

27 March 2013

Mr John Bracic
Director, Operations 1
International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Email: itrops@customs.gov.au

Public File Version

Dear Mr Bracic

Resumption of investigation into the alleged dumping of formulated glyphosate exported from the People's Republic of China – Response to Query re Formulated Glyphosate conversion rates

Formulated glyphosate conversion rates

I refer to Customs and Border Protection's query concerning the conversion of Nufarm Limited's ("Nufarm") sales data for 360 g/L formulated glyphosate to glyphosate acid equivalent.

Mr Tom O'Connor has indicated that following conversion of the Nufarm 360 g/L sales data to a 450 g/L equivalent (formula used by Mr O'Connor is correct), the resultant "notional" price for 450 g/L equivalent far exceeds Nufarm's actual 450 grade price (for Gladiator 450 and Glyphosate 450) throughout the injury review period.

Nufarm can confirm that the actual glyphosate 450 grade selling prices were depressed and suppressed over the injury period due to the increase in export volumes of 450 grade glyphosate exported from China that undercut the Australian industry's selling prices.

Appropriate third country export market for comparison

Nufarm has examined the Chinese export data for formulated glyphosate, including identification of the export destinations for formulated glyphosate. It is Nufarm's view that the U.S. represents an appropriate third country market for determining normal values under s.269TAC(2)(d) of the Customs Act for formulated glyphosate exported from China as the U.S. is a comparable market to the Australian market. Similarities between the Australian and U.S. formulated glyphosate markets include:

- the U.S. is a manufacturer of formulated glyphosate;
- there are regular importations of formulated glyphosate into the U.S. from manufacturers in other countries (including China);
- the U.S. is a large agricultural market with broad acre farming;
- the U.S. and Australian markets for formulated glyphosate each have registration authorities;
- there are no barriers to entry in the U.S. and Australian markets;
- the U.S. and Australian markets for formulated glyphosate are well-developed and have similar distribution channels for supply. Indeed some entities that distribute in the US also distribute in Australia;
- the components and formulation (including surfactants) of products are the same in US and Australia.



It is for the above reasons that Nufarm considers that Chinese export prices to the U.S. can be considered for normal value purposes under s.269TAC(2)(d) for comparison with Good Harvest's export prices to Australia.

If you would like to discuss this issue further, please do not hesitate to contact me on (03) 9282 1444.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Bernard Lee', written over a horizontal line.

Bernard Lee
Manager – Industry and Government Affairs