



Australian Government
Anti-Dumping Commission

Exporter Questionnaire

Product: Prepared or preserved peach products

From: South Africa

Period of Investigation: 1 July 2012 to 30 June 2013

Response due by: 22 August 2013

Investigation case manager: Ms Nicole Platt

Phone: +61 2 6275 5649

Fax: +61 2 6275 6888

E-mail: operations2@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

Return completed questionnaire to:

Mail: Director Operations 2
Anti-Dumping Commission
5 Constitution Ave
CANBERRA ACT 2601

Or E-mail: operations2@adcommission.gov.au

GOODS UNDER CONSIDERATION

The goods under consideration (the goods) ie the goods exported to Australia, allegedly at dumped prices, are:

Prepared or preserved peach products either whole (peeled or unpeeled) or in pieces (including halves, slices, diced), with or without added sugar or other sweetening matter or spirit, prepared or preserved in container sizes from 300 grams up to and including 1.5 kilograms.

Goods excluded from this application are:

- Individually packed prepared or preserved peach products of less than 300g which are sold for snacking purposes;
- Peaches mixed with other fruit types such as pears, apples or nectarines;
- Sizes greater than 1.5kg, which are more common in the food service channel; and
- Multiple packs of individual packs of prepared or preserved peach products, each less than 300g, which are sold together to aggregate to greater than 300g.

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INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is responsible for investigating the allegation that prepared or preserved peach products (the goods) have been exported to Australia from South Africa at prices less than their normal value and that the dumping has caused material injury to the Australian industry.

The Commission will use the information you provide to determine normal values and export prices over the investigation period. This information will determine whether the goods are dumped. You may make separate submissions concerning any other matter, for example injury.

The Commission's investigation will be carried out under the provisions of Part XVB of the *Customs Act 1901*.

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem you uncooperative. In that case the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry). In that case we may assess a dumping margin for your company based upon all relevant information, which may result in a dumping margin that is greater than if you had elected to fully cooperate with the investigation.

It is in your interest, therefore, to provide a complete submission.

Due date for response

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page. There is a statutory time limit imposed for the investigation. The Commission may not be able to consider submissions received after the due date.

If you cannot lodge your submission by the due date please advise the investigation case manager as soon as possible.

Confidential and non-confidential submissions

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your submission by the due date.

Please ensure that *each page* of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record.

Please note, Australia's anti-dumping legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party's understanding of information contained in a document.

As provided for in Australia's anti-dumping legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the investigation case manager.

Exporter's declaration

At section H, you are required to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the period of investigation, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

Verification of the information that you supply

The Commission will seek to verify the information provided in your submission. Where there are a large number of exporters, the Commission may have to verify information from selected exporters only. The purpose of the visit is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits may take several days. We will want to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit. We will provide you with a draft of the report and then respond to any questions you have. We will ask you to prepare a non-confidential copy of the report for the public record.

If you do not manufacture the goods

You may export but not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods).

In such cases it is important that you forward a copy of this questionnaire to the relevant manufacturers **immediately**. You should also inform the investigation case officer of the contact details for these manufacturers.

You should complete those sections of the questionnaire that you are reasonably able to complete. If, for example, you are unable to supply details of production costs, you should clearly explain why the section does not apply to your company.

If you do not export the goods

Depending on the arrangement for sale of the goods to Australia through an intermediary, the Commission will have to determine who is the exporter of the goods for the purpose of this investigation.

In any case, information (such as cost of production data) supplied by the manufacturer will be relevant to establishing the normal value of the goods. In the absence of verified information, the Commission may use other available information. This information may result in a decision less favourable to your company.

Outline of information required by this questionnaire

This exporter questionnaire comprises two separate parts:

- **Part 1** – Preliminary information about your company (**due by 29 July 2013**), and
- **Part 2** – Specific information about your company's sales/costs relating to export and domestic prepared or preserved peach products (**due by 22 August 2013**).

- | | |
|------------------|--|
| Section A | General information relating to your company including financial reports. |
| Section B | A complete list of your company's exports to Australia over the investigation period. |
| Section C | A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the goods under consideration (the goods). |
| Section D | A detailed list of all of your company's sales of like goods in your domestic market. |
| Section E | Information to allow a fair comparison between export and domestic prices. |
| Section F | Information in relation to your company's exports of like goods to countries other than Australia. |

- Section G** Costs to make and sell, for exports to Australia and for the domestic market.
- Section H** Your declaration.
- Section I** A checklist.

Appendix 1 A glossary of terms used in this questionnaire

Some general instructions for preparing your response

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

Instructions on providing electronic data

- It is important that information is submitted in electronic format.
- Electronic data should be emailed or submitted on a CD-ROM, in IBM/MS-DOS format, or another operating system whose disk format is compatible with this MS-DOS version.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file).
- The Excel files must be compatible to the USA version.
- If you cannot present electronic data in the requested format contact the investigation case officer as soon as possible.

Further information

Before you respond to the questionnaire you should read all the documentation enclosed with this application including the applicant's non-confidential submission, the booklet *Australia's Anti-Dumping and Countervailing Administration* and the Anti-Dumping Notice notifying the initiation of the investigation. We also advise that you read the attached glossary of terms.

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation case manager.

PART 1 – PRELIMINARY INFORMATION REQUEST (PLEASE NOTE THAT THIS PART SHOULD BE COMPLETED AND RETURNED TO THE COMMISSION BY 29 JULY 2013)

1. What is the legal name of your company?

Rhodes Food Group (Pty) Ltd

2. Please nominate a person within your company who can be contacted for the purposes of this investigation:

Name:	Tertius Nel
Position in the Company:	Senior Commercial manager
Address:	Pniel Road, Groot Drakenstein
	Western Cape, South Africa
Telephone:	+27 21 870 4000
Facsimile number:	
E-mail address of contact person:	<u>nelt@rhodesfoodgroup.com</u>

3. Address where financial and accounting records of the company are held:

Address:	Pniel Road, Groot Drakenstein
Telephone:	+2721 870 4000
Facsimile number:	+27 21 874 1445

4. Did your company supply, either as a manufacturer, distributor, trading company or other enterprise, prepared or preserved peach products to Australia during the investigation period (1 July 2012 to 30 June 2013)?

☒ Yes → please proceed to question 5.

☐ No → you do not need to complete this form. Please sign the Declaration at Part B and return the form to Customs and Border Protection

5. Please identify the type of prepared or preserved peach products that you supplied to Australia.

☒ Generic label (Black & Gold, etc)

No Frills and Black and Gold

☐ House brand / private label for retailer (eg. Woolworths 'Homebrand', Woolworths 'Select', Coles 'Smart Buy', Aldi's, etc)

Coles Smartbuy

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☐ Proprietary label (eg Del Monte, Australian Gold, etc)

☐ Other

6. Is your company a manufacturer of prepared or preserved peach products?

☒ Yes → please proceed to Question 8

☐ No → please answer Questions 7 only, then proceed to the Declaration.

7. Describe the nature of your business:

☐ Distributor ☐ Trading Company ☐ Other enterprise → Please specify:

Provide the names and contact details of the manufacturer of the prepared or preserved peach products you supplied to Australia during the investigation period:

Supplier name	Address, contact name and phone

8. Is your company's factory manufacturing facility also at the address provided at Question 3?

☐ Yes → please proceed to question 9.

☒ No → please provide the factory's address:

Address:

Straatkerk Street

Tulbagh, Western Cape

Telephone:

023 230 1061

Facsimile number:

9. Does your company export prepared or preserved peach products to Australia using a trader/sales intermediary?

☐ No → please proceed to question 10.

☒ Yes → please provide details of the company/companies.

Until 30 September 2012, we used GAF Foods, details below.
We are currently dealing direct on FOB basis with Metcash and Coles.

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Trader/ Intermediary name	Contact name phone number	Address
GAF Foods	Steven Leaumont	GAF Foods Australia 441 Kororoit Creek Road Altona 3018, Victoria, Australia Ph:+61 3 8368 1800 Fax: +61 3 8360 7071 Mobile: +61 (0) 408 567 063

10. Does your business sell prepared or preserved peach products domestically (within South Africa)?

- ☒ Yes
☐ No

11. Is your company a vertically integrated producer (ie a common owner that controls subsidiaries that also grow and produce peaches)

- ☒ No
☐ Yes → Please provide details of the company/companies and complete "Section G-4: Cost to make and sell on the domestic market" of the exporter questionnaire for the subsidiary company that grows and produces tomatoes:

Company name	Contact name and phone number	Address

11. Please indicate the costing method used by your company to allocate joint costs to joint products and by-products produced from the common input (fresh peaches).

- ☒ Physical quantities / volume method
☐ Sales value / net realisable method
☐ Other method → Please specify:

12. Please complete the following table relating to your purchases of fresh peaches during the investigation period:

	Volume (tonnes)
Export sales of prepared or preserved peach products to Australia	

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	Locally purchased peaches (South Africa)	31.60%
	Imported peaches (list countries separately below)	
Domestic sales of prepared or preserved peach products in South Africa		
	Locally purchased peaches (South Africa)	68.40%
	Imported peaches (list countries separately below)	

[The tonnage was indexed]. Please note that an error was made in our first submission.

