



**CONTINUATION INQUIRY
AND
REVIEW OF ANTI-DUMPING MEASURES**

**ANTI-DUMPING MEASURES IN RESPECT OF CURRANTS
EXPORTED FROM GREECE**

VISIT REPORT - AUSTRALIAN INDUSTRY

SUNBEAM FOODS PTY LTD

THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT
THE FINAL POSITION OF ANTI-DUMPING COMMISSION

August 2013

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ABBREVIATIONS

\$	Australian dollars
The Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
Aeghion	Agricultural Co-Operative Union Aeghion
Angus Park	Angas Park Fruit Co. Pty Ltd
The applicant	Sunbeam Foods Pty Ltd
COGS	Cost of goods sold
the Commission	Anti-Dumping Commission
the Commissioner	Anti-Dumping Commissioner
CTMS	Cost to make & sell
Currants	Processed dried currants
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
the Minister	the Minister for Home Affairs
NIP	Non-injurious Price
SEF	Statement of Essential Facts
Sunbeam	Sunbeam Foods Pty Ltd
USP	Unsuppressed Selling Price

1 BACKGROUND AND PURPOSE

1.1 Background

The anti-dumping measures applying to processed dried currants (currants) exported to Australia from Greece were initially imposed by public notice on 14 January 2009 by the Minister for Home Affairs (the Minister) following consideration of Trade Measures Report No. 140. These measures were applicable to all exporters from Greece.

On 13 May 2013 the Minister revised the level of measures relating to exports of currants from Greece by one exporter (Agricultural Co-Operative Union Aeghion (Aeghion)), after consideration of International Trade Remedies Branch Report No. 192.

The anti-dumping measures in so far as they relate to exporters other than Aeghion have not been reviewed since their introduction in 2009.

The existing anti-dumping measures are due to expire on 14 January 2014.

On 11 July 2013 the Anti-Dumping Commission (the Commission), following receipt of an application made by Sunbeam Foods Pty Ltd (Sunbeam) representing the Australian industry, initiated a continuation inquiry into whether the measures should be continued for another 5 years.

On 25 July 2013 the Commission initiated a review after a request was made by the Minister to review the anti-dumping measures as they affect exporters of currants exported to Australia from Greece. The review period is 1 July 2012 to 30 June 2013, and covers all exporters of the goods from Greece. The review will examine whether the variable factors relevant to the taking of the measures have changed.

1.2 Purpose of visit

The purpose of the visit was to:

- obtain general information about the Australian market for currants;
- gain a greater understanding of the company's manufacturing, marketing and distribution processes;
- verify information provided in the application;
- obtain additional financial data to assess the economic condition of the Australian industry; and
- discuss the economic outlook for the Australian industry if anti-dumping measures were allowed to expire or if anti-dumping measures continued.

1.3 Meeting details

Company	Sunbeam Foods Pty Ltd
Dates of visit	20-21 August 2013

The following were present at various stages of the meetings.

Sunbeam	Chris Ellis – General Manager Fruit Supply John Dunning – Finance Manager Brian Keenan – Sales Manager Peter Johannssen – International Purchasing Manager
John O'Connor & Associates Pty Ltd	John O'Connor
The Commission	Joanne Reid – Director – Operations 2 An Chew – A/g Manager – Operations 2 Cathy Cole – Supervisor – Operations 1

1.4 Investigation process and timeframes

We advised Sunbeam of the inquiry and review process and timeframes as follows.

- The review period for ascertaining variable factors is 1 July 2012 to 30 June 2013.
- The Statement of Essential Facts (SEF) for the continuation inquiry is due to be placed on the public record by 29 October 2013 and for the review by 29 November 2013, or such later date as the Minister allows under s.269ZHI of the *Customs Act 1901* (the Act). However, the Commission is aiming to publish the SEF in relation to the review at the same time as the SEF for the continuation inquiry.

The SEFs will set out the material findings of fact on which the Commission intends to base its recommendations to the Minister, and will invite interested parties to respond, within 20 days, to the issues raised therein.

- Following receipt and consideration of submissions made in response to the SEF, the Commission will provide its final report and recommendations to the Minister.

The final report for the continuation inquiry is due no later than 13 December 2013 and for the review by 27 December 2013, unless an extension to the SEF is approved by the Minister. However, as with the SEF, the Commission intends to report to the Minister in relation to the review at the same time as the continuation inquiry.

1.5 Visit report

We explained to the company that we would prepare a report of our visit (this report) and provide it to the company to review its factual accuracy, and to identify those parts of the report it considers to be confidential.

We explained that, in consultation with the company, we would prepare a non-confidential version of the report, and place it on the public record.

2 THE GOODS

2.1 Description

The goods the subject of the anti-dumping measures (the goods) are processed dried currants of the grape variety *Vitis Vinifera L. Black Corinth*. Sultanas, Muscat raisins, unprocessed currants or blended dried fruit mixtures are excluded from the measures.

Sunbeam defined the meaning of “processed” in the context of dried currants as

Processing of sun dried currants involves a multi-staged procedure which includes the separation of good fruit from stems, capstems, poor fruit, grit, and other foreign matter through a riddle and cone system. The fruit is then washed and passes to a dewatering procedure via a spinner and the fruit then passes onto a belt where it is examined and unsuitable fruit or foreign matter not removed earlier is removed via hand-picking. Finally, a light oil is sprayed onto the fruit before packing for sale.

2.2 Tariff classification

The goods are classified to the following tariff subheading 0806.20.00, statistical code 29 in Schedule 3 to the *Customs Tariff Act 1995*.

3 THE AUSTRALIAN INDUSTRY

3.1 Corporate, organisational and ownership structure

The Commission visited Sunbeam in December 2012 in relation to the review of anti-dumping measures applying to currants exported by Aeghion. Sunbeam confirmed for this inquiry that there have been no changes to its company since that visit.

Until 2011, Sunbeam operated as a wholly Australian owned company located in Mildura, Victoria. Sunbeam operates as a processor and marketer of dried fruits, under the corporate umbrella of the Sunbeam Foods Group Limited.

‘Sunbeam’, was first used as the trading name of the Co-operated Dried Fruits Sales Proprietary Limited in 1926. In 1928, the company changed its name to Australian Dried Fruits Sales Pty. Ltd. The company now trades as Sunbeam Foods Pty Ltd.

In April 2004, Sunbeam acquired Angas Park Fruit Co. Pty Ltd (Angas Park). In May 2004, Sunbeam became a fully owned subsidiary of the Mildura Co-operative Fruit Company Limited.

Sunbeam Foods Group Limited was wholly owned by Food Finance Limited up until 2007 and thereafter by Manassen Foods – both of which were privately owned companies registered in Australia.

The ownership structure of Sunbeam changed significantly in 2011 following the acquisition of a 75% share of Sunbeam’s parent entity, Manassen Foods, by Bright Food Group Co. Ltd – a multinational food and beverage manufacturing company registered in China.

At the previous visit, Sunbeam submitted that the change in ownership of Manassen Foods has not changed or otherwise influenced Sunbeam’s commercial operations in Australia or any of its related internal corporate processes

Sunbeam is the parent company of Angas Park, Australian Dried Fruit Producers Pty Ltd and Sunnysgold (Australia) Pty Ltd.

Sunbeam explained that it processed dried currants at one site in Australia – Irymple in Victoria.

3.2 Accounting structure and details of accounting systems

After the change in ownership, Sunbeam commenced operating on a calendar financial year in 2012. Prior to that, Sunbeam operated July to June financial year. It stated that its financial accounts are audited by PricewaterhouseCoopers and provided a copy of its parent company’s 2012 Annual Report that contains the Auditor’s declaration (**Confidential Attachment Gen 1**).

