

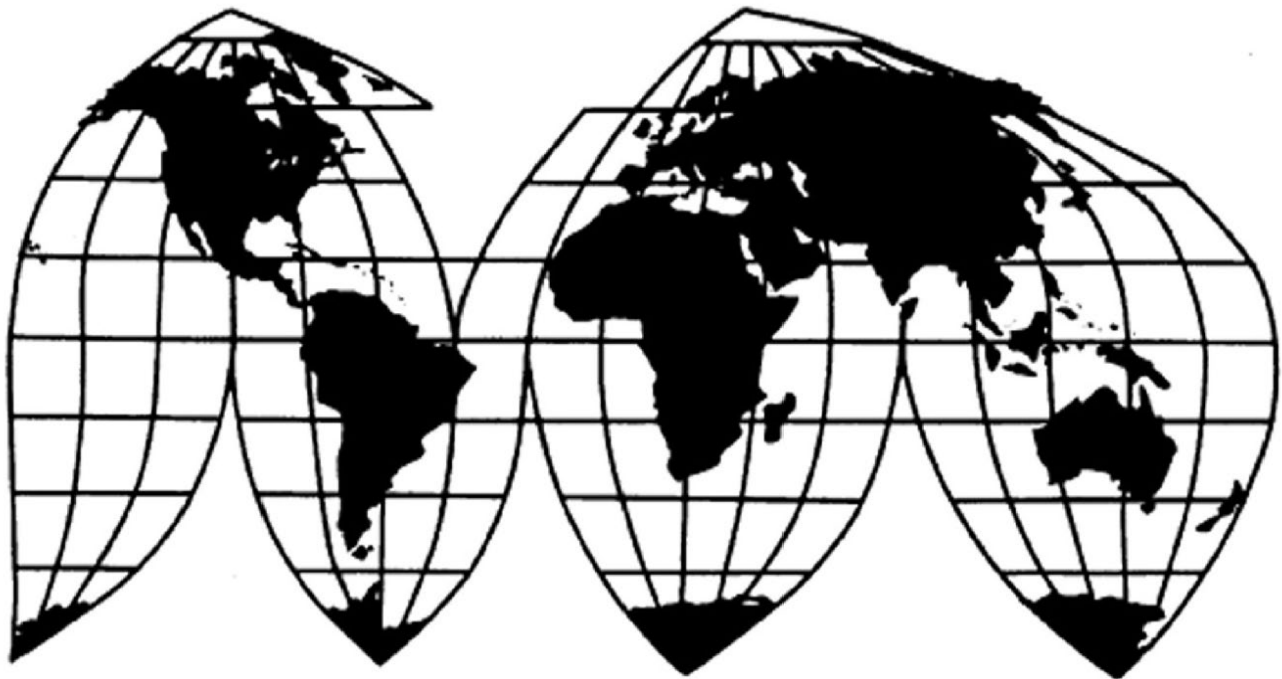
Oleoresin Paprika from India

Investigation Nos. 701-TA-771 and 731-TA-1755 (Preliminary)

Publication 5656

August 2025

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Catherine DeFilippo
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Staff assigned

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Pamela Davis, Economist
Jennifer Brinckhaus, Accountant
Aboubakari Kpeitoni, Statistician
Cayla Ebert DeJaco, Attorney
Douglas Corkran, Supervisory Investigator

Special appreciation

Alexis Yim, International Trade Specialist

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

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Note.—Information that would reveal confidential operations of individual firms may not be published. Such information is identified by brackets ([]) in confidential reports and is deleted and replaced with asterisks (***) in public reports. Zeroes, null values, and undefined calculations are suppressed and shown as em dashes (—) in tables. If using a screen reader, we recommend increasing the verbosity setting.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-771 and 731-TA-1755 (Preliminary)

Oleoresin Paprika from India

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of oleoresin paprika from India, provided for in subheadings 3203.00.80 and 3301.90.10 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (“LTFV”) and subsidized by the government of India.²

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission’s rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in § 207.21 of the Commission’s rules, upon notice from the U.S. Department of Commerce (“Commerce”) of affirmative preliminary determinations in the investigations under §§ 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under §§ 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Any other party may file an entry of appearance for the final phase of the investigations after publication of the final phase notice of scheduling. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a

¹ The record is defined in § 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

² 90 FR 34419 and 90 FR 34433 (July 22, 2025).

public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations. As provided in section 207.20 of the Commission's rules, the Director of the Office of Investigations will circulate draft questionnaires for the final phase of the investigations to parties to the investigations, placing copies on the Commission's Electronic Document Information System (EDIS, <https://edis.usitc.gov>), for comment.

BACKGROUND

On June 25, 2025, Rezolex, Ltd. Co., Las Cruces, New Mexico, filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of oleoresin paprika from India and LTFV imports of oleoresin paprika from India. Accordingly, effective June 25, 2025, the Commission instituted countervailing duty investigation No. 701-TA-771 and antidumping duty investigation No. 731-TA-1755 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of July 1, 2025 (90 FR 28767). The Commission conducted its conference on July 16, 2025. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of oleoresin paprika that are allegedly sold in the United States at less than fair value and subsidized by the government of India.

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.¹ In applying this standard, the Commission weighs the evidence before it and determines whether “(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation.”²

II. Background

Parties to the Investigations. The petitions in these investigations were filed on June 25, 2025, by Rezolex, Ltd. Co. (“Rezolex” or “Petitioner”), a domestic producer of oleoresin paprika (“ORP”).³ Petitioner appeared at the staff conference with its counsel and submitted a postconference brief.⁴

Several respondent entities entered an appearance in the investigations. Plant Lipids Pvt. Ltd.; Synthite Industries Ltd.; Mane Kancor Ingredients Ltd.; and Akay Natural Ingredients Private Ltd. (collectively “Indian Producers”), all Indian producers of ORP, jointly entered an appearance.⁵ McCormick & Company, Inc. (“McCormick”), a U.S. importer of ORP, entered an

¹ 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States*, 20 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

² *American Lamb Co.*, 785 F.2d at 1001; *see also Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

³ Petitions, EDIS Doc. 854949 (June 25, 2025).

⁴ Submission of Participant Testimony, EDIS Doc. 856816 (July 15, 2025) (“Pet. Written Testimony”); Petitioner’s Postconference Brief, EDIS Doc. 857368 (July 21, 2025) (“Pet. Postconference Br.”).

⁵ Plant Lipids Pvt. Ltd., Synthite Industries Ltd.; Mane Kancor Ingredients Ltd.; and Akay Natural Ingredients Private Ltd. Entry of Appearance, EDIS Doc. 856091 (July 7, 2025).

appearance.⁶ McCormick filed a postconference brief,⁷ while the Indian Producers filed a letter with accompanying declarations from each represented firm in lieu of a postconference brief.⁸

Data Coverage. U.S. industry data are based on the questionnaire response of one domestic producer, accounting for all known U.S. production of ORP in 2024.⁹ U.S. import data are based on usable questionnaire responses from 20 U.S. importers, accounting for a substantial majority of subject imports from India in 2024.¹⁰ The Commission received responses to its questionnaires from seven foreign producers of subject merchandise accounting for more than three-fourths of production of subject merchandise from India in 2024.¹¹

Previous Investigations. ORP has been subject to two prior Commission investigations under Title VII of the Tariff Act. In 2001, the Commission conducted a preliminary phase antidumping duty investigation of ORP from India. The Commission determined that there was no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from India of ORP.¹² In July 1979, the Commission determined in a countervailing duty investigation of oleoresin, which included paprika oleoresins, under section 303 (b) of the Tariff Act of 1930, that an industry in the United States was not being and was not likely to be injured, and was not prevented from being established, by reason of the importation of oleoresins from India.¹³

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the

⁶ McCormick's Entry of Appearance, EDIS Doc. 856177 (July 8, 2025).

⁷ McCormick's Postconference Brief, EDIS Doc. 857340 (July 21, 2025).

⁸ Indian Producers' Postconference Letter, EDIS Doc. 857370 (July 21, 2025).

⁹ Confidential Staff Report ("CR"), INV-XX-103 (Aug. 4, 2025) at 1.4, 3.1, Table 3.1; *Oleoresin Paprika from India*, Inv. Nos. 701-TA-771 and 731-TA-1755 (Preliminary), USITC Pub. 5656 (August 2025) ("PR") at 1.4, 3.1, Table 3.1; Petition, Volume I at 2 ("Petition") (unless otherwise specified all citations to the Petitions refer to Volume I).

¹⁰ CR/PR at 1.4, 4.1. Proprietary Customs records for HTS statistical reporting numbers 3203.00.8000 and 3301.90.1010 indicate that responding firms accounted for *** percent of imports under those numbers from India and *** percent of imports under those numbers from nonsubject sources in 2024. *Id.* at 4.1, n.3. Data provided by foreign producers indicate comparable coverage levels. Compare table 4.2 with table 7.9.

¹¹ CR/PR at 7.3, Table 7.1.

¹² *Oleoresin Paprika from India*, Inv. No. 731-TA-923 (Preliminary), USITC Pub. 3415 (Apr. 2001) ("ORP II").

¹³ *Oleoresins from India*, Inv. No. 303-TA-10, USITC Pub. 989 (July 1979) ("*Oleoresins from India*").

subject merchandise, the Commission first defines the “domestic like product” and the “industry.”¹⁴ Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff Act”), defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”¹⁵ In turn, the Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”¹⁶

By statute, the Commission’s “domestic like product” analysis begins with the “article subject to an investigation,” *i.e.*, the subject merchandise as determined by the U.S. Department of Commerce (“Commerce”).¹⁷ Therefore, Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is “necessarily the starting point of the Commission’s like product analysis.”¹⁸ The Commission then defines the domestic like product in light of the imported articles Commerce has identified.¹⁹ The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.²⁰ No single factor is

¹⁴ 19 U.S.C. § 1677(4)(A).

¹⁵ 19 U.S.C. § 1677(4)(A).

¹⁶ 19 U.S.C. § 1677(10).

¹⁷ 19 U.S.C. § 1677(10). The Commission must accept Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See, e.g., USEC, Inc. v. United States*, 34 Fed. App’x 725, 730 (Fed. Cir. 2002) (“The ITC may not modify the class or kind of imported merchandise examined by Commerce.”); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

¹⁸ *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, Case No. 19-1289, slip op. at 8-9 (Fed. Circ. Feb. 7, 2020) (the statute requires the Commission to start with Commerce’s subject merchandise in reaching its own like product determination).

¹⁹ *Cleo*, 501 F.3d at 1298 n.1 (“Commerce’s {scope} finding does not control the Commission’s {like product} determination.”); *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–52 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission’s determination defining six like products in investigations where Commerce found five classes or kinds).

²⁰ *See, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6)

dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.²¹ The Commission looks for clear dividing lines among possible like products and disregards minor variations.²² The Commission may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.²³

Commerce has defined the imported merchandise within the scope of these investigations as:

The merchandise covered by the scope of this investigation is the coloring additive oleoresin paprika. Oleoresin paprika is a viscous, highly colored liquid in various shades of red or orange made from the extract of Capsicum peppers. Covered merchandise includes all oleoresin paprika, regardless of pepper variety, with an American Spice Trade Association (ASTA) value of at least 500 or a color unit (CU) value of at least 20,000 as determined by spectrophotometric measurement. The Chemical Abstracts Service (CAS) Registry numbers for oleoresin paprika are 68917-78-2 and 84625-29-6; the Center for Food Safety and Applied Nutrition (CFSAN) number is 977006-45-3; the Flavoring Extract Manufacturers' Association (FEMA) number is 2834; and the E number is E160c. Subject oleoresin paprika may also be referred to by other product names, including, but not limited to, paprika oleoresin, oleoresin of paprika, paprika extract, extract of paprika, paprika oil, or paprika essential oil.

Subject oleoresin paprika may be blended with oil or water prior to importation or may be imported in its crude or unstandardized form. Subject oleoresin paprika may also be blended with emulsifiers or preservatives. The scope includes all oleoresin paprika meeting the specifications above regardless of whether or

price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

²¹ *See, e.g.*, S. Rep. No. 96-249 at 90-91 (1979).

²² *See, e.g.*, *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; *see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

²³ *See, e.g.*, *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington*, 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

not blended with or soluble in oil or water, and regardless of weight, pungency, quality, solvent content, or additives. Further, the scope includes crude or unstandardized oleoresin paprika that has been blended, finished, packaged, or otherwise processed in a third country, if the blending, finishing, packaging, or processing performed would not otherwise remove the merchandise from the scope. Oleoresin paprika that is otherwise subject to this investigation is not excluded when commingled with oleoresin paprika from sources not subject to this investigation, or when commingled with other oleoresins. Only the subject component of such commingled products is covered by the scope of this investigation.²⁴

ORP is a natural, viscous, liquid with an orange-to-dark-red tint.²⁵ It is an industrial product primarily used as a color additive in food products, such as sausages, cheese sauces, gravies, condiments, salad dressings, baked goods, snacks, and icings. It is also used to color salt, which is mixed with spices and peppers to achieve a finished spice blend, and in cosmetics and pharmaceuticals.²⁶ As ORP has some flavor, most of its applications are in aromatic or savory food items.²⁷ While petitioner contends that ORP has a mild flavor and little or no odor or heat (spiciness), Indian producers contend that some of the ORP produced in India has a mild pungency (i.e., flavor, odor, and heat) that is greater than that of the domestic product.²⁸ Indian producers assert that the greater pungency and more orange hue allow the subject merchandise to be used for applications that require both color and mild pungency, such as ethnic foods, seasoning blends, and spice-rich food products.²⁹

ORP can be either oil-soluble or water-soluble and is sold on the basis of color, concentration, and weight. It is shipped to customers in 5 gallon pails, 55 gallon drums, and 160 gallon plastic totes.³⁰ ORP is produced in a variety of colors, from orange to dark red, and color concentrations. The red pigment comes primarily from capsorubin and capsanthin in the paprika, while the yellow pigment comes from the β -carotene component.³¹ The color is measured by spectrophotometric analysis at 460 nanometers and reported in color units

²⁴ *Oleoresin Paprika from India: Initiation of Less-Than-Fair-Value Investigation*, 90 Fed. Reg. 34419 (July 22, 2025); *Oleoresin Paprika from India: Initiation of Countervailing Duty Investigation*, 90 Fed. Reg. 34433 (July 22, 2025).