13. Timing of proposed visit by the Commission

The Commission would like to commence visits to exporters to verify the data submitted within export questionnaire responses and discuss the investigation from **2 September 2013**. Verification visits usually take around 3-4 days.

Please advise suitable dates for this visit. Please note that it may be helpful to consider the availability of key staff, such as your accountant, purchasing officer or sales staff.

We are available from 9nd September – 14th September.

PART 2 - SECTION A - COMPANY STRUCTURE AND OPERATIONS (PLEASE NOTE THAT THIS PART SHOULD BE COMPLETED AND RETURNED TO THE COMMISSION BY 22 AUGUST 2013)

This section requests information relating to company details and financial reports.

A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head Office:

Name: **Tertius Nel**
Position in the company: **Senior Commercial Manager**
Address: **Pniel Road, Groot Drakenstein, Western Cape, S.Africa**
Telephone: **+27 21 870 4314**
Facsimile number: **+27 21 874 1445**
E-mail address of contact person: **nelt@rhodesfoodgroup.com**

Factory:

Address: **Straatkerk Street, Tulbagh, Western Cape**
Telephone: **+27 23 230 1061**
Facsimile number:
E-mail address of contact person: **hilld@rhodesfoodgroup.com**

A-2 Representative of the company for the purpose of investigation

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name: **Rian Geldenhuys**
Address: **1st Floor Convention Tower, Heerengracht, Foreshore Cape Town**
Telephone: **+27 21 403 6321**
Facsimile/Telex number: **+27 425 5967**
E-mail address of contact person: **rian@tradelawchambers.co.za**

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

A-3 Company information

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

Rhodes Food Group (Pty) Ltd is a private company. No other names are used to export.

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company). On 1 October 2012, the company had a change of ownership, therefore I will provide both:

Prior to 1 October 2012 – The Ivor Ferreira Family Trust – 100%

After 1 October 2012 – the shareholding is as follows:

Capitalworks Private Equity GP (Pty) Ltd – [actual shareholding was provided which is confidential]

South African Investment GP Trust as the general partner of the South African Investment Partnership II – [actual shareholding was provided which is confidential]

South African Investment GP Trust as the general partner of the South African Investment Partnership - [actual shareholding was provided which is confidential]

Rhodes Food Group Holdings (Pty) Ltd – [actual shareholding was provided which is confidential].

3. If your company is a subsidiary of another company, list the principal shareholders of that company.

[A letter from our company secretarial service provider was provided which sets out the shareholders and their shareholdings in of our parent company, Rhodes Food Group Holdings (Pty) Ltd, however such information is confidential an incapable of summary].

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

N/A.

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

Please see the attached annexure "Ownership Structure".

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

Yes.

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7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

Rhodes Food Group is a manufacturer and marketer of canned fruit products.

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

We currently provide all functions.

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

The four functions of interest is Commercial Director (Richard Phillips), International Commercial Manager (Tertius Nel), Divisional MD: Rhodes Foods (Gerhard Kotze) and GM: Fruit Products(Deane Hill). The commercial function interact with the factory and sell the product to the customers across the globe. Please see the attached annexure "Organisation Chart".

9. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

See the attached annexure [the company's most recent annual financial statement was provided but this information is confidential as it relates to a private company, such information is incapable of summary] and annexure "International Brochure".

A-4 General accounting/administration information

1. Indicate your accounting period.

End September.

2. Indicate the address where the company's financial records are held.

Rhodes Food Group Head Office, Pniel Road, Groot Drakenstein, Western Cape, South Africa.

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- Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements: chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- 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 under consideration.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration, and
- the company.

See the annexures attached hereto "[the annual financial statements for the two most recent financial years as well as the most recent 9 months of management accounts was provided however this information is confidential and incapable of summary] .

3. If you are not required to have the accounts 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.

N/A

4. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

N/A

5. Describe:

The significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);
- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);
- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products, or joint products;
- valuation and revaluation methods for fixed assets;

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- average useful life for each class of production equipment and depreciation method and rate used for each;
- treatment of foreign exchange gains and losses arising from transactions;
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;
- inclusion of general expenses and/or interest;
- provisions for bad or doubtful debts;
- expenses for idle equipment and/or plant shut-downs;
- costs of plant closure;
- restructuring costs;
- by-products and scrap materials resulting from your company's production process; and
- effects of inflation on financial statement information.

See attached annexure "Accounting Policies".

6. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

N/A

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration (*'goods under consideration'* (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	Most recent completed financial year (specify)		1 July 2012 to 30 June 2013	
	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				

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Direct Labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12+13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on a spreadsheet named "**Income statement**".

Please refer to the attached annexure "Income statement". Please note that the currency used is the currency in which our accounts are kept. [The information in this annexure is confidential as such an indexed summary is provided].

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

	Most recent completed financial year (specify)		1 July 2012 to 30 June 2013	
	Volume	Value	Volume	Value
Total company turnover (all products)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "TURNOVER".

Please see the attached annexure "TURNOVER". Please note that the currency used is the currency in which our accounts are kept. [The information in this annexure is confidential as such an indexed summary is provided].

This information will be used to verify the cost allocations to the goods under consideration in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

SECTION B

SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but the Commission may also compare prices at the ex factory level.

*You should report prices of **all** goods under consideration (the goods) **shipped** to Australia during the investigation period.*

The invoice date will normally be taken to be the date of sale. If you consider:

the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;

an alternative date should be used when comparing export and domestic prices

*you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

name; **Grocery Holdings (Coles)**
 address; 800 Toorak Road Hawthorn East Victoria 3123 Australia
 contact name number **Tim Nitschke T 61 3 9829 3838 M 0400 486 199**
 trade level - **Retailer**

name; **Metcash**
 address; **50 Waterloo Road, Macquarie Park, NSW, 2113**
 contact name number **Werner Folscher +61 2 9751 8373**
 trade level - **Retailer**

name; **GAF Foods**
 address; **441 Kororoit Creek Road Altona 3018, Victoria, Australia**
 contact name number : **Steven Leumont +61 3 8368 1800**
 trade level – **Agent/Distributor**

B-2 For each customer identified in B1 please provide the following information.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

GAF bought on CFR basis, Coles buys on FOB basis and Metcash buys on FOB basis.

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- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

It is a net sale to each of the parties, where no commission is applicable.

- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

GAF - We sold on CFR basis, they take ownership when it passes ships rail in Australia.

Coles & GAF – We sell on FOB basis, they take ownership when it passes ships rail in South Africa.

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

N/A – we sold on contract by contract basis to the parties mentioned above.

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

During November, we offer new season prices and contract volumes with the customers. Based on market conditions, competitor offers and affordability, the customer would negotiate a price. [In addition to the above we provided additional details that will have an influence on our pricing which is confidential information and is incapable of summary save to say that costs increases are included in these price negotiations]. We then agree a contract with volumes, price and shipment period attached. The customer would then call off these stocks on a monthly basis; we would book the shipments and advise them of the details. Once invoiced, we supply documentation to the customer and they pay us on the agreed terms, which is between [payment period was provided which is confidential both to us and our customers] days from BOL.

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

N/A

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- (g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

We have contracted [the product type and customers have been identified but this is confidential information and cannot be summarised] for shipment until February 2014. The balances at the end of June were as follows:

Buyer	Volume	Value	Product
[The buyers' names, volume and value purchased as well as the product type have been disclosed. Such information is confidential and is incapable of summary]			
Shipping dates are not yet scheduled by the buyers as they would call on stocks on a monthly basis.			

- B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

N/A

- B-4** Prepare a spreadsheet named "Australian sales" listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	Packing size, packaging type, preserving liquid etc
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes</i> .
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.

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Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

** FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

* All of these costs are further explained in section E-1.

Please see the attached annexure [information on our Australian sales have been provided. This information is confidential. It is incapable of any meaningful summary. It does show that the export price far exceeds the normal value].

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B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see “other factors” in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

N/A

B-6 For each type of discount, rebate, allowance offered on export sales to Australia:

- provide a description; and N/A
- explain the terms and conditions that must be met by the importer to obtain the discount. N/A

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

N/A

B-7 If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

N/A

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

N/A

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;

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- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

The Commission will select additional shipments for payment verification at the time of the visit.

Please refer to the attached annexure [documentation relating to two shipments have been provided, however this information is confidential and incapable of summary].

SECTION C

EXPORTED GOODS & LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

Coles & GAF – Smartbuy 825g Peach Slices in Syrup, STD Grade

Metcash – No Frills 825g Peach Slices in Light Syrup, STD Grade

- C-2** List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “**Australian sales**” – see section B of this questionnaire).

Peach Slices in Syrup, Coles Smartbuy brand

Peach Slices in Light Syrup, Black & Gold brand

Peach Slices in Light Syrup, No Frills brand

These are all STD Grade not Choice Grade.

