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

CUSTOMS ACT 1901 - PART XVB

INTERNATIONAL TRADE REMEDIES BRANCH

REPORT TO THE MINISTER

REPORT NO.195B

REVOCATION REVIEW OF

CONSUMER PINEAPPLE

EXPORTED FROM THAILAND BY THAI PINEAPPLE CANNING INDUSTRY CO., LTD

24 June 2013

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1. SUMMARY AND RECOMMENDATIONS

This review is in response to an application by Siam Agro-Food Industry Public Co., Ltd (SAICO) seeking the revocation of the anti-dumping measures applying to consumer pineapple exported to Australia from Thailand by Thai Pineapple Canning Industry Corp Ltd (TPC).

At the time of application, SAICO also applied for a review of the variable factors of the measures (the variable factors review). This review was initiated by the Australian Customs and Border Protection Service (ACBPS) on 19 December 2012. ACBPS's recommendations to the Minister for Home Affairs (the Minister) in relation to the variable factors review are set out in International Trade Remedies Report No. 195A (REP 195A).

ACBPS examined information during the period 1 October 2011 to 30 September 2012 (the review period) to determine whether the measures as related to TPC are no longer warranted.

This report sets out the facts on which the delegate of the Chief Executive Officer (CEO) of ACBPS (the delegate) basis his recommendations to the Minister in relation to the revocation review of the measures relating to consumer pineapple exported to Australia from Thailand.

This report should be read in conjunction with ACBPS recommendations to the Minister in relation to the review of the variable factors of consumer pineapple exported to Australia from Thailand as set out in International Trade Remedies Report No. 195A (REP 195A).

1.1 Applicable law

Division 5 of Part XVB of the Act¹ enables parties to apply for the review of measures. The Division also empowers the Minister to initiate such a review. The Division, among other matters:

- sets out the procedures to be followed by the CEO of ACBPS in dealing with applications or requests and preparing reports for the Minister; and
- empowers the Minister, after consideration of such reports, to leave the measures unaltered or to modify them as appropriate.

The CEO's powers under this Division have been delegated to certain officers of ACBPS (the delegate).

After conducting a review of anti-dumping measures, the delegate must give the Minister a report containing recommendations.²

¹ A reference in this report to a provision of legislation, unless otherwise specified, is a reference to the *Customs Act 1901*.

² Section 269ZDA(1).

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1.2 Recommendation

The delegate recommends to the Minister that the dumping duty notice remain unaltered in relation to the exports of consumer pineapple to Australia from Thailand by TPC.

This recommendation does not preclude any amendment to the dumping duty notice that may be proposed as a result of REP 195A, where different variable factors may be ascertained with respect to exports of the goods to Australia from Thailand by TPC.

1.2 Findings and conclusions

Based on all available information, ACBPS finding is that the measures relating to consumer pineapple exported to Australia by TPC continue to be warranted. ACBPS considers that revoking the measures would lead, or be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the measures are intended to prevent.

The delegate recommends to the Minister that the measures should not be revoked.

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2. INTRODUCTION

2.1 Review process

If anti-dumping measures have been taken in respect of certain goods, an affected party may consider it appropriate to apply for a review of those measures as they affect a particular exporter or exporters generally.

Accordingly the affected party may apply for, or the Minister may request that the CEO conduct a review of the measures to determine if there are reasonable grounds to assert that the anti-dumping measures are no longer warranted. The Minister may initiate a review at any time; however, a review application may not be lodged earlier than twelve months after the publication of the notice implementing the original anti-dumping measures or the notice(s) declaring the outcome of the last review.

If an application for a review of anti-dumping measures is received and not rejected, ACBPS has up to 155 days, or such longer time as the Minister may allow, to inquire and report to the Minister on the review of the measures.

Within 110 days of the initiation, or such longer time as the Minister may allow, ACBPS must place on the public record a statement of essential facts (SEF) on which it proposes to base its recommendation to the Minister concerning the review of the measures.

In making recommendations in its final report to the Minister, ACBPS must have regard to:

- the application for a review of the anti-dumping measures;
- any submission relating generally to the review of the measures to which the delegate has had regard for the purpose of formulating the SEF;
- the SEF; and
- any submission made in response to this SEF that is received by ACBPS within 20 days of being placed on the public record.

ACBPS may also have regard to any other matter that it considers to be relevant to the review.

In respect of a dumping duty notice, the delegate:

- must not make a revocation recommendation in relation to the measures unless a revocation review notice has been published in relation to the review; and
- otherwise must make a revocation recommendation in relation to the measures, unless the CEO is satisfied as a result of the review that revoking the measures would lead, or be likely to lead, to a continuation of, or a recurrence of, the dumping or subsidisation and the material injury that the measures are intended to prevent.

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Following the Minister's decision, a notice will be published advising interested parties of the decision.

In accordance with the commencement of tranche 2 of the Streamlining Policy Amendments, the Minister's decision following a review of the anti-dumping measures can be reviewed by the Anti-Dumping Review Panel (Review Panel).

Interested parties may seek a review of the Minister's decision resulting from this revocation review of the measures applying to consumer pineapple by lodging an application in accordance with the requirements of Division 9 of Part XVB of the Act within 30 days of the publication of the Minister's notice.

2.2 Notification and participation

On 3 December 2012, ACBPS received an application from SAICO for the review of anti-dumping measures that apply to consumer pineapple exported to Australia from Thailand by TPC, an exporter of the goods.

Following consideration of the application, a review of whether the measures are no longer warranted as they relate to TPC commenced on 19 December 2012. The period of 1 October 2011 to 30 September 2012 was set as the review period to examine whether revoking the measures would lead, or be likely to lead to a continuance of, or a recurrence of, the dumping and the material injury that the measures are intended to prevent.

Public notification of initiation of the review was made on 19 December 2012 in *The Australian* newspaper. Australian Customs Dumping Notice (ACDN) No. 2012/64 was also published.

Following an extension from the Minister, ACBPS placed the SEF on the public record on 8 May 2013. Interested parties were notified and ACDN No. 2013/23 was published advising of the extension to the SEF.

The extension to the SEF extended the due date for the final report to the Minister. This final report (REP 195B) to the Minister which outlines ACBPS findings and recommendations is due on or before 24 June 2013.

ACBPS was provided information from Golden Circle Limited (Golden Circle), the sole manufacturer of FSI pineapple in Australia.

ACBPS was also provided verified information from JAR Distribution Pty Ltd, an importer of the goods.

ACBPS received information and undertook a visit to SAICO for the purpose of verifying that information.

2.3 Responses to the statement of essential facts

Submissions in response to the SEF were received from Golden Circle and SAICO. Non-confidential versions of these submissions are available on the public record.

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2.4 Information obtained after the statement of essential facts

On 12 June 2013, ACBPS made available some further information obtained subsequent to the publication of the SEF. This additional information included a TROPFIN (Thailand) Co., Ltd (TROPFIN) report on raw pineapple price and weather conditions in Thailand from April 2013 and daily pineapple prices for the period 1 October 2012 to 11 June 2013 obtained from the Centre of Agricultural Information of the Thai Office of Agricultural Economics. This additional information forms **attachment 1**.

Interested parties were invited to respond to this additional information in the form of submissions.

2.5 History of anti-dumping measures

On 8 January 2001 Golden Circle lodged an application requesting that the Minister publish a dumping duty notice in respect of certain pineapple products (the goods) from Thailand.

The Minister accepted the recommendations in Trade Measures Report No. 41 (REP 41) and published dumping duty notices for consumer pineapple exported to Australia from Thailand and FSI pineapple exported from Thailand with the exception of pineapple exported by Malee Sampran Public Co.