²⁵ Oleoresin paprika may also be referred to as paprika oleoresin, oleoresin of paprika, paprika extract, or extract of paprika. CR/PR at 1.8, n.17.

²⁶ CR/PR at 1.8.

²⁷ CR/PR at 1.8.

²⁸ CR/PR at 1.8.

²⁹ CR/PR at 1.8.

³⁰ CR/PR at 1.9.

³¹ CR/PR at 1.9. Oil-based solutions appear more orange-red and water-based solutions appear more bright orange. *Id.*

("CU").³² Unstandardized (or "crude") extract (i.e., prior to blending with vegetable oil) has the highest concentration of color.³³ Different varieties of peppers yield different color levels, with hotter peppers, like the chili peppers typically used in India, generally producing lower levels.³⁴ Both domestic and subject oleoresin paprika have a minimum of 20,000 CU.³⁵ Petitioner asserts that it has produced oleoresin paprika with up to 200,000 CU.³⁶

A. Arguments of the Parties

Petitioner's Arguments. Petitioner argues that the Commission should define a single domestic like product that is coextensive with the scope, consisting of all ORP, as it did in *ORP II*, and that the domestic like product should not be expanded beyond the scope to include other products such as paprika powder, synthetic food colorings, or other oleoresin products.³⁷ Petitioner contends that ORP is a viscous, dark red tinted liquid used as a color additive by industrial producers of food products such as meat products, cheese sauces, gravies, condiments, baked goods, snacks, etc. as well as used in spice blends.³⁸ Rezolex asserts that liquid ORP is better suited to these applications rather than ground paprika as it provides a more uniform distribution of color and similar applications would require large amounts of ground paprika.³⁹ Moreover, Rezolex asserts that ORP is a natural food additive, distinct from a synthetic food coloring.⁴⁰ Rezolex also testified that other oleoresin products would produce different colors.⁴¹ Petitioner contends, and claims customers agree, that ORP is not interchangeable with paprika powder, other oleoresins, or synthetic dyes.⁴²

Respondents' Arguments. The respondents do not contest the domestic like product definition advocated by Petitioner.

B. Analysis

In *ORP II*, the Commission determined that in light of differences in color, flavor, and fitness for human consumption, various types of oleoresins and artificial food dyes were not

³² CR/PR at 1.9. American Spice Trade Association ("ASTA") values, which are one-fortieth the CU value, may also be used. See Conference transcript, p. 18 (Stirk).

³³ CR/PR at 1.9.

³⁴ CR/PR at 1.9.

³⁵ CR/PR at 1.9.

³⁶ Conference transcript, p. 50 (Biad).

³⁷ Pet. Postconference Br. at 5-12 (citing *Oleoresin Paprika from India*, USITC Pub. 3415 (Apr. 2001)); Petition at 38-55.

³⁸ Pet. Postconference Br. at 7.

³⁹ Pet. Postconference Br. at 10.

⁴⁰ Pet. Postconference Br. at 8.

⁴¹ Pet. Postconference Br. at 9.

⁴² Pet. Postconference Br. at 11.

part of the domestic like product corresponding to imported ORP.⁴³ Information on the record of these preliminary investigations indicates that ORP continues to differ from these other products. Therefore, we define a single domestic like product consisting of ORP, coextensive with Commerce's scope.

Physical Characteristics and Uses. All domestically produced ORP is a red, viscous liquid made from the extract of sweet paprika peppers.⁴⁴ As noted above, it is a natural food coloring additive primarily used to color food products such as sausage, cheese sauces, condiments, salad dressings, and spice blends.⁴⁵ ORP can be produced as an oil- or water-based solution and is marketed and sold on the bases of color, concentration, and weight, measured using the ASTA scale or CU.⁴⁶ The color value of blended, or "standardized," ORP is determined by spectrophotometric measurement of color absorbance at a wavelength of 460nm.⁴⁷ ORP sales are usually contracted on a 100,000 CU basis, with individual orders filled and delivered at different color strengths and meeting other specifications as required by the customer.⁴⁸

Although ground paprika can be used as a natural food coloring, it is a powder, does not provide as uniform distribution of color as ORP, and requires large quantities to achieve the same results as ORP.⁴⁹ ORP is also distinct from synthetic food dyes, as food dyes cannot be used as natural food colorings. Record evidence indicates that consumer preferences are shifting toward natural ingredients in their food and beverages and recent federal policies are mandating a move away from some synthetic ingredients.⁵⁰ ORP is also distinct from other oleoresin products in flavor, spice, and color.⁵¹

Manufacturing Facilities, Production Processes and Employees. ORP is produced by first drying sweet paprika peppers, then grinding them into powder (*i.e.*, ground paprika), and then extracting color from the powder using a solvent. Lastly, the liquid extract is mixed with food-grade vegetable oil or water to achieve a particular CU value before being packaged in 55 gallon

⁴³ *Oleoresin Paprika from India II Preliminary Determination* at 5. The scope in *ORP II* was similar to the scope of this case, although the current scope clarifies that subject ORP may be blended with oil or water or may be imported in its crude or unstandardized form, may be blended with emulsifiers or preservatives, and includes all ORP regardless of weight, pungency, quality, solvent content, or additives.

⁴⁴ Petition at 48; Pet. Postconference Br. at 7-8; CR/PR at 1.8-1.11.

⁴⁵ Petition at 48; Pet. Postconference Br. at 7; CR/PR at 1.8.

⁴⁶ Petition at 48; Conference Transcript at 66 (Biad); Postconference Br. at 7-8; CR/PR at 1.9.

⁴⁷ Petition at 49; Postconference Br. at 8.

⁴⁸ Petition at 49. While McCormick did not contest Petitioner's advocated domestic like product, it contends that all ORP products are made to meet certain specifications required by the customer and, given the varying inputs and production processes, there are numerous variations of ORP products. McCormick explains that these specifications are mostly based on CU, Scoville heat units ("SHU"), solvent, sediment content, and type of pepper used. McCormick's Postconference Br. at 2-3.

⁴⁹ Pet. Postconference Br. at 10-11; CR/PR at 1.10.

⁵⁰ CR/PR at 1.10.

⁵¹ Pet. Postconference Br. at 9.

steel drums or five gallon pails.⁵² Petitioner states that it is the only U.S. producer of ORP and produces all ORP on the same equipment using the same employees.⁵³ Based on the available evidence on the record, we conclude that the production of ground paprika differs from this process at least in omitting the color extraction and oil or water addition stages, and from production of synthetic food dyes at least in the use of all natural inputs.

Channels of Distribution. The majority of ORP is sold in bulk quantities directly to end-user manufacturers that use the ORP as a coloring additive in their products.⁵⁴ Rezolex contends that although ORP and ground paprika are both sold to food manufacturers, ground paprika is also marketed directly to consumers for use in the home, whereas ORP is not.⁵⁵ The record contains no information on distribution channels for synthetic food dyes.

Interchangeability. Petitioner argues that synthetic food dyes should not be included in the domestic like product, consistent with the Commission's determination in *ORP II*, as the color difference, aroma, production processes, and other differences make synthetic food dyes distinct.⁵⁶ It claims that customers that use synthetic dyes are not concerned with whether they are able to label their products as "natural."⁵⁷ Moreover, Petitioner contends that ground paprika also cannot be used as an alternative in the same type of end-products in which ORP is used because ground paprika powder cannot homogenize as well as liquid ORP, and the requirement of a large volume of ground paprika to achieve the same results as ORP increases costs.⁵⁸

Producer and Customer Perceptions. As noted above, Petitioner claims that customers that use synthetic dyes are not concerned with whether they are able to label their products as "natural."⁵⁹ Moreover, customers have certain color specifications and would not use different oleoresin products to achieve the same color that ORP creates.⁶⁰

Price. Petitioner sells *** of its ORP through annual contracts that are *** and set before planting of peppers begins, and only sells ORP and its byproducts.⁶¹ Petitioner contends that ORP is a commodity, that pricing is based on CU in the end product, and that producers fill

⁵² Petition at 17-19, 21; Pet. Postconference Br. at 12.

⁵³ Pet. Postconference Br. at 11-12.

⁵⁴ Petition at 51.

⁵⁵ Pet. Postconference Br. at 11.

⁵⁶ Pet. Postconference Br. at 8-9.

⁵⁷ Pet. Postconference Br. at 10; Conf. Tr. at 84-85 (Biad).

⁵⁸ Pet. Postconference Br. at 10.

⁵⁹ Pet. Postconference Br. at 10; Conf. Tr. at 84-85 (Biad).

⁶⁰ Pet. Postconference Br. at 9; Conf. Tr. at 82-83 (Biad).

⁶¹ Petition at 53-54.

individual orders to meet that customer's required specifications.⁶² ORP with a higher color value receives higher prices.⁶³

Conclusion. For the preliminary phase of these investigations, the Commission defines a single domestic like product consisting of ORP, coextensive with the scope in these investigations. The record indicates that all ORP covered by the scope of these investigations shares the same basic physical characteristics and general uses, is sold through the same channels of distribution, and is interchangeable if customer specifications are met. There are clear distinctions between ORP and ground paprika, other oleoresins, and synthetic food dyes based on the differences in physical characteristics and uses and the limited interchangeability between the products. In light of the preponderance of similarities among types of domestically produced ORP, and clear dividing lines between ORP and other products, and the absence of any contrary argument, we define a single domestic like product consisting of all ORP, coextensive with Commerce's scope.

IV. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."⁶⁴ In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We consider whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.⁶⁵ Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.⁶⁶ A domestic producer that does not

⁶² Pet. Postconference Br. at 12.

⁶³ Pet. Postconference Br. at 12.

⁶⁴ 19 U.S.C. § 1677(4)(A).

⁶⁵ See *Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

⁶⁶ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

itself import subject merchandise or does not share a corporate affiliation with an importer may nonetheless be subject to the related parties provision if it controls a purchaser of large volumes of subject imports.⁶⁷ The Commission has found such control to exist, for example, where the domestic producer's purchases were responsible for a predominant proportion of an importer's subject imports and the importer's subject imports were substantial.⁶⁸

U.S. producer Rezolex may qualify for exclusion as a related party because it purchased subject merchandise during the POI.⁶⁹

A. Arguments of the Parties

Petitioner argues that the Commission should define the domestic industry to include all domestic producers, which would be only Rezolex.⁷⁰ No respondent party has addressed the definition of the domestic industry.

B. Analysis and Conclusion

Rezolex accounted for 100 percent of U.S. production in 2024, was the only domestic producer of ORP that year, and is the Petitioner.⁷¹ Rezolex purchased ORP from India in *** that was imported by U.S. importer ***; it *** purchase subject ORP ***.⁷² Its ratio of purchased

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015), *aff'd*, 879 F.3d 1377 (Fed. Cir. 2018); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

⁶⁷ See SAA at 858.

⁶⁸ See, e.g., *Iron Construction Castings from Brazil, Canada, and China*, Inv. Nos. 701-TA-248, 731-TA-262-263, 265 (Fourth Review), USITC Pub. 4655 at 11 (Dec. 2016); *Chlorinated Isocyanurates from China and Spain*, Inv. Nos. 731-TA-1082-1083 (Second Review), USITC Pub. 4646 at 12 (Nov. 2016).

⁶⁹ CR/PR at 3.7, Table 3.8. For the purposes of these Views, the term "period of investigation" ("POI") is applied to the years 2022 through 2024, January to March 2024, and January to March 2025, inclusive.

⁷⁰ Pet. Postconference Br. at 13. ***. U.S. Producer Questionnaire Response of ***.

⁷¹ CR/PR at 3.1, Table 3.1.

⁷² CR/PR at Table 3.8; U.S. Producer Questionnaire Response of Rezolex at II-13.

subject imports to domestic production was ***.⁷³ Rezolex's ratio of purchases from *** to overall U.S. imports of ORP from India ***.⁷⁴ Rezolex explains that ***.⁷⁵

Given Rezolex's small ratios of purchased subject imports to domestic production, as well as its status as the only domestic producer and petitioner, Rezolex's primary interest would appear to be in domestic production. Further, there is no indication in the record that Rezolex's purchases of imports of subject merchandise benefited Rezolex's domestic production operations such that its inclusion in the domestic industry would mask injury to the domestic industry. For these reasons, and in the absence of party arguments to the contrary, we find that appropriate circumstances do not exist to exclude Rezolex from the domestic industry under the related parties provision.

Consistent with our definition of the domestic like product, we define the domestic industry to include all domestic producers of ORP, namely, Rezolex.

V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.⁷⁶

Based on the Commission's questionnaire data, during the 12-month period preceding the filing of the petitions (June 2024 through May 2025), imports of ORP from India accounted for *** percent of total imports.⁷⁷ As subject imports are clearly above negligible levels, we find that imports of ORP from India are not negligible.

VI. Reasonable Indication of Material Injury by Reason of Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.⁷⁸ In making this determination, the Commission must consider the volume of

⁷³ CR/PR at Table 3.8.

⁷⁴ CR/PR at Table 3.8. *** submitted a late, incomplete questionnaire response, and was not identifiable in a review of relevant import records. *Id.*, statistical note.

⁷⁵ U.S. Producer Questionnaire Response of Rezolex at II-13.

⁷⁶ 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

⁷⁷ CR/PR at Table 4.6.

