



Exporter verification report

Verification and case details

Initiation date	4/08/2023	Anti-Dumping Notice (ADN)	2023/047
Case number	628		
The goods under consideration	Pineapple Fruit (FSI - 628)		
Case type	Dumping Investigation		
Exporter	PT Great Giant Pineapple		
Location	Jakarta, Sequis Tower level 39 th , Jl. Jenderal Sudirman Kav 71, SCBD Lot 11-B		
Verification date	6 December 2023	to	11 December 2023
Investigation period	1 July 2022	to	30 June 2023

The Anti-Dumping Commission will review this report, including its views and recommendations.

This report may not reflect the Anti-Dumping Commission's final position.

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Introduction

PT Great Giant Pineapple (GGP) submitted data to the Anti-Dumping Commission (the commission) in response to an exporter questionnaire for Dumping Investigation 628 (case 628) into Pineapple Fruit (FSI - 628) from Indonesia.

A verification team (the team) has verified whether the data GGP submitted is complete, relevant and accurate for use in case 628. [Anti-Dumping Notice \(ADN\) 2016/30](#) describes the commission's verification procedure.

This report explains the team's key findings, including the evidence considered and material issues identified. Where GGP or the team materially revised the submitted data, this report outlines the nature, extent and outcomes of these revisions.

The commission prepared this report to publish on the electronic public record for case 628.

Verification teams are authorised to conduct verifications under sections 269SMG and 269SMR of the *Customs Act 1901 (Cth)* (the Act).¹

¹ All legal citations in this report are to the Act unless otherwise stated.

1 Company background

1.1 Corporate structure and ownership

PT. Great Giant Pineapple (GGP) was established in 1979 and is a large private label manufacturer of preserved and packaged pineapples and other packaged fruit and juice.

GGP also owns plantations, growing pineapple and other produce. The plantations are in the province of Lampung in Sumatra.

GGP further process its produce by preserving and packaging at the factory co-located with the plantation in Lampung. GGP also sell fresh produce domestically and in export markets.

The verification team started the verification onsite visit with a tour of GGP's plantation and production facilities.

GGP's head office is in Jakarta.

Exports of its products started in 1984 and GGP claims to have produced more than 15,000 containers of canned pineapple and fruit concentrate per year and exported it to 60 countries.²

Domestically, GGP also sells its own brand of canned pineapple.

GGP also trades under the name "Great Giant Food", a collective trading name for all agricultural and food products produced by GGP and its subsidiaries. The group's main operations include fresh pineapple, banana, guava and cassava plantation, cattle livestock and breeder, poultry livestock and breeder, manufacturing and preservation of canned pineapples, juice processing, supplement fertilizer industry and dairy processing.

GGP has a majority owner and GGP and its parent companies are private companies.

1.2 Related parties

The verification team examined the relationships between GGP and its related parties involved in producing or selling the goods.

Subsidiary name	Activities	Involved in production/sale of the goods	Related customer	Related supplier
Bromelain Enzyme (BE)	A joint venture (JV) producing bromelain enzyme from pineapple stems and is sold to a variety of unrelated industries, such as cosmetic and pharmaceutical.	Yes	✓	
Inbio Tani Nusantara (ITN)	Producer and distributor of liquid bio-organic (LOB) fertiliser. LBO is produced from plantation waste (pineapple, casava and other plants).	Yes	✓	✓

² <https://www.greatgiantfgoods.com/wp-content/uploads/2023/11/Company-Profile.pdf>

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Subsidiary name	Activities	Involved in production/sale of the goods	Related customer	Related supplier
	The liquid organic bio fertiliser is used to supplement externally purchased fertiliser to grow pineapples.			
Great Giant Livestock (GGL)	Cattle feedlot Instead of wasting pineapple skin, GGP uses pineapple peels for animal feed	Yes	✓	
<i>name of subsidiary inland transport company is confidential</i>	Inland transport services Pick up containers from the cannery and deliver to the port or domestic customer. Pick up containers from port and deliver to cannery for filling/packing.	Yes		✓
Sewu Primatama Indonesia (SPI)	Closed from July 2023 and activities performed by SSN. Distributor of canned pineapple and milk to domestic retailers.	Yes	✓	
Sewu Segar Nusantara (SSN)	Replaced SPI as domestic distributor of canned pineapple. SSN also use SKT services. SSN's activities expanded and included distribution of fresh and canned fruit.	Yes	✓	
<i>name of holding company is confidential</i>	Holding company for subsidiary traders internationally	Yes	✓	

Table 1 – GGP's related suppliers and customers

1.3 Accounting records

GGP's annual financial statements are audited and include a statement that the financial accounts comply with Indonesian Financial Accounting Standards.

Therefore, the team considers that the accounting records held by the company comply with the generally accepted accounting principles of Indonesia.

2 Goods under consideration and like goods

2.1 Production process

The production process can be classified into the following stages:

Pineapple growing and harvesting

- a. GGP grows pineapple at its own plantation. Pineapple planting typically require 36 months for a full cycle. During verification site visit, GGP explained that it stages the planting activities and can harvest pineapple all year round. GGP uses both externally purchased and internally produced fertilisers in growing its pineapples.

Tin can production

- a. **Raw material Purchase:** GGP manufactures tin cans from coiled tinplate purchased from Japanese, Korean and Taiwanese manufacturers.
- b. **Uncoiling/Slitting:** Tin coils are unrolled using uncoiling machines and are slit into equal length pieces depending on can size.
- c. **Rolling:** The metal sheets are rolled into a cylinder shape.
- d. **Welding:** Another piece of metal is welded to close one end of the can body. Lids are manufactured separately and are weld on during the canning process.
- e. **Washing:** The cans are quality tested, washed and transferred to be stored in the warehouse, ready for usage in the canning plant.

