



SUNBEAM FOODS PTY LTD
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29 August 2013

Ms Joanne Reid
Director, Operations 3
The Anti-Dumping Commission
C/o Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Received
04 September 2013

Dear Ms Reid

For Public File

Continuation Inquiry – processed currants exported from Greece

Introduction

I refer to the recent visit to Sunbeam Foods Pty Ltd ("Sunbeam Foods") by officers of the Anti-Dumping Commission ("the Commission") to verify financial data submitted as part of Sunbeam Foods' application for the continuation of measures in respect of processed currants exported from Greece.

This submission addresses Sunbeam Foods concerns that the expiration of the anti-dumping measures will lead to a recurrence of material injury that the anti-dumping measures on exports of processed currants from Greece are intended to prevent.

Legislative provision

Following an investigation into whether the anti-dumping measures are to be continued, the Chief Executive Officer ("CEO") must consider the requirement of s.269ZHF(2), namely that:

"The Minister must not recommend that the Minister take steps to secure the continuation of the anti-dumping measures unless the CEO is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping or subsidization and the material injury that the anti-dumping measure is intended to prevent."

The assessment is subjective in nature and based upon the available information that is examined during the investigation.

Greek currant crop in 2013

Sunbeam Foods has provided the Commission with supporting information that the 2013 Greek currant crop will represent an increase on that of 2012. The attached extract from The Public Ledger of 23 August 2013 confirms that the 2013 Greek currant crop is forecast to be 20 per cent higher than in 2012.

The increased production level confirms that there will be an increased availability of Greek processed currants for export in 2013/14.

Further, the article further indicates that the likely 2013 price for processed currants is in the range Eur 2.05/kg to Eur 2.15/kg (or approximately A\$3.03 to 3.19 per kg). Earlier confirmation was that the Greek currant crop would be approximately 26-27,000 metric tonnes (with a carry-over in holdings of 2-3,000 tonnes from 2012). The forecast price is

significantly less than prices trading in August 2012 when prices for processed currants were around Eur 2.250/kg and in March 2013 at Eur 2.35/kg).

Trends in Greek export prices to Australia

Prior to the imposition of measures, Greek processed currants were exported to Australia at approximately \$A1.70 per kg, with prices as low as A\$1.42 per kg. Customs and Border Protection determined that the export prices were at dumped levels, with margins between 30 and 80 percent.

The export prices for processed currants were at similar levels to the prices paid by processors to growers for dried currants.

Following the imposition of measures in January 2009, Greek export prices to Australia for processed currants increased to approximately A\$2.30-2.40 per kg in 2010/11, and further again in 2011/12 to approximately A\$2.70-2.80 per kg.

The measures have assisted in an increase in Greek export prices for processed currants to Australia to levels which were above the levels for dried currants paid to growers (i.e. Euro 1.45/kg in 2012).

Recent import offers for Greek currant supply

Sunbeam Foods application for the continuation of measures identified price offers for imported Greek processed currants at two key accounts – [company] (local supply rejected at A\$xxxx per kg as uncompetitive with Greek imports), and [company] (A\$xxxx/kg offer from Sunbeam, rejected for import supply for Greek currants at an estimated supply price of A\$xxxx/kg).

Sunbeam Foods has recently been requested to provide an offer for supply to [company] – a [size] account for currant supply of approximately xxx tonnes per annum. Sunbeam Foods has offered supply at A\$xxx per kg. [Company] is the incumbent supplier at [company] with the supply of imported Greek currants.

[Companies] account for a significant proportion of the Australian market for industrial processed currants (approximately xx-xx per cent of total Australian market).

Price to growers for dried currants

The Commission has been provided with Sunbeam's contract and uncontracted price(s) for dried currants to growers over the last five year period. In the 2012/13 season there was a reduction in the contract price to growers from \$xxxx per metric tonne to \$xxxx per metric tonne. For uncontracted volumes, the price reduction was \$xxxx to \$xxxx per metric tonne.

Reductions in the growers contract and uncontracted price(s) for dried currants was necessary to compete with import prices for Greek processed currants.

Continuation of measures

The continuation of the anti-dumping measures on imported Greek processed currants is critical to the ongoing viability of a dried currants/processed currants industry in Australia. In the absence of the measures, the recent import offers for imported Greek currants would likely fall and Australian supply of processed currants would unquestionably decline. There would be similar further reductions in the price to growers for dried currants as evidenced prior to the measures being imposed i.e. at \$1280 per metric tonne for contracted volumes, and \$600 per metric tonne for uncontracted volumes.

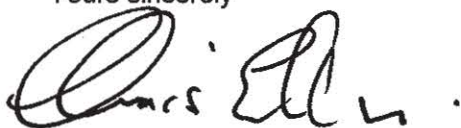
Sunbeam Foods is concerned that the expiration of the measures will lead to a recurrence of the material injury that was evident prior to the imposition of the measures. The recent

market offers for imported Greek processed currants at important accounts such as [company] and [company] ingredients confirms that further price reductions are likely if the anti-dumping measures are allowed to expire.

Sunbeam Foods requests that the Commission recommend to the Minister that the anti-dumping measures on processed currants exported from Greece be continued for a further five-year period from 15 January 2014. An extension of the measures is required to ensure that material injury to the Australian growers and processors of currants is not threatened nor re-occur.

If you have any questions concerning this submission, please do not hesitate to contact the undersigned on (03) 5051 4403.

Yours sincerely

A handwritten signature in black ink, appearing to read "Chris Ellis". The signature is fluid and cursive, with a large initial "C" and "E".

Chris Ellis
General Manager Fruit Supply