⁷⁸ 19 U.S.C. §§ 1671b(a), 1673b(a).

subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.⁷⁹ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”⁸⁰ In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.⁸¹ No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁸²

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is “materially injured or threatened with material injury by reason of” unfairly traded imports,⁸³ it does not define the phrase “by reason of,” indicating that this aspect of the injury analysis is left to the Commission’s reasonable exercise of its discretion.⁸⁴ In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.⁸⁵

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition

⁷⁹ 19 U.S.C. § 1677(7)(B). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each {such} factor ... and explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B).

⁸⁰ 19 U.S.C. § 1677(7)(A).

⁸¹ 19 U.S.C. § 1677(7)(C)(iii).

⁸² 19 U.S.C. § 1677(7)(C)(iii).

⁸³ 19 U.S.C. §§ 1671b(a), 1673b(a).

⁸⁴ *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), *aff’g*, 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

⁸⁵ The Federal Circuit, in addressing the causation standard of the statute, observed that “[a]s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement.” *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that “this court requires evidence in the record ‘to show that the harm occurred “by reason of” the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.’” See also *Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass’n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.⁸⁶ In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.⁸⁷ Nor does the “by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.⁸⁸ It is clear that the existence of injury caused by other factors does not compel a negative determination.⁸⁹

Assessment of whether material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way”

⁸⁶ The Uruguay Round Agreements Act Statement of Administrative Action, H. Doc. 103-316 (1994) (“SAA”) states at 851-52 (“{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.”); S. Rep. 96-249 at 75 (1979) (the Commission “will consider information which indicates that harm is caused by factors other than less-than-fair-value imports.”); H.R. Rep. 96-317 at 47 (1979) (“in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;” those factors include “the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry”); *accord Mittal Steel*, 542 F.3d at 877.

⁸⁷ SAA at 851-52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); *Taiwan Semiconductor Industry Ass’n*, 266 F.3d at 1345 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e.*, it is not an ‘other causal factor,’ then there is nothing to further examine regarding attribution to injury”), *citing Gerald Metals*, 132 F.3d at 722 (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

⁸⁸ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

⁸⁹ *See Nippon Steel Corp.*, 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

as long as “the injury to the domestic industry can reasonably be attributed to the subject imports.”⁹⁰ The Commission ensures that it has “evidence in the record” to “show that the harm occurred ‘by reason of’ the LTFV imports,” and that it is “not attributing injury from other sources to the subject imports.”⁹¹ The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”⁹²

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.⁹³ Congress has delegated this factual finding to the Commission because of the agency’s institutional expertise in resolving injury issues.⁹⁴

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

1. Demand Conditions

Domestic demand for ORP is driven by demand for downstream food products manufactured with ORP as a natural color additive.⁹⁵ Demand for ORP is likely to experience small changes in response to price changes, mainly due to the limited range of substitute

⁹⁰ *Mittal Steel*, 542 F.3d at 876 &78; *see also id.* at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.”) *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission’s causation analysis as comporting with the Court’s guidance in *Mittal*.

⁹¹ *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant “other factor” may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

⁹² *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 (“*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason’ of subject imports.”).

⁹³ We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

⁹⁴ *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp.*, 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 (“The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.”).

⁹⁵ Pet. Postconference Br. at 25; CR/PR at 2.6-2.7.

products and the small-to-moderate cost share of ORP in most end-use products.⁹⁶ Demand increased over the POI and is expected to increase in the future given growing demand for use of natural food additives over synthetic;⁹⁷ the U.S. Department of Health and Human Services and the Food and Drug Administration recently announced a national initiative to phase out petroleum-based synthetic dyes from the U.S. food supply, and the U.S. Department of Agriculture has pledged to eliminate all artificial dyes in certain foods in the next three years.⁹⁸

Petitioner and most responding importers indicated that the market *** subject to business cycles.⁹⁹

Apparent U.S. consumption of ORP increased over each year of the POI, resulting in an overall increase of *** percent from 2022 to 2024.¹⁰⁰

2. Supply Conditions

The domestic industry was the second largest source of supply in the U.S. market, subject imports from India were the largest source of supply, and nonsubject imports were the smallest source of supply.¹⁰¹ The domestic industry's share of apparent U.S. consumption decreased from *** percent in 2022 to *** percent in 2023 and *** percent in 2024, for an overall decline of *** percentage points.¹⁰²

Rezolex reported substantial excess practical capacity throughout the POI.¹⁰³ Rezolex's practical ORP production capacity decreased from *** pounds in 2022 to *** pounds in 2023 before increasing to *** pounds in 2024, a level *** percent higher than in 2022.¹⁰⁴ Rezolex's practical capacity utilization rate did not exceed *** percent over the POI, and it fell by *** percentage points from 2022 to 2023, then increased by *** percentage points in 2024, for an overall decrease of *** percentage points over the POI.¹⁰⁵

⁹⁶ CR/PR at 2.6.

⁹⁷ Pet. Postconference Br. at 25. See also CR/PR at 2.7. However, Petitioner stated that there has been a "downward trend for the past several years" regarding demand for Rezolex's product. Conf. Tr. at 32 (Biad).

⁹⁸ McCormick's Postconference Br. at 4-5.

⁹⁹ CR/PR at 2.6.

¹⁰⁰ CR/PR at Table 4.7. Apparent U.S. consumption increased from *** pounds in 2022 to *** pounds in 2023, and then increased again to *** pounds in 2024. *Id.*

¹⁰¹ CR/PR at Table 4.7.

¹⁰² CR/PR at Table 4.7.

¹⁰³ CR/PR at Table 3.3.

¹⁰⁴ CR/PR at Table 3.3.

¹⁰⁵ CR/PR at Table C.1. Rezolex's practical ORP capacity utilization rate was *** percent in 2022, *** percent in 2023, and *** percent in 2024; it was *** percent in interim 2024 and *** percent in interim 2025. CR/PR at Table 3.3. Rezolex notes that its reported capacity utilization rates for the first quarters of 2024 and 2025 can be misleading given the seasonal nature of its production, which runs from October to January. Pet. Postconference Br. at 39. It argues that the Commission should consider

Subject imports were the largest source of supply to the U.S. market throughout the POI. Their share of apparent U.S. consumption increased from *** percent in 2022 to *** percent in 2023 and *** percent in 2024, for an overall increase of *** percentage points.¹⁰⁶

U.S. producer Rezolex reported that it *** experienced supply constraints, while almost all responding importers reported that they had not experienced supply constraints since January 1, 2022.¹⁰⁷

McCormick contends that the domestic industry faced significant supply constraints during the POI. It argues that U.S. pepper growing and harvesting capacity is increasingly insufficient to supply demand,¹⁰⁸ resulting in Rezolex becoming more and more dependent on imports of peppers.¹⁰⁹ McCormick also argues that because peppers in the U.S. are all grown in one region, the southwest, the crop supply is vulnerable to natural disasters, flooding, heat waves, and labor issues.¹¹⁰ McCormick contends that Indian producers are more insulated from raw material shortages given the abundance of peppers grown in India in numerous different Indian states.¹¹¹ McCormick asserts that the domestic industry cannot meaningfully increase production in the near future because Rezolex would need to secure more acreage than it has historically used.¹¹² Rezolex argues that it could increase its capacity utilization and production capacity if justified by demand.¹¹³ We intend to further investigate the question of domestic industry supply constraints in any final phase of the investigations.

Nonsubject imports were the smallest source of supply to the U.S. market throughout the POI. Their share of apparent U.S. consumption decreased from *** percent in 2022 to ***

its near-term capacity utilization rate to be *** percent based on what Rezolex expects to produce and ship from October 2025 to September 2026. *Id.* In light of the seasonal nature of Rezolex's production, we have given limited weight to the single-quarter interim period data in general and mention it separately only as appropriate.

¹⁰⁶ CR/PR at Table 4.7.

¹⁰⁷ CR/PR at 2.6 and Table 2.4. Of the importers that reported they had experienced supply constraints, one reported the constraints occurred during 2022, two reported they occurred during 2023, one during 2024, and one during 2025. Constraints reported by importers included the COVID-19 pandemic, port strikes, logistics supply constraints, and U.S. sanctions of certain Chinese companies.

¹⁰⁸ McCormick contends that although overall harvested acreage for chili peppers in New Mexico was higher in 2024 than 2023, it was 14.26 percent lower than overall harvested acreage in 2022. McCormick's Postconference Br. at 9 (citing Exh. 8). Indian producer Plant Lipids contends that dry chili cultivation in the U.S. is only 0.5 percent of India's dry chili production. Indian Producers' Postconference Letter, Attach. 1, Declaration of Plant Lipids, para. 5.

¹⁰⁹ McCormick's Postconference Br. at 9.

¹¹⁰ McCormick's Postconference Br. at 10-11.

¹¹¹ McCormick's Postconference Br. at 11; *id.* at Exh. 2, Declaration of Alice Bayles para. 20. McCormick contends that India accounts for roughly 40 to 50 percent of global chili production. *Id.* at 9-10.

¹¹² McCormick's Postconference Br. at 11.

¹¹³ Pet. Postconference Br. at 40-41.

percent in 2023 and *** percent in 2024, an overall decline of *** percentage points.¹¹⁴ Reported nonsubject imports were from China and Spain.¹¹⁵ The petitioner asserts that China has largely left the U.S. market since the United States imposed Section 301 tariffs on imports of Chinese origin in 2018.¹¹⁶

3. Substitutability and Other Conditions

Based on the record in the preliminary phase of these investigations, we find that there is at least a moderate degree of substitutability between the domestic like product and subject imports.¹¹⁷ The U.S. producer reported that the domestic like product and subject imports were always interchangeable.¹¹⁸ While importers' responses regarding interchangeability were more mixed, all responding importers reported that the domestic like product and subject imports were at least sometimes interchangeable.¹¹⁹

Rezolex contends that independent laboratories' tests on samples of Indian- and U.S.-origin ORP demonstrate that the physical and chemical characteristics of both products are "nearly identical."¹²⁰ Rezolex also argues that record evidence shows that its customers use subject imports and domestic like product interchangeably, as evidenced by their customers' standard specification sheets that allow (but do not require) use of methanol as a solvent, a process used only by certain Indian producers, and not by Rezolex.¹²¹ It contends that this demonstrates that the specification sheets provided to Rezolex appear to be the same as those provided to Indian ORP suppliers.¹²² Rezolex also reported ***.¹²³ Rezolex also argues that, while the peppers used by Indian producers have a higher level of capsaicin than domestic peppers, the Indian producers' extraction method removes the extra capsaicin such that the domestic like product and subject imports are the same.¹²⁴

McCormick argues that customers' qualification processes limit the substitutability of one producer's ORP for another's. It contends that each customer requires each supplier to provide ORP that consistently meets its particular technical specifications, and will require any potential supplier to undergo a rigorous and time-sensitive qualification process that can take

¹¹⁴ CR/PR at Table 4.7.

¹¹⁵ CR/PR at 2.5.

¹¹⁶ Petition at 36.

¹¹⁷ CR/PR at 2.8.

¹¹⁸ CR/PR at Table 2.7.

¹¹⁹ CR/PR at Table 2.7.

¹²⁰ Pet. Postconference Br. at 15 (citing lab reports contained in Exhs. PCB-4, PCB-5, PCB-6 testing the ASTA extractable color, microbiological content, and nutritional content of the samples).

¹²¹ Pet. Postconference Br. at 16-17; Conf. Tr. at 114 (Biad).

¹²² Pet. Postconference Br. at 16-17.

¹²³ Pet. Postconference Br. at 18.

¹²⁴ CR/PR at 1.10.

*** months to complete.¹²⁵ McCormick accordingly argues that limitations on the ability to switch suppliers is a more important factor than price in its purchasing decisions.¹²⁶

Indian Producers argue that the types of chili and the production processes they use result in ORP with a different color and more pronounced flavor than the domestic like product.¹²⁷ They contend that these differences allow for the use of Indian ORP in savory foods, spice blends, and functional health applications, whereas U.S.-origin ORP is used predominantly in mild processed food products, meats, and cosmetic or pharmaceutical applications.¹²⁸ Indian Producers argue that these distinct characteristics prevent direct substitution of subject imports and the domestic like product.

In any final phase of these investigations, we intend to further investigate factors that may limit substitutability between the domestic like product and subject imports, including product characteristics, the types of peppers and production processes used to produce ORP, and customer qualification processes.

We also find that price is an important factor in ORP purchasing decisions, among other important factors. Purchasers responding to the Commission's lost sales/lost revenue survey generally ranked quality, price/cost, and availability/supply as being among the top three factors influencing their purchasing decisions.¹²⁹ Rezolex reported that there are *** differences other than price between ORP from the United States, India, and nonsubject countries, while a plurality of importers reported that differences other than price were sometimes significant.¹³⁰

Rezolex reported selling ORP *** while importers sold nearly exclusively to end users.¹³¹ The domestic producer reported that *** percent of its commercial shipments were produced to order, with lead times averaging *** days, while *** percent were from inventory, with lead times averaging *** days.¹³² Responding importers reported that *** percent of their commercial shipments were from inventory, with lead times averaging *** days, while *** percent were produced to order, with lead times averaging *** days.¹³³

During the POI, Rezolex sold ORP ***, while subject importers sold ORP mostly through annual contracts but also through short-term contracts and spot sales.¹³⁴ Rezolex reported that it *** renegotiate price, *** in each contract, and indexing to raw materials for ***.¹³⁵ Two

¹²⁵ McCormick's Postconference Br. at 3-4.

¹²⁶ McCormick's Postconference Br. at 4; *see also id.* at Exh. 1. at 3-4.

¹²⁷ Indian Producers' Postconference Letter at Attach. 1, para. 1, Attach. 2, paras. 1-3; Attach. 3, para. 3.

¹²⁸ Indian Producers' Postconference Letter at Attach. 2, para. 3, Attach. 4, para. 3.

