



Australian Government
Anti-Dumping Commission

NON-CONFIDENTIAL

Exporter Questionnaire



Product:	Prepared or preserved tomatoes
From:	Italy
Period of Investigation:	1 July 2012 to 30 June 2013
Response due by:	19 August 2013
	Extended to 2 October 2013
Investigation case manager:	Mr Tom O'Connor
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Anti-Dumping Commission website:	www.adcommission.gov.au
Return completed questionnaire to:	Anti-Dumping Commission Customs House 5 Constitution Avenue Canberra ACT 2601 AUSTRALIA Attention: Director Operations 1

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PART 1 – PRELIMINARY INFORMATION REQUEST

1. What is the legal name of your company?

Feger di Gerardo Ferraioli S.p.A ("Feger")

2. Please nominate a person within your company who can be contacted for the purposes of this investigation:

Name:	Maurizio Ferraioli
Position in the company:	Managing Director
Address:	Via Nazionale 236 – Angri (SA)
Telephone:	+ 39 33 5624 9722
Facsimile number:	+ 39 081 948529
E-mail address of contact person:	maurizio.ferraioli@feger.it

3. Address where financial and accounting records of the company are held:

Address:	Via Nazionale 236 – Angri (SA)
Telephone:	0039 081 5139 211
Facsimile number:	+ 39 081 948529

4. Did your company supply, either as a manufacturer, distributor, trading company or other enterprise, prepared or preserved tomatoes to Australia during the investigation period (1 June 2012 to 30 June 2013)?

- ☒ Yes → please proceed to question 5.
- ☐ No → you do not need to complete this form. Please sign the Declaration at Part B and return the form to Customs and Border Protection

5. Please identify the type of prepared or preserved tomatoes that you supplied to Australia.

- ☒ Generic label (Black & Gold, etc)

- ☒ House brand / private label for retailer (eg. Woolworths 'Homebrand', Woolworths 'Select', Coles 'Smart Buy', Aldi's 'Remano', etc)

- ☒ Proprietary label (eg Annalisa, Val Verde, Leggos, Edgell)

☐ Other

--

6. Is your company a manufacturer of prepared or preserved tomatoes?

☒ Yes → please proceed to Question 8

☐ No → please answer Questions 7 only, then proceed to the Declaration.

7. Describe the nature of your business:

☐ Distributor

☐ Trading Company

☐ Other enterprise → Please specify:

Provide the names and contact details of the manufacturer of the prepared or preserved tomato products you supplied to Australia during the investigation period:

Supplier name	Address, contact name and phone

8. Is your company's manufacturing/processing facility also at the address provided at Question 3?

☒ Yes → please proceed to question 9.

☐ No → please provide the factory's address:

Address:	
Telephone:	
Facsimile number:	

9. Does your company export prepared or preserved tomatoes to Australia using a trader/sales intermediary?

☐ No → please proceed to question 10.

☒ Yes → please provide details of the company/companies.

Trader/intermediary name	Contact name and phone number	Address
[CONFIDENTIAL TEXT DELETED –name of customer]	CONFIDENTIAL TEXT DELETED –customer contact name]	CONFIDENTIAL TEXT DELETED –address of customer]

Please note that it is not Feger that “uses” this company. The trader/intermediary identified in the answer to this question is used by an Australian party.

10. Does your business sell prepared or preserved tomatoes domestically (within Italy)?

☒ Yes

☐ No

11. Is your company a vertically integrated producer (ie a common owner that controls subsidiaries that also grow and produce tomatoes)

☒ No

☐ Yes → Please provide details of the company/companies and complete "Section G-4: Cost to make and sell on the domestic market" of the exporter questionnaire for the subsidiary company that grows and produces tomatoes:

Company name	Contact name and phone number	Address

12. Please indicate the costing method used by your company to allocate joint costs to joint products and by-products produced from the common input (fresh tomatoes).

