s of your business responsible for the production and sale of the goods covered by the application, and
2. the company overall.

Refer confidential Attachment A 6.3.b

4. If your accounts are not audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Coca Cola Amati's accounts are audited

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

Our accounting practices are in accordance with Australian generally accepted accounting principles

**6. Describe your accounting methodology, where applicable, for:**

Please refer to Note 1 to the Financial Statements (Page 50) on Coca Cola Amatil's 2012 Annual Report. This details the significant accounting policies applied by the business.

- **The recognition/timing of income, and the impact of discounts, rebates, sales returns**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to SPC Ardmona and the revenue can be reliably measured.

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to customers.

Revenue is recognised net of discounts, allowances and applicable amounts of value added taxes such as the Australian goods and services tax.

In preparing the consolidated financial statements, the effects of all transactions, balances and unrealised gains and losses on transactions between entities in the Coca Cola Amatil Group are eliminated.

- **provisions for bad or doubtful debts;**

Collectability of trade receivables is reviewed on an ongoing basis. The carrying amount of trade receivables is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

- **the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;**

The costs of conversion of inventories include costs directly related to the units of production. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition. No interest costs are recovered into the costs of inventories.

- **costing methods (e.g. by tonnes, units, revenue, activity, direct costs etc.) and allocation of costs shared with other goods or processes;**

SPC Ardmona uses the standard cost method for measuring the cost of inventory. Shared costs are allocated based on units of production

- **the method of valuation for inventories of raw material, work-in-process, and finished goods (e.g. FIFO, weighted average cost);**

Inventories including raw materials, work in progress and finished goods are stated at the lower of cost (including fixed and variable factory overheads where applicable) and net realisable value. Cost is determined on the basis of first-in-first-out, average or standard, whichever is the most appropriate in each case.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Costs of inventories include the transfer from equity of gains or losses on qualifying cash flow hedges relating to inventory purchases.

- **valuation methods for scrap, by-products, or joint products;**

Scrap and by-products are valued at net realisable value, whereas joint products are valued at lower of cost and net realisable value

- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**

Finished goods are stated at the lower of cost (including fixed and variable factory overheads where applicable) and net realisable value

- **valuation and revaluation of fixed assets;**

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Subsequent expenditure is added to the carrying value of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to SPC Ardmona. All other subsequent expenditure is expensed in the period in which it is incurred.

- **average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;**

Property, plant and equipment, other than freehold land, is depreciated or amortised on a straight line basis at various rates dependent upon the estimated average useful life for that asset to SPC Ardmona. The estimated useful lives of each class of asset for the current and prior year are as follows –

Freehold and leasehold buildings 20 to 50 years

Plant and equipment 3 to 15 years

- **treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and**

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Exchange rate gains or losses are brought to account in determining the net profit or loss in the period in which they arise, as are exchange gains or losses relating to cross currency swap transactions on monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

- **restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.**

Provisions (restructuring costs) are recognised when a present legal or constructive obligation has arisen as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At each reporting date, SPC Ardmona assesses whether there is an indication that an asset may be impaired. Where an indicator of impairment exists or where annual impairment testing for an asset is required, SPC Ardmona makes a formal estimate of the recoverable amount. An impairment loss is recognised for the amount by which the carrying amount of an asset exceeds the recoverable amount, which is defined as the greater of an asset's fair value less costs to sell, or value in use. For the purpose of assessing impairment, assets are grouped at the level for which there are separately identifiable cash flows.

An impairment loss is recognised in the income statement.

Depreciation expense and maintenance costs incurred for idle equipment are recognised in the Income Statement.

7. **If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.**

N/A

## A-7 Cost information

1. **Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.**

Confidential Appendix A 6.1(rev1) has been completed.

## A-8 Injury

1. **Estimate the date when the material injury from dumped imports commenced.**

Material injury has been caused by goods which are the subject of this application has occurred over many years. However for the purpose of the application data has been presented from 2010.

