



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: 30 September 2013

Investigation case manager: Mr Tom O'Connor

Phone: +61 2 6274 4948

Fax: +61 2 6275 6888

E-mail: operations1@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

**Return completed question-
naire to:**

**Anti-Dumping Commission
Customs House
5 Constitution Avenue
Canberra, ACT 2601
AUSTRALIA**

Attention: Director Operations 1

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:

Conserve Italia Soc. Coop. Agr.

Via Paolo Poggi, 11

40068 – San Lazzaro di Savena (Bo)

Name:	Sergio Tondini
Position in the company:	Corporate Affairs & Communication Manager
Address:	via Paolo Poggi, 11 – 40068 San Lazzaro di Savena (Bo)
Telephone:	+39-051-6228 311
Facsimile number:	+39-051-6228 421
E-mail address of contact person:	sergio.tondini@ccci.it

Factory n.1 – POMPOSA

Address:

Via Della Cooperazione, 5

44021 – Codigoro (Fe), Italia

Telephone:

+39-0533-727511

Facsimile number:

+39-0533-727512

E-mail address of
contact person:

Factory n.2 - RAVARINO

Address:

Via San Rocco, 420

41017 – Ravarino (Mo)

Telephone:

+39-059-8179111

Facsimile number:

+39-059-905206

E-mail address of
contact person:

Factory n.3 - ALBINIA

Address:

Strada Regionale 74 Km.1

58010 – Albinia (Gr)

Telephone:

+39-0564-870027

Facsimile number:

+39-0564-870120

E-mail address of
contact person:

Factory n.4 - MESAGNE

Address:	Via Vecchia Brindisi – Contrada Cavallino
	72023 – Mesagne (Br)
Telephone:	+39-0831-734936
Facsimile number:	+39-0831-772685
E-mail address of contact person:	

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: Roger D. Simpson & Associates Pty. Ltd
 Address: Level 1, 2 Mercantile Dock, Port Adelaide SA 5015 Australia
 Telephone: +61 8 84473699
 Facsimile/Telex number: +61 8 84472661
 E-mail address of contact person: roger@panpac.biz

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely re-leased 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.

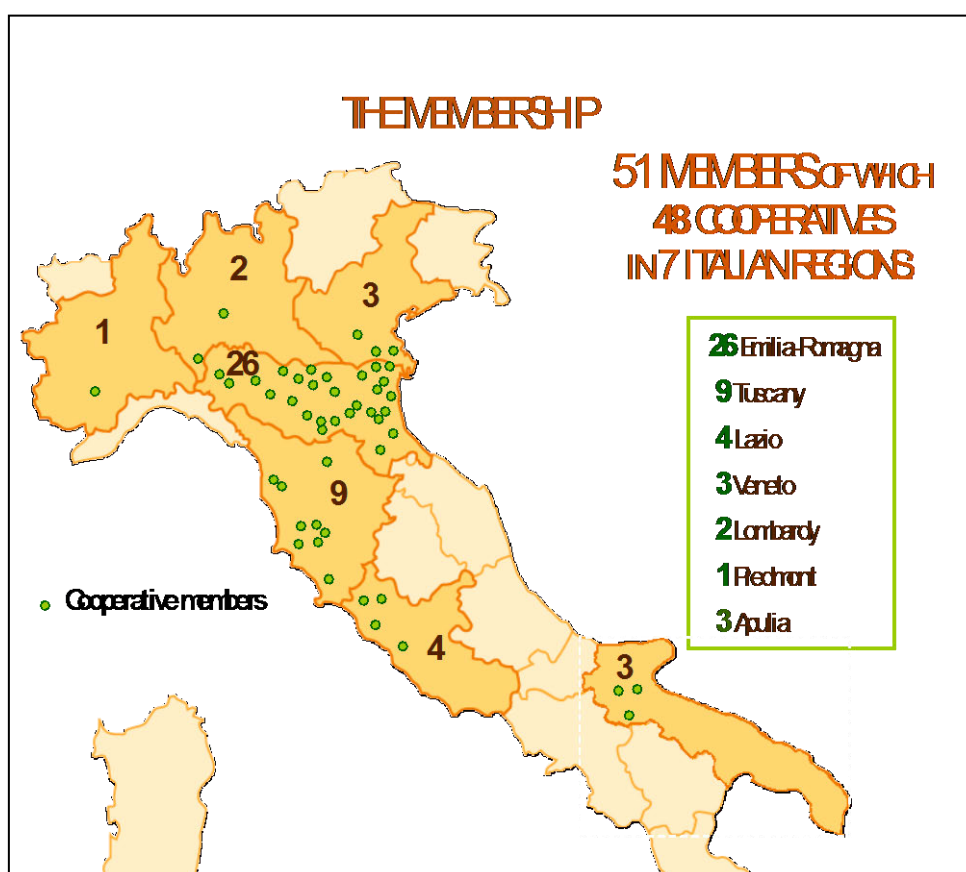
Conserve Italia Soc. Coop. Agr. (these acronyms stand for Agricultural Co-operative Society recognized as it in force of Italian law) is a cooperative company (a second tyre cooperative consortium) that process fresh fruit and vegetables supplied by its member cooperatives, who associates about 12.000 farmers, located mainly in the northern part of Italy (Emilia Romagna, Veneto, Lombardia regions) but also in the centre (Tuscany region) and south (Apulia region).

