



Australian Government  
Department of Industry,  
Science and Resources

Anti-Dumping  
Commission

## Importer verification report

### Verification and case details

<b>Initiation date</b>	4/08/2023	<b>ADN</b>	2023/047
<b>Case number</b>	628		
<b>The goods under consideration</b>	Pineapple Fruit (Food Service and Industrial)		
<b>Case type</b>	Dumping Investigation		
<b>Importer</b>	Bidfood Australia Limited		
<b>Location</b>	67 Mandoon Road, Girraween NSW 2145		
<b>Verification date</b>	21/05/2024		
<b>Investigation period</b>	1/07/2022	to	30/06/2023

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.

**Contents**

**INTRODUCTION ..... 3**

**1 COMPANY BACKGROUND..... 4**

1.1 CORPORATE STRUCTURE AND OWNERSHIP ..... 4

1.2 RELATED PARTIES ..... 4

**2 GOODS UNDER CONSIDERATION ..... 5**

2.1 IMPORTATION OF THE GOODS UNDER CONSIDERATION ..... 5

2.2 MODEL CONTROL CODES..... 5

2.3 VERIFICATION OF MODEL CONTROL CODES..... 5

2.4 LIST OF MODEL CONTROL CODES..... 5

2.5 LIKE GOODS ASSESSMENT ..... 6

**3 VERIFICATION OF SALES COMPLETENESS AND RELEVANCE..... 7**

3.1 SALES COMPLETENESS AND RELEVANCE EXCEPTIONS ..... 7

3.2 SALES COMPLETENESS AND RELEVANCE FINDING ..... 7

**4 VERIFICATION OF SALES ACCURACY..... 8**

4.1 SALES ACCURACY FINDING ..... 8

**5 VERIFICATION OF IMPORTS AND COST TO IMPORT AND SELL ..... 9**

5.1 IMPORT LISTING ..... 9

5.2 VERIFICATION OF COST TO IMPORT AND SELL..... 9

5.3 CTIS ALLOCATION METHOD ..... 11

5.4 FORWARD ORDERS ..... 12

5.5 CTIS VERIFICATION FINDING ..... 12

**6 EXPORT PRICE..... 13**

6.1 THE IMPORTER..... 13

6.2 THE EXPORTER ..... 13

6.3 RELATED PARTY CUSTOMERS..... 13

6.4 PROFITABILITY OF IMPORTS ..... 13

6.5 RELATED PARTY SUPPLIERS ..... 14

6.6 ARMS LENGTH ..... 14

6.7 EXPORT PRICE ASSESSMENT ..... 14

**7 ATTACHMENTS ..... 15**

## Introduction

Bidfood Australia Limited (Bidfood) submitted data to the Anti-Dumping Commission (the commission) in response to an importer questionnaire for Investigation 628 (case 628) into FSI pineapple from the Republic of Indonesia and the Kingdom of Thailand.

A verification team from the commission has verified whether the data Bidfood 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 verification team's key findings, including the evidence considered and material issues identified. Where Bidfood or the team materially revised the submitted data, this report outlines the nature, extent and outcomes of these revisions.

The team 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).<sup>1</sup>

---

<sup>1</sup> All legal citations in this report are to the Act unless otherwise stated.

## 1 Company background

### 1.1 Corporate structure and ownership

Bidfood Australia Limited (Bidfood) is a food wholesaler and distributor, selling to food service operators such as cafes, aged care facilities, hospitals, hotels and restaurants. Bidfood has a range of over 35,000 food products. Bidfood sells FSI pineapple exported from Thailand under the 'Dewfresh' brand name.

Bidfood has approximately 50 wholly-owned subsidiaries based in Australia, as well as overseas subsidiaries. Bidfood and its Australian subsidiaries operate jointly, with a shared financial system and services team and joint financial reporting obligations under the ASIC *Corporations (Wholly-owned Companies) Instrument 2016/785*<sup>2</sup>. For these reasons, Bidfood and its Australian subsidiaries are jointly known as Bidfood and were verified as a single organisation.

Bidfood facilitates the import of tinned pineapple and transfers the goods to several of Bidfood's subsidiaries. These subsidiaries have sales and purchasing staff who facilitate the sale of tinned pineapples to customers.

Bidfood is owned by Bid Corporation Limited (Bidcorp), based in South Africa. Bidcorp was renamed from Bidvest Group Limited in 2016. Bidcorp is listed on the Johannesburg Stock Exchange, with no individual shareholder with more than 5% controlling interest.

### 1.2 Related parties

The verification team examined the relationships between Bidfood, Bidfood's Australian subsidiaries and parties involved in the supply and sale of the goods.

