



**Australian Government**

**Australian Customs and  
Border Protection Service**

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**INVESTIGATION INTO THE ALLEGED DUMPING OF  
FORMULATED GLYPHOSATE**

**EXPORTED FROM**

**THE PEOPLE'S REPUBLIC OF CHINA**

**IMPORTER VISIT REPORT**

**CONQUEST CROP PROTECTION PTY LTD**

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED  
THEREIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND  
MAY NOT REFLECT THE FINAL POSITION OF CUSTOMS AND BORDER  
PROTECTION**

April 2012

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**2 BACKGROUND AND PURPOSE****2.1 The application**

On 21 December 2011, Nufarm Ltd (Nufarm) and Accensi Pty Ltd (Accensi) lodged an application requesting that the Minister for Home Affairs (the Minister) publish a dumping duty notice in respect of formulated glyphosate exported to Australia from the People's Republic of China (China).

The applicants subsequently provided further information in support of their application. As a result, Customs and Border Protection restarted the 20 day period for considering the application.

On 6 February 2012, following consideration of the application, the Australian Customs and Border Protection Service (Customs and Border Protection) initiated an investigation. Public notification of initiation of the investigation was made in *The Australian* on 6 February 2012. Australian Customs Dumping Notice No. 2012/05 provides further details of this investigation and is available at [www.customs.gov.au](http://www.customs.gov.au).

Customs and Border Protection has previously conducted two investigations into formulated glyphosate from China. The most recent investigation was in 2001-02, following an application lodged by Monsanto Australia Limited (Trade Measures Report No. 45 refers). These investigations were prior to the establishment of Conquest Crop Protection Pty Ltd (Conquest).

There are no current anti-dumping or countervailing measures on formulated glyphosate exported to Australia from China.

**2.2 Purpose of meeting**

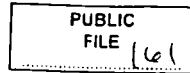
Following the initiation of the investigation, a search of Customs and Border Protection's import database indicated that Conquest imported two consignments of formulated glyphosate from China during January 2011 to December 2011 (the investigation period). Customs and Border Protection notified Conquest of the initiation of the investigation and sought their co-operation by providing the company with an importer questionnaire to complete. Conquest was also provided with a list of its imports during the investigation period, extracted from Customs and Border Protection's import database, for verification.

Conquest completed the importer questionnaire, providing details regarding the company, overseas supplier information, imports and importation expenses. A copy of Part A (company and supplier details) of Conquest's questionnaire response is at **Confidential Attachment GEN01**.

The purpose of this visit was to:

- confirm that Conquest was an importer of formulated glyphosate and obtain information to assist in establishing the identity of the exporter;

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- verify information on imports of formulated glyphosate to assist in the determination of export prices from China;
- establish whether the purchases were arms length transactions;
- establish post exportation costs incurred in importing;
- discuss Conquest's sales;
- recommend how export price may be determined under s. 269TAB of the *Customs Act 1901*<sup>1</sup>; and
- provide Conquest with an opportunity to discuss any issues it believed relevant to the investigation.

During the visit, it was identified that the majority of Conquest's formulated glyphosate products sold in Australia were toll manufactured by Australian manufacturers (in particular Accensi, an applicant). Therefore at the visit we sought Conquest's views on the following:

- factors that affected the commercial decision to source toll manufactured or imported formulated product;
- changes in toll manufactured and imported formulated glyphosate volumes; and
- the Australian formulated glyphosate market.

## 2.3 Meeting

Details of the meeting were as follows:

<b>Company</b>	Conquest
<b>Address</b>	76 Walters Drive Osborne Park, Western Australia (WA)
<b>Telephone no.</b>	08 9347 0500
<b>Fax no.</b>	08 9347 0551
<b>Date</b>	4 April 2012
<b>Present at the visit</b>	
Conquest	Mr Roy Morgan, General Manager Mr Kim Dawson, Supply Chain Manager
Customs and Border Protection	Ms Joanne Reid, Director, Operations 2 Ms Christie Sawczuk, Manager, Operations 2 Ms Pamela Garabed, Supervisor, Operations 1

Prior to the meeting we forwarded an agenda to Conquest and advised that we would require supporting documentation for the selected sales that had been

<sup>1</sup> Herein all references to legislation in this report refer to the *Customs Act 1901*, unless otherwise specified.

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previously identified. A copy of the visit agenda is at **Confidential Attachment GEN02**.