2. **Using the data from appendix A6 (cost to make and sell), complete the following tables for each model and grade of your production.**

*Index of sales variations (metric tonnes)*

Period	2010	2011	2012	2013	2014HY
Index	100	68	72	72	44

*Index of cost variations (A\$ per metric tonnes)*

Period	2010	2011	2012	2013	2014HY
Index	100	112	106	106	112

*Index of price variations (model, type, grade of goods)*

Period	2010	2011	2012	2013	2014HY
Index	100	108	100	102	104

*Index of profit variations (model, type, grade of goods)*

Period	2010	2011	2012	2013	2014HY
Index	-100	-175	-235	-177	-172

*Index of Profitability variations (model, type, grade of goods)*

Period	2010	2011	2012	2013	2014HY
index	-100	-240	-330	-244	-376

3. Complete appendix A7 (other economic factors).

Period	2010	2011	2012	2013	2014HY
Capacity *utilisation	XX	XX	XX	XX	XX

Measured in raw tonnes\*

**A-9 Link between injury and dumped imports.**

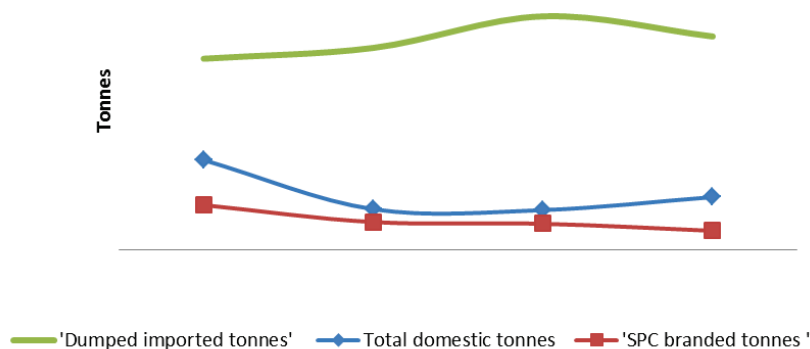
To establish grounds to initiate an investigation there must be evidence of a relationship between the injury and the alleged dumping. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped imports on your annual sales volume and market share.

Prepared or preserved tomato category volumes sold through major retailers have been relatively stable estimated at XX tonnes in 2010 and XX tonnes in 2013.

- The volume of alleged dumped imports forms significant part of the domestic market.
  - Statement of Essential facts (217) of the investigation suggested that imports from La Doria and Feger constitute approximately 44% of the total imports from Italy.
  - In 2013, imports from Italy formed 96% of the total imports to Australia. Therefore for the period 2013, this can be estimated to be XX and for 2014 (half) to be XX.
  - As shown in the appendix A2, these form XX% share of the retail market in 2013.
  - Any pricing activity undertaken by these products impact the pricing of the category. The category is highly price sensitive and the consumers switch between products. Evidence to suggest this has been attached with the application.
- SPC Ardmona has further analysed the breakdown of market volume by brand and estimated mix of products that could make up above volume. Confidential attachment A4.5.3 shows the alleged make up of these products. This has been arrived at using information available regarding the manufacturers of various brands.
- Confidential chart A9.1 shows the increase in volumes of these alleged dumped products compared to SPC Ardmona volumes. (Source: Aztec scan sales data, Aztec panel data, internal SPC Ardmona information)

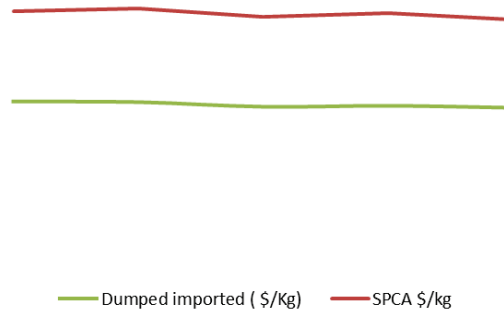
**Chart A 9.1 :Volume Chart**





- Confidential chart A9.1 (a) shows the pricing of the alleged dumped products over the injury period compared to SPC Ardmona's pricing.

Chart A9.2 (a) Retail price ( \$/kg)



- BUT FOR the dumping of these products, SPC Ardmona's share gain would have been higher

**2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped imports on your annual prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.**

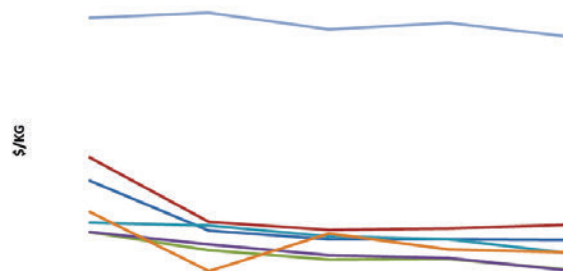
It is evident from confidential appendix A2 that the imported prepared or preserved tomatoes at dumped prices have impacted SPC's market share, caused price undercutting, price suppression and ultimately impacted SPC Ardmona's profitability.