☒ Physical quantities / volume method

☐ Sales value / net realisable method

☐ Other method → Please specify:

13. Please complete the following table relating to your purchases of fresh tomatoes and or semi processed tomatoes during the investigation period:

		Volume (tonnes)
Export sales of prepared or preserved tomatoes to Australia		
	Locally purchased tomatoes (Italy)	CONFIDENTIAL TEXT DELETED – number]
	Imported tomatoes (list countries separately below	
Domestic sales of prepared or preserved tomatoes in Italy		

	Locally purchased tomatoes (Italy)	CONFIDENTIAL TEXT DELETED – number]
	Imported tomatoes (list countries separately below	

PART 2 – SPECIFIC EXPORTER INFORMATION

SECTION A COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head Office:

Name:	Maurizio Ferraioli
Position in the company:	Managing director
Address:	Via Nazionale 236 Angri (SA) 84012 Italy
Telephone:	+ 39 081 5139211
Facsimile number:	+ 39 081 948529
E-mail address of contact person:	maurizio.ferraioli@feger.it

Factory:

Address:	Via Nazionale 236 Angri (SA) 84012 Italy
Telephone:	+ 39 081 5139211
Facsimile number:	+ 39 081 948529
E-mail address of contact person:	maurizio.ferraioli@feger.it

A-2 Representative of the company for the purpose of investigation

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name:	Daniel Moulis – Principal, Moulis Legal
Address:	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport Australian Capital Territory Australia 2609
Telephone:	+ 61 2 6163 1000

Facsimile number:	+ 61 2 6162 0606
E-mail address:	daniel.moulis@moulislegal.com
<p>Moulis Legal is representing Feger in collaboration with Feger's European legal representatives, Van Bael & Bellis. The contact person at Van Bael & Bellis is Fabrizio Di Gianni, Partner.</p> <p>All communications in relation to this matter should be directed to Moulis Legal in the first instance.</p>	

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

A-3 Company information

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

The legal name of the business is Feger di Gerardo Ferraioli SpA ("Feger").

Feger is a company limited by shares.

The bulk of sales in Italy and in foreign markets are made as OEM. All of the sales to Australia were OEM. Small proportions of Feger's sales are made under business names owned by Feger. These business names include "Don Gerardo" (domestic) and "Fege" and "La Preziosa" (export).

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

The principal shareholders CONFIDENTIAL TEXT DELETED –shareholder information]

3. If your company is a subsidiary of another company, list the principal shareholders of that company.

No, Feger is not a subsidiary of another company.

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

Not applicable, in that Feger is not a subsidiary of another company.

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

Not applicable, as there are no such companies.

6. Are any management fees/corporate allocations charged to your company by your parent or related company?

Not applicable

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

Feger is a production and sales company.

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

Feger performs all of these functions.

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

Please refer to Annex 1 – Feger company organization chart [CONFIDENTIAL].

10. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

There are no such brochures or pamphlets published by Feger.

A-4 General accounting/administration information

1. Indicate your accounting period.

Calendar year

2. Indicate the address where the company's financial records are held.

Via Nazionale, 236 – 84012 Angri (SA) 84102 Italy

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:
- chart of accounts;
 - audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
 - internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration, and
- the company.

Please refer to Annex 2 – Feger financial accounts (2011 and 2012) [CONFIDENTIAL].

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Please refer to Annex 2 - Feger financial accounts (2011 and 2012) [CONFIDENTIAL].

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

No

6. Describe:

The significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);

Weighted average cost method

- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

The method used is an allocation based on direct labour hours.

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

Damaged or non-compliant goods are valued at the end of the financial year according to their preservation status. In general they are valued with a depreciation of 50%.

- valuation methods for scrap, by products, or joint products;

The value of no longer marketable goods is brought to zero.

- valuation and revaluation methods for fixed assets;

The pricing method of tangible fixed assets is realized according to the historical cost. Such values are subject to revaluations, in conformity with applicable law.

- average useful life for each class of production equipment and depreciation method and rate used for each;

The useful life and the depreciation rate of the assets changes according to the

category:

- land and buildings - 3%
- specific facilities and machineries - 7.5%
- generic facilities and machineries - 14%
- furniture - 12%
- electric machines - 20%
- motor cars - 25%
- trucks - 20%
- concessions and brands - 20%
- telephone central office - 20%
- mobile phones - 20%

- treatment of foreign exchange gains and losses arising from transactions;

Values expressed in foreign currency, except for those related to tangible fixed assets, are inscribed in the exchange rate at the closing date of financial year, and the relative profits and losses are accounted for under section 17 of the balance sheet under the heading "Profits and losses on exchange".