Cannery

- a. **Washing:** Fresh harvested pineapples are washed and graded for size through a conveyer belt system
- b. **Coring and Slicing:** Using ginaca machines, pineapples are peeled and cored into a cylindrical shape. The cylinder-shaped pineapples are passed through a slicer to be cut into circular slices. To produce chunks or tidbits, the cylinder pineapples are cut by hand on a separate production line.
- c. **Sorting:** After coring, pineapple is sorted according to colour, any black spots ("eyes") or defects (such as bruising) are discarded from canning. Defective pineapple is used for juicing. The sorting is performed manually by workers from the conveyor belt. Pineapple slices are sorted according to grade, grading is based on the colour and defect specification of the products.
- d. **Canning:** The pineapples are further processed into pieces, tidbits, or slices using separate production lines. The type of pineapple cut depends on customer's requirements. Slices are loaded into empty tin cans using machines, but pieces, tidbits are manually filled into the cans. Juice/syrup are then added by machines. GGP uses internally manufactured tin cans.
- e. **Heating:** After canning, the pineapple cans are heated for sterilization.
- f. **Labelling:** The canned pineapple is cooled, and labels are added to the cans. GGP explained that the labels are sourced from an external local supplier. Unlabelled cans at this stage may go into the warehouse for storage.
- g. **Palletising:** The labelled cans are packaged into trays or cartons depending on customer requirements. Typically, cardboard sheets are added between each row of canned pineapples. The products are palletised and then loaded to truck mounted shipping containers for transport.

2.2 Model control codes

The sales and costs data GGP submitted complies with the model control code (MCC) structure detailed in ADN 2023/047.

2.2.1 Amendments to model control codes

GGP amended the MCC structure to include an additional sub-category 'Pouch' to the MCC category 'Container type'. This additional sub-category was documented in GGP's Response to the Exporter Questionnaire (REQ) and GGP provided relevant sales and cost information to support this change to the MCC structure.

After comparing prices of pouch and can, the team recommends this amendment to the MCC.

Category	Sub-category	Identifier	Sales data	Cost data
Quality	Prime	P	Mandatory	Mandatory
	Non-prime (e.g. damaged can)	N		
Pineapple cut	Chunks	CH	Mandatory	Mandatory
	Crushed	CR		
	Pieces	PC		
	Pizza cut	PZ		
	Sliced	SL		
	Tidbits	TB		
	Thin sliced	TS		
Container type	Tin can	T	Mandatory	Mandatory
	Pouch	Ph		
Container size	Provide container size in net weight (grams)	eg. '1250'	Mandatory	Mandatory
Packing medium	Light syrup	LS	Mandatory	Mandatory
	Heavy syrup	HS		
	Natural juice (sweetened)	NJS		
	Natural juice (unsweetened)	NJU		

Table 2 – Amended MCC structure

2.3 Verification of model control codes

Table 3 details how the team determined MCC sub-categories and verified them to source documents.

Category	Determination of the sub-category
Quality	<p>For preserved pineapple, the verification team considers that:</p> <ul style="list-style-type: none"> Prime goods have physical characteristics that satisfy commercial customer requirements and price (agreed/contracted) and can be on-sold (in a retail setting for consumer, or to restaurants via distributors for FSI). These products have no dents, rust and no torn labels on cans. Additionally, the cans have the maximum possible shelf-life to allow travel time for exports, distribution and warehousing in the

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Category	Determination of the sub-category
	<p>country of import, shelf-life in the retail setting and shelf-life for the customer (consumer & FSI).</p> <ul style="list-style-type: none"> Non-prime goods are not the same as expired or unsafe goods. Non-prime goods are goods that do not satisfy quality and price requirements that are necessary for customers purchasing prime products. Non-prime products can be safe to eat but can have physical damage and be close to the 'best before' date. <p>The definition of prime and non-prime was not a category documented on GGP's invoices or in its systems.</p> <p>Domestically, GGP sells slow moving or obsolete (SLOB) goods, as well as goods that have minor damage or need to be consumed quickly as the goods are close to the best before date.</p> <p>The price of these goods is lower to reflect the condition of the product. Accordingly, the verification team considers that GGP sell prime and non-prime goods domestically and these products are recognised by the customer in the domestic sales list.</p>
Pineapple cut	This is the same category as the 7th digit of GGP's SKU. GGP only produces chunks, crushed, sliced or tidbits pineapple products.
Container type	<p>The container type is mapped using the 4th digit of SKU.</p> <ul style="list-style-type: none"> GGP also produce 1500g and 3000g pouch packaged FSI pineapples. Other than tin can and pouches, GGP also manufactured some aseptic crush (23kg) products. GGP explained this is a crushed pineapple product for industrial use, it is a new product type launched during July 2023 - outside of the investigation period.
Container size	<p>The 4th digit of SKU also describes the container size.</p> <p>The container size for canned goods used by GGP is A10 and corresponds to a nominal weight of 3000/3030 grams (g).</p>
Packing Medium	This is classified based on the 9 th digit of SKU. The packing medium could also be found on GGP's invoices.

Table 3 - MCC sub-category determination

2.4 The Australian export goods and domestic like goods

2.4.1 Australian export goods (the goods under consideration)

The team was satisfied that, during the investigation period, GGP produced the goods under consideration (Australian export goods) and exported them to Australia.

2.4.2 Domestic like goods (like goods sold in the domestic market)

The team is satisfied that GGP produced and sold like goods for home consumption in its domestic market (domestic like goods).

The team considers that the domestic like goods were identical to, or had characteristics closely resembling, the Australian export goods, because:

- **Physical likeness:** GGP's domestic like goods have similar physical likeness to the Australian export goods.
- **Production likeness:** GGP produced all goods at the same facilities, using the same raw material inputs and production processes.

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- **Commercial likeness:** the domestic like goods compete in similar domestic markets to the Australian export market, have similar customer types and are interchangeable.
- **Functional likeness:** all goods are functionally alike, as they have similar end uses.