- The retail prices of the dumped imported prepared or preserved tomatoes fell from \$XX/kg in 2010 to \$XX/kg in 2014 (YTD June).
- As has been analysed in the Antidumping case for Prepared and preserved tomatoes (217) , retail prices closely follow whole sale and export prices. Therefore it can be concluded that the export prices would also have declined during this period.
- SPC Ardmona's XXXX (*confidential deletion relating to commercial strategies*) (Refer confidential attachment A 9.2a)

As indicated in the attachment A3.3a the consumer's key purchase criterion is retail price. As a result of this price undercutting and resultant price differential between imported and SPC Ardmona's products, SPC Ardmona products have lost volume and market share in the category.

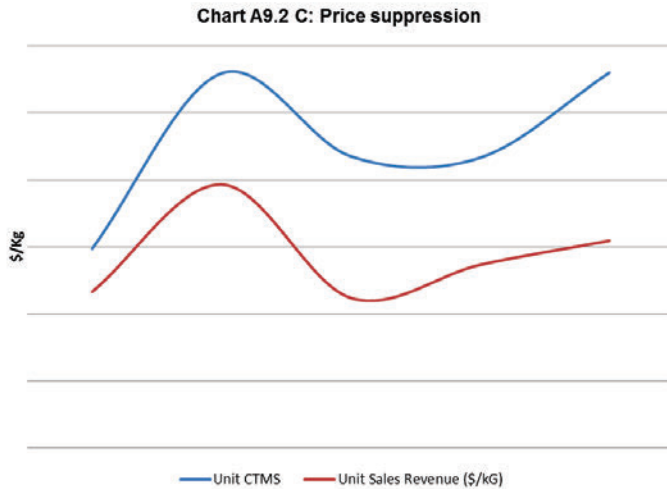
Confidential chart 9.2 (b) shows price depression caused by dumped imports. This should be read in conjunction with Chart A 9.1 (a)

**Chart 9.2 (b) Price depression \$/KG - Non Confidential**



SPC Ardmona XXXX (confidential deletion relating to commercial strategies)

Confidential Chart 9.2 C highlights the price suppression.



Confidential Chart 9.2 (d) shows the losses incurred due to the injury caused by dumped imports

**Chart: A9.2 (d) Profitability based on A6**



Since the application of preliminary duties in November 2013 and final duties in 2014 some products have shown price shifts. However, full impact of the duties has not been observed in the retail prices. (Data of all product prices has been provided as A2 explanatory appendix)

This implies that La Doria and Feger prices are causing price suppression in the market. It is reasonable to assume that in the absence of these price effects attributable to La Doria and Feger, that the market would have seen improved price points.

That is to say that 'BUT FOR' the dumping of these products by La Doria and Feger, SPC Ardmona's share gain and prices that it could sell the products for would have been higher.

- 3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped imports on your annual costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).**

The decline in sales volumes caused by the imported prepared or preserved tomatoes has resulted in SPC Ardmona experiencing higher costs to make and sell during the period from 2010 to 2014 with average cost to make and sell XXXX (confidential information unable to be summarised). This was due to loss of critical economies of scale which in turn lead to poor overhead recovery.

The increased price competition from dumped imports has prevented SPC Ardmona from raising prices to a level required to recover its increased costs to make and sell, resulting in price suppression, which in turn has eroded profits and profitability

- 4. The quantity and prices of dumped imported by the goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.**

As a result of the increased proportion of imported prepared or preserved tomatoes to total consumption in Australia, the viability of the domestic prepared or prepared tomato industry came under threat.

- Demand for raw tonnes of tomatoes has declined significantly over the years
- Due to reduced demand, number of tomato growers has been declining in the industry.

