



6 December 2013

The Director
Operations 1
Anti-Dumping Commission

Dear sir/madame,

Prepared or Preserved Tomato Products exported from Italy
Case No. ADC 217

This submission is in response to the Preliminary Affirmative Determination Report issued by the Commission in relation to its inquiry into prepared or preserved tomatoes exported from Italy.

By way of background, the Food & Beverage Importers Association (FBIA) is an industry association that represents importers into Australia of food and beverages, both retail ready and ingredients for further processing. A list of members is attached. Members of the Association import the goods under inquiry by the Commission.

Goods under investigation

The Commission has preliminarily assessed that SPC Ardmona Operations (SPCA) produces like goods to the goods under consideration.

We draw to the Commission's attention that some Australian products (eg Ardmona Tomato Rich & Thick Classic) contain a tomato paste, whereas paste is not added to Italian tomatoes. We would argue that the addition of paste diminishes physical, commercial and functional likeness to the goods under consideration to such an extent that goods containing paste should be excluded from the inquiry, just as pastes have been.

Preliminary Material Injury Assessment

The PAD states that the preliminary injury analysis is based on the verified financial information submitted by SPCA, Customs import data and other relevant data.

We understand that the evidence by Kagome Foods Australia Pty Ltd (Kagome) to the Productivity Commission's Safeguards Inquiry into the Import of Processed Tomato

Food & Beverage Importers Association

Email: fbia@fbia.org.au 181 Drummond Street,
Telephone: (03) 9639 3644 Carlton, Victoria 3053
Facsimile: (03) 9639 0638 ABN 53 932 472 760



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Products has been drawn to the attention of the Commission. In its evidence, Kagome stated that:

- SPCA procures processed tomatoes from Kagome and a company called Billabong Produce.
- Kagome produced 10,000 metric tonnes of diced tomatoes.
- Billabong Produce processes around 1,300 tonnes of raw tomatoes into retail packs not exceeding 1.14L in size.

It is not clear from the PAD Report whether SPCA's dealings with Kagome and Billabong Produce have been considered by the Commission. We would argue that the evidence is particularly relevant to the question of what constitutes the Australian industry. It should also be included in any assessment of injury to ensure that any cost impact of the relationships is not assigned to import.

Material Injury: Other economic factors causing injury

In its Safeguards Inquiry into the Import of Processed Tomato Products, the Productivity Commission has examined what factors may be causing material injury to the local industry and its analysis clearly shows that there are a range of factors other than imports, dumped or otherwise, that have caused injury to the domestic industry. These include:

- Appreciation of the Australian dollar

The PAD does not include a discussion of the appreciation of the Australian dollar against the Euro (about 40%) and the US dollar (about 38%) over the past five years and the impact of that appreciation on prices of imports. Such appreciation would be expected to reduce the price of imported processed tomato products and make them more competitive relative to the local products. That impact of the appreciated currency should not be included as part of the material injury found to be caused by imports determined by the Commission to have been dumped.

- Reduction of SPCA's Exports

As well as reducing the price of imports, the appreciating dollar increases the price of exports. It is understood that exports of Australian processed tomatoes have decreased significantly over the past five years, partly because of the stronger dollar. The impact on the costs and profitability of SPCA from this loss of export sales should not be attributed to imports.



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- Floods in 2011

There were major floods in the tomato growing areas of Victoria in 2011 and that led to significant decrease in the quantity of tomatoes harvested and processed. As a result, imports, in particular of private label products, increased to make up the shortfall. The long-run impact of the floods should be taken into account in any assessment of current injury.

- Other Economic Factors

Other economic factors that should be considered by the Commission as causing injury include the comparative cost advantage of Italian tomato processing industry (the Australian processed tomato industry is very small compared to the Italian industry), the effects of long-term competition by imports (including from countries other than Italy), and the impact of private label strategies on all supermarket categories

In view of these factors, we would argue that there is not clear evidence of material injury being caused by those imports the Commission has found to have been dumped. There are other substantial economic factors that are the cause of any injury SPCA may be suffering.

Should you have any questions on these comments, please do not hesitate to contact me

Yours faithfully,

A handwritten signature in black ink that reads "Tony Beaver". The signature is written in a cursive style and is positioned above a horizontal line that extends across the width of the signature.

A J Beaver
Secretary



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Members

A.Clouet (Australia)	AB Food & Beverages
Arquilla Bulk Trading	Argentine Consul
Barilla	Bon Food
Canadian High Commission	Chung's Oriental Foods
CONGA Foods	Dried Fruit Specialist
EGTA	F Mayer Imports
Geodis Wilson	Great Ocean
Global Resourcing	GB-Commtrade
Gibson Freight	Goodman Fielder
Hunt & Hunt	H.A. Bennett & Sons
Hormel Foods Australia	International Trade Management
Imports of France	Juremont Pty Ltd
Kikkoman Australia	Langdon Ingredients
Lindt & Sprüngli	M G Kailis
Manassen Foods	Maven Voyage Seafoods
Maxwell Food Products	MWT Foods
Natural Ingredients	Nestle Australia Ltd
Nybor Holdings	20 Cube Logistics
Oregon Fruit Company	Oceanic Foods
Orange & Green	Oriental Merchants
Produce Marketing Australia	Riviana Foods
Scalzo Food Industries	Simplot Australia
Steritech	Sunrider International
Tandem Imports	Trade Commission of Denmark
Unilever Australasia	USA Agriculture Office
USA Foods	Valcorp Holdings
Woolworths	APC Logistics