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

Values expressed in foreign currency, except for those related to tangible fixed assets, are inscribed in the exchange rate at the closing date of financial year, and the relative profits and losses are accounted for under section 17 of the balance sheet under the heading "Profits and losses on exchange".

- inclusion of general expenses and/or interest;

They are provided to properly cover the expenses and interests that can be defined according to the nature, certainty and probability of the event, but not identifiable according to the amount and date of occurrence.

- provisions for bad or doubtful debts;

The credits of operating assets are inscribed according to the presumable realization value through the creation of provisions for doubtful debts, determined based on the losses for bad debts which are reasonably predictable.

- expenses for idle equipment and/or plant shut-downs;

Not applicable to the POI.

- costs of plant closure;

Not applicable to the POI.

- restructuring costs;

Not applicable to the POI.

- by-products and scrap materials resulting from your company's production process; and

Not applicable to the POI.

- effects of inflation on financial statement information.

Not applicable to the POI.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

The accounting system is realized in conformity with the Articles of the Civil Code. The evaluation criteria have not changed since the last financial year.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration (*'goods under consideration'* (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	Most recent completed financial year (2012)		Investigation period (1 July 2012 – 30 June 2013)	
	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct Labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				

SG&A expenses (14)=(11+12=13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on a spread sheet named "**Income statement**".

Please refer to Annex 3 – Feger income statement [CONFIDENTIAL].

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

	Most recent completed financial year (specify)		Investigation period (1 July 2012 – 30 June 2013)	
	Volume	Value	Volume	Value
Total company turnover (all products)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial				

statements are prepared, which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spread sheet named "TURNOVER".

Please refer to Annex 4 – Feger turnover [CONFIDENTIAL].

This information will be used to verify the cost allocations to the goods under consideration in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

SECTION B

SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but the Commission may also compare prices at the ex factory level.

*You should report prices of **all** goods under consideration (the goods) **shipped** to Australia during the investigation period.*

The invoice date will normally be taken to be the date of sale. If you consider:

the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;

*an alternative date should be used when comparing export and domestic prices you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

name;

address;

contact name and phone/fax number where known; and

trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

Please refer to Annex 5- Feger Australian customer list [CONFIDENTIAL].

B-2 For each customer identified in B1 please provide the following information.

The Australian market for OEM product is concentrated and practically dominated by two retailers: Woolworths and Coles.

These two retailers market processed tomatoes as "private labels" (also known as "home brand"). The private labels used are brands directly owned and managed by the two retailers. These brands include [CONFIDENTIAL TEXT DELETED –information about brands]

Each year Coles and Woolworths conduct tenders which are directed at obtaining supply offers from Italian processors.

[CONFIDENTIAL TEXT DELETED –sales negotiation process]

Once a supplier is awarded a contract, it will produce the processed tomatoes as ordered and make them available for export to Australia. [CONFIDENTIAL TEXT DELETED –sales activities]

Italian suppliers are keen to service the Woolworths/Coles requirements because the order sizes are very large. It is much less expensive to service their requirements, due to the scale benefits of the large orders placed. This streamlines production and

selling activities over much larger volumes, which reduces costs significantly on a per unit basis.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

The goods are sent by Feger to the companies [CONFIDENTIAL TEXT DELETED – names of service provider companies].

They take care of labelling and loading the goods in containers for further shipping to Australia. This takes place under a service contract with Feger.

- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

Feger sells to the customers referred to in the Australian customer list.

[CONFIDENTIAL TEXT DELETED – names of service provider companies] take care of the activities referred to in B-2(a) above.

[CONFIDENTIAL TEXT DELETED –information about commissions]

- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

Under the Incoterm [CONFIDENTIAL TEXT DELETED –trading terms]

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

Not applicable, in that Feger does not have any such contracts.

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

Feger does not issue price lists. Each year Feger participates in customer tender processes in which the customer describes its technical requirements and in response to which Feger will offer its competitive prices.

[CONFIDENTIAL TEXT DELETED –sales and ordering procedures]

After labelling Feger loads the goods into the containers and the containers are delivered to the port. Invoices are issued the same day as the loading date of the goods into the containers.