- C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically;

825g Peach Slices in Syrup, Ritebrand

825g Peach Slices in Syrup, Housebrand

- and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

N/A

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
825g Peach Slices in Syrup, Std grade	825g Peach Slices in Syrup, Std grade	YES	N/A

- C-4** Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Please refer to the attached annexures “Spec Sheet STD” for Peach Slices STD Grade and “Spec Sheet Choice” for Choice Grade.

Section D

Domestic sales

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

*All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.*

The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –

*you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

Please refer to the attached annexure "Domestic Distribution".
[Customer name and location of distribution centres omitted as it is confidential]

- information concerning the functions/activities performed by each party in the distribution chain; and

Please refer to the attached annexure "Domestic Distribution".
[Customer name and location of distribution centres omitted as it is confidential]

- a copy of any agency or distributor agreements, or contracts entered into.

Please refer to the attached annexure [copy of agency and distribution agreements have been submitted, however this information is confidential and incapable of summary].

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If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

N/A

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

N/A

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

If sales are in accordance with price lists, provide copies of the price lists.

During November, we offer new season prices and contract volumes with the customers. Based on market conditions, competitor offers and affordability, we negotiate a price. [In addition to the above we provided additional details that will have an influence on our pricing which is confidential information and is incapable of summary save to say that costs increases are included in these price negotiations].

We then agree a contract with volumes, price and delivery period attached. The customer would then call off these stocks on a monthly basis; we would book the delivery and advise them of the details. Once invoiced, we supply documentation to the customer and they pay us on the agreed terms, which is between [payment period was provided which is confidential both to us and our customers] days from date of invoice.

D-4 Prepare a spreadsheet named “**domestic sales**” listing **all** sales of like goods made during the investigation period. The listing must be provided by email or on a CD-ROM. Include all of the following information.

Column heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	Packing size, packaging type, preserving liquid etc
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider

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	that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation Costs*	amount of inland transportation costs included in the selling price.
Handling, loading And ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Costs marked with * are explained in section E-2.

Please refer to the attached annexure [domestic sales data has been provided, however such information confidential and is incapable of any meaningful summary. It does show that the export price is significantly higher than the normal value]. Please note that although we export only 825g peach slices in syrup to Australia we sell both 410g and 825g domestically. In addition we only sell STD grade product to Australia whereas we also sell the Choice grade product domestically. As such the annexure "Domestic sales" include all sales of the subject product. No adjustments have been made to compare the different product models.

D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see "other factors"). For example, certain other selling expenses incurred.

N/A

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D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

Please refer to the tab entitled [information relating to commission, damages', distribution and trade terms were provided, however such information is confidential and incapable of summary] contained in the attached annexure "Domestic Sales" [which information as mentioned above is not provided herein].

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two 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, bank documentation showing proof of payment.)

The Commission will select additional sales for verification at the time of our visit.

See the attached annexure [documentation relating to two domestic sales was provided, however such information is confidential and incapable of summary].

SECTION E FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question B-4, 'Australian sales')

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

The following has been obtained from the Selling and Distribution account [we then provide the FOB breakdown as per the mentioned account as well as the freight rate paid by us, this information is confidential and incapable of meaningful summary].

2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified ("**Handling, loading & ancillary expenses**"). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

See our response in paragraph E1 above.

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

Payment terms are set with the relevant customer based on a commercial negotiation. However as payment occurs timeously, no interest has yet been charged.

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If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

Please refer to the attached annexure [the average collection days has been provided however this information is confidential and incapable of meaningful summary]. Please note that this spreadsheet contains all sales to Australia, including non subject product sales. The subject product sales can easily be identified and it can be seen that accounts are paid timeously.

4. **Packing costs**

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed '**Packing**'.

Packaging materials including slip sheets and wrapping is included in the costing. The forklift driver and warehouse staff would be under overheads.

5. **Commissions**

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "**Commissions**". Identify the general ledger account where the expense is located.

N/A

6. **Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

N/A

7. **Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "**Other factors**". For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

N/A

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Rhodes Food Group invoice at spot rates, which is obtained from the bank on a daily basis. The sales are then adjusted upwards or downwards for foreign exchange cover in place on month-end.

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, "domestic sales")

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

The product is identical, however domestically we sell both the STD and Choice grade product in both 825g and 410g. In contrast we only sell the STD grade product in 825g in Australia. As such the 825g STD grade products sold in Australia and domestically are identical and comparable.

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or

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Import duties of 5% for Peaches imported into Australia

- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

N/A – duties are not refundable to us.

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”*

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

N/A

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

We sell direct to retailers in Australia and South Africa. Same level of trade.

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowings by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system¹, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

The average ratio for the 12 month period is [the ratio is provided but it is confidential and incapable of meaningful summary].

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

2. *Calculate the average credit period*

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The average credit period is [the credit period is provided but it is confidential and incapable of meaningful summary].

The following items are identified in the amounts quantified at question D-4:

5. **Transportation**

Explain how you have quantified the amount of inland transportation associated with the domestic sales ("**Inland transportation Costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

[An explanation on the costing of transportation for inland transportation costs is given. However this is confidential and incapable of meaningful summary].

We used an average percentage based on previous sales per customer in allocating the inland transportation costs in the annexure "Domestic sales".

6. **Handling, loading and ancillary expenses**

List all charges that are included in the domestic price and explain how they have been quantified ("**Handling, loading and ancillary Expenses**"). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

N/A

7. **Packing**

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed "**Packing**".

Identical to exports

8. **Commissions**

For any commissions paid in relation to the domestic sales:

- provide a description

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Local market agents receive [percentage commission was provided but this is confidential and incapable of summary] for Housebrand and Ritebrand sales and merchandising. This is reported in the appropriate column in the annexure "Domestic sales".

- explain the terms and conditions that must be met.

Agency agreement in place, please refer to the attached annexure [this annexure has been provided above and is confidential and incapable of summary as it relates to confidential agency agreements].

Report the amount in the sales listing under the column headed "**Commissions**". Identify the general ledger account where the expense is located.

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & Guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

N/A

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "**Other factors**". List the factors and show how each has been quantified in per unit terms. For example:

- *other trade arrangements*, for example promotional or similar allowances that affect the final invoiced price;
- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

N/A

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

SECTION F

EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

Peach Slices in Syrup, STD Grade is only sold in South Africa and Australia, therefore no direct comparison.

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Product type/size	Packaging size of prepared or preserved peach products, eg 400g, 800g etc
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third country"

Please refer to the attached annexure [information as requested above has been provided but it is confidential and incapable of any meaningful summary].

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

Only Choice grade products are exported to third countries (as opposed to the STD grade exported to Australia). In addition different product sizes are exported (as opposed to the 825g size to Australia). Furthermore we export more than just peach slices in syrup to third countries (such as peach halves as an example).

SECTION G

COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- testing the profitability of sales of like goods on the domestic market;*
- determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and*
- making certain adjustments to the normal value.*

You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and*
- provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)*

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

G-1. Production process and capacity

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

See the attached annexure "Flow Diagram".

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G-2. Provide information about your company's total production in the following table:

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	1 July 2012 to 30 June 2013
A – Production capacity (eg kg, tonnes)*			
B – Actual production in volume (eg kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named "**Production**".

Please refer to the attached annexure "Production". This annexure contains confidential information and has been indexed.

G-3. Cost accounting practices

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

The group uses a standard costing methodology for the valuation of inventory. This methodology facilitates measuring actual prices and throughputs (usage) against pre-defined standards.

Detailed costings are generally created in Microsoft Excel, reviewed and amended before updating into Syspro. The Microsoft Excel costings contain more detail than Syspro can accommodate and it therefore forms the basis for cost reviews. Once the product costings are finalised, details are imported into Syspro and a reconciliation between Syspro and the individual Excel costings are performed to ensure accuracy.

All product costings can be broken down into the following categories: raw material components, packaging components, labour and direct overheads.

Raw Materials & Packaging

The cost of components basically consists of the price per unit, mass included in recipe and the yield.

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The cost per unit is generally forecasted by the seller for the period under review based on agreements in place with suppliers and economic factors pertaining to each raw material component. In some cases, specific agreements with suppliers would not be in place and more general assumptions are used (CPIX for example).

The mass included in the product is initially determined by the new product development team and reviewed periodically based on production performance and plant & equipment changes. Yields are also measured and reviewed based on previous production variances. The measurement of production variances therefore forms an integral part in reviewing the mass and yields of raw materials & packaging to be included in product costings.

Packaging components included in product costings may also be affected by customer requirements and volumes sold to different customers.

Labour

Hourly labour rates are estimated based on the current labour rates per skill level and the annual labour rate increase negotiated by the human resources department with the trade unions.

Staff compliments and factory throughput are used to determine the standard man hours per unit of measurement. As with the raw material & packaging components, review of previous production variances form an integral part in determining these standards.

Direct Overheads

It is important to note that only direct overheads are included in product costings. These overheads are usually calculated on a per unit basis and included as an additional rate per unit.

Conversion to Actual Costs

Inventory needs to be valued at the lower of actual cost or net realisable value for financial statement purposes. The valuation of inventory for management reporting purposes as detailed above is at standard cost and a yearend adjustment to actual cost is therefore required. This adjustment consists of two parts, namely indirect overheads and production variances.