At the meeting we provided a summary of the investigation process and timeframes as follows:

- the investigation period is January 2011 to December 2011;
- Customs and Border Protection will examine the Australian market from January 2008 for the purpose of analysing the condition of the Australian industry;
- a preliminary affirmative determination (PAD) may be made no earlier than 10 April 2012 – which is the first working day after the Easter public holiday;
- provisional measures may be imposed at the time of the PAD or at any time after the PAD has been made, but Customs and Border Protection would not make such a determination until it was satisfied that there appears to be, or that it appears there will be, sufficient grounds for the publication of a dumping duty notice;
- a statement of essential facts (SEF) will be placed on the public record by 28 May 2012 or such later date as the Minister allows - the SEF facts will set out the material findings of fact on which Customs and Border Protection intends to base its recommendations to the Minister and will invite interested parties to respond, within 20 days, to the issues raised (submissions received in response to the SEF will be considered when compiling the report and recommendations to the Minister);
- Customs and Border Protection's report to the Minister is due by 10 July 2012, unless an extension to the SEF is approved by the Minister.

### 2.4 Visit report

We advised Conquest that we would prepare a confidential report on the visit. Conquest would be given an opportunity to review the visit report for accuracy. A non-confidential version of this visit report would be prepared in consultation with Conquest.

Conquest was co-operative and had the required documentation available for the meeting.

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**3 THE GOODS****3.1 The goods**General description

The goods the subject of the application (the goods) is formulated glyphosate. The application specifies that:

*"The imported product the subject of this application is formulated glyphosate, a non-selective herbicide, imported in varying strengths of the active glyphosate acid ingredient ("glyphosate technical"). A non selective herbicide is one that controls weeds in all situations"<sup>2</sup>.*

Formulated glyphosate products are used for the non-selective control of weeds and are absorbed by the leaves and green tissue of susceptible plants. Translocated throughout the plant, formulated glyphosate based herbicides inhibit a specific enzyme, EPSP synthase, which plants need in order to grow. Without that enzyme, plants are unable to produce other proteins essential to growth, so they yellow and die over the course of several days or weeks.

Glyphosate formulations

The application states that in the Australian market the different formulations (of glyphosate) are described according to grams of glyphosate technical per litre (g/L) or kilogram, whereas on the global market the formulations are commonly described by the percentage of glyphosate technical contained in the formulations on a weight for weight basis. The application contains the following indicative comparison of the glyphosate formulations described by grams per litre / kilogram or percentage basis of glyphosate technical.

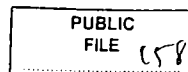
Unit of product	Glyphosate content – measured as g/L or grams per Kg	Glyphosate content – measured on a weight per weight basis (expressed as a percentage)
Litre (L)	360	41.6%
L	450	50.6%
L	570	61.5%
Kilogram (Kg)	680	75.7%

This table is indicative only<sup>3</sup>.

<sup>2</sup> Application for the publication of a dumping duty notice for formulated glyphosate exported from China (Application), page 7.

<sup>3</sup> Application, page 8.

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The application specifies that:

*"This application is concerned with imported Glyphosate in all its fully formulated liquid forms **including** Glyphosate 360, Glyphosate 450 and Glyphosate 570 and the fully formulated dry form including Glyphosate 680<sup>4</sup>."*

The applicants claim that:

- the imported formulated glyphosate products (at varying strengths) have the same end use;
- all formulations strengths are substitutable;
- the imported dry formulation can be substituted for liquid forms; and
- all imported formulations are applied within the approved application rates indicated on the product label, expressed on a litre per hectare basis.

At the consideration stage of the investigation, Customs and Border Protection considered that the goods covered by the application and investigation, includes formulated glyphosate in any form (i.e. not limited to liquid forms) and at any concentration (whether described according to weight of glyphosate technical by volume or percentage of glyphosate technical).

### Exclusion of certain goods from investigation

The application specifies that it is important to distinguish between formulated glyphosate (i.e. the goods) and glyphosate acid, which is the primary ingredient in the manufacture of formulated glyphosate. Glyphosate acid is **not** the subject of the application.

Customs and Border Protection considers that the goods covered by this investigation do **not** include glyphosate acid.

### **3.2 Tariff classification**

Formulated glyphosate is classified under the tariff subheading 3808.93.00 (statistical code 48) of Schedule 3 to the *Customs Tariff Act 1995*. The current rate of duty applying to the goods imported to Australia from China is 5%.

There are currently no Tariff Concession Orders (TCO) applicable to the relevant tariff subheadings.

