PUBLIC RECORD

Australian Government
Anti-Dumping Commission

CUSTOMS ACT 1901 - PART XVB

REPORT TO THE MINISTER
NO. 213

CONTINUATION INQUIRY

PROCESSED DRIED CURRANTS
EXPORTED FROM GREECE

13 December 2013

Australian Government
Anti-Dumping Commission

Customs Act 1901 – Part XVB

Processed Dried Currants

Exported from Greece

Findings in relation to a Continuation Inquiry into Anti-Dumping Measures

Public Notice under subsections 269ZHG(1) and (4) of the Customs Act 1901

The Anti-Dumping Commission (the Commission) has completed its inquiry, which commenced on 11 July 2013, into whether the expiration of the anti-dumping measures applying to processed dried currants (currants) exported to Australia from Greece, would lead, or would 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.

Recommendations resulting from that inquiry, reasons for the recommendations and material findings of fact or law in relation to the inquiry are contained in *Anti-Dumping Commission Report No. 213* (REP 213).

I, BOB BALDWIN, the Parliamentary Secretary to the Minister for Industry, have considered REP 213 and have decided to accept the recommendations and reasons for the recommendations, including all the material findings of fact or law, therein and have decided that the anti-dumping measures applying to currants exported to Australia from Greece should continue from
14 January 2014.

Under section 269ZHG of the *Customs Act 1901* (the Act), I have decided to secure the continuation of the anti-dumping measures currently applying to currants exported to Australia from Greece.

I determine that the notice continues in force after 14 January 2014.

Interested parties may seek a review of this decision by lodging an application with the Anti-Dumping Review Panel (www.adreviewpanel.gov.au), in accordance with the requirements in Division 9 of Part XVB of the Act, within 30 days of the publication of this notice.

REP 213 has been placed on the Commission's public record, available at www.adcommission.gov.au. Alternatively, the public record may be examined at the Commission's office by contacting the case manager on the details provided below.

Enquiries about this notice may be directed to the case manager on telephone number (02) 6275 5755, fax number 1300 882 506 or +61 2 6275 6888 (outside Australia) or email Operations2@adcommission.gov.au.

Dated this 6TH day of JANUARY 2014

BOB BALDWIN
Parliamentary Secretary to the Minister for Industry

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ABBREVIATIONS

$	Australian dollars
the Act	*Customs Act 1901*
Aeghion	Agricultural Co-Operative Union Aeghion
APDF	Australian Premium Dried Fruits Pty Ltd
AUD	Australian dollars
CIF	cost, insurance and freight
the Commission	The Anti-Dumping Commission
the Commissioner	The Anti-Dumping Commissioner
CTMS	Cost to make & sell
Currants	Processed dried currants
EUR	Euros
FOB	Free on board
Frutex	Frutex Australia Pty Ltd
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
the Minister	The Minister for Industry
REP 140	Trade Measures Report No. 140
REP 149	Trade Measures Report No. 149
REP 192	International Trade Remedies Report No. 192
Scalzo	Scalzo Trading Co Pty Ltd
SEF	Statement of Essential Facts
Sunbeam	Sunbeam Foods Pty Ltd

1 SUMMARY AND RECOMMENDATIONS

This report provides the results of the application lodged by Sunbeam Foods Pty Ltd (Sunbeam) for the continuation of anti-dumping measures applying to processed dried currants (currants) exported to Australia from Greece.

1.1 Recommendations

The Anti-Dumping Commission (the Commission) recommends that the Minister for Industry (the Minister) sign the requisite notice[1] (**Appendix 1**) to:

- declare that he has decided to take steps to secure the continuation of anti-dumping measures in respect of currants exported from Greece; and
- determine that the dumping duty notice continues in force after 14 January 2014 for a further five years unless earlier revoked.

1.2 Application of law to facts

Division 6A of Part XVB of the *Customs Act 1901* (the Act)[2] provides for the Anti-Dumping Commissioner (the Commissioner) to alert interested parties to the impending expiry of measures and provide certain interested parties with an opportunity, before those measures expire, to apply for a continuation of those measures. The Division:

- sets out the consequences if no application is made;
- outlines the procedure to be followed by the Commissioner in dealing with an application and preparing a report for the Minister; and
- empowers the Minister, after consideration of that report, either to decide that the measures will expire or to take steps to ensure the continuation of measures.

The Commissioner must not recommend that the Minister take steps to secure the continuation of the anti-dumping measures unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the anti-dumping measures are intended to prevent.

1.3 Findings and conclusions

The Commission is satisfied that:

- currants have been exported to Australia from Greece between 1 July 2012 to 30 June 2013 at dumped prices[3];

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[1] Section 269ZHG(1) and (4) notice.
[2] A reference to a division, section or subsection in this report is a reference to a provision of the Act, unless otherwise specified.
[3] See Anti-Dumping Commission Report No. 220 for details.

- the dumping is likely to continue; and
- the expiration of measures would likely lead to a continuation of, or a recurrence of, the material injury that the anti-dumping measures were intended to prevent.

Based on these findings, the Commission recommends that the Minister take steps to secure the continuation of anti-dumping measures applying to currants exported from Greece from the expiry date of 14 January 2014.

2 BACKGROUND

2.1 Continuation inquiry process

Dumping duty notices (that have not been earlier revoked) automatically expire five years after the date on which they were published, unless the Minister decides to continue them.

Not later than nine months before a dumping duty notice expires, the Commission must publicly announce that anti-dumping measures are due to expire and invite certain interested parties to apply within 60 days for continuation of the anti-dumping measures. If no application for continuation is received by the Commission within the period allowed, the anti-dumping measures expire on the specified date.

If an application for continuation of anti-dumping measures is received, and not rejected, the Commission has up to 155 days, or such longer period as the Minister allows, to inquire and report to the Minister on whether continuation of the anti-dumping measures is justified. Within 110 days of the initiation notice, or such longer period as the Minister allows, the Commission must place on the public record a Statement of Essential Facts (SEF) on which it proposes to base its recommendation to the Minister.

Before recommending the continuation of the anti-dumping measures, the Commission must be satisfied that the expiration of the anti-dumping measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the anti-dumping measures were intended to prevent.

Where the Minister decides to continue anti-dumping measures, the dumping duty notice will remain in force after the specified date for a further period of five years (unless the relevant notice is revoked before the end of that period).

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

- the application for continuation of the anti-dumping measures;
- any submission relating generally to the continuation of the anti-dumping measures to which the Commissioner 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 the Commission within 20 days of the SEF being placed on the public record.

The Commissioner may also have regard to any other matter that he considers to be relevant to the inquiry.

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

2.2 Notification and participation

Anti-dumping measures applying to currants from Greece are due to expire on 14 January 2014.

On 5 April 2013, the Australian Customs and Border Protection Service[4] published a notice in *The Australian* newspaper inviting certain persons to apply for the continuation of the anti-dumping measures that apply to currants exported to Australia from Greece. On 3 June 2013, Sunbeam, a manufacturer of currants in Australia, lodged an application for the continuation of the anti-dumping measures.

Following consideration of the application, the inquiry was initiated on 11 July 2013. Public notification of initiation of the inquiry was made in *The Australian* newspaper on 11 July 2013. Anti-Dumping Notice No. 2013/52 provides further details of the initiation and is available at www.adcommission.gov.au.

The Commission visited Sunbeam, representing the majority of the Australian industry, to verify data contained in its application for a continuation of anti-dumping measures. The Commission also visited Dried Fruits Australia, the industry association representing growers of currants, to collect information in respect of the growers. Non-confidential reports of the visits are on the public record.

The Commission also contacted Australian Premium Dried Fruits Pty Ltd (APDF), an Australian processor of currants, however APDF decided not to participate with this inquiry.

The Commission identified two companies that imported currants from Greece during the period 1 July 2012 – 30 June 2013. An importer questionnaire was provided to one of these importers, Frutex Australia Pty Ltd (Frutex), a major importer of currants from Greece, requesting information relating to its importations of currants and its sales of these imports into the Australian market.

The Commission visited Frutex and verified data contained in the importer questionnaire response. A non-confidential report of the visit is on the public record.

The Commission contacted Scalzo Trading Co Pty Ltd (Scalzo), a minor importer of currants from Greece, and requested source documents relating to its imports of currants from Greece during the period 1 July 2012 – 30 June 2013 and the subsequent sale of these imports into the Australian market. Due to the relatively small volume of imports, the Commission did not visit Scalzo.

The Commission sent correspondence inviting all known exporters of currants from Greece during the period 1 July 2012 – 30 June 2013 to complete an exporter questionnaire and cooperate with the continuation inquiry. A completed exporter questionnaire response was received from Agricultural Co-Operative Union Aeghion (Aeghion). The Commission decided not to visit Aeghion. The non-confidential

[4] Prior to 1 July 2013, the administration of Australia's anti-dumping system resided with the Australian Customs and Border Protection Service. On 1 July 2013, the Anti-Dumping Commission was established to administer the anti-dumping system.

exporter questionnaire response and a report detailing the calculation of its dumping margin are on the public record.

The Commission contacted four end-users of currants to discuss issues raised by Sunbeam and Frutex during the respective visits and other issues relevant to the inquiry. A report detailing the discussions is on the public record.

2.3 Statement of Essential Facts (SEF)

On 29 October 2013, the Commission published on the public record a combined SEF [No. 213 & 220] for the continuation inquiry and review of anti-dumping measures applying to Currants from Greece.

The combined SEF sets out the essential facts on which the Commission proposes to base its final recommendations to the Minister.

2.4 Responses to the SEF

The commission received two submissions in response to the SEF, one from Dried Fruits Australia[5] and one from Sunbeam[6]. The submissions are on the public record.

2.5 History of anti-dumping measures

4 March 2008	Sunbeam lodged an application requesting that the then Minister publish a dumping duty notice in respect of currants exported to Australia from Greece.
6 January 2009	The then Minister published a dumping duty notice applying to currants exported from Greece after accepting the recommendations made in Trade Measures Report No. 140 (REP 140). This decision was subject to a reinvestigation following an appeal to the Trade Measures Review Officer and the original decision was affirmed by the Minister on 4 November 2009 (after accepting the recommendations contained in Trade Measures Report No. 149 (REP 149)).
13 May 2013	The measures relating to exports of currants from Greece by Aeghion were subject to a review and the Minister subsequently revised the measures in so far as they relate to Aeghion (after accepting the recommendations in International Trade Remedies Report No. 192 (REP 192)).

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

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[5] Document 23.
[6] Document 24.

2.6 Review of the measures

On 25 July 2013, the Commission initiated a review of anti-dumping measures applying to currants exported from Greece after a request was made by the Minister for Home Affairs[7]. The period of 1 July 2012 to 30 June 2013 was set as the review period, and covers all exporters of the goods from Greece.

A separate report (REP 220) was provided to the Minister on 13 December 2013 relating to that review.

[7] Prior to 25 September 2013, anti-dumping matters were the responsibility of the Minister for Home Affairs. On 25 September 2013, responsibility for anti-dumping matters was transferred to the Minister for Industry.

3 THE GOODS AND LIKE GOODS

3.1 Findings

The Australian industry produces currants that have characteristics closely resembling those of currants produced in Greece and exported to Australia. Therefore currants manufactured by the Australian industry are like goods[8].

3.2 The goods

The goods subject to anti-dumping measures 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 definition of the goods.

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.

3.3 Tariff classification

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

The rate of duty for the goods exported from Greece is 5 per cent.