- 5. Describe how the injury factors caused by dumping and suffered by the Australian industry are considered to be ‘material’.**

- The decline in the revenues, profits and profitability from the sales of domestic prepared or preserved tomatoes by SPC Ardmona caused by dumped imported prepared or preserved tomatoes are significant to total SPC Ardmona business. XXXX (confidential information unable to be summarised).
- SPC Ardmona’s goods under consideration are manufactured in its Mooroopna plant. Decline in the volume is leading to underutilisation of the assets.

- 6. Discuss factors other than dumped imports that may have caused injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping.**

- Australian seasonal conditions do not impact consumer demand.
- Cost of raw material and labour has decreased from 2010 therefore not contributing to the cause of the injury.
- By far the biggest factor causing damage has been imported dumped products causing the loss in SPC Ardmona’s volume, price undercutting, price depression and price suppression and profits.

- 7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped imports, forecast their impact on your industry’s economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.**

Production of processed tomato products in Italy (the dominant supplier of imports into Australia) is forecast to remain high in 2014/15.

In Italy processed tomato accounts for more than one fifth of the entire fruit and vegetable production and covers more than 20 percent of the horticulture area.

Continued rise in dumped imports will lead to further reduction in SPC Ardmona’s earnings and thereby the return on the capital employed in processing tomatoes.

This will have flow on impact to SPC Ardmona's business as a whole, and to SPC Ardmona's suppliers, thus threatening to undermine the profitability of Australian prepared or preserved tomatoes industry in the long run.

SPC Ardmona has 840 full-time-equivalent staff and its economic activity indirectly supports more than 2,700 additional jobs in the Goulburn Valley. The company directly injects about \$63 million into the local economy through salaries and wages and provides apprenticeships, training programs work experience programs and graduate student programs to young people in the region.

SPC Ardmona has invested considerably in developing its business over the years and recently. It has been a leading innovator in product and process development not only in respect of the processed fruit and vegetable industry but also the Australian processed food industry as a whole.

If dumped imports are not subject to a remedy then the previous investments made by the company will have been wasted, and the substantial employment generated directly and indirectly by the company in the Goulburn Valley region will be impacted.

# PART B

## DUMPING

### IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

For advice about completing this part please contact the Customs Dumping Liaison Unit on:

 **(02) 6275-6066** Fax **(02) 6275-6990**

## B-1 Source of exports.

### 1. Identify the country(ies) of export of the dumped goods.

La Doria and Feger exports from Italy

### 2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

Italy is also the country of origin of the imported goods.

### 3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

Country of export nominated in this application are considered market economy countries for the purposes of Australia's anti-dumping legislation.

### 4. Where possible, provide the names, addresses and contact details of:

- **Producers/exporters of the goods exported to Australia;**

*La Doria S.p.A (referred to as 'La Doria in the application') and Feger di Gerardo Ferraioli SpA (referred to as 'Feger')*

- **Importers in Australia.**

SPC Ardmona believes that the major supermarkets or their agents are the key importers

### 5. If the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

N/A

Table B-1.5.1 - Import volumes and share of imports by country

Period	<<>>	Other	Total

Please refer to Industry Confidential Attachment B-1.5 for summary data of import volumes.

Table B-1.5.2 - Country of Origin as percentage of total imports

Period	<<>>	Other	Total

Import volumes from each of the nominated countries during <<>> exceed the 3 per cent *de minimus* requirement.

### 6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application.

N/A

## B-2 Export price

1. **Indicate the FOB export price(s) of the imported goods. Where there are different grades, levels of trade, models or types involved, an export price should be supplied for each.**

The following methodology has been used to calculate the export price:

1. SPC Ardmona researched publically available information to establish manufacturer/ importer of each product in the supermarket.
2. Based on the process of elimination, XX (*confidential*) products were identified that could be attributable to goods from La Doria and Feger.
3. Total volume of these was then compared to the estimated volume established with information presented in the SEF 217. Volumes were reasonably close.
4. Refer *Confidential attachments XXXXX and XXX for details of the alleged dumped products and source of data*.
5. These retail goods were then classified into two pack sizes ( 400g and 800g) and three different cut mixes based on the nature of recipe ( XXXX ). 400 and 800 grams are standard terminology to refer to the products in the same weight range. For example 410g/425g will be grouped under 400g size. To take this variation into account the calculations undertaken are on per kg basis rather than per can basis
6. Summary of the exported products, their average retail price and volumes are given in confidential attachment B2.1.2.
7. Export price per kg was arrived at by deducting costs such as distribution, freight and clearance, estimated margins.
8. Confidential attachment B2.1.3 gives the calculations of the export price per unit for the period 2013 and 2014 including the source of data used to establish the estimates
9. Unit value of exports was calculated from the above ( \$/kg)
10. Unit value was converted to Euro values at the average exchange rate for the year
11. Average rate was sourced from <http://www.ozforex.com.au/forex-tools/historical-rate-tools/monthly-average-rates> .
12. Average exchange rate for Euro / AUD in 2014 was 0.66769 and average exchange rate for Euro/Aud for 2013 was 0.728778
13. ABS data was also referred for validation

2. **Specify the terms and conditions of the sale, where known.**

Terms and conditions are not known

3. **If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.**

See above explanation inB-2.1

4. **It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.**

Backup information is attached in confidential attachment B2.4

### **B-3 Selling price (normal value) in the exporter's domestic market.**

**1. State the selling price for each grade, model or type of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.**

The methodology used to calculate the normal value is given below:

1. Actual retail prices of the like goods in Italy's Supermarkets were identified. (Ref attachment B-3.1A for prices). For 2014, retail prices for the canned tomatoes were obtained from the Retailer's websites. For 2013, retail price data was obtained by SPCA personnel visiting the supermarkets. Representative like goods of different size, private label and branded products were included to reflect Italian market price. It is reasonable to assume that the prices paid for La Doria and Feger products would be close to the average retail price as they are significant players in the domestic market and product pricing in Italy is known to be very competitive. ( Para 6.1 La Doria exporter visit report ,investigation 217) In absence of the information on specific products sold by La Doria and Feger in Italy, this is the best available representative data.
2. Average retail euro/kg price was derived from above for the mix of products for the period 2013 and 2014 June YTD. To establish comparable domestic models to the exported models, the information was classified into the same sizes as the exported products (400g and 800g) and nature of the recipe – (XXXX). Where the equivalent product was not available, retail price was estimated based on same price differential to standard range as observed in Australia or based on CTMS. This matching of models methodology is consistent to the approach undertaken in investigation 217.
3. 10% VAT (applicable in Italy for preserved tomatoes) was deducted from above to get to a net sales value for the retailer
4. Estimated retailer margin of XX% was deducted from Net sales value. This estimate is based on SPC Ardmona's knowledge of Europe's canned category's average retailer margin. It should be noted that Euromonitor estimate for this margin is XX% ( Refer B3.3) , which would have given even higher dumping margin.
5. Estimated delivery and freight from the manufacturer to the retailer was deducted to arrive at ex factory price. This estimate is based on SPC Ardmona's understanding of the domestic freight costs in Italy.
6. Refer attachment B-3.1 for the calculation of Normal Value based on above method.

**2. Specify the terms and conditions of the sale, where known.**

Terms and conditions of sale are not known.

**3. Provide supporting documentary evidence.**

Refer confidential attachment B3.3 ( details of Euromonitor data)

**4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.**

N/A



## **B-4 Estimate of normal value using another method.**

### **1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).**

SPC Ardmona alleges that the payments made under the Common Agriculture policy to the tomato growers in Italy cause distortion to the normal value for prepared and preserved tomatoes

- SPC Ardmona alleges that the payments made to the growers either directly or indirectly under the Common Agriculture policy are significant in proportion to the total price paid by the processor for the raw tomatoes
- These payments influence the supply and prices of raw tomatoes to the processed tomato industry in Italy.
- The effect of payments is further supported by entry prices/ external tariffs and quotas on imports of raw tomatoes from third-party countries further distorting the cost of raw material.
- In addition to the above, various support programs are offered to growers through Producer organizations.
- In absence of the above, the prices of raw tomatoes would have been higher than the historical and current prices paid by the tomato processors; this in **turn would impact the normal value of prepared and preserved tomatoes in Italy.**
- Since the last investigation new information regarding the reforms has been published allowing for reg 73/2009 relating to fruit and vegetable to be continued till end 2014.
- There is also evidence that the operating costs in Italy have been rising as evident from La Doria June 2014 annual report therefore impacting normal values that may be assessed last time.
- SPC Ardmona alleges that the normal values should be established using constructed cost methodology without the distortion caused by market situation and taking into account