2.5 List of model control codes

GGP produced, sold or both produced and sold the following MCCs during the investigation period:

Australian Sales	Australian CTM	Domestic Sales	Domestic CTM
P-TB-Ph-1500-LS	TB-Ph-1500-LS	P-SL-T-3030-HS	CR-T-3030-LS
P-TB-Ph-3000-LS	TB-Ph-3000-LS	P-CR-T-3030-LS	CR-T-3030-NJU
P-CH-T-3030-LS	CH-T-3030-LS	P-CR-T-3030-NJU	SL-T-3030-HS
P-CH-T-3030-NJU	CH-T-3030-NJU	P-TB-T-3030-HS	TB-T-3030-HS
P-CR-T-3030-LS	CR-T-3030-LS		
P-CR-T-3030-NJU	CR-T-3030-NJU		
P-SL-T-3030-LS	SL-T-3030-LS		
P-SL-T-3030-NJU	SL-T-3030-NJU		
P-TB-T-3030-HS	TB-T-3030-HS		
P-TB-T-3030-LS	TB-T-3030-LS		
P-TB-T-3030-NJU	TB-T-3030-NJU		

Table 4 - List of MCCs produced or sold

2.6 Like goods assessment

The team considers that goods GGP produced and sold for domestic home consumption had characteristics closely resembling those of the Australian export goods and were therefore 'like goods' according to section 269T(1).

3 Verification of sales completeness and relevance

The commission typically verifies sales as complete and relevant by reconciling the revenue and quantity in sales listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the sales listings GGP submitted are complete and relevant by reconciling them to the audited financial statements, consistent with ADN 2016/30.

The team verified whether the sales data was complete and relevant by reconciling the:

1. 2022 audited financial statement to GGP's accounting system.
2. 2022 audited financial statement to the investigation period.
3. Different categories of goods produced by GGP to its accounting system and data extracts from GGP's sales system for the 2022 financial year and the investigation period.
4. Data extracts to the domestic and Australian export sales listings submitted by GGP in its REQ.

The team did not identify any issues. The team detailed this process in the verification work program and its relevant attachments in **Confidential attachment 1**.

3.1 Sales completeness and relevance finding

The team is satisfied that the sales data GGP submitted is complete and relevant.

4 Verification of sales accuracy

The commission typically verifies sales as accurate by reconciling a selection of volume, revenue, and other key data in the sales listings down to source documents. ADN 2016/30 further describes this verification process.

The team verified whether the export and domestic sales listings GGP submitted are accurate by reconciling them to source documents, consistent with ADN 2016/30.

The team identified the issue outlined below. The team detailed this process in the verification work program and its relevant attachments in **Confidential attachment 1**.

4.1 Sales accuracy exceptions

4.2 Sales accuracy finding

The team is satisfied that the sales data GGP submitted is accurate, including any revision outlined in an exception above.

Exception 1: Australian export - Missing invoice quantities, weight, and errors

Description: The team identified the following issues with invoice quantity and volume in the Australian sales list:

1. net weight (kg) for each MCC and invoice was not provided.
2. there were errors with the gross weight (kg) recorded for some MCCs and invoices.
3. the number of cartons, cans, or trays was provided in the domestic sales list but not in the Australian sales list.

GGP explained that it does not record weight (net or gross) by kg but uses the quantity measure of standard cases. As such, the gross weight (kg) was manually entered into the Australian sales list after reviewing individual customer invoices. The errors were identified as the gross weight of a different product type on the invoice – for example, tropical fruit salad (not the goods).

The manual data entry was a time-consuming process and because of this, GGP decided not to enter the net weight (kg) of the goods.

Resolution: The team advised GGP that it did not have to correct the errors in gross weight or provide the invoice net weight, if the verification team could calculate the theoretical net weight using the standard case conversion. The team was mindful of time constraints and the need to continue with other verification topics.

The team requested that GGP provide a revised Australian sales list that included the invoice quantity in the number of cartons, cans, or trays. The team also requested GGP to provide the standard case conversion for both domestic and Australian sale listings. The verification team calculated the theoretical net weight in kg, using the net weight of the can, invoice quantity and the standard case conversion (number of cans in a carton, tray, and standard case). The theoretical net weight (kg) was found to be accurate with 0.1% variance compared to the total net weight (kg) recorded on the sampled invoices.

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Exception 2: Australian export - Export sales payment terms discrepancies

Description: The team observed that the payment terms listed on the purchase order were different from the payment terms listed on the invoice (and in the Australian sales listing).

Resolution: The team requested that GGP calculate the accounts receivable (AR) turnover ratio for each Australian customer in the investigation period. GGP did this and provided screenshots of its AR ledgers for each customer. It was agreed with GGP that the AR turnover ratio would be used to calculate the payment days for each customer in the investigation period, using the formula 365 days divided by AR turnover ratio.

Exception 3: Australian export - Export delivery terms

Description: The team noted 'FOF' shipping terms in the Australian sales listing. FOF is not a recognised incoterm. These FOF transactions had an amount for ocean freight documented in the export sales list and appeared to be like CFR transactions.

GGP explained that FOF transactions comprise the FOB price of the goods plus a separate amount for ocean freight on the invoice. In GGP's view this is the same as a CFR invoice price.

FOF sales occurred for one Australian customer and the invoice value recorded in the Australian sales list was the value of the goods and ocean freight.

Resolution: The team verified sampled FOF invoices and confirmed that FOF invoices include an FOB invoice price for the goods and a separate amount for ocean freight. The invoices also stated that the shipping terms were CFR with the addition of ocean freight.

The team considers that the invoice price for the goods is a CFR price.

All FOF terms in the Australian sales list were changed to CFR.