Sunbeam uses “MOVEX”, an Enterprise Resource Planning (ERP) system, as its financial management information system, and “Impromptu” as its reporting tool. MOVEX is a fully integrated system recording production, sales and procurement.

Sunbeam explained that it operates on a standard costing system and apply variances at month's end.

3.3 Relationship with suppliers and customers

Sunbeam advised that it is not related to any of its customers, except for Angas Park which is treated as an internal transfer.

It also advised that it is not related to any of its growers of currants.

3.4 Production process

At the previous visit, Sunbeam explained that the production process of the goods, including both the process of growing, harvesting and drying currants by Australian growers and the further processing of dried currants undertaken by Sunbeam.

3.4.1 Currant growing

In summary, Sunbeam advised that currants are grown by roughly one third of its 350 growers in Australia. Currants are grown on the vine, on a trellis. The mature currants are dried for harvesting by severing the vine which removes the source of nutrients to the fruit and causes them to dry on the trellis.

Currants are mechanically harvested from the trellis when dried to around 13% moisture content and gathered in 400kg bins. Due to the inherently imprecise nature of mechanical harvesting, the bins of unprocessed dried currants contain currants and vine material. For this reason there is need for further processing prior to sale for consumption.

3.4.2 Currant processing

Sunbeam advised that the production process of currants has not changed in any significant way since the original visit in 2010 – which confirmed minor changes to the production processes operative during the original investigation period.

Sunbeam operates one processing line at its Irymple facility. The main raw material used in the production of currants is dried currants which are delivered to the factory gate by dried currant growers in bins. The dried currants are weighed, graded and tagged with a unique identification number which is traceable to the transaction and grower.

The production process begins with fruit from various bins being selected from the warehouse by a packer employee known as a “blender”. The fruit is then combined to achieve a consistent final product or to meet the customer's specifications. Examples of customer specifications with respect to processed dried currants typically relate to the size of the dried fruit, with ‘medium’ sized fruit being the preference of some industrial food processors.

The fruit undergoes processes to remove contaminants and is washed and rinsed. The fruit will take up moisture during the washing and rinsing process.

A laser scanner is then used to differentiate fruit on the basis of reflectivity. Maximum and minimum reflectivity thresholds are set to allow fruit to pass through – contaminants, however, are rejected with a blast of compressed air as they cascade over a drop. Fruit

that is rejected by this process is reprocessed. After it undergoes its reprocessing, it is known as “pre-riddle”.

The fruit is given a final visual inspection before it is covered in a food grade vegetable based dressing oil to give it an attractive shine and to maintain its ability to flow freely.

The fully processed fruit is packaged as the final step in the processing line. The processing line packages the fruit into either 12.5kg cardboard plastic bag lined boxes or into HDPE bulk bins called “pallecons” of about 0.5 tonne capacity. The bulk containers are used purely in the processing line and are not sold to customers.

For products sold to the retail sector (that is, goods sold in 1 kilogram pack sizes and under), pallecons of processed and pre-riddle fruit are transferred to the company’s packaging line, where the goods are weighed and packaged into either 300 gram cellophane sealed bags and cardboard cartons or 1 kilogram sealed plastic bags.

3.5 Like goods

Sunbeam reaffirmed its statements made previously in the context of the original investigation that the goods produced by the Australian industry as currants of the *Vitis Vinifera* variety.

Sunbeam stated that the Australian product is ‘like’ in all respects to the currants exported from Greece.

In summary, Sunbeam re-affirmed its views that the processed dried currants produced at its Irymple facility possess the same essential characteristics as imported processed dried currants from Greece because it:

- is made from the same raw materials;
- is manufactured using similar processes and to similar standards;
- has similar physical characteristics;
- competes in price with the imported goods; and
- can be substituted for imported processed dried currants in a variety of end-use applications.

On the basis of information provided by Sunbeam regarding the current state of the Australian market for currants and the company’s production processes, we are satisfied that there have been no significant changes to the Australian produced product since the original investigation.

On this basis, pursuant to s. 269T(1) of the Act, we are satisfied that the processed dried currants produced by Sunbeam are like good.

We are also satisfied that Sunbeam undertakes a substantial process of manufacture in producing processed dried currants and that, pursuant to s. 269T(2), (3) and (4) of the Act, Sunbeam constitutes part of the Australian industry producing like goods.

4 AUSTRALIAN MARKET

4.1 Background

Sunbeam advised that the market structure in Australia with respect to currants has not changed in any significant way since the original investigation.

In summary, we understand that currants, whether sourced locally or imported, are generally used as ingredients in further food manufacturing applications.

Processed dried currants are sold into two main market segments in Australia, namely the retail and industrial food market segments. These market segments can be differentiated by the package size sold in the respective markets as outlined in the table below:

Packaging size	Market segment
225g	Retail
300g	Retail
750g	Retail
1kg	Retail
10kg	Industrial
12.5kg	Industrial

Sunbeam's typical retail customers are supermarkets and health food stores, whereas its industrial food customers include cereal, biscuit, cake and baked goods manufactures, and smaller distributors.

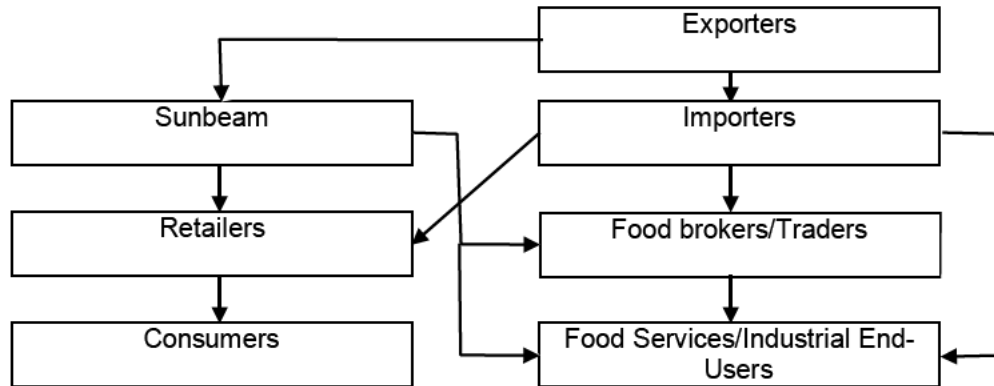
The retail market for currants is generally supplied by the Australian manufactures of currants, whereas the industrial food market segment is supplied by the Australian as well as imported currants. Sunbeam stated that its main competitor of currants in the industrial food market segment is Frutex, an importer of currants from Greece.

During the review period, the proportion of sales by Sunbeam into the industrial food market segment accounted for approximately ■% of total currants sales by value and ■% by weight.

Sunbeam estimated that the total size of the Australian market for currants is approximately 4,500 tonnes, however it advised that the market for dried vine fruit generally is declining.

4.2 Marketing and distribution

Sunbeam advised that the marketing and distribution channels are as follows:



The above has not changed since the original investigation. Sunbeam stated that it and importers are at the same level of trade and that the prices paid to importers and Sunbeam should be used in any price comparisons.

4.3 Imports

Sunbeam advised that it had imported currants from various countries, including from Greece, since the imposition of anti-dumping measures in 2009 to supplement its sales when there was a shortage of Australian currants. A prolonged drought from 2005 to 2010 was experienced and this along with the extreme heat in 2009 and flooding in 2011 had impacted the supply of Australian currants, which required Sunbeam to import currants to meet demand.

5 SALES

5.1 General

In its application for the continuation of anti-dumping measures, Sunbeam provided a spreadsheet containing detailed sales of currants sold in Australia to unrelated customers between July 2009 and February 2013. Upon the initiation of the continuation inquiry, Sunbeam provided an updated sales spreadsheet to include sales up to July 2013 (**Confidential Attachment Sales 1**).