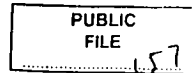
### **3.3 'Like' goods**

Conquest advised that formulated glyphosate produced domestically are like goods to the formulated glyphosate imported from China.

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<sup>4</sup> Application, page 8.

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It noted that products either have a higher loading content or higher usage rate and that there is product differentiation between product formulations. It noted that formulated glyphosate 360 g/L (with higher loading of surfactants which are not toxic to aquatic organisms) was predominately supplied to horticulture / retail market segment. These products would not usually be supplied to the cropping agricultural / farming market segment.

Conquest advised that dry and liquid formulated glyphosate products are like goods, although price, packaging and product application for these products varies. Conquest also noted that some price differentiation for products also occurs, which is discussed at section 6.1.

Conquest noted that there were a number of inferior products (either unregistered or with lower quality surfactants) being imported to Australia, however that this is a compliance issue that the APVMA regulator needs to act on. Conquest also is suspicious that imported formulated glyphosate is being incorrectly classified to the tariff classification subheading for glyphosate technical (which is 2913.93.00), to circumvent payment of Customs duty (as a TCO applies to this tariff subheading).



**4 COMPANY BACKGROUND**

**4.1 Company background**

Conquest is a privately owned company, limited by shares, registered in Australia from 20 November 2001 under the ABN 84 098 814 932. Conquest is a fully owned subsidiary of Farmworks Australia Limited, a publicly listed company on the Australian Stock Exchange.

An Australian Securities and Investments Commission search identified that the company's name changed from Conquest Agrochemicals Pty Ltd to Conquest on 27 November 2008. There have been no other significant formal changes in company ownership structure since registration in 2001.

**4.2 Commercial operations**

Conquest specialises in the supply of crop protection products to agricultural (broadacre) and horticultural markets across Australia. Conquest acts predominately as a Agchem supplier (although in their questionnaire response it notes it also acts as an importer, distributor and wholesaler) of formulated glyphosate products. These products are supplied to independent Conquest retail agents (or through Farmworks wholesalers). [redacted] [confidential selling arrangements]. Conquest stated that it also sold formulated glyphosate (in small volumes) to independent businesses and retailers.

Conquest estimates that its annual turnover for all products is approximately AUD [redacted]. Of this total, Conquest advised that approximately AUD [redacted] represents annual sales of glyphosate products. Only a very small portion of this relates to imported formulated product. Conquest instead sources the majority of its formulated glyphosate products domestically, through toll manufacture, predominately by Accensi. Conquest described that it has a close commercial relationship with Accensi.

Conquest stated that it currently does not import dry formulated glyphosate products (and does not hold the product registration required), [redacted].

**4.2.1 Quality assurance**

Conquest stated that it puts considerable effort into ensuring that it sources high quality formulated glyphosate and advised that from the major Chinese suppliers there is no difference between the imported formulated product and the Australian product. Chinese sourced product is made with registered AC and the key surfactant available locally is sourced from China from the supplier. Conquest stated that it does not distinguish between the imported product and Australian product on its packaging or in its inventory. In order to ensure quality, Conquest has implemented a QC program and imported product is quality tested before accepting the goods.

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### 4.3 Relationship with suppliers

Conquest stated that during the investigation period it sourced imported formulated glyphosate from one overseas supplier, [REDACTED]. It noted that it previously had sourced a small quantity of supply from [REDACTED]. It advised that they have a normal commercial relationship with [REDACTED] and imports were arm's length transactions.

At this stage, pending further verification at [REDACTED] premises in China, Customs and Border Protection is satisfied that the relationship between Conquest and [REDACTED] is a normal commercial relationship.

Conquest noted that it also sources glyphosate technical from a number of Chinese suppliers.

### 4.4 Relationships with customers

Conquest identified sales of formulated glyphosate (which was imported and toll manufactured) during the investigation period to the following customers:

- FarmWorks WA Retail business, trading as FarmWorks Merchandising Services Pty Ltd (Wholesale);
- Conquest Agency – WA;
- Conquest Agency – Southern Australia / Victoria;
- Conquest Agency – Queensland / New South Wales; and
- Conquest Wholesale – WA.

Conquest advised that actual sales information based only the imported product is not accessible, as the product for the two consignments was included as standard inventory into their stock management system, along with locally produced product. Therefore the two imported consignments could not be linked to a customer listed above. As the total volume of imported formulated glyphosate was insignificant, domestic sales verification of the imported product was not completed. As the major importers of formulated glyphosate from China have been visited by Customs and Border Protection and domestic sales data relevant to the imported product was obtained, this approach for Conquest was considered reasonable.

