



**Australian Government**  
**Australian Customs and**  
**Border Protection Service**

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**R E P O R T**

**CONTINUATION INQUIRY**  
**AND**  
**REVIEW OF MEASURES**

**2,4-DICHLOROPHENOXYACETIC-ACID FROM**  
**THE PEOPLES REPUBLIC OF CHINA**

**VISIT REPORT – IMPORTER**

**ACCENSI PTY LTD**

<p>THIS REPORT AND VIEWS OR RECOMMENDATIONS CONTAINED WITHIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT CUSTOMS AND BORDER PROTECTION'S FINAL POSITION.</p>
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**OCTOBER 2012**

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## PUBLIC FILE 104

2,4-D	2,4-Dichlorophenoxyacetic acid
The Act	<i>Customs Act 1901</i>
The applicant	Nufarm Limited
Accensi	Accensi Pty Ltd
APVMA	Australian Pesticides and Veterinary Medicines Authority
CEO	Chief Executive Officer
China	The People's Republic of China
[REDACTED]	[REDACTED]
CIF	Cost of insurance and freight
CFR	Cost of freight
CTMS	Cost To Make & Sell
CTS	Cost to sell
Customs and Border Protection	Australian Customs and Border Protection Service
DMA	dimethylamine
EBIT	Earnings before interest and tax
FOB	Free On Board
GAAP	Generally accepted accounting principles
GST	Goods and services tax
IAA	indol-3-acetic acid
IPA	Iso-propylamine
NIP	Non-injurious Price
Nufarm	Nufarm Limited
QLD	Queensland
SEF	Statement of Essential Facts
SG&A	Selling, general and administration expenses
Tariff Act	<i>Customs Tariff Act 1995</i>
TGAC	Technical Grade Active Constituent
the goods	the goods the subject of the application
the Minister	the relevant Minister
TMRO	Trade Remedies Review Officer
[REDACTED]	[REDACTED]
USP	Unsuppressed Selling Price
WA	Western Australia

## 2 BACKGROUND

### 2.1 Current inquiries

#### 2.1.1 Continuation Inquiry

##### Continuation Inquiry

On 7 May 2012, Australian Customs and Border Protection Service (Customs and Border Protection) published a notice in *The Australian* newspaper to invite certain persons to apply to the CEO of Customs and Border Protection for the continuation of anti-dumping measures on 2,4-Dichlorophenoxyacetic (2,4-D) exported to Australia from China.

On 5 July 2012, Nufarm Limited (Nufarm), a manufacturer of 2,4-D in Australia, lodged an application for the continuation of the measures. The CEO decided not to reject the application, the reasons for which are set out in Consideration Report No. 189. On 10 August 2012 a notice was published in *The Australian* announcing a continuation inquiry.

On 10 August 2012, Customs and Border Protection initiated this inquiry.

At the conclusion of this continuation inquiry, the CEO of Customs and Border Protection will recommend to the Minister;

- a) That the Minister take steps to secure the continuation of the anti-dumping measures the subject of the application; or
- b) That the anti-dumping measures expire on the 25 March 2013.

#### 2.1.2 Review of Measures

On 10 August 2012, Customs and Border Protection initiated a review after a request was made by the Minister to review the measures as they affect exporters of 2,4-D from The People's Republic of China (China) as one or more of the variable factors relevant to the taking of the measures in relation to an exporter, or exporters generally, may have changed. The anti-dumping measures have not been reviewed since their introduction in 2003. A notice was published in *The Australian* newspaper on 10 August 2012 advising interested parties of the proposed review and continuation inquiry.

The review period is 1 July 2011 to 30 June 2012 and covers all exporters of the goods from China.

After concluding the review, Customs and Border Protection will recommend to the Minister that the dumping duty notice:

- i. remain unaltered; or
- ii. be revoked, in part or generally; or

- iii. have effect as if different variable factors had been ascertained

If an affected party considers that it can provide evidence that may satisfy the CEO that there are reasonable grounds for determining that anti-dumping measures are no longer warranted, that party may lodge an application no later than 19 September 2012 to request that the CEO consider that evidence to extend a review of anti-dumping measures to include revocation.

## **2.2 Existing measures**

There have been previous investigations into 2,4-D. In March 2002 Nufarm applied for anti-dumping measures on 2,4-D exported to Australia from China, India and the United States. On 25 March 2003 the then Minister published a dumping duty notice applying to 2,4-D exports from China and the United Kingdom (Report No. 58). The investigation was terminated as far as it related to India due to negligible volumes of dumped goods.