Sunbeam advised that there are small quantities of sales to Angas Park which are treated as internal transfers and these transfers are not listed in the sales spreadsheet. This was the same treatment as during the original investigation and we consider this approach reasonable.

5.2 Pricing

We briefly discussed Sunbeam's pricing policy, focusing on sales to industrial customers. Sunbeam stated that its larger customers, or potential customers, generally submit calls for tenders for the supply of currants. It explained that there are various factors affecting the price of currants, including costs, supply of currants and import competition. Sunbeam stated that, apart from one customer which brands its product as being 100% Australian, there is no loyalty to, and therefore no premium for, Australian grown currants in the industrial sales market segment.

Sunbeam stated that it provides the following rebates and discounts to customers in the retail market segment:

- Warehouse discount;
- Ullage discount;
- Cash discount;
- Trade terms discount;
- Rebates; and
- Case allowance or case deals.

Sunbeam advised that it does not provide any discounts or rebates to the industrial market segment and that the invoiced price is the price paid. However, we noted that in the detailed sales spreadsheet, some industrial sales had discounts or rebates recorded against those transactions. Sunbeam stated that this was an error and provided an updated detailed sales spreadsheet with the errors rectified.

5.3 Verification of sales data up to audited financial statements

We sought to verify the completeness and relevance of Sunbeam's domestic sales spreadsheet by reconciling it to the audited financial statements.

As discussed in section 3.2 above, Sunbeam uses a reporting tool called Impromptu that queries its accounting system, MOVEX. It explained that in preparing the detailed domestic sales spreadsheet, it exported the data directly out of Impromptu. It demonstrated this by making a query in Impromptu for all sales of currants (item group

code 02) during the review period (**Confidential Attachment Sales 2**) and we were able to match the total gross sales value from the query to the total gross sales value in the detailed sales spreadsheet.

Sunbeam then queried Impromptu for all sales during the most recent financial year (i.e. January to December 2012) (**Confidential Attachment Sales 3**) and showed that the gross sales values reconciles to the 'Total Income' amount on its income statement (**Confidential Attachment Sales 4**) after excluding 'Shops' from the figure. Sunbeam explained that the 'Shops' item in the income statement represents sales by Angas Park and therefore isn't captured in Impromptu.

Having reconciled the gross invoice value amounts, we then sought to reconcile the discounts and rebates to the income statement.

In relation to the warehouse, ullage and cash discounts, Sunbeam demonstrated how the total discount amount shown in Impromptu (**Confidential Attachment Sales 5**) reconciles to the 'Settlement, Warehouse & Other Discount' item in the income statement.

In relation to rebates, case deals and trade terms, Sunbeam advised that these are not directly allocated to specific transactions in its system, and therefore isn't returned in the Impromptu query. Alternatively, Sunbeam showed that the rebates, case deals and trade terms in MOVEX (**Confidential Attachment Sales 6**) reconciles to the 'Tradespend' item in the income statement. Sunbeam then demonstrated how it applied the rebates, case deals and trade terms using a specific invoice as an example (**Confidential Attachment Sales 7**).

5.3.1 Completeness and relevance of sales data – conclusion

Having been able to reconcile Sunbeam's domestic sales spreadsheets up to audited financial statements, we are satisfied that the spreadsheets are complete and only contain relevant sales.

5.4 Verification of sales data to source documents

Prior to the visit, we selected 12 transactions from Sunbeam's domestic sales spreadsheet, with one of the selected transaction being a credit, and requested that Sunbeam provide source documents in relation to each transaction. As imported currants from Greece compete directly with Sunbeam's sales of 12.5kg boxes of currants, which are sold into the industrial market, all 12 selected invoices were for sales of 12.5kg boxes of currants.

For each of the 11 selected sales transactions, Sunbeam provided copies of the order confirmation and commercial invoice. For 9 selected sales transactions, Sunbeam also provided the purchase order and noted that the purchase orders had already been archived for the other 2 selected sales.

In relation to the credit transaction, Sunbeam provided the credit note and the commercial invoice relating to that credit.

In addition, Sunbeam also provided proof of payment for the 12 selected transactions in the way of either a remittance advice from its customer, a bank statement showing the

credit of funds, an electronic funds transfer receipt from its customer or photocopies of the cheque used to pay the invoice. In relation to the credit transaction, the credit amount was used to offset another invoice which was demonstrated in the proof of payment documents provided.

For all 12 selected transactions, we were able to match the details in the source documents to the data contained in the detailed sales spreadsheet. The source documents, including proof of payment, of the selected sales are at **Confidential Attachment Sales 8**.

5.4.1 Accuracy of sales data – conclusion

Having been able to reconcile Sunbeam's domestic sales spreadsheets down to source documents, we are satisfied that the spreadsheets are accurate.

5.5 Sales – conclusion

We consider that Sunbeam's domestic sales spreadsheet is a complete, relevant and accurate reflection of its sales of currants.

Accordingly, we consider the Sunbeam's domestic sales data is suitable for analysing the economic performance of the Australian industry.

6 COST TO MAKE AND SELL

6.1 General

In its application for the continuation of anti-dumping measures, Sunbeam provided a spreadsheet containing quarterly cost to make and sell (CTMS) currants between the June 2010 quarter and the March 2013 quarter. Upon the initiation of the continuation inquiry, Sunbeam provided updated CTMS data to include the June 2013 quarter (**Confidential Attachment Cost 1**).

Sunbeam's accounts record standard costs plus variances to derive actual costs. It explained that in completing the CTMS spreadsheet, it used standard cost and variance data from Impromptu.

Sunbeam reported cost information separately by model in its CTMS spreadsheet. For the purpose of verification, we selected 4 crown currants in 12.5kg boxes (specifically product codes 202003 & 202026) for detailed verification of costs.

6.2 Verification of cost to make and sell data to audited financial statements

Given that Sunbeam extracted its cost data directly from Impromptu, we sought to verify the completeness and relevance of the cost data by reconciling the data contained in Impromptu to its audited financial accounts.

During the verification visit, Sunbeam was able to demonstrate the reconciliation of:

- the 'cost of goods sold at standard' figure in the income statement to the sum of standard costs in Impromptu (**confidential attachment Cost 2**);
- total production variances shown in a management report spreadsheet to the total manufacturing variance in the income statement (**Confidential Attachment Cost 3**); and
- the sum of the variable manufacturing costs (raw materials, labour and overhead) in Impromptu for product code 202003 for Q1 2013 and Q2 2013 to the CTMS spreadsheet (**Confidential Attachment Cost 4**).

6.2.1 Completeness and relevance of cost to make and sell data – conclusion

Having regard to the above, we consider that the cost to make and sell spreadsheet represents a complete and relevant account of the fully absorbed costs to manufacture and sell currants.

6.3 Verification of production costs to source documents

To assess production cost data for accuracy, we sought to reconcile the CTMS data down to source documents.

As Sunbeam uses a standard costing methodology, we requested the bill of materials for product codes 202003 and 202026 (**Confidential Attachment Cost 5**) and were able to match the standard costs shown on the bill of materials to the cost spreadsheet.

6.3.1 Raw materials

Sunbeam explained that the raw material standard cost is based on seasonal prices of currants, association fees, and government levies and adjustments for defective fruit. Standards are updated annually in June and take into consideration of stock on hand.

We were able to trace the September 2012 crop model projection for 4 crown currants to the raw materials standard applied in the CTMS spreadsheet for product code 202026 in Q1 2013 and Q 2 2013. Sunbeam also provided a copy of a grower's invoice to support its stand cost calculations. Source documents are at **confidential attachment Cost 6**.