3.4 Like goods

In the original investigation, it was found that the Australian industry, comprising of Sunbeam and several other smaller processors, manufactured like goods to the goods exported to Australia from Greece.

During the course of this inquiry, the Commission did not receive any submissions that suggest that the Australian industry no longer manufactures like goods. In particular, the Commission finds that the Australian industry, comprising of Sunbeam, APDF and Murray River Organics, manufactures currants that have characteristics closely resembling the goods 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 currants in a variety of end-use applications.

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[8] In terms of section 269T of the Act.

4 THE AUSTRALIAN INDUSTRY

4.1 Findings

The like goods were wholly manufactured in Australia and there is an Australian industry consisting of persons who produce like goods in Australia in the form of Sunbeam, APDF, Murray River Organics and the growers of currants.

4.2 Production of currants

For goods to be taken as produced in Australia:

- they must be wholly or partly manufactured in Australia[9]; 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[10].

During the visit to Sunbeam, it was confirmed that currants are wholly or partly manufactured in Australia and at least one substantial process in the manufacture of currants is carried out at its Irymple facility.

While Sunbeam is the major manufacture of currants in Australia, there are two other manufacturers of currants in Australia – APDF and Murray River Organics.

4.3 Close processed agricultural goods

Where the like goods are close processed agricultural goods, the Australian industry in respect of those close processed agricultural goods consists not only of the person or persons producing the processed goods, but also the person or persons producing the raw agricultural goods from which the processed goods are derived[11].

The processed agricultural goods derived from raw agricultural goods can be taken to be close processed agricultural goods where the Minister is satisfied that:

(a) the raw agricultural goods are devoted substantially or completely to the processed agricultural goods; and

(b) the processed agricultural goods are derived substantially or completely from the raw agricultural goods; and

(c) either:

(i) there is a close relationship between the price of processed agricultural goods and the price of the raw agricultural goods; or

(ii) a significant part of the production cost of the processed agricultural goods, whether or not there is a market in Australia for those goods, is,

9 Section 269T(2) of the Act.
10 Section 269T(3) of the Act.
11 Section 269T(4A) of the Act.

> or would be, constituted by the cost to the producer of those goods of the raw agricultural goods.[12]

The Commission is satisfied that currants, consistent with the above, are close processed agricultural goods, and therefore, the Australian industry of currants consists of not only the processors of currants, but also the growers of the currants.

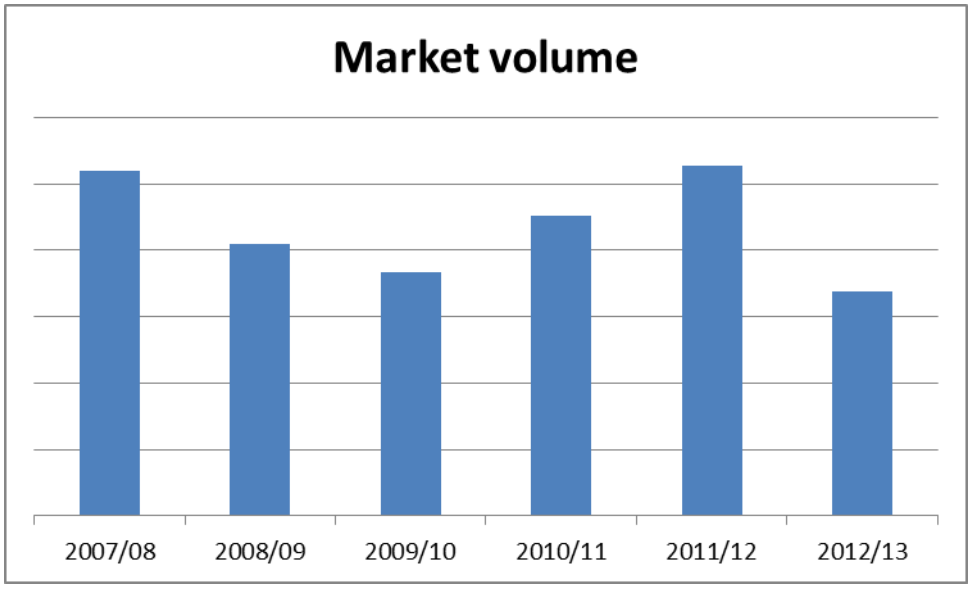
[12] Section 269T(4B) of the Act

5 AUSTRALIAN MARKET

5.1 Market size

The currants market in Australia is supplied by Australian production, imports from Greece and imports from other countries.

Based on Sunbeam's sales data and import data from the Australian Customs and Border Protection Service's import database, the market size of currants in Australia during the period 1 July 2012 – 30 June 2013 was approximately 1,740 tonnes. Below is a graph showing the Australian currants market size from 2007/08 (the investigation period in the original investigation) to 2012/13 (**confidential attachment 1**).



The market size declined between 2007/08 and 2009/10 before recovering in 2010/11 and 2011/12. In 2012/13, the market for currants declined again.

5.2 Market structure

Currants are generally used as ingredients in further food manufacturing applications and 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:

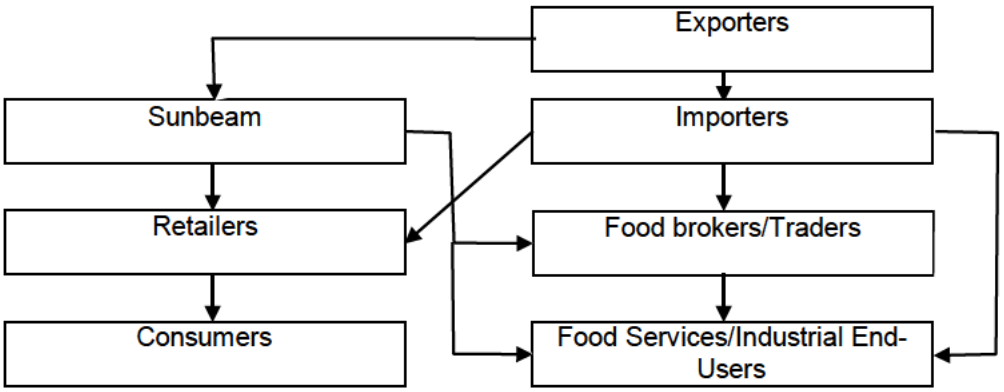
Packaging size	Market segment
225g	Retail
300g	Retail
750g	Retail
1kg	Retail

10kg	Industrial
12.5kg	Industrial

Typical retail customers are supermarkets and health food stores, whereas industrial food customers include cereal, biscuit, cake and baked goods manufacturers, and smaller distributors.

The retail market for currants is generally supplied by Australian currants, whereas the industrial food market segment is supplied by Australian as well as imported currants. The Australian industry's main competitor of currants in the industrial food market segment is Frutex, an importer of currants from Greece.

The marketing and distribution channels are illustrated in the diagram below:



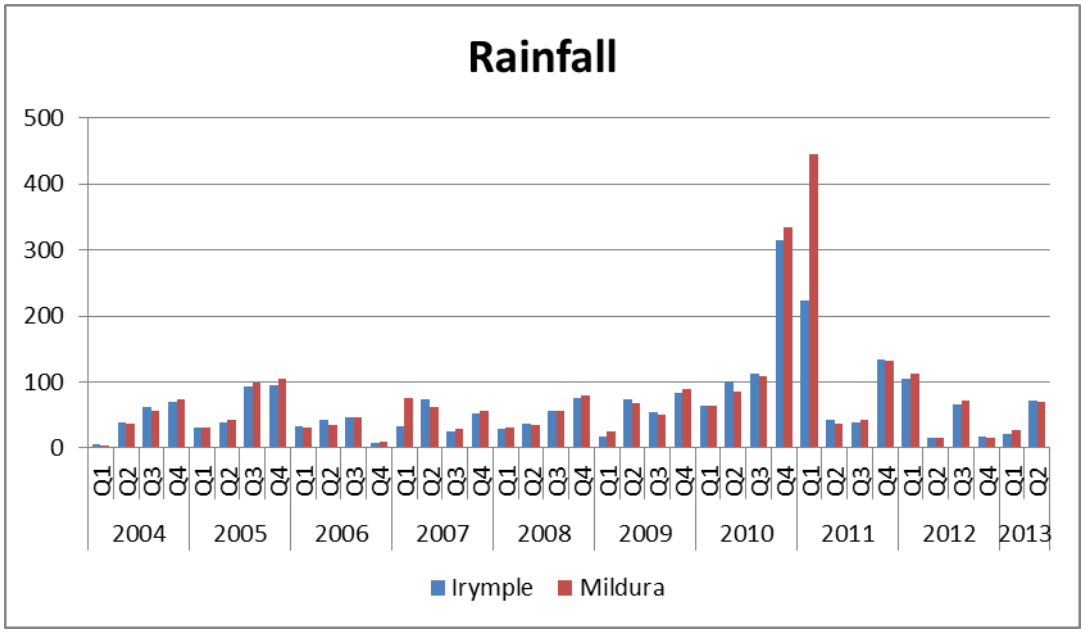
The Australian industry and importers compete at the same level of trade and have common customers.

5.3 Growing conditions

Since measures were imposed five years ago, currant growers have been impacted by several natural weather events that affected the quality and quantity of currants grown in Australia.

Growing conditions were affected by the drought and heatwave that impacted southeast Australia in 2009, with the flowering of currants crops coinciding with high temperatures that affected harvesting in 2010.

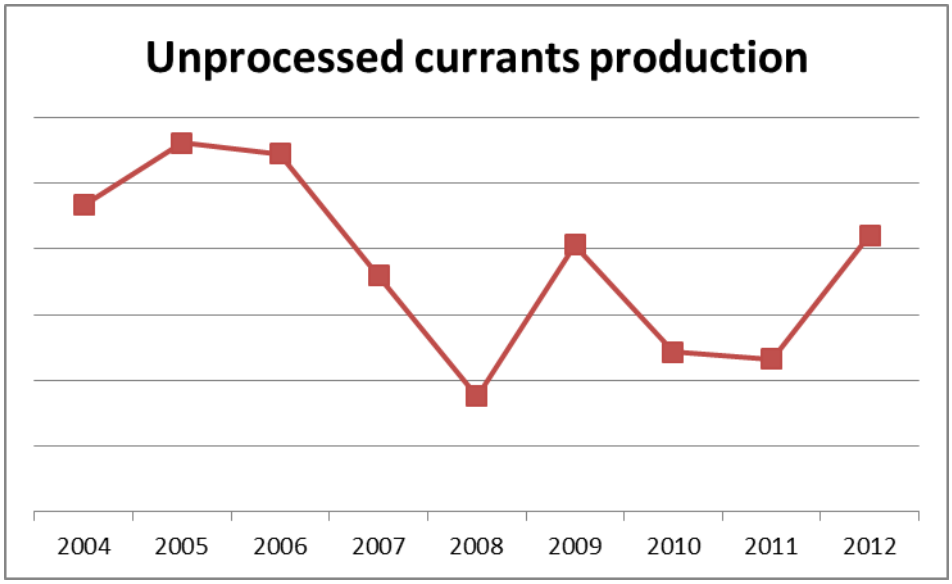
Conversely, 2010/11 saw torrential rain and flooding in the region that impacted on the quality of the 2011 crop of currants. The following graph shows rainfall data from the Bureau of Meteorology in Irymple and Mildura weather stations since 2004 (**attachment 2**).



