



ANTI – DUMPING SPECIALISTS

ACN 056 514 213

ABN 87 056 514 213

19 March 2014

NON-CONFIDENTIAL

Mr John Bracic
Director
Australian Anti-Dumping Commission
Customs House
5 Constitution Avenue
Canberra ACT 2600

Dear Mr Bracic,

PREPARED OR PRESERVED TOMATOES FROM ITALY

This submission, on behalf of Conserve Italia, is in response to SPC Ardmona's submission of 7 March 2014 concerning the Commission's evaluation of the "market situation" in Italy.

SPCA's view that payments to Italian tomato growers under the EU's Single Payment Scheme ("SPS") cause distortion in the domestic market for prepared or preserved ("processed") tomatoes is based on the unsubstantiated assumption that the SPS payments received by tomato growers are passed on to tomato processors in the form of lower prices for raw tomatoes. This assumption has no factual basis, it is mere conjecture.

In undertaking its thorough investigation of this "market situation" matter, which includes on-site investigations of exporters of the majority of Italian exports of processed tomatoes to Australia, the Commission was aware of the EU's SPS provision of payments to tomato growers and hence the focus of its investigation was determination of whether these payments to growers flow through to processors. This is because there could only be a "market situation" determined for processed tomatoes if it could be determined that there was a flowthrough of the benefits received by growers from SPS payments to processors which distorts the Italian market for processed tomatoes.

The Commission's thorough investigation of this "market situation" matter produced evidence indicating no flow through of SPS payments received by tomato growers to tomato processors,¹ leading to the only possible conclusion that these payments do not distort competitive market conditions for processed tomatoes,² ie there is no "market situation" in respect of processed tomatoes.

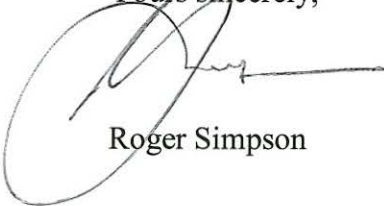
The following references in section 6.6 of SEF No. 217, based on the Commission's thorough investigation of this "market situation" matter, are conclusive of the fact that there is no "market situation" in respect of processed tomatoes:

¹ SEF No. 217, section 6.6.

² Ibid.

- *The Commission found that the price negotiations for the canned tomato products were not influenced by these payments to farmers. The Commission found this price was set via negotiations that considered numerous factors including harvest yield, business relationships and volumes ordered;*
- *In the absence of positive evidence to the contrary, the evidence indicates that any payments provided directly to tomato growers in Italy are benefitting the growers in isolation and are not transferred to processors in the form of lower prices; and*
- *The Commission is satisfied that, whilst the evidence indicates that producers of processed tomatoes in Italy receive support from the Italian government under various domestic industry support programs, the evidence available to the Commission in the circumstances of the investigation is not sufficient to support a finding that these payments operate in a manner which distorts competitive market conditions.*

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Roger Simpson', written over a large, loopy circular flourish.

Roger Simpson