The application must include a detailed statement setting out reasons for seeking continuation of the anti-dumping measure. Applicants must provide evidence addressing whether, in the absence of measures, dumped or subsidized imports would cause material injury to the local industry producing like goods. Applicants should refer to the "Guidelines for Preparing an Application for Continuation of Measures" for assistance.

(i) Subject goods – pineapple fruit – consumer and food service industrial

The goods the subject of anti-dumping measures that are due to expire are as follows:

> "*Pineapple prepared or preserved in containers not exceeding one litre (consumer pineapple); and*
>
> *"Pineapple prepared or preserved in containers exceeding one litre (food service and industrial pineapple).*

The measures on consumer and Food Service and Industrial (FSI) pineapple fruit exported from Thailand are due to expire on 17 October 2021. The measures were initially imposed by public notice (a dumping duty notice) on 17 October 2001 by the Minister for Justice and Customs following consideration of Trade Measures Report No. 41.

The measures on consumer pineapple exported from the Philippines are due to expire on 10 October 2021. The measures were initially imposed by public notice (a dumping duty notice) on 10 October 2006 following consideration of Trade Measures Report No. 112.

The measures on FSI pineapple fruit exported from the Philippines are due to expire on 13 November 2021. These measures were initially imposed by public notice (a dumping duty notice) on 13 November 2006 by the Minister for Justice and Customs following consideration of Trade Measures Report No. 112.

The issue of like goods was considered during the original investigation involving exports of consumer pineapple from Thailand in Report 41 and for exports of consumer pineapple from the Philippines in Report 112. In these reports, the then Australian Customs Service (ACS) was satisfied there was an Australian industry producing like goods to the goods under consideration.

Similarly, the issue of like goods involving consumer and FSI pineapple from Thailand and the Philippines was also considered in Reports 41 and 112 respectively, and the ACS was satisfied there was an Australian industry producing like goods to the imported FSI pineapple the subject of investigation.

The applicant submits that there has been no change in the Australian industry's position and that the Australian industry produces like goods to the imported consumer and FSI pineapple exported from the Philippines and Thailand.

(ii) Application coverage

The anti-dumping measures that apply to exports of consumer pineapple apply to all exporters in the Philippines and Thailand (except for Thai Pineapple Canning Corp Ltd – TPC of Thailand).

The anti-dumping measures that apply to FSI pineapple apply to all exporters in the Philippines and Thailand (except for Malee Sampran Public Co – MSP, and Prime Products Industry Co. Ltd for FSI pineapple of Thailand).

PART A – Will the dumping continue, or recur?

(iii) Anti-dumping actions by other countries

Golden Circle Limited ("Golden Circle") is not aware of anti-dumping measures applying to exports of consumer pineapple and FSI pineapple exported from the Philippines and Thailand applying in other jurisdictions.

(iv) Relevant evidence as to the current normal values for consumer pineapple and FSI pineapple in the Philippines and Thailand

Golden Circle has obtained domestic retail selling prices for consumer pineapple in the Philippines and Thailand. Golden Circle does not have access to selling prices paid by the retailer to the pineapple processor, nor the selling prices from the processor to food service industry providers.

Consistent with the methodology used in its previous application for the continuation of measures, Golden Circle has adjusted the retail selling prices for amounts for a retailer's margin and an amount for a trade deal/wholesale discount.

Domestic prices for consumer pineapple sold in the Philippines at the retail levels are reflected in Table 1 (a).

Table 1(a) - Domestic selling prices for consumer pineapple in Philippines (Go Robinson Grocery Store)

Type	Brand	Pack Size	Price (PP)
Chunks	Del Monte	227g	27.00
	Del Monte	567g	65.00
	Del Monte	836g	81.00
Crushed	Del Monte	234	33.00
Tidbits	Del Monte	115g	14.75
	Del Monte	234g	28.25
	Del Monte	439g	48.00
	Del Monte	567g	63.50
	Del Monte	836g	80.00
Slices	Del Monte	234g	33.00
	Del Monte	439g	48.00
	Del Monte	836g	94.00

Source: Go Robinson, On-Line 11 December 2020 (refer Confidential Attachment 1).

Golden Circle obtained domestic selling prices from a number of other retail stores in the Philippines. Please refer to Confidential Attachment 1.