6.3.2 Direct Labour

Sunbeam explained that the direct labour standard cost is calculated by multiplying the direct labour factor by production quantity, where the direct labour factor is determined by calculating the number of persons employed in processing dried fruit multiplied by the standard labour rate per hour then divided by number of cartons packed per hour.

For 202003 Q1 2013, we were able to trace in the MOVEX system the figures used for determining the direct labour standard (**Confidential Attachment Cost 7**).

6.3.3 Overhead

Sunbeam explained that the standard overhead recovery for machine is calculated by dividing the cost for processing and scanning of currants per machine hour by throughput rate of cartons packed per hour.

For product code 202003 in Q1 2013, we were able to trace in the MOVEX system overhead machinery costs and the throughput rate (**Confidential Attachment Cost 8**).

6.3.4 Manufacturing variances

Sunbeam explained that manufacturing variances are allocated to product codes directly through its accounting system. For product code 202003 in Q2 2013, Sunbeam provided an extract from MOVEX which provided a summary of the raw material and the labour usage variances and we were able to reconcile these figures to the CTMS spreadsheet (**confidential attachment Cost 9**).

6.3.5 Production volumes

Sunbeam advised that production volumes are manually entered into its accounting system. Sunbeam provided an extract from MOVEX showing the number of units produced for product code 202026 in Q2 2013, which matched the production figure in the CTMS spreadsheet (confidential attachment Cost 9).

6.3.6 Accuracy of costs - conclusion

Having regard to the above, we consider the production cost data provided is an accurate account of the actual costs to manufacture dried currants.

6.4 Verification of selling, general and administration costs

Sunbeam explained that it allocated selling, general and administration (SG&A) costs by revenue based on figures from its income statement. Specifically, the SG&A amounts included selling, freight, distribution administration, finance and corporate overhead expenses.

During the verification visit, Sunbeam demonstrated the allocation of SG&A for product code 202026 in Q2 2013 (**Confidential Attachment Costs 10**).

We were satisfied with Sunbeam's allocation methodology and consider that the SG&A data in the CTMS spreadsheet have been adequately allocated.

6.5 Costs to make and sell – conclusion

We consider that Sunbeam's CTMS spreadsheet is a complete, relevant and accurate reflection of the actual costs to manufacture and sell currants.

Accordingly, we consider the Sunbeam's cost to make and sell spreadsheet is suitable for analysing the economic performance of its currants operations.

7 ECONOMIC CONDITION

7.1 Approach to the analysis

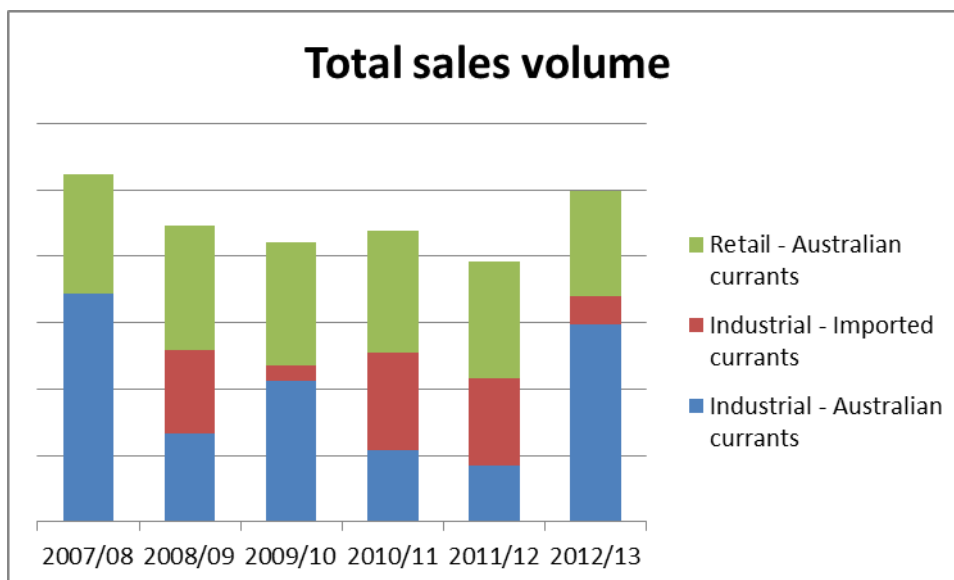
In order to assess Sunbeam's economic condition since the imposition of anti-dumping measures on Greek currants, in addition to the data provided in the application for a continuation of measures and verified during this visit, we also used verified data from the original investigation, various duty assessments since the measures were imposed and the recent review of measures (**Confidential Attachment Eco 1**).

Although our analysis includes all of Sunbeam's sales of currants, we have focused our analysis on the industrial food market segment, particularly sales of 12.5kg boxes of currants. This is because the imported currants from Greece directly compete with the Australian industry in the industrial food market segment. Sales to the retail market segment, being a market with negligible import competition, will be used for comparative analysis purposes.

Sunbeam also sold imported currants during the last 5 years and we are able to isolate those sales in the analysis.

7.2 Volume

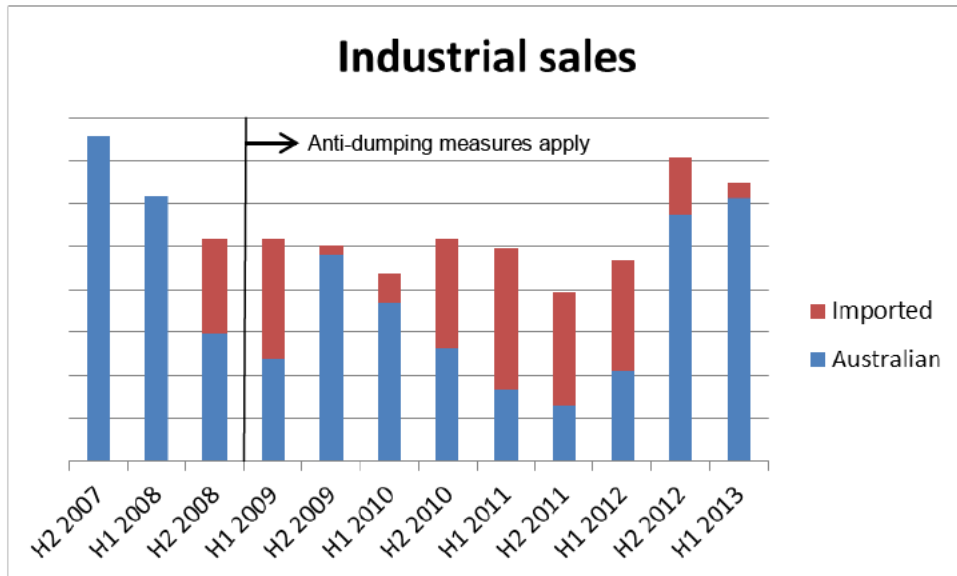
Below is a graph showing Sunbeam's annual (July to June) sales volume of currants in kilograms over the last 6 years and separated into sales of Australian currants in the retail and industrial food market segments, and sales of imported currants in the industrial food market segment. Sunbeam did not sell imported currants in the retail market segment.



Sales of currants in the retail market segment seemed relatively stable throughout the last 6 years, with Sunbeam's overall sales volume influenced by its sales of currants in the industrial food market segment where sales volume trended downwards between 2007/08 and 2011/12, before increasing in 2012/13 to a similar sales volume as 2007/08.

However, it is noticeable that Sunbeam was faced with supply issues of Australian grown currants over the last 5 years and supplemented its sales of Australian currants with imported currants.

The graph below shows Sunbeam's half-yearly sales of currants to the industrial market segment, again broken down into Australian grown and imported currants.