On 24 March 2008 the measures relating to China were continued for a further five years (Report No. 126). The measures relating to the United Kingdom were allowed to expire.

Following initiation of the investigation, a search of Customs and Border Protection's import database indicated that Accensi Pty Ltd (Accensi) had imported 2,4-D from China during the investigation period (1 July 2011 to 30 June 2012). Customs and Border Protection wrote to Accensi advising them of the initiation of the continuation and review investigation, providing a copy of an importer questionnaire to complete and requested their co-operation. Accensi was also provided with a list of its imports from Customs and Border Protection's import database and a number of transactions were selected for detailed verification.

## **2.3 Purpose of visit**

The purpose of the visit was to:

- explain the continuation and review investigation process;
- verify information on imports of 2,4-D to assist in the determination of export prices from China;
- inquire as to whether Accensi is the importer of 2,4-D and obtain information to assist in establishing the identity of the exporter;
- establish whether the purchases were arms length transactions;
- establish post exportation costs incurred in importing; and
- verify and obtain copies of selected information relevant to the above matters.

We also advised Accensi that the Trade Measures Review Officer (TMRO) has the power to review certain decisions of the Minister upon receipt of an approved application, however the TMRO could not review a decision by the Minister in relation to a review, or continuation, of measures.

## 2.4 Meeting

Company:	Accensi Pty Ltd
Address:	60-76 Potassium Street, Narangba, Queensland, 4504
Date:	26 October 2012
Accensi:	Craig Ellis – Business Manager
Customs and Border Protection:	Tom O'Connor – Manager, Operations 1 Tim Flor – Supervisor, Operations 3

Prior to the meeting, Accensi was sent a proposed agenda and a request was made that copies of certain information pertaining to selected importations be made available.

We gave a general outline of the investigative process and reporting timeframes. We also advised Accensi of the following:

- we would prepare a confidential report on the visit - before finalisation of the report Accensi would be given an opportunity to review the report for accuracy; and to identify confidential and sensitive information to prepare a non-confidential version of the report to be placed on the public record
- Customs and Border Protection is required to maintain a public record of the investigation containing non-confidential copies of all reports, submissions, correspondence and other documents relevant to the case - we advised that the public record is available to interested parties; and
- a non-confidential version of this visit report would be prepared in consultation with Accensi and placed on the public record.

We explained that the statement of essential facts (SEF) for the continuation inquiry and review of measures would be published on or before 28 November 2012. The statement of essential facts would outline the facts on which Customs and Border Protection proposes to base its final recommendations to the Minister. Following the release of the SEF, interested parties would have twenty days to provide their response to the SEF. Submission made in response to the SEF would be considered as part of formulating the recommendations in the Final report for the Minister to consider.

Customs and Border Protections' recommendations regarding the continuation inquiry and review of measures will be made in a report to the Minister on or before 14 January 2013.

Accensi was co-operative and had the required documentation prepared for our meeting.

## 2.5 Company details

### 2.5.1 Background

Accensi is a 100 per cent owned subsidiary of Isnecca Pty Ltd (Isnecca), which is a holding company. Isnecca is a 100 per cent subsidiary of Herorich Investments Ltd, which is ultimately owned by CK Life Sciences International Holdings Inc. (CK Life Sciences), a company listed on the Hong Kong Stock Exchange

We were informed that in addition to the Queensland facility we visited, it has a manufacturing plant in Kwinana (Western Australia). Its Narangba Qld site in particular consists of manufacturing sheds, laboratories, offices and a warehouse. Quality control and formulation development functions form part of its technical services department.

In addition to the manufacturing facilities, Accensi has warehousing and distribution centres in Western Australia and in Queensland. The company also has research and development facilities to assist its customers in achieving compliance with the Australian Pesticides and Veterinary Medicines Authority (APVMA) standards. Currently Accensi makes some [REDACTED] different products from its two facilities.

### 2.5.2 Commercial Operations

Accensi is principally a toll manufacturer of crop protection products in Australia, with production facilities located in Queensland (QLD) and Western Australia (WA). Accensi manufactures a wide range of products for domestic and multinational chemical companies and provides services in technical formulation development, storage and distribution of agricultural chemicals.