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).

Conserve Italia associates 51 members, of which:

- 38 are ordinary cooperative members (constituted by farmers who produce fruit and vegetable) that supply the raw material for the industrial processing;

- 11 are financial supporting cooperative members, or rather cooperatives that take part in the company either as financiers and as suppliers of raw materials;
- 3 [REDACTED] are Organisations that support Conserve Italia Cooperative as supporting members or financiers, but do not take part in the business of Conserve Italia even if they have some representatives in the Board of the cooperative;
- 1 is a special cooperative member.



Share Capital owners are listed below, together with number of shares, paid-up and subscribed capital, % on subscribed capital, and votes in the General Assembly for all members of Conserve Italia, at the date of 30.06.2013, end of the last financial year.

[Share capital table]

3. If your company is a subsidiary of another company, list the principal shareholders of that company.
Conserve Italia is not the subsidiary of another company.
4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

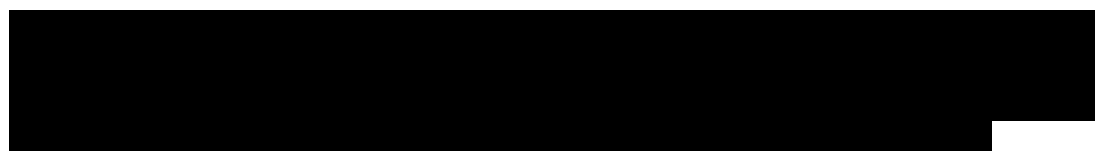
- Conserve Italia is not the subsidiary of another company.
5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

Conserve Italia is the holding company to other subsidiary companies in Europe:



[Corporate structure chart]

The subsidiary companies are the results of acquisitions which have been carried out over last the 25 years.



[Subsidiary company details]

The companies of the Conserve Italia Group are co-ordinated strategically and operationally from the headquarters in Bologna (Italy) at all levels (Trading, I.T. and Logistics, Finance, R&D, Quality Assurance, Management control, etc.).

6. Are any management fees/corporate allocations charged to your company by your parent or related company?
- None

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

Conserve Italia manage █ plants in Italy of witch █ process tomato.

We process tomato in summer (from 20 of July to 20 of September depending on the factory) and we stock all the finished products as "white can" i.e. cans without label, or labelled bottles, or we stock sieved tomato in aseptic tanks. We process and stock the whole production we need to face our annual contracts with super markets chains in Italy, Europe and abroad. Normally we produce what we forecast it is necessary to cope with our commercial programs until the subsequent processing campaign. Usually we don't have more than █% of our annual production that is not covered by contracts or marketing programs.

Conserve Italia favours the development of its own brands with a brand strategy for Italy and Europe focused on the brands Valfrutta, Yoga, Derby Blue, Jolly Colombani, Cirio, De Rica, Saint Mamet and Juver. These brands have created a stable relationship with consumers which assure important market shares in both retail and Ho.Re.Ca. sales channels in Italy and also in some strategic markets in Europe.

These brands represent part of the company's assets with the added value they create. This reflects positively on management and on paying the members for raw materials. Own brand sales account for █% of turnover, while production for private labels and industrial exchanges account for the remaining █%.

[Main brands chart]

[Brand market share chart]

Conserve Italia's customers are the operators of the various sales channels through which the company's sales structures operate.

Retail – the customers are the purchasing centres of Large Supermarkets and of Organised Distribution chains, Discount Stores and small shops to which the company sells the products under its own brands (Cirio, Yoga, Valfrutta, Derbyblue, De Rica, Jolly Colombani).