Exception 4: Australian export - Off-invoice rebates

Description: GGP paid off-invoice rebates to an Australian customer for FSI exports in the investigation period. The value of the rebate was documented in the Australian sales list under "Other costs" and was described by GGP as a credit note.

Resolution: The team reviewed the payment documents sent to the Australian customer. These documents explained the reason for GGP's payment and the verification team classified the transactions as an off-invoice rebate.

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Exception 5: Australian export - Export sale credit notes

Description: The team identified 2 credit notes issued by GGP for FSI exports during the investigation period. GGP provided this information in the “other costs” column of the sales listing.

GGP provided the value of the credit note in the Australian sales list but did not provide the corresponding quantity adjustment. For one of the credit notes, the credit value and quantity was not allocated across all products on the invoice.

Resolution: The team reviewed the credit notes and allocated the credit quantity and value to the relevant transactions.

Exception 6: Australian export - Export packaging costs

Description: GGP did not document export packaging costs in the Australian sales list.

Resolution: The team used the costs calculated in the detailed CTM data (as amended) provided by GGP.

Exception 7: Australian export - Inland transport costs

Description: The team also identified additional export-related inland transport costs for the goods. These additional costs were documented as direct selling expenses in GGP’s SG&A list and appeared to increase the standard rate for export-related inland transport.

Resolution: The team used the USD/IDR foreign exchange rate at invoice date to convert the inland transport rate provided by GGP. There was no issue with the foreign exchange rates recorded by GGP.

The team also calculated a weighted average unit transport cost for the investigation period for the goods and added this amount to inland transport costs in the Australian sales list.

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Exception 8: Australian export - Errors with ocean freight amounts

Description: GGP did not provide actual ocean freight costs for its CFR exports to Australia. Instead, it provided the estimated ocean freight amount in its Australian sales list. The estimated ocean freight amounts recorded did not appear to be consistent over the investigation period.

The team observed this from the sample accounting system screenshots provided, along with invoice evidence, demonstrating the estimated (accrual) amounts, actual ocean freight costs and the method of accounting for these.

The team also identified additional export-related ocean freight costs for the goods (consumer and FSI). These additional costs were documented as direct selling expenses in GGP's SG&A list.

Resolution: Using the additional ocean freight costs in SG&A, the verification team calculated a weighted average ocean freight cost for the investigation period for the goods. Due to the inconsistent estimates of ocean freight per shipment, the team has not applied this additional cost to each shipment. Rather, the team has elected to calculate a single ocean freight rate using the weighted average rate of the estimate plus the weighted average rate of the additional ocean freight. This was calculated individually for the goods in the investigation period.

Exception 9: Australian export - Bank charges for export sales

Description: GGP did not provide bank charge costs for its export sales to Australia.

The team observed a revenue difference between the remittance amount and funds received for each of the sampled export transactions. This information was obtained from the evidence provided by GGP for proof of payment.

Resolution: The team calculated bank charges per Australian customer in the investigation period using the remittance and payment evidence for each of the sampled transactions.

Exception 10: Domestic sale - Missing invoice quantities, weight, and errors

Description: The team identified the following issues with invoice quantity and volume in the domestic sales list:

1. net weight (kg) for each MCC and invoice was not provided.
2. there were errors with the gross weight (kg) recorded for some MCCs and invoices.

GGP explained that it does not record weight (net or gross) by kg but uses the quantity measure of standard cases. As such, the gross weight (kg) was manually entered into the domestic sales list after reviewing individual customer invoices. The errors were identified as the gross weight of a different product type on the invoice – for example, tropical fruit salad (not the goods).

The manual data entry was a time-consuming process and because of this, GGP decided not to enter the net weight (kg) of the goods.

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Resolution: The team advised GGP that it did not have to correct the errors in gross weight or provide the invoice net weight, if the verification team could calculate the theoretical net weight using the standard case conversion. The team was mindful of time constraints and the need to continue with other verification topics.

As for Australian exports, the team calculated the theoretical net weight in kg, using the net weight of the can, invoice quantity and the standard case conversion (number of cans in a carton, tray, and standard case). The theoretical net weight (kg) was found to be accurate with 0.1% variance compared to the total net weight (kg) recorded on the sampled invoices.

Exception 11: Domestic sale - Missing sales payment terms

Description: The domestic sales invoice did not always list payment terms. The team was able to reconcile payment term with purchase orders, however there were some transactions with payment terms missing from source documents.

Resolution: Consistent with export sales, the team requested GGP to provide calculations of the accounts receivable (AR) turnover ratio for each domestic customer during the investigation period. GGP did this and provided screenshots of its AR ledger grouped for each customer. It was agreed with GGP that the AR turnover ratio would be used to calculate the payment days for each customer in the investigation period, using the formula 365 days divided by AR turnover ratio.

Exception 12: Domestic sale - Change to delivery terms

Description: The terminology used by GGP to describe domestic delivery terms is different from the normal understanding of those terms by the verification team. GGP's terminology was used in normal practice, was recorded on invoices and purchase orders, and was listed in the domestic sales list.

For example, GGP used the term Free on Board (FOB) when the transactions were Ex Works (EXW).

Resolution: The team found no issues with verifying the delivery terms to source documents and observed that in GGP's domestic sales list, its FOB sales did not have a domestic transport cost.

The team changed the delivery terms to be consistent with its normal understanding and practice.

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Exception 13: Domestic sale - Inland transport costs

Description: GGP did not provide actual inland transport costs for its delivered domestic sales. Instead, it provided the estimated inland freight amount in its domestic sales list.

The team observed this from the accounting system screenshots provided, along with invoice evidence that demonstrated the estimated (accrual) amounts recorded and actual inland transport costs.

The estimated costs per delivered transaction were also inconsistent. For example, estimated inland transport costs to West Java could vary in a range of 82% between the lowest and highest price.

The team also identified additional domestic inland transport costs for the goods. These additional costs were documented as direct selling expenses in GGP's SG&A list and appeared to increase the amount of inland transport.