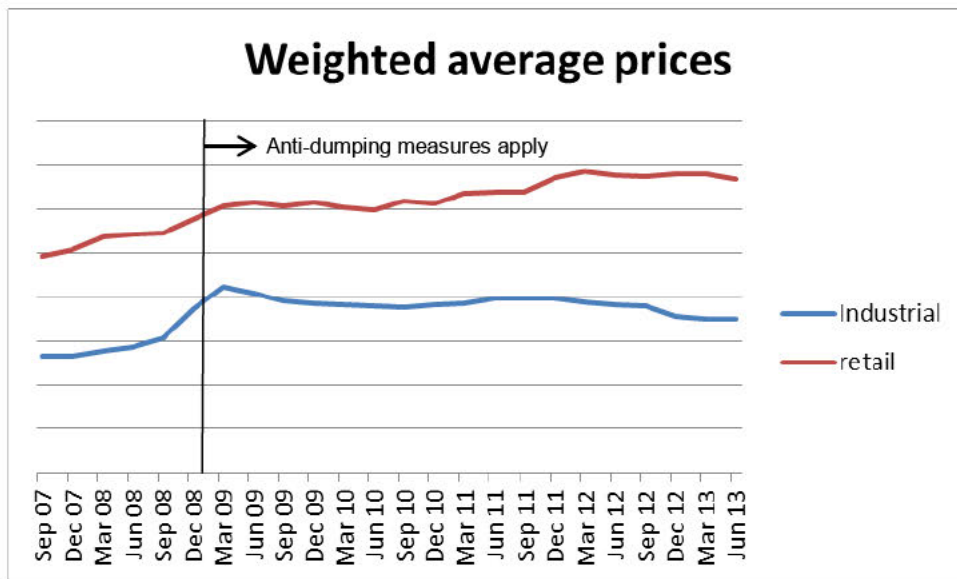
From the graph above, it appears that Sunbeam faced supply issues of Australian grown currants just prior to the imposition of measures, which continued throughout the period that anti-dumping measures applied. It appears that the shortage of Australian grown currants was particularly pronounced from the second half of 2010 through to the first half of 2012, where the Australian crop was affected by adverse meteorological events.

However, in 2012/13, it appears that the supply of Australian currants has recovered from the adverse conditions and volumes of Australian grown currants are returning to previous levels.

Overall, it appears that adverse meteorological events have had an impact on the supply of locally produced currants sold by Sunbeam between 2010 and 2012.

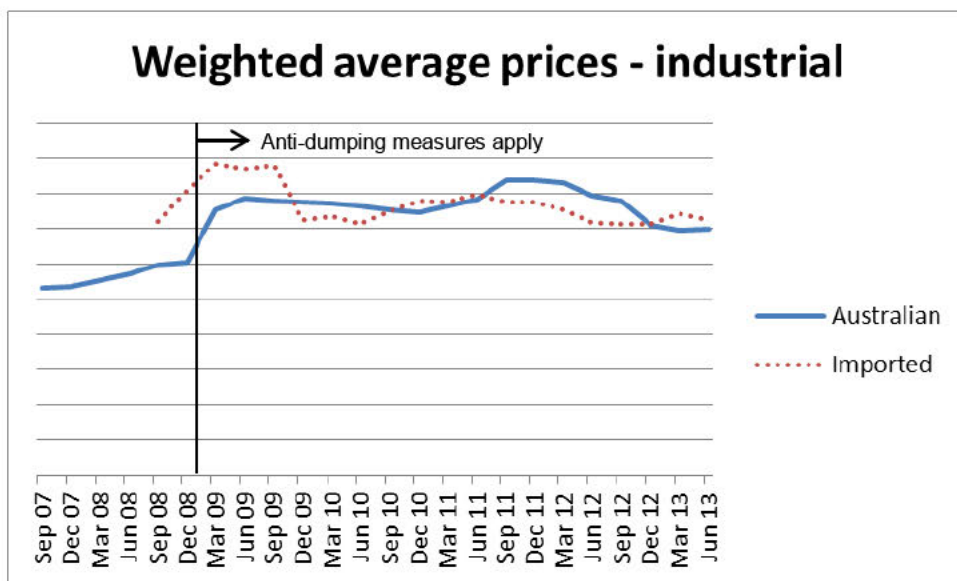
7.3 Price

The following graph shows the weighted average quarterly prices of currants for the industrial and retail market segments since the September 2007 quarter.



It appears that prices of currants in the retail market segment have steadily increased over the last 6 years. However, the selling prices to the industrial market segment (Australian grown and imported) seem to have had an initial spike around the time that measures were imposed, then trended downwards since.

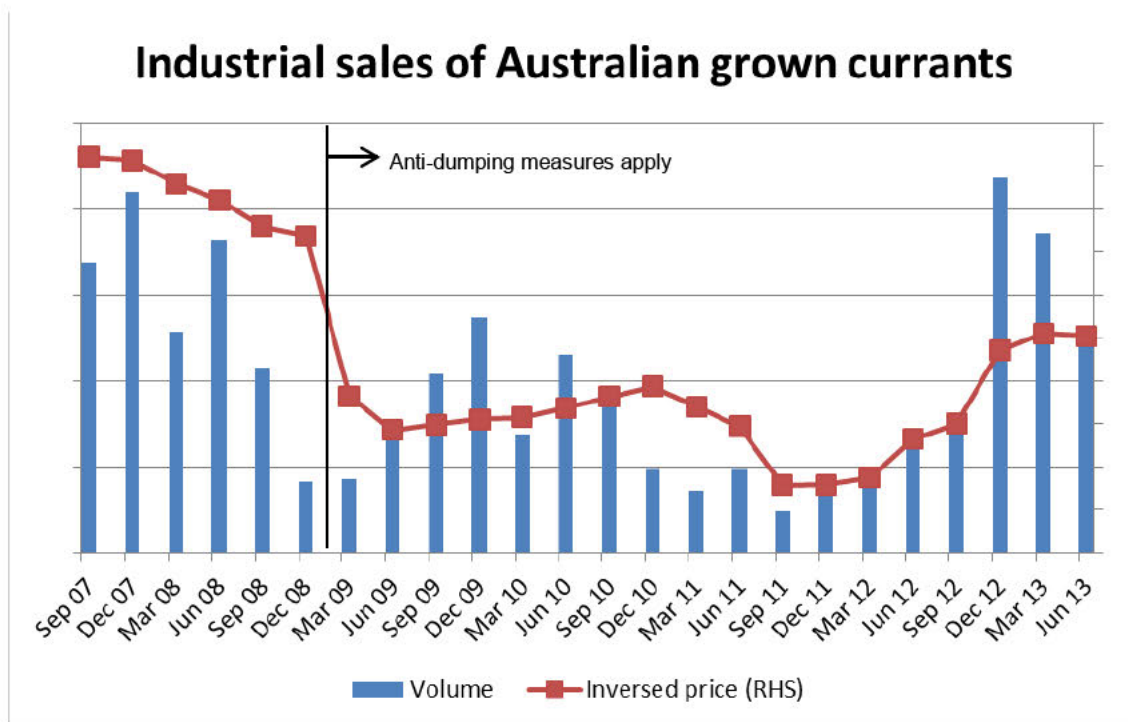
The following graph plots the weighted average prices of currants sold by Sunbeam in the industrial market segment, but separated into sales of imported and Australian grown currants.



Looking specifically at the selling prices of the Australian grown currants, it seems that prices initially increased with the imposition of measures in the March 2009 quarter. Prices then remained relatively stable until 2011 when prices increased again, peaking in the second half of 2011 before declining in 2012. Prices remained above those prior to the imposition of anti-dumping measures.