Private Labels – the Private Labels are those of the customers themselves who distribute through Large Supermarkets, Organised Distribution Chains and Discount Stores to which Conserve Italia sells products with the Distributors' Labels.

Ho.Re.Ca. – the customers are the wholesalers who distribute drinks and food to bars, restaurants, fast food restaurants and hotels and companies that manage food and drink machines (Vending), to which Conserve Italia sells products with its own brands.

Industrial trade – these are national and multinational companies to which Conserve Italia sells semi-processed products (mainly tomato paste).

Fresh products – the customers in northern and central Italy are the purchase centres of Large Supermarkets chains and in southern Italy a network of dealers which serve the sales points directly.

Export Department – this represents Conserve Italia's exports outside its three domestic markets of Italy, France and Spain. The customers are the purchase centres of Large Supermarkets and distributors/importers operating in the various countries.

Conserve Italia's Export Department is a structure which is highly integrated with Conserve Italia. Its mission is to develop export sales of own branded products – especially Cirio and Valfrutta – and to maintain the sales of Private Labels.

The structure encompasses the business activities of the [REDACTED],

and the export departments of Conserve Italia, [REDACTED]

The sales strategy for foreign markets pursues the following targets:

a) Consolidation of the sales of own labels products in the European areas, of both Western and Eastern Europe; in Eastern Europe the company's already consolidated experience can guarantee significant space on the market.

Some European countries have been identified as potential markets for the [REDACTED] label, taking into account name recognition, the competitive panorama and the local trade situation.

The target countries in the European area, in decreasing order of importance, are: [REDACTED]

d) Development of brand sales outside Europe. Great attention is being focused on the development of the [REDACTED] brand in [REDACTED]

c) Consolidation of the private label business. Because of the strong tendency of the modern European and non-European distribution centres to favour private labels, our Group is also following this important market segment.

For more information see the latest annual Financial Statement of the company (with reference to period 01.07.2012-30.06.2013), and the institutional web site of Conserve Italia (www.conserveitalia.it), and commercial web sites for its brands: Valfrutta (www.valfrutta.it), Cirio (www.cirio.it), De Rica (www.derica.it), Jolly Colombani (www.jollycolombani.it).

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 (none)
- sell in the domestic market (none)
- export to Australia, and (none)

In the part Part 1 of the questionnaire (preliminary information request) we have indicated [REDACTED]

Trader/ intermediary name	Contact name and phone number	Address
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED] [Export process]

- export to countries other than Australia.

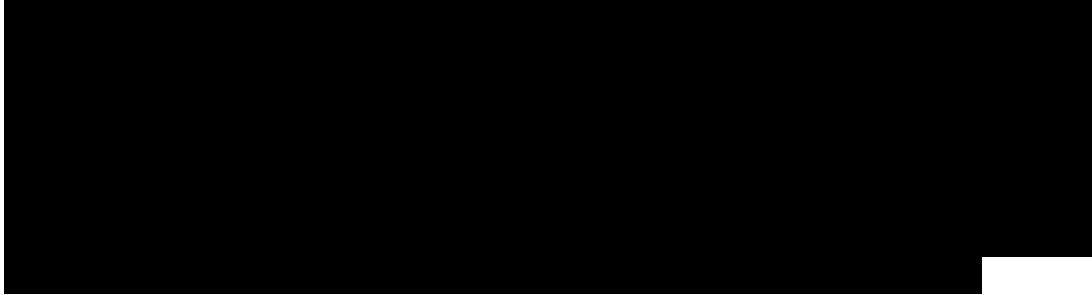
Conserve Italia sells tomato products, as well as other processed fruit and vegetables, to [REDACTED]

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

Management Bodies

Shareholders' Meeting

[REDACTED]

Board of Directors**Product Technical Committees****Organisational structure****[Organisation Chart]**

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

See Annex 1 – Conserve Italia annual report 2012 (fiscal year from 01.07.2011 to 30.06.2012)

The last annual report (fiscal year from 01.07.2012 to 30.06.2013) will be approved by the General Assembly of Members on October 28, 2013 and will be available for the inspection visit.

A-4 General accounting/administration information

The significant accounting policies that govern our system of accounting

General premises

Conserve Italia Financial Statements is drawn up according to the existing rules of the Civil Code as modified by the new provisions established about the company law, as provided by the Law Decree no. 6 of January 17, 2003, and following modifications and integrations, as construed and completed by the "National Council of Professional Accountants and Accountants", by the documents issued by the "Italian Accountancy Body" (O.I.C. Organismo Italiano di Contabilità) and, whenever failing, by the international accounting principles as recommended by the I.A.S.B. (International Accounting Standards Board).