The average retail selling price for consumer pineapple in the Philippines in December 2020 from the identified grocery outlets was PP 114.54 per kg.

Domestic prices for consumer pineapple sold in Thailand at retail outlets in December 2020 were as follows:

Table 1 (b) - Domestic selling prices for consumer pineapple in Thailand stores

Type	Brand	Pack Size	Price (Thai Baht)
Slices	Brook	567g	56.50
	Malee	567g	52.50
	Brook	567g	65.00
	Brook	567g	60.00
	McGarrett	567g	59.00

Source: Foodland, Tops Super & Villa grocery stores (refer Confidential Attachment 2).

The average retail selling price for consumer pineapple in Thailand in December 2020 from the identified grocery outlets was Thai Baht 102.73 per kg.

(v) Have exports continued following the imposition of measures and estimates of export prices

Exports of consumer and FSI pineapple from the Philippines and Thailand have continued following the continuation of the measures in October 2016. The following Tables 2(a) and 2(b) confirm the import volumes from all sources since 1 January 2017.

I. <u>Import volumes</u>

Table 2 (a) – Imports of consumer pineapple (Tariff classification 2008.20.00/26) litres

Source	**2017**	**2018**	**2019**	**2020***
Philippines	4729294	51711668	3762495	4954460
Thailand	1154260	1080771	1156511	409859
Indonesia	183054	687668	2970838	2745593
China	143014	168718	210181	217942
Others	84125	19368	62068	77844
Total	6293747	7128193	8162093	8405698

Source: Australian Bureau of Statistics monthly import data at Confidential Attachment 3.
Note: 1. 2020 includes 10 months to October 2020 only.

In 2020, imports of consumer pineapple from the Philippines accounts for approximately 59 per cent of total imports (in the 10 months October ytd). Imports from Thailand account for approximately 4.9 per cent of total imports over the same period.

Table 2 (a) – Imports of FSI pineapple (Tariff classification 2008.20.00/27) litres

Source	**2017**	**2018**	**2019**	**2020***
Philippines	75257	51783	77704	46455
Thailand	8532835	7603499	8206365	6213309
Indonesia	3194878	3569056	3531956	2100123
China	167866	117059	57297	60545
Others	895778	710482	714645	675253
Total	12866614	12051879	12587967	9095685

Source: Australian Bureau of Statistics monthly import data at Confidential Attachment 3.
Note: 1. 2020 includes 10 months to October 2020 only.

Throughout 2020, imports of FSI pineapple from the Philippines and Thailand have continued to be supplied to the Australian market. Imports from the Philippines and Thailand accounted for approximately 0.5 per cent and 68 per cent of total imports of FSI pineapple, respectively.

II. Export prices (FOB/litre)

Golden Circle has obtained FOB export prices for consumer and FSI pineapple from ABS import data. Weighted average quarterly export prices are reflected in Tables 3(a) and 3(b) below.

Table 3(a) – FOB export prices for consumer pineapple (A$/litre)

Source	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct 2020	2020 ytd Av
Philippines	2.28435	2.54795	2.45748	2.33811	2.41450
Thailand	1.91525	2.61394	2.88094	2.36487	2.16530
Indonesia	1.79138	2.14368	2.00627	1.94859	1.96489
China	2.45302	2.14826	1.93009	2.43854	2.09715
Others	2.46970	1.57668	3.81260	1.31911	1.97869
Total	2.1051	2.3989	2.3027	2.1114	2.2432

Source: ABS import data (refer Confidential Attachment 4).

Table 3(b) – FOB export prices for FSI pineapple (A$/litre)

Source	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct 2020	2020 ytd Av
Philippines	3.71122	3.49879	3.55244	3.33924	3.53996
Thailand	1.3318	1.6476	1.7230	1.8095	1.50949
Indonesia	1.5200	1.8345	1.6368	1.7711	1.67445
China	0	1.5703	1.5051	0	1.54315
Others	1.5466	2.0987	1.7493	1.4129	1.71879
Total	1.3821	1.7197	1.7078	1.7728	1.5737

Source: ABS import data (refer Confidential Attachment 4).

(vi) Have exporters in the Philippines and Thailand maintained distribution links in Australia?