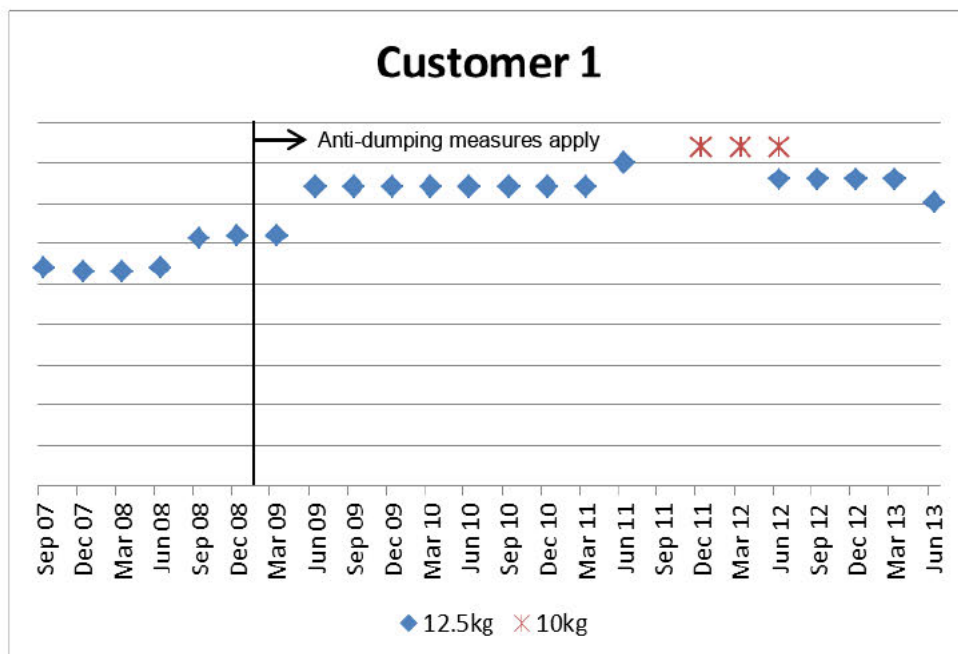
It appears that the increases in Sunbeam's selling prices of Australian grown currants coincided with periods where there was a shortage of Australian grown currants,

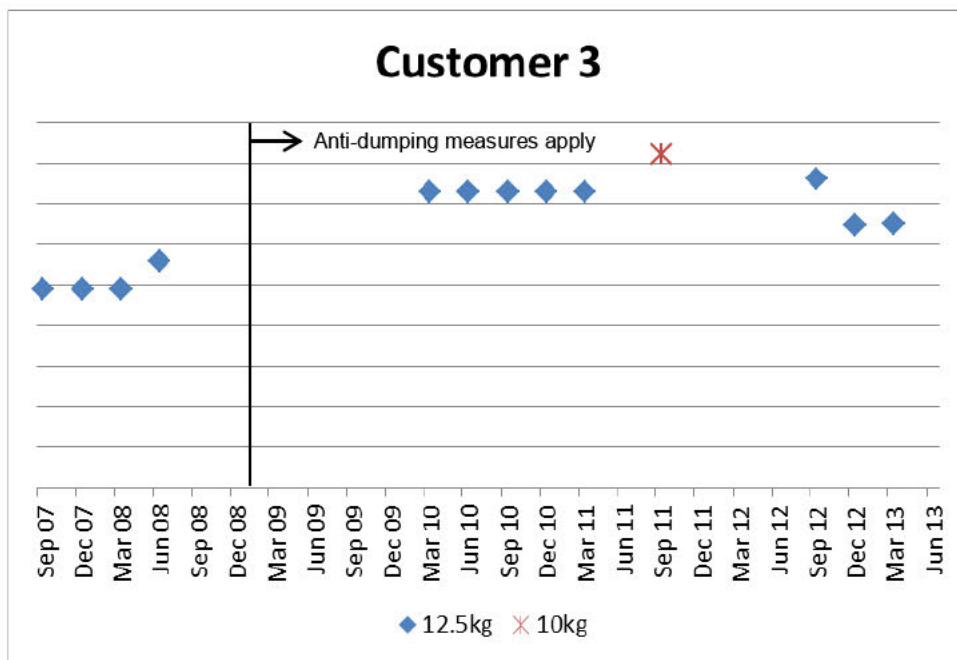
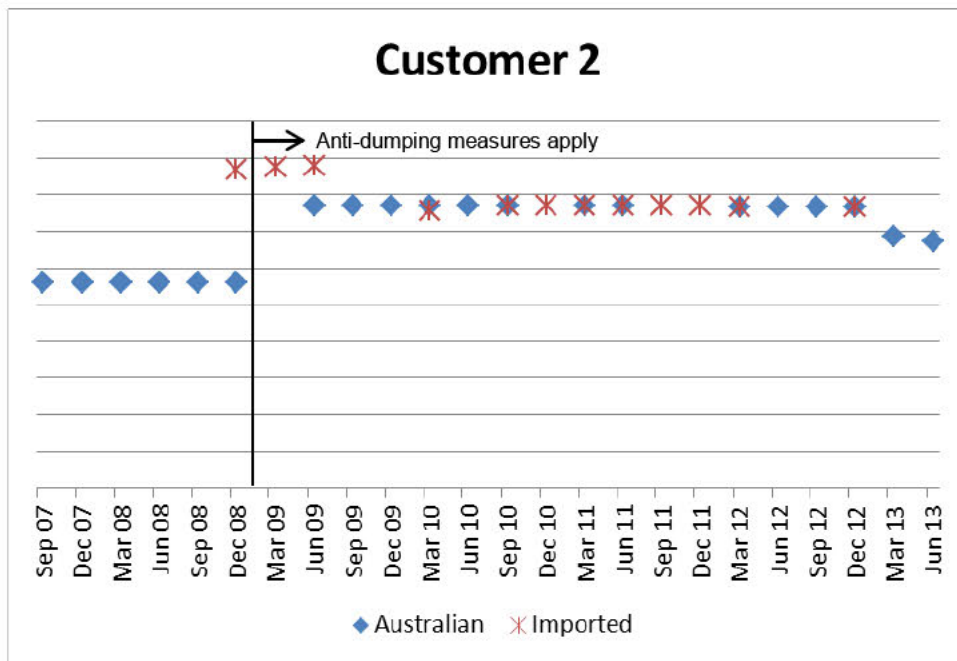
particularly around the time when anti-dumping measures were imposed in January 2009 as illustrated in the graph below.



Whether the increase was primarily the result of the supply shortage or the imposition of measures is difficult to assess. However, with the supply issues of Australian currants dissipating in 2013, prices seem to have retreated but were still above 2007 and 2008 prices.

The following three graphs show selling prices to Sunbeam's three largest industrial customers, accounting for █% of industrial sales during the previous 6 years and █% during the review period.