Indirect overheads are budgeted for and recorded as part of overheads. At year end, an allocation of indirect overheads to inventory is made based on the ratio between production for the year and inventory levels at year end. Recently a second adjustment for raw materials & packaging is also made based on the difference between the standard and actual costs of raw materials & packaging.

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The production variances represent the difference between actual price and usage and standard price and usage. In order to adjust the inventory valuation to actual cost, an allocation for these variances also needs to be made using the same ratio as above.

- 2 Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

Yes – the company's accounting system is based on standard costs and that has been used in our responses hereto.

- 3 Provide details of any significant or unusual cost variances that occurred during the investigation period.

None

- 4 Describe the profit/cost centres in your company's cost accounting system.

Profit centres are as follows:

Fruit plant in Tulbagh

Vegetable plant in Limpopo

Jam plant in Groot Drakenstein

- 5 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

Standard costs are allocated based on the Bill of Materials for each product.

Standard costs include raw materials plus direct overheads.

Indirect costs i.e. Plant related costs like maintenance and salaries, are expensed as they are incurred.

Capital expenditure amounts are written off over 10 years for Plant and Equipment and 20 years for Buildings. The depreciation is allocated to overheads for the Profit centre – not to product costs.

- 6 Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

Individual product level in terms of size, type and grade. Customer specific labelling was not accounted for during the period under review.

- 7 List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

None

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- 8 State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

N/A

- 9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

N/A

G-4 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.²

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

* You should provide separate costs for different packing sizes between 300g and 1.5 kg.

2. Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spreadsheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				

² The Commission applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1.

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Unit Cost to Make and Sell				
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Prepare this information in a spreadsheet named "**Domestic CTMS**".

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods under consideration** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Please refer to the attached annexure [the requested information has been provided, however it is confidential and incapable of any meaningful summary]. Kindly note that we attempt to fix our costs prior to the close of our financial year. There will of course be slight variances, but this is only reconciled at the end of our financial year. As such the period 1 July 2012 to 30 September 2012 reflects our actual costs. We have provided our standard cost (as fixed) for the period 1 October 2012 to 30 June 2013. We will however only be able to report on any slight variance at the end of our financial year. Thus the costing for the three quarters in the period 1 October 2012 to 30 June 2013 would be exactly the same as given. Please further note that the costing provided here is specifically for the 828g STD grade peach slices in syrup as this is the product sold in Australia.

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G-5 Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

	Quarter X	Quarter X	Quarter X	Quarter X
Model/Type exported to Australia – from spreadsheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "**Australian CTMS**".

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

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Please refer to the attached annexure [the requested information has been provided, however it is confidential and incapable of any meaningful summary]. Kindly note that we attempt to fix our costs prior to the close of our financial year. There will of course be slight variances, but this is only reconciled at the end of our financial year. As such the period 1 July 2012 to 30 September 2012 reflects our actual costs. We have provided our standard cost (as fixed) for the period 1 October 2012 to 30 June 2013. We will however only be able to report on any slight variance at the end of our financial year. Thus the costing for the three quarters in the period 1 October 2012 to 30 June 2013 would be exactly the same as given.

- 1 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

No differences save for selling and delivery costs in the domestic market which is not incurred in the export sales. [Details have been provided in the relevant annexure but it is confidential and incapable of meaningful summary].

- 2 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

N/A

- 3 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

N/A

G-6 Major raw material costs

List major raw material costs, which individually account for 10% or more of the total production cost.

Fruit – Sourced from contracted farmers, no relation to Rhodes Food Group.

Cans & Lid – Sourced from Crown Metal Box, no relation to Rhodes Food Group.

Manufacturing overheads.

For these major inputs:

- identify materials sourced in-house and from associated entities; N/A
- identify the supplier; and N/A
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production). N/A

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the *Customs Act*. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

SECTION H EXPORTER'S DECLARATION

I hereby declare that Rhodes Food Group (Pty) Ltd did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : Rian Geldenhuys

Signature :



Position in

Company : Legal Advisor

Date : 21 August 2013

SECTION I CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – general information	X
Section B – export price	X
Section C – like goods	X
Section D – domestic price	X
Section E – fair comparison	X
Section F – exports to third countries	X
Section G – costing information	X
Section H – declaration	X

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	X
TURNOVER – sales summary	X
AUSTRALIAN SALES – list of sales to Australia	X
DOMESTIC SALES – list of all domestic sales of like goods	X
THIRD COUNTRY – third country sales	X
PRODUCTION – production figures	X
DOMESTIC COSTS – costs of goods sold domestically	X
AUSTRALIAN COSTS – costs of goods sold to Australia	X

APPENDIX

GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences*; *packaging*; *taxes*; *level of trade*; *advertising*; *servicing/warranty*; *inland freight*; *warehousing*; *export charges*; *credit terms*; *duty drawback*; *commissions*.

Adjustments may also be required where the normal value is based upon costs to make and sell.

Arms length

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

Constructed value

In cases where domestic prices paid for the goods under consideration in the country of export cannot be used for the determination of normal value, ie. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The Commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

Direct labour is categorised as a variable cost, ie. the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

Factory overheads

Factory overheads consist of variable costs eg. power, supplies, indirect labour and fixed costs eg. factory rent, factory insurance, factory depreciation etc.

Goods under consideration (the goods)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customers disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)

Investigation period

A period defined by the Commission over which importations of the goods are examined.

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods under consideration or that, although not alike in all respects have characteristics closely resembling those of the goods under consideration. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based upon all costs to make and sell the goods. Profit may also be included if the sales on the domestic market are profitable. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the Commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the Commission and the normal value is determined as if the surrogate country were the export source.

Ordinary course of trade

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

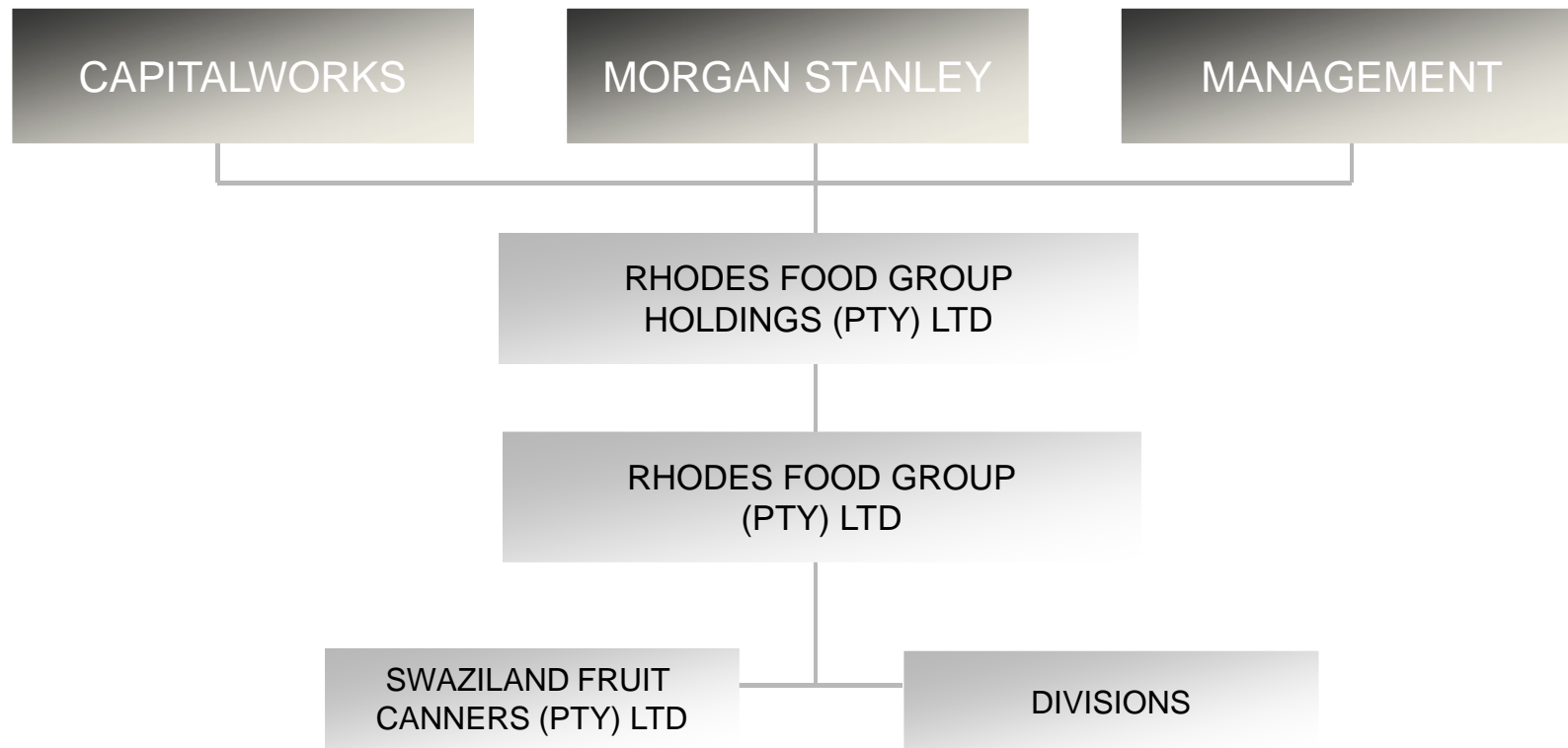
Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