¹²⁹ CR/PR at 2.8, Table 2.6.

¹³⁰ CR/PR at 2.10 and Table 2.8.

¹³¹ CR/PR at Table 2.1.

¹³² CR/PR at 2.9.

¹³³ CR/PR at 2.9.

¹³⁴ CR/PR at Table 5.3.

¹³⁵ CR/PR at 5.5.

responding importers indicated renegotiating contracts for both short-term and annual contracts, and three indicated that they did not renegotiate annual contracts.¹³⁶ Two reported that their short-term contracts fixed both price and quantity, while three did for annual contracts. No importers reported indexing to raw materials.¹³⁷ Rezolex also reported that it typically quotes prices on *** basis and offers ***.¹³⁸ Most importers typically quote prices on an f.o.b. basis but have no discount policies.^{139 140}

The primary raw material used in the production of ORP is red peppers.¹⁴¹ According to U.S. import statistics for HTS statistical reporting numbers 0709.60.4007, 0709.60.4022, 0709.60.4063, and 0709.60.4081, average unit values for imported red peppers increased to a peak in 2024, and then declined sharply in 2025.¹⁴² Rezolex reported that its paprika pepper acquisition costs ***.¹⁴³ The domestic industry's raw material costs increased as a share of its total cost of goods sold ("COGS") from *** percent in 2022 to *** percent in 2024.¹⁴⁴

Rezolex reported that ***.¹⁴⁵ Most importers reported that there were no substitutes.¹⁴⁶ Those that did identified annatto (***), beta-carotene (***), and red dye (***), as substitutes for ORP.¹⁴⁷

Effective April 5, 2025, ORP imported under HTS subheading 3301.90.10 was subject to an additional 10 percent ad valorem duty under the International Emergency Economic Powers

¹³⁶ CR/PR at 5.5

¹³⁷ CR/PR at 5.5

¹³⁸ CR/PR at 5.5

¹³⁹ CR/PR at 5.5

¹⁴⁰ McCormick contends that differences in contracting patterns between Rezolex and Indian producers affect availability and reliability of supply. Record evidence indicates that Rezolex offers annual contracts ***, while Indian producers set ***. CR/PR at 5.3; McCormick's Postconference Br. at 6; Conf. Tr. at 58 (Biad). McCormick argues that the ***. McCormick's Postconference Br. at 6. McCormick further contends that Indian producers are able to ***. McCormick's Postconference Br. at 6, Exh. 2, Declaration of Alice Bayles.

McCormick also reports that Rezolex sells ORP ***, whereas Indian producers offer a larger ***, which allows McCormick to ***, making its buying processes more efficient. McCormick asserts this system is more cost-effective because it gives McCormick more negotiating power with larger orders. McCormick's Postconference Br. at 7, Exh. 2, Declaration of Alice Bayles para. 10.

We intend to further investigate differences in contracting patterns and sales practices in any final phase of the investigations.

¹⁴¹ CR/PR at 5.1.

¹⁴² CR/PR at 5.1, Table 5.1, Figure 5.1

¹⁴³ CR/PR at 5.1.

¹⁴⁴ CR/PR at Table 6.1.

¹⁴⁵ CR/PR at 2.7.

¹⁴⁶ CR/PR at 2.7.

¹⁴⁷ CR/PR at 2.7.

Act (“IEEPA”).¹⁴⁸ Effective April 9, 2025, the duty was increased to an individualized country rate of 26 percent ad valorem, but effective April 10, 2025, individualized country duties were suspended and the IEEPA duty rate reverted to 10 percent. Effective August 7, 2025, India was assigned an individualized country duty of 25 percent.¹⁴⁹

C. Volume of Cumulated Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”¹⁵⁰

The volume of subject imports from India decreased from 2.7 million pounds in 2022 to 2.5 million pounds in 2023 and then increased to 3.0 million pounds in 2024, for an overall increase of 9.8 percent during 2022 to 2024.¹⁵¹ U.S. shipments of subject imports from India increased by 27.6 percent from 2022 to 2023 and by 21.3 percent from 2023 to 2024, for an overall increase of 54.8 percent.¹⁵² Subject imports’ share of apparent U.S. consumption increased over the POI, from *** percent in 2022 to *** percent in 2023 and *** percent in 2024, for an overall increase of *** percentage points.¹⁵³

Based on the record of this preliminary phase of the investigations, we conclude that the volume of cumulated subject imports and the increase in that volume are significant, both in absolute terms and relative to consumption in the United States.

D. Price Effects of the Cumulated Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

¹⁴⁸ ORP originating in India that is imported under HTS subheading 3203.00.80 is not subject to IEEPA tariffs.

¹⁴⁹ CR/PR at 1.7.

¹⁵⁰ 19 U.S.C. § 1677(7)(C)(i).

¹⁵¹ CR/PR at 4.3, Table 4.2.

¹⁵² U.S. shipments of subject imports were 2.0 million pounds in 2022, 2.6 million pounds in 2023, and 3.2 million pounds in 2024. CR/PR at Table 4.7.

¹⁵³ CR/PR at Table 4.7. Subject imports’ share of apparent U.S. consumption was *** percent in interim 2024 and *** percent in interim 2025. *Id.*

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.¹⁵⁴

As addressed in Section VI.B.3. above, we have found that there is at least a moderate degree of substitutability between the domestic like product and subject imports and that price is an important factor in ORP purchasing decisions, among other important factors.

The Commission collected quarterly pricing data for the total quantity and f.o.b. value of four pricing products shipped by Rezolex and importers to unrelated U.S. customers during January 2022 to March 2025.¹⁵⁵ Rezolex and ten importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.¹⁵⁶ Pricing data reported by these firms accounted for approximately *** percent of U.S. producer Rezolex's U.S. shipments of ORP and *** percent of U.S. shipments of subject imports from India in 2024.¹⁵⁷

Prices for ORP imported from India were below those for U.S.-produced ORP in 41 of 50 instances (representing *** percent of reported volume of subject imports in the Commission's pricing data);¹⁵⁸ margins of underselling ranged from *** to *** percent, with an average underselling margin of *** percent.¹⁵⁹ In the remaining nine instances (representing *** percent of reported volume of subject imports in the pricing data),¹⁶⁰ prices for ORP imported from India were between *** and *** percent above prices from the domestic product, with an average overselling margin of *** percent.¹⁶¹ The prevalence of underselling by quarterly comparisons and relative volumes increased each year from 2022 to 2024, as did the average margin of underselling; in 2023 and 2024, underselling was almost universal by volume.¹⁶²

We have also considered purchasers' responses to the lost sales/lost revenue survey. Of the five responding purchasers, all five reported that they had purchased subject imports instead of U.S.-produced product since January 1, 2022, and all five reported that subject

¹⁵⁴ 19 U.S.C. § 1677(7)(C)(ii).

¹⁵⁵ CR/PR at 5.5. The four pricing products were: (1) Oleoresin paprika, food grade, 140,000 CU; (2) Oleoresin paprika, food grade, 100,000 CU; (3) Oleoresin paprika, food grade, 80,000 CU; and (4) Oleoresin paprika, food grade, 40,000 CU. *Id.*

¹⁵⁶ CR/PR at 5.6.

¹⁵⁷ CR/PR at 5.6.

¹⁵⁸ CR/PR at 5.17, Table 5.11.

¹⁵⁹ CR/PR at Table 5.11.

¹⁶⁰ CR/PR at 5.17, Table 5.11.

¹⁶¹ CR/PR at Table 5.11.

¹⁶² CR/PR at Table 5.12. In particular, in 2021, *** percent of the reported volume of subject imports was in quarters with underselling; the share was *** percent in 2022 and 2023. The average margin of underselling increased from *** percent in 2022 to *** percent in 2023 and *** percent in 2024. *Id.*

imports were priced lower than the domestic product. Three of these five purchasers reported that price was the primary reason for purchasing subject imports.¹⁶³ The estimated quantity of subject imports purchased instead of domestic product primarily due to price totaled *** pounds. The quantity involved is equal to *** percent of total reported purchases of subject imports, *** percent of total subject imports, and *** percent of consumption over the full POI.¹⁶⁴

Based on these considerations, including the at least moderate degree of substitutability between domestically produced ORP and subject imports, the importance of price in purchasing decisions for ORP, and the available pricing data and lost sales information, we find, for purposes of these preliminary determinations, that underselling by subject imports from India was significant. The underselling caused subject imports to gain sales and market share from the domestic industry, which lost *** percentage points of market share to subject imports between 2022 and 2024; indeed, all of the market share lost by the domestic industry between 2022 and 2024 was to subject imports¹⁶⁵

We have also examined whether subject imports depressed prices or prevented price increases for domestically produced ORP that otherwise would have occurred. Domestic prices fluctuated upward for all four pricing products.¹⁶⁶ Import prices remained flat for three of four pricing products, with pricing product 1 decreasing starting the second quarter of 2024.¹⁶⁷

Rezolex's total cost of goods ("COGS") to net sales ratio decreased from 2022 to 2023 and then increased in 2024, for an overall increase over the POI of *** percentage points.¹⁶⁸ Rezolex's raw material costs for dried peppers increased *** over the POI, from \$*** per pound of ORP produced for the crop year ending in 2022 to \$*** for the crop year ending 2023 and \$*** for the crop year ending 2024, for an overall increase of *** percent.¹⁶⁹ The domestic

¹⁶³ CR/PR at 5.18-5.19. The responding importers which did not report that price was the primary reason for purchasing subject imports identified year-round availability outside harvest times, quality, product consistency, performance, supply continuity, service, alignment with technical requirements, technological expertise, and processing capabilities as non-price reasons for purchasing imported rather than U.S.-produced product. *Id.* at 5.18.

¹⁶⁴ *Derived from* CR/PR at Tables 5.13, 5.14 and Table C-1.

¹⁶⁵ CR/PR at Table 4.7. We note that both the domestic industry and nonsubject imports gained some market share at the expense of subject imports over the interim periods (*** percentage points, respectively). *Id.*

¹⁶⁶ CR/PR at Table 5.8. Rezolex's prices ***. CR/PR at Table 5.9, Figure 5.6. Rezolex's prices ***. *Id.* Rezolex's prices ***. *Id.* Rezolex's prices ***. *Id.*

¹⁶⁷ CR/PR at Table 5.10, Figure 5.7. Importers' prices ***. *Id.* Importers' prices ***. *Id.*

¹⁶⁸ CR/PR at 6.7, Tables 6.1, C.1. Rezolex's COGS to net sales ratio was *** in 2022, *** in 2023, and *** in 2024. *Id.* ***. CR/PR at 6.1.

¹⁶⁹ CR/PR at Table 6.5. The crop year for dried peppers starts in October and ends in the following September. We note that as the cost of dried peppers increased from crop year 2022 to crop year 2024, the margin between cost of peppers per pound of ORP produced and the sales price of ORP declined by *** percent. *Id.* at Table 6.5.

industry's per unit COGS decreased from \$*** in 2022 to \$*** in 2023, then *** increased to \$*** in 2024, for an overall increase of \$***, or *** percent.¹⁷⁰ Rezolex's net sales average unit value ("AUV") increased from \$*** per pound in 2022 to \$*** per pound in 2023 and \$*** per pound in 2024, for an overall increase of \$***, or *** percent.¹⁷¹ Thus, although Rezolex succeeded in raising prices over the course of the POI, its COGS increased by a greater amount even as apparent U.S. consumption increased by *** percent between 2022 and 2024.¹⁷² However, our assessment of price suppression is affected by Rezolex's reporting of financial results on a ***.¹⁷³ This can have a particularly large impact given the relatively large changes in AUVs and costs in this market. In light of this, and the data set forth above, we cannot conclude for purposes of the preliminary phase of these investigations that subject imports did not prevent domestic price increases that would have otherwise occurred. In any final phase of these investigations, we intend to work with Rezolex to obtain financial data on ***, which is the typical basis on which we assess domestic producers' financial information.¹⁷⁴

In sum, for purposes of the preliminary phase of these investigations, we find that subject imports significantly undersold the domestic like product and gained market share at the expense of the industry.

E. Impact of the Cumulated Subject Imports¹⁷⁵

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development ("R&D"), and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."¹⁷⁶

¹⁷⁰ CR/PR at Tables 6.2, C.1.

¹⁷¹ CR/PR at Tables 6.2, C.1.

¹⁷² CR/PR at Table 4.7.

¹⁷³ CR/PR at 6.1.

¹⁷⁴ In response to questions from staff regarding the fluctuations in the company's raw material cost AUVs during the period for which data were collected, the company's explanation ***. *Id.* at 6.5, n.6.

¹⁷⁵ Commerce initiated these investigations based on estimated dumping margins ranging from 235.82 to 284.83 percent *ad valorem* for ORP from India. *Oleoresin Paprika From India: Initiation of Less-Than-Fair-Value Investigation*, 90 Fed. Reg. 34419 (July 22, 2025).

¹⁷⁶ 19 U.S.C. § 1677(7)(C)(iii).

