

PRODUCER ORGANISATIONS AND PRODUCER ORGANISATION ASSOCIATIONS QUESTIONNAIRE

Product: Prepared or preserved tomatoes, exported from Italy by La Doria S.p.A. and Feger di Gerardo Ferraioli S.p.A.

Period of Investigation: 1 January 2014 to 31 December 2014

Response due by: **19 March 2015**

Investigation case managers: Ms Thalia Brazdil and Mr Steven Spears

Phone: +61 3 9244 8609 / +61 3 9244 8413

Fax: +61 3 9244 8902

E-mail: operations1@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

Return of completed questionnaires:

By mail on (CD-ROM or USB):

| |
|-----------------------------------|
| Attention: Director, Operations 1 |
| Anti-Dumping Commission |
| Customs House, 1010 Latrobe St |
| Docklands Vic 3008 |
| AUSTRALIA |

By email:

operations1@adcommission.gov.au

PART B – QUESTIONS

B1. Structure of the Producer Organisations, Producer Organisations Associations

B1.1 Please provide an overview of the structure of your organisation?

In relation to your structure, please provide details of the board make-up, the decision making process and details of any board members that are also growers or processors of tomatoes in Italy?

Founded in 1945, AIIPA (Italian Association of Food Product Industries, www.aiipa.it) at the national level is part of the Confindustria and Federalimentare, while at European level participate in the work of 20 industry associations and of the European Confederation of the Food Industry (FoodDrinkEurope). AIIPA Association is the most representative of the food industry, for number of sectors and product categories and is divided into six industry associations and 24 product groups in which organizes 300 member companies, including small and medium-sized production companies as well as large industries national and multinational companies. Even the National Association of Canned Fish Products (ANCIT) adheres to AIIPA.

B1.2 How many members does your organisation have in total and how many of those members are involved in the tomato sector in Italy?

The group "Tomato products" is one of the 24 product groups of AIIPA. The group is part of the "Fruits and vegetables Products" group of AIIPA representing the manufacturers of fruit juices, canned vegetables and fruit, jams, canned mushrooms and fresh-cut vegetables. 16 processing enterprises, almost all operating in Northern Italy, which represent about 20% of processing tomatoes in Italy, adhere to the group "Tomato Products".

B1.3 Please provide details of how an entity becomes a member of your organisation?

Adherence to AIIPA from the food industries is voluntary, in order to have the services of representation and information provided by AIIPA

B1.4 Please provide details of how your organisation derives its income, including details of financial contributions made by members, the Italian Government and the EU?

AIIPA is 100% financed by the contributions of its members and AIIPA not receive any contribution from the Italian government and the EU

B1.5 The Commission would like to gain an understanding of your organisation's relationship with the Italian Government. Please clearly:

- a) state if your organisation is recognised by the Italian Government pursuant to EC Regulation 2200/1996
- b) explain the relationship between your organisation and the government;
- c) provide all related official regulations and administrative documents related to the recognition of your organisation;
- d) explain the degree of government involvement in relation to the your organisation's development of any programmes and initiatives with respect to the organisation of the tomato sector;
- e) provide details of any forms of Italian Government assistance (financial or otherwise) provided to your organisation including, but not limited to,
 - i. the establishment of any operational funds and or programmes related to the organisation of the tomato sector in Italy and;
 - ii. the administration of those funds or programs delivered to your members involved in the tomato sector.

AIIPA has no recognition of the Italian Government for the purposes of Regulation 2229/1996, which was repealed, and it is totally independent and not regulated by the government and the EU.

B1.6 Please provide details of any compliance or reporting obligations your members have when provided any form of assistance by your organisation?

Food manufacturers adhering to AIIPA are autonomous and there is no compliance or reporting obligations for AIIPA's members, except those to respect the statutes, regulations and ethical code.

B1.7 Does membership of your organisation entitle your members involved in the tomato sector to;

- a) Grants from the Italian Government or the EU;
- b) Tax concessions from the Italian Government or the EU;
- c) Long term loans or access to any preferential finance and;
- d) Promotional activities; or
- e) Free access to industry consultants?

AIIPA do not guarantee anything to their members about the points indicated in paragraph B1.7.

B1.8 The Commission understands that the EU established a crisis fund for producers in 2011, with €34.6 million being made available to the Italian agricultural sector. Please provide a list of your members involved in the tomato sector that have received any form of crisis funding during 2011 to 2014?