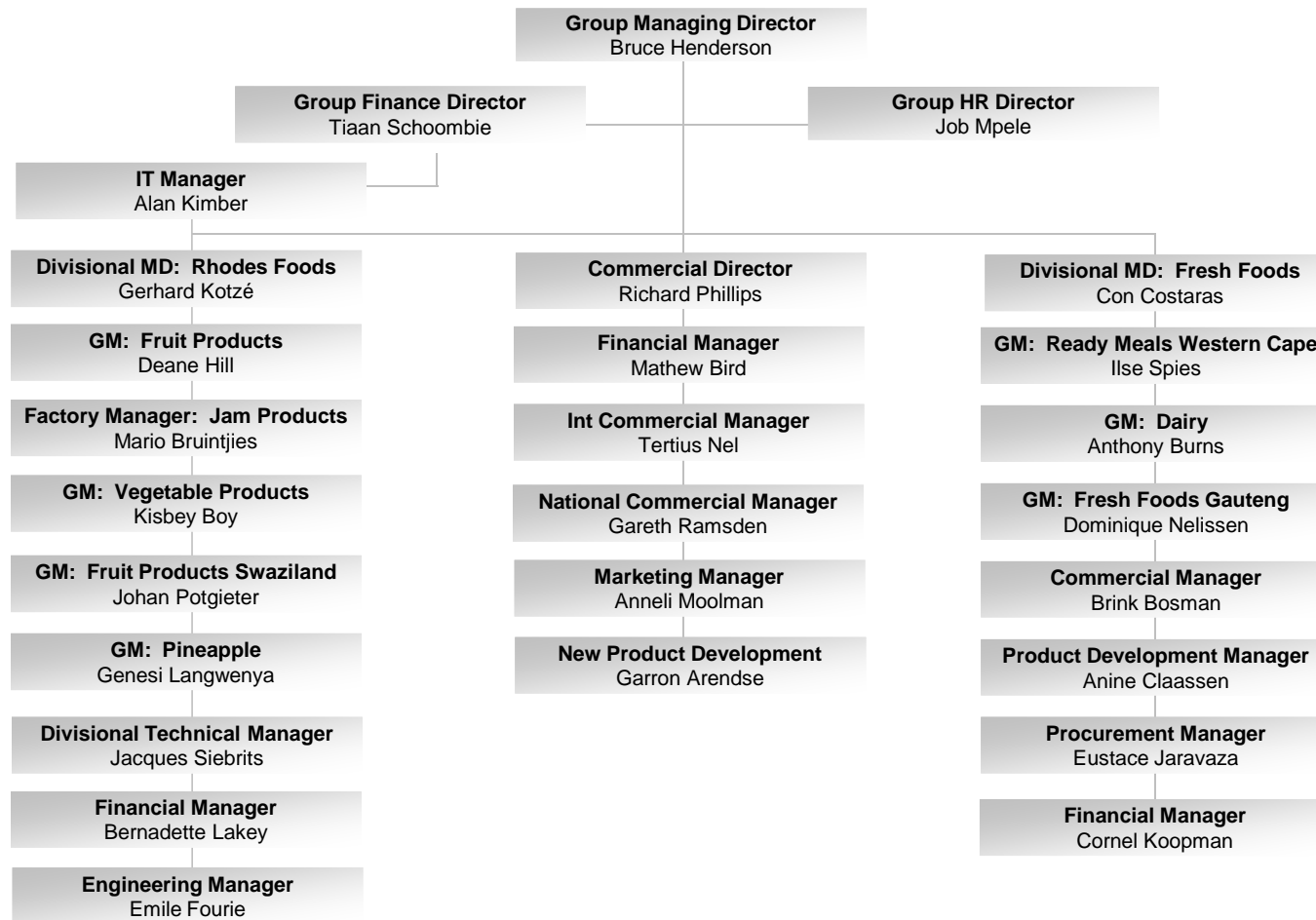
- . domestic sales of like goods;
- . sale of goods of the same general category by the exporter; or
- . sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.

OWNERSHIP STRUCTURE



GROUP MANAGEMENT STRUCTURE



FRUIT CUP PRODUCTS: Fruit in Juice, Fruit in Jelly and Puree / Paste

CUP SIZE	NET WEIGHT (g)	DRAINED WEIGHT (g) Fruit in juice only	JUICE °BRIX	CUPS PER CARTON	CARTONS PER FCL
120g	120	70	≥ 9	24	2640
220g	220	130	≥ 9	12	3200
Fruit in Juice Pineapple in Juice Fruit Cocktail in Juice Peach & Pine Mix in Juice Marsh in Juice Prunes in Juice Mandarins in Juice		Fruit in Jelly Pear in Raspberry Flavoured Jelly Peach in Mango Flavoured Jelly Peach and Pear in Tropical Flavoured Jelly Peach in Strawberry Flavoured Jelly Pineapple in Pine Flavoured Jelly Mandarin in Orange Flavoured Jelly		Paste / Puree / Pulp Tomato Paste Passion Fruit Pulp Apple Puree Apple Blackcurrent Puree Apple Strawberry Puree Apple Pear Puree	

FROZEN AND ASEPTIC FRUIT JUICE CONCENTRATES: Valencia Orange, Marsh (White), Ruby Grapefruit, Pineapple and Lemon

PRODUCT	SIZE OF CONTAINER	NET WEIGHT (Kg)	°BRIX	DRUMS / FCL
Valencia Orange	205 litre drum	270	65 ± 1	70
Marsh (White) Grapefruit	205 litre drum	261	58 ± 1	70
Ruby Grapefruit	205 litre drum	261	58 ± 1	72
Pineapple	205 litre drum	264	60 ± 1	72
Lemon	205 litre drum	250	50	70

ASEPTIC FRUIT JUICE PUREES: Clingstone Peach, Bullida Apricot, Bon Cretin Pear, Granny Smith Apple and Pink Guava

PRODUCT	SIZE OF CONTAINER	NET WEIGHT (Kg)	°BRIX	DRUMS / FCL
Peach	205 litre drum	230	31 ± 1	78
Peach	205 litre drum	210	11 ± 1	78
Apricot	205 litre drum	230	31 ± 1	78
Apricot	205 litre drum	210	11 ± 1	78
Pear	205 litre drum	230	31 ± 1	78
Pear	205 litre drum	210	12 ± 1	78
Apple	205 litre drum	230	31 ± 1	78
Apple	205 litre drum	210	12 ± 1	78
Guava	205 litre drum	230	17 ± 1	78
Guava	205 litre drum	210	9 ± 1	78



CROP CALENDAR	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Apricots												
Peaches												
Pears												
Fruit Cocktail												
Pineapple												
Grapefruit												
Orange												
Lemon												

Reputable and internationally recognised brand
Highest quality and standards

Rhodes Food Group (Pty) Ltd

Physical Address:

Rhodes Food Group (Pty) Ltd, Pniel Road, Groot Drakenstein, 7680
Western Cape, South Africa

Postal Address:

Private Bag X3040, Paarl, 7620, Western Cape South Africa

Tel (Int): +27 (0)21 870 4000 Fax: +27 (0)21 874 1445 E-Mail: info@rhodesfoodgroup.com

www.rhodesfoodgroup.com





RHODES FOOD GROUP

QUALITY. FROM SOIL TO SHELF

Franschhoek Valley

Dedicated to delight

Hailing from the beautiful **Franschhoek Valley** in the Western Cape region of South Africa, Rhodes Food Group is a leading food production and processing company that supplies **local and international markets** with quality fruit products and premium brands at competitive pricing.

Our focus on **'soil to shelf' quality** has seen the Group grow from its humble beginnings over a 100 years ago, into the vibrant and diversified food business it is today; catering for a range of customers in the food service sector, industrial arena and global retail marketplace.

The core fruits in our product range are **apricots, peaches, pears, citrus and pineapples**. We pride ourselves in offering innovative packaging and processing solutions, across cans and plastic cups as well as industrial juice concentrates and purées.

The Rhodes Food Group Promise:

Our strong customer focus and understanding of the needs of our diverse customer base, allows us to deliver **quality fruit products at competitive prices**, coupled with dedication to great customer service.

- We reduce the complexity of managing multiple suppliers from around the world by offering a one-stop-shop for a wide variety of packaged fruit products;
- We offer value to our customers by supplying mixed, consolidated container loads of shelf-ready products across various fruit types and can sizes;
- We help you meet your tighter lead-times and inventory requirements;
- We exceed increasingly stringent requirements for food safety, ethical and environmental standards;
- We are dedicated to bringing you reputable, quality Southern African packaged fruit.