The domestic industry's trade, employment, and financial indicators generally declined during the POI. Rezolex's practical ORP production capacity decreased *** from *** pounds in 2022 to *** pounds in 2023 before increasing to *** pounds in 2024, a level *** percent higher than in 2022.¹⁷⁷ Its production of ORP increased overall by *** percent from 2022 to 2024, decreasing from *** pounds in 2022 to *** pounds in 2023, then increasing to *** pounds in 2024.¹⁷⁸ Rezolex's practical capacity utilization rate fell by *** percentage points from 2022 to 2023, but then increased by *** percentage points in 2024, for an overall decrease of *** percentage points over the POI.¹⁷⁹

The domestic industry's employment-related indicators were mixed during the POI. The number of production and related workers ("PRWs") was *** percent lower in 2024 than in 2022, decreasing from *** PRWs in 2022 to *** PRWs in 2023, and increasing *** to *** PRWs in 2024.¹⁸⁰ The industry's total hours worked was *** percent lower in 2024 than in 2022, decreasing from *** hours in 2022 to *** hours in 2023 and *** hours in 2024.¹⁸¹ Wages paid were *** in 2024 than in 2022, first decreasing from \$*** in 2022 to \$*** in 2023, before increasing to \$*** in 2024, an overall increase of *** percent.¹⁸² Productivity increased during the POI, ending *** percent higher in 2024 than in 2022, with a decrease from *** pounds per hour in 2022 to *** pounds per hour in 2023 followed by an increase to *** pounds per hour in 2024.¹⁸³

The domestic industry's U.S. shipments decreased *** percent from 2022 to 2024, from *** pounds in 2022 to *** pounds in 2023 and *** pounds in 2024.¹⁸⁴ The industry's share of apparent U.S. consumption decreased from *** percent in 2022 to *** percent in 2023 and *** percent in 2024, a level *** percentage points lower than in 2022.¹⁸⁵

The domestic industry's end-of-period inventories increased irregularly by *** percent from 2022 to 2024, declining from *** pounds in 2022 to *** pounds in 2023 before increasing to *** pounds in 2024.¹⁸⁶ As a share of total shipments, the domestic industry's end-of-period inventories increased irregularly by *** percentage points from 2022 to 2024, decreasing from *** percent in 2022 to *** percent in 2023, and then increasing to *** percent in 2024.¹⁸⁷

¹⁷⁷ CR/PR at Table 3.3.

¹⁷⁸ CR/PR at Tables 3.3, C.1.

¹⁷⁹ CR/PR at Tables 3.3, 3.1. Rezolex's practical ORP capacity utilization rate was *** percent in 2022, *** percent in 2023, and *** percent in 2024. CR/PR at Table 3.3.

¹⁸⁰ CR/PR at Table 3.9.

¹⁸¹ CR/PR at Table 3.9.

¹⁸² CR/PR at Table 3.9.

¹⁸³ CR/PR at Tables 3.9, C.1.

¹⁸⁴ CR/PR at Tables 3.5, C.1.

¹⁸⁵ CR/PR at Tables 4.7, C.1.

¹⁸⁶ CR/PR at Table 3.7.

¹⁸⁷ CR/PR at Table 3.7.

The domestic industry's financial performance generally worsened from 2022 to 2024, with most indicia increasing in 2023, but then decreasing by greater amounts in 2024.¹⁸⁸ The industry's net sales revenue increased by *** percent from 2022 to 2024, rising from \$*** in 2022 to \$*** in 2023 and \$*** in 2024.¹⁸⁹ However, all other financial indicia were lower in 2024 than in 2022. The industry's gross profit declined by *** percent between 2022 to 2024, rising from \$*** in 2022 to \$*** in 2023, and then falling to \$*** in 2024.¹⁹⁰ Its operating income declined by *** percent between 2022 to 2024, rising from \$*** in 2022 to \$*** in 2023, and then falling to \$*** in 2024.¹⁹¹ The industry's net income decreased by *** percent between 2022 to 2024, rising from \$*** in 2022 to \$*** in 2023, and then falling to \$*** in 2024.¹⁹² Its operating income as a ratio to net sales declined by *** percentage points from 2022 to 2024, increasing from *** percent in 2022 to *** percent in 2023, and declining to *** percent in 2024.¹⁹³ The industry's net income as a ratio to net sales also declined by *** percentage points from 2022 to 2024, increasing from *** percent in 2022 to *** percent in 2023, and decreasing to *** percent in 2024.¹⁹⁴

The domestic industry did not report any capital expenditures or research and development expenses during the POI.¹⁹⁵ Its return on assets decreased irregularly by *** percentage points during the POI, increasing from *** percent in 2022 to *** percent in 2023, and then declining to *** percent in 2024.¹⁹⁶

As discussed above, subject import volume and market share increased significantly and at the expense of the domestic industry over the POI, driven by significant underselling. We also cannot conclude that subject imports did not significantly suppress prices for the domestic like product. As the industry lost market share to low-priced subject imports between 2022 and 2024, even as the market expanded, several measures of the domestic industry's condition, including capacity utilization and U.S. shipments, declined and were lower than they would have been if they had retained some or all of the market share taken by subject imports.¹⁹⁷ From 2022 to 2024, the industry's financial performance also declined and was weaker than it would have been otherwise. Consequently, we find that subject imports had a significant adverse impact on the domestic industry.

¹⁸⁸ We note again that Rezolex's financial indicators are affected by its accounting method, and that in any final phase of these investigations we will work with the company to obtain financial data on ***.

¹⁸⁹ CR/PR at Tables 6.1, C.1.

¹⁹⁰ CR/PR at Tables 6.1, C.1.

¹⁹¹ CR/PR at Tables 6.1, C.1.

¹⁹² CR/PR at Tables 6.1, C.1.

¹⁹³ CR/PR at Tables 6.1, C.1.

¹⁹⁴ CR/PR at Tables 6.1, C.1.

¹⁹⁵ CR/PR at Tables 6.7, C.1. Rezolex reported that it had ***

¹⁹⁶ CR/PR at Table 6.7.

¹⁹⁷ CR/PR at Table C.1.

As discussed above in Section VI.B.2., respondents raise a number of arguments regarding potential supply constraints with respect to the domestic industry, and differences between the domestic like product and subject imports with respect to product characteristics and sales methods. For example, McCormick contends that limitations of available land in the Southwestern United States and that area's susceptibility to natural disasters limit Rezolex's ability to increase its supply of peppers enough to satisfy U.S. demand for ORP, which all parties agree is growing.¹⁹⁸ Petitioner claims it could increase its capacity and production further if justified by demand, and can import peppers.¹⁹⁹ As discussed earlier, we intend to further examine the existence and impact of alleged domestic industry supply constraints and differentiation between the domestic like product and subject imports with respect to product characteristics and sales methods in any final phase of these investigations.

We have also considered whether there are other factors that may have had an impact on the domestic industry, to ensure that we are not attributing injury from such other factors to subject imports. Nonsubject imports were the smallest source of supply to the U.S. market throughout the POI. As discussed above, nonsubject imports' share of apparent U.S. consumption decreased over the POI, from *** percent in 2022 to *** percent in 2023 and *** percent in 2024.²⁰⁰ Given that nonsubject imports' share of apparent U.S. consumption declined sharply between 2022 and 2024 and consistently accounted for a relatively small share of the U.S. market, as well as the fact that, as is the case for the domestic industry, all of the market share lost by nonsubject imports between 2022 and 2024 was to subject imports, nonsubject imports do not explain the declines in the domestic industry's market share or declining performance indicators in the latter part of the POI.

In sum, based on the record in the preliminary phase of these investigations, we conclude that subject imports had a significant impact on the domestic industry.

VII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of ORP from India that are allegedly sold in the United States at less than fair value and are allegedly subsidized by the government of India.

¹⁹⁸ McCormick's Postconference Br. at 4-5 and 8-11.

¹⁹⁹ Pet. Postconference Br. at 40-41.

²⁰⁰ CR/PR at Tables 4.7, C.1.

Part 1: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by Rezolex, Ltd. Co. (“Rezolex”), Las Cruces, New Mexico, on June 25, 2025, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of oleoresin paprika¹ from India. Table 1.1 presents information relating to the background of these investigations.^{2 3}

Table 1.1 Oleoresin paprika: Information relating to the background and schedule of this proceeding

Effective date	Action
June 25, 2025	Petitions filed with Commerce and the Commission; institution of the Commission investigations (90 FR 28767, July 1, 2025)
July 16, 2025	Commission’s conference
July 15, 2025	Commerce’s notices of initiation (90 FR 34419 and 90 FR 34433, July 22, 2025)
August 8, 2025	Commission’s vote
August 11, 2025	Commission’s determinations
August 18, 2025	Commission’s views

¹ See the section entitled “The subject merchandise” in Part 1 of this report for a complete description of the merchandise subject in this proceeding.

² Pertinent Federal Register notices are referenced in appendix A and may be found at the Commission’s website (www.usitc.gov).

³ Appendix B presents a list of witnesses appearing at the Commission’s conference.

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the “Act”) (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission—

shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that—⁴

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant. . . . In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . . (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree. . . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative

⁴ Amended by PL 114—27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—⁵

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part 1 of this report presents information on the subject merchandise, alleged subsidy rates/dumping margins, and domestic like product. Part 2 of this report presents information on conditions of competition and other relevant economic factors. Part 3 presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts 4 and 5 present the volume of subject imports and pricing of domestic and imported products, respectively. Part 6 presents information on the financial experience of U.S. producers. Part 7 presents the statutory requirements and information obtained for use in the Commission’s consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Oleoresin paprika is generally used to color food products such as sausage type products, cheese sauces, gravies, condiments, salad dressings, baked goods, snacks, icings, cereals, and consumer products such as shampoos, soaps, and lipsticks, with perhaps the most common use of oleoresin paprika being in spice blends, where the oleoresin is used to color salt which, in turn, is mixed with spices and peppers to complete the finished spice blend.⁶ The only confirmed current U.S. producer of oleoresin paprika is Rezolex, while leading producers of oleoresin paprika outside the United States include Synthite Industries Private Limited (“Synthite Industries”), Mane Kancor Ingredients Private Limited (“Mane Kancor”), and Plant Lipids Private Limited (“Plant Lipids”) of India. The leading U.S. importers of oleoresin paprika from India are ***

⁵ Amended by PL 114—27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

⁶ Petition, pp. 9 to 10.

***. Leading importers of oleoresin paprika from nonsubject sources (primarily China and Spain) include *** and ***. U.S. purchasers of oleoresin paprika are firms in a variety of domestic industries, including flavorings/taste, nutrition science, and spices; leading purchasers include ***.

Apparent U.S. consumption of oleoresin paprika totaled approximately *** pounds (\$***) in 2024. Currently, only Rezolex is confirmed to produce oleoresin paprika in the United States. Rezolex's U.S. shipments of oleoresin paprika totaled *** pounds (\$***) in 2024, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from India totaled 3.2 million pounds (\$30.1 million) in 2024 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled *** pounds (\$***) in 2024 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C.1. The Commission's questionnaires collected data for the years 2022 to 2024 and interim periods January through March of 2024 ("interim 2024") and January through March of 2025 ("interim 2025"). Except as noted, U.S. industry data are based on questionnaire response of one firm, petitioner Rezolex, that accounted for all known U.S. production of oleoresin paprika during 2024. U.S. imports are based on questionnaire responses of 20 firms.

Previous and related investigations

Oleoresin paprika has been the subject of one prior antidumping duty investigation in the United States. In 2001, the Commission conducted a preliminary phase antidumping duty investigation on oleoresin paprika from India. The Commission determined that there was no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from India of oleoresin paprika.⁷

Previously, in July 1979, the Commission had found in a countervailing duty investigation of oleoresin, which included paprika oleoresins, under section 303 (b) of the Tariff Act of 1930, that an industry in the United States was not being and was not likely to be injured, and was not prevented from being established, by reason of the importation of oleoresins from India.⁸

Nature and extent of alleged subsidies and sales at LTFV

Alleged subsidies

On July 22, 2025, Commerce published a notice in the Federal Register of the initiation of its countervailing duty investigation on oleoresin paprika from India. Based on its review of the Petition, Commerce found that there is sufficient information to initiate a CVD investigation on 21 programs alleged by the petitioner.⁹

Alleged sales at LTFV

On July 22, 2025, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigation on oleoresin paprika from India.¹⁰ Commerce has initiated antidumping duty investigations based on estimated dumping margins ranging from 235.82 percent to 284.83 percent.

⁷ 66 FR 21015, April 26, 2001.

⁸ Oleoresins from India, USITC Publication 989, July 1979.

⁹ For further information on the alleged subsidy programs see Commerce's notice of initiation and related CVD Initiation Checklist. 90 FR 34433, July 22, 2025.

¹⁰ 90 FR 34419, July 22, 2025.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:¹¹

The merchandise covered by the scope of this investigation is the coloring additive oleoresin paprika. Oleoresin paprika is a viscous, highly colored liquid in various shades of red or orange made from the extract of Capsicum peppers. Covered merchandise includes all oleoresin paprika, regardless of pepper variety, with an American Spice Trade Association (ASTA) value of at least 500 or a color unit (CU) value of at least 20,000 as determined by spectrophotometric measurement. The Chemical Abstracts Service (CAS) Registry numbers for oleoresin paprika are 68917-78-2 and 84625-29-6; the Center for Food Safety and Applied Nutrition (CFSAN) number is 977006-45-3; the Flavoring Extract Manufacturers' Association (FEMA) number is 2834; and the E number is E160c. Subject oleoresin paprika may also be referred to by other product names, including, but not limited to, paprika oleoresin, oleoresin of paprika, paprika extract, extract of paprika, paprika oil, or paprika essential oil.

Subject oleoresin paprika may be blended with oil or water prior to importation or may be imported in its crude or unstandardized form. Subject oleoresin paprika may also be blended with emulsifiers or preservatives. The scope includes all oleoresin paprika meeting the specifications above regardless of whether or not blended with or soluble in oil or water, and regardless of weight, pungency, quality, solvent content, or additives. Further, the scope includes crude or unstandardized oleoresin paprika that has been blended, finished, packaged, or otherwise processed in a third country, if the blending, finishing, packaging, or processing performed would not otherwise remove the merchandise from the scope. Oleoresin paprika that is otherwise subject to this investigation is not excluded when commingled with oleoresin paprika from sources not subject to this investigation, or when commingled with other oleoresins. Only the subject component of such commingled products is covered by the scope of this investigation.

¹¹ 90 FR 34419 and 90 FR 34433, July 22, 2025.