Exporters of consumer and FSI pineapple in both the Philippines and Thailand have maintained distribution links into the Australian market following the continuation of anti-dumping measures in 2016.

In respect of consumer pineapple, exporters in the Philippines have been regular and consistent suppliers of the subject goods to Australia. The high volumes of consumer pineapple exported to Australia follows the Woolworths Ltd ("Woolworths") stated position that "*Woolworths intend on exiting the Thailand market and will continue to source consumer pineapples from Philippines*.[1]" As a consequence, the volumes of consumer pineapple have declined from historic levels – although weighted average export prices for Thai consumer pineapple are below the weighted average export prices for consumer pineapple from the Philippines in 2020.

For FSI pineapple, Thailand is the largest supply source with volumes from the Philippines having declined following the continuation of measures in 2016. Exporters in both Thailand and the Philippines have maintained distribution links for FSI pineapple to Australia over the four years following the continuation of measures in 2016.

Recent review of variable factors investigations including the following:

- consumer pineapple exported by Prime Products of Thailand (Report 453 published May 2018);
- consumer and FSI pineapple exported by Kuiburi Fruit Canning Co., Ltd and Kuiburi Fruit Cup Co., Ltd of Thailand (Report 455 of September 2018);
- consumer and FSI pineapple exported by Prime Products Industry Co., Ltd of Thailand (Reports 477 and 478 in February 2019),

[1] Refer Report No. 333, Section 6.4.2, P. 29.

Are indicative that the Thai exporters have maintained distribution links into the Australian market for processed pineapples.

(vii) Do producers/exporters in the Philippines and Thailand retain excess capacity that may be directed to Australia?

The Philippines is the world's second largest exporter of fresh pineapples (after Thailand). According to the United Nations Food and Agriculture Organisation (FAO) exports of fresh pineapples from the Philippines was over 600,000 metric tonnes in 2019. The Philippines has increased investment in area expansion and productivity for fresh pineapples, and now holds 21 per cent of the global export market.

The increased supply of fresh pineapples at improved productivity is indicative of increased availability of raw material pineapple for processing.

According to the Food and Fertilizer Technology Centre "*Pineapples that are grown in the Philippines are exported in processed forms in addition to the fresh fruit is shipped. Dole and Del Monte are the primary exporters of pineapple products for the industry. Although exports declined from 2008-2010, the industry has recovered to experience annual growth rates of 11% or more in some years*".

Del Monte Philippines "*operates the world's largest integrated pineapple operation*". The Group grows pineapples in its 26,000 hectare plantation from which it transports pineapples to its processing facility (one-hour distance). The processing facility has the capacity to process 700,000 tonnes of pineapples per annum. Del Monte Philippines therefore has significant available capacity to increase exports of consumer and FSI pineapple in the absence of anti-dumping measures.

Since 2016, Dole Philippines has opened a new $20 million pineapple production plant, which is reported as the company's single largest investment. The new plant which opened in 2017 can process 250,000 tonnes of pineapple annually. The addition of the new plant is reported to double Dole Philippines production capacity.

According to *Global Trade*[2] the revenue generated from canned pineapple exports in Asia was US$990M in 2018. The volume of goods exported was approximately 842,000 tonnes. Thailand was the largest exporting country with 412,000 tonnes and the Philippines with 221,000 tonnes.

The International Journal of Managerial Studies and Research (IJMSR) reported in 2018 that the market share of the global canned pineapple market could be accounted for as follows:

Table 4 – Global share of supply – canned pineapples

Year	Thailand	Philippines	Indonesia
2013	46.76%	16.14%	12.34%
2014	46.19%	16.50%	15.03%
2015	41.62%	24.87%	14.19%
2016	43.22%	25.00%	11.16%
2017	43.36%	20.97%	14.95%

Table 4 confirms that exporters in the Philippines and Thailand are the two largest sources of supply for canned pineapple. The expiration of measures would, therefore, likely result in increases in exports to Australia from both countries (at the expense of sales of Australian locally produced canned pineapples).

[2] Global Trade, Imports/Exports, 18 July 2019 – Asia's Canned Pineapples Market- Thailand Holds the Lion's Share of Exports.