**5 IMPORTS****5.1 Introduction**

As mentioned previously, Customs and Border Protection's import database identified two consignments of formulated glyphosate imported by Conquest during the investigation period from [REDACTED]. These consignments included [REDACTED] kilograms (Kg) of formulated glyphosate [REDACTED] g/L. As the statistical unit of measurement for imports under 3908.93.00 is Kgs, we calculated the volume in litres (L) by dividing the volume in Kgs by the specific gravity for glyphosate, 1.2. This resulted in an import volume of [REDACTED] L of glyphosate [REDACTED] g/L. Conquest's list of imports extracted from the import database is at **Confidential Attachment IMP01**.

**5.2 Rationale for importing**

As a supplier of formulated glyphosate, Conquest sources supply through toll manufacture, and by some importing [REDACTED].

Conquest advised that the decision to import formulated glyphosate was driven primarily by logistics efficiency and in some cases price, noting it imported product when it was cost effective and less expensive than sourcing toll manufactured product in Australia. The price of technical glyphosate (which it imports) and other raw materials (sourced locally) to be provided to Australian toll manufacturers are usually compared to the price of the imported formulated glyphosate product. It noted that usually the toll manufactured product is cheaper and allows the use of recyclable and returnable containers.

Conquest advised that initially in order to diversify its supply sources to meet surges in demand or handle supply constraints within short timeframes, it has imported product from China to establish an alternative supply distribution channel.

Conquest closely monitors the cost to import technical and toll manufacture as compared to the cost to import fully formulated product. Conquest considered that if the cost to import fully formulated product dropped below the cost to manufacture, it would shift its business accordingly. Conquest considered that it would be necessary to do this in order to stay competitive in the market due to the low margins across glyphosate products. At this stage it only imports small volumes of formulated glyphosate as a contingency option to toll manufacturing.

**5.3 Ordering process and price**

Conquest outlined that it did not have contractual arrangements with any Chinese exporters, including [REDACTED]. Conquest advised that [REDACTED] provides a price list and market condition report on a weekly basis. The exporter utilises a formula to calculate price by sales term. Conquest requests a price quotation and then submits a purchase order on the basis of the price provided. A

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sales contract and proforma invoice are then provided by [REDACTED]. Goods are supplied to order and the exporter arranges for delivery of the goods to port, loading and shipping. The goods were shipped to Brisbane or Fremantle. Commercial documentation, including tax invoice, certificate of analysis, packing list, bill of lading and insurance policy are provided by [REDACTED]. Sales terms for the imported formulated glyphosate are United State dollars (USD), Cost Freight and Insurance (CIF) and payment terms were Documents Against Acceptance (D/A) 90 and 120 days from B/L date. Payment for the goods is made as specified on the commercial invoice.

Customs brokerage companies, McLinktock International Pty Ltd and Skelton Sherborne arrange for the importation of the goods to Brisbane and Fremantle respectively. The imports are transported to the Conquest Warehouse except for imports to Brisbane. These imports are delivered to a transport company where it unpacked and distributed to the customer.

#### 5.4 Verification

Prior to the visit Customs and Border Protection requested that Conquest provide the necessary source documents in relation to both shipments, representing the total number of importations during the period. These documents were in the form of individual consignment information and invoicing to allow Customs and Border Protection to reconcile the documents to the completed importer questionnaire form. The completed importer questionnaire form provided by Conquest is at **Confidential Attachment IMP02**.

During the visit Conquest provided us with:

- commercial invoices (proforma and tax);
- purchase orders;
- shipping documents, including bills of lading;
- packing lists;
- certificate of analysis;
- invoices from the Customs broker; and
- evidence of payment of one invoice to the commercial supplier.

The source documentation is at **Confidential Attachment IMP03**.

During the visit we reviewed the documentation and were satisfied with the reconciliation of the commercial invoices to the completed importer questionnaire form. We noted that certain importation costs had been calculated as total figures and subsequent to the visit, using the commercial documentation provided, we updated the importer questionnaire form to show individual importation cost. The revised importer questionnaire form is at **Confidential Attachment IMP04**.

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5.5 Importation costs

Both shipments of formulated glyphosate were made on CIF terms. Therefore source documents related to insurance and freight could not be provided. Verified freight data should become available in exporter visits (although we were able to check freight costs provided by Conquest against costs shown in the import database).