Tariff treatment

Oleoresin paprika is imported under Harmonized Tariff Schedule of the United States (“HTS”) statistical reporting numbers 3203.00.8000 and 3301.90.1010.¹² The general rate of duty is 3.1 percent ad valorem for HTS subheading 3203.00.80 and 3.8 percent ad valorem for HTS subheading 3301.90.10.¹³ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Oleoresin paprika originating in India that is imported under HTS subheading 3203.00.80 is not subject to tariffs initiated in April 2025 under the International Emergency Economic Powers Act (“IEEPA”).¹⁴ Effective April 5, 2025, most products originating in India, including oleoresin paprika that is imported under HTS subheading 3301.90.10, were subject to an additional 10 percent ad valorem duty as part of tariffs initiated in April 2025 under IEEPA. Effective April 9, 2025, India was instead assigned an individualized country duty of 26 percent ad valorem. However, effective April 10, 2025, the individualized country duties were suspended and the additional duty rate as part of tariffs initiated in April 2025 under IEEPA for oleoresin paprika originating in India that is imported under HTS subheading 3301.90.10 was reduced to 10 percent.¹⁵ Effective August 7, 2025, India was assigned an individualized country duty of 25 percent.¹⁶

¹² CROSS rulings confirm that oleoresin paprika is correctly classified under HTS 3203.00.8000. HQ Ruling 089290 (Oct. 1, 1991), NY Ruling L84329 (May 13, 2005), and NY Ruling L82408 (May 18, 2005). Petitioner asserts that numerous imports of oleoresin paprika from India were misclassified and entered the U.S. market under HTS statistical reporting number 3301.90.1010. Petition, pp. 33 to 36.

¹³ The subject merchandise in this proceeding may also be imported under the following HTS statistical reporting numbers: 1301.90.9190, 1302.19.9140, and 3205.00.0500. USITC, HTS (2025) Revision 17, Publication 5649, August 2025, pp. 13.2 to 13.3, 32.2, 32.15, and 33.4.

¹⁴ Oleoresin paprika imported under HTS subheading 3203.00.80 is not subject to tariffs initiated in April 2025 under IEEPA because it is included in a list of products in HTS U.S. note 2(v) to subchapter III of chapter 99 that are not subject to tariffs initiated in April 2025 under IEEPA. 90 FR 15041, April 7, 2025. USITC, HTS (2025) Revision 17, Publication 5649, August 2025, pp. 99.3.5 to 99.3.14.

¹⁵ Individualized country duties as part of tariffs initiated in April 2025 under IEEPA for all countries other than China were suspended until August 1, 2025. 90 FR 15041, April 7, 2025. 90 FR 15625, April 15, 2025. 90 FR 30823, July 10, 2025. See also HTS headings 9903.01.25 and 9903.01.55 and U.S. note 2(v) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2025) Revision 17, Publication 5649, August 2025, pp. 99.3.1 to 99.3.14, 99.3.312.

¹⁶ White House, “Further Modifying the Reciprocal Tariff Rates,” July 31, 2025, <https://www.whitehouse.gov/presidential-actions/2025/07/further-modifying-the-reciprocal-tariff-rates/>.

The product

Description and applications

Oleoresin paprika is a natural, viscous, liquid color additive with an orange to dark-red tint.¹⁷ Oleoresin paprika is an industrial product primarily used as a color additive in food products, such as sausages, cheese sauces, gravies, condiments, salad dressings, baked goods, snacks, and icings. It is also used to color salt, which is mixed with spices and peppers to achieve a finished spice blend, and in cosmetics and pharmaceuticals.¹⁸ Petitioner stated that since oleoresin paprika has some flavor, most of its applications would be in aromatic or savory food items and that tailoring it for an application in a sweet would be difficult.¹⁹ While petitioner stated that oleoresin paprika has a mild flavor and little or no odor or heat (spiciness), Indian producers stated that some of the subject product has a mild pungency (i.e., flavor, odor, and heat) that is greater than that of the domestic product.²⁰ Indian producers stated that the greater pungency and more of an orange hue allow the subject product to find applications that require both color and mild pungency, such as ethnic foods, seasoning blends, and spice-rich food products.²¹

¹⁷ Oleoresin paprika may also be referred to as paprika oleoresin, oleoresin of paprika, paprika extract, or extract of paprika. Petition, p. 8; Conference transcript, p. 13 (Stirk); and Petitioner's postconference brief, p. 7. Oleoresin paprika can be identified by the following CAS registration numbers: 68917-78-2 and 84625-29-6. Petition, p. 13.

¹⁸ Petition, pp. 13 to 14. Petitioner's postconference brief, p. 7. Indian producers' postconference letter, attachment 2, pp. 1 and 2.

¹⁹ Conference transcript, pp. 84 to 85 (Biad).

²⁰ Petitioner's postconference brief, p. 8. Indian producers' postconference letter, attachment 1, p. 1; attachment 2, p. 1; attachment 3, p. 3; and attachment 4, p. 2.

²¹ Indian producers' postconference letter, attachment 1, p. 1; attachment 2, p. 1; attachment 3, p. 3; and attachment 4, p. 2.

Oleoresin paprika can be either oil-soluble or water-soluble and is sold on the basis of color, concentration, and weight.²² It is shipped to customers in 5 gallon pails, 55 gallon drums, and 160 gallon plastic totes.²³ Petitioner stated that Indian producers do not use 160 gallon totes because of the greater risk of puncture of a plastic container on an ocean vessel.²⁴

Oleoresin paprika is produced with a variety of colors from orange to dark red and color concentrations. The red pigment in oleoresin paprika comes primarily from capsorubin and capsanthin in the paprika, while the yellow pigment comes from the beta-carotene component.²⁵ Oil-based solutions appear more orange-red and water-based solutions appear more bright orange.²⁶ The color is measured by spectrophotometric analysis at 460 nanometers and reported in either color units (“CU”) or the American Spice Trade Association (“ASTA”) scale, where CU are 40 times ASTA values.²⁷ Unstandardized (or “crude”) extract (i.e., prior to blending with vegetable oil) will have the highest concentration of color.²⁸ Different varieties of peppers yield different CU levels with hotter peppers, like the chili peppers typically used in India, generally producing lower CU levels.²⁹ Both domestic and subject oleoresin paprika have a minimum CU of 20,000.³⁰ Petitioner stated that it has produced oleoresin paprika with up to 200,000 CU.³¹

The petitioner asserts that domestic oleoresin paprika and subject imports are essentially interchangeable and claims that its customers also consider them to be interchangeable.³² The petitioner commissioned independent labs to test domestic and subject oleoresin paprika and stated that the results showed “no physical, microbiological or practical or applicable differences between domestic and Indian” product.³³ While the peppers used by Indian producers contain a higher level of capsaicin, the component that gives the pepper its pungency, they extract the capsaicin via a process using either supercritical carbon dioxide or

²² Petition, pp. 10 and 48. Petitioner’s postconference brief, p. 8.

²³ Conference transcript, p. 92 (Biad).

²⁴ Conference transcript, p. 92 (Biad).

²⁵ Petition, pp. 10 and 48. Petitioner’s postconference brief, p. 8.

²⁶ Petition, pp. 10 and 48. Petitioner’s postconference brief, p. 8.

²⁷ Petition, p. 36. Petitioner’s postconference brief, p. 8. Conference transcript, p. 66 (Biad).

²⁸ Petition, p. 11.

²⁹ Petitioner’s postconference brief, Preliminary Staff Conference Questions, p. 15

³⁰ Petition, p. 49.

³¹ Conference transcript, p. 50 (Biad).

³² Conference transcript, p. 12 (Biad).

³³ Conference transcript, p. 10 (Biad). Petitioner’s postconference brief, exh. 4 to 6.

methanol.³⁴ Petitioner asserts that once the capsaicin is removed during the second extraction, Indian and domestic oleoresin paprika are the same.³⁵

McCormick, a major purchaser of oleoresin paprika, asserts that the products are not interchangeable and that end users rely on distinct specifications for their various downstream products.³⁶ McCormick claims that the pepper variety, the solvent, and the production process all affect the color, flavor, and heat profile of the oleoresin paprika that are critical to end-use performance.³⁷ To ensure consistency of their downstream products, purchasers “source oleoresin paprika on a variety- and supplier-specific basis.”³⁸

In addition to consumer preferences shifting toward natural ingredients in their food and beverages, recent federal policies are mandating a move away from some synthetic ingredients.³⁹ On April 22, 2025, the U.S. Food and Drug Administration (“FDA”) announced an initiative to phase out all petroleum-based synthetic dyes in the coming months and years and its intention to authorize the use of four additional natural color additives in the coming weeks.⁴⁰

Liquid oleoresin paprika provides a more uniform distribution of color than dried, ground paprika does in the downstream food product.⁴¹ Additionally, oleoresin paprika retains its color longer than dried paprika does.⁴² Petitioner stated that oleoresin paprika is also preferred to paprika powder due to cost because dry paprika would require 10 to 13 times the volume of oleoresin paprika.⁴³

³⁴ Conference transcript, p. 13 (Biad).

³⁵ Conference transcript, pp. 18 to 19 (Stirk).

³⁶ Conference transcript, pp. 32 to 33 (Stirk). McCormick’s postconference brief, pp. 2 to 3.

³⁷ McCormick’s postconference brief, pp. 2 to 3.

³⁸ McCormick’s postconference brief, pp. 2 to 3.

³⁹ Demonstrating industry’s and the public’s shifting preference in favor of natural colorants, McCormick cited the International Dairy Foods Association’s pledge to eliminate artificial dyes from ice cream and other frozen desserts by 2028. McCormick’s postconference brief, p. 5 and exh. 5.

⁴⁰ “HHS, FDA to Phase Out Petroleum-Based Synthetic Dyes in Nation’s Food Supply,” April 22, 2025.

⁴¹ Conference transcript, p. 14 (Stirk). Petitioner’s postconference brief, p. 7.

⁴² Conference transcript, p. 14 (Stirk). Petitioner’s postconference brief, p. 7.

⁴³ Conference transcript, p. 83 (Biad).

Manufacturing processes

Oleoresin paprika is produced from dehydrated *Capsicum annuum* L peppers. The volume of dehydrated peppers required to produce one pound of oleoresin paprika can vary from year to year based on the color content of the peppers resulting from weather conditions, chemical application and other factors.⁴⁴ The *Capsicum annuum* L category of peppers encompasses sweet paprika, cayenne, chili, and numerous other peppers.⁴⁵ Dehydrated peppers need to be processed immediately or put into cold storage to avoid degradation of the color through oxidation.⁴⁶ ⁴⁷ The dehydrated paprika peppers are milled, the seeds are removed, and “everything except for the seed” is pressed into small pellets.⁴⁸ Then, the pellets are showered with a solvent (petitioner uses hexane) for four hours to extract the oleoresin.⁴⁹

⁴⁴ Conference transcript, p. 43 (Biad).

⁴⁵ Petition, p. 16.

⁴⁶ Dehydrated peppers lose about one percent of their color per day when kept in a warehouse at 90 degrees Fahrenheit. Conference transcript, p. 49 (Biad). Storing dehydrated peppers at zero degrees Fahrenheit stops any color loss. Conference transcript, pp. 36 and 49 (Biad).

⁴⁷ According to the petitioner, its New Mexico oleoresin plant is in “the heart of a major paprika-growing region.” Conference transcript, p. 11 (Biad). McCormick submitted information stating that New Mexico produces roughly 77 percent of chili peppers grown in the United States. McCormick’s postconference brief, exh. 7. Petitioner stated that it has also imported paprika for processing from Chile, China, Peru, South Africa, Spain, and Zimbabwe. Petitioner stated that sourcing paprika from overseas would reduce seasonality and allow it to process peppers year-round. Conference transcript, p. 35 (Biad).

⁴⁸ Conference transcript, p. 16 (Stirk) and p. 61 (Biad).

⁴⁹ Conference transcript, p. 17 (Stirk). Multiple solvents can be used to extract color from the dehydrated peppers. Petition, p. 9. Petitioner stated that they use hexane because it extracts more color from the dehydrated peppers, but it also extracts other components which then have to be removed from the solution. If acetone were used as the solvent to extract the color, fewer of these impurities would be in the resulting solution. However, acetone also extracts less color from the peppers. Conference transcript, pp. 76 to 77 (Biad).

The next step is to remove the solvent (e.g., hexane) from the oleoresin.⁵⁰ The oleoresin is distilled using steam, evaporating the hexane for collection and reuse.⁵¹ The solvent is removed not only for reuse in subsequent cycles, but also to comply with FDA regulations regarding solvent residue levels permitted in the product.⁵² The crude oleoresin paprika undergoes filtration and centrifugation processes to remove any remaining solids.⁵³

The remaining crude oleoresin paprika is blended with vegetable oil and tested with spectrophotometric analysis to determine its color.⁵⁴ Petitioner stated that it produces to a standard of 100,000 CU, but it ships at various CU levels and has produced oleoresin paprika up to 200,000 CU.⁵⁵ The combination of color pigments in the red chili peppers typically used by Indian producers are different, so the resulting color is generally less intense red.

Indian production of oleoresin paprika requires an extra step. Since the peppers typically used in India are red chili peppers rather than sweet paprika, they contain capsaicin that has pungency.⁵⁶ This pungency must be removed since most downstream users of oleoresin paprika want only the color.⁵⁷ The second extraction process, to remove capsaicin, is accomplished via one of two methods: using either methanol or supercritical carbon dioxide.⁵⁸

Petitioner stated that there was one other difference in its production method from that of the Indian producers. Petitioner uses a continuous process but claims that the Indian

⁵⁰ Conference transcript, p. 17 (Stirk). Petitioner stated that they recover about 99.5 percent of the hexane from each cycle. Conference transcript, p. 81 (Biad).

⁵¹ Conference transcript, p. 17 (Stirk).

⁵² Petition, p. 16.

⁵³ Conference transcript, p. 17 (Stirk).

⁵⁴ Conference transcript, p. 18 (Stirk).