Resolution: Due to the inconsistent estimates of inland transport, the team has not applied the additional cost found in GGP's SG&A to each delivery. Rather, the team has elected to calculate an annual inland transport rate for each delivery region using the weighted average estimate rate plus the weighted average rate of the additional inland transport.

4.3 Sales accuracy finding

The team is satisfied that the sales data GGP submitted is accurate, including any revision outlined in an exception above.

5 Verification of cost to make and sell completeness and relevance

The commission typically verifies cost to make and sell (CTMS) as complete and relevant by reconciling the total cost to make (CTM) and selling, general and administrative (SG&A) expenses in cost listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the CTM and SG&A listings submitted by GGP are complete and relevant and followed the processes set out in ADN 2016/30.

1. The team reconciled the financial statement COGS to COGS for the investigation period.
2. The team was unable to reconcile the financial statement COGS (all production) with GGP's all production cost data for the investigation period as the cost to make for all production was not provided by GGP.
3. GGP provided the underlying detailed cost data used to produce the domestic and Australian export CTM submitted with its REQ.
4. The detailed cost data included production costs for each raw material, fixed and variable overhead, labour and inventory movement for all markets and SKUs for FSI pineapple produced monthly.
5. The team used alternative reconciliation approaches to gain satisfaction that the detailed CTM data for the goods provided by GGP was complete and relevant. The team:
 - a. obtained sample months of detailed cost data for the other product categories of goods it produced and sold.
 - b. reconciled the beginning and ending inventory for semi-finished and finished goods (for the investigation period) for the different product categories produced by GGP. The reconciliation was performed using detailed cost data and records in GGP's accounting system.
 - c. performed a reconciliation of the sampled detailed cost to make data for all product categories to the:
 - trial balance for the investigation period and
 - financial year COGS recorded in the audited financial statement, trial balance and papers used by GGP's accounting team and external auditors preparing the financial statement.
 - d. performed a monthly reconciliation of COGS recorded in GGP's accounting system to the detailed cost to make data for consumer and FSI pineapple.
6. The team found material variances in the reconciliations. GGP advised that these variances were known unallocated costs and inventory revaluations resulting from moving inventory between SKUs.
7. The verification team confirmed that production and sale of packaged and preserved pineapple (including the goods) comprised a significant portion of GGP's COGS,

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costs, and inventories (semi-finished and finished goods) in the financial year, the investigation period and on the sampled months during the investigation period.

8. The team focussed on the packaged and preserved pineapple data and was able to gain satisfaction that the detailed cost to make data was complete and relevant after accounting for the unallocated costs.

The team verified the SG&A data as complete and relevant by reconciling:

1. the SG&A amounts submitted by GGP in its REQ upwards to the amounts for 'selling expenses' and 'general administrative expenses' in the audited 2022 financial statement.
2. the financial statement to the trial balance for the financial year.
3. the trial balance for the financial year to the investigation period through trial balance downloads from SAP for 2022 and 2023 in 6 month intervals.
4. the direct selling expenses recorded in the domestic and Australian export sales listings to the amounts listed in the SG&A list.

The team identified the issues outlined below. The team detailed this process in the verification work program and its relevant attachments in **Confidential attachment 1**.

5.1 Cost to make and sell completeness and relevance exceptions

Exception 14: Cost to make data

Description: The team found material variances when reconciling GGP's costs of the goods to COGS for the goods in the investigation period.

GGP advised that the variances were known to it and are the result of unallocated costs, import duties on tinplate and easy open ends (EOEs) used for cans sold domestically and inventory movement between SKUs. GGP recorded these costs and revaluations in the detailed cost to make data provided at the verification. The unallocated costs, duties and revaluation were allocated to different SKUs and recorded in the inventory-side of the ledger and not as a cost item in the production ledger.

This recording method was used for unlabelled can production and the packaging and labelling production and caused the unallocated costs and duties to be included in COGS, but not the CTM. The method of recording the unallocated costs, duties and revaluations materially affected the cost to make for domestic and Australian production.

The team was satisfied that the unallocated costs and duties were included in the cost data and did not affect the assessment that the data was complete and relevant.

Resolution: The team used the detailed cost to make data as the basis of the verification.

The verification team did not use the SKUs sold domestically and to Australia as the basis for calculating the domestic and Australian CTMs. This is because the SKUs that were recorded to have been produced were likely renamed as another SKU and sold. Because of this interchangeability, the verification team calculated a CTM for unlabelled cans that was not differentiated by market.

This undifferentiated CTM formed the basis for the following adjustments.

The unallocated costs were quantified in GGP's financial statement audit and this amount was added to the undifferentiated CTM for unlabelled cans.

PUBLIC RECORD

GGP paid import duties on the tinplate and EOEs used for cans that were subsequently sold on the domestic market. The verification team added an amount for duties for the domestic CTM for unlabelled cans.

There are labelling and packaging differences for cans sold domestically and for export. The verification team calculated labelling and packaging costs and applied these different costs to calculate a domestic and Australian CTM for labelled and packaged goods.

The team did not use the domestic and Australian exports cost data submitted with the REQ and did not verify it.

Exception 15: Foreign exchange gain/loss expenses

Description: Foreign exchange gains and losses were accounted for in other income and excluded from the SG&A list submitted by GGP. The team identified these expenses while performing the upwards SG&A reconciliation.

Resolution: The verification team added the 'realised' foreign exchange gains and losses to the SG&A for the investigation period using the figures from the trial balance.

5.2 Cost to make and sell completeness and relevance finding

The team is satisfied that the CTMS data GGP submitted is complete and relevant, including any revision outlined in an exception above.

6 Verification of cost to make and sell accuracy

The commission typically verifies CTMS as accurate by reconciling a selection of volume, cost and other key data in the CTM and S&A listings down to source documents. ADN 2016/30 further describes this verification process.