On 22 February 2006 following consideration of applications from Golden Circle, continuation inquiries and reviews were initiated into the measures applying to consumer and FSI pineapple.

On 28 September 2006 the Minister accepted the recommendations contained within REP 110 and REP 111 to continue the anti-dumping measures applying to both consumer and FSI pineapple for a further five years and fix different variable factors in relation to the anti-dumping measures.

Following a decision of the Federal Court in April 2008 measures applying to exports of consumer pineapple from Thailand by the TPC lapsed.

On 4 February 2011 following consideration of an application by Golden Circle continuation inquiries and reviews were initiated into the measures applying to consumer and FSI pineapple.

On 11 October 2011 the Minister accepted the recommendations contained within REP 172c and 172d to continue the anti-dumping measures applying to both consumer and FSI pineapple for a further five years and fix different variable factors in relation to the anti-dumping measures.

On 15 April 2011 the Minister initiated an investigation following consideration of an application by Golden Circle requesting that the Minister publish a dumping duty notice in respect of consumer pineapple products exported from Thailand by TPC.

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On 11 October 2011 the Minister accepted the recommendations contained in REP 173b to publish a dumping duty notice for consumer pineapple exported from Thailand by TPC.

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3. GOODS SUBJECT TO THE REVIEW

3.1. Findings

The Australian industry produces consumer pineapple that has characteristics closely resembling those of consumer pineapple manufactured in Thailand and exported to Australia.

As such consumer pineapple produced by the Australian industry are like goods.³

3.2. The goods and like goods

The goods the subject of the review (the goods) are pineapple prepared or preserved in containers not exceeding one litre (consumer pineapple).

3.2.1. Tariff classification

The goods are classified to the following tariff classifications in Schedule 3 to the *Customs Tariff Act 1995*:

2008.20.00	Pineapples
2008.20.00/26	Canned, in containers not exceeding one litre
2008.20.00/27	Canned, in containers exceeding one litre
2008.20.00/28	Other

There is currently no general duty imposed on goods exported from Thailand in accordance with the Thailand-Australia Free trade agreement.

3.2.2. Like goods

The issue of like goods was considered during the original investigation into pineapple exported from Thailand in REP 41.

In REP 41, ACBPS was satisfied that there was an Australian industry producing like goods to the goods under consideration. This finding has been maintained through all reviews and continuation inquiries.

Subsection 269T(1) defines like goods as 'goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration'.

In assessing like goods, ACBPS uses an analytical framework, which identifies different ways of examining likeness, namely physical likeness, commercial likeness, functional likeness and production likeness.

³ For the purposes of s.269T.

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ACBPS understands, from the basis of costs and sales information provided by Golden Circle, that its production and sales of consumer pineapple is unchanged from that found in the 2011 review (REP 172c refers).

Golden Circle describes the locally produced (like) goods as prepared or preserved pineapple fruit in container sizes not exceeding one litre (typically 225g, 425-450g, and 825-850g, although other sizes are available) sold into retail stores for the consumer market.

Physical Likeness

Golden Circle stated that it produces a range of pineapple products in the above container sizes.

The range includes (but is not limited to) pineapple pieces, pineapple thins, pineapple slices and crushed pineapple. The products can be sold in containers in either syrup or natural juice.

Commercial Likeness

Golden Circle says that prepared or processed pineapple fruit is a price-sensitive product that competes directly with imports in the consumer market segment.

ACBPS collected information during the investigation that confirmed this direct competition.

Functional Likeness

Golden Circle stated that its locally produced products are directly substitutable for the imported goods.

ACBPS collected information during the investigation that confirmed the locally produced product and imported product were substitutable for each other.

Production Likeness

Information from industry and exporters shows that the locally produced goods and imported goods are manufactured from similar raw materials using a similar manufacturing process.

ACBPS remains satisfied that there is an Australian industry producing like goods to the goods.

3.3. Australian Industry

3.3.1. Like goods

There is an Australian industry that is producing like goods, consisting of Golden Circle.

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3.3.2. Manufacturing process

For goods to be taken as produced in Australia:

- they must be wholly or partly manufactured in Australia; and
- for the goods to be partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.⁴

Golden Circle is the sole manufacturer of consumer pineapple in Australia.

A verification visit was undertaken to Golden Circle for the review of measures and continuation inquires in 2011 where the manufacturing process was observed and data was verified. ACBPS has not received any submissions from interested parties claiming that this has changed.

ACBPS considers that at least one substantial process in the manufacture of consumer pineapple is carried out in Australia, and therefore consumer pineapple is manufactured in Australia.

⁴ Ss 269T(2) and 269T(3).

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4. REVOCATION REVIEW

4.1 Finding

ACBPS recommends that the dumping duty notice related to consumer pineapple exported to Australia from Thailand by TPC should remain unaltered.

4.2 Applicant's claims

4.2.1 Application for revocation review

In its application for revocation review, SAICO asserted that the variable factors had changed as a result of changed market conditions since the 2011 investigation so that TPC was no longer exporting consumer pineapple to Australia at dumped prices. SAICO provided preliminary data to show that TPC's cost to make and sell had dropped from that which prevailed in 2011.

SAICO also submitted that TPC is unlikely to export consumer pineapple to Australia at dumped prices in the future as TPC's cost to make and sell was abnormally inflated during the 2011 investigation as a result of prolonged drought in Thailand in 2010-2011. This inflated the purchase price of raw pineapple fruit, which represents a significant raw material input, as there was a shortage of supply due to the unforeseen and extreme drought conditions.

ACBPS subsequently undertook a visit to SAICO in order to verify information provided in the application for review and TPC's exporter questionnaire response.

4.2.2 Response to SEF 195A

In response to SEF 195B, SAICO submit that ACBPS has failed to establish that TPC is likely to export consumer pineapple to Australia at dumped prices should the measures be revoked.

SAICO submit that ACBPS is unable to be satisfied that it is likely that the conditions that resulted in increased costs in 2010, namely the prolonged period of drought, would recur within a particular timeframe. Further, SAICO submit that ACBPS cannot be satisfied that the substantial margins now included in TPC's export price would not ensure against a recurrence of dumping if such an event were to recur.

In response to ACBPS finding that SAICO negotiated prices with its Australian customers that includes a margin which predominately reflects the dumping margin found in the 2010 investigation, SAICO provided evidence that its contracts for the review period were negotiated before measures were imposed as a result of that investigation.

Following requests for information relating to SAICO's costs and export contract prices in the period following on from the review period, SAICO provided its average pineapple fruit costs and total cost to make and sell for October 2012, January 2013 and May 2013 and details of its upcoming contracts with

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Australian customers. SAICO submit that this information confirms that it is not currently dumping and that ACBPS is unable to be satisfied that dumping is likely to recur in the future.

4.3 ACBPS findings in REP 195A

As set out in REP 195A, ACBPS has made the preliminary finding that the variable factors, being the export price, normal value and NIP have changed in relation to exports of consumer pineapple from Thailand by TPC.

The change in variable factors has resulted in a dumping margin of -7.65%.

4.4 Likelihood of recurrence of dumping and material injury to the Australian Industry

Pursuant to s. 269ZDA(1A)(b), the CEO must make a revocation recommendation, unless the CEO is satisfied as a result of the review that revoking the measures would lead, or be likely to lead, to a continuation or recurrence of the dumping and material injury that the measures are intended to prevent.

As outlined in SEF 195B, ACBPS accepts that the finding of dumping in the 2011 investigation was impacted by the increased price of raw pineapple resulting from the unusual climate conditions in Thailand during 2010 and 2011, being the prolonged period of drought. REP 173b noted that these unusual circumstances were confirmed by interested parties at the time of the 2011 investigation.