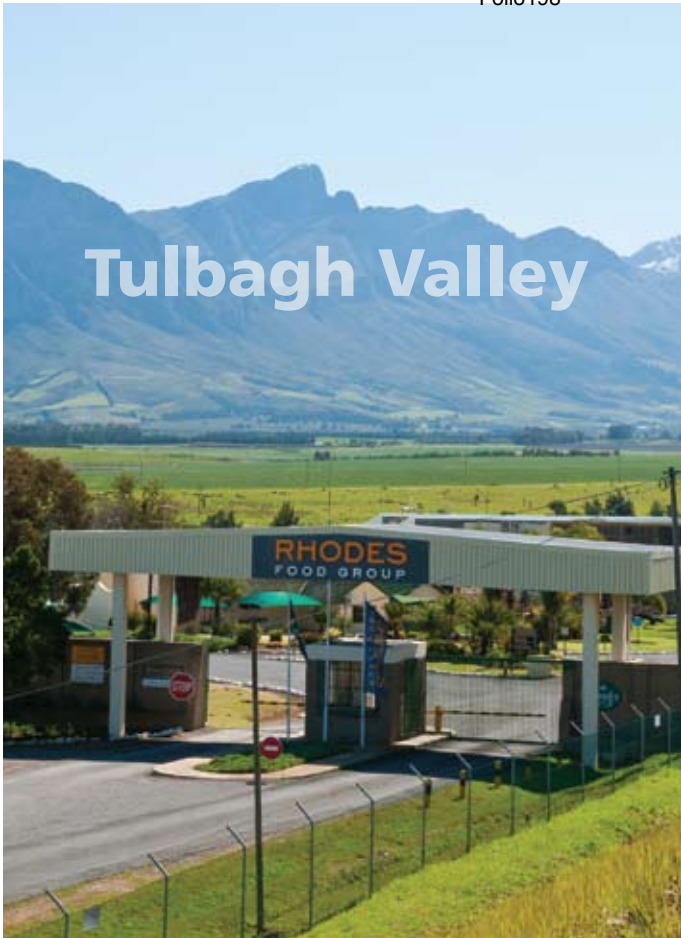
Proudly South African
Premium Quality



Our **Fruit Production** Facilities

Fruit Products, **Tulbagh**, Western Cape

In 2010, we extended our fruit canning operations to Tulbagh, Western Cape, South Africa. This state-of-the-art facility, backed by a team of dedicated staff with many years of canning experience, allows us to now offer our local and international customers increased capacity on premium quality fruit products. The facility continues to excel in its high food safety standards, with annual HACCP, BRC, IFS certifications exceeding customer expectation. Our deciduous fruit range includes canned apricots, peaches, pears, fruit cocktail and guava. These fruit types are also packed aseptically as fruit purées and diced fruit (in the case of pears and peaches).



Fruit Products, **Swaziland**

Affectionately nicknamed as “Swazican”, and situated in the fertile Malkerns Valley, this is Swaziland’s only canning operation which was established back in 1954 when pineapples were first grown commercially in the country.

Today, Swazican is a leading producer of processed pineapple and citrus products and remains the primary grower of pineapples in Swaziland, with our self-owned pineapple plantations.

The production plant maintains high food safety standards, with annual HACCP and BRC certifications in place. The product range comprises canned citrus (orange and grapefruit segments), canned pineapple (slices, pieces and crush), citrus and pineapple juice concentrate and a range of prepared fruit and jelly products packed in plastic cups.

Delicious Taste Convenience



Swaziland

PINEAPPLE PRODUCTS: Rings, Pieces and Crush

CAN SIZE	DIMENSION (mm)	NET WEIGHT (g)	DRAINED WEIGHT (g)	°BRIX			CANS PER CARTON	CARTONS PER FCL	
				L/SYRUP	H/SYRUP	JUICE		PALLETISED	SLIP SHEET
AIF	83 x 56	235	135	14 ± 16	17 ± 20	≥ 11	12 24 48	4752 2244 1188	5530 2765 1382
NIS	83 x 90	425	245	14 ± 16	17 ± 20	≥ 11	12 24	2904 1452	3199 1544
A2.5	99 x 119	822	490	14 ± 16	17 ± 20	≥ 11	6 12 24	3072 1536 768	3560 1800 900
A10	153 x 178	3000	1720	14 ± 16	17 ± 20	≥ 11	6	924	1008

CITRUS SEGMENTS: Marsh (White) Grapefruit, Ruby Grapefruit and Orange

CAN SIZE	DIMENSION (mm)	NET WEIGHT (g)	DRAINED WEIGHT (g)	°BRIX			CANS PER CARTON	CARTONS PER FCL	
				L/SYRUP	H/SYRUP	JUICE		PALLETISED	SLIP SHEET
8ozB	65 x 79	220	124	14 ± 16	17 ± 20	≥ 9	24 48	2448 1224	2740 1370
A1	65 x 102	285	170	14 ± 16	17 ± 20	≥ 9	12 24 48	4080 1836 972	4500 2200 1020
NIM	73 x 111	411	224	14 ± 16	17 ± 20	≥ 9	12 24	3024 1512	3400 1700
A2	83 x 116	540	290	14 ± 16	17 ± 20	≥ 9	12 24	2244 1056	2700 1350
43oz	99 x 178	1250	648	14 ± 16	17 ± 20	≥ 9	12	960	1200
A10	153 x 178	3000	1650	14 ± 16	17 ± 20	≥ 9	6	924	1008

DECIDUOUS PRODUCTS: Apricot Halves, Apricot Tight Pack; Peach Halves, Slices, Diced; Pear Halves, Sliced, Diced; Fruit Cocktail

CAN SIZE	DIMENSION (mm)	NET WEIGHT (g)	DRAINED WEIGHT (g)	°BRIX			CANS PER CARTON	CARTONS PER FCL	
				L/SYRUP	H/SYRUP	JUICE		PALLETISED	SLIP SHEET
8ozB	65 x 79	225	130	14 ± 16	17 ± 20	≥ 9	24 48	2448 1224	2740 1370
NIM	73 x 111	411	240	14 ± 16	17 ± 20	≥ 9	12 24	3024 1512	3400 1700
A2.5	99 x 119	822	480	14 ± 16	17 ± 20	≥ 9	6 12 24	3072 1536 768	3600 1800 900
A10	153 x 178	3060	1830	14 ± 16	17 ± 20	≥ 9	6	924	1008

1. ACCOUNTING POLICIES

The annual financial statements and group annual financial statements are prepared in accordance with International Financial Reporting Standards and incorporate the following principal accounting policies which have been consistently applied in all material respects.

1.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interest in the net assets of consolidated subsidiaries is identified separately from the group's equity therein. Non-controlling interest consists of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interest in excess of the non-controlling interest's interest in the subsidiary's equity are allocated against the interest of the group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue represents the following:

1.2.1 *Sale of goods*

Revenue from sale of goods is recognised when substantially all the risks and rewards of ownership have been transferred to the buyer and the group and company do not retain continuing managerial control of the goods to a degree usually associated with ownership, when the amount of revenue and costs incurred or to be incurred in respect of the sale transactions can be measured reliably, and when it is probable the economic benefits associated with the transaction will flow to the group and company.

1.2.2 *Interest*

Interest revenue is recognised on a time proportion basis that takes into account the effective yield on the investment.

1.2.3 *Dividends*

Dividend revenue is recognised when the shareholder's right to receive payment is established.

1. ACCOUNTING POLICIES (Continued)

1.3 Interest paid

Interest paid includes interest on the loan accounts, bankers' acceptances and bank accounts, which is expensed as incurred.

1.4 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Rands, which is the functional currency of the company, and presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items, are included in profit or loss for the year.

In order to hedge its exposure to certain foreign exchange risks, the group enters into forward exchange contracts and options.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Rands using exchange rates prevailing on the reporting date. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group and company's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

Deferred taxation is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from

goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be realised.

Deferred taxation is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled. Deferred taxation is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred taxation is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

1.6 **Property, plant and equipment**

1.6.1 *Capital work in progress*

The cost of property, plant and equipment is recognised as capital work in progress until the plant and equipment have been commissioned. Capital work in progress is not depreciated.

1.6 **Property, plant and equipment** (Continued)

1.6.2 *Other property, plant and equipment*

Other property, plant and equipment are stated at cost less accumulated depreciation. The estimated useful lives, depreciation method and residual values of the assets are reviewed annually with the effect of any changes accounted for on a prospective basis. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets less its residual value as follows:

Buildings, improvements and leasehold improvements	Range from 5-45 years
Plant and machinery	Range from 2-20 years
Motor vehicles	Range from 4-10 years
Office equipment	Range from 3-14 years
Furniture and fittings	Range from 3-15 years

Land is not depreciated.

1.7 **Biological assets**

Biological assets comprise livestock and growing crops which are measured at fair value less estimated point of sale costs.

The fair value of livestock is determined based on market prices of livestock of a similar age, breed and genetic merit.

The fair value of growing crops are determined based on market prices less delivery costs.

1.8 Trademarks

Trademarks comprise purchased trademarks which have been valued at cost and stated at cost less accumulated amortisation. Trademarks are amortised on the straight-line basis over 10 years.

1.9 Goodwill

Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the company's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent year.