The team verified whether the CTM and SG&A listings GGP submitted are accurate by reconciling them to source documents, consistent with ADN 2016/30.

The team identified the issue outlined below. The team detailed this process in the verification work program and its relevant attachments in **Confidential attachment 1**.

6.1 Cost to make and sell accuracy exceptions

Exception 16: Production quantity presented in REQ

Description: The production quantities were incorrectly recorded in the CTM data submitted with the REQ for domestic and Australian export costs. The quantity was the sales quantity for the quarter, not the production quantity.

Resolution: The team did not use the CTM data submitted with the REQ because of the discrepancies identified when verifying the cost data upwards to GGP's financial statements.

The team verified the production quantities in the detailed CTM and found no issues.

6.2 Cost allocation method

Table 5 outlines how the team allocated each cost component.

Cost item	Method applied
Raw Materials - Pineapple	Allocated to individual models based on actual consumption. Reconciled to GGP's costing system and plantation records.
Raw Materials – Empty Can (tinplate and ends)	Allocated to individual models based on actual production and consumption of raw materials. Reconciled to GGP's costing system and source documents (invoices).
Scrap allocation	N/A
Labour	Labour is allocated based on actual costs. An hourly rate is calculated and allocated to individual products based on hours of production. Screenshots of cost centres in the costing system were verified.
Manufacturing overheads	Overheads were allocated per machine hour and reconciled back to GGP's cost system.
Depreciation	Depreciation was allocated per machine hour and reconciled back to GGP's cost system.

Table 5 - Cost allocation method

6.3 Related party suppliers

GGP is a fully integrated producer from pineapple plantation ownership and management (growing and harvesting) and using those pineapples as a raw material in the production of the goods.

PUBLIC RECORD

GGP do not purchase pineapple from any third party supplier (related or not).

Tinplate, the raw material used in the production of the empty can is sourced from unrelated suppliers located in Taiwan, Japan and Korea.

The commission did not find any other materials to be supplied by related suppliers.

6.4 Cost to make and sell accuracy finding

The team is satisfied that the CTMS data GGP submitted is accurate and reasonably reflects the costs associated with the production and sale of the goods, including any revision outlined in an exception above.

7 Export price

7.1 Background

Section 269TAB states the general rules for calculating export price. Under this section, the commission assesses the following to identify the correct method of calculating export price:

- Who is the importer?
- Who is the exporter?
- Did the importer purchased from the exporter at arms length?

This chapter discusses how the team assessed GGP's Australian export sales.

7.2 The importer/importers

The team considers that most of GGP's customers of the Australian export goods were the beneficial owner of the goods at the time of importation into Australia and, therefore, the importer. For those sales, the relevant customer:

- was named as the customer on the commercial invoice and
- was named as the consignee on the bill of lading

One customer was identified as an intermediary trader and not an importer of the Australian export goods, as it:

- is listed as the supplier in the ABF database and is named as the customer on the commercial invoice
- pays for the goods invoiced by GGP and
- is not the consignee on the bill of lading (the trader's customers in Australia are named as the consignee on the bill of lading and are listed as the importer in the ABF database).

7.3 The exporter

The team considers GGP to be the exporter of the Australian export goods³ because GGP:

- produced the Australian export goods
- is named as the supplier on the commercial invoice
- is named as consignor on the bill of lading
- arranged and paid for inland transport to the port of export
- arranged and paid for port handling charges at the port of export
- arranged for ocean freight (for relevant transactions).

7.4 Australian export arms length assessment

7.4.1 Unrelated customers

The team assessed whether GGP sold the Australian export goods at arms length to any unrelated customers during the investigation period.

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The team found no evidence that:

- there was consideration payable for, or in respect of, the goods other than its price
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

The team notes that GGP:

- sold goods at similar prices to all unrelated customers
- used a market price index and other market intelligence to benchmark and negotiate prices with its Australian customers and
- appeared to genuinely negotiate the price with unrelated customers.

The team therefore considers that, for all the unrelated customer sales, GGP sold the Australian export goods at arms length.⁴

7.5 Export price assessment

In respect of Australian sales of the goods by GGP directly to Australian importers, the team recommends that the export price be determined under section 269TAB(1)(a), being the price paid by the importer to the exporter less transport and other costs arising after exportation.

In respect of Australian sales of the goods by GGP to the intermediary trader, the team recommends that the export price be determined under section 269TAB(1)(c), being the price that the Minister determines having regard to all the circumstances of the exportation.

The team has calculated export price at **Confidential appendix 1**.

⁴ See section 269TAA.

8 Domestic sales

8.1 Background

Section 269TAC states the general rules for calculating normal value. Under this section, the commission must assess the following to identify the correct method of calculating normal value:

- Did like goods sell domestically at arms length?
- Did like goods sell domestically in the ordinary course of trade (OCOT)?
- Did like goods not sell domestically, or sold domestically in low volumes?

This chapter discusses how the team assessed GGP's domestic sales for use in normal value.

8.2 Domestic arms length assessment

8.2.1 Unrelated customers

The team assessed whether GGP sold like goods domestically at arms length to any unrelated customers during the investigation period.

For all domestic sales, the team found no evidence that:

- there was consideration payable for, or in respect of, the goods other than its price
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

For these sales, the team notes that GGP:

- sold domestic like goods at similar prices to all unrelated customers and
- appeared to genuinely negotiate the price with unrelated customers.

The team therefore considers that sales to all unrelated customer domestic sales, GGP sold at arms length.⁵

8.2.2 Related party customers

The team assessed whether GGP sold like goods domestically at arms length to any related customers during the investigation period.

For all sales to a related party distributor SSN, the team found no evidence that:

- there was consideration payable for, or in respect of, the goods other than its price
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller

⁵ See section 269TAA.