In making a recommendation to the Minister in relation to the revocation review, ACBPS must consider whether, where market conditions have recovered from the unusual circumstances of 2010-2011, a recurrence of dumping is likely and whether this recurrence of dumping is likely to continue to cause material injury to Australian industry.

Period of assessment

In order to make a recommendation as to the likelihood of a recurrence of the dumping and material injury the measures are intended to prevent, ACBPS must examine and assess this risk over a forthcoming period. The relevant provisions of the Act provide no guidance on the appropriate future period for undertaking such an assessment.

ACBPS considers that there may be circumstances where it is appropriate to extend the period for assessing the likelihood of a recurrence of dumping and material injury up to the date that anti-dumping measures are due to expire. In other circumstances, it may be reasonable to confine the examination to a 12 month period subsequent to the review period.

In the circumstances of this review, ACBPS is of the view that a longer period of assessment is required. This is due largely to the long term nature of TPC's contracts with its Australian customers.

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TPC provided evidence that the review period was subject to different contractual periods. For one contract period, ACBPS is satisfied that these contracts were negotiated prior to the imposition of measures from the 2010 investigation. However, TPC advised that its export prices to Australia during this period were impacted by circumstances of prolonged drought over the 2010 contract period. ACBPS is satisfied that this period cannot be relied on to determine the likelihood of a recurrence of dumping going forward, as prices continued to be impacted by the unusual circumstances of 2010.

Another contract period was negotiated with Australian customers subsequent to the imposition of measures in October 2011. Some of the prices set during this period also related to export sales that were made after the end of the review period.

In order to determine the impact of future costs on the above contract period, ACBPS obtained daily pineapple prices (THB/kg) for the period 1 October 2012 to 11 June 2013 (see section 2.4 above and **attachment 1**).

Some of this cost information fell outside of the second contract period and was pertinent to the negotiation of TPC's current or future contracts with its Australian customers. After a request from ACBPS, TPC provided its contracts for this additional period.

Given the long term nature of TPC's contracts with its Australian customers and the availability of costs and sales information for a period of at least two years after the review period, ACBPS is satisfied that it should assess the likelihood of the recurrence of dumping and material injury for the period October 2011 to the conclusion of future contracts in 2014.

The nature of TPC's export sales to Australia

As outlined in SEF 195B, ACBPS has confirmed that the nature of TPC's exports sales to Australia had not changed significantly since the 2011 investigation and are subject to long-term contracts, in which the price and terms are negotiated and agreed up to six months prior to the commencement of the contract.

Relevantly, all contracts executed between TPC and its Australian customers included a specific option that could be exercised by either contractual party, to allow for the renegotiation of sales prices during the life of the contract by way of variation to the principle head of agreement.

When setting prices for export sales contracts to Australia, TPC takes into account the following factors:

- current production costs plus forecast adjustments for raw material inputs, being fresh pineapple fruit and tin plate;
- current and forecasted movement in exchange rates; and
- current and forecasted movement in demand conditions in various export markets.

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TPC also outlined that once it has undertaken this analysis, it aims to set its price to Australian customers to achieve a gross margin within a certain range, which depended on the type of pineapple products sold. This relative price margin aims to mitigate the risk associated with potential cost fluctuations over the life of a contract.

TPC conceded that environmental forecasting is an inherently in-exact process and there is a risk that costs may increase for a number of reasons over the life of a contract which could result in the sales price falling below costs.

The risk outlined above conforms to that found by ACBPS in the 2011 investigation into the alleged dumping of consumer pineapple exported by TPC:

Customs and Border Protection notes that the supply of consumer pineapple by TPC is subject to contracts established through a tender process. It is reasonable to expect that in agreeing to fix prices for a period of time, both the buyer and seller are accepting some amount of risk. For the exporting producer, one would expect them to have factored into their tendered price an amount to take account of future potential cost increases. It is noted that the terms of the contracts also referred to costs and price changes.

The degree to which TPC's exports were priced below the cost of the goods suggests that TPC did not factor in a sufficient premium for such risks. The consequence being that the goods were exported at a significant dumping margin below their normal value.⁵

ACBPS accepts that TPC was subject to abnormally high raw pineapple costs as a result of prolonged drought during the period of investigation in 2011. However it is relevant that TPC did not choose to exercise the option to re-negotiate sales prices to mitigate the impact of cost increases as they occurred during this period.

ACBPS also accepts, as outlined in REP 195A, that the cost of raw pineapple for the current review period has recovered from the impacts of the 2010 drought and that TPC has not exported the goods to Australia during that period at dumped prices.

ACBPS made the preliminary finding in SEF 195B that the increase in the contractual export price for the review period predominantly reflects the margin of dumping found in the 2011 investigation. In response, TPC provided copies of its contracts for the review period, which confirmed that some of the contracts the subject of the review period were negotiated prior to the commencement of measures in October 2011.

ACBPS is satisfied that the earlier contract period within the current review period was not impacted by the imposition of measures in October 2011. As outlined at 4.4.1 above, TPC confirmed that these contract prices were impacted by the unusual circumstances of the 2010 contract period.

⁵ REP 173b at page 27

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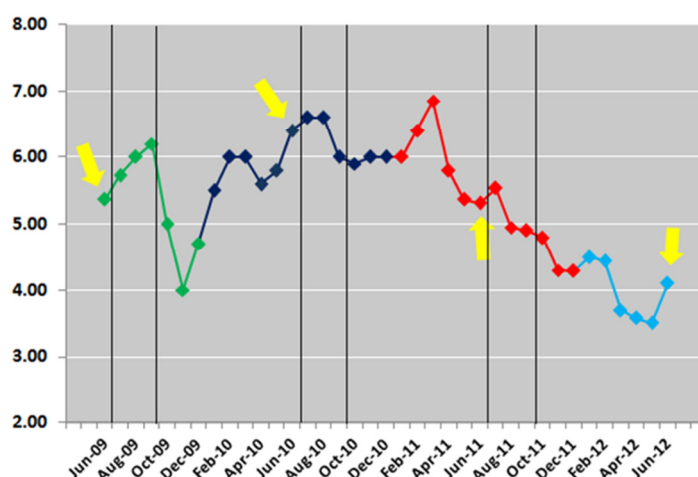
The impact of cost fluctuations during the review period

ACBPS is satisfied that the cost to make and sell consumer pineapple is impacted by a number of factors, including the cost of raw material inputs (being pineapple and tinplate), exchange rate fluctuations and demand. Customs and Border considers that the most significant impact of these is the fluctuation in raw pineapple price.

ACBPS is satisfied that during the July to October quarter each year, the cost of production increases significantly. This is due to a shortage of supply of raw pineapple resulting from the closure of pineapple farms during this period.

The below graph, taken from TROPFIN's June 2012 Report of Pineapple in Thailand, shows the fluctuation of raw pineapple price (THB/kg) from 2009 to 2012.⁶

Pineapple, Thailand, Raw mat price: 2010 - 2013



The vertical lines highlight the period from July to October of each year. It illustrates this pattern of a rise in prices from July, resulting from the shortage of supply, which usually recovers by October. Even in 2010, where prices are generally higher as a result of the prolonged period of drought, this pattern is evident.

ACBPS confirmed this pattern of fluctuating costs when verifying the information of TPC and other exporters for the purpose of REP 195A. Thai exporters in earlier investigations and reviews also confirmed this impact on fresh pineapple prices in the September quarter.

ACBPS accepts that when setting long term contract prices, TPC seeks to include a margin that accounts for this periodic increase in raw pineapple costs.