As a toll manufacturer, Accensi informed us that its customers may supply all the inputs and Accensi manufactures the goods or at the other end of the spectrum, Accensi purchases all the inputs and manufactures to the customers' specifications/formula. [REDACTED]

[REDACTED] [supply arrangements]

Accensi is also a member of Croplife Australia, a peak industry association representing the Australian plant science sector.

Approximately [REDACTED] staff are employed at its Queensland plant and approximately [REDACTED] to [REDACTED] full time equivalent staff working on 2,4-D when it is being manufactured.

### Accounting structure and details of accounting systems

Accensi provided a copy of the audited Accensi 2011 group financial statements (forming Confidential Attachment 4) and their accounting period is 1 January to 31 December. Accensi Pty Ltd is part of the Accensi group. The 2012 financial statements are yet to be compiled.

During the period of investigation Accensi used *Arrow* as its financial and management accounting system and its financial statements are prepared in

accordance with the Australian generally accepted accounting principles (GAAP) and International Accounting Standards.

**2.5.3 Relationship with suppliers**

Accensi indicated it did not have any relationship with its 2,4-D acid Chinese supplier other than as a commercial relationship of buyer and seller.

**2.5.4 Relationship with customers**

We were informed that Accensi does not have a relationship other than as a seller of the goods. However we were informed that Accensi does have a cross ownership relationship with one of its customers, although on examination of the sales spread sheet no sales were made to this customer in the investigation period.



### 3 THE GOODS

The goods subject to anti-dumping measures are 2,4-D, a selective herbicide. The measures cover all forms of 2,4-D including:

- sodium salt;
- 2,4-D acid;
- 2,4-D intermediate products (salts and esters), including:
  - iso butyl ester technical;
  - ethyl ester technical;
  - 2 ethyl hexyl ester technical;
  - dimethylamine (DMA);
  - iso-propylamine (IPA);
- 2,4-D fully formulated products; and
- all other forms of 2,4-D.

2,4-D is used as an active ingredient in the manufacture of phenoxy herbicides and is one of the most common herbicides in use worldwide. It is used to control broadleaf weeds and is applied during fallow periods (land is ploughed and left uncultivated prior to sowing of crops). The most common forms of 2,4-D are salts, principally sodium dimethyl amine and esters, principally ethyl, iso butyl and ethyl hexyl. Phenoxy herbicides mimic indol-3-acetic acid (IAA), also known as an auxin, which is a plant growth regulator. Auxinic herbicides or phenoxy herbicides such as 2,4-D, when applied to plants eventually causes plant death. Plant death is caused by twisting, thickening and leaf and stem elongation.

Accensi as a toll manufacturer converts the active ingredient intermediate product into the formulated herbicide. Accensi herbicide formulations use both the 2,4-D acid and 2,4-D ester.

#### 3.1 Tariff classification of the goods

The goods are classified under the following tariff subheadings in Schedule 3 of the *Customs Tariff Act 1995*:

- 2918.99.00 – 2,4-D acid and intermediate products
- 3808.93.00 – Formulated products consisting wholly of, or with a base of 2,4-D acid, its salts or esters.

The rate of Customs duty on 2,4-D from China is 5%.

## **4 AUSTRALIAN MARKET**

### **4.1 General**

The Australian market consists of many parties performing different functions to bring 2,4-D acid into Australia and have it converted into a herbicide.

We were advised a principal party to this market is the Australian Pesticides and Veterinary Medicines Authority (APVMA) who has the responsibility to manage the quality of herbicides and insecticides in Australia. In so doing, it registers the manufacturers of the technical active ingredients and also manages the domestic supplier of the formulated product. The domestic suppliers of formulated products are also known as registrants.

According to the APVMA it is illegal to import into Australia, distribute or sell a chemical product without APVMA registration.

Accensi indicated that there are approximately 6 manufacturers in China that have a registration to sell 2,4-D active ingredient (technical) into Australia.

Accensi and other companies convert the active ingredients into formulated herbicide. We were informed that Accensi sells a very small quantity of formulated herbicide under its own brand, but the vast majority of its business is to toll manufacture 2,4-D acid and ester into herbicide for other APVMA registrants.

As to the differences in the Australian market, Accensi indicated that the east coast Australian market is quite different to the west coast market. The reasons are that the east coast has a variety of cropping, broad acre, vegetables, etc. and a number of variations in climatic conditions. The west Australian market however is dominated by broad acre cropping and the climatic conditions are similar across the western regions. These separate factors dominate the demand for the goods. Whilst both markets have seasonal trends, causing demand fluctuations, the west Australian market is very seasonal causing very strong demand periods.