1. Indicate your accounting period.
The accounting period of the Society/Group runs from the 1st of July to 30 of June.

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

Our financial record are held c/o
Conserve Italia's Headquarter
Via Paolo Poggi, 11
40068 – San Lazzaro di Savena (Bo) - 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;



[Conserve Italia  System Architecture chart]

[Conserve Italia ITC network]

[Conserve Italia internal reporting system structure chart]

[Calculation model for determining the full cost of products]

[Industrial product cost: data collection and entry system structure chart]

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);

For financial years 2010-2011 and 2011-2012 Conserve Italia's consolidated balance sheets are reported together with annual balance sheets.

See Annex 1 – Conserve Italia annual report 2012 (from 01.07.2011 to 30.06.2012).

See Annex 2 – Conserve Italia annual report 2011 (from 01.07.2010 to 30.06.2011).

Conserve Italia annual report 2013 (from 01.07.2012 to 30.06.2013), will be available only after 28 October 2013, date of the General Assembly for approval of our last annual balance.

Auditor's opinion are reported in the final of each annual report, both for Conserve Italia's annual report and for consolidated annual report.

- 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.

All these internal reports will be available for inspection visit.

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.

N.A.

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);

[REDACTED]

- 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);

Direct production costs are [REDACTED]:

[REDACTED]

Manufacturing overheads or fixed industrial costs are [REDACTED]

[REDACTED]

Variable selling costs are [REDACTED]

[REDACTED]

General overheads (structure's fixed cost, commercial and marketing costs, financial costs) are [REDACTED]

[REDACTED]

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

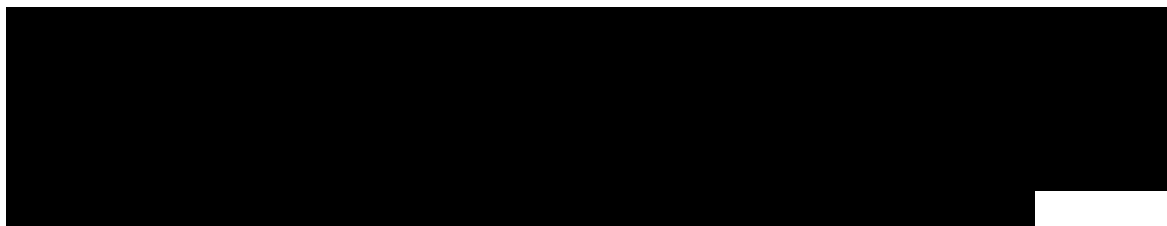
The evaluation of the semi-finished products or finished products with productive non conformity or commercial problems (out of quality standard, non-compliant packaging, short deadline. etc.) is [REDACTED]

[REDACTED]

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

[REDACTED]

- valuation and revaluation methods for fixed assets;

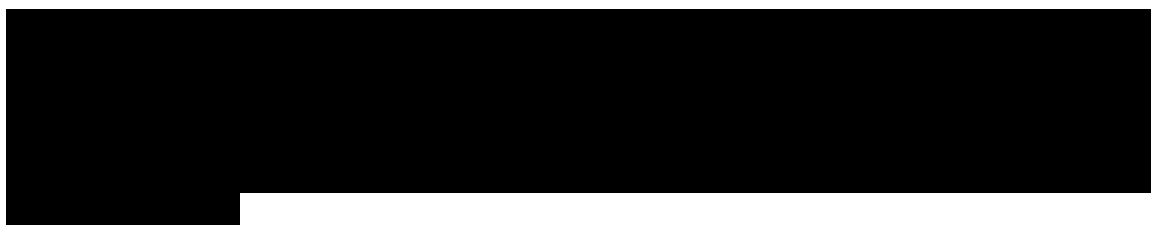


- average useful life for each class of production equipment and depreciation method and rate used for each;

	F.Y. 2011-12		F.Y. 2012-13	
	%	Usefull life	%	Usefull life
Industrial buildings				
Light constructions				
Specific machinery and equipments				
Specific machinery and equipments for seasonal				
Generic machinery and equipments				
Tanks				
Depurators				
Commercial equipment				
Laboratory and sundry equipment				
Fruit packing				
Farm machinery				
Office equipement and furniture				
Electronic and electromechanical machinery				
Lift trucks and factory equipements for material				
Vehicles				
Other tangible fixed assets				

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

[Conversion criteria of entries in foreign currency.](#)



[REDACTED]

- inclusion of general expenses and/or interest;

[REDACTED]

[REDACTED]

- provisions for bad or doubtful debts;

[REDACTED]

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

N.A.