Feger receives the B/L from the shipping company as a certificate of receipt of the goods. Feger then receives the payment in accordance with the contract and invoice terms. [CONFIDENTIAL TEXT DELETED –payment information]

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

Feger is not related to any of its Australian customers.

- (g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

Please refer to Annex 6 – Feger forward orders [CONFIDENTIAL].

- B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Feger has only two distribution channels to the Australian customers.

[CONFIDENTIAL TEXT DELETED –sales route information] Feger’s customers in these two channels are evidently at different levels.

[CONFIDENTIAL TEXT DELETED –price behaviour] Feger can enjoy cost benefits on production, planning, labelling, shipping and accounts and payments activities based on these factors.

Customers such as [CONFIDENTIAL TEXT DELETED –names of customers] require off-take volumes and have ordering and shipping procedures which reduce cost on a per unit basis. Feger takes these cost-saving considerations into account when making its price offers.

- B-4** Prepare a spread sheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.

Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other	expenses for after sale services, such as technical assistance or installation costs.

services*	
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

** FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spread sheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

* All of these costs are further explained in section E-1.

Please refer to Annex 7 – Feger Australian sales [CONFIDENTIAL].

- B-5** If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see “other factors” in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

Not applicable, in that there are no other costs, charges or expenses.

- B-6** For each type of discount, rebate, allowance offered on export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

[CONFIDENTIAL TEXT DELETED –information about discounts]

- B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by

transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

[CONFIDENTIAL TEXT DELETED –information about credit notes]

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spread sheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

[CONFIDENTIAL TEXT DELETED –trading terms]

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

The Commission will select additional shipments for payment verification at the time of the visit.

Please refer to Annex 8 – Feger domestic sale documentation (first and second set) [CONFIDENTIAL].

SECTION C

EXPORTED GOODS & LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

Feger only exported]CONFIDENTIAL TEXT DELETED –information about exported goods]

- C-2** List each type of goods exported to Australia (these types should cover all types listed in spread sheet “**Australian sales**” – see section B of this questionnaire).

The types of goods exported to Australia by Feger within the POI were as follows:
[CONFIDENTIAL TEXT DELETED –information about exported goods]

- C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically;

The comparable goods sold on the domestic market to those exported to Australia by Feger within the POI were as follows:

[CONFIDENTIAL TEXT DELETED –information about exported goods]

In order to ensure a fair comparison of prices of the product under investigation sold by Feger on the Australian and on domestic market during the investigation period, the following methodology was followed.

[CONFIDENTIAL TEXT DELETED –internal product coding]

Field description	Field format	Explanation
[CONFIDENTIAL TEXT DELETED –internal product coding]		

Example of a product code used by Feger:

[CONFIDENTIAL TEXT DELETED –internal product coding] = Standard chopped tomato (pulp) in 400gr can manufactured by Feger

[CONFIDENTIAL TEXT DELETED –internal product coding]

Bearing the above in mind, in order to ensure, on the one hand, a reasonable matching between products exported and products sold in the domestic market and, on the other hand, a fair comparison between these products, [CONFIDENTIAL TEXT DELETED –internal product coding]



Feger’s product control type (PCT) identifies only those physical characteristics of the goods under consideration which are relevant for the purpose of a fair comparison, according to the following coding rules:

Field descriptive	Field format	Example and explanation
[CONFIDENTIAL TEXT DELETED –internal product coding]		
[CONFIDENTIAL TEXT DELETED –internal product coding]		

- and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

Whole and chopped tomato [CONFIDENTIAL TEXT DELETED –information about products] sold to Australia and on the domestic market in Italy are identical.
The difference between chopped tomato and chopped tomato [CONFIDENTIAL TEXT DELETED –information about products]

C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Whole plum tomato 400gr	Chopped tomato 400gr
	

SECTION D

DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

*All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.*

The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –

*you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

Feger sells in Italy mainly to retailers using their own “private label” brand.

The Italian market is not dominated by two major retailers as is the case in the Australian market. There are many independent retailers in the Italian market. The “private label” concept is not a dominant marketing form as it is in countries such as Australia and the UK.