As observed in the graph above, the region experienced high levels of rainfall in the December 2010 and March 2011 quarters. As a result, the crop was affected by disease, including downy mildew, and splitting of the fruit. The heavy rainfall also produced immature fruit during harvesting where not much sugar was produced, resulting in currants being half their usual weight.

In 2012 and 2013, good growing conditions had returned with no adverse weather events, resulting in good volumes for the 2013 harvest.

The following graph shows the volume of unprocessed currants received by the major processors from the growers between 2005 and 2012 (**confidential attachment 3**).

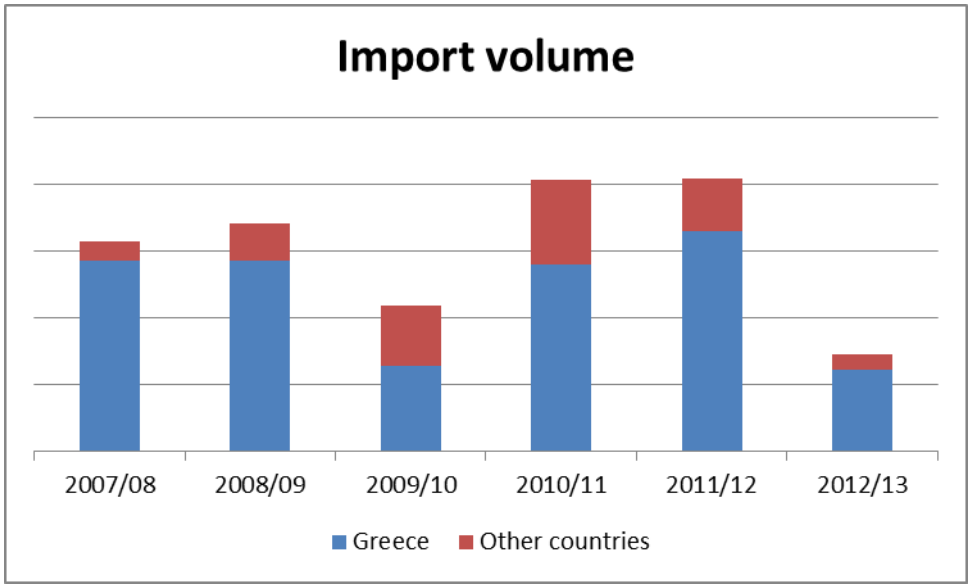


As shown in the graph above, the production quantity of currants contracted significantly from 2006. Dried Fruits Australia explained that this was the result of the removal of currant crops at that time. Production then recovered in 2009 but at

levels that were still lower than those in 2006. Production volumes then contracted in 2010 and 2011, due to the adverse meteorological events discussed above, before recovering in 2012.

5.4 Import volume

The following graph shows the volume of imports between 2007/08 and 2012/13 and includes importations of currants from the Australian industry (confidential attachment 1).



As shown in the graph above, the import volume of currants from Greece reduced significantly in 2009/10 when measures were first imposed. The volumes then recovered in 2010/11 and 2011/12, likely due to supply issues with Australian currants. In 2012/13, the volume of Greek currants declined again as Australian production returned to normal.

In addition, there were significant volumes of currants imported from countries other than Greece during the last six years, particularly between 2009/10 and 2011/12.

The Commission notes that there were significant quantities of mixed fruit importations in 2012/13 where currants were declared as the majority fruit under the tariff heading 0813.50.00. However, when the volume of currants that were imported in mixed fruit were included, the total import volume in 2012/13 was still below the 2011/12 volumes.

6 ECONOMIC CONDITION OF THE INDUSTRY

6.1 Findings

The Commission is satisfied that the imposition of anti-dumping measures applying to currants imported from Greece has had:

- a negligible effect on the sales volume and market share of the Australian industry; and
- some effect on the selling prices of the processors and seasonal prices paid to the growers.

The Commission is also satisfied that the Australian industry is susceptible to material injury caused by dumping.

6.2 Approach to injury analysis

Sunbeam is the major producer of currants in Australia with approximately 80% of Australian production[13]. Being the major producer of currants, Sunbeam is an appropriate proxy for the overall performance of the whole Australian industry.

In order to assess Sunbeam's economic condition since the imposition of anti-dumping measures on Greek currants, data obtained by the Commission following the original investigation has been used in the analysis.

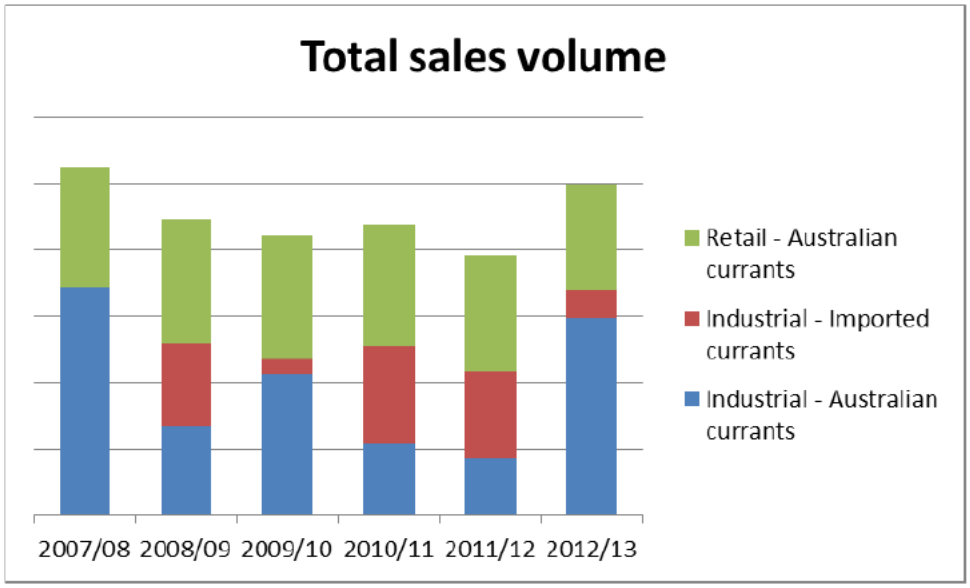
Although the analysis includes all of Sunbeam's sales of currants, the focus will be on the industrial food market segment. This is because the imported currants from Greece directly compete with the Australian industry in the industrial food market segment. Sales to the retail market segment, being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

6.3 Volume effects

6.3.1 Sales volume

Below is a graph showing Sunbeam's annual (July to June) sales volume of currants in kilograms over the last six 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 (**confidential attachment 4**). Sunbeam did not sell imported currants in the retail market segment.

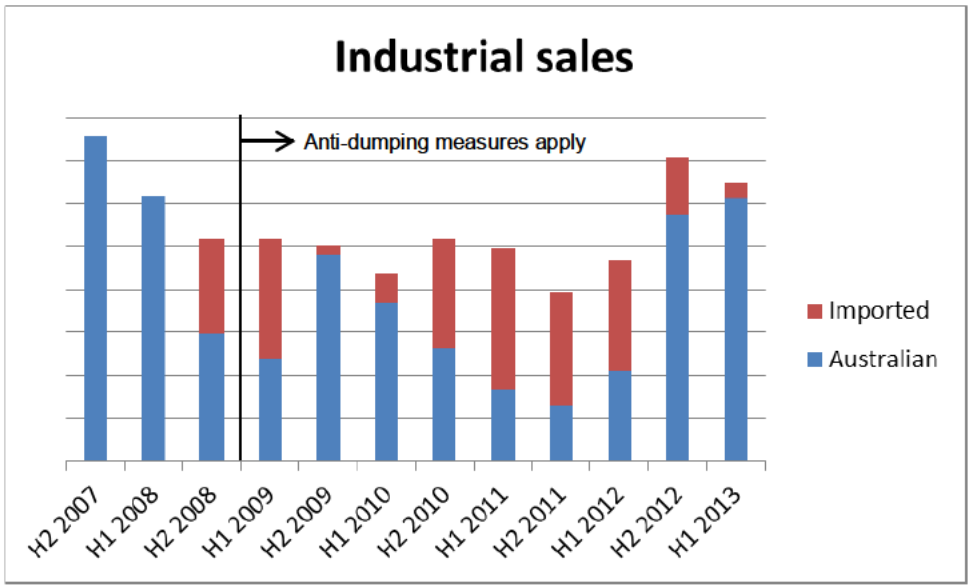
[13] Based on Horticultural Australia data and assuming Murray River Organics account for minimal market volumes



Sales of currants in the retail market segment were relatively stable throughout the last six 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.

However, it is noticeable that Sunbeam was faced with supply issues of Australian grown currants over the last five 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 (confidential attachment 4).



From the graph above, it appears that Sunbeam faced supply issues for 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

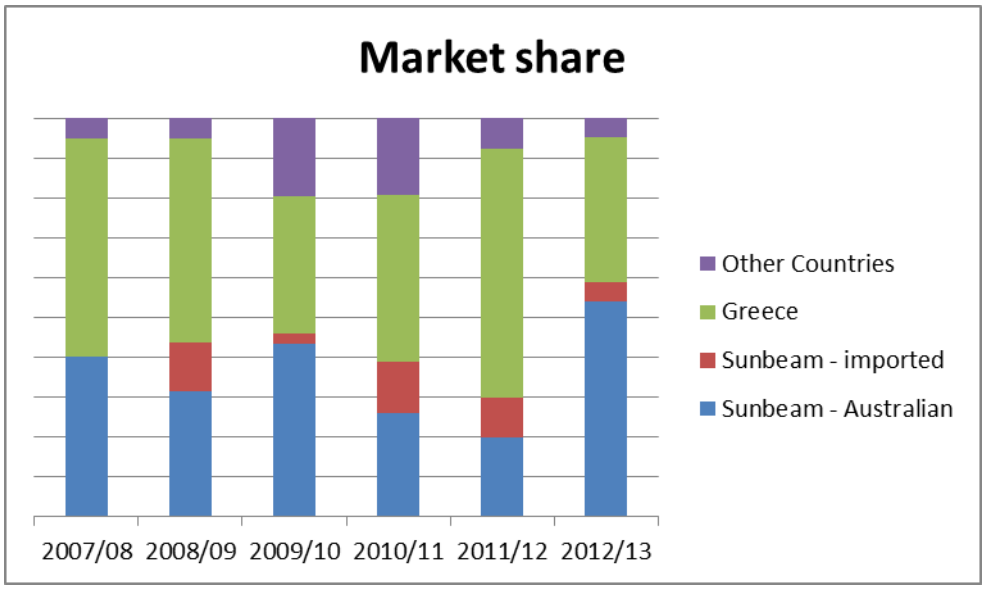
through to the first half of 2012, where the Australian crop was affected by adverse meteorological events.

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

6.3.2 Market share

Using data from Sunbeam's sales spreadsheet and import data from the Australian Customs and Border Protection Service's import database, the following graph shows the market share of Australian and imported currants sold by Sunbeam, and imports of currants from Greece and other countries (excluding Sunbeam's imports) (confidential attachment 1).



The market share of Australian currants initially increased between 2008/09 and 2009/10, which is when measures were imposed. The market share then fell significantly in 2010/11 then again in 2011/12 due to the poor Australian production volumes during that period. In 2012/13, the market share of Australian currants increased significantly as production returned to normal levels.