### **4.2 Price and Distribution Channels**

#### **4.2.1 Distribution channels**

We were informed the distribution channels for the 2,4-D technical follows the following diagram. Accensi considers itself a manufacturer.

Accensi indicated the distribution channels had changed from the historical vertical supply chain.

Recent developments include the selling of formulated herbicide from the manufacturer directly to the farmer or distributor, and the merging of the formulators and the registrants' part of the supply chain. Another recent development is the increase in the number of registrants approved to sell 2,4-D herbicide on the Australian market.

We were informed that its business model has changed to cater for the changes in the Australian market. The changes have been instigated due to the business practices of the distributors of the herbicide. Historically distributors of herbicides stocked the goods, but through better cash flow management they prefer a just in time basis. Consequently Accensi stock more 2,4-D acid to respond to any large orders to meet the demands of the distributors and the demand associated with the changing weather patterns. Typically the lead time to import formulated herbicide is between [REDACTED] weeks. When demanded, the farmers seek to use the products immediately.

#### 4.2.2

[REDACTED]  
[REDACTED] [commercial supply arrangements] [REDACTED] Pricing

Given Accensi's position in the Australian market, it indicated that it only toll manufacturers the goods if it can do so for a profit. Accensi's customers either supply all of the raw materials or Accensi supplies the 2,4-D acid and other components depending [REDACTED] on [REDACTED] the arrangements. [REDACTED]

[redacted]  
[redacted]  
[redacted]. [pricing structure]

In its importer questionnaire response (Confidential Attachment 1) Accensi identified [redacted] companies, all of whom were chemical wholesalers. All wholesaler-customers are APVMA registration holders who have their products tolled (manufactured) at Accensi.

The companies were:

[redacted]  
[redacted]  
With regard to price competition Accensi considers that significant price competition in the Australian market exists between global competitors Nufarm and Dow.

[redacted]  
[redacted] [competitor information] China is subject to a duty rate of 5 per cent.

Accensi hypothesised that the expiration of the dumping duty would not lower prices but instead could prompt Chinese manufacturers to increase their 2,4-D prices to increase their profit margins. Accensi noted that even without the current fixed component of the dumping duty, the Chinese 2,4-D prices are still higher than 2,4-D imported from other countries.

Although a number of factors need to be considered to explain the demand variations from season to season, over the longer term however, Accensi considered the imported volume of 2,4-D has been trending up, however, the Australian market can only absorb so much of the product. In their view this may explain the price competition.

Accensi indicated that they consider the growth in APVMA registrants for 2,4-D herbicides over the last several years has been increasing causing some downward price pressure.

#### 4.2.3 Sales and Volume

From the sales spread sheet provided with the importer questionnaire, Accensi indicated they sold the following products and volumes during the investigation period.

[sales volumes and values]

### 4.3 Rebates and Discounts

[payment arrangements]

#### 4.4 Sales verification

To verify sales, Accensi provided a spread sheet of all of its 2,4-D sales of formulated products made from active ingredient sourced from [REDACTED] [supplier]. We were informed that all batches of formulated products can be traced to the manufacturer. To this end, Accensi use a special code to identify [REDACTED] active ingredient. To separately identify the sales, a program was run in its system using this code.

We selected a sample of sales invoices and traced these to the sales spread sheet provided and then to the source documentation. We confirmed the invoiced amount to the payment made. Copies of Accensi's sales invoices are supplied in Confidential Attachment 2.

To confirm the volume of sales we converted the technical used for the domestic sales into formulated product. We compared the volume of technical used from this calculation back to the volume imported. Apart from the movements associated with open and closing inventory, we consider the volume of 2,4-D active ingredient imported to be closely related to the volume of formulated 2,4-D sold.

#### **4.5 Selling general and administrative expenses**

All sales are made exworks. To calculate the SG&A Accensi provide a copy of their 2011 audited financial statements. From this document we calculated the SG&A by deducting the cost to make and the profit from the net sales to provide the selling and administrative expenses. We calculated an SG&A of [REDACTED]% as a proportion of net sales.

#### **4.6 Profitability**

A typical sales route exercise could not be performed on the information supplied due to the conversion costs associated with the making of the herbicide. (Refer to Confidential Attachment 6).