- costs of plant closure;

N.A.

- restructuring costs;

N.A.

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

[REDACTED]

- effects of inflation on financial statement information.

N.A No effects of inflation are provided in financial statement information.
Conserve Italia belongs to the EURO area.

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.

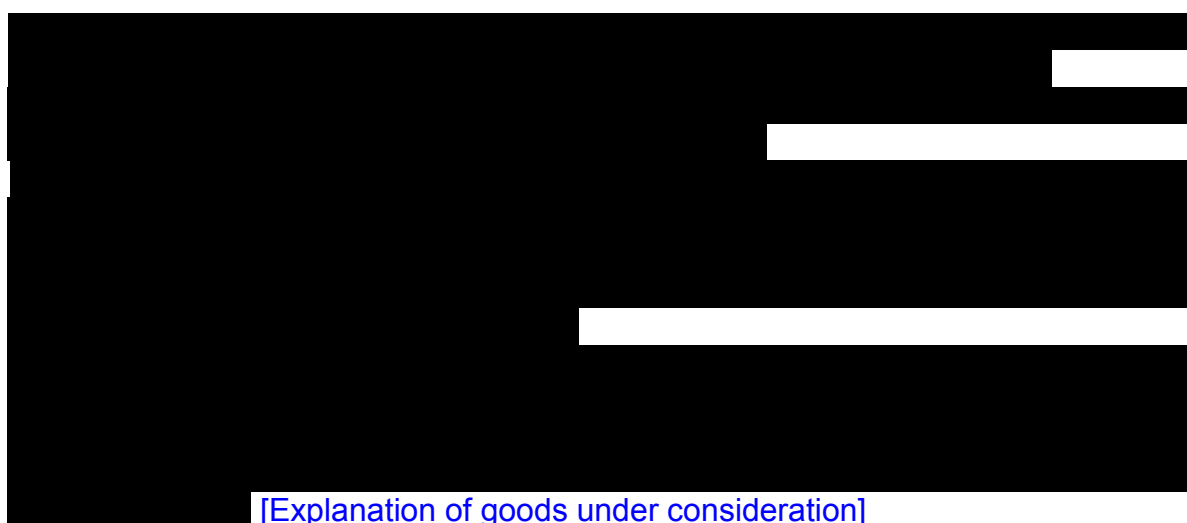
In the last 2 years any of the accounting methods has been changed.

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.

Preliminary statement

In the following Income statement, for what concern "Good under consideration", we have accounted all exported products to Australia that are:



[Explanation of goods under consideration]

See Annex 3 – INCOME STATEMENT

	Most recent completed financial year (specify) (2012-2013)		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 ex- penses (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 neg- ative (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 spreadsheet named "**Income statement**".

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 SalesPreliminary statement

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Explanation of the “Turnover” spreadsheet]

See Annex 4 – TURNOVER

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 (ME-CG)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration (Italian Private Labels)				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "TURNOVER".

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)

Preliminary statement

In the following Section, for what concern “Good under consideration”, we have taken into account all exported products to Australia that are:

[REDACTED]

[REDACTED]

[Explanation of “Goods under consideration”]

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).

Name	
Address	
Contact name Phone/Fax	
Trade level	

Name	
Address	
Contact name Phone/Fax Mail	
Trade level	

Name	
Address	
Contact name Phone/Fax	
Trade level	

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

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

CUSTOMER	Incoterm delivery	Shipment method	Inland trasport to Port

- (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.

--

[REDACTED]

[REDACTED]

- (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.

[REDACTED]

- (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).

[REDACTED]

- (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.

[REDACTED]

[REDACTED]

[REDACTED]

- (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).

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

(See tab 3 of the spreadsheet – Australian Sales)

- 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.

- B-4** Prepare a spreadsheet 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:

Preliminary statement

[Explanation of “Australian sales”]

See Annex 5 – AUSTRALIAN SALES

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 (carico container)
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 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. 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 spreadsheet.

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.

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.

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.

Any price adjustments [REDACTED] are made through [REDACTED]

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.

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.