PUBLIC RECORD

- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

For these sales, the team notes that GGP

- sold similar like goods domestically at similar prices to unrelated and related customers and
- appeared to genuinely negotiate the price with related customers.

The team therefore considers that, for all the related customer domestic sales to SSN, GGP sold at arms length.⁶

8.3 Ordinary course of trade assessment

Section 269TAA states that domestic sales of like goods are not in the OCOT if arms length transactions are both:

- unprofitable in substantial quantities over an extended period
- unlikely to be recoverable within a reasonable period.⁷

For domestic sales of like goods, the team assessed:

- if each sale was unprofitable by comparing the price to the relevant CTMS
- if each MCC had substantial quantities of unprofitable sales by calculating the volume of unprofitable sales as a percentage of total sales
- if any unprofitable sale was unlikely to be recoverable by comparing the price to the relevant weighted average CTMS.

The following table summarises the figures the team used to assess OCOT:

OCOT particulars	Details
Extended unprofitability period	The investigation period
Reasonable recoverability period	The investigation period
Price	Net invoice price
Cost	Quarterly CTMS of each MCC, including direct selling expenses for each transaction.
Weighted average cost	Weighted average CTMS for each MCC over the investigation period, including direct selling expenses for each transaction.

Table 6 - OCOT details

8.4 Domestic sales volume assessment

8.4.1 Overall sales volumes

Section 269TAC(2) provides alternative methods for calculating the normal value of the Australian export goods where there is an absence, or low volume, of relevant sales of like goods in the market of the country of export.

⁶ See section 269TAA.

⁷ The commission generally considers the inquiry, investigation or review period – whichever applies in the given case – is the relevant ‘extended period’ and ‘reasonable period’.

PUBLIC RECORD

An exporter's domestic sales of like goods are taken to be in a low volume under section 269TAC(14) where the total volume of sales of like goods for home consumption in the country of export by the exporter is less than 5% of the total volume of the goods exported to Australia by the exporter – unless the Minister is satisfied that the volume is still large enough to permit a proper comparison for the purposes of assessing a dumping margin.

The team assessed the total volume of relevant sales of like goods as a percentage of the Australian export goods and found that the volume of domestic sales was 5% or greater and therefore was not a low volume.

8.4.2 Model control code sales volume

When calculating a normal value under section 269TAC(1), in order to ensure a proper comparison between the Australian export goods and the domestic like goods, the commission considers the volume of sales of each exported MCC in the domestic market.

Where the volume of domestic sales of an exported model is less than 5% of the volume exported, the commission will consider whether it can make a proper comparison at the MCC level. In these situations, the commission may consider whether it should use a surrogate domestic model to calculate normal value for the exported model.

The table below details this analysis.

Export MCC	Is MCC's domestic sales volume 5% or greater the export sales volume?	Treatment of normal value
CH-T-3030-LS	N	No domestic sales of CH-T-3030-LS. Surrogate model TB-T-3030-HS used, with specification adjustment under section 269TAC(8).
CH-T-3030-NJU	N	No domestic sales of CH-T-3030-NJU. Surrogate model TB-T-3030-HS used, with specification adjustment under section 269TAC(8).
SL-T-3030-LS	N	No domestic sales of SL-T-3030-LS. Surrogate model SL-T-3030-HS used, with specification adjustment under section 269TAC(8).
SL-T-3030-NJU	N	No domestic sales of SL-T-3030-NJU. Surrogate model SL-T-3030-HS used, with specification adjustment under section 269TAC(8).

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Export MCC	Is MCC's domestic sales volume 5% or greater the export sales volume?	Treatment of normal value
TB-Ph-1500-LS	N	No domestic sales of TB-Ph-1500-LS. Surrogate model TB-T-3030-HS used, with specification adjustment under section 269TAC(8).
TB-Ph-3000-LS	N	No domestic sales of TB-Ph-3000-LS. Surrogate model TB-T-3030-HS used, with specification adjustment under section 269TAC(8).
TB-T-3030-LS	N	No domestic sales of TB-T-3030-LS. Surrogate model TB-T-3030-HS used, with specification adjustment under section 269TAC(8).
TB-T-3030-NJU	N	No domestic sales of TB-T-3030-NJU. Surrogate model TB-T-3030-HS used, with specification adjustment under section 269TAC(8).
CR-T-3030-LS	Y	The team considers domestic sales of same MCC permits a proper comparison to exported goods.
CR-T-3030-NJU	Y	The team considers domestic sales of same MCC permits a proper comparison to exported goods.
TB-T-3030-HS	Y	The team considers domestic sales of same MCC permits a proper comparison to exported goods.

Table 7 - Domestic volumes

The team's volume analysis is at **Confidential appendix 3**.

9 Adjustments

To properly compare an export price of the Australian export goods to the corresponding normal value, the team considered applying each of the following adjustments.

9.1 Rationale and method

Adjustment type	Assessment for adjustment	Calculation method and evidence	Claimed in REQ?	Adjustment required?
Domestic inland transport	Domestic inland transport costs differ from export inland transport costs. Domestic sales are transported by truck, ferried to Java and then trucked to inland Java. The ferry port is a different port from the port of export.	Domestic inland transport costs calculated using the accrued (estimated) amount for each transaction plus the inland transport amount recorded as a direct selling expense in GGP's accounts. The amount recorded as a direct selling expense is the difference between the accrual amount and the actual amount which was verified to supplier invoices and SAP records.	Y	Y
Commission on domestic sales	GGP pays a fixed percentage commission for some domestic sales. GGP does not pay any commission for export sales. The commission for domestic sales is paid to GGP's related-party distributors. The payment is for marketing and distribution of domestic sales made on behalf of GGP.	The verification team verified the Commission Agreement between GGP and its related parties. The fixed percentage commission was calculated as a portion of the invoice gross value between GGP and the downstream customers. The commission was not calculated for sales between GGP and the related-party distributors when a downstream customer was not recorded. The verification team considered that in those instances, the sale to the downstream customer had not yet occurred and the goods were warehoused. A commission would not yet be payable.	Y	Y
Domestic packaging	There are differences in packaging between domestic goods and goods exported to Australia. Domestic goods are packaged using cartons, whereas goods exported to Australia are packaged using cardboard trays,	The packaging costs for each SKU produced were provided in GGP's cost data. The verification team used these costs (and any amendments outlined in Exception 14: Cost to make data) to calculate domestic packaging costs.	Y	Y