In addition to the Part C sales information, Accensi provided the line by line gross profit of each sale made and as presented in the Part C spread sheet. (Refer to Confidential Attachment 5). We calculated the line by line SG&A by using the GST exclusive selling price and multiplying this by the SG&A percentage from section 4.5. To calculate the profit on each sale the SG&A was deducted from the gross profit.

We calculated that overall the sales of 2,4-D herbicide from imported active ingredients was sold at a profit with a rate of profit of [REDACTED]%.

## 5 IMPORTS

### 5.1 Volume of trade

During the investigation period Accensi sourced 2,4-D active ingredient in the form of acid or ester from [redacted] [supplier]. Customs and Border Protection's import database indicated that Accensi imported [redacted] tonnes of 2,4-D active ingredient during the investigation period.

Accensi confirmed that the imported products need additional processing before the goods can be used/sold as herbicide. Further we were shown the APVMA printout indicating [redacted] [supplier]

All containers are FCL with shipment being either to Brisbane or Perth. Accensi buy both 2,4-D technical and 2,4-D ester.

### 5.2 Ordering process

To order the goods and obtain pricing, Accensi use a quasi buying agent in China to source the best price. For each order the agent seeks prices from the APVMA approved manufacturers. [redacted] [pricing information] We were informed the pricing is very competitive and usually within a couple of cents (on a kilogram basis) between the manufacturers.

We were advised each order is separately negotiated and separately documented. Once the price is confirmed, a purchase order is prepared and sent to the manufacturer. The order takes between [redacted] weeks to complete and to land in Australia. 2,4-D acid is packed into 600kg bulk bags whilst the ester is in 1.1mt IBCs.

### 5.3 Payment terms

Payment terms vary. The shipments selected the payment terms were CFR with payment being required by [redacted], [redacted] and [redacted] days from the bill of lading date. Accensi indicated that when the payment term increases so does the price. We were advised that the Chinese suppliers were very price sensitive to any changes in the payment terms.

### 5.4 Verification

Prior to the visit, Customs and Border Protection provided Accensi with a list of its imports during the investigation period from its import database, selecting all [redacted] shipments for detailed verification. Where applicable Accensi provided supporting documentation for these shipments including:

- Purchase order
- Bill of lading
- Commercial invoice
- Packing list and packing declaration
- Product certificate
- Broker invoice

- Import declaration
- Evidence of payment

In its importer questionnaire response (Confidential Attachment 1) Accensi also supplied details of another Chinese manufacturer/supplier of 2,4-D; [REDACTED] [supplier] Although indicated on the response to the importer questionnaire, Accensi had not imported 2,4-D from [REDACTED] during the period of investigation.

We found that shipment 11, although we were advised it was MCPA and not 2,4-D. This was verified from the commercial documents supplied. (Refer to Confidential Attachment 3).

## 5.5 Importation costs

Accensi noted, all of their importations of 2,4-D are CFR terms of trade. Payment terms were approximately [REDACTED] days from the date of invoice.

Importation costs are summarised in the following table.

Charges	AUD/mt
Port service charges	[REDACTED]
Customs entry fee	[REDACTED]
Customs brokers fees	[REDACTED]
Delivery	[REDACTED]
Customs duty	[REDACTED]
Time slot fee	[REDACTED]
Other	[REDACTED]
Total importation costs	[REDACTED]

## 5.6 Forward orders

We discussed forward orders and found they were within the normal trading patterns.

## 5.7 Arms length transactions

Accensi stated that it does not receive any rebates or other financial assistance from [REDACTED] [supplier] and that the invoice price is the price paid. It also stated that it was not related to [REDACTED] Accensi further stated that all imports [REDACTED] were not on a contract and reflected market price. We did not find any evidence to indicate that transactions between Accensi and [REDACTED] were not arms length.

We did not find any evidence that:

- there is any consideration payable other than price; or that
- the price is influenced in Accensi favour by a commercial or other relationship between Accensi and [REDACTED]



We confirmed during our verification that the price invoiced by the exporter, was the price paid by Accensi. Taking into consideration the factors listed above, we consider that sales between [REDACTED] and Accensi are arms length in terms of s. 269TAA of the Act.

## 5.8 Who is the importer– preliminary assessment

It was noted that Accensi

- is named as the customer [REDACTED] invoices;
- is named as the consignee on the bill of lading; and

arranges customs clearance, landing, transport and delivery of the goods to one of Accensi's warehouses via its freight forwarding company; [REDACTED]

Accensi is considered to be the beneficial owner of the goods at the time of importation, and therefore we consider Accensi the importer.