(viii) Will future exports of consumer pineapple and FSI pineapple from the Philippines and Thailand be at dumped prices?

Golden Circle has obtained domestic prices for canned pineapple in the Philippines and Thailand in December 2020 for comparision with export prices to Australian during 2020. Domestic prices for canned pineapple are relatively stable over time, and typically only fluctuate with increases in raw material prices (due to short or over supply) and increases in raw material steel prices.

ABS import data is split into two distinct categories (i.e. less than one litre tariff subheading/statistical code 2008.20.00/26 and greater than one litre 2008.20.00/27). There is a further category "other" (i.e. not canned pineapple) under 2008.20.00/28, however, there have been no import declarations in 2020.

An adjustment has been made to the retail selling prices to account for the resellers margin (10 per cent) and the distribution margin (10 per cent) as utilised in the previous continuation of measures application and notified by an agent in the Philippines.

Table 8 (a) – Comparison of domestic and export prices 2020 – consumer (i.e 2008.20.00/26)

	Av. Domestic Price (less 20 per cent) per can	**Adjusted ex-factory Domestic Price A$/kg**	**Weighted-Average Export Price A$/litre**	**Dumping Margin A$/litre**	**Per cent of Export Price**
Philippines (peso)					
115g to 836g can size	PP 114.54	2.7353	2.4145	0.3208	13.3 per cent
Thailand (baht)					
567g can size	TB 102.73	3.8225	2.1653	1.6572	76.53 per cent

Notes:
1. Domestic prices obtained by GCL in country of export – See Confidential Attachment 5. Downward adjustment of 20 per cent made to account for retailer & distributor margins in exporting country (in absence of other information).
2. A$/litre to A$/kg i.e. (1:1 ratio).
3. Rates of exchange used for Philippines (PHP 33.5:A$1) and Thailand (Baht 21.5:A$1) sourced from xe.com;
4. Export prices sourced from ABS. Annual figure used as no breakdown by package size available from ABS data.

Table 8 (a) demonstrates that the weighted-average export prices for consumer pineapple from the Philippines and Thailand in 2020 has increased from the levels in 2015. Golden Circle estimates that dumping margins are apparent on consumer pineapple exported to Australia from the Philippines and Thailand during 2020 at margins above negligible levels.

Golden Circle has been unable to obtain domestic selling prices for canned pineapple into the FSI segment of the local market in the Philippines and Thailand. In the absence of this information, Golden Circle has used the lowest selling price of the largest consumer canned pineapple sold at the retail level (i.e. for 836g can size for the Philippines, 567g can size for Thailand) and used this selling price as the basis for the normal value for FSI selling prices in the Philippines and Thailand.

Table 8 (b) – Comparison of domestic and export prices 2020 – FSI (i.e. 2008.20.00/27)

	Domestic Price (less 20 per cent)	**Adjusted ex-factory Domestic Price A$/kg**	**Weighted-Average Export Price A$/litre**	**Dumping Margin**	**Per cent of Export Price**
Philippines					
- 836g	PP 95.69	2.2374	1.9104	0.327	17.1 per cent
Thailand					
- 567g	TB 92.59	3.4452	1.50949	1.9393	128.5 per cent

Notes:
1. Domestic prices obtained by GCL in country of export – See Confidential Attachment 5. Lowest price used for FSI. Downward adjustment of 20 per cent made to account for retailer & distributor margins in exporting country (in absence of other information).
2. A$/litre to A$/kg i.e. (1:1 ratio).
3. Rates of exchange used for Philippines (PHP 33.5:A$1) and Thailand (Baht 21.5:A$1) sourced from xe.com;
4. Export prices sourced from ABS. Annual figure used as no breakdown by package size available from ABS data.

Table 8(b) confirms that export prices for FSI pineapple from the Philippines and Thailand in 2020 are at dumped margins above negligible levels.

PART B – Will material injury recur?