6.3.3 Summary – volume effects

Overall, it appears that the sales volume of Australian currants, and imported currants from Greece and elsewhere, and therefore market share, were primarily influenced by the production volume of Australian currants. In the years where the Australian industry was unable to fully supply the market with Australian grown currants, it was required to import currants to supplement its sales. This also led to other companies increasing their imports of currants, including from Greece even with anti-dumping measures imposed, to supply the market with currants that could not be supplied by Australian currants. This was particularly evident in 2010/11 and

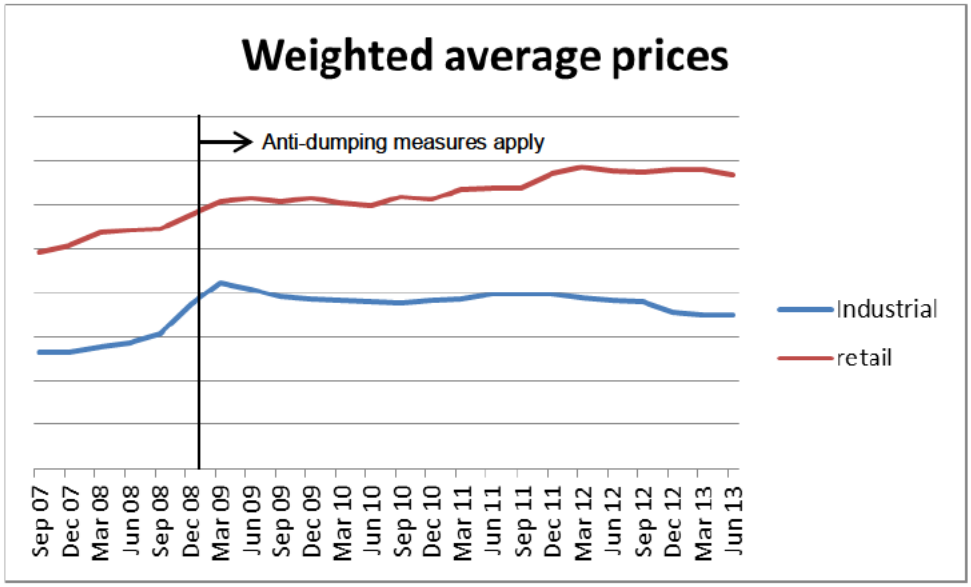
2011/12 when the Australian growers faced significant challenges due to adverse meteorological events. In 2012/13, it appears that the Australian production of currants has returned to typical levels absent from adverse meteorological events, which also saw import volumes recede and the market share of the Australian currants return to previous levels.

Due to shortages of Australian currants during the period, anti-dumping measures have had a negligible effect on the sales volume and market share of the Australian industry.

6.4 Price effects

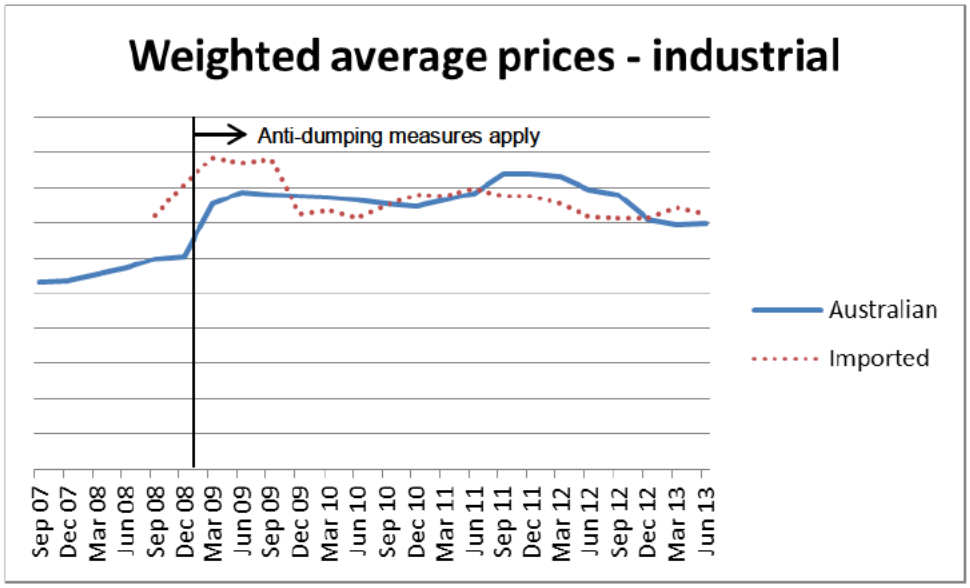
6.4.1 Selling prices

The following graph shows Sunbeam's weighted average quarterly prices of currants for the industrial and retail market segments (Australian and imported currants) since the September 2007 quarter (confidential attachment 4).



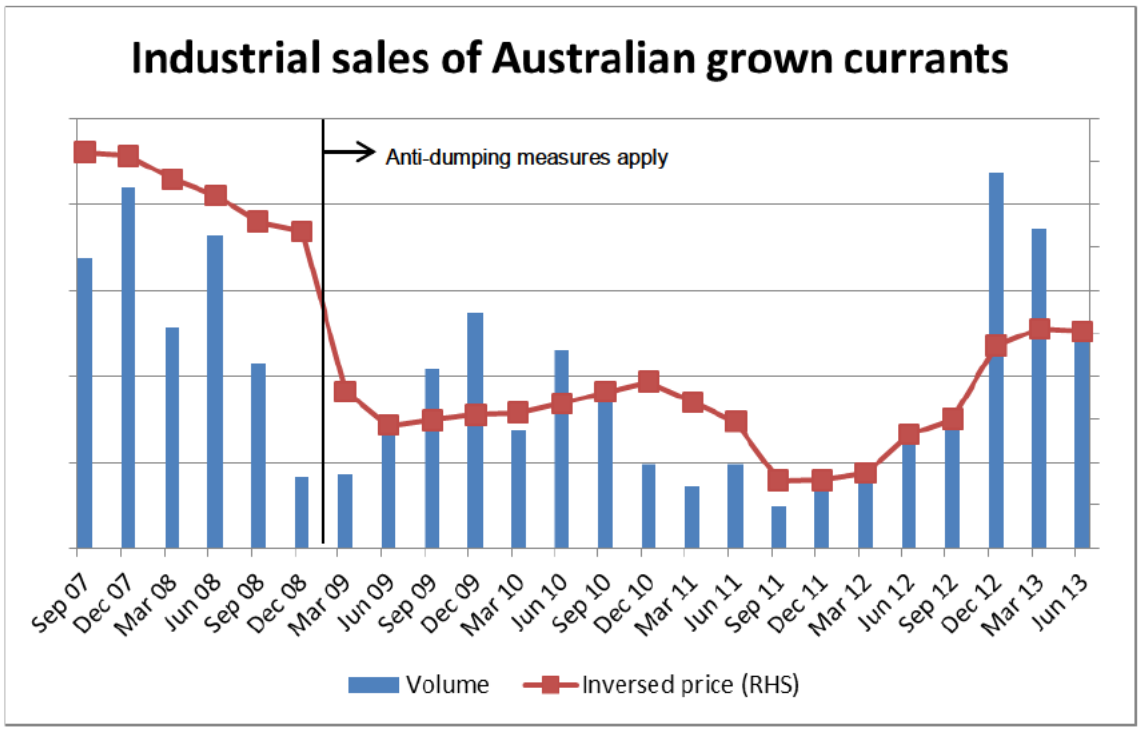
Prices of currants in the retail market segment have steadily increased over the last six years. However, the selling prices to the industrial market segment (Australian grown and imported) had an initial spike around the time that measures were imposed, then trended downwards since.

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 (confidential attachment 4).



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.

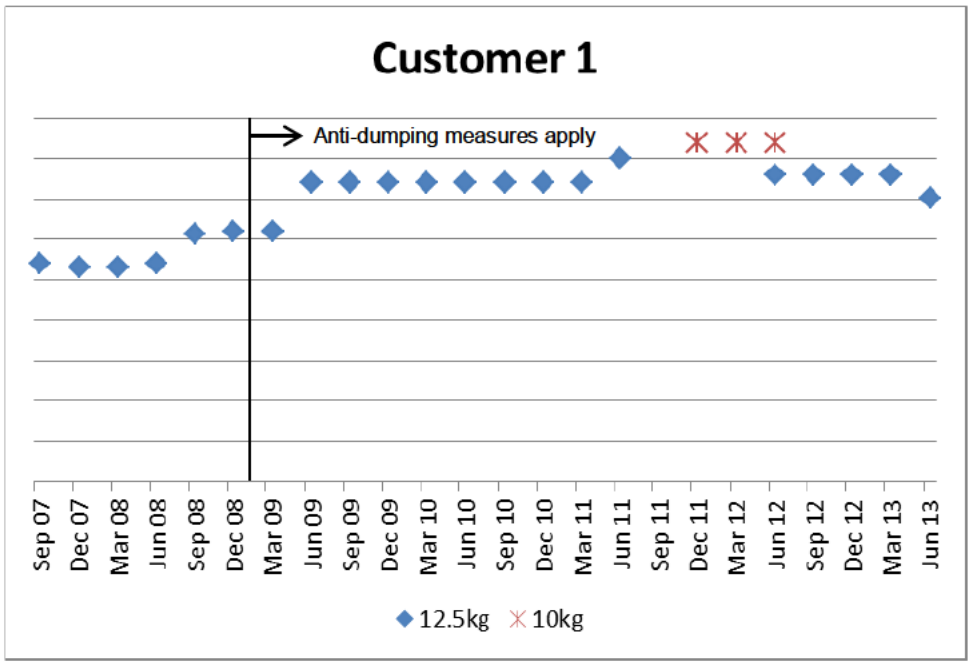
It appears that the increases in Sunbeam's selling prices of Australian grown currants coincided with periods where there was a shortage of Australian grown currants, particularly around the time when anti-dumping measures were imposed in January 2009 as illustrated in the graph below (confidential attachment 4)[14].