We calculated the average post free on board (FOB) expenses for the selected consignments, as tabulated below:

Cost item	Weighted average cost (AUD) per unit (per L)
Ocean freight	████
Insurance	████
Australian importation costs (excluding Goods and Services Tax and including 5% Customs Duty)	████

5.6 Who is the importer

We noted that Conquest:

- is named as the customer on supplier invoices;
- is named as the consignee on the bill of lading;
- declares itself as the owner of the goods for entry to Customs and Border Protection; and
- pays the importation costs associated with the entry.

We consider Conquest was the beneficial owner of the goods at the time of importation and is therefore the importer.

5.7 Who is the exporter?

Customs and Border Protection will generally identify the exporter as:

- a principal in the transaction located in the country of export from where the goods were shipped who gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia; or
- a principal will be a person in the country of export who owns, or who has previously owned, the goods but need not be the owner at the time the goods were shipped.

Where there is no principal in the country of export Customs will normally consider the exporter to be the person who gave up responsibility for the goods as described above.

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When we reviewed the documentation provided in relation to the selected shipments of formulated glyphosate, we identified that [REDACTED] sold the goods to Conquest and arranged for their transport to Australia. In summary, upon review of this documentation, we identified that:

- [REDACTED] was identified as the supplier in the commercial invoices;
- [REDACTED] was identified as the supplier in the bills of lading;
- [REDACTED] pays the relevant costs of ocean freight and insurance; and
- Conquest pays [REDACTED] for the goods.

At this stage, based on the information available (and pending verification visit to [REDACTED] premises in China) we are satisfied that [REDACTED] was the exporter of the goods.

**6 AUSTRALIAN MARKET AND SALES****6.1 General**

Conquest described the Australian formulated glyphosate market as perfectly competitive, with very low barriers to entry and oversaturated supply.

Conquest outlined that the market is generally growing; however that excess supply is placing downwards pressure on price. It noted that continued and future growth is dependent on seasonality. Conquest also noted that while overall market demand had been increasing the number of individual customers has been reducing, as small farmers are being bought out. This impacts suppliers of glyphosate products, as the loss or gain of one customer could result in a loss or gain of sales for a significant volume of product.

Conquest also commented that formulated glyphosate 450g/L was the stock standard product, particularly on the East coast of Australia, but there was increasing interest in products with a higher active ingredient (i.e. the 510g/L and 540g/L products). Conquest considered that there was a big differentiation in price between these products when they were introduced to the market, but that differentiation has reduced due to the number of new entrants, causing excess supply in the market, which is driving prices downwards for all products.

Conquest noted most agricultural chemical suppliers sell formulated glyphosate products, as a standard product in their product range (and it underwrites their relationships with their customers). Conquest outlined that the margin for formulated glyphosate sales historically acceptable was ■■■. Margins have significantly reduced due to a change in market dynamics. Conquest now considers formulated glyphosate to potentially be a loss leader in the Australian agricultural chemical market.

**6.2 Conquest's formulated glyphosate sales**All sales

Conquest currently sells the following formulated glyphosate products. All except the *Conquest Knockout 450* are sourced domestically.

- *Conquest Knockout 450*, containing 450g/L of glyphosate present as the isopropylamine salt;
- *Conquest Knockout Blow 510*, containing high strength glyphosate based on 510 g/kg of glyphosate IPA;
- *Conquest Knockout Pro*, containing 540 g/L of glyphosate; and
- *Squaredown 360*, containing 360 g/L of glyphosate present as the isopropylamine salt.

Conquest commented that it does not supply glyphosate products packaged in small containers, as they do not have market access for these pack sizes. It is highly

likely that Chinese factory will have the full range of pack sizes including 110L returnables available locally by the middle of the year

Sales of imports

Conquest only imports formulated glyphosate 450 g/L (which is sold under the *Conquest Knockout 450 brand*).

**6.3 Sales verification (accuracy)**

As mentioned previously, Conquest could not provide sales data for imported glyphosate products in the investigation period, therefore Customs and Border Protection was unable to verify this information.

**6.4 Upwards verification (completeness)**

As sales verification was not undertaken, Customs and Border Protection did not sight any Profit or Loss statement.

**6.5 Forward orders**

Conquest did not have any forward orders at the time of the visit.



**7 ARMS LENGTH**

In determining export prices under s.269TAB(1)(a) and normal values under s. 269TAC(1), the legislation requires that the relevant sales are arms length transactions.