The verification team found that Bidfood and its Australian subsidiaries did not have any related party customers or suppliers of the goods during the investigation period. The verification team notes it does not consider transfers of goods between Bidfood and its Australian subsidiaries to be sales for the purpose of this assessment.

---

<sup>2</sup><https://asic.gov.au/regulatory-resources/financial-reporting-and-audit/preparers-of-financial-reports/relief-from-corporate-finance-provisions/deeds-of-cross-guarantee/>

## **2 Goods under consideration**

### **2.1 Importation of the goods under consideration**

Bidfood confirmed that it imported goods from Thailand during the investigation period matching the description of the goods that are the subject of this investigation.

### **2.2 Model control codes**

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

#### **2.2.1 Amendments to model control codes**

After comparing prices of different models of the goods, the verification team does not recommend amending the MCC structure.

### **2.3 Verification of model control codes**

Table 1 below details how the verification team determined MCC sub-categories and verified them to source documents.

Category	Sub-category verification method
Quality	Bidfood explained that they sold only prime products. Bidfood’s accounting system did not directly record quality of products. The verification team verified Bidfood’s product standards, sales records and selected sale samples, and did not find any evidence of non-prime product sales.
Pineapple cut	Based on the product code and product description in Bidfood’s sales records, commercial invoice and other source documents. The product code maps to Bidfood’s product specification documents.
Container type	Based on the product code and product description in Bidfood’s sales records, commercial invoice and other source documents. Bidfood only imported products with tinned containers.
Container size	Based on the product code and product description in Bidfood’s sales records, commercial invoice and other source documents. The product code maps to Bidfood’s product specification documents. The container size is the minimum net weight as defined by Bidfood’s product specification.
Packing medium	Based on the product code and product description in Bidfood’s sales records, commercial invoice and other source documents. Bidfood only imported pineapple packed in light syrup.

**Table 1 MCC sub-category determination**

The verification team is satisfied that Bidfood sold the goods in Australian market.

### **2.4 List of model control codes**

Bidfood imported and sold the following MCCs during the period:

MCCs	
P-PC-T-3060-LS	P-SL-T-3060-LS
P-PZ-T-3060-LS	P-TS-T-3060-LS

## 2.5 Like goods assessment

The verification team considers that goods Bidfood imported were identical to, or had characteristics closely resembling, the like goods manufactured by the Australian industry.

This is because:

- **Physical likeness:** The imported goods have similar physical characteristics to the goods Australian industry produced and sold. The imported goods and the Australian industry like goods consist of a similar range of preserved pineapple cuts in liquid.
- **Production likeness:** The imported goods and Australian industry like goods are produced using similar production methods.
- **Commercial likeness:** The imported goods and Australian industry like goods are sold to similar customers including cafés, aged care facilities, hospitals, hotels and restaurants. The imported goods and Australian industry like goods appear to directly compete in the Australian market.
- **Functional likeness:** The imported goods and Australian industry like goods are both commonly used by commercial and cafeteria kitchens as an ingredient in food products such as Hawaiian pizza or pineapple cake.

### 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 verification team verified whether the sales listing Bidfood submitted is complete and relevant by reconciling them to the audited financial statements, consistent with ADN 2016/30.

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

1. reconciling the total company sales value in the trial balance to Bidfood's audited financial report for July 2022 to June 2023
2. reconciling Bidfood's total sales revenue in the trial balance to its accounting system, demonstrated live during the verification visit.
3. reconciling Bidfood's total sales revenue to sales of the goods under consideration by filtering Bidfood's accounting system for specific suppliers, product types and product codes, demonstrated live during the verification visit.
4. reconciling Bidfood's sales of the goods under consideration in its accounting system to Bidfood's sales listing provided in the RIQ.

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

#### 3.1 Sales completeness and relevance exceptions

##### Exception 1: Sales credit transactions excluded from original sales listing

**Description:** Bidfood's original sales listing excluded information about sales returns (sales credits).

**Resolution:** Bidfood provided a list of sales credit transactions during the investigation period. The verification team has included the sales credit transactions in Bidfood's sales listing.

#### 3.2 Sales completeness and relevance finding

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

## 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 verification team verified whether the sales listing Bidfood submitted is accurate by reconciling them to source documents, consistent with ADN 2016/30.

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

### 4.1 Sales accuracy finding

The verification team is satisfied that the sales data Bidfood submitted is accurate.



## 5 Verification of imports and cost to import and sell

### 5.1 Import listing

Bidfood confirmed that the import listing extracted from the Australian Border Force (ABF) import database is a complete list of imports of the goods over the investigation period.