1.10 Impairment

At each reporting date, the group and company reviews the carrying amount of tangible and intangible assets to determine whether there is an indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Impairment losses are recognised in the statement of comprehensive income in the year in which they arise.

1.11 Inventory

Inventory is stated at the lower of cost or net realisable value. Cost is determined on the following basis:

Raw materials are valued at cost on a first-in, first-out basis.

Finished goods and work in progress are valued at average actual cost of production.

Obsolete and slow moving inventories are identified and written down with regard to their estimated economic and realisable value.

1.12 Provisions

Provisions are recognised when the group and company has a present legal or constructive obligation as a result of past events, for which 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.

1.13 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks and bankers' acceptances, net of bank overdrafts, all of which are available for use by the group and company unless otherwise stated.

1.14 Retirement funding

The group and company provide retirement benefits to employees through a defined contribution pension fund and a defined contribution provident fund. Contributions to these retirement funds are charged against income as incurred.

Employee termination benefits

The severance pay obligation arising in terms of the Swaziland Employment Act is calculated tri-annually by independent actuaries using the projected unit credit method. Under this method, the present value of severance benefits that have accrued in respect of past service is calculated, allowing for estimated future salary increases, future retrenchments, withdrawals and deaths.

1.15 Financial instruments

1.15.1 Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.15 Financial instruments (Continued)

1.15.1 Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter year. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as FVTPL.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or

- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Certain categories of financial assets, such as trade receivables, that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group and company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit term of 45 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The group and company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

1.15.2 Financial liabilities and equity instruments

Derecognition of financial assets (Continued)

If the group and company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the group and company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the group and company retain substantially all the risks and rewards of ownership of a transferred financial asset, the group and company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group and company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly

discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter year.

Derecognition of financial liabilities

The group and company derecognise financial liabilities when, and only when, the group and company's obligations are discharged, cancelled or they expire.

1.16 Leases

Assets held under finance leases are recognised as assets of the group and company at their fair value at the inception of the lease or, if lower at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group and company's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

RHODES FOOD GROUP (PTY) LTD

FOR PUBLIC FILE

INCOME STATEMENT

	Financial Year ended September 2012		Investigation period 1 July 2012 to 30 June 2013	
	All products	Peaches	All products	Peaches
Gross Sales (1)	100.00%	10.25%	100.00%	11.01%
Sales returns, rebates and discounts (2)				
	100.00%	0.00%	100.00%	0.00%
Net sales (3) = (1-2)	100.00%	10.94%	100.00%	11.78%
Other income	100.00%	0.00%	100.00%	0.00%
Raw materials (4)	100.00%	11.83%	100.00%	12.68%
Direct labour (5)	100.00%	11.22%	100.00%	11.96%
Other direct production costs	100.00%	12.61%	100.00%	13.10%
Bought in products - cost of sales	100.00%	0.00%	100.00%	-
Depreciation (6)	100.00%	4.06%	100.00%	3.82%
Manufacturing overheads (7)	100.00%	6.26%	100.00%	6.69%
Other operating expenses (8)	100.00%	13.02%	100.00%	13.31%
Total cost to make (9) = (4+5+6+7+8)	100.00%	9.96%	100.00%	10.55%
Operating income (10) = (3-9)	100.00%	17.53%	100.00%	18.22%
Selling expenses (11)	100.00%	27.38%	100.00%	27.87%
Administrative & general expenses (12)				
Financial expenses (13)	100.00%	0.00%	100.00%	0.00%
SG&A expenses (14) = (11+12+13)				
	100.00%	30.47%	100.00%	24.35%
Income from normal activities (15) = (10-14)				
	100.00%	10.85%	100.00%	14.84%
Interest income (16)				
	100.00%	0.00%	100.00%	0.00%
Interest expense (enter as negative) (17)				
	100.00%	20.07%	100.00%	15.24%

Extraordinary gains/losses (enter losses
as negative) (18)

100.00%

0.00%

Abnormal gains/losses (enter losses as
negative) (19)

Profit before tax (20)
=(15+16+17+18+19)

	100.00%	7.46%	100.00%	18.20%
Tax (21)	100.00%	6.46%	100.00%	19.75%
Net profit (22) = (20-21)	100.00%	7.94%	100.00%	17.29%

RHODES FOOD GROUP (PTY) LTD **FOR PUBLIC FILE**
SALES SUMMARY
ALL PRODUCTS

	Financial Year ended September 2012		Investigation period 1 July 2012 to 30 June 2013	
	Volume (KG)	Value	Volume (KG)	Value
Total company turnover (all products)				
domestic market	100.00%	100.00%	100.00%	100.00%
exports to Australia	72.29%	70.59%	68.54%	70.79%
exports to other countries	3.66%	4.25%	3.50%	4.13%
Turnover of the sector including the goods (fruit plant)	24.04%	25.17%	27.95%	25.08%
domestic market	100.00%	100.00%	100.00%	100.00%
	23.48%	22.72%	22.79%	20.43%

exports to Australia				
	8.50%	7.93%	7.24%	6.88%
exports to other countries				
	68.02%	69.34%	69.97%	72.69%
Turnover of the goods (peaches excl 8OZ and A10)				
	100.00%	100.00%	100.00%	100.00%
domestic market				
	16.74%	18.68%	15.49%	18.66%
RFA				
	16.70%	18.64%	14.23%	17.58%
RFI				
	0.04%	0.03%	1.27%	1.08%
exports to Australia				
	13.06%	10.70%	8.00%	6.24%
exports to other countries				
	70.21%	70.62%	76.51%	75.10%

Document : **Product Specification**

 Amendment No : **01**

 Document No: **Spec 6**

 Page **1** of **2**

 Subject : **Peach Slice in Syrup or Fruit Juice**

 Effective date : **28/10/2011**

Authorized by: Technical Manager



CANNED PEACH SLICE IN SYRUP OR JUICE - (Choice Grade)

1. General Appearance: The peach slice must have a deep reasonably even yellow colour - not green. No blemishes, pip or peel residues are allowed subject to allowable deviations for the grade. Peach slice must be reasonably firm and reasonably even in size. The syrup must be clear. No foreign matter allowed.
2. Quality: Choice Grade according to the quality standards as set out in the regulations under the Agricultural Products Standards Act, 1990 of the RSA. Can also be packed to agreed customer specification.
3. Taste & Odour : Typical Peach. No off taints allowed.
4. Medium : Sugar (ex cane) syrup or juice as specified by the customer.
5. Microbiological Status: Commercially sterile.
6. Can Type:

65 x 79 mm	8oz
73 x 111 mm	1M
99 x 119 mm	A2.5
153 x 178 mm	A10
7. Label Mass Statement: (g)

CAN SIZE	DRAINED MASS	NETT MASS
8oz	140	225
1M	240 / 250	420 (410 if in juice)
A2½	480 / 500	825
A10	1,830	3,060

 Per label Statement
 Per label Statement

8. Count:

CAN SIZE	COUNTS	
Bufs	13 - 19	
1M	12 - 25	
A2½	25 - 35	35 - 45
A10	130 - 160	160 - 190

9. Final Product Vacuum: 17 – 40 kPa.
10. Final Product pH: 3.5 – 3.7 (raw material pH: 3.8 – 4.1)

Amendment no.	Date	Amendment details	Reason for amendment
01	28/10/2011	Update information	Review Specification

**Rhodes Foods
Fruit Products**

 Document : **Product Specification**

 Amendment No : **01**

 Document No: **Spec 6**

 Page **2** of **2**

 Subject : **Peach Slice in Syrup or Fruit Juice**

 Effective date : **28/10/2011**

Authorized by: Technical Manager



 11. Final Product TDS & Codes:

Syrup Type	TDS of Final Product
Light Syrup	14 – 16 °Brix
Normal	17 – 19 °Brix
Juice	10 – 12 °Brix
Heavy	18 – 23 °Brix

 12. Additives : Citric Acid (E330) : +/-0.04%, for control of pH.

 13. Shelf Life: 3 Years from date of production.

 14. Disclaimer: The information in this specification is to the best of our knowledge true and accurate at the time of printing and may change without prior notice.