Section 269TAA outlines the circumstances in which the price paid or payable shall not be treated as arms length. These are where:

- there is any consideration payable for in respect of the goods other than price;
- the price is 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;
- in the opinion of the Minister, the buyer, or an associate of the buyer, will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

Furthermore, where:

- goods are exported to Australia otherwise than by the importer and are purchased by the importer from the exporter (whether before or after exportation) for a particular price; and
- the Minister is satisfied that the importer, whether directly or through an associate or associates, sells those goods in Australia (whether in the condition in which they were imported or otherwise) at a loss;

The Minister may treat the sale of those goods at a loss as indicating that the importer or an associate of the importer will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or a part of the price.

For sales between [REDACTED] and Conquest we did not test the profitability of sales, however Conquest advised that there was very little margin on formulated glyphosate sales. Based on the information which was provided, we did not find any evidence that:

- there is any consideration payable other than price; or
- that the price is influenced in Conquest's favour by a commercial or other relationship between Conquest and [REDACTED].

We confirmed during our verification that the price invoiced by the exporters, was the price paid by Conquest. We note that export sales (to all Australian customers) by [REDACTED] will be verified by Customs and Border Protection. At this stage, we have not identified any information that indicates that sales between [REDACTED] and Conquest were not arms length transactions.

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Conquest considers that any injury suffered as a result of imported glyphosate is not as a result of dumping, but due to the importing of inferior and hence cheaper product. Conquest outlined that there were a number of ways to reduce manufacturing costs, such as by using less glyphosate technical, or using inferior surfactants and wetter. Other methods that may be used in lowering costs includes, use of non approved glyphosate active and use of unregistered surfactants. Some sources have suggested that factories are offering low costs by putting waste water in the formulation as a means of minimising waste treatment costs.

Conquest considers that the effect of reducing costs, rather than dumping, has caused reduced prices of imported formulated glyphosate.

Conquest also did not consider that the imposition of dumping measures will change the competitiveness of the current market. Conquest considers that the Australian formulated glyphosate market is open, as there are no significant barriers to entry, continually resulting in excess supply. Currently APVMA regulatory structures and compliance does little to control rogue traders.

As mentioned previously, Conquest suspected compliance issues arising from the incorrect classification of imported goods, resulting in avoidance of 5% import duty, which would provide an unfair price advantage in the competitive market.

**9 UNSUPPRESSED SELLING PRICE**

Unsuppressed selling price and non-injurious price issues are examined at an early stage of an investigation and, where possible and appropriate, preliminary examinations are made during the application consideration period for the purpose of assessing injury and causal link and therefore the appearance of reasonable grounds for the publication of a dumping duty notice.

Customs and Border Protection generally derives the non-injurious price by first establishing a price at which the applicant might reasonably sell its product in a market unaffected by dumping. This price is referred to as the unsuppressed selling price.

Customs and Border Protection's preferred approach to establishing unsuppressed selling prices observes the following hierarchy:

- industry selling prices at a time unaffected by dumping;
- constructed industry prices – industry cost to make and sell plus profit; or
- selling prices of un-dumped imports.

Having calculated the unsuppressed selling price, Customs and Border Protection then calculates a non-injurious price by deducting the costs incurred in getting the goods from the export free on board point (or another point if appropriate) to the relevant level of trade in Australia. The deductions normally include overseas freight, insurance, into-store costs and amounts for importer expenses and profit.

At the time of the visit Conquest did not have any comments on the calculation of an unsuppressed selling price.

**10 RECOMMENDATIONS**

As a result of the importer questionnaire submitted by Conquest and the verification conducted on site, at this stage and pending further verification at [REDACTED] company premises in China, we are of the opinion that the goods imported by Conquest are:

- goods that have been exported to Australia otherwise than by the importer;
- goods that have been purchased by the importer from the exporter;
- purchases of the goods by the importer were arms length transactions; and
- the goods are subsequently sold by the importer to a person who is not an associate of the importer.

Subject to further inquiries with the exporters, we are satisfied that the export prices can be established under s. 269TAB(1)(a) using the invoice prices less any costs in respect of matters arising after exportation.

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**11 CONFIDENTIAL ATTACHMENTS**

Confidential Attachment GEN01	Part A of Conquest's importer questionnaire response (confidential version)
Confidential Attachment GEN02	Verification visit agenda
Confidential Attachment IMP01	Conquest's list of imports extracted from the import database
Confidential Attachment IMP02	Importer questionnaire form provided by Conquest for Part B of their importer questionnaire response
Confidential Attachment IMP03	Source documentation relating to importation of the selected consignments
Confidential Attachment IMP04	Revised importer questionnaire form