The main differences between Italian and Australian retailers are as follows:

- (a) **In Australia the two retailers Woolworths and Coles have a dominant and consistent market share in the retail food business. In Italy there are many retailer companies competing in the market. The retailer food business is fragmented between many competitors.**
- (b) **In Italy “private labels”, i.e. brands owned directly by retailers, are still not dominant in the market. To the contrary, huge volume “private labels” such as**

“Home Brand”, “Woolworths Select” and “Coles” have a consistent and dominant market share in the Australian retail food market.

(c) [CONFIDENTIAL TEXT DELETED –domestic market information]

Thus, one can see the considerable differences in the markets. The market participants have different bargaining positions. [CONFIDENTIAL TEXT DELETED – domestic market information]

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

No.

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

If sales are in accordance with price lists, provide copies of the price lists.

Feger’s selling prices to customer includes all costs originating from:
[CONFIDENTIAL TEXT DELETED –Feger sales activities and costs]
Selling price includes shipping costs.

D-4 Prepare a spread sheet named **“domestic sales”** listing **all** sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Column heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/ grade/ type	commercial model/grade or type of the goods
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material

	terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation costs*	amount of inland transportation costs included in the selling price.
Handling, loading and ancillary Expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question

	D5.
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Costs marked with * are explained in section E-2.

Please refer to Annex 9 – Feger domestic sales [CONFIDENTIAL].

D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

The discounts, rebates and concessions on Feger’s domestic sales include the following:

[CONFIDENTIAL TEXT DELETED –information about discounts]

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

The Commission will select additional sales for verification at the time of our visit.

Please refer to Annex 10 – Feger domestic sale documentation - first and second set [CONFIDENTIAL], in which the following documentation is provided:

[CONFIDENTIAL TEXT DELETED –sales information]

SECTION E

FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question B-4, 'Australian sales')

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Inland transportation cost is the cost the seller bears for the movement of the stock from ex-factory to the port.

Feger can contract with domestic freight companies to provide this service, or may contract this responsibility to the buyer's shipping companies, or to the Italian freight forwarders with whom it has a historical business relationship. This decision is linked to the Incoterm used.

[CONFIDENTIAL TEXT DELETED –Feger commercial behaviour]

We can identify the inland transport cost as container positioning. These costs are listed in Col AF in Annex 7 – Feger Australian sales [CONFIDENTIAL].

2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified (“**Handling, loading & ancillary expenses**”). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

Feger offers different prices according to the Incoterms used. Generally Feger's sales are made on one or other of the following Incoterms:

[CONFIDENTIAL TEXT DELETED –trading terms]

The types of charges are these:

- container positioning;
- customs clearance;
- Terminal Handling Charge (THC);
- Bill of Lading document fee;
- International Ship and Port Facility Security Code (ISPS Code) fee;
- ocean freight - this cost includes freight from one port to another one, and can also include some other costs like Aden, Suez, BAF (Bunker Adjustment Factor) and CAF (Currency Adjustment Factor);
- extra costs and compensations – such as change from shipping company to shipping company.

So far as possible, Feger obtains advance quotations of charges likely to be incurred as part of its tendering procedures. The handling costs are listed in Col AJ in Annex 7 – Feger Australian sales [CONFIDENTIAL].

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

Sales to Australia are typically made on [CONFIDENTIAL TEXT DELETED –sales terms] terms. These costs are listed in Col AO in Annex 7 – Feger Australian sales [CONFIDENTIAL].

4. Packing costs

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed 'Packing'.

Goods exported to Australia are packed in ocean containers that are full loaded unpallettized. No extra materials are used. These costs are listed in Col AI in Annex 7 – Feger Australian sales [CONFIDENTIAL].

5. Commissions

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED –information about commissions]

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED –information about warranties, etc]

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

Not applicable, in that Feger is not aware of any additional costs incurred in relation to its exports.

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Feger is not aware of any such sustained movement during the POI.

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, “**domestic sales**”)

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

Four of the product lines sold to Australia are also sold on the domestic market in like specification. [CONFIDENTIAL TEXT DELETED –Feger product information]

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne

by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or

- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”*

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

[CONFIDENTIAL TEXT DELETED –information about duty drawbacks]

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor,

regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

The Italian market is not dominated by two major retailers as is the case in the Australian market. There are many independent retailers in the Italian market. The "private label" concept is not a dominant marketing form as it is in countries such as Australia and the UK.