⁵⁵ Conference transcript, pp. 50 to 51 (Biad).

⁵⁶ Conference transcript, p. 18 (Stirk); Petition, pp. 19 and 52.

⁵⁷ The removal of heat is referred to as “sweetening.” Oleoresin paprika that has had the aroma removed has been “deodorized.” Petition, pp. 19 to 21. Oleoresin capsicum is derived from the same chili peppers in India, but the second extraction is not performed to remove the capsaicin. Oleoresin capsicum retains its pungency and is used as a flavoring agent or as an ingredient in pepper spray. Petition, pp. 23 to 24.

⁵⁸ Conference transcript, p. 18 (Stirk); Petition, pp. 38 to 39. Petitioner stated that using supercritical carbon dioxide to remove pungency might appeal to those who want to market their product as organic because the process does not leave any residual solvent. Conference transcript, p. 80 (Biad).

suppliers produce oleoresin paprika in batches.⁵⁹ Plant Lipids Pvt. Ltd., one of the Indian producers, reported using both batch and continuous systems.⁶⁰

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations. The petitioner proposes a single domestic like product consisting of oleoresin paprika coextensive with the scope.⁶¹ No respondent contests petitioner's definition of the domestic like product, although, in their letter in lieu of postconference brief, Indian producers stated that "Indian oleoresin chili typically contains moderate to high levels of capsaicin in addition to high ASTA color values, making it suitable for use in applications that require both color and mild pungency, while U.S.-produced oleoresin paprika contains negligible capsaicin, and is specifically tailored for color-only applications within the food industry."⁶²

⁵⁹ Conference transcript, p. 28 (Biad).

⁶⁰ Indian producers' postconference letter--Indian producers on behalf of Plant Lipids Pvt. Ltd., Synthite Industries Ltd., Mane Kancor Ingredients Ltd., and Akay Natural Ingredients Private Ltd., attachment 1, p. 1.

⁶¹ Petitioner's postconference brief, p. 39.

⁶² Indian producers' postconference letter--Indian producers on behalf of Plant Lipids Pvt. Ltd., Synthite Industries Ltd., Mane Kancor Ingredients Ltd., and Akay Natural Ingredients Private Ltd., attachment 1, p. 1, attachment 2, p. 1, attachment 3, p. 3, attachment 4, p. 2.

Part 2: Conditions of competition in the U.S. market

U.S. market characteristics

Oleoresin paprika is an industrial product manufactured to be a natural food color additive, and is used by industrial producers of food products, such as sausage-type products, cheese sauces, gravies, condiments, salad dressings, baked goods, snacks, icings, and spice blends.¹ It is an oil-soluble or water-soluble natural extract mainly isolated from the fruits of *Capsicum annuum L.* or *Capsicum frutescens* (Indian red chilies).² It is highly sensitive to heat, light, and air without any antioxidant. U.S. producer Rezolex indicated that the market *** subject to distinct conditions of competition, while most importers indicated that the market was not subject to distinctive conditions of competition.³

Apparent U.S. consumption of oleoresin paprika increased during 2022 to 2024. However, apparent U.S. consumption was lower during the first quarter of 2025 relative to the first quarter of 2024.

U.S. purchasers

The Commission received five usable lost sales and lost revenue survey responses from firms that had purchased oleoresin paprika during January 2022 to March 2025.^{4 5} In general, responding U.S. purchasers were located in the Mid-Atlantic, Midwest, Northeast, and South. The responding purchasers represented firms in a variety of domestic industries, including flavorings/taste, nutrition science, and spices. Large purchasers of oleoresin paprika include ***.

¹ Conference transcript, pp. 13 to 14 (Stirk).

² Bhatia and Barkha, Handbook of Oleoresins: Paprika Oleoresins, Chemistry and Properties, pp. 400 to 401 and petition, pp. 7 and 35.

³ Of the firms indicating distinct conditions of competition, *** asserted that Chinese produced material can typically drive market prices down, while *** cited import duties increasing from 3.8 percent to 13.8 percent, and *** reported that price was the main condition of competition.

⁴ The following firms provided lost sales and lost revenue survey responses: ***.

⁵ Of the five responding purchasers that provided responses to the Commission's lost sales and lost revenue survey, four purchased the domestic oleoresin paprika, five purchased imports of the subject merchandise from India, and two purchased imports of oleoresin paprika from other sources.

Impact of section 301 tariffs and new or modified tariffs

U.S. producers and importers were asked to report the impact of section 301 tariffs and new or modified tariffs on overall demand, supply, prices, and/or raw material costs. U.S. producer Rezolex reported that the section 301 tariffs ***. U.S. producer Rezolex further reported that ***. A plurality of importers reported that they did not know the impact of the section 301 tariffs, and equal numbers reported that they had or had not been impacted. Of importers reporting that they had, firms reported that the price of imported oleoresin paprika increased, including for oleoresin paprika from sources other than China, and one importer reported that demand for Indian paprika may have increased and potentially increased in price due to the tariffs.

U.S. producer Rezolex reported that new or modified tariffs *** had an impact on the market, while almost all importers reported that they had. Importers reported that new or modified tariffs resulted in escalation of costs, market volatility, and can impact raw material costs. One importer, ***, reported that prices have not yet increased from f.o.b. locations, while another, ***, reported that it only imports Indian paprika due to humanitarian issues with product sourced from China.

Channels of distribution

U.S. producer Rezolex sold ***, while importers sold nearly exclusively to end users, as shown in table 2.1.

Table 2.1 Oleoresin paprika: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent; interim is January through March

Source	Channel	2022	2023	2024	Interim 2024	Interim 2025
United States	Distributor	***	***	***	***	***
United States	End user	***	***	***	***	***
India	Distributor	***	***	***	***	***
India	End user	***	***	***	***	***
Nonsubject sources	Distributor	***	***	***	***	***
Nonsubject sources	End user	***	***	***	***	***
All import sources	Distributor	***	***	***	***	***
All import sources	End user	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Geographic distribution

U.S. producer Rezolex reported selling oleoresin paprika to ***, and importers reported selling to all regions in the contiguous United States (table 2.2). For U.S. producer Rezolex, *** percent of sales were within 100 miles of its production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold 27.5 percent within 100 miles of their U.S. point of shipment, 56.8 percent between 101 and 1,000 miles, and 15.7 percent over 1,000 miles.

Table 2.2 Oleoresin paprika: Count of U.S. producer's and U.S. importers' geographic markets

Region	U.S. producer	India
Northeast	***	7
Midwest	***	5
Southeast	***	5
Central Southwest	***	3
Mountain	***	3
Pacific Coast	***	4
Other	***	0
All regions (except Other)	***	2
Reporting firms	1	8

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other U.S. markets include AK, HI, PR, and VI.

Supply and demand considerations

U.S. supply

Table 2.3 provides a summary of the supply factors regarding oleoresin paprika from U.S. producer Rezolex and from India.

Table 2.3 Oleoresin paprika: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in thousand pounds; ratio and share in percent

Factor	Measure	United States	India
Capacity 2022	Quantity	***	***
Capacity 2024	Quantity	***	***
Capacity utilization 2022	Ratio	***	***
Capacity utilization 2024	Ratio	***	***
Inventories to total shipments 2022	Ratio	***	***
Inventories to total shipments 2024	Ratio	***	***
Home market shipments 2024	Share	***	***
Non-US export market shipments 2024	Share	***	***
Ability to shift production (firms reporting “yes”)	Count	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Responding U.S. producer Rezolex accounted for all known U.S. production of oleoresin paprika in 2024. Responding foreign producer/exporter firms accounted for more than 75 percent of U.S. imports of oleoresin paprika from India during 2024. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from India, please refer to Parts 3 and 7.

Domestic production

Based on available information, U.S. producer Rezolex has the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced oleoresin paprika to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, the availability of relatively large inventories, and ability to shift shipments to or from alternate products.

Practical capacity increased by more than production, which increased slightly, leading to a slight decrease in capacity utilization during 2022 to 2024. Rezolex reportedly can also produce jojoba oil and CBD-oil for usage as an anti-inflammatory with the same equipment used for oleoresin paprika.⁶ Factors affecting the U.S. producer’s ability to shift production include ***.

Rezolex stated that if it added a fourth shift, it could produce upwards of 3.4 to 3.5 million pounds of oleoresin paprika, and that it can purchase paprika peppers from suppliers other than Biad Chili, including imports.⁷ It also reported that ***

⁶ Conference transcript, p. 98 (Biad).

⁷ Conference transcript, pp. 33 to 35 (Biad).

***. Importer/purchaser *** stated that, to its knowledge, Rezolex has access only to enough pepper harvesting acreage to service the already-contracted-for volumes under its existing contracts, that to increase production volumes and supply additional ORP to customers, Rezolex would need to secure more pepper acreage which would take until the next crop cycle. It also added that chili pepper farming is geographically concentrated which exposes the U.S. chili pepper supply to significant risks of damage or destruction due to natural disasters, extreme weather events, or pests; and it is vulnerable to labor force issues such as shortages or strikes.⁸

Subject imports from India

Based on available information, producers of oleoresin paprika from India have the ability to respond to changes in demand with large changes in the quantity of shipments of oleoresin paprika to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of some unused capacity and moderate inventories and ability to shift shipments from alternate markets.

Indian production increased by more than practical capacity during 2022 to 2024, leading to a slight increase in capacity utilization. Major export markets identified by foreign producers include Australia, Germany, Indonesia, Japan, Spain, South Korea, Thailand, and Vietnam. Other products that responding foreign producers reportedly can produce on the same equipment as oleoresin paprika are: ***. Factors affecting foreign producers' ability to shift production include ***.

Imports from nonsubject sources

According to questionnaire responses, sources of nonsubject imports during 2022 to 2024 include China and Spain and nonsubject imports accounted for less than two percent of total U.S. imports in 2024.

⁸ *** postconference brief, Exhibit 1, pp. 1 to 2.

Supply constraints

U.S. producer Rezolex reported that it *** experienced supply constraints, while almost all responding importers reported that they had not experienced supply constraints since January 1, 2022. Of the importers that reported they had experienced supply constraints, one reported the constraints occurred during 2022, two reported they occurred during 2023, one during 2024, and one during 2025 (table 2.4). Constraints reported by importers included the COVID-19 pandemic, port strikes, logistics supply constraints, and U.S. sanctions of certain Chinese companies.

Table 2.4 Oleoresin paprika: Count of firms' responses regarding timing of supply constraints, by firm type and source

Period of constraint	U.S. producer	Importers
2022	***	1
2023	***	2
2024	***	1
2025	***	1

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. demand

Based on available information, the overall demand for oleoresin paprika is likely to experience small changes in response to changes in price. The main contributing factors are the limited range of substitute products and the small to moderate cost share of oleoresin paprika in most of its end-use products.

End uses and cost share

U.S. demand for oleoresin paprika depends on the demand for U.S.-produced downstream products, and accounts for a small to moderate share of the cost of the end-use products in which it is used. Reported cost shares for some end uses were as follows: cheesy scallop sauce (1 percent), convenient meals (1 percent), feed ingredients (54 percent), food color (44 percent), honey barbeque seasoning (2 percent), seasonings/seasoning blends (1, 5, and 20 percent), spice blends (40 percent), and spicy marinade (4 percent).

Business cycles

U.S. producer Rezolex indicated that the market *** subject to business cycles, and most responding importers indicated that the market was not subject to business cycles.

Demand trends

Most firms reported an increase in U.S. demand for oleoresin paprika since January 1, 2022 (table 2.5). U.S. importer *** reported that there has been increased demand for natural colors, and *** reported that there has been an industry shift from synthetic to natural colors, while *** reported that U.S. consumer demand for blends is increasing.

Table 2.5 Oleoresin paprika: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Market	Firm type	Steadily Increase	Fluctuate upward	No change	Fluctuate downward	Steadily decrease
Domestic demand	U.S. producers	***	***	***	***	***
Domestic demand	Importers	7	4	5	1	0
Foreign demand	Importers	3	2	4	0	1

Source: Compiled from data submitted in response to Commission questionnaires.

Note: U.S. producer Rezolex reported that it ***.

Substitute products

Substitutes for oleoresin paprika are limited. U.S. producer Rezolex reported that ***. Most importers reported that there were no substitutes. Importers identified annatto (***), beta-carotene (***), and red dye (***), as substitutes for oleoresin paprika.⁹ U.S. importer *** reported that oleoresin capsaicin is not an option to replace oleoresin paprika, and that it has a different functionality. It also added that red dye is not interchangeable because it is not naturally derived.

⁹ However, *** added that beta-carotene was not a direct alternative in most cases, and *** added that synthetic dyes can replace the coloring imparted by paprika only in certain applications, and that the FDA and various states are moving towards the removal of synthetic dyes.

Substitutability issues

This section assesses the degree to which U.S.-produced oleoresin paprika and imports of oleoresin paprika from India can be substituted for one another by examining the importance of certain purchasing factors and the comparability of oleoresin paprika from domestic and imported sources based on those factors. Based on available data, staff believes that there is at least a moderate degree of substitutability between domestically produced oleoresin paprika and oleoresin paprika imported from India.¹⁰ Factors contributing to this level of substitutability include similar lead times for oleoresin paprika from inventory and some interchangeability between domestically produced oleoresin paprika and oleoresin paprika imported from India. Factors reducing substitutability include perceived availability and quality differences between domestically produced oleoresin paprika and oleoresin paprika imported from India, purchaser preference for oleoresin paprika from India over other sources, and significant factors other than price that firms consider.

Factors affecting purchasing decisions

Most important purchase factors

Purchasers responding to lost sales lost revenue allegations¹¹ were asked to identify the main purchasing factors their firm considered in their purchasing decisions for oleoresin paprika.