When dumping was assessed on a quarterly basis, the increase of raw pineapple prices caused TPC to export consumer pineapple to Australia at dumped prices in the July to September quarter. However, as outlined in

⁶ TROPFIN provides the data source as the Thai Office of Agricultural Economics.

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REP 195A, the margin included in TPC's contract prices for the review period adequately accounted for the increased raw pineapple prices for the July to September quarter, as an assessment of the yearly weighted average did not find dumping.

An analysis of TPC's dumping margins over a quarterly basis for the review period forms **confidential attachment 2**.

The TROPFIN report for June 2012 forms **attachment 3**.

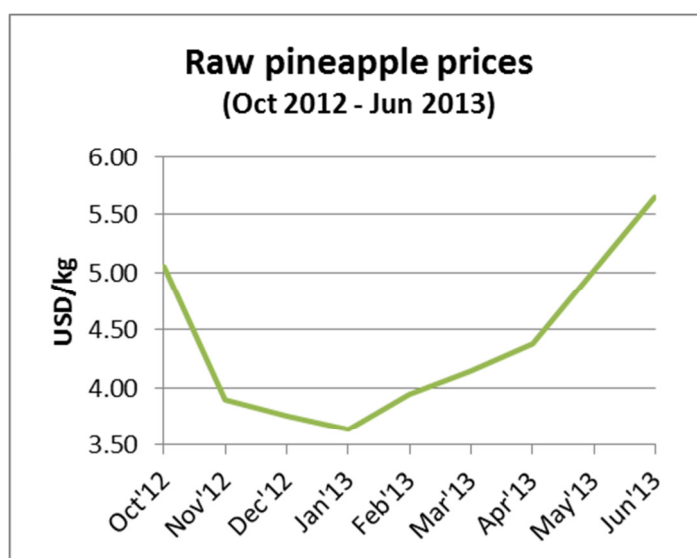
The impact of cost fluctuations subsequent to the review period

ACBPS sought additional information in relation to raw pineapple costs in order to make an assessment of the likelihood of a recurrence of dumping and material injury.

As outlined at section 2.4 above, ACBPS was able to obtain daily pineapple prices for the period 1 October 2012 to 11 July 2013 from the Centre of Agricultural Information of the Thai Office of Agricultural Economics. This information forms **attachment 1**.

A summary outlining the monthly average cost of raw pineapple (THB/kg) is set out in the table and graph below:

Month	Oct'12	Nov'12	Dec'12	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13
Price (THB/kg)	5.05	3.90	3.76	3.64	3.94	4.14	4.38	5.02	5.65



This information indicates that prices did not recover as quickly from the July shortage of supply as in previous years, with the dip in raw pineapple price not occurring until November 2012. Raw pineapple prices have also steadily risen since January 2013, with the average for July 2013 peaking at 5.65 THB/kg, which is higher than any other monthly average experienced since the beginning of the review period in 1 October 2011.

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TROPFIN's analysis of raw pineapple prices for April 2013 provides that prices have risen as a result of a period of drought in February and March 2013. TROPFIN note that whilst rainfall in April has been higher than previous months, it is lower than the average for the same period in previous years and will not compensate for the damage caused by this drought period.

In response to this additional information, SAICO confirmed that the increased price is related to high demand in order to meet contractual obligations before the July farm closures. SAICO submitted that there is an expected delay to the winter crop. However SAICO considers that winter prices should follow previous patterns, by opening at July closure prices and progressively decreasing in September/October.

After a request from ACBPS, SAICO provided its average raw pineapple cost for the months of October 2012, January 2013 and May 2013. SAICO also provided ACBPS with updated cost to make and sell information for these selected months. SAICO maintained that this information supported the contention that SAICO is not currently exporting to Australia at dumped prices and that it is unlikely to do so in the future.

ACBPS used the additional cost to make and sell information to construct a normal value for the goods pursuant to s. 269TAC(2)(c). A profit of 11.8% was added to the cost to make and sell, calculated in accordance with reg. 181A(3)(c). Adjustments were also made to ensure the normal value was comparable to an FOB export sale pursuant to s. 269TAC(9).⁷

ACBPS found that for three of the six products where updated information was provided, TPC was exporting the goods to Australia at dumped prices for one of the selected months. When weighted against the information provided for the other selected months, there was a positive finding of dumping for one product.

For two products, some of the selected months fell under the most recent contracts negotiated with Australian customers. To ensure that the normal value was being compared to the relevant export price, dumping was also calculated on the basis of the new contract prices. For one product, ACBPS found that TPC was exporting the goods to Australia at dumped prices.

ACBPS is satisfied that, for the products where dumping has been established in the selected months, dumping is likely to recur with the increased average price of raw pineapple in June. As this increased price is expected to continue up until at least September/October 2013, ACBPS considers that it is also likely that TPC will be exporting these particular products to Australia at dumped prices during this period.

ACBPS acknowledges that it is difficult to understand how these findings will impact a yearly weighted average comparison of export prices with normal values, as is usual for the purpose of assessing dumping in an investigation or review. However, when based on the volumes exported to Australia during the

⁷ For further information on the method of determining normal value for TPC, see section 4.5.4 of REP 195A.

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review period, these products account for over 50% of total export volume. These export volumes are available at **confidential attachment 2**.

ACBPS is not satisfied that the margin TPC seeks to include in its sales to Australia will adequately compensate for the export of over 50% of goods at dumped prices for up to six months of a year period.

ACBPS is satisfied that, based on an assessment of contemporary raw pineapple prices and the impact of this on TPC's cost to make and sell, it is likely the TPC will export goods to Australia at dumped prices so that a positive finding of dumping may be made by ACBPS in a subsequent review period.

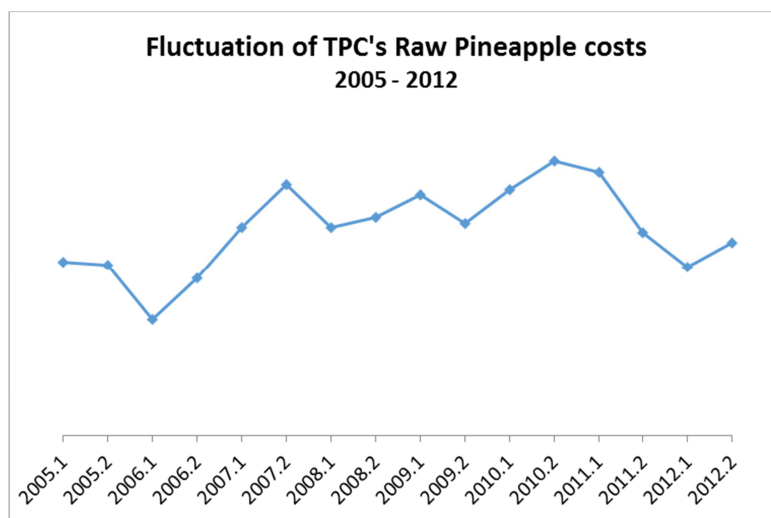
ACBPS dumping calculations for October 2012, January 2013 and May 2013 forms **confidential attachment 4**.

Impact of abnormal climate events on costs

TPC outlined that weather patterns have a significant impact on the availability and cost of pineapple fruit both positively, when weather conditions are favourable, and negatively, during periods of extreme weather conditions. TPC confirmed that cyclical extreme weather patterns, referred to as El Nino and La Nina, have historically had a significantly detrimental impact on availability of pineapple fruit which, in turn, is the catalyst for increased costs.

On this basis, when forecasting movements in the cost of raw material inputs, TPC examines available long-term predictions of weather patterns in an attempt to anticipate potential cost fluctuations.