The main differences between Italian and Australian retailers are as follows:

- (a) **In Australia the two retailers Woolworths and Coles have a dominant and consistent market share in the retail food business. In Italy there are many retailer companies competing in the market. The retailer food business is fragmented between many competitors.**

(b) In Italy “private labels”, i.e. brands owned directly by retailers, are still not dominant in the market. To the contrary, huge volume “private labels” such as “Home Brand”, “Woolworths Select” and “Coles” have a consistent and dominant market share in the Australian retail food market.

[CONFIDENTIAL TEXT DELETED –domestic market information]

None of these logistic, customer service and quality assurance activities are required in the case of Feger’s sales in Australia.

[CONFIDENTIAL TEXT DELETED –customer information]

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowings by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system¹, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

- accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

2. *Calculate the average credit period*

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

Domestic sales were typically made on [CONFIDENTIAL TEXT DELETED –sales terms]. These costs are listed in Col AO in Annex 9 – Feger domestic sales [CONFIDENTIAL].

The following items are identified in the amounts quantified at question D-4:

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Transport related to domestic sales was calculated dividing the general accounting item “Transport Finished Products” by the total kilograms carried on the domestic market and compared with every single sale under investigation. Transport costs related to the foreign market were excluded. These costs are listed in Col AG in Annex 9 – Feger domestic sales [CONFIDENTIAL].

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

Handling costs related to domestic sales have been calculated assigning the general accounting item “Haulage and Manual Labour” to every single domestic customer. Every resulting expense was divided by the total handled kilograms for each customer on the domestic market and confronted with every single sale under investigation. Handling costs related to the foreign market were excluded. These costs are listed in Columns AH and AI in Annex 9 – Feger domestic sales [CONFIDENTIAL].

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

For domestic sales, substantial differences exists for packaging and associated costs.

For every customer, different materials are used according to their requests:

[CONFIDENTIAL TEXT DELETED –Feger sales activities]

These costs are listed in Col AF in Annex 9 – Feger domestic sales [CONFIDENTIAL].

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED –information about commissions] These costs are listed in Col AK in Annex 9 – Feger domestic sales [CONFIDENTIAL].

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED –information about warranties, etc]

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

In addition to the above commercial costs, Feger also bears the following specific commercial domestic selling costs such as:

[CONFIDENTIAL TEXT DELETED –information about Feger selling activities and costs]

Feger reserves the right to quantify these costs to the best of its ability and to present the evidence to the Commission for adjustment purposes.

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

No duplication has been identified.
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SECTION F

EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Supply this information in spread sheet file named "Third country"

Please refer to Annex 11 – Feger third country sales [CONFIDENTIAL].

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

There are a multitude of differences that can affect the comparison of sales to third countries to Australian sales.

SECTION G

COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- testing the profitability of sales of like goods on the domestic market;*
- determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and*
- making certain adjustments to the normal value.*

You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and*
- provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)*

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

G-1. Production process and capacity

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

Please refer to Annex 12 – Feger production process [CONFIDENTIAL].

G-2. Provide information about your company's total production in the following table:

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Investigation Period
A – Production capacity			

(eg kg, tonnes)*			
B – Actual production in volume (eg kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spread sheet named "**Production**".

Please refer to Annex 13- Feger production [CONFIDENTIAL].

G-3. Cost accounting practices

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

Feger has a non-automatic control management system consisting in cross-checking the costs with reference to the accounting charts of the financial statement.

2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

Costs are valued according to actual consumption.

3. Provide details of any significant or unusual cost variances that occurred during the investigation period.

Not applicable, in that Feger is not aware of any such variances.

4. Describe the profit/cost centres in your company's cost accounting system.

Feger's cost centers are essentially defined in relation to the business lines concerned [CONFIDENTIAL TEXT DELETED –Feger product information].

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

The method used to allocate costs to product lines is according to direct labor hours spent for each line.

6. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

Costs related to raw materials are registered on the production statements on an actual basis.

- 7 List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

Not applicable, in that there are no such differences.

- 8 State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

Not applicable, in that Feger did not engage in such operations.