This table may help with the provision of this information

| Name of Member | How is funding applied for | Reasons Funding applied for | Amounts received in EURO | Amount received per hectare/tonne (if payment made this way) | Your organisations involvement in securing funds for the member |
|----------------|----------------------------|-----------------------------|--------------------------|--|---|
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To our best knowledge, any AIIPA member received crisis fund for producers in 2011. In any case, this is an information which is not available to us since it does not fall within the competence of AIIPA

B1.9 Does your organisation have a legal or equitable interest in any entity that is involved in the growing or processing of tomatoes in Italy?

AIIPA not have any kind of legal or equitable interest in any entity involved in the tomato sector

B1.10 Please list the main services that your organisation provides to its members? In particular describe your organisations role as a political advocate for your members?

AIIPA represents the food industries, and sectors participating, at national, European and international level, towards the economic and social institutions and organizations; promotes a policy of coordination and efficiency of the entire food chain; develops and directs the corporate communication sector with the collaboration of the most important advertising agencies and public relations; updates the affiliated companies on the evolution of legislation in the food industry. AIIPA supports a system of industrial relations and welfare contractual advanced and modern and signing with the unions the national collective agreement for employees in the food industry, in the name and on behalf of companies and industries represented.

B2. Framework pricing agreement

The Commission understands that pursuant to negotiations undertaken in Parma in April 2013, tomato Producer Organisations and Producer Organisations Associations and representatives from the processing industry in Italy signed a framework agreement for Northern Italy which, in summary established a basic price of tomatoes fixed at €86/ton, against €84/ton of 2012.

No formal agreement in price between Producers and Processors was signed in the years 2012 and 2013. There have been talks, in various stages, only with respect to reference (non-binding) prices, which were discussed directly between the industries and Organizations of Producers.

B2.1 Could you please advise whether the Italian Government played any role in the negotiation between Producer Organisations and Producer Organisations Associations, growers and processors in Italy such as the agreement specified above?

There is no role of the Italian government and the EU in the definition of such agreements that are stipulated freely between producers and processors.

B2.2 Please provide a copy of all subsequent agreements settled between these parties in 2011, 2012, 2013 and 2014 (or summaries thereof).

We send in the attached Framework Agreement signed in 2014, to explain the true nature of these agreements, which are NOT intended to set the price for raw tomatoes but, rather, relate to modes of contracting and methods of payment, quality standards, integrated agricultural production techniques, the production planning, management of possible disputes, the collection of information on cultivated areas and quantities planned and delivered, etc.

B2.3 Please provide details of any agreements or negotiations undertaken, similar to those described above, between Producer Organisations and Producer Organisations Associations and representatives of the Italian Government for a framework price agreement for Southern Italy?

We do not have any official texts of similar agreements stipulated in Southern Italy.

B2.4 Detail the extent to which the Italian Government and the EU interacts with your Organisation in relation to price setting and dynamics of supply between growers and processors.

See replies above

B3. Benefits paid to the Italian tomato sector under CAP and associated support schemes

The Commission understands that the CAP has seen significant reform since 2003. The Commission understands that as part of these reforms your members have access to the single payment scheme (SPS), transitional payments and programs such as the European Agricultural Fund for Rural Development (EAFRD).

B3.1 For each of the above and any other additional benefit program/scheme your members in the tomato sector have accessed or have access to, please provide the following information:

- a) Full description of the programme including its strategic objectives and purposes
- b) Identification of the source of funding for the programme (for example EAFRD)
- c) Description of the administrative processes under which applications are received and the conditions for eligibility for payment of benefits under the programme;
- d) Total annual budget allocated to the scheme for 2011, 2012, 2013 to 2014; and
- e) Total payments made under the scheme to your members involved in the tomato sector for 2011, 2012, 2013 to 2014.

Examples of how this information can be provided are set out in the below tables:

Table 1. Recipients of benefits under SPS

| Recipient | Location of Recipient | Type of agricultural operation | Calculated total benefit payable | Area of land for which benefit allocated | Total annual payment provided (EURO) |
|-----------|-----------------------|--------------------------------|----------------------------------|--|--------------------------------------|
| | | | | | |
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Table 2: Recipients of benefits pursuant to transitional payments

| Recipient | Location of Recipient | Type of agricultural operation | Programme under which benefit provided | Total annual payment provided (EURO) |
|-----------|-----------------------|--------------------------------|--|--------------------------------------|
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| | | | | |

Table 3: Recipients of benefit under specific support programs

| Recipient | Location of Recipient | Type of agricultural operation | Programme under which benefit provided (if funded otherwise than by CAP please indicate) | Total annual payment provided (EURO) |
|-----------|-----------------------|--------------------------------|--|--------------------------------------|
| | | | | |
| | | | | |

In preparing the above information, summary explanation (in tabular form) will be sufficient. However, please note that the Commission may wish to request source documentation – such as reports and records relating to payments made to specific entities - as the investigation progresses.