In support of TPC's claim that 2010-2011 was not representative of the usual course of trade as a result of the abnormally high raw pineapple fruit costs, TPC provided ACBPS with its historical purchase costs for raw pineapple. This data presented a yearly and half yearly weighted average of raw pineapple fruit costs from 2005 to 2012. The pattern of fluctuating costs over period (reflected on a half yearly basis) is set out in the graph below.



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As demonstrated, the historical cost data reflects significant upward spikes in raw pineapple costs in 2006-2007 and 2010-2011 period – both of which are understood to be periods of extreme weather patterns in Thailand and, specifically, reflect periods in which TPC's costs outstripped revenue from the goods resulting in the company trading at a loss during these periods.

ACBPS is satisfied that TPC's export prices during the review period continued to be impacted by the 2010-2011 drought period. For this reason, ACBPS cannot be satisfied that the margin maintained during this period is representative of the usual margin TPC would seek to include in its export sales to Australia.

ACBPS also considers that the falling costs in 2011 and the first half of 2012, followed by a return to an upward trend in the second half of 2012 as presented above is significant. This fall in raw material prices is below the average price paid from 2007 to 2011 and the upward trend could be a return to normal prices. This trend also indicates that, while Thailand is not currently subject to an extreme climate condition such as El Nino, short periods of low rainfall will also significantly impact the price of pineapple. Due to the volatility of pineapple costs, it is difficult to point to a period of normal climate conditions where prices are stable.

Viewed in totality, ACBPS considers that the above graph reflects the characteristic volatility in raw pineapple cost in Thailand. This data emphasises the inherent risks accepted by TPC in setting long-term supply contracts in relation to a product, the cost base of which is significantly impacted by the volatility in availability and price of its primary raw material.

ACBPS considers, as was the case in the circumstances of the 2011 investigation, that the gross margin TPC seeks to achieve on its exports to Australia does not adequately account for cost fluctuations so as to ensure that its selling price to Australia does not go below its cost to make and sell during the life of the contract.

Whilst ACBPS concedes that severe climatic patterns have, historically, been the primary causes of the most dramatic spikes in costs (and associated significant margins of dumping), contemporary analysis confirms that TPC is at risk of these patterns re-occurring as a result of ongoing cost fluctuations – albeit to a lesser degree than has been experienced as a result of abnormal weather phenomena.

Impact of likely future dumping on the Australian industry

In SEF 195A, ACBPS proposed that the non-injurious price (NIP) should be calculated using the methodology determined in REP 172d, being Golden Circle's CTMS for 2010 plus their 2009 profit achieved on consumer pineapple. There were no submissions from interested parties which took issue with this approach.

A comparison of all export prices and normal values of consumer pineapple from Thailand during the review period to the NIP showed that the Australian industry was continuing to be undercut and therefore suffering injury. However,

PUBLIC RECORD

given that TPC's exports were found not to be dumped, any injury experienced by the Australian industry cannot be attributed to dumping by TPC.

In REP 173b, ACBPS determined that Australian industry suffered injury as a result of TPC exporting goods to Australia at dumped prices. ACBPS was satisfied that Golden Circle suffered a loss of sales volume and market share as a result of competing in tender processes for contracts of supply to major Australian retailers against dumped goods.

ACBPS also analysed the relationship between export prices and retail sales prices. ACBPS found that, in periods where the cost to make and sell for all suppliers was inflated due to a shortage of supply of raw pineapple, retail prices did not reflect this rise in costs as the export price to Australia was unchanged under long-term contracts between TPC and Australian customers.

As outlined at 4.5 above, ACBPS accepts that TPC has specific options in its contracts with Australian customers to allow for changes to the contract price where warranted, but has previously failed to utilise these options in order to ensure sales to Australia were not below the cost to make and sell and therefore dumped.

ACBPS also found in REP 173b that the price increases that should have occurred in 2010-2011 of Golden Circle's branded products was prevented. ACBPS was satisfied that one factor preventing price increases were the competitive prices being offered for standard generic consumer pineapple. These prices remained competitive in an environment of increasing costs as TPC failed to utilise the specific option available in its contracts with Australian customers to increase contract prices.

Whilst it is difficult to determine the future impact of dumping on the Australian industry in circumstances where no dumping was found during the review period, ACBPS considers that the findings of REP 173b continue to be relevant to the determination of future material injury.

Conclusion

ACBPS is satisfied on the basis of historical data, that the cost of raw material in Thailand is inherently volatile and subject to significant fluctuation due a number of factors including, but not limited to climatic changes and restrictions in export markets and currency.

ACBPS is satisfied that historical trends of unpredictable volatility in raw pineapple costs – both upwards and downwards – are likely to perpetuate in the future.

ACBPS is satisfied on the basis of the available data, that TPC has previously and continues to inadequately account for fluctuations in its primary raw material cost when establishing export prices and has demonstrated an unwillingness to respond to unforeseen cost increases via appropriate contractual management. This is confirmed through analysis of TPC's contemporary cost information, whereby some products exported to Australia outside of the review period are exported at dumped prices.

PUBLIC RECORD

ACBPS considers that there are reasonable grounds upon which to assert that these perpetuating factors are likely to result in a recurrence of TPC selling to Australia at dumped prices and the material injury that measures were intended to prevent.

ACBPS is satisfied, on the basis of the information currently available, that revocation of the measures is likely to lead to a recurrence of dumping and material injury. The analysis above indicates that the recurrence of dumping in the absence of measures is likely to eventuate in the next twelve months.

PUBLIC RECORD

5. EFFECT OF THE REVIEW

ACBPS has made the finding that revocation of the measures related to consumer pineapple exported by TPC is not warranted.

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6. RECOMMENDATIONS

ACBPS recommends that the Minister considers this report and if agreed, declare that the dumping duty notice applying to exports of consumer pineapple to Australia from Thailand by TPC remains unaltered for the purpose of this revocation review.

PUBLIC RECORD

7. ATTACHMENTS AND APPENDICES

Attachment 1	TROPFIN April 2013 Pineapple report Daily raw pineapple prices (October 2012 to June 2013)
Confidential attachment 2	TPC's quarterly dumping analysis (review period)
Attachment 3	TROPFIN June 2013 Pineapple report
Confidential attachment 4	Dumping calculations for October 2012, January 2013 and May 2013



TROPFIN
PROCESSED TROPICAL FRUITS

Attachment 1

Folio 92

Tropfin (Thailand) Co., Ltd
138/89 J.C. Building Fl 11 - J 11
Nares Road, Siphaya, Bangrak,
Bangkok 10500 - **Thailand**

Tel: +66 (0)2 267.6713
Fax: +66 (0)2 267.6714
E-mail: info@tropfin.co.th

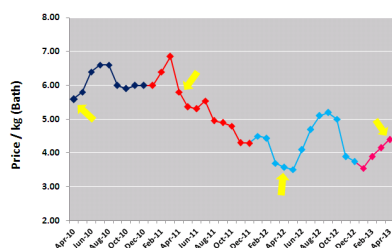
Pineapple - Thailand

April, 2013

Fruit intake and raw material price

Volumes of raw materials have not been improved from last month and supply is getting more limited. Some smaller and middle sized factories are not able to process everyday due to lack of raw materials to start up their production. Raw material price has been further rising to the level of THB 4.2-4.8/ kg and are expected to reach level of THB 5.0-5.5/ kg during May.