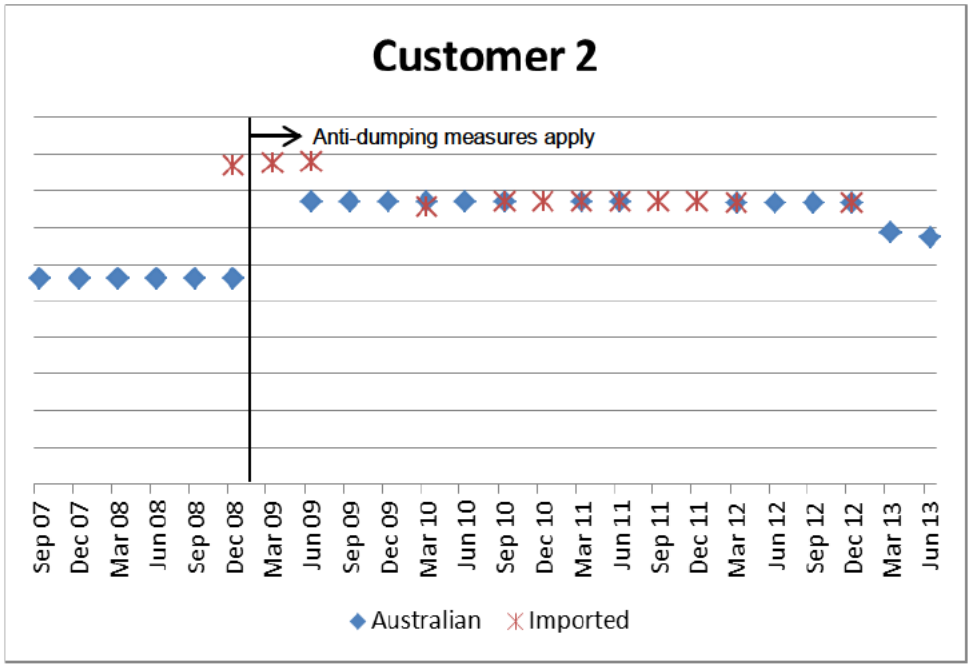


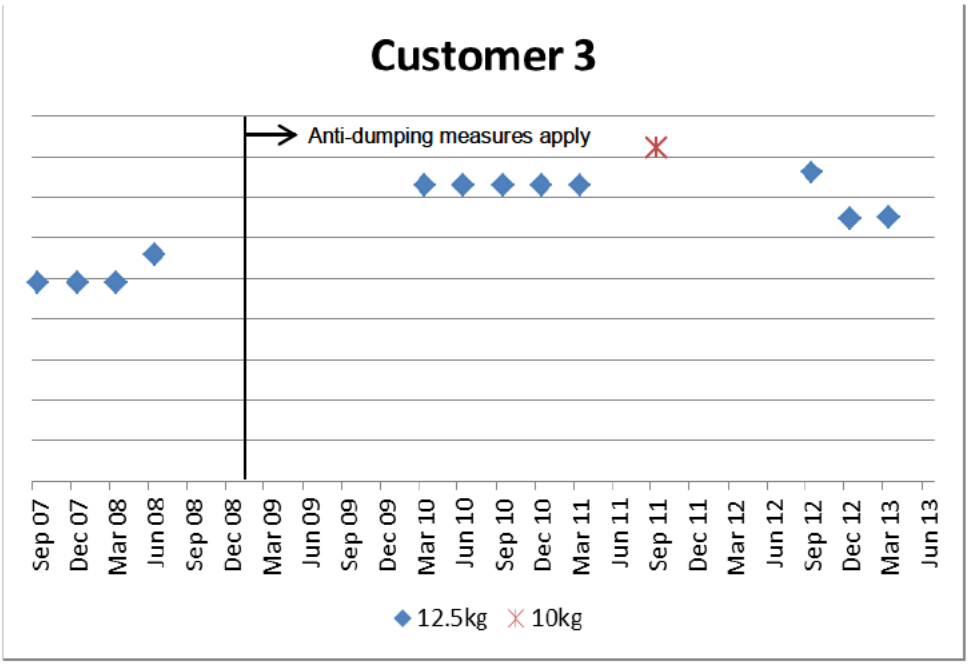
[14] Note that the price in the graph is inversed and is on a different scale to volumes.

Whether the increase in 2009 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 Sunbeam's selling prices to its three largest industrial customers (confidential attachment 4).

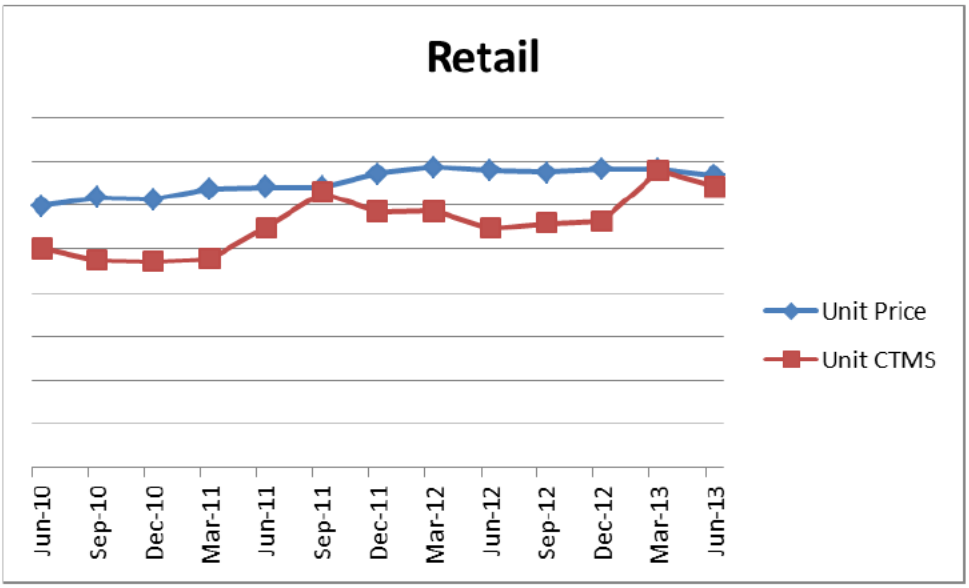


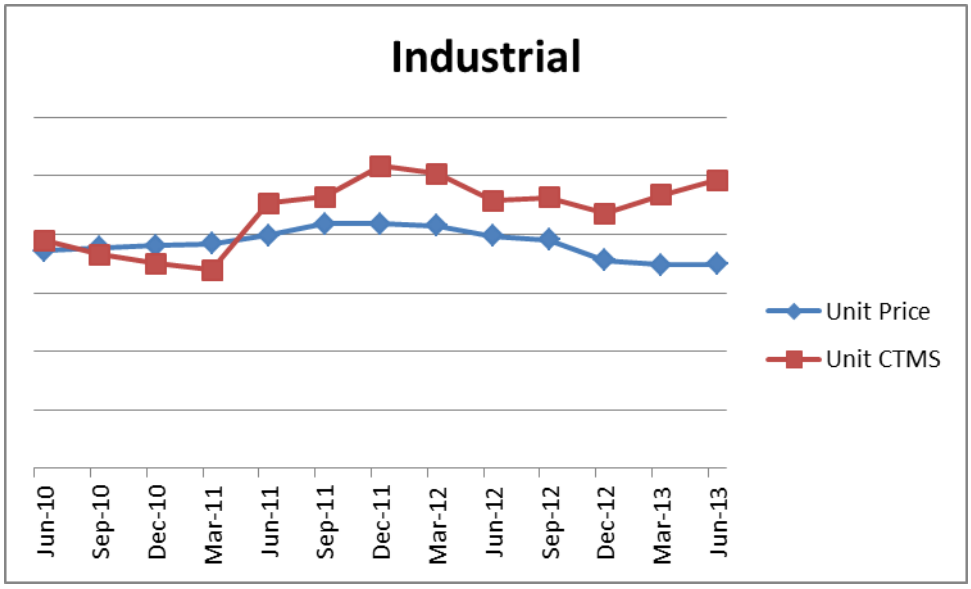




The price trends at the individual customer level seem to be consistent with Sunbeam's overall price trend of Australian currants where prices rose with the imposition of measures in 2009 then declined in 2013.

The following graphs show the trends of prices and costs to make and sell (CTMS) currants in the retail and industrial market segments to assess whether Sunbeam experienced price suppression (**confidential attachment 5**). Price suppression occurs when price increases, which otherwise would have occurred, have been prevented.





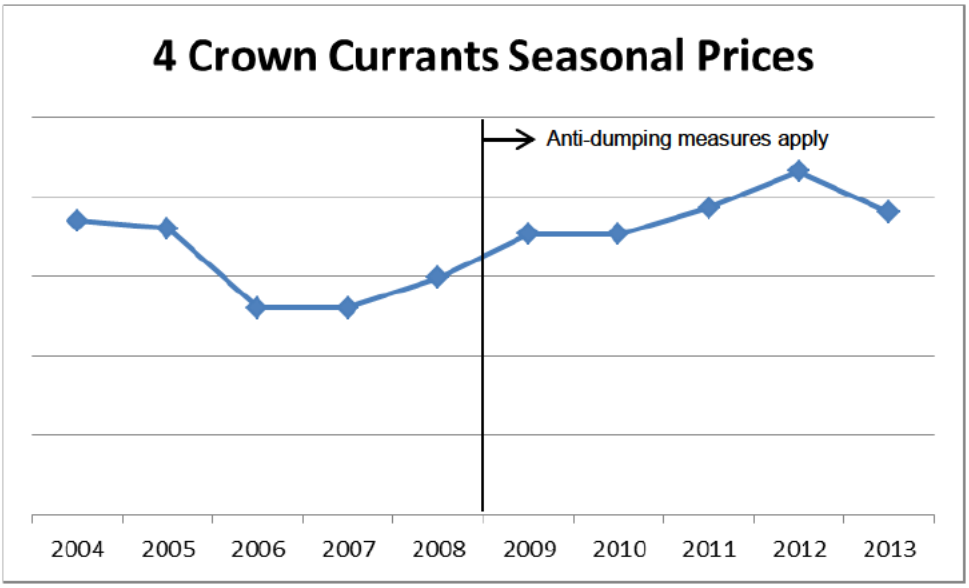
Sunbeam experienced a substantial increase in its CTMS during 2011. Sunbeam advised that the increase in costs during this period was reflective of poor crop quality in 2011 causing high yeast and mould counts, requiring additional processing and causing high yield loss. However, costs retracted slightly in 2012, but remained relatively high. In 2013, CTMS has 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 widen in 2013.

6.4.2 Seasonal prices to upstream growers

The following graph shows the trend of Sunbeam's seasonal prices for contracted growers between 2004 and 2013 (**confidential attachment 6**).



The graph shows that prices of 4 crown currants to growers fell significantly in 2006 before recovering in 2009. This coincides with anti-dumping measures being imposed on Greek currants. From 2009, the prices gradually increased, peaking in 2012, before falling back in 2013, but still above 2009 prices.

6.4.3 Summary – price effects

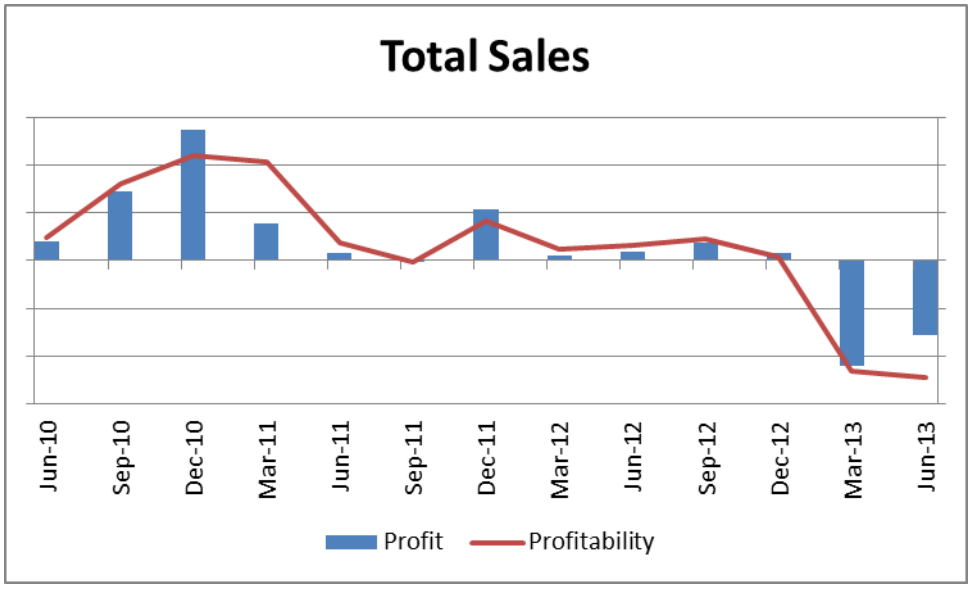
Overall, it appears that the imposition of measures had some effect on the Australian industry's selling prices, both in terms of the selling prices of the processors and seasonal prices to the growers. Selling prices saw an initial spike when anti-dumping measures applying to currants were imposed in January 2009. Although that period coincided with production shortages, the initial price increase observed in the industrial food market segment, which competes with imported Greek currants, was greater than in the retail market segment. This indicates that the anti-dumping measures had a positive impact on prices, although it was not the sole cause of the increase. Since 2009, prices fluctuated in accordance with the production volumes and growing conditions, and remained above pre-2009 prices.