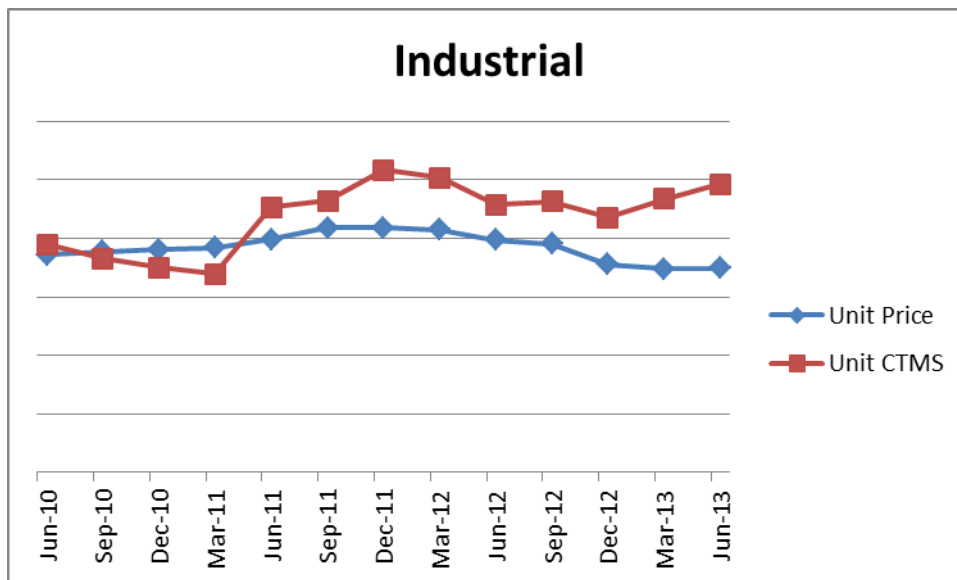
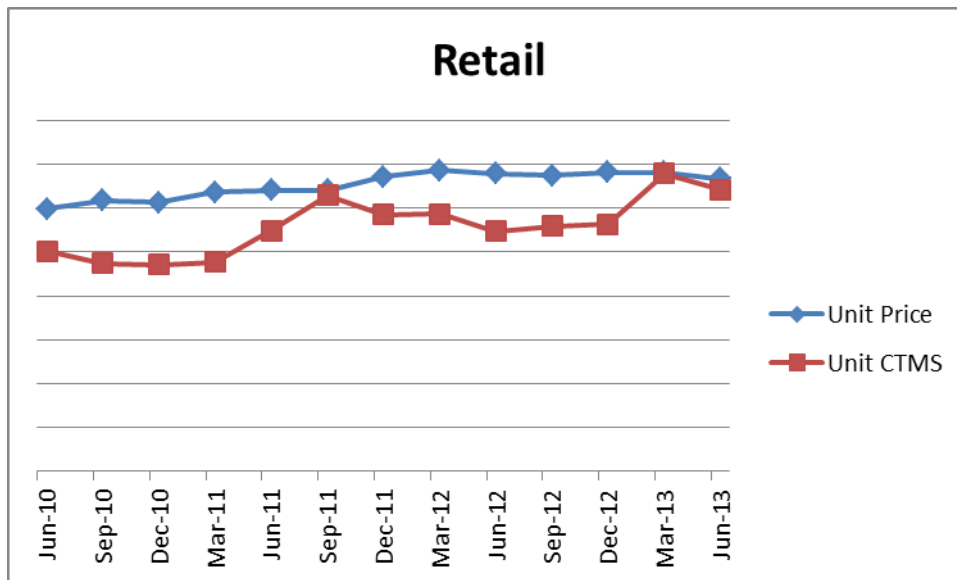


The price trends at the individual customer level seem to be consistent with Sunbeam's overall price trend of Australian currants where prices rose with the imposition of measures in 2009, then declined in 2013. It appears that during the 2011 shortage of Australian grown currants, customer 2 was [REDACTED]

[REDACTED] [commercially sensitive customer pricing details].

The following graphs show the trends of prices and CTMS of currants in the retail and industrial market segments to assess whether Sunbeam experienced price suppression. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented.

PUBLIC RECORD



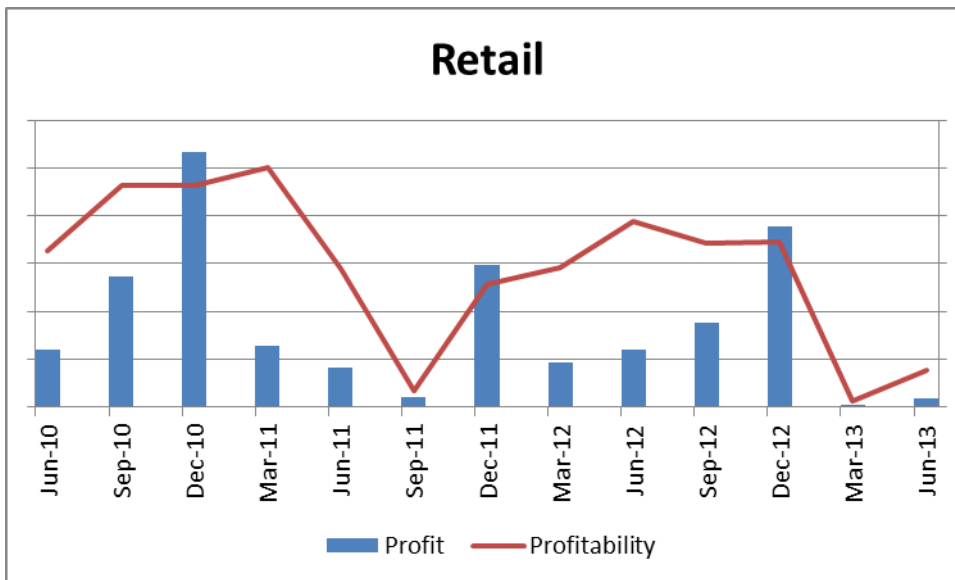
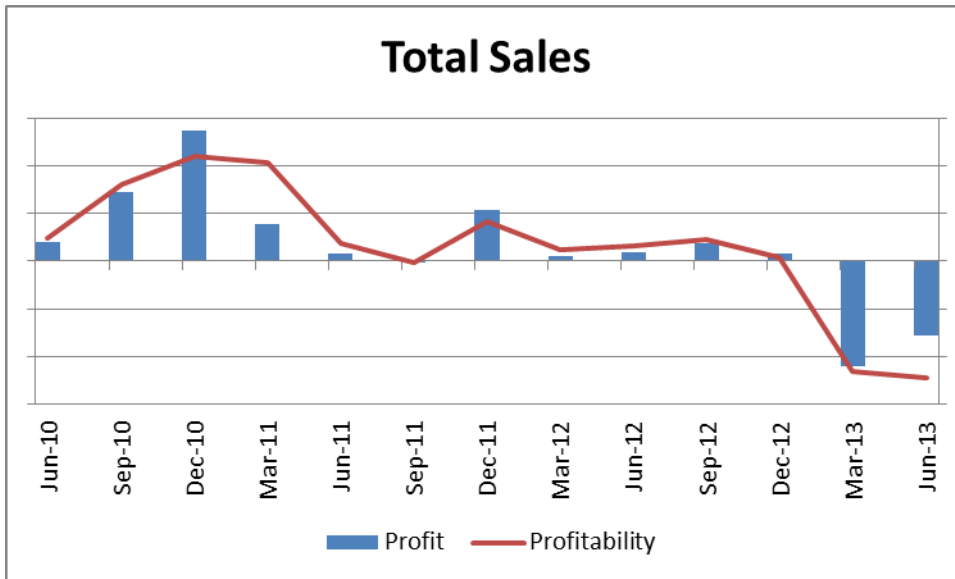
It appears that Sunbeam experienced a substantial increase in its CTMS during 2011. Sunbeam advised that the increase in costs during this period was reflective of poor crop quality in 2011 causing high yeast and mould counts requiring additional processing and causing high yield loss. However, it appears that costs retracted slightly in 2012, but remained above 2010 prices. In 2013, CTMS currants appear to have increased again to similar levels as 2011 costs.