- 9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

Not applicable, in that Feger did not engage in such operations.

G-4 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.²

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Please refer to Annex 14 – Feger domestic and Australian CTMS [CONFIDENTIAL].

2. If your company is a vertically integrated producer (ie. a common owner that also controls subsidiaries that grow and produce tomatoes), please also provide the actual unit cost to make and sell (in the format shown in the table below) for fresh tomatoes used in the production of prepared and preserved tomatoes sold on the domestic market in Italy.

Not applicable, in that Feger is not vertically integrated in this way.

3. Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

² The Commission applies the tests set out in s.269TAA of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1.

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spread sheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spread sheet named "**Domestic CTMS**".

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods under consideration** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

Fixed costs include all items related to the structure (wages, bank charges, general expenses, etc.). They have been calculated with respect to turnover:

- **variable costs - [CONFIDENTIAL TEXT DELETED –number]%**
- **fixed costs - [CONFIDENTIAL TEXT DELETED –number]%**

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Please refer to Annex 14 – Feger domestic and Australian CTMS [CONFIDENTIAL].

G-5 Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

	Quarter X	Quarter X	Quarter X	Quarter X
Model/Type exported to Australia – from spread sheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spread sheet named **"Australian CTMS"**.

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

Fixed costs include all items related to the structure (wages, bank charges, general expenses, etc.). They have been calculated with respect to turnover:

- **variable costs - [CONFIDENTIAL TEXT DELETED –number]%**
- **fixed costs - [CONFIDENTIAL TEXT DELETED –number]%**

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Please refer to Annex 14 – Feger domestic and Australian CTMS [CONFIDENTIAL]

- 1 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

The differences are generated by the different sales terms, different market situations and customer requirements. Domestic market sales are much more diversified and require more time and human resources.

- 2 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

Not applicable, in that there are no such differences.

- 3 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Not applicable, in that there are no such differences.

G-6 Major raw material costs

List major raw material costs, which individually account for 10% or more of the total production cost.

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the *Customs Act*. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

The two major raw materials are tomatoes, and tins.

These materials are not sourced in house or from associated entities.

Feger's tin suppliers during the POI were as follows:

Ragione Sociale (business name)
[CONFIDENTIAL TEXT DELETED –names of suppliers]

For tins the cost is determined by the production statements. To the cost of the tins (purchased) we add the cost of lacquering, the cost of lid cutting and the cost of assembling.

Feger's tomato suppliers during the POI were as follows:

Cooperativa (co-operative name)
[CONFIDENTIAL TEXT DELETED –names of suppliers]

For tomatoes a calculating model is used based on the use of fresh tomatoes referring to net weight, drained weight, weight of the juice and brix.

Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

SECTION H

PARTICULAR MARKET SITUATION

The Commission is investigating whether the operation and administration of the European Union's Common Agricultural Policy and related programmes have distorted domestic prices of prepared or preserved tomatoes and the major raw material input (fresh tomatoes) used in the manufacture of the goods.

The existence of such distortion or a 'market situation' could affect the Commission's approach to calculating normal value within its dumping assessment.

In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose provides that the domestic selling prices are not an appropriate basis for normal value if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a 'particular market situation' exists).

One of these situations may be where the domestic selling prices in the country of export have been materially affected by government influence rendering those prices unsuitable for use in establishing normal values.

This section of the exporter questionnaire provides producers/exporters of the subject goods in Italy the opportunity to supply evidence which will be used towards making that assessment. In examining the matter, the Commission will also send questionnaires to the EU and the Italian Government and continue to examine information available from third-party sources.

Information required

To assist our examination as to whether a 'particular market exists' within the domestic market in Italy in relation to the goods (so explained above), we also seek your assistance to identify any benefits, payments or forms of support that your company has received from the Italian government, the European Committee or any other affiliated agency or group, during calendar year 2011, 2012 and year-to-date 2013 which are directly or indirectly associated with your sale or production of prepared or preserved tomatoes.

The Commission is aware of a number of general categories of agricultural support policies applicable within the EU pursuant to which benefits may have been delivered to producers of the goods under consideration.

We seek your response to the specific questions set out below:

Single Payment Scheme benefits (SPS)

- H1. During the years 2011-2013, has your company applied for the payment of benefits under the Single Payment Scheme (SPS)?

