

PUBLIC RECORD



Australian Government
**Australian Customs and
Border Protection Service**

INQUIRY INTO THE CONTINUATION & REVIEW OF ANTI-DUMPING MEASURES ON 2,4-D EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

RECORD OF MEETING

CUSTOMS AND BORDER PROTECTION AND NUFARM LIMITED

Date: Wednesday, 5 December 2012

Attendees:

Nufarm Limited

Bernard Lee
Manager Industry and Government Affairs

Customs and Border Protection

Geoff Gleeson
Director, Operations 3

Andrea Stone
Manager, Operations 3

Tim Flor
Supervisor, Operations 3

Discussed:

General Discussion

General areas of discussion are outlined below.

- Capacity [supply] and company strategies to address these.
- US export market:
 - Nufarm's [export] market performance versus Nufarm's performance in the Australian domestic market and why Nufarm established itself as an exporter to the US market.
- Revenue from 2,4-D production versus [product name] production at Laverton North.
- Imports of 2,4-D:
 - Nufarm's own imports of 2,4-D acid;
 - Nufarm's concern that some product may state it comes from an approved source in China but the product may have been traded within China before being exported to Australia; and
 - changes in types of imports from China (increase in imports of 2,4-D formulations).

Rate of duty

- Customs and Border Protection proposes to amend measures to put in a zero rate of fixed duty and an ascertained export price (variable duty rate) that is equal to the non-injurious price determined during the review period. This is specified in the Statement of Essential Facts (SEF).

Unsuppressed selling price (USP)

- Customs and Border Protection will provide Nufarm information on the calculation of the USP as the information is based on Nufarm's data. This is specified in the SEF.

Normal value

- How normal value has been calculated as specified in the SEF.
- Nufarm will undertake to provide a submission to Customs and Border Protection on how normal value should be constructed.
- Normal value has been arrived at using confidential exporter data and cannot be released to interested parties.

Non-injurious price (NIP)

- The NIP has been calculated using commercial-in-confidence information from importers that are identified in the SEF.
- Customs and Border Protection cannot provide the NIP to interested parties.

Material injury

- Nufarm claims the Australian domestic market is affected by dumped imports, and as a consequence Nufarm is less able to compete in the Australian market.
- Nufarm highlighted that a rapid reduction in Chinese export prices as evidenced in the latest ABS data for October 2012;
- Nufarm was encouraged to provide evidence of price depression to demonstrate, where possible, direct competition with imports resulting in price depression.
- The importance of price versus other factors (e.g. quality) in the purchasing decisions of end users.

Continuation or recurrence of material injury

- Potential impact of the expiry of measures on imports of 2,4-D from China.
- Profit performance:
 - Nufarm acknowledged its positive **overall** profit performance in the last 12 to 24 months, however Nufarm suggested that current trade data shows that the favourable profit environment is under threat, due to an observed decline in import prices;
 - Nufarm was encouraged to address this and provide relevant evidence in a submission.