Public File Folio No. 244

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By Email

3 August 2013

The Director
Operations 1
Anti-Dumping Commission
Customs House
5 Constitution Ave
CANBERRA ACT 2601

Dear Sir

ANTI-DUMPING NOTICE NO. 2013/59 – PREPARED TOMATO PRODUCTS

I refer to the Anti-Dumping Notice dated 10 July 2013 concerning the alleged dumping of prepared or preserved tomato products from Italy. I am making this submission as a user and consumer of these products. I have no connection with any importer, seller, grower or processor of tomatoes, nor do I have any financial interest in them.

The application by SPC Ardmona (SPC) alleges that the goods imported have caused injury to the Australian industry through, amongst other things, loss of sales volume, reduced market share, reduced revenues, price depression, and reduced profitability. I have no doubt that this is the case.

I submit however that the cause is not to do with the cost of the imported products, but the <u>lower quality</u> and <u>inefficiently high cost</u> of the product produced by SPC Ardmona. The application by SPC asserts that the goods imported are "like goods" and are of "similar composition and liquid". They further assert that consumers switch between SPC's products and the imported goods based on price.

I submit that this is not the case. It would be a simple matter for the Anti-Dumping Commission to test the facts by opening a can of SPC tomatoes, and comparing the contents with a can of (any brand) of Italian tomatoes. The difference in quality would be self-evident, with the Italian tomatoes having a thick, juice like liquid, and the SPC brand having a liquid barely thicker than water.

Price is not the issue here: it is quality. I would pay more for Italian canned tomatoes because of their quality, rather than buy a sub-standard can supplied by SPC.

Further, the difference in price is about \$1.80 for SPC, compared with \$1.50 for Italian varieties (about 20% higher). The difference in disposable income between Australia (US\$34,952) and Italy (US\$23,194), is 50%. It is therefore difficult to contend that Italian tomatoes are being dumped onto the Australian market at lower than the cost of production.

If SPC wishes to compete, it should improve its quality, and lower its own cost of production.

Yours faithfully,

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(Signed)

Robert Ludlow