In specific to La Doria S.P.A:

- La Doria manufactures its own cans at its Angri and Sarno plants. Therefore the transfer price of the cans from the integrated processors needs to take account the full cost of production of the can 'providing' cans to Eugea.
- Eugea Mediterranea S.p.A. produces tomato-based products and fruit purées and sells them to La Doria S.P. A.
- As Eugea is a non-arm's length supplier, the costs of non-commercial payment terms and non-commercial aspects such as holding stock for La Doria in Eugea's accounts and providing guarantees needs to be considered for the purpose of establishing whether all costs are included in Eugea's cost to make and sell .

In regards to Feger, SPC Ardmona is unable to make detailed comments as is the case with La Doria which has publically available information.

SPC Ardmona has estimated the cost to make and sell for the like goods to export goods ( based on size and cut mix of the like goods exported to Australia) in order to estimate normal value

- Details of the estimated costs, adjustments and normal values are attached in confidential attachment B.4. 1
- Cost to make and sell was established taking into account on market information regarding differences to raw material pricing, labour costs, economy of scale, overhead costs, utility costs and other indirect expenses . Information from La Doria S.P.A 2013 annual report, 2014 half annual report and analyst reports were used to establish this.
- La Doria and Feger costs were assumed to be similar for the purpose of establishing normal value.
- Back up information on adjustments is given in B4.2.a
- Normal values were established with and without the distortion caused by market situation for the purpose of establishing dumping margins.

## **2. Provide supporting documentary evidence.**

Supporting commentary on market situation is attached .Refer Non confidential attachment B4.2

Summary of the key points of B4.2:

- SPC Ardmona contests that the tomato growers in Italy have received payments under EU's Common Agriculture Policy.
- These payments have been significant and therefore have influenced the raw tomato prices paid by the processors and have influenced the supply of raw tomatoes in the industry.
- Raw tomato costs are a substantial part of the finished canned tomato product, therefore the price paid or payable is not applicable.
- Payments were made to the tomato growers under the Single Payment Scheme (SPS) described (refer Article 54 (1) Regulation (EC) 73/2009).
- Regulation (EC) 73/2009 was repealed by Regulation (EC) No 1307/2013 from 17th December 2013. However, Article 21(2) of 1307/2013 allows for payments to be made under Regulation (EC) 73/2009 during the transition period until 31st December 2014
- Therefore during injury years and investigation period (EC) 73/2009 was applicable.
- During the period 2008- 2010, 50% of the payment made to the growers were in coupled form (that is dependent tonnes sold by the grower to the processing industry, whilst the other 50% was in the decoupled form( that is paid per hectare of plantation in reference period).The national ceiling for this payment was determined by Annex X of EC 73/2009 .
- SPC Ardmona estimates that in 2010 total payments made to the growers were upto 46% of the raw prices paid by the processors.
- For the period 2011- 2014, payments under SPS were in 100% decoupled form.
- SPC Ardmona estimates that the subsidy paid in 2013 was up to 37% of the raw prices paid by the processors.
- There is essentially no other reason to make these payments to growers other than income support. If there was no payment made then the consequences for supply and pricing should be evident.
- The information presented in the attachment details the evidence that the payments made to the growers have been material in the past and will continue to form the basis of income support to the farmer in the future.
- Further reforms are being introduced post 2014 with likely return of coupled payments to tomato growers.

Supporting documents for cost adjustments can be found in confidential attachment B.4.2.a

## **B-5 Adjustments.**

### **1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.**

Refer B.4.2, B.4.2a,

### **2. State the amount of adjustment required for each and applies the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.**

Refer above

## B-6 Dumping margin.

### 1. Subtract the export price from the normal value for each grade, model or type of the goods (after adjusting for any differences affecting price comparability).

SPC Ardmona analysed dumping margin for 2013 and 2014 based on three different methodologies for normal value

- Normal value based on retail prices of prepared and preserved tomatoes in Italy ( as described in B-3 above).
- Normal value based on cost to make and sell (current raw prices- Refer B4.1)
- Normal value without the distortion caused by payments made to tomato growers in Italy

Export value used in each of the above case was as established in section B.2-1.1 above.

