



**CONTINUATION INQUIRY  
ANTI-DUMPING MEASURES APPLYING TO  
PROCESSED DRIED CURRANTS  
EXPORTED FROM GREECE**

**END-USER REPORT**

**Introduction**

On 11 July 2013, the Anti-Dumping Commission (the Commission) initiated an inquiry into whether the continuation of anti-dumping measures applying to processed dried currants (currants) exported from Greece is warranted.

On 25 July 2013, the Commission visited Frutex Australia Pty Ltd (Frutex), a major importer of Greek currants. A non-confidential version of the visit report to Frutex is available on the public record.

On 20 August 2013 and 21 August 2013, the Commission visited Sunbeam Foods Pty Ltd (Sunbeam), a major Australian manufacturer of currants. A non-confidential version of the visit report to Sunbeam is available on the public record.

During the visits to Frutex and Sunbeam, issues were raised regarding the quality and prices of imported Greek currants versus Australian grown currants. Accordingly, in September 2013, the Commission contacted the following customers of Frutex and/or Sunbeam to seek comments regarding these issues from the end-user perspective:

- Bakers Delight
- Kerry Ingredients/Kerry Pinnacle
- Nestle
- Sanitarium

Collectively, these four end users account for 42%<sup>1</sup> of the industrial food market segment for currants in Australia, which is supplied by both imported and Australian grown currants.

In order to guide the discussion, the Commission posed the following general questions to each end-user:

- What do you use currants for?
- Has the quantity purchased changed over the previous 5 years?
- Do you have a preferred supplier of currants?
- Has your supplier of currants changed in the last 5 years?
- What is your procurement procedure in relation to purchasing currants?

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<sup>1</sup> Based on Sunbeam and Frutex sales data

- What are the key factors in your purchasing decision of currants?
- Is there any difference between Australian and Greek currants?
- Are there any other matters you would like to raise?

This report outlines the common themes and views of end-users during the discussions between the Commission and the end-users.

### **Quality of Australian currants compared with Greek currants**

Of the end users that purchase Greek currants, quality was an important reason for purchasing Greek currants as opposed to Australian currants. When asked to elaborate on the quality differences, the instability of the Australian currants was a common issue, particularly for the end users that use currants in cakes or baked goods. It was explained that the Australian currants have a greater propensity to bleed, breakdown and leach colour, which was not ideal for the end product.

One end user added that Greek currants are slightly larger than the Australian currants, giving it a superior 'visual weight' in the finished product.

Another end user claimed that Greek vines, having been grown longer and being more mature than the Australian vines, produce higher quality and better tasting currants.

An end user also commented that Greek currants supplied by Frutex have tighter specifications, with less foreign matter, which generates less customer complaints.

The end users were also asked to comment on the claims made by Frutex that the Australian currants have higher moisture content than the Greek currants, but the response was mixed. Some end users stated that the higher moisture of the Australian currants is detrimental to its finished product, while others stated that moisture content of the Australian currants was not an issue.

The end users that only purchase currants from the Australian industry did not express any quality issues with the Australian grown currants. In fact, these end users explained that quality was an important factor in awarding supply contracts and the quality of Australian currants met their criteria.

### **Prices of Australian currants and imported Greek currants**

All end users contacted by the Commission stated that they select suppliers based on a tender process. In the discussions with the Commission, the end users provided details of their most recent tender.

Generally, in tender submissions the price of imported Greek currants was approximately 10 per cent higher than the Australian grown currants. The end users that purchase Greek currants explained that the higher price was acceptable given the higher quality of Greek currants.

In addition, the prices of currants supplied by Australian Premium Dried Fruits, another Australian manufacturer of currants, were very similar to Sunbeam's prices.

During the visit by the Commission, Sunbeam stated that it was required to significantly reduce its selling prices of Australian currants in 2013. This price reduction can be observed from the sales data provided by Sunbeam. For the end users that purchased currants from Sunbeam, the nature and magnitude of the price reduction was discussed.

It was explained that prices have softened in recent years due to favourable growing conditions in Australia producing higher crop yields and the increase in the supply of Australian currants have resulted in lower prices.

An end-user that only purchase Australian currants explained that key determinants of prices of Australian currants include seasonal factors, such as harvest volume and quality of the Australian grown currants. It advised that the prices of imported currants have little influence on its price negotiations and, due to its purchasing policy of only sourcing Australian products, it would continue to purchase Australian currants even if imported currants were significantly cheaper.

### **Supply of Australian currants**

Most end users commented that there were periods of shortages of Australian grown currants in the last 5 years. One end user claimed that one year, Sunbeam was unable to provide a quote for Australian grown currants due to the lack of stock.

While all end users noted that surety and availability of supply is an important factor in its tender process, several end users stated that the Greek currants provided greater certainty of supply than the Australian currants, particularly in the last 5 years.

The end users also observed that the demand for currants in Australia is greater than the supply of Australian grown currants, therefore, imported currants are required to fill the gap in the Australian market. This was particularly evident in the periods where the Australian industry experienced supply shortages.

One end user commented that Sunbeam had imported currants from South Africa, which were inferior in quality and cheaper in price, suggesting that Sunbeam undercut its own sales of Australian grown currants with imported South African currants.