#### 5.1.1 Exceptions during verification of import listing

##### Exception 2: Missing Imports found in ABF data

**Description:** The verification team found consignments recorded in the ABF data but missing from Bidfood's import listing. These imports all occurred near the end of the investigation period. The verification team also found consignments included in Bidfood's import listing but with invoice dates from before the start of the investigation period.

During verification, Bidfood explained that it prepared an import listing based on the date it received imports, which may differ from the exportation date.

**Resolution:** The verification team requested bills of lading and other source documents for the imports missing from Bidfood's import listing. These imports all had bill of lading dates in the investigation period. The verification team therefore considers these imports were exported in the investigation and has included them in the import listing.

The verification team also excluded consignments with bill of lading dates outside the investigation period from Bidfood's import listing.

### 5.2 Verification of cost to import and sell

Prior to the verification, the verification team selected 12 sample shipments for Bidfood to complete the cost to import and sell (CTIS) spreadsheet of the importer questionnaire.

For each of the selected shipments, Bidfood provided the following source documents:

- purchase order and supplier confirmation
- commercial invoice and packing list
- bill of lading
- country of origin certificates
- importation invoices from freight forwarder
- ABF import declarations
- ocean freight invoices
- proof of payment (bank statements).

Bidfood also provided source documents for other shipments during the investigation period.

The commission typically verifies cost to import and sell (CTIS) as complete and relevant by reconciling the total cost to import and the 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 verification team verified whether the CTIS listing Bidfood submitted is complete and relevant by reconciling it to audited financial statements, consistent with ADN 2016/30.

## PUBLIC RECORD

The verification team identified the issues outlined below during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

### 5.2.1 Exceptions during verification of CTIS

#### Exception 3: Ocean freight missing bill of lading expense

**Description:** The verification team found Bidfood's CTIS ocean freight records for one shipment were missing the 'bill of lading expense'.

**Resolution:** The verification team added the bill of lading expense for this shipment to the ocean freight amount.

#### Exception 4: Marine insurance in AUD

**Description:** The verification team found Bidfood recorded marine insurance for one shipment in AUD instead of USD. Bidfood confirmed this shipment was recorded in AUD.

**Resolution:** The verification team amended marine insurance for this shipment to AUD according to the import declaration document.

#### Exception 5: Double-counting of inland transport expense

**Description:** The verification team found that Bidfood included some inland transport expense in both the 'inland transport' and 'port handling' expenses in its CTIS listing. The result is that Bidfood double counted the inland transport expense for some shipments.

**Resolution:** To avoid double-counting, the verification team has removed the inland transport expense from port/handling expense.

#### Exception 6: Discrepancy of port handling fees

**Description:** The verification team found that some port and handling fees did not reconcile to the source documents. Bidfood explained that it completed its CTIS listing using an estimated import expense amount from its accounting system. Separately, Bidfood provided the verification team with freight forwarder invoices that showed the actual expenses for port handling.

**Resolution:** The verification team amended the port and handling expenses for all imports to reflect the actual expense according to freight forwarder invoices.

#### Exception 7: Discrepancy of 'other charges'

**Description:** The verification team found that for some imports, the amount listed as 'other charges' did not reconcile to the source documents.

Bidfood explained the 'other charges' amount in the CTIS spreadsheet is an estimated amount to account for any unforeseen shipping delays or additional costs.

**Resolution:** The verification team amended the 'other charges' amount to reflect actual incurred expense by Bidfood according to freight forwarder invoices. This amount mainly consists of shipping detention fees paid for several imports.

**Exception 8: Classification of Imported Food Inspection Scheme fee**

**Description:** The verification team found that Bidfood had classified fees incurred under the Imported Food Inspection Scheme (IFIS) as ‘Customs duty’. The IFIS is an inspection regime for imported food administered by the Department of Agriculture, Fisheries and Forestry<sup>3</sup>.

**Resolution:** The verification team verified the IFIS fees to freight forwarder invoices. The verification team decided to reclassify these fees to ‘other charges’.

### 5.3 CTIS allocation method

Table 2 outlines how the verification team allocated each CTIS component.

<b>Cost Area</b>	<b>Method applied</b>
Ocean freight (including bank charge)	Actual ocean freight cost according to freight forwarder invoices, allocated to goods based on weight (kg).
Marine insurance	Marine insurance cost recorded for the importation in import declaration form submitted to ABF, allocated to goods based on total invoice value
Port and handling charges	Actual port and handling cost according to freight forwarder invoices, allocated to goods based on weight (kg).
Inland transport expenses from port to Bidfood Distribution Centres	Actual inland transport expenses according to freight forwarder invoices, allocated to goods based on weight (kg).
Other charges, including detention and IFIS fees	Actual expenses according to freight forwarder invoices, allocated to goods based on weight (kg).
SG&A, including inland transport expenses from DC to Bidfood site to customer	SG&A plus inland transport as percentage of net revenue over the period, allocated to goods based on invoice value.