See previous answer to question B.6

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. DDP delivered duty paid), insert additional columns in the spreadsheet 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)

N.A. (Not Applicable)

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.

See Annex 6 – DOCUMENTS FOR SHIPMENTS TO AUSTRALIA

- See Annex n. 7 – PRODUCTS' DATA SHEET**



- [Description of types exported to Australia]

- Like goods to be compared to on domestic market



Product	Italian market	Australian market

- 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.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate "YES". Otherwise "NO"	

- 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.

See Annex 8 – PL DOMESTIC MARKET_LABELS

See Annex 9 – AUSTRALIAN PRODUCTS_LABELS

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;

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Like goods to be compared to on domestic market

We consider as like goods, to be compared with goods under consideration exported to Australia, the same tomato products [REDACTED]
[REDACTED], sold on domestic market [REDACTED]

Price of like goods sold on domestic market must be adjusted for the different [REDACTED]
[REDACTED]

- information concerning the functions/activities performed by each party in the distribution chain; and

[REDACTED]

- a copy of any agency or distributor agreements, or contracts entered into.

See Annex 10 – PL DOMESTIC MARKET_CONTRACTS

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.
N.A.

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

Selling prices, for like goods, vary according to different distribution channel and depending on the brand.

[REDACTED]

[REDACTED]

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

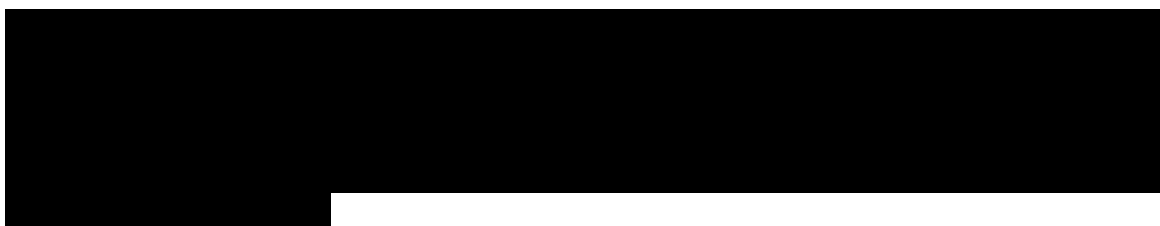
- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

[REDACTED]

[REDACTED]

[REDACTED]

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



- D-4** Prepare a spreadsheet 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.

See Annex 11 – DOMESTIC SALES

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 &	warranty & guarantee expenses

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.

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

- 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.

For all domestic sales we must pay a “green tax” on packaging, finalized to cover the cost for recycling of packaging. There are different tax rates for the different types of packaging: glass, tinsplate, plastic, carton. This taxation is named “CONAI contribution”. The calculation is made always on the weight of packaging used for sales in Italy. When a product is exported outside Italy we make a specific communication to CONAI, who give us a credit in terms of the equivalent of the weight of the exported goods for which we have paid the green tax.

To compare like goods sold on domestic market with goods sold in Australia, an adjustment must be done, with a reduction of the price for Private Labels sold on the domestic market, equivalent to the value of the CONAI tax paid for the goods sold in Italy.

- 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.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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.

[REDACTED]

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.

[REDACTED]

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.

Second quarter 2012 (ott-nov-dic)

[REDACTED]

[REDACTED]

Second quarter 2013 (apr-mag-giu)

[REDACTED]

[REDACTED]

See Annex 12 – PL DOMESTIC SALES_DOCUMETS

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 transport for exported good, from our premises to the port of shipment, has been determined from contractual arrangements with our carriers who also provide the service for ancillary costs related to port terminal handling, wharfage and other port charges, container taxes, etc.

The list of costs related to each delivery to the specific port of boarding is reported in the annex.

See Annex n. 13 - DELIVERY TO AUSTRALIA_INLAND TRANSPORT AND OTHER EXPENSES

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.

These costs are actual costs reported in the delivery cost list.

See previous Annex n. 13

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. (Coge)

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.

Since most of payments by our Australian customers are made according contractual terms, with only few days of delay for some payments, we do not claim for an adjustment for extending credit.

See Annex n.14 - PYMENT TERMS_ AUSTRALIAN CUSTOMERS

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**'.

Packing costs are the same for export and domestic sales.

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.

[REDACTED]

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.

[REDACTED]

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.

The additional costs of our domestic sales activities, eg salesmen’s salaries and expenses are still under consideration.

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.



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.