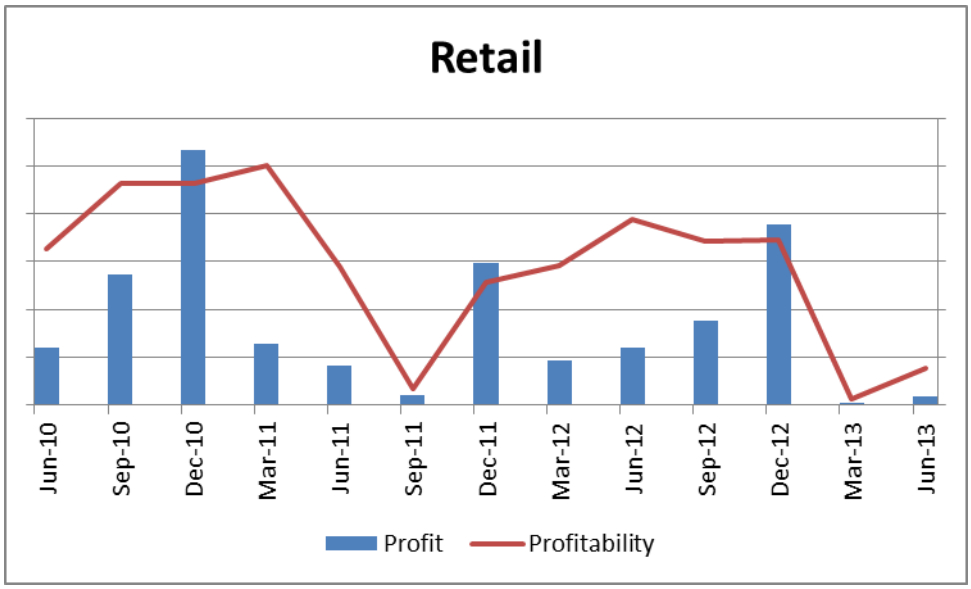
Seasonal prices to the growers of currants seem to also follow the trend of Sunbeam's selling prices. This is consistent with currants being a close processed agricultural good where price changes are usually passed onto the growers through an increase or reduction in seasonal prices. In 2009, seasonal prices increased with the imposition of anti-dumping measures, spiking in 2012 with the supply shortages, before falling back slightly in 2013.

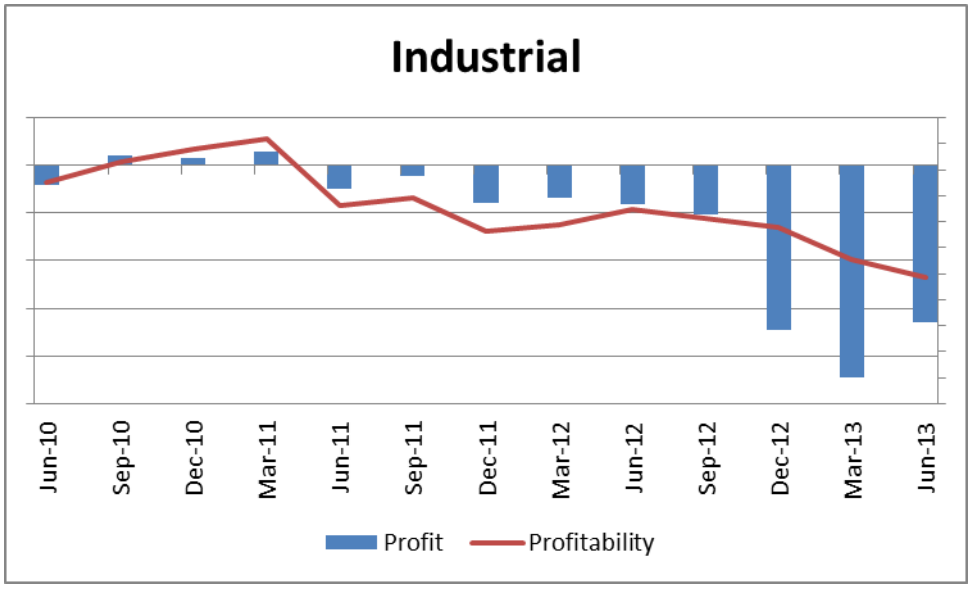
Any deviation in the processor's CTMS from the seasonal price indicates factors other than the cost of raw material driving the overall CTMS. This was evident in 2011 when extra processing costs were incurred. High CTMS continued in 2012, although to a lesser extent, then increased further in 2013, even though seasonal prices decreased, indicating higher unit overhead costs. During the period of high costs, selling prices did not increase at the same rate, and even fell in 2013, resulting in the Australian industry experiencing price suppression notwithstanding anti-dumping measures being in place.

6.5 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 (confidential attachment 5).







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, driven by negative profitability, caused by increasing costs which overtook revenue, and exacerbated by increased sales volumes. These losses in its industrial market segment appear to be the driver of its overall loss making result in 2013.

As discussed in section 6.4.3 above, the high CTMS since 2011, and corresponding poor profitability results, was driven by higher unit overhead costs and processing costs. This may cause Sunbeam to further reduce its seasonal prices to its growers to reduce costs. This result suggests that the Australian industry is susceptible to material injury caused by dumping.

7 WILL DUMPING AND MATERIAL INJURY CONTINUE OR RECUR

7.1 Findings

The Commission is satisfied that:

- currants have been exported to Australia from Greece between 1 July 2012 to 30 June 2013 at dumped prices;
- the dumping is likely to continue; and
- the expiration of measures would likely lead to a continuation of, or a recurrence of, the material injury that the anti-dumping measures were intended to prevent.

7.2 Introduction

In accordance with section 269TZF(2) of the Act, the Commissioner must not recommend that the Minister take steps to secure the continuation of the anti-dumping measures unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the anti-dumping measures are intended to prevent.

7.3 Claims by the Australian industry

The Commission received submissions from Sunbeam[15] and Dried Fruits Australia[16] in relation to the continuation of anti-dumping measures.

Sunbeam made the following points in its submission:

- The 2013 Greek currant crop is forecast to be 20% higher than in 2012 and therefore will increase the availability of Greek processed currants for export in 2013/14.
- The price of Greek currants in 2013 is likely to reduce significantly from approximately EUR 2.35 per kg to an estimated price range of EUR 2.05-2.15 per kg.
- Prior to the imposition of anti-dumping measures, Greek currants were exported to Australia at prices as low as $1.42 per kg, which the original investigation found to be dumped by 30-80%.
- The imposition of anti-dumping measures saw export prices of Greek currants increase to $2.30-2.40 per kg in 2010/11 and $2.70-2.80 per kg in 2011/12.
- Sunbeam recently lost significant supply contracts for the industrial food market segment with the reasons for being unsuccessful being stated as its offer price being uncompetitive to Greek currants.

[15] Public record document 11.
[16] Public record document 13.

- Reductions in the 2012/13 seasonal prices to growers were necessary to compete with imported currants from Greece.
- In the absence of anti-dumping measures, the price of imported Greek currants is likely to fall and the Australian supply of currants decline, leading to further price reductions to growers.

Dried Fruits Australia made the following points in its submission:

- The imposition of anti-dumping measures had a positive impact on Greek export prices with average prices increasing from approximately $1.70 per kg to $2.70 per kg.
- Anti-dumping measures enabled Australian processors to sell at non-depressed levels and raise the purchase price to growers.
- Improved prices to growers have halted the exit of growers from the industry and provide stability in return to the growers.
- Greek production of processed currants has increased in 2013 and forecast to be approximately 20% higher than in 2012.
- There is a carry-over of Greek currants of approximately 2,000 to 3,000 tonnes in inventory from 2012 yet to be sold.
- The carry-over and increased production volumes means that export markets will be a focus for the excess volumes.
- Greek exporters have maintained distribution channels in the Australian market.
- Australia is an attractive market for Greek currant suppliers as Australia is the third largest consumer market for currants.
- Excess production volumes of Greek currants will likely lead to reduced export prices.
- In the absence of anti-dumping measures, it is likely that exports of Greek currants to Australia will increase at declining prices.
- During a recent review, currants from Aeghion, a supplier in Greece, were being exported at dumped prices even with measures in place.
- The main importer of currants in Australia, Frutex, has been selling currants at a loss, which is a price suppressing factor on the Australian industry's selling prices.
- The Australian industry has experienced a return to stable production volumes and prices in 2012/13 and if measures were allowed to expire, it is likely that a recurrence of material injury would be experienced by the Australian industry.

7.4 The Commission's assessment

7.4.1 Will dumping continue or recur?

As highlighted by Dried Fruits Australia, the recent review[17] of anti-dumping measures applying to exports of currants from Greece by Aeghion, the main supplier of currants from Greece, found that currants were being exported at dumped prices.

[17] Case 192.

In addition, the review of anti-dumping measures (REP 220) has found that currants from Greece were being exported to Australia at prices that were dumped by margins of 3.3% to 8.1%.

The Commission has also compared the quarterly trend of Aeghion's variable factors over the review period (1 July 2012 to 30 June 2013) and found that its normal value has been increasing while its export price has been decreasing. This indicates an increasing propensity to export currants at dumped prices.

Therefore, the evidence currently available suggests that, in the absence of anti-dumping measures, it is likely that dumping would continue.

7.4.2 Will material injury continue or recur?

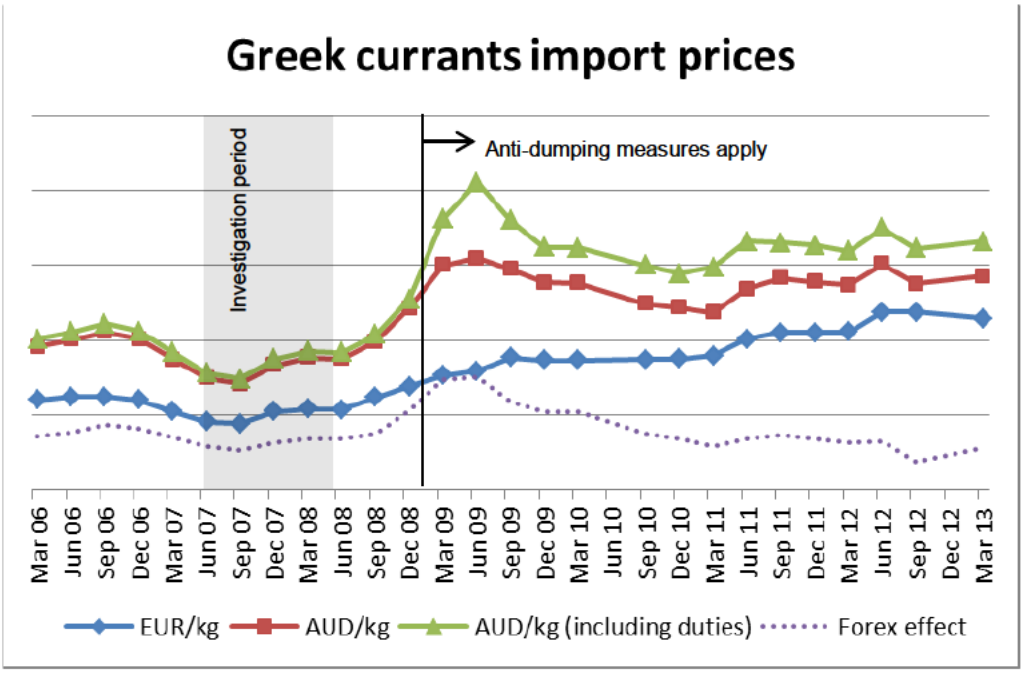
As discussed in section 6.3.3 above, anti-dumping measures applying to currants exported from Greece had a negligible effect on the Australian industry's sales volume and market share. Even with the meteorological challenges facing currant growers dissipating in 2012 and 2013, the Commission does not consider that imported currants have a significant impact on the volume of Australian currants sold, but rather imports supplement the demand for currants in the Australian market unserved by Australian currants and prices adjust accordingly. In addition, it appears that some end-users in certain industries have a preference for Greek currants over Australian currants[18], which indicate that there is a requirement for imported Greek currants in the Australian market.