Pineapple, Thailand, Raw mat price: 2010 - 2013

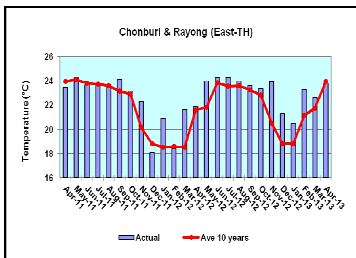
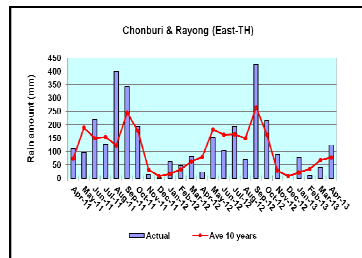
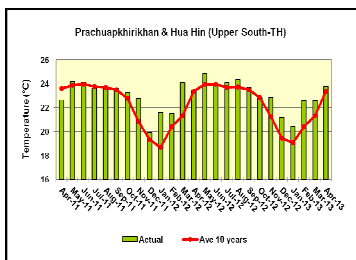
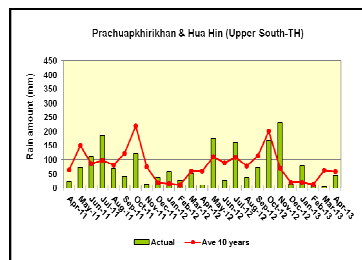


Data source: Office of Agricultural Economics (OAE)

Weather, b/a, nitrate

During April, rainfall in the East was higher than previous month and higher than the same period in last 2 years. The increased rainfall will not compensate the damage caused by the drought during February and March. Temperatures in both areas were higher than previous month, but considered at the same level as the 10 years average.

Rain amount and temperature during
Apr'11 - Apr'13 in major pineapple growing areas

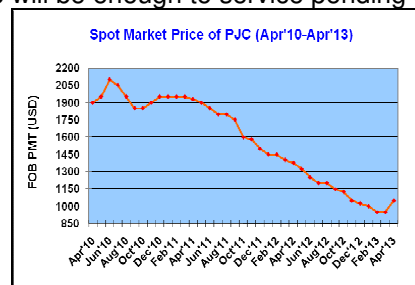


Data source: Thai Meteorological Department (TMD)

B/a ratio's during April were in the same level as previous month, 20-25 in the South and Min. 22 in the East. Nitrate levels are still managed at max. 25 ppm and are mostly under 15 ppm especially in the East. Early harvesting during this shortage period could lead to increased nitrate values.

PJC Bx60 prices

Spot market prices for Pineapple Juice Concentrate (PJC) Bx60 were rising to the level of USD 1,000 - 1,150 pmt FOB Thailand for PJC produced during winter crop. Last year stocks (Frozen or Aseptic) are still being offered at appr. USD 900 pmt FOB for prompt take off in bigger volumes, but these offers are getting less. At the same time, there are more buyers considering to cover their demand quickly. Another factor leading to upward pressure on the cost price for pineapple processors is the continuous appreciation of the Thai baht: appr. 5% since the beginning 2013. Some factories are withdrawing pending offers, giving short validities or even stop offering until the raw material supply situation becomes clearer. Factories are worried whether current crop will be enough to service pending contracts.



The DDU (duty unpaid) prices in Europe for PJC Bx60 as standard blend in tank wagon or a grade A product in drums directly from origin, are also increasing to USD 1,150 – 1,300 pmt, dependent on quality and origin of the products.

Thai PJC exports in MT

	Jan-Dec			Jan-Mar 2012	Jan-Mar 2013
	2010	2011	2012		
Netherlands	54,378	53,697	50,522	14,501	13,996
Italy	10,905	15,795	12,241	2,616	1,667
Spain	5,158	4,273	4,463	1,194	1,167
U.K.	1,742	1,665	2,659	663	928
France	1,173	1,815	1,108	137	506
Germany	944	2,123	242	52	45
Russia	668	669	1,232	189	365

From the statistics can be concluded that less PJC was been shipped to main market Europe even though prices are appr. 30% lower than last year. Worldwide exports of PJC in MT from Thailand during Q1-2013 has been slightly increasing especially to the USA, Iran, Israel, Egypt, Chile and South Korea.

NFC Prices

Not From Concentrate (NFC) pineapple juice shipments from Thailand are limited compared to PJC shipments and going mainly to the Netherlands, Spain and Egypt.

PINEAPPLE

Purchase prices of agricultural products to the market daily, medium and major markets

Centre for Agricultural Information, Office of Agricultural Economics

Information May 2013

Unit: USD / kg

Oct 2012 - June 2013		Pineapple plant				
		Siam Food Factory	SAICO Company Ltd	Pineapple Growers Cooperative	Samroyod Company Ltd	Kui Fruit Company Limited
		Nong District, Chonburi	Tue Development	Ban Kha Tambon Bung, the Ratchaburi	Prachuap Khiri Khan.	Kui Buri District, Prachuap Khiri Khan
		Tel. (038) 291391	Rayong	Tel. (032) 731267	Tel. (032) 684234	Tel. (032) 681578-9
Month	Day	Large size				
Oct	1	5.20	5.20	5.30	5.50	5.40
	2	5.20	5.20	5.30	5.50	5.40
	3	5.20	5.20	5.30	5.50	5.40
	4	5.20	5.20	5.50	5.50	5.40
	5	5.20	5.20	5.50	5.50	5.40
	6	-	-	-	-	-
	7	-	-	-	-	-
	8	5.20	5.20	5.50	5.50	5.40
	9	5.20	5.20	5.50	5.50	5.40
	10	5.20	5.20	5.50	5.50	5.40
	11	5.20	5.20	5.50	5.50	5.40
	12	5.20	5.20	5.50	5.50	5.40
	13	-	-	-	-	-
	14	-	-	-	-	-
	15	5.20	5.20	5.00	5.25	5.20
	16	5.20	5.20	5.00	5.25	5.20
	17	5.20	5.20	4.50	5.00	5.10
	18	5.20	5.20	4.50	5.00	5.10
	19	5.20	5.20	4.50	5.00	5.10
	20	-	-	-	-	-
	21	-	-	-	-	-
	22	4.80	5.00	4.50	4.90	4.80
	23					
	24	5.20	5.00	4.50	4.90	4.80
	25	4.60	5.00	4.50	4.90	4.80
	26	4.60	5.00	4.50	4.90	4.80
	27	-	-	-	-	-
	28	-	-	-	-	-
	29	4.40	4.60	4.10	4.20	4.40
	30	4.40	4.60	4.10	4.20	4.40
	31	4.40	-	4.10	4.20	4.40
Nov	1	4.20	4.60	3.90	4.20	4.40
	2	4.20	4.40	3.70	4.00	4.00
	3	-	-	-	-	-
	4	-	-	-	-	-
	5	4.20	4.40	3.70	3.70	4.00
	6	4.20	4.20	3.70	3.70	4.00
	7	4.20	4.20	3.60	3.60	3.90
	8	4.20	4.20	3.60	3.60	3.90
	9	4.00	4.20	3.60	3.60	3.90
	10	-	-	-	-	-
	11	-	-	-	-	-
	12	4.00	4.20	3.40	3.30	3.50
	13	4.00	4.20	3.40	3.30	3.50
	14	4.00	4.20	3.40	3.30	3.50
	15	4.00	4.20	3.40	3.30	3.50
	16	4.00	4.20	3.40	3.60	3.60
	17	-	-	-	-	-
	18	-	-	-	-	-
	19	4.00	4.20	3.60	3.80	3.80
	20	4.00	4.20	3.60	3.80	3.80
	21	4.00	4.20	3.60	3.90	3.80
	22	4.00	4.20	3.60	3.90	3.80
	23	4.00	4.20	3.80	3.90	3.80
	24	-	-	-	-	-
	25	-	-	-	-	-
	26	4.00	4.20	3.80	3.90	3.80
	27	4.00	4.20	3.80	3.90	3.80
	28	4.00	4.20	3.90	3.90	3.80
	29	4.00	4.20	3.90	3.90	3.80
	30	4.00	4.20	4.00	3.90	3.80
Dec	1	-	-	-	-	-
	2	-	-	-	-	-
	3	4.00	4.20	4.00	3.90	3.80
	4	4.00	4.20	4.00	3.90	3.80
	5					
	6	4.00	4.20	3.70	3.70	3.80
	7	4.00	4.20	3.70	3.70	3.80
	8	-	-	-	-	-
	9	-	-	-	-	-
	10	-	-	-	-	-
	11	4.00	4.20	3.60	3.60	3.70
	12	4.00	4.20	3.60	3.60	3.70
	13	4.00	4.20	3.60	3.60	3.70
	14	4.00	4.20	3.60	3.60	3.70
	15	-	-	-	-	-
	16	-	-	-	-	-
	17	4.00	4.20	3.30	3.40	3.50
	18	4.00	4.20	3.30	3.40	3.50
	19	4.00	4.20	3.30	3.40	3.50
	20	4.00	4.20	3.30	3.40	3.50
	21	4.00	4.20	3.40	3.40	3.50
	22	-	-	-	-	-

