

23 November 2012

Ms Andrea Stone
Case Manager
Operations 3
International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Public File

Dear Ms Stone

Re: Continuation and Review Inquiries – 2,4-Dichlorophenoxyacetic acid exported from the People's Republic of China – Non-Injurious price

I refer to your correspondence of earlier today concerning the above.

Unsuppressed Selling Price

In earlier correspondence of 16 November Nufarm Limited ("Nufarm") suggested a USP based upon its cost-to-make-and sell ("CTM&S") 2,4-D in the 2011/12 year, including an amount for profit. Nufarm remains of the view that the appropriate USP for 2,4-D is that reflecting Nufarm's 2011/12 costs (for each type of 2,4-D whether acid or formulated product) plus the level of profit achieved on the [REDACTED] which, in the 2011/12 year was the highest revenue 2,4-D product of all Nufarm 2,4-D sales.

The [REDACTED] product profit on costs in 2011/12 was [REDACTED] per cent.

Applying the level of profit achieved on [REDACTED] to the individual CTM&S for each of Nufarm's 2,4-D products will result in appropriate USPs for each product type. The proposed USP's for example, for 2,4-D acid and 2,4-D formulated [REDACTED] in 2011/12 are \$[REDACTED] and \$[REDACTED], respectively.

Comparison of proposed NIPs with Chinese export prices

Nufarm's application for the continuation of measures calculated an average A\$3.79 per kg export price for Chinese 2,4-D acid. The average A\$FOB was determined for the period January to April 2012 only.

The average export price for Chinese 2,4-D acid in 2011 was below the 2012 level.

Nufarm submits that the Chinese 2,4-D acid export prices in October 2012 have declined to levels substantially below the earlier levels evident in January to April 2012. In October 2012, Chinese export prices for 2,4-D acid are were as low as at A\$2.78 per kg¹ – levels that are well below the non-injurious price (that would be calculated from the above proposed-USP) for 2,4-D acid.

The Chinese export prices of October 2012 for 2,4-D acid are consistent with Chinese export prices to other destinations as detailed in Table 5 of Nufarm's application for the continuation of measures. It is suggested that the Chinese export prices to Australia in 2011/12 are influenced by the anti-dumping measures in place. In the absence of the measures, Chinese

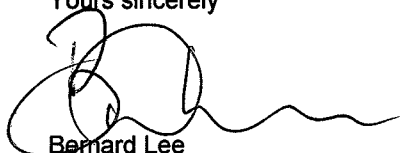
¹ Refer ABS extract for October 2012 attached at Confidential Attachment 1.

export prices to Australia for 2,4-D products will likely reflect Chinese export prices to other export destinations (and will result in a recurrence of material injury to the Australian industry that the anti-dumping measures are intended to prevent).

The Chinese 2,4-D acid export prices as evidenced in the October 2012 ABS import data are injurious to Nufarm and highlight the need for the measures to be continued beyond the proposed expiry date of 24 March 2013.

If you have any questions concerning this letter, please do not hesitate to contact me on (03) 9282 1444.

Yours sincerely



Bernard Lee
Manager Industry and Government Affairs

[TABLE OF ABS DATA FOR CHINESE 2,4-D ACID EXPORTS]