Export price trend

The main determining factor in assessing whether the continuation of Greek currants being imported at dumped prices will cause material injury to recur if anti-dumping measures were allowed to expire is price, in particular the impact of the Greek currants prices on the Australian industry.

The following graph shows the free-on-board (FOB) export price of currants from Greece as declared in the Australian Customs and Border Protection Service's import database since 2006 (**confidential attachment 7**).

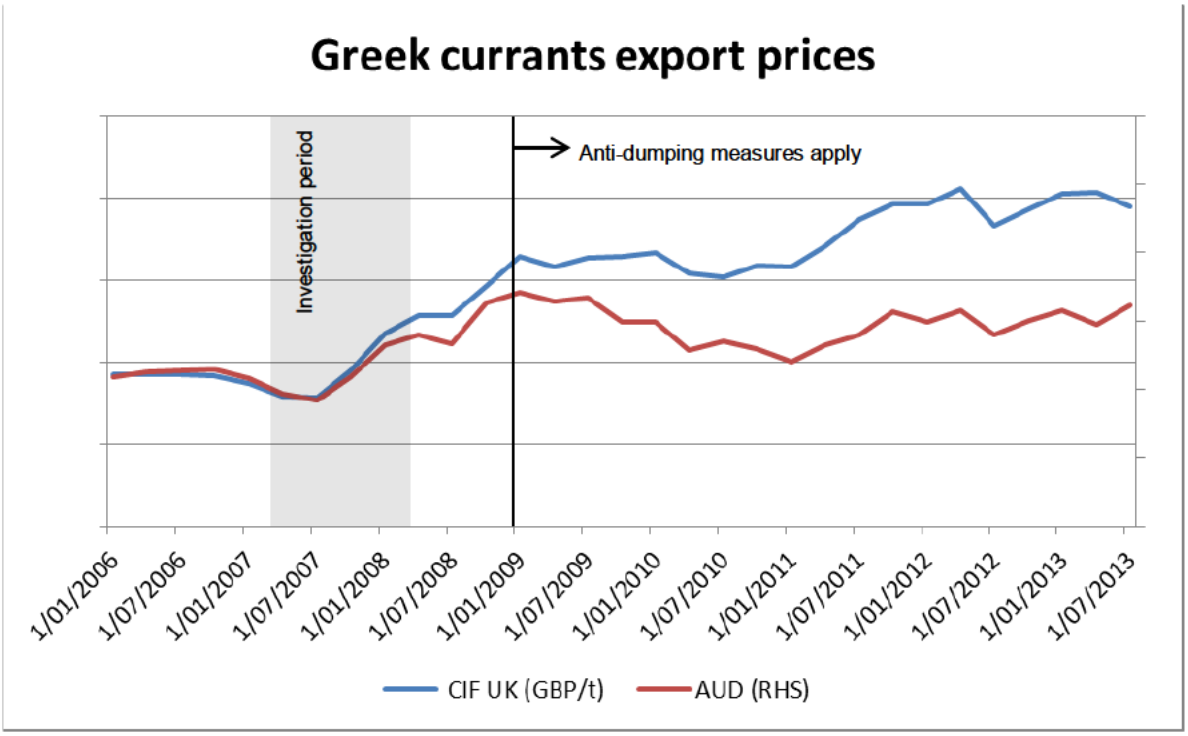
[18] See public record Document 15 – End Users Report



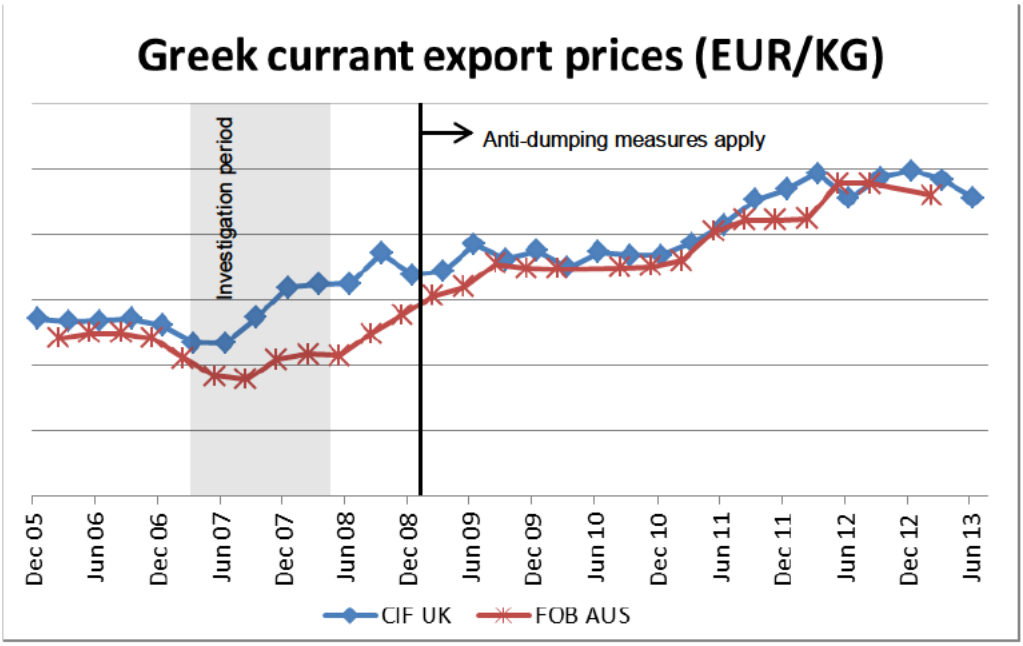
The export price of currants in Euros (EUR) increased steadily since the original investigation period. However, the effect of the depreciating Australian dollar against the Euro resulted in a significant increase in the export price in Australian dollars (AUD) at the time anti-dumping measures were imposed. This foreign exchange effect, demonstrated by the dotted line in the graph above, slowly eased as the Australian dollar appreciated. As a result, although the price of currants in EUR increased between 2009 and 2012, the appreciating Australian dollar outweighed the increase with export prices in AUD in 2012 at similar levels as in 2009.

The trend in the export price of Greek currants exported to Australia is similar to the regional price of Greek currants as demonstrated by the following graph (confidential attachment 7) that plots the Greek currants cost, insurance and freight (CIF) price to the UK[19] since 2006 and the same price converted to AUD.

[19] Sourced from agra-net.com.



The correlation between the regional Greek currant prices and the export price to Australia is particularly evident in the graph below, which plots the two prices together in EUR (confidential attachment 7). Apart from the divergence in prices in 2007 & 2008, the price of Greek currants exported to Australia tracked the regional Greek currant prices.

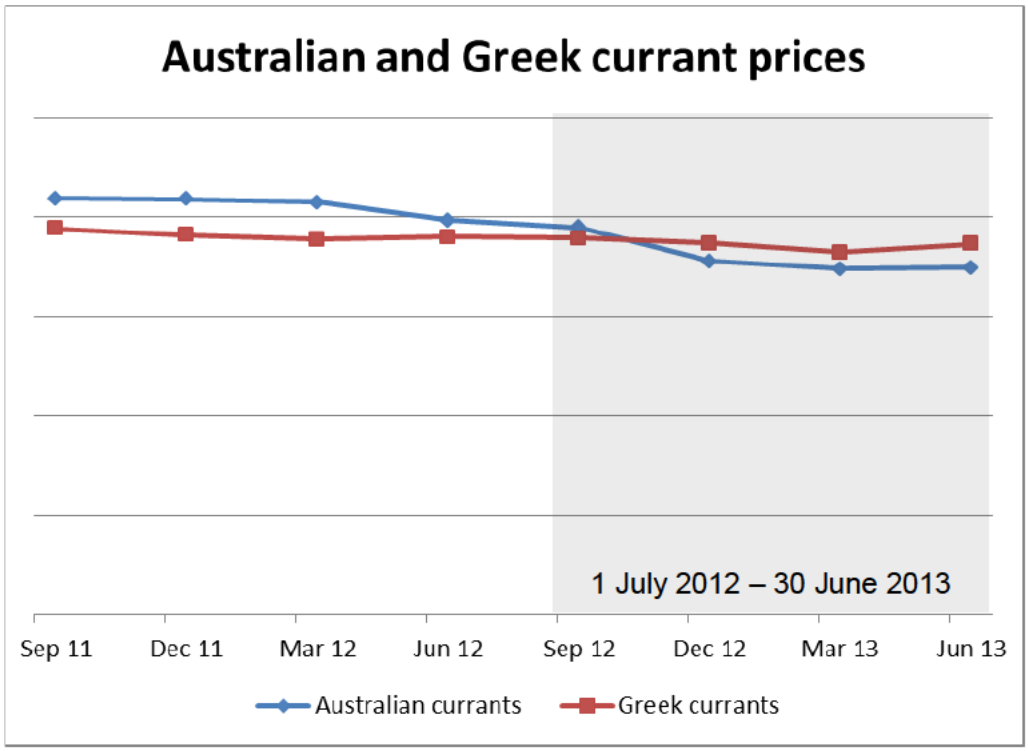


It is noteworthy that the regional price of Greek currants has started to fall in 2013, which is in line with the forecasted price reduction of Greek currants reported in the Public Ledger article that prices are forecast to fall to between EUR2.05 to

EUR2.15[20]. Therefore, it is likely that the export price of Greek currants exported to Australia would also fall to similar levels.

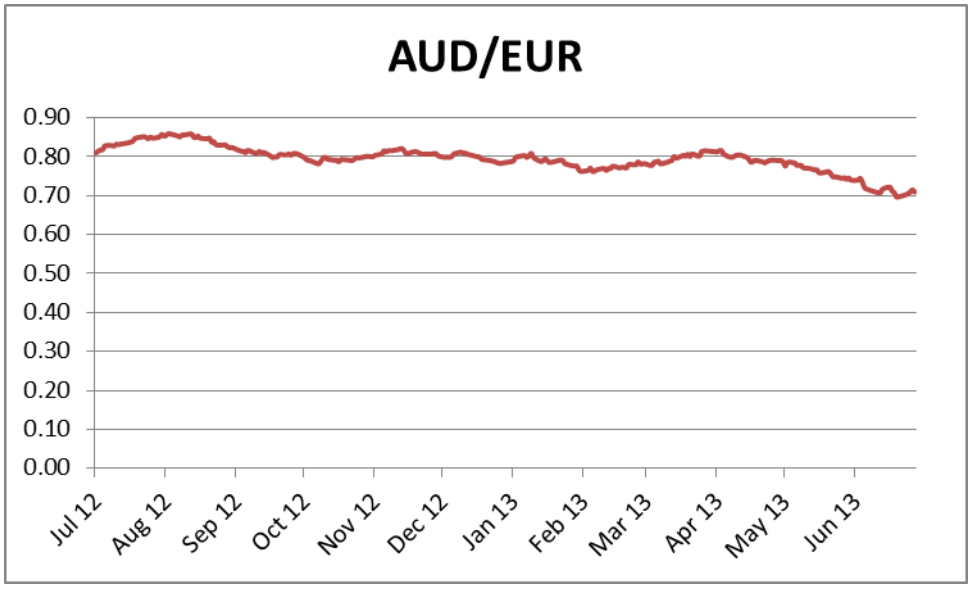
Effect on Australian currant prices

A comparison of the selling price of Greek and Australian currants during the period 1 July 2012 – 30 June 2013 found that the price of Greek currants was higher than the Australian currants by approximately 4%. Discussions with end users indicate that this price difference has increased to approximately 10% at the end of 2013[21] as the price of the Australian currants continue to fall while the depreciating Australian dollar offset any reduction in the price of Greek currants. This result is demonstrated in the graph below which shows the price of the Australian currants and Greek currants into the industrial food market segment at free-into-store prices (confidential attachment 7).