No

- H2. If you have answered yes to the above, please explain the process by which you applied and whether your applications were approved.
- H3. If you have been the recipient of annual benefits under the SPS of the CAP, please explain how these benefits are provided by the Italian government and how the benefit is accounted for within your company accounts

(Please refer to statements of income and/or financial statements in explaining how benefits are accounted for).

Direct benefit/support

- H4. Has your company received any direct benefit from the Italian government (or related bodies) under the CAP, other than SPS payment, during the years 2011, 2012 and 2013?

No

- H5. If you have received any form of direct support from the government during the periods in question, please identify the form of support provided and a summary of the rationale for the provision of the support by the Italian government.

Market organisation support

The Commission is aware that policies of common market organisation (CMO) have been adopted by the EC in the past, pursuant to which initiatives of organisation and support programmes have been applied in relation to the markets in processed fruits and vegetables, including the goods under consideration.

- H6. During the years 2011-2013 has your company received any form of production aid or price support in relation to the production of prepared or preserved tomatoes? If your company has received any such aid or production support please indicate

- -the form of the support
- -the period within which support was provided;
- -the rationale for the provision of the support; and
- -the quantitative value of the support provided

No

- H7. The Commission understands that, as part of the CMO principles associated with the sector, annual negotiations are held between processors and producing organisations pursuant to which prices for fresh tomatoes originating within Italy are set for the calendar year. Please explain who is involved in negotiations and what are the key variables considered in setting annual prices?

- H8. Please advise whether there are any collective negotiation arrangements that occur within Italy in relation to processed tomato products, similar to the price negotiations that occur between producers and processors? In providing your response, please explain whether there are any support mechanisms or policies which assist to stabilise the price of processed products –for example stock withholding mechanisms, price compensations or price support?

Other benefits or support mechanisms

- H9. Please identify any other forms of benefit or support that your company has received on a recurring basis, or as one off payments or support interventions, from the Italian government or any other body or agency during calendar years 2011 and 2012 and year-to-date 2013.

Feger has not received any benefits or support as described.

Benefit payment summary

On the basis of your responses to the above, please complete the tables below:

2011

Summary of benefit	Benefit program (SPS payment, direct payment, production support, other)	Total value of benefit (Euro)

Not applicable, as no benefit payments were received by Feger.

2012

Summary of benefit	Benefit program (SPS payment, direct payment, production support, other)	Total value of benefit (Euro)

Not applicable, as no benefit payments were received by Feger.

2013

Summary of benefit	Benefit program (SPS payment, direct payment, production support, other)	Total value of benefit (Euro)

Not applicable, as no benefit payments were received by Feger.

SECTION I EXPORTER'S DECLARATION



I hereby declare that **Feger di Gerardo Ferraioli SpA** (company) did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.



I hereby declare that.....(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name: MAURIZIO FERRAIOLI

Signature: 

Position in

Company: MANAGING DIRECTOR

Date: 02-10-2013

SECTION J CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – general information	<input checked="" type="checkbox"/>
Section B – export price	<input checked="" type="checkbox"/>
Section C – like goods	<input checked="" type="checkbox"/>
Section D – domestic price	<input checked="" type="checkbox"/>
Section E – fair comparison	<input checked="" type="checkbox"/>
Section F – exports to third countries	<input checked="" type="checkbox"/>
Section G – costing information	<input checked="" type="checkbox"/>
Section H – Particular market situation	<input checked="" type="checkbox"/>
Section I – declaration	<input checked="" type="checkbox"/>

Electronic Data	Please tick if you have provided spread sheet
INCOME STATEMENT	<input checked="" type="checkbox"/>
TURNOVER – sales summary	<input checked="" type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<input checked="" type="checkbox"/>
DOMESTIC SALES – list of all domestic sales of like goods	<input checked="" type="checkbox"/>
THIRD COUNTRY – third country sales	<input checked="" type="checkbox"/>
PRODUCTION – production figures	<input checked="" type="checkbox"/>
DOMESTIC COSTS – costs of goods sold domestically	<input checked="" type="checkbox"/>
AUSTRALIAN COSTS – costs of goods sold to Australia	<input checked="" type="checkbox"/>