There are no differences in qualitative composition, packaging, among the products exported to Australia and those sold on the domestic market, so there are no price adjustments to make.

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.

The products we sell on the domestic market are with VAT (Value added tax) but our prices are net of VAT. For the VAT is not necessary to make adjustments.

For all domestic sales we must pay a “green tax” on packaging, finalized to cover the cost for recycling of packaging. There are different tax rates for the different types of packaging: glass, tinplate, plastic, carton. This taxation is named “CONAI contribution”. The calculation is made always on the weight of packaging used for sales in Italy. When a product is exported outside Italy we make a specific communication to CONAI, who give us a credit in terms of the equivalent of the weight of the exported goods for which we have paid the green tax.

To compare like goods sold on domestic market with goods sold in Australia, an adjustment must be done, with a reduction of the price for Private Labels sold on the domestic market, equivalent to the value of the CONAI tax paid for the goods sold in Italy.

To prove and claim for CONAI green tax adjustment, we annex a sample of invoice for the components of production on which we pay CONAI tax.

See Annex n. 15 - CONAI GREEN TAX_SAMPLE OF INVOICES

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;

There are no taxes on the import of components for tomato production. We do not receive refunds on import duties on the basis of exports to Australia. We do not receive refunds linked to exports to Australia. Therefore, shall not apply adjustments to the sales on the domestic market.

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.

N.A.

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.

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.



See Annex n. 16 - DOMESTIC MARKET PL PROMOTIONAL ACTIVITIES IN-VOICES

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.



3. 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 borrowing's 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.

Since most of payments by our domestic customers are made according contractual terms, with only few days of delay for some payments, we do not claim for an adjustment for extending credit.

See Annex n. 17 - PYMENT TERMS_ DOMESTIC CUSTOMERS

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 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.

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 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.

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.



To give evidence of the costs of transport which have been attributed to the [redacted] tomatoes sold on the domestic market is shown in the attached file a detailed statement of transport by single delivery to end customers.

See Annex n. 18 - TRANSPORT COST ITALIAN PRIVATE LABELS

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.

The costs of handling and loading include inbound transport, the movements in the warehouse, picking operations and loading.

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”**.

Packing costs are the same for domestic and export sales.

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.

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.

N.A.

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;

The financial costs of the stock are the same for products exported and sold in the domestic market. Therefore, there are no adjustments to do.

- *warehousing expense*: an expense incurred at the distribution point;
Additional warehousing expenses for domestic sales are not yet calculated.
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
N.A.
- *advertising*; and
We do not have any advertising cost for [REDACTED].
- *bad debt*.
We do not have bad debts for sales [REDACTED] on domestic market.
- *other*
Please refer to E-1.7.

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.

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.

See Annex n. 19 – THIRD COUNTRY

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 spreadsheet file named “Third country”

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

N.A.

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.*

All reports are on SAP/R3 software.

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.

See Annex flowcharts for the following products: Chopped tomatoes, Crushed Tomatoes, Peeled Tomatoes.

See Annex n. 20 – PRODUCTION FLOWCHARTS

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

See Annex n. 21 - PRODUCTION

	PREVIOUS FINANCIAL YEAR (2011/2012)	MOST RECENT FINANCIAL YEAR (2012/2013)	Investigation Period (2012/2013)
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 spreadsheet named "**Production**".

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.

[REDACTED]

- 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.

[REDACTED]



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

N.A.

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



- 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.

As for 4 above.

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

As for 4 above.

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

N.A.

- 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.

N.A.

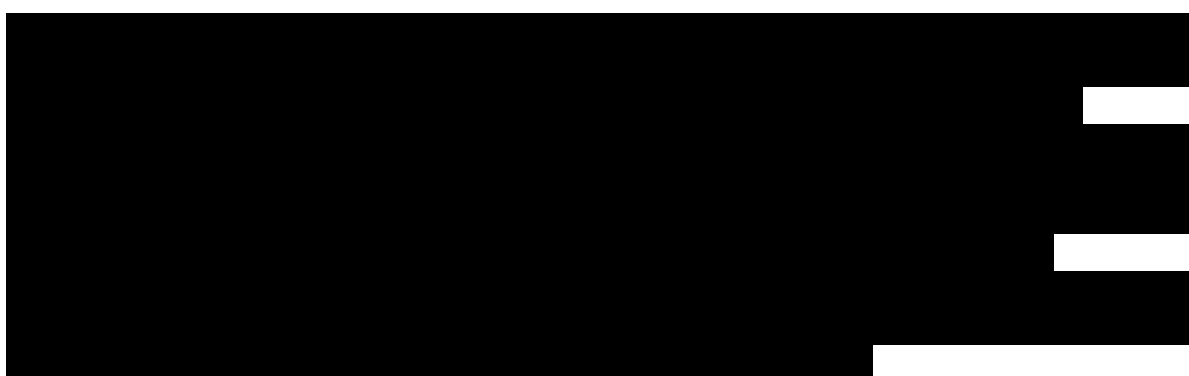
- 9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

N.A.