## 5.9 Who is the exporter

Customs and Border Protection will generally identify the exporter as:

- a principal in the transaction located in the country of export from where the goods were shipped who gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia; or
- a principal will be a person in the country of export who owns, or who has previously owned, the goods but need not be the owner at the time the goods were shipped.

Where there is no principal in the country of export Customs and Border Protection will normally consider the exporter to be the person who gave up responsibility for the goods as described above.

Accensi purchases the goods from [REDACTED] and is invoiced by [REDACTED]. Accensi sends its payment to [REDACTED] appears as the shipper on the bills of lading.

Subject to further investigations, our view is that [REDACTED] should be regarded as the exporters of the goods.

## 5.10 Export prices

The average CFR price is summarised in the following table.

Active ingredient	CFR (\$A/mt)
Acid	[REDACTED]
Ester	[REDACTED]

We consider the goods have been exported to Australia otherwise than by the importer and have been purchased by the importer from the exporter; and  
The purchase of the goods by the importer was an arms length transaction.

Subject to further inquiries with [REDACTED] we consider the export prices be established under s. TAB(1)(a) of the Act.

**6 UNSUPPRESSED SELLING PRICE**

We explained the concepts of unsuppressed selling price (USP) and non-injurious price to Accensi. The non-injurious price (NIP) provides the mechanism whereby the lesser duty provision is given effect. It is the price that would be sufficient to remove the injury caused to the Australian industry by dumping. It is Customs and Border Protection's practice to first establish the USP, which is the price the Australian industry should be able to achieve for 2,4-D in a market unaffected by dumping. A NIP is calculated by deducting from the USP all post exportation charges, including (where appropriate) the importer's profit.

We explained that Customs and Border Protection consider the following methods to establish an USP:

1. market approach using industry selling prices at a time unaffected by dumping;
2. construction approach using recent industry cost to make and sell data plus a reasonable amount for profit (profit maybe established with reference to a period unaffected by dumping, or it may be based on a similar category of goods) or;
3. market approach using selling prices in Australia of goods imported from undumped sources.

This information was provided to Accensi so that it may provide comment on the issues of unsuppressed selling price and non-injurious price at a later date.

Accensi considered the approaches and suggested that its preferred method would be to calculate the USP with reference to the cost to make and sell the goods. To assist Customs and Border Protection, Accensi provided its tolling costs.

**7 CONTINUATION OF MEASURES**

Customs and Border Protection must not recommend that the Minister take steps to secure the continuation of the anti-dumping measures unless satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the anti-dumping measures were intended to prevent. We asked Accensi for its opinion on whether dumping would be likely to reoccur and whether injury to the Australian industry would result from that dumping.

Accensi considers that the current price competition is not being generated by the Chinese sourced 2,4 D technical. In its analysis, Accensi indicated that based on the information (table 5) in Nufarm's continuation application, Chinese prices to Australia are the highest of all countries the Chinese goods are exported to. Furthermore if the anti-dumping duty is removed, the price would still be considerably higher than the other destinations. At the same time, Accensi questions the accuracy of these Nufarm supplied Chinese export prices.

Another consideration was price competition was being generated through competitive forces between Nufarm and Dow Agrosiences for the 2,4-D market. Accensi's view is, both companies can source the active ingredients, or formulated herbicide from jurisdictions that benefit from free trade agreements and they may not have the imposition of import or anti-dumping duties.

With regard to the shift of supply from India to China, Accensi does not know why this happened. We were informed that the Indian's were very active in the Australian market a few years ago and Accensi used to receive offers for 2,4-D technical, but [REDACTED]

Again referring to Table 5 of Nufarm's Continuation Application, Accensi speculated that the reason for the higher export prices to Australia could be a direct consequence of the APVMA registration and the limited number of manufacturers that are registered to sell in Australia. Furthermore, Accensi indicated the prices paid in the other jurisdictions could be for products of a lesser strength, or quality, or could be from greater competition arising from non APVMA TGAC registered Chinese manufacturers.

**8 ATTACHMENTS AND APPENDICES**

Confidential Attachment 1	Importer questionnaire response
Confidential Attachment 2	Sales invoices and evidence of payment
Confidential Attachment 3	Commercial documents and evidence of payment
Confidential Attachment 4	2011 Audited financial statements
Confidential Attachment 5	2,4-D Gross profit margin worksheet
Confidential Attachment 6	Sales route profitability