(a) Summary

Golden Circle submits that in the event the anti-dumping measures applicable to consumer pineapple and FSI pineapple exported from the Philippines and Thailand are allowed to expire, it is considered that the expiration of the measures will lead, or be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

(b) Supply of consumer and FSI pineapple from the Philippines and Thailand

Thailand and the Philippines are ranked number one and two globally as the largest suppliers of canned pineapple on the global market. Producers in the Philippines have increased capacity to supply following the continuation of measures in 2016. The producers claim that productivity has improved and access to raw material pineapple has also increased. ABS import data from 2017 to 2020 confirms that the Philippines has emerged as the single largest source for consumer pineapple into Australia (accounting for almost 60 per cent of imports in 2020 ytd), with volumes from Thailand having declined.

In respect of the FSI pineapple imports, Thailand is the largest source of supply, accounting for 68 per cent of imports in 2020 ytd. Thailand is the world's largest supplier of canned pineapple accounting for approximately 40 per cent of total supply. Golden Circle does not consider that the decline in import volumes of consumer pineapple from Thailand is reflective of a decline in the future threat of injury from imports of consumer pineapple from Thailand. Golden Circle considers that if the measures were allowed to expire, Thai exporters would increase supply to the Australian market to target local supermarkets and grow exports to the levels of 2015 (i.e. approximately 3,500 tonnes). It is recalled that in 2018 Thai processors exported approximately 412,000 tonnes of canned pineapple – demonstrating significant capability to supply the Australian market in the absence of measures.

(c) Australian market

Golden Circle is the sole local processor of locally grown pineapples at its Northgate, Queensland production facility. Golden Circle has production capacity to produce more than 50 per cent of demand in Australia. However, imports from the Philippines (primarily consumer pineapple) and Thailand (FSI pineapple) continue to be priced at levels that make it difficult for Golden Circle to raise prices to meet increases in production costs and to achieve adequate returns for ongoing reinvestment opportunities.

In Report 333 the Commission notes the preparedness of exporters in the Philippines and Thailand to maintain supply to the Australian market despite restrictions in raw material pineapple[3]:

> "*Despite the pineapple shortage experienced in 2014 and 2015, which forced producers to ration supply, the Philippines grew its exports of consumer pineapple to Australia. Dole Philippines explained that they had strategic and commercial decisions to preference one market over another. This indicates that exporters from the Philippines place importance on maintaining sales of consumer pineapple to Australia and have rationed scarce produce to the consumer pineapple sector because it best meets its strategic and commercial needs.*
>
> *Similarly, the Thailand exporters, while decreasing their consumer pineapple exports into Australia during 2015, also chose to increase exports of FSI pineapple to Australia during 2015, taking advantage of the shift in the Philippines trade, and maintaining a significant presence in the Australian market.*"

At Section 6.5.3 of Report 333 the Commission confirmed that the selling prices for imported consumer and FSI pineapple undercut the Australian industry's selling prices. The significant levels of price undercutting determined in 2015 continued through until 2020 and prevent Golden Circle from adjusting its selling prices to recover increased raw material costs. Golden Circle has included (at Confidential Attachments 6 and 7) examples of negotiations with customers where attempts to raise prices to recover increases in input costs have been rejected. The customer responses confirm that should the measures be allowed to expire – and given the exporters' intentions to maintain supply to the Australian market - it is likely that the dumping and material injury would again recur.

Additionally, in Report 477[4], the Commission confirmed that the weighted average export prices of imports from all sources was "significantly lower than GCL's CTMS". Even following the addition of the post exportation charges to land the goods into Australia, the Commission determined that the selling prices for the imported FSI pineapple were below the selling prices of Golden Circle.

(d) History of dumping

In Continuation Investigation 333 the Commission determined that exports of consumer pineapples from Thailand attracted a dumping margin of 9.2 per cent. For the Philippines, the Commission determined dumping margins evident in the range 5.9 per cent to 22.9 per cent.

The measures applicable to consumer and FSI pineapple exported from the Philippines have not been reviewed since Investigations 333 and 334, respectively.

For Thailand, the measures were reviewed for consumer pineapple in Report 478. The Commission concluded the following dumping margins based upon the investigation period 1 October 2016 to 30 September 2017:

Exporter	Dumping Margin
KFC and KFCCup	-8.1%
Prime Products Industry Co Ltd	-11.7%
Siam Food Products Public Co Ltd	2.6%
Tipco Pineapple Co Ltd	0%
Uncooperative and all other exporters	16.8%

The Commission established that following the continuation of measures investigation (Report 333) a substantial proportion of consumer pineapple exported from Thailand continued to be dumped into Australia.