Amendment no.	Date	Amendment details	Reason for amendment
01	28/10/2011	Update information	Review Specification

Document : **Product Specification**

 Amendment No : **00**

 Document No: **Spec 49**

 Page **1** of **1**

 Subject : **Peach Slice in Syrup Standard Grade**

 Effective date : **28.10.2011**

Authorized by: Technical Manager

STANDARD GRADE CANNED PEACH SLICE IN SYRUP

PRODUCT FOR: SHOPRITE HOUSEBRAND, SHOPRITE RITEBRAND, COLES SMARTBUY LABEL,
METCASH: BLACK & GOLD LABEL, NO FRILLS LABEL

1. General Appearance: The Peach Slices must be reasonably firm and not mushy. The syrup must be clear and free from foreign matter.
2. Quality: Standard grade or Campden Grade B for which the following maximum defect levels per can apply:

Defect Description

Max. per can

Foreign matter	0
Major EVM	0
Minor EVM	2
Major Pit Fragment	2
Minor Pit Fragment	2
Major Blemish	2
Minor Blemish	6
Mechanical Damage	14

3. Colour & Taste: Typical Peach. No off taints or off flavour allowed.
4. Medium: Syrup prepared from Sugar (ex cane) and Water
5. Microbiological Status: Commercially sterile.
6. Can Type: 99 x 119 mm A2.5
7. Label Mass Statements:

CAN SIZE	DRAINED MASS	NETT MASS
A2.5	60% of net mas	825g

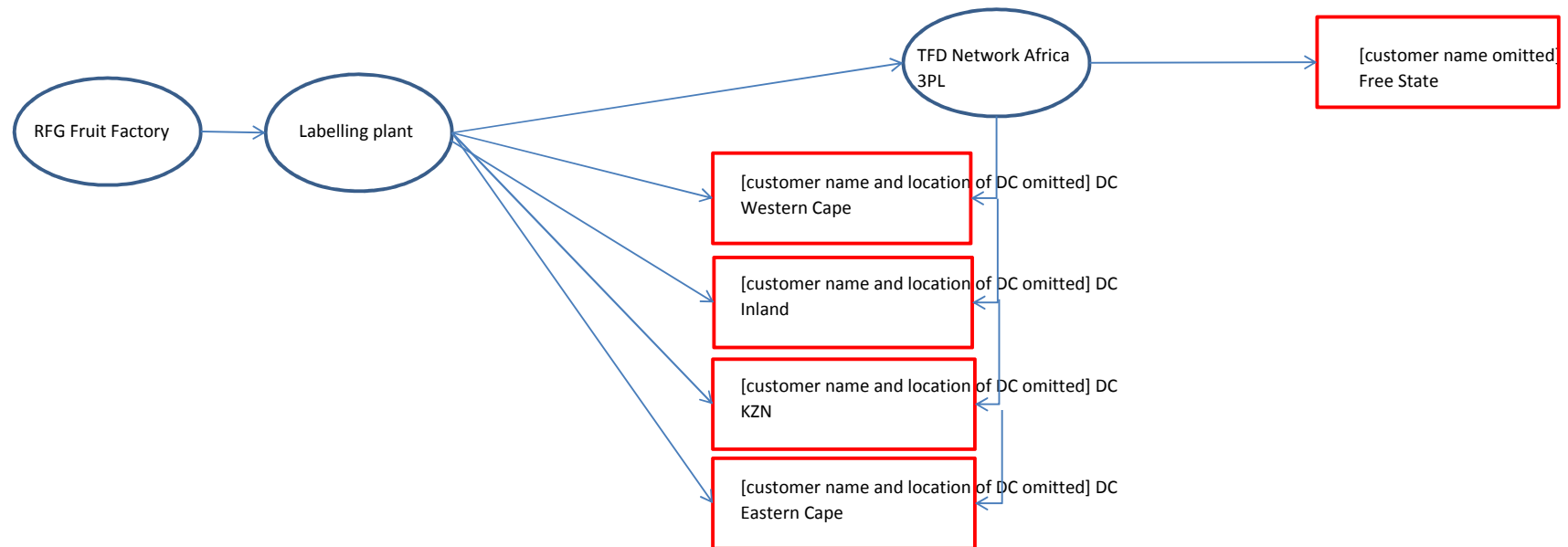
8. Count:

CAN SIZE	COUNTS
A2.5	Unspecified

9. Final Product Vacuum: 17 – 40 kPa.
10. Final Product pH: 3.6 – 3.8
11. Final Product TDS & Codes:

Syrup Type	TDS of Final Product	Product Code
Heavy Normal	17 - 19 °Brix	SN
Normal Light	14 - 17 °Brix	SL

12. Additives: Citric Acid (E330): +/-0.04% to control pH.
13. Shelf Life: 36 Months from date of production.

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**Rhodes Foods
Fruit Products**

 Document : **Flow Diagram**

 Amendment No : **07**

 Document No: **HS/A/09**

 Page **1** of **1**

 Subject : **Processing of Canned Fruit**

 Effective date : **01-01-2009**

Authorized by: Technical Manager

 Apricot Halves
and Dice
Preparation
(HAS/02)

 Peach Halves,
Slice and Dice
Preparation
(HS/A/03)

 Pear Halves
and Dice
Preparation
(HS/A/04)

 Fruit Cocktail
Preparation
(HS/A/06)

 Liquid Medium
Preparation
(HS//A/06)

Seam Evaluation

1. Syrup

 2. Lid Application/
Seaming

CCP 9.1

3. Printing

Time / Temp.

 4. Processing:
(14min @ 86°C)

CCP 9.2

5. Can Cooling

CCP 9.3

Anti-rust application

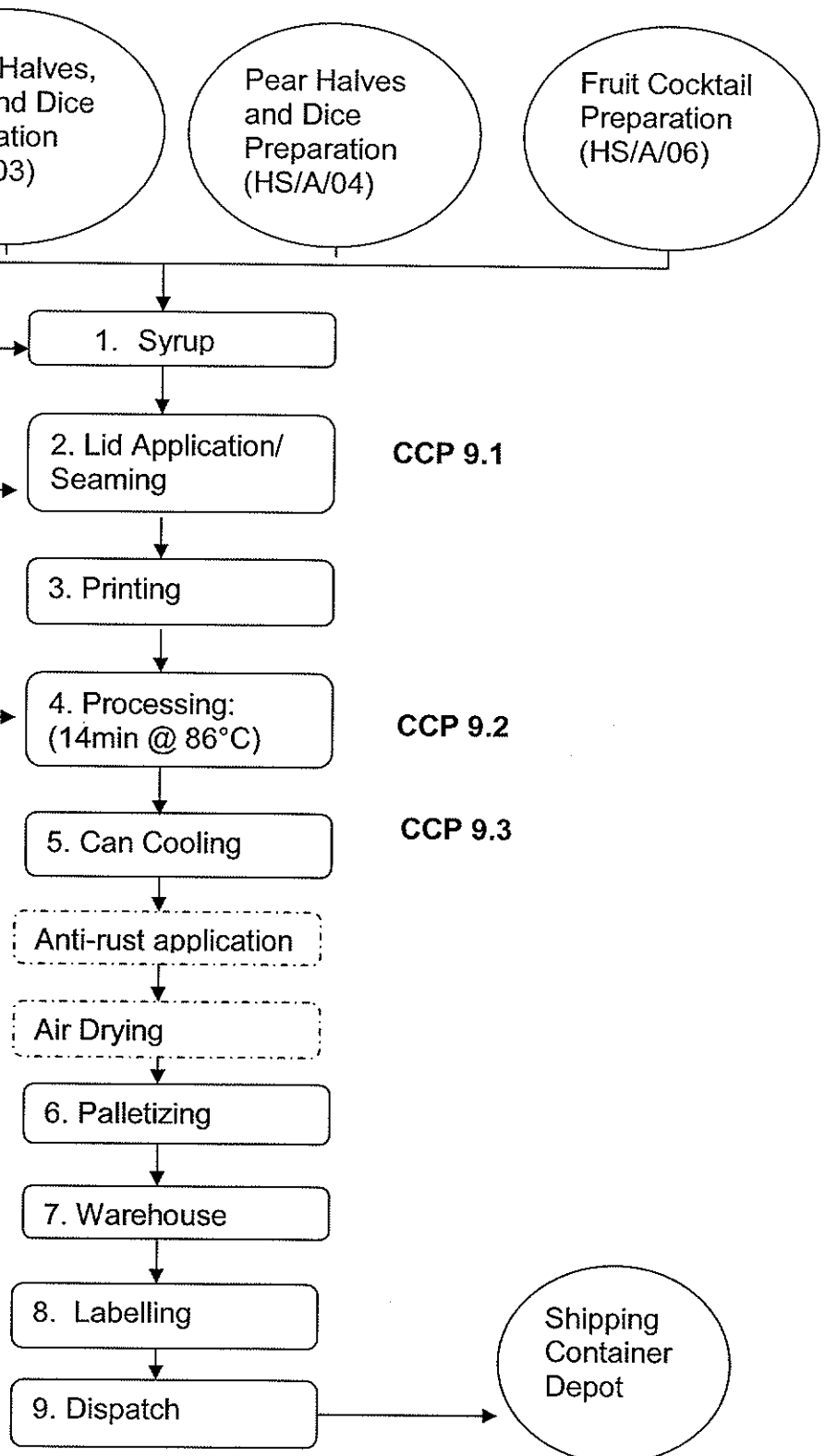
Air Drying

6. Palletizing

7. Warehouse

8. Labelling

9. Dispatch

 Shipping
Container
Depot


RHODES FOOD GROUP (PTY) LTD FOR PUBLIC FILE**PRODUCTION**

	Financial year ended Sept 2011	Financial year ended Sept 2012	Investigation period: 1 July 2012 to 30 June 2013
Production capacity* (eg. units, kg, tonnes) [A]	100%	100%	100%
Actual production in volume (eg. units, kg, tonnes) [B]	96%	96%	96%
Capacity utilisation (%) (B/A x 100)	96%	96%	96%

* Rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.