	23	-	-	-	-	-
	24	4.00	4.20	3.40	3.30	3.40
	25	4.00	4.20	3.40	3.30	3.40
	26	4.00	4.20	3.40	3.30	3.40
	27	4.00	4.20	3.40	3.30	3.40
	28	4.00	4.20	3.40	3.30	3.40
Jan	1	-	-	-	-	-
	2	4.00	4.20	3.40	3.30	3.40
	3	4.00	4.20	3.40	3.30	3.40
	4	4.00	4.20	3.50	3.30	3.40
	5	-	-	-	-	-
	6	-	-	-	-	-
	7	4.00	4.00	3.25	3.30	3.40
	8	4.00	4.00	3.25	3.30	3.40
	9	4.00	4.00	3.40	3.30	3.40
	10	4.00	4.00	3.30	3.30	3.40
	11	4.00	4.00	3.30	3.30	3.40
	12	-	-	-	-	-
	13	-	-	-	-	-
	14	4.00	4.00	3.30	3.30	3.40
	15	4.00	4.00	3.30	3.30	3.40
	16	4.00	4.00	3.30	3.30	3.40
	17	4.00	4.00	3.30	3.30	3.40
	18	4.00	4.00	3.30	3.30	3.40
	19	-	-	-	-	-
	20	-	-	-	-	-
	21	4.00	4.00	3.30	3.30	3.40
	22	4.00	4.00	3.30	3.30	3.40
	23	4.00	4.00	3.30	3.30	3.40
	24	4.00	4.00	3.30	3.30	3.40
	25	4.00	4.00	3.30	3.30	3.30
	26	-	-	-	-	-
	27	-	-	-	-	-
	28	4.00	4.00	3.70	3.60	3.70
	29	4.00	4.00	3.70	3.60	3.70
	30	4.00	4.00	3.70	3.60	3.70
	31	4.00	4.00	3.70	3.60	3.70
Feb	1	4.00	4.00	3.70	3.60	3.70
	2	-	-	-	-	-
	3	-	-	-	-	-
	4	4.00	4.00	3.70	3.70	3.80
	5	4.00	4.00	3.70	3.70	3.80
	6	4.20	4.00	3.70	3.70	3.80
	7	4.20	4.20	3.70	3.70	3.80
	8	4.20	4.20	3.70	3.70	3.80
	9	-	-	-	-	-
	10	-	-	-	-	-
	11	4.20	4.20	3.80	3.80	3.90
	12	4.20	4.20	3.80	3.80	3.90
	13	4.20	4.20	3.80	3.80	3.90
	14	4.20	4.20	3.80	3.80	3.90
	15	4.20	4.20	3.80	3.80	3.90
	16	-	-	-	-	-
	17	-	-	-	-	-
	18	4.20	4.20	3.80	3.80	3.90
	19	4.20	4.20	3.80	3.80	3.90
	20	4.20	4.20	3.80	3.80	3.90
	21	4.20	4.20	3.80	3.80	3.90
	22	4.20	4.20	3.80	3.80	3.90
	23	-	-	-	-	-
	24	-	-	-	-	-
	25	-	-	-	-	-
	26	4.20	4.20	3.80	3.80	3.90
	27	4.20	4.20	3.80	3.80	3.90
	28	4.20	4.20	3.80	3.80	3.90
Mar	1	4.20	4.20	3.80	3.80	3.90
	2	-	-	-	-	-
	3	-	-	-	-	-
	4	4.20	4.20	4.00	4.00	4.10
	5	4.20	4.20	4.00	4.00	4.10
	6	4.20	4.20	4.00	4.00	4.10
	7	4.20	4.20	4.00	4.00	4.10
	8	4.20	4.20	4.00	4.00	4.10
	9	-	-	-	-	-
	10	-	-	-	-	-
	11	4.20	4.20	4.00	4.00	4.10
	12	4.20	4.20	4.00	4.00	4.10
	13	4.20	4.20	4.00	4.00	4.10
	14	4.20	4.20	4.00	4.00	4.10
	15	4.20	4.20	4.00	4.00	4.10
	16	-	-	-	-	-
	17	-	-	-	-	-
	18	4.20	4.30	4.00	4.10	4.20
	19	4.20	4.30	4.00	4.10	4.20
	20	4.20	4.30	4.00	4.10	4.20
	21	4.20	4.30	4.00	4.10	4.20
	22	4.20	4.30	4.00	4.10	4.20
	23	-	-	-	-	-
	24	-	-	-	-	-
	25	4.20	4.30	4.10	4.30	4.20
	26	4.20	4.40	4.10	4.30	4.20
	27	4.20	4.40	4.10	4.30	4.20
	28	4.20	4.40	4.10	4.30	4.20
	29	4.20	4.40	4.10	4.30	4.20
	1	4.20	4.40	4.10	4.30	4.20
	2	4.20	4.40	4.10	4.30	4.20