[3] Report 333, Section 7.4.3, P. 37.

[44] Report 477 – FSI Pineapple from Thailand – Prime Products Industry Co., Ltd Revocation Inquir. P.22.

The dumping that has occurred post the implementation of the amended measures in 2016 highlights that the measure quickly become outdated. However, Golden Circle considers that the measures do in fact act as a deterrent to the exporters not to reduce prices sharply to “buy” volumes and market share from the Australian industry.

Golden Circle contends that should the measures be allowed to expire it is likely that the Australian industry as represented by Golden Circle would be exposed to injurious dumping and recurrence of material injury (or threat of material injury) that the measures on exports of consumer pineapple and FSI pineapple exported from the Philippines and Thailand are intended to prevent.

Conclusions and Recommendation

Golden Circle seeks to secure a continuation of the anti-dumping measures applicable to consumer pineapple and FSI pineapple that are due to expire as follows:

- in respect of consumer and FSI pineapple exported from Thailand are due to expire on 17 October 2021;
- in respect of consumer pineapple exported from the Philippines are due to expire on 10 October 2021; and
- in respect of FSI pineapple exported from the Philippines are due to expire on 13 November 2021.

This application seeking the extension of the measures beyond the stipulated expiry dates has established that the following grounds exist for the measures to be continued:

- exports of consumer and FSI pineapple from the Philippines and Thailand have continued following the continuation of measures in October/November 2016;
- exporters in the Philippines and Thailand have maintained distribution links and supply channels for supply to the Australian market;
- preliminary information supports a *prima facie* assessment that exports of consumer and FSI pineapple from Thailand are at dumped prices above negligible levels throughout 2020, and that imports of consumer and FSI pineapple from the Philippines in 2020 are also at dumped prices above negligible levels;
- the Philippines and Thailand are the largest source countries for canned pineapple globally, accounting for approximately 412,000 and 221,000 tonnes of a total 842,000 tonnes of canned pineapple exported in 2018;
- processors in the Philippines and Thailand possess ample production capacity to supply the whole of the Australian market (should the measures expire and exporter be given open access to the Australian market);
- Following the continuation of measures in 2016, processors in the Philippines have increased production capacity for the supply of canned pineapples by more than 250,000 tonnes confirming long-term intentions to export canned pineapple;
- as confirmed in Report 333 exporters in the Philippines “*place importance on maintaining sales of consumer pineapple to Australia and have rationed scarce produce to the consumer pineapple sector because it best meets its strategic and commercial needs*”[5];
- the Australian industry continues to experience price undercutting from exporters of consumer and FSI pineapple in the Philippines and Thailand, although the anti-dumping measures do provide some stability in ensuring that predatory pricing by exporters does not occur;

[5] Report 333, P.37.

- the removal of the measures would likely result in a substantial loss of sales volume and market share for the Australian industry, culminating in the likely closure of the Golden Circle Northgate processing facility which is integral for the processing of locally grown pineapples in Queensland and Northern NSW sourced from xxx grower facilities; and

- the loss of pineapple processing would also undermine the Northgate site economics for beverage production (which may also close).

Golden Circle contends that should the anti-dumping measures be allowed to expire on consumer pineapple and FSI pineapple exported from the Philippines and Thailand it is likely that the Australian industry producing like goods would experience, or be threatened with, the recurrence of material injury that the anti-dumping measures are intended to prevent.

Golden Circle requests the Commissioner to commence a formal investigation into the continuation of anti-dumping measures to examine whether it is appropriate for the Commissioner to recommend to the Minister that the measures not be allowed to expire (and continued for a further five year period).

List of Attachments:

Attachment No.	Description	Confidential/Non-Confidential
A	Letter of Authority	Confidential
1	Domestic Selling Prices - Philippines	Non-Confidential
2	Domestic Selling Prices – Thailand	Non-Confidential
3	ABS Import Data	Confidential
4	Summary of ABS Import Data	Confidential
5	Summary of Domestic Prices – Philippines & Thailand	Confidential
6	Customer Negotiations	Confidential
7	Customer Negotiations	Confidential
	Golden Circle Financial Appendices A3 to A7	Confidential