PUBLIC RECORD

Adjustment type	Assessment for adjustment	Calculation method and evidence	Claimed in REQ?	Adjustment required?
	double trays or cartons and then palletised and wrapped.			
Domestic credit terms	A domestic credit adjustment was made as payment terms differ between domestic and export sales.	GGP's domestic customers have different payment terms. The adjustment was calculated using GGP's average short-term borrowing interest rate and the accounts receivable turnover ratio for the investigation period, for each domestic customer. The team verified the interest rate from GGP's internal loan repayment schedule and loan source documents. The accounts receivables ledger for each domestic customer was verified.	Y	Y
Export bank charges	Bank charges are incurred when export sales are paid for. There are no bank charges incurred for domestic sales.	The verification team calculated a USD/kg bank charge using the payment evidence provided by GGP for selected export sales samples.	N	Y
Export inland transport	Export inland transport costs differ from domestic inland transport costs.	Export inland transport costs are based on GGP's contracted transport price between the cannery and Panjang port. The contracted amount (in IDR full container load (FCL)) was converted to USD/kg by the verification team. The contract price was verified by the verification team.	Y	Y
Export packaging	There are differences in packaging between goods exported to Australia and domestic goods. Export goods are packaged using cardboard trays, double trays or cartons and then palletised and wrapped. Domestic goods are packaged in cartons.	The packaging costs for each SKU produced were provided in GGP's cost data. The verification team used these costs (and any amendments outlined in Exception 14: Cost to make data) to calculate export packaging costs.	Y	Y
Export port and handling charges	All exports to Australia incur port and handling	The total port and handling charges paid in the investigation period were recorded by GGP in	Y	Y

PUBLIC RECORD

Adjustment type	Assessment for adjustment	Calculation method and evidence	Claimed in REQ?	Adjustment required?
	charges. Domestic sales do not.	<p>its ledger. The verification team verified the ledger to sampled source documents.</p> <p>The individual entries in the ledger capture the total of multiple invoices for exports to all countries. The verification team accepted GGP's calculation method of a unit port and handling cost per FCL in the investigation period.</p> <p>The verification team then allocated this standard cost by net weight of the product in each shipment, calculated in USD/kg.</p>		
Export credit terms	An export credit adjustment was made as payment terms differ between export and domestic sales.	<p>GGP's export customers have different payment terms.</p> <p>The adjustment was calculated using GGP's average short-term borrowing interest rate and the accounts receivable turnover ratio for the investigation period, for each export customer.</p> <p>The team verified the interest rate from GGP's internal loan repayment schedule and loan source documents. The accounts receivables ledger for each domestic customer was verified.</p>	Y	Y
Specification	There were export MCCs that were not sold domestically (in OCOT and arms length). For these export MCCs, a normal value was calculated using a specification adjustment.	<p>A surrogate domestic model was selected that matched or best matched the export MCC requiring a normal value.</p> <p>The specification adjustment was calculated using the difference in CTMS between the export and surrogate models and adding OCOT profit.</p>	N	Y
Timing	For some quarters, there was no corresponding normal value to match with an export (MCC) sale.	The quarterly timing adjustment used the change in quarterly normal value from another MCC that matched or best matched the MCC requiring the adjustment.	N	Y

Table 8 - Assessment of adjustments

9.2 Adjustments

The team recommends the following adjustments so to properly compare export price of the Australian export goods to the corresponding normal value.

Adjustment Type	Deduction/addition
Domestic inland transport	Deduct an amount for domestic inland transport
Commission on domestic sales	Deduct an amount for commission on domestic sales
Domestic packaging	Deduct an amount for domestic packaging
Domestic credit terms	Deduct an amount for domestic credit
Export bank charges	Add an amount for export bank charges
Export inland transport	Add an amount for export inland transport
Export packaging	Add an amount for domestic packaging
Export port and handling charges	Add an amount for port and handling charges
Export credit terms	Add an amount for export credit terms
Specification	Add or deduct an amount for specification
Timing	Add or deduct an amount for timing adjustment

Table 9 - Summary of adjustments

The team calculated and applied adjustments in the normal value calculations at **Confidential appendix 3**.

10 Normal value

The team found that there were sufficient volumes of sales of like goods sold for home consumption in the country of export that were arms length transactions and at prices that were within the OCOT.

The team is therefore not satisfied that there is an absence, or low volume, of sales relevant for the purpose of determining a price under section 269TAC(1).

The team has determined a normal value under section 269TAC(1).

In using domestic sales as a basis for normal value, the team considers that certain adjustments are necessary to ensure that differences between the normal value and the export price of the Australian export goods would not affect comparison of domestic prices with export prices, in accordance with section 269TAC(8) and as outlined in chapter 9.

The team's normal value calculations are at **Confidential appendix 3**.

11 Dumping margin

The team calculated GGP's dumping margin by comparing weighted average Australian export prices to the corresponding weighted average normal values for the investigation period under section 269TACB(2)(a).

The team calculated GGP's dumping margin as **negative 16.6%**.

The dumping margin calculation is at **Confidential appendix 4**.

12 Appendices and attachments

Confidential appendix 1	Export price
Confidential appendix 2	Cost to make and sell
Confidential appendix 3	Normal value
Confidential appendix 4	Dumping margin
Confidential attachment 1	Verification work program