Apr	3	4.20	4.40	4.10	4.30	4.20
	4	4.20	4.40	4.10	4.30	4.20
	5	4.20	4.40	4.10	4.50	4.40
	6	-	-	-	-	-
	7	-	-	-	-	-
	8	-	-	-	-	-
	9	4.20	4.40	4.30	4.50	4.40
	10	4.20	4.40	4.30	4.50	4.40
	11	4.20	4.40	4.30	4.50	4.40
	12	-	-	-	-	-
	13	-	-	-	-	-
	14	-	-	-	-	-
	15	-	-	-	-	-
	16	-	-	-	-	-
	17	4.20	4.40	4.10	4.50	4.40
	18	4.20	4.40	4.10	4.50	4.40
	19	4.40	4.40	4.20	4.60	4.50
	20	-	-	-	-	-
	21	-	-	-	-	-
	22	4.40	4.40	4.20	4.60	4.50
	23	4.40	4.40	4.20	4.60	4.50
	24	4.40	4.60	4.20	4.60	4.50
	25	4.60	4.80	4.20	4.60	4.50
	26	4.60	4.80	4.20	4.60	4.50
	27	-	-	-	-	-
	28	-	-	-	-	-
	29	4.60	4.80	4.20	4.60	4.50
	30	4.60	4.80	4.20	4.60	4.50
May	1	4.60	4.80	4.20	4.60	4.50
	2	4.60	4.80	4.20	4.60	4.50
	3	4.60	4.80	4.20	4.60	4.50
	4	-	-	-	-	-
	5	-	-	-	-	-
	6	-	-	-	-	-
	7	4.70	4.80	4.50	5.20	5.00
	8	4.70	4.80	4.50	5.20	5.00
	9	4.70	4.80	4.90	5.20	5.00
	10	4.70	4.80	4.90	5.20	5.00
	11	-	-	-	-	-
	12	-	-	-	-	-
	13	-	-	-	-	-
	14	4.70	5.00	4.90	5.20	5.00
	15	4.70	5.00	4.90	5.20	5.00
	16	4.70	5.00	4.90	5.20	5.00
	17	4.70	5.00	4.90	5.20	5.00
	18	-	-	-	-	-
	19	-	-	-	-	-
	20	5.10	5.00	4.90	5.20	5.00
	21	5.10	5.20	4.90	5.20	5.00
	22	5.40	5.20	4.90	5.20	5.00
	23	5.40	5.20	4.90	5.20	5.00
	24	-	-	-	-	-
	25	-	-	-	-	-
	26	-	-	-	-	-
	27	5.60	5.20	5.30	5.50	5.20
	28	5.60	5.20	5.30	5.50	5.20
	29	5.60	5.20	5.30	5.50	5.20
	30	5.60	5.20	5.40	5.60	5.40
	31	5.70	5.50	5.40	5.60	5.40
June	1	-	-	-	-	-
	2	-	-	-	-	-
	3	5.70	5.50	5.60	5.70	5.60
	4	5.70	5.50	5.60	5.70	5.60
	5	5.70	5.50	5.60	5.70	5.60
	6	5.70	5.50	5.60	5.70	5.60
	7	5.70	5.50	5.60	5.90	5.80
	8	-	-	-	-	-
	9	-	-	-	-	-
	10	5.70	5.50	5.60	5.90	5.80
	11	5.70	5.50	5.60	5.90	5.80

Primary source:
Office of Agricultural Economics: Daily Agricultural Prices
<http://www.oae.go.th/main.php?filename=price>

Daily pineapple prices - available at:
Oct-11 <http://www.oae.go.th/download/price/priceday/OCT/pineapple.html>
Nov-11 <http://www.oae.go.th/download/price/priceday/NOV/pineapple.html>
Dec-11 <http://www.oae.go.th/download/price/priceday/DEC/pineapple.html>
Jan-12 <http://www.oae.go.th/download/price/priceday/JAN56/pineapple.htm>
Feb-12 <http://www.oae.go.th/download/price/priceday/FEB56/pineapple.html>
Mar-12 <http://www.oae.go.th/download/price/priceday/MAR56/pineapple.html>
Apr-12 <http://www.oae.go.th/download/price/priceday/APR56/pineapple.html>
May-12 <http://www.oae.go.th/download/price/priceday/MAY56/pineapple.html>
Jun-12 <http://www.oae.go.th/download/price/priceday/JUNE56/pineapple.html>

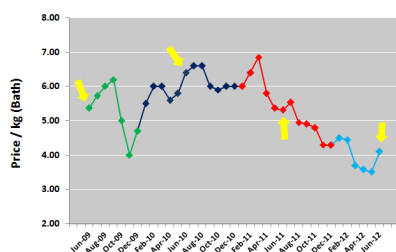
Pineapple - Thailand

June, 2012

Fruit intake and raw material price

The volume of incoming pineapples continuously dropped compared to the previous month. Fruits in the area of the factories is difficult to find, most is brought from other areas. Fruit price rapidly increased to level of THB 4.0/kg during first two weeks and reached THB 4.5/kg by the end of June. During July raw material supply will get become scarcer, driving up the price further. Most factories will be closing during July.

Pineapple, Thailand, Raw mat price: 2009, 2010, 2011, 2012

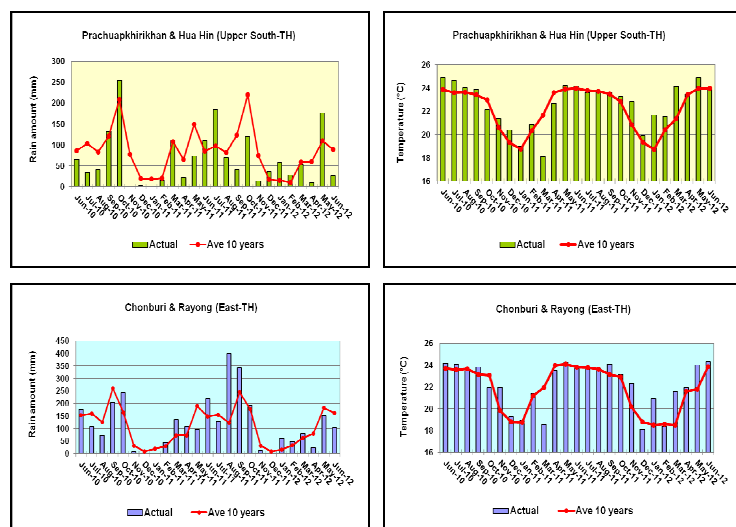


Data source: Office of Agricultural Economics (OAE)

Weather, b/a, nitrate

During June, the rainfall in the South of Thailand (main area) has sharply dropped and was much lower than average. Also in the East the rainfall decreased. Temperatures in both South and East Thailand were considered normal.

Rain amount and temperature during June'10-June'12 in major pineapple growing areas

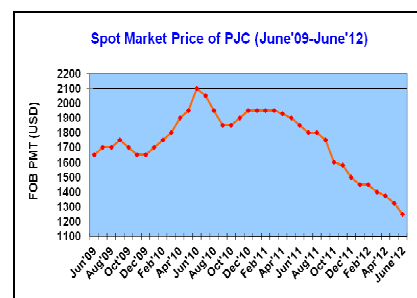


Data source: Thai Meteorological Department (TMD)

The average b/a ratio was as always high during this period of the year 22-28 in the South and 26-30 in the East. Nitrate levels were at 15-25 ppm.

PJC Bx60 prices

Spot market prices for Pineapple Juice Concentrate (PJC) Bx60 are in the range of USD 1,200 - 1,300 pmt FOB Thailand and under this level for older and lower quality stocks kept in Thailand. Also stocks held by Thai packers in Europe were offered at discounted prices. As most factories are closed and the winter crop is expected to be delayed due to limited rainfall in April, factories are less under pressure to further lower prices. Most factories are not offering PJC for shipment during October-December at the moment. They will wait and see how the next crop will come and how demand will develop in the coming months. Some factories cannot even offer for spot delivery anymore.



The DDU (duty unpaid) prices in Europe for PJC Bx60 as standard blend in tank wagon or a grade A product in drums directly from origin, are currently in the range of USD 1,450 – 1,650 pmt. Older product and product with defects can be bought at lower prices.

Thai PJC exports in MT

	Jan-Dec		Jan-May	
	2010	2011	2011	2012
Netherlands	54,378	53,697	28,936	21,125
Italy	10,905	15,795	6,534	5,081
Spain	5,158	4,273	1,570	1,659
U.K.	1,742	1,665	873	1,002
France	1,173	1,815	1,100	306
Germany	944	2,123	1,171	162
Russia	668	669	157	635

The statistics of shipments over the first 5 months of 2012 showed shipments to Europe are still considerably down compared to the same period last year. Demand in the rest of the world is only partly compensating for that.

NFC Prices

Spot prices for Not From Concentrate (NFC) pineapple juice remain in the level of USD 350 - 400 pmt FOB Thailand depending on volume and quality requirements. Chances on shipment during July-September (low season) are limited.