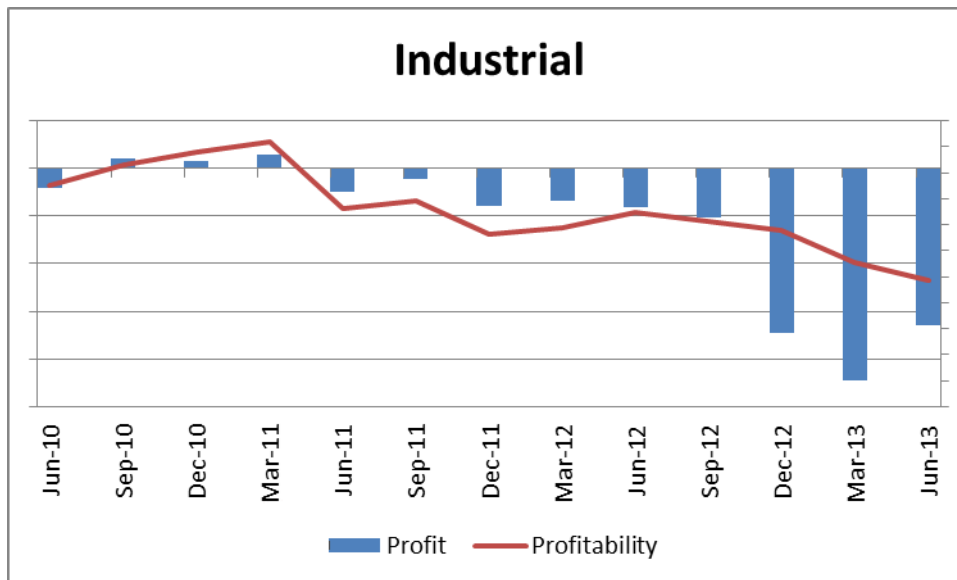
In the retail market segment, although selling prices have increased over the period, it appears that spikes in costs in 2011 and 2013 did not see a comparable increase in prices, indicating price suppression during those periods.

In the industrial market segment, the price suppression was more pronounced, which saw costs overtake, then remain above, prices since the cost increase in 2011, then widened in 2013.

7.4 Profits and profitability

The following graphs show the profit and profitability of Sunbeam's total sales of currants, sales in the retail market segment and sales in the industrial market segment.





The graphs above show that Sunbeam's overall profit and profitability of currants have declined since 2010 and became unprofitable in 2013. Sunbeam's sales of currants in the retail market were profitable since 2010, with periods of low profitability in 2011 and 2013. However, the performance of its industrial market sales trended downwards from 2011 with significant losses in 2013, primarily due to a combination of increasing negative profitability and the higher sales volumes. These losses in its industrial market sales appear to be the driver of its overall loss making result in 2013.

7.5 Summary

In the period since measures were imposed in January 2009, prices of currants in the industrial food market segment initially increased. It is noteworthy that this price increase coincided with lower sales volume of Australian currants. Although prices for the retail market segment also increased, it was not as significant as the industrial food market segment price rise.

Since then, Sunbeam continued to experienced challenges in supplying Australian grown currants. This was particularly evident between late 2010 and early 2012 where poor growing conditions saw Australian grown currant volumes decline and costs increase. While the sales volume of retail sales remained stable, the sales volume in the industrial food market segment was significantly affected, which Sunbeam supplemented with imported currants. This shortage saw increases in prices of Australian currants in the industrial food market segment, however, the increase was not sufficient to recover higher costs experienced in that period. These factors resulted in negative profit and profitability of currant sales in the industrial food market segment.

In 2013, the sales volume of Australian grown currants increased to similar levels experienced in 2007 and 2008, which also saw a contraction in prices of currants in the industrial food market segment, however the CTMS remained high and even spiked in 2013. This exacerbated Sunbeam's losses of industrial market currant sales.

In the currants retail market, prices remained stable and did not adjust to the higher CTMS, with profitability only just remaining positive. Overall, Sunbeam's performance deteriorated from a profit to a loss making position in 2013.

8 IMPACT OF THE EXPIRY OF ANTI-DUMPING MEASURES

We discussed with Sunbeam the likely impact on the company should measures be allowed to expire.

Sunbeam stated that it has recently been experiencing strong competitive pressures from imported currants, requiring it to lower its prices significantly in 2013 to keep existing contracts or win new contracts. It provided us with two examples where it was not successful in supplying the currants even though it had significantly reduced its prices compared with 2012 prices (**Confidential Attachment Impact 1**).

Sunbeam also provided us with several media articles that reports that the production of Greek currants this year "looks set to be one of the largest for several years" and "forecasted to be up to 20% larger in tonnage terms" (**Attachment Impact 2**). Sunbeam argued that with the increase in supply of Greek currants, there is a real likelihood that currants from Greece will be exported to Australia at dumped prices and cause injury to the Australian industry if anti-dumping measures were allowed to expire.

Sunbeam advised that it will provide a further submission in relation to this issue in due course.

In addition, Sunbeam disputed the assertions in the Frutex visit report that the Australian currants are of poor quality with high moisture content. It provided us with product specification sheets that details the minimum standards of its currants and noted that the sheet includes suitable moisture ranges (**Confidential Attachment Impact 3**). It also stated that it was able to adjust the moisture content in the currants during the production process to meet its customers' required specifications.

9 UNSUPPRESSED SELLING PRICE

The level of dumping duty imposed cannot exceed the margin of dumping, but a lesser duty may be applied if it is sufficient to remove the injury.

The calculation of the non-injurious price provides the mechanism whereby this lesser duty provision is given effect. The non-injurious price is the minimum price necessary to prevent the injury, or a recurrence of the injury, caused to the Australian industry by the dumping.

The Commission generally derives the non-injurious price by first establishing a price at which the applicant might reasonably sell its product in a market unaffected by dumping. This price is referred to as the unsuppressed selling price.

The Commission's preferred approach to establishing unsuppressed selling prices observes the following hierarchy:

- industry selling prices at a time unaffected by dumping;
- constructed industry prices – industry cost to make and sell plus profit; or
- selling prices of un-dumped imports.

Having calculated the unsuppressed selling price, the Commission then calculates a non-injurious price by deducting the costs incurred in getting the goods from the export free on board point (or another point if appropriate) to the relevant level of trade in Australia. The deductions normally include overseas freight, insurance, into-store costs and amounts for importer expenses and profit.

Sunbeam advised that it will provide a further submission on the unsuppressed selling price in due course.

10 ATTACHMENTS

Confidential Attachment Gen 1	2012 Bright Food Group Annual Report
Confidential Attachment Sales 1	Updated sales spreadsheet
Confidential Attachment Sales 2	Impromptu report for sales of currants
Confidential Attachment Sales 3	Impromptu report for all sales in 2012
Confidential Attachment Sales 4	2012 Income Statement
Confidential Attachment Sales 5	Impromptu report on discounts
Confidential Attachment Sales 6	MOVEX report on rebates
Confidential Attachment Sales 7	Rebate allocation to invoices
Confidential Attachment Sales 8	Selected invoices and source documents
Confidential Attachment Cost 1	Updated cost to make and sale data
Confidential Attachment Cost 2	Impromptu report on standard costs
Confidential Attachment Cost 3	Production variances management report
Confidential Attachment Cost 4	Impromptu variable manufacturing cost report for product code 202003
Confidential Attachment Cost 5	Bill of material for product code 202026
Confidential Attachment Cost 6	Raw material standard source documents
Confidential Attachment Cost 7	Direct labour standard source documents
Confidential Attachment Cost 8	Overhead standard source documents
Confidential Attachment Cost 9	Manufacturing variances and production volume report from MOVEX
Confidential Attachment Cost 10	SG&A expenses allocation
Confidential Attachment Eco 1	Price, cost and profit data
Confidential Attachment Impact 1	Examples of unsuccessful tenders
Attachment Impact 2	Media articles on Greek currants
Confidential Attachment Impact 3	Product specification sheets