B3.2 Does your organisation act as an intermediary for your members when applying for financial assistance or access to complementary programs under the CAP? If so, please describe your role as the intermediary?

It is not for AIIPA answer on these specific questions because we do not have the requested information

B4. Additional queries regarding the tomato sector

B4.1 The Commission understands that the tomato sector may involve a high level of sunk capital. Please advise;

- a) Does your organisation believe that a level of flexibility is available to participants in the tomato sector to allow transition to and from the tomato sector? Please explain.
- b) Have your members involved in the tomato sector moved in to substitute crops? If so, please provide the number of members that have done so and the reasons for the move over the period 2011-2014.

Processing tomatoes plants are expensive and they are used only for the processing of tomatoes. It is difficult to imagine any flexibility in this respect. In fact, there is no AIIPA member which has ever moved towards different productions. The only option so far has been the closure of the plant in case of bankruptcy.

B4.2 Please provide the volume of raw tomatoes grown for processing for the years 2011, 2012, 2013 and 2014? In regards to this data, please provide your organisations view on any trends in the data and explain which trends are related to market forces and which are related to reform of the CAP?

The evolution of processing tomatoes in Italy was determined only by the conditions of the market and these market trends have affected the prices for raw materials and finished products

| Year | Ha | Production (ton x .000) | Ton/ha |
|----------------|---------------|------------------------------------|---------------|
| 2011 | 65.120 | 4.950.000 | 76,0 |
| 2012 | 62.500 | 4.700.000 | 75,2 |
| 2013 | 55.836 | 4.131.000 | 74,0 |
| 2014 | 67.177 | 4.910.000 | 73,1 |
| Average | 62.658 | 4.672.750 | 75,1 |

B4.3 Can you explain what affects the CAP and its recent reforms have had on the supply and price of raw tomatoes and prepared or preserved tomatoes in Italy in 2011, 2012, 2013 and 2014?

There is no impact of the CAP over the prices for fresh and processed tomatoes. The prices for raw materials and finished products have been influenced by market conditions only (eg. Increase in average prices of raw materials in 2014 caused by insufficient acreage in the tomato campaign 2013)

B4.4 The Commission further understands that the recent reforms to the CAP have placed a compliance burden upon recipients of assistance under the CAP. Can you explain any aid or assistance, financial or otherwise that your organisation or the Italian Government provide to the tomato sector to off-set the costs related to compliance under the CAP?

AIIPA does not assist in the management of the CAP

B4.5 The Commission understands that the CAP is about to enter a further period of reform and part of those reforms may be the return of coupled payments. Please provide your organisations position on coupled payments and the reasons for your position? Please include your organisations views on the advantages and disadvantages of coupled payments.

AIIPA does not have an official position on this subject

PART C – GENERAL QUERIES REGARDING THE IMPORTATION OF TOMATOES

The Commission understands that Common Customs Tariff levels are set under EC Regulations. The Commission understands that, under these regulations, certain goods (including tomatoes classified to code 0702 are subject to an Entry Price System (EPS)).

C1.1 Please explain in what capacity your organisation is involved in the policy setting or operational aspects of the Entry Price System for the tomato sector administered by the Italian Government.

AllPA is not involved in setting policy or operational aspects of the Entry Price System

C1.2 Please provide details of any import quotas or any other import volume restrictions placed on tomatoes by the Italian Government or the EU that your organisation is aware of?

AllPA not interested in this situation and has no information about it

C1.3 Please explain any involvement your organisation has or has had in the formation of policy for import quotas or other import volume restrictions on the importation of tomatoes into Italy?

AllPA is not involved in the formation of policy for import quotas or other import volume restrictions on the importation

C1.4 Please provide the details of all of your members that purchased imported tomatoes in 2011 to 2014? Please include if known, the amounts purchased, the price paid and the reasons why imported tomatoes were purchased by your members?

AllPA does not have and cannot have details of our members that purchased imported tomatoes in 2011 to 2014

C1.5 Please advise if any of your members have received a refund of duty (in whole or in part) in relation to the purchase of imported tomatoes used in the production or processing of products subsequently exported.

AllPA does not have the requested data. However, to our best knowledge, AllPA members do not operate in the purchase of imported tomatoes used in the production or processing of products subsequently exported

PART - D DECLARATION

The undersigned certifies that all information supplied herein in response to the questionnaire (including any data supplied in an electronic format) is complete and correct to the best of his/her knowledge and belief.

Date: March 18, 2015

Signature of authorised official



Name of authorised official

Valerio Bordoni

Title of authorised official

Director