Summary of the calculations is given below

Table B-6.1 – Dumping Margin Calculations: Estimate for 2013 (confidential)

1. Dumping margin established using normal value based on retail prices
2. Dumping margin established using normal value based on CTMS
3. Dumping margin established using normal value based on CTMS removing market situation distortion

Dumping margin estimate for 2014 (confidential)

1. Dumping margin established using normal value based on retail prices
2. Dumping margin established using normal value based on CTMS
3. Dumping margin established using normal value based on CTMS removing market situation distortion

#### Brief summary of calculation

As explained in B-2.1 sub point 2 , exported goods were classified into pack sizes and three different variants based on nature of recipe. Volume mix of these exported products was established using the data known from Aztec database. This is summarised in B2.1.2. Dumping margin was calculated by subtracting normal value of each variant with comparable export price. Dumping value and export value were arrived at by multiplying by mix of exported , weighted average dumping margin was calculated by dividing sum of dumping value by sum of export value.

There are numerous ways to calculate a normal value for the purpose of initiation. It is recognised that complete normal value information is not available to the applicant. However by examining the methodology it is apparent that the estimated dumping margins are of sufficient magnitude that any small inaccuracies/alternative methods do not materially impact the estimate of dumping for initiation purposes.

### 2. Show dumping margins as a percentage of the export price.

Please refer to Table B-6.1 above for dumping margin calculations as a percentage of export prices.

Based on the information presented in B-6.1, dumping margin summary is given below

Dumping margin summary	2013	2014
Normal value based on retail prices	xx%	Xx%
Normal value based on CTMS	Xx%	Xx%
Normal value based on CTMS less subsidy	Xx%	Xx%

# PART C

## SUPPLEMENTARY SECTION

### IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be essential for certain applications.

You should contact the Customs Dumping Liaison Unit before answering any question in this part:

 **(02) 6275-6066** Fax **(02) 6275-6990**

## C-1 Subsidy

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:
  - (i) the nature and title of the subsidy;
  - (ii) the government agency responsible for administering the subsidy;
  - (iii) the recipients of the subsidy; and
  - (iv) the amount of the subsidy.

N/A

## C-2. Threat of material injury

Address this section if the application relies solely on threat of material injury (ie where material injury to an Australian industry is not yet evident).

1. Identify the change in circumstances that has created a situation where threat of material injury to an Australian industry from dumping/subsidisation is foreseeable and imminent, for example by having regard to:
  1. the rate of increase of dumped/subsidised imports;
  2. changes to the available capacity of the exporter(s);
  3. the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;
  4. inventories of the product to be investigated; or
  5. any other relevant factor(s).

N/A

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that the threat is both foreseeable and imminent.

N/A

## C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods may form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Dumping Liaison Unit before completing this section ☎ (02) 6275-6066 Fax (02) 6275-6990.**

1. Fully describe the locally produced raw agricultural goods.

N/A

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

N/A

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

N/A

**4. Provide information to establish either:**

- a close relationship between the price of the raw agricultural goods and the processed agricultural goods; or
- that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

N/A

**C-4. Exports from a non-market economy**

**1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.**

N/A

**2. Nominate a comparable market economy to establish selling prices.**

Please refer to Section C-4.1 above.

**3. Explain the basis for selection of the comparable market economy country.**

Please refer to Section C-4.1 above.

**4. Indicate the selling price (or the cost to make and sell) for each grade, model or type of the goods sold in the comparable market economy country. Provide supporting evidence.**

Please refer to Section C-4.1 above.

**C-5 Exports from an 'economy in transition'**

**1. Provide information establishing that the country of export is an 'economy in transition'.**

N/A

**2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.**

N/A

**3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.**

N/A

**4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.**

N/A

**C-6 Aggregation of Volumes of dumped goods**

Only answer this question if required by question B.1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
<b>Total</b>				

Each of the countries the subject of this application each account for more than 3 per cent of total import volume. Please refer to Section B-1.5 above.

## APPENDICES

Appendix A1  
Appendix A2

Appendix A3

Appendix A4

Appendix A5

Appendix A6.1(rev1)

Appendix A6.2

Appendix A7(rev1)

Appendix A8