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.
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.



See Annex n. 22 – TOMATO COST OF PRODUCTION 2012

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.

See Annex n. 23 – DOMESTIC CTMS

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spreadsheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				

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.

Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet 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.

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.

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.

See Annex n. 24 - AUSTRALIAN CTMS

	Quarter X	Quarter X	Quarter X	Quarter X
Model/Type exported to Australia – from spreadsheet 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 spreadsheet 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.

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.

- 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.

There are no differences between products sold in Australian market and products sold in internal market in term of cost of production.

- 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.

N.A.

2. 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.

N.A.

G-6 Major raw material costs

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

There are two raw materials that account for more than 10% of variable cost of production:

- Fresh tomato accounts for [REDACTED] %
- Can plus cap accounts for [REDACTED] %

Fresh tomato is supplied by [REDACTED]

The conferring list is provided for each factory.

The final price to be paid to member cooperatives is defined by the Board of Directors.

Usually the price paid for fresh tomato by Conserve Italia is [REDACTED]

See Annex n. 25 – FRESH TOMATO CONFERRED BY COOPERATIVES

Conserve Italia has [REDACTED] major supplier for can and caps:

[REDACTED]

Most of our purchases of cans and caps used for tomato production in 2012 campaign are reported in the following Annex. The exact average cost of the specific can put in the bill of materials is calculated taking in account all purchases made in the financial year 2011-2012.

See Annex n.26 – CANS' SUPPLIERS – YEAR 2012

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).

The cost of raw materials are allocated in the bill of materials according to average purchasing price values.

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.

See Annex 22 – TOMATO COST OF PRODUCTION 2012

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.

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)?

Conserve Italia own [REDACTED] ha of cultivated land entitled for payments in SPS. The annual payment received for years 2010, 2011 and 2012 amounts to Euro

██████████. For year 2013 we are still waiting for payment, normally payed in November and December.

- H2. If you have answered yes to the above, please explain the process by which you applied and whether your applications were approved.

We normally we present the application for aid in May and receive the payment in November and December. [REDACTED]

- 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.

The benefits are approved and paid by Regional Agency for payment in agriculture named AGREA. The benefits are accounted in the specific ledger account n.

(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?

These kind of benefit, different from that of SPS, are commented at point H6 hereafter.

- 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.

[REDACTED]

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

[REDACTED]

[REDACTED]

[REDACTED]

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?

[REDACTED]

- 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?

[REDACTED]

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.

None.

Benefit payment summary

Conserve Italia has received no benefit payments which assist the prices of processed tomatoes sold in the domestic or export markets.



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 spreadsheet
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"/>

LIST OF ANNEXURES

ANNEXURE	1. Conserve Italia annual report 2011-2012 (Confidential)
	2. Conserve Italia annual report 2010-2011(Confidential)
	3. Income statement (Confidential)
	4. Turnover (Confidential)
	5. Australian sales (Confidential)
	6. Documents for shipments to Australia (Confidential)
	7. Products' data sheet – Australia (Confidential)
	8. Domestic market – labels (Confidential)
	9. Australia products – labels (Confidential)
	10. Domestic market contracts (Confidential)
	11. Domestic sales (Confidential)
	12. Domestic sales documents (Confidential)
	13. Delivery to Australia - Inland transport and other expenses (Confidential)
	14. Payment terms - Australian customers (Confidential)
	15. CONAI green tax - sample of invoices (Confidential)
	16. Domestic market promotional activities invoices (Confidential)
	17. Payment terms - domestic customers (Confidential)
	18. Transport cost domestic (Confidential)
	19. Third country (Confidential)
	20. Production flowcharts (Confidential)
	21. Production (Confidential)
	22. Tomato cost of production 2012 (Confidential)
	23. Domestic CTMS (Confidential)
	24. Australian CTMS (Confidential)
	25. Fresh tomato conferred by cooperatives (Confidential)
	26. Cans' suppliers 2012 (Confidential)