**Table 2 CTIS allocation method**

#### 5.3.1 Exceptions during verification of CTIS allocation method

**Exception 9 – Exclusion of finance expenses in SG&A**

**Description:** Bidfood excluded finance expenses from its SG&A list.

**Resolution:** The team included these expenses in the SG&A calculation.

**Exception 10: Inclusion of COGS costs in SG&A**

**Description:** Bidfood included import costs such as ocean freight and port and handling (COGS) in its SG&A list.

**Resolution:** The team excluded these COGS costs from the SG&A calculation.

<sup>3</sup> <https://www.agriculture.gov.au/biosecurity-trade/import/goods/food/inspection-testing/ifis>

## PUBLIC RECORD

### Exception 11: Stocktake expenses and balance sheet items in SG&A list

**Description:** The verification team identified accounts relating to stocktake, such as stock revaluation and stock variance, in its SG&A expense listing.

Accounts relevant to the balance sheet and not the income statement were also included in the SG&A list.

The verification team considers these accounts are not SG&A.

**Resolution:** The verification team excluded these amounts from the SG&A calculation.

### Exception 12: SG&A allocation method

**Description:** Bidfood incorrectly calculated the SG&A percentage by using revenue from sales of like goods only instead of net company revenue.

**Resolution:** The verification team replaced sales revenue of like goods with the net sales revenue from the audited financial statement for financial year 2023 (same period as the investigation period).

## 5.4 Forward orders

The verification team verified Bidfood's forward orders by reconciling the listing provided in the questionnaire response to the company's records. The verified list of forward orders is at **Confidential Appendix 1**.

## 5.5 CTIS verification finding

The verification team is satisfied that the CTIS provided by Bidfood, including any required amendments as outlined in the exception description above, is accurate.

A table detailing the weighted average unit CTIS is at **Confidential Appendix 2**.

## 6 Export price

### 6.1 The importer

The verification team considers Bidfood is the beneficial owner of the goods at the time of importation and therefore the importer of the goods, as Bidfood:

- was named on the commercial invoice from its supplier
- was named as the consignee on the bill of lading
- was declared as the importer on the importation declaration to ABF
- paid for all the importation charges
- paid the freight forwarder to arrange delivery from the port.

### 6.2 The exporter

The verification team considers the manufacturer and seller of the goods is the exporter,<sup>4</sup> as the manufacturer:

- is named as the supplier on the commercial invoices and packing lists
- is named as the supplier on the importation declarations to ABF
- is named as consignor on the bills of lading.

### 6.3 Related party customers

Bidfood stated it did not sell to any related party customers. The verification team did not identify any evidence that Bidfood or its Australian subsidiaries sold to related parties.

### 6.4 Profitability of imports

The verification team assessed the profitability for the following selected shipments by comparing the revenue to the CTIS for each shipment. As the verification team cannot trace each selected shipment to actual sales transactions, the verification team used quarterly weighted average sales revenue to assess its profitability.

The assessment is at **Confidential Appendix 2**. The outcome of this assessment is in Table 3 below.

Shipment	Profitable (Y/N?)
1	Y
2	Y
3	Y
4	Y
5	Y
6	Y
7	Y

<sup>4</sup> The commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

## PUBLIC RECORD

Shipment	Profitable (Y/N?)
8	Y
9	Y
10	Y
11	Y
12	Y
<b>Weighted average all shipments</b>	<b>Y</b>

**Table 3 Profitability of selected imports**

### 6.5 Related party suppliers

The verification team did not find any evidence that Bidfood is related to its supplier of the imported goods during the investigation period.

### 6.6 Arms length

In respect of Bidfood's imports of the goods to Australia during the investigation period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price
- the price was 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 received a benefit for, or in respect of, whole or any part of the price.

### 6.7 Export price assessment

The verification team is of the opinion that, for the goods imported by Bidfood from the exporter:

- the goods have been exported to Australia otherwise than by the importer
- the goods have been purchased by the importer from the exporter(s)
- the purchases of the goods by the importer were arms length transactions.

Subject to further inquiries, the verification team recommends that the export price for the goods imported by Bidfood from the exporter can be established under section 269TAB(1)(a) of the Act, using the invoiced price, less transport and other costs arising after exportation.

**7 Attachments**

Confidential appendix 1	Forward orders
Confidential appendix 2	Profitability of imports
Confidential attachment 1	Verification work program