While the price of the Australian currants reduced in the period 1 July 2012 – 30 June 2013, the price of Greek currants remained relatively stable in 2013 as the Australian dollar depreciated from a peak of AUD/EUR 0.86 in 2012 to AUD/EUR 0.70 in 2013, as shown in the graph below (confidential attachment 7).

[20] Public record document 18.
[21] Public record document 15 refers.

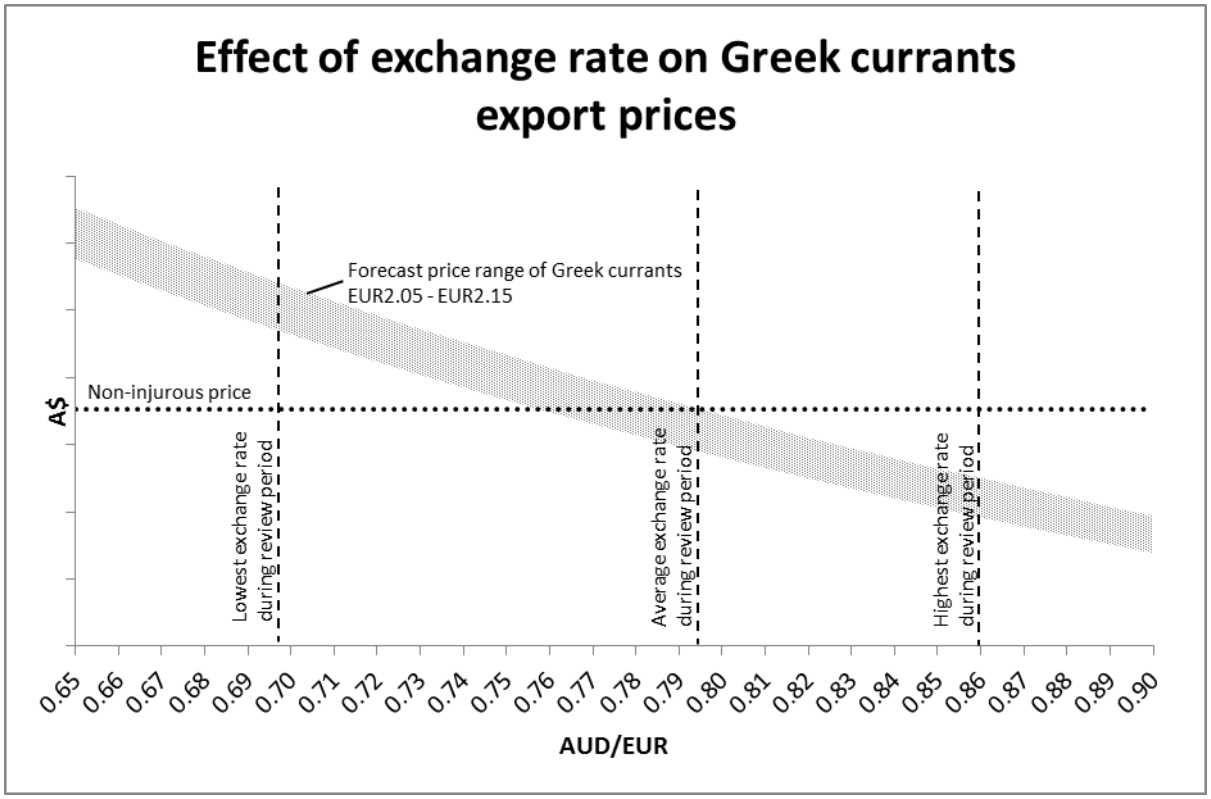


The price points of the Greek and Australian currants in the period 1 July 2012 – 30 June 2013 are such that imported currants were uncompetitive against the Australian currants. The fall in the price of Australian currants in 2013 was primarily due to good growing conditions resulting in higher yields and production volumes. Only when price differences between Greek and Australian currants narrow will the imported currants have a material impact on the price of Australian currants, which was the case during the original investigation period[22].

In determining whether imported Greek currants will cause material injury to the Australian industry if anti-dumping measures were allowed to expire, it is appropriate to compare the non-injurious price (see section 6.5 of REP 220) to the forecasted price of Greek currants to determine the likelihood that the forecasted price will injure the Australian industry. However, as discussed above, fluctuations in the Australian dollar have had a significant influence on the injurious effect of the Greek currants to the Australian industry.

The graph below maps the forecasted Greek currant price (EUR2.05-2.15) in AUD against a range of exchange rates (confidential attachment 7). At the time of drafting this report, the exchange rate is approximately AUD/EUR 0.70 which puts the forecasted Greek currant price above the non-injurious price. This exchange rate is in the lower range that prevailed during the period 1 July 2012 – 30 June 2013. Should the exchange rate appreciate to that period's average exchange rate of approximately AUD/EUR 0.7950, this would put the forecasted Greek currant price below the non-injurious price.

[22] REP 140, section 9.2.2.



While the Commission cannot predict the future direction of the Australia dollar, the best indication available is the recent performance of the Australian dollar. At the average exchange rate the prevailed during the period 1 July 2012 – 30 June 2013, it is likely that the imported Greek currants will cause material injury to the Australian industry to recur.

Therefore, the Commission is satisfied that in the absence of anti-dumping measures, the export of currants to Australia from Greece would likely lead to a recurrence of material injury to the Australian industry.

7.5 Submissions in response to the SEF

The Commission received submissions from Dried Fruits Australia [23] and Sunbeam[24] in response to the SEF.

Both Dried Fruits Australia and Sunbeam supports the Commission's findings that in the absence of anti-dumping measures, Greek currants would continue to be exported at dumped prices and the Australia industry would experience material injury.

[23] Public record document 23.
[24] Public record document 24.

8 RECOMMENDATIONS

The Commissioner must not recommend that the Minister take steps to secure the continuation of the anti-dumping measures unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the anti-dumping measure is intended to prevent.

The Commission is satisfied that the expiration of the measures against Greece would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the anti-dumping measure is intended to prevent.

Consequently, the Commission recommends that the Minister that he declare that he will take steps to continue the anti-dumping measures that relate to currants exported to Australia from Greece, and determines that the measures remain in force for a further five years past the date of 14 January 2014, unless earlier revoked.

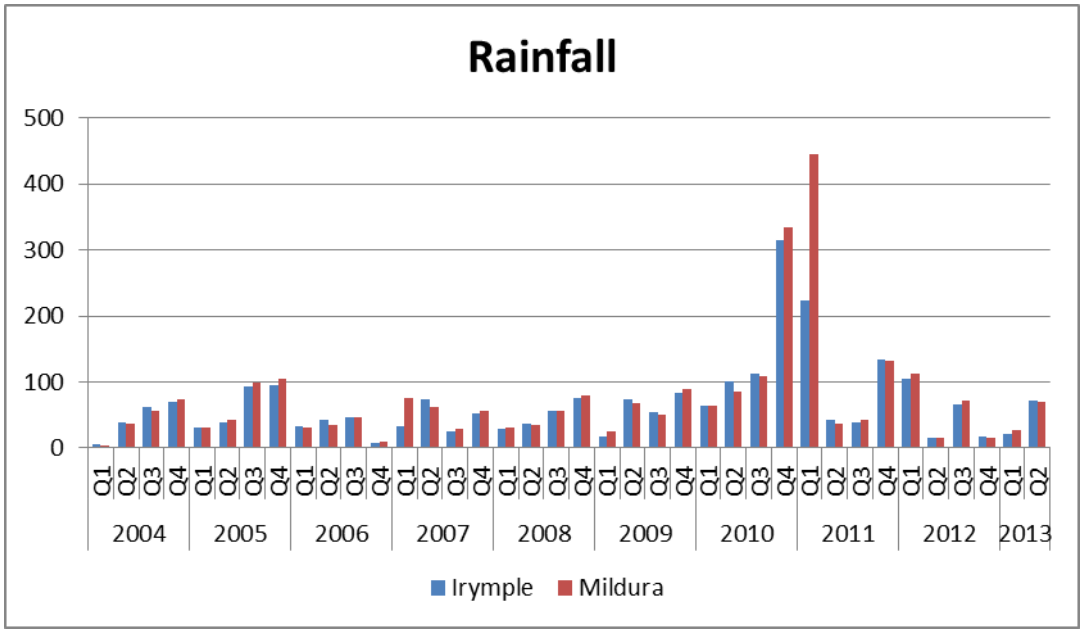
9 ATTACHMENTS

Appendix 1	Section 269ZHG(1) and (4) notice
Confidential Attachment 1	Market volume, import volume and market share data
Attachment 2	Rainfall data
Confidential Attachment 3	Unprocessed currants production data
Confidential Attachment 4	Sunbeam sales data
Confidential Attachment 5	Sunbeam price suppression, profit and profitability data
Confidential Attachment 6	Seasonal price data
Confidential Attachment 7	Export price trends and comparisons

Attachment 2

Year	Qtr	Irymple	Mildura
2004	Q1	5.8	4.4
	Q2	38	37.8
	Q3	61.2	56.8
	Q4	69	74.2
2005	Q1	30.4	30.6
	Q2	38.4	42
	Q3	93.4	100
	Q4	95.6	105.2
2006	Q1	33.2	30.4
	Q2	42	35.6
	Q3	47.4	46.6
	Q4	8.2	10.6
2007	Q1	33.6	75.4
	Q2	73	62.4
	Q3	25.4	28.2
	Q4	51.8	56.8
2008	Q1	30	30.8
	Q2	37	35
	Q3	57.2	55.8
	Q4	75.2	80.4
2009	Q1	17.4	24.8
	Q2	73.6	68.2
	Q3	53.6	50.4
	Q4	83.8	89.6
2010	Q1	64	64
	Q2	100.2	84.6
	Q3	111.8	109.2
	Q4	315.4	333.4
2011	Q1	223.6	444
	Q2	42.2	37.4
	Q3	39.8	43.2
	Q4	134	132.8
2012	Q1	105.2	113.4
	Q2	14.6	14.6
	Q3	66.2	71.6
	Q4	17.2	15
2013	Q1	21.6	26.6
	Q2	72	70.2

Source: Bureau of Meteorology


Rainfall
500
400
300
200
100
0
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2
2004 2005 2006 2007 2008 2009 2010 2011 2012 2013
Irymple
Mildura