The most often cited top three factors firms consider in their purchasing decisions for oleoresin paprika were quality, price/cost, and availability/supply, as shown in table 2.6. Quality was the most frequently cited first-most important factor, followed by availability/supply, price/cost, and all other factors; quality was the most frequently reported second-most important factor; and all other factors was the most frequently reported third-most important factor (these consisted of service, sustainability parameters, and foreign vendors' advancement in natural color conversion). Importer/purchaser *** stated that each ORP variety produced by any supplier must undergo qualification processes such as product development

¹⁰ The degree of substitution between domestic and imported oleoresin paprika depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced oleoresin paprika to the oleoresin paprika imported from the subject country (or vice versa) when prices change. The degree of substitution may include such factors as quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

¹¹ This information is compiled from responses by purchasers identified by the Petitioner or to the lost sales lost revenue allegations. See Part 5 for additional information.

testing, third-party customer validation, extensive reviews of regulatory documentation, and facility audits.¹²

Table 2.6 Oleoresin paprika: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Factor	First	Second	Third	Total
Price / Cost	1	0	2	3
Quality	2	3	0	4
Availability / Supply	1	1	0	2
All other factors	1	1	3	NA

Source: Compiled from data submitted in response to Commission questionnaires.

Lead times

Oleoresin paprika is primarily sold from inventory. U.S. producer Rezolex reported that *** percent of its commercial shipments came from inventories, with lead times averaging *** days. The remaining *** percent of its commercial shipments was produced-to-order, with lead times averaging *** days. Importers reported that *** percent of their commercial shipments came from inventories, with lead times averaging *** days. The remaining *** percent of their commercial shipments was produced to order, with lead times averaging *** days.

Comparison of U.S.-produced and imported oleoresin paprika

In order to determine whether U.S.-produced oleoresin paprika can generally be used in the same applications as imports from India, U.S. producer Rezolex and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table 2.7, U.S. producer Rezolex reported that oleoresin paprika produced in the United States, India and nonsubject countries can *** be used interchangeably, while a plurality of importers reported that oleoresin paprika produced in the United States was sometimes interchangeable with product produced in India and nonsubject countries. Four importers cited quality, and four cited color or hue variation. Importer *** reported that the major factors between oleoresin paprika produced in the United States and product produced in India are cost, taste quality, lead time, and quantity. It added that domestically produced product has faster lead time and stronger quality monitoring, while oleoresin paprika produced in India has lower costs from crops to manufacturing.

¹² *** postconference brief, p. 3.

Table 2.7 Oleoresin paprika: Count of the U.S. producer and importers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Firm type	Always	Frequently	Sometimes	Never
U.S. vs. India	U.S. producer	***	***	***	***
U.S. vs. other	U.S. producer	***	***	***	***
India vs. Other	U.S. producer	***	***	***	***
U.S. vs. India	Importers	1	4	6	0
U.S. vs. other	Importers	1	2	5	0
India vs. Other	Importers	1	3	5	0

Source: Compiled from data submitted in response to Commission questionnaires.

In addition, the U.S. producer and importers were asked to assess how often differences other than price were significant in sales of oleoresin paprika from the United States, India, or nonsubject countries. As seen in table 2.8, U.S. producer Rezolex reported that there are *** differences other than price between oleoresin paprika from the United States, India and nonsubject countries, while a plurality of importers reported that differences other than price were sometimes significant in sales of oleoresin paprika from the United States compared to product produced in India and in nonsubject countries. Four importers cited quality as a factor other than price, and two importers cited availability as a factor. Other factors reported were availability of technical support, color, product range, specification, specific technical and regulatory requirements, and transportation network.

Table 2.8 Oleoresin paprika: Count of the U.S. producer and importers reporting the significance of differences other than price between product produced in the United States and in other countries reported, by country pair

Country pair	Firm type	Always	Frequently	Sometimes	Never
U.S. vs. India	U.S. producer	***	***	***	***
U.S. vs. Other	U.S. producer	***	***	***	***
India vs. Other	U.S. producer	***	***	***	***
U.S. vs. India	Importers	2	2	5	1
U.S. vs. Other	Importers	0	1	4	1
India vs. Other	Importers	1	2	3	1

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producer Rezolex stated that oleoresin paprika produced in the United States is interchangeable with product produced in India, and it commissioned independent laboratories to perform tests of oleoresin paprika produced in India and its own oleoresin paprika, and that the physical and chemical characteristics are nearly identical.¹³ It also stated that domestically

¹³ Petitioner’s postconference brief, p. 15 and exhs. PCB-4, PCB-5, and PCB-6.

produced oleoresin paprika and product imported from India are blended together by its customers.¹⁴

Importer/purchaser *** stated that oleoresin paprika varieties are generally not interchangeable, that characteristics of each variety satisfy the exacting specifications of the end-user, and that small shifts in oleoresin paprika's characteristics can result in significant shifts in the end-product's color, flavor, and heat, which is critical for product consistency and brand reputation. It added that though the oleoresin paprika it sources has a wide variety of color ratings, *** of what it sources from the United States has a color rating of ***. It also stated that it purchases oleoresin paprika from suppliers based off of ***.¹⁵ Purchaser *** reported that certain suppliers offer more stringent specifications for color, flavor, and potency and can better fit its needs for how oleoresin paprika is used in its products. *** added that certain Indian suppliers have been consistently successful at meeting quality specifications, especially for higher-concentrated, more potent versions.

Quality differences between different types of peppers

U.S. producer Rezolex, importers, and purchasers were asked if there were differences in quality between oleoresin paprika produced from different types of *capsicum annum* peppers. U.S. producer Rezolex reported that there *** differences. Most importers and the majority of purchasers reported that there were. Importers reported that different pepper types affect color value, consistency, pigment quality, pungency, odor, and Scoville units. Importer *** reported that oleoresin paprika is typically produced from *capsicum annum L* of *capsicum frutescens*, and that Indian paprika is basically made from crude chili extract, which contains color and pungency, which are separated through the solvent extraction process. It added that ***. Importer *** reported that the domestic industry uses sweet paprika as the starting material, and that the domestic paprika is superior due to better color hue, lower sludge percentage, and other physical parameters, and that customers pay a premium for domestically produced paprika compared to Indian paprika. Purchasers reported that different pepper types can produce quality differences, such as color variances and flavor variances (with a higher level of heat in Indian-origin raw material).

¹⁴ Conference transcript, pp. 113 to 115 (Biad).

¹⁵ *** postconference brief, exh. 2.

Part 3: U.S. producer’s production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in Part 1 of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part 4 and Part 5. Information on the other factors specified is presented in this section and/or Part 6 and (except as noted) is based on the questionnaire responses of one firm that accounted for all known U.S. production of oleoresin paprika during 2024.

U.S. producers

The Commission issued a U.S. producer questionnaire to two firms based on information contained in the petition and through staff research. One firm, petitioner Rezolex, provided usable data on its operations and one firm, Kalsec, provided a response that it does not produce oleoresin paprika.¹ Table 3.1 lists the U.S. producer of oleoresin paprika, its production locations, position on the petition, and share of total production.

Table 3.1 Oleoresin paprika: U.S. producers, their positions on the petition, production locations, and shares of reported production, 2024

Firm	Position on petition	Production location(s)	Share of production
Rezolex	Petitioner	Radium Springs, NM	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

¹ Kalsec submitted a certified response that it has not produced oleoresin paprika since January 1, 2022. Kalsec, a U.S. importer of oleoresin paprika, last produced oleoresin paprika in ***. It currently produces ***. Email from ***, July 11, 2025.

U.S. producer Rezolex ***. As discussed in greater detail below, ***.

There have been no notable events in the industry since January 1, 2022. Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of oleoresin paprika since 2022. Resolex indicated in its questionnaire response that it had experienced such changes, as presented in table 3.2.

Table 3.2 Oleoresin paprika: U.S. producer Rezolex's reported changes in operations, since January 1, 2022

Item	Firm name and narrative response on changes in operations
Production curtailments	***
Expansions	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. production, capacity, and capacity utilization

Table 3.3 and figure 3.1 present U.S. producer Rezolex’s installed and practical capacity and production on the same equipment. From 2022 to 2024, installed and practical overall capacities remained stable, while practical oleoresin paprika capacity decreased slightly from 2022 to 2023 before increasing in 2024 for an overall increase between 2022 and 2024. All reported capacities were similar during the interim periods. Installed and practical overall capacity utilization decreased from 2022 to 2024, while practical oleoresin paprika capacity utilization decreased irregularly during the same period and was lower in interim 2025 compared to interim 2024. Rezolex ***.

Table 3.3 Oleoresin paprika: U.S. producer Rezolex's installed and practical capacity, production, and utilization on the same equipment as subject production, by period

Capacity and production in 1,000 pounds; utilization in percent; interim is January through March

Item	Measure	2022	2023	2024	Interim 2024	Interim 2025
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical oleoresin paprika	Capacity	***	***	***	***	***
Practical oleoresin paprika	Production	***	***	***	***	***
Practical oleoresin paprika	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Figure 3.1 Oleoresin paprika: U.S. producer Rezolex's capacity, production, and capacity utilization, by period

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

As presented in table 3.4, the majority of the product produced during 2022 to 2024 by U.S. producer Rezolex was oleoresin paprika, which accounted for ***. Other products produced on the same equipment included CBD oil.² Rezolex's production season runs from early-to-mid-October through mid-to-late January. Given reduced sales volume in recent years, production stopped after January and did not begin again until October.³ Rezolex uses sweet paprika peppers *** as a raw material input for oleoresin paprika.⁴

² Conference transcript, pp. 98 to 99 (Biad).

³ Petitioner's postconference brief, p. 39.

⁴ Petition, pp. 19 and 52.

Table 3.4 Oleoresin paprika: U.S. producer Rezolex's overall production on the same equipment as in-scope production, by product type and period

Quantity in 1,000 pounds; ratio and share in percent; interim is January through March

Product type	Measure	2022	2023	2024	Interim 2024	Interim 2025
Oleoresin paprika	Quantity	***	***	***	***	***
Oleoresin capsicum	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
Out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
Oleoresin paprika	Share	***	***	***	***	***
Oleoresin capsicum	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
Out-of-scope products	Share	***	***	***	***	***
All products	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producer's U.S. shipments and exports

Table 3.5 presents U.S. producer Rezolex's U.S. shipments, export shipments, and total shipments. During 2022 to 2024, the firm's U.S. shipments decreased irregularly, by quantity, while increasing, by value. The firm's U.S. shipments were stable in terms of quantity but higher in terms of value during interim 2025 relative to interim 2024. Average unit values increased from 2022 to 2024 and were higher in interim 2025 compared to interim 2024. Rezolex reported *** internal consumption, transfers to related parties, or export shipments during the period for which data were collected.

Table 3.5 Oleoresin paprika: U.S. producer Rezolex’s shipments, by destination and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per 1,000 pounds; shares in percent; interim is January through March

Item	Measure	2022	2023	2024	Interim 2024	Interim 2025
U.S. shipments	Quantity	***	***	***	***	***
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

The Commission asked U.S. producers to report 2024 U.S. shipments of oleoresin paprika by color units (“CU”).⁵ These data are presented in table 3.6. The majority of 2024 U.S. shipments reported by Rezolex were in the range between *** CUs. In general, higher CUs corresponded with higher shipment unit values. The equivalent data for U.S. shipments of imported oleoresin paprika are presented in Part 4.

⁵ The color value of blended, or “standardized,” ORP is determined by spectrophotometric measurement of color absorbance at a wavelength of 460nm. American Spice Trade Association (ASTA) values and CU values are convertible. CU values are 40 times ASTA values (e.g., 1000 ASTA = 40,000 CU).

Table 3.6 Oleoresin paprika: U.S. producer Rezolex's U.S. shipments in 2024, by product type

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per 1,000 pounds; shares in percent

Product type	Quantity	Value	Unit value	Share of quantity	Share of value
Crude, or unstandardized	***	***	***	***	***
Less than or equal to 50,000 CU	***	***	***	***	***
Greater than 50,000 and less than or equal to 70,000 CU	***	***	***	***	***
Greater than 70,000 and less than or equal to 90,000 CU	***	***	***	***	***
Greater than 90,000 and less than or equal to 110,000 CU	***	***	***	***	***
Greater than 110,000 and less than or equal to 130,000 CU	***	***	***	***	***
Greater than 130,000 CU	***	***	***	***	***
All product types	***	***	***	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producer's inventories

Table 3.7 presents U.S. producer Rezolex's end-of-period inventories and the ratio of these inventories to its production, U.S. shipments, and total shipments. Rezolex's inventories decreased from 2022 to 2023 before increasing in 2024 and were higher in interim 2025 compared to interim 2024. Inventories as a ratio to U.S. production decreased irregularly from 2022 to 2024 while inventories as a ratio to U.S. shipments increased irregularly during the same period. Both inventory ratios were higher in interim 2025 compared to interim 2024. Because of the seasonal nature of operations, inventories and inventory ratios, even annualized, are not directly comparable to calendar year data.

Table 3.7 Oleoresin paprika: U.S. producer Rezolex's inventories and their ratio to select items, by period

Quantity in 1,000 pounds; ratio in percent; interim is January through March

Item	2022	2023	2024	Interim 2024	Interim 2025
End-of-period inventory quantity	***	***	***	***	***
Inventory ratio to U.S. production	***	***	***	***	***
Inventory ratio to U.S. shipments	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producer’s imports from subject sources

U.S. producer Rezolex did not report importing oleoresin paprika since January 1, 2022.

U.S. producer’s purchases of imports from subject sources

U.S. producer Rezolex’s purchases of imports of oleoresin paprika from India are presented in table 3.8. Such purchases accounted for between *** percent compared to its U.S. production of oleoresin paprika and between *** percent of overall U.S. subject imports from India. Rezolex’s reason for purchasing oleoresin paprika was that ***.

Table 3.8 Oleoresin paprika: U.S. producer Rezolex’s U.S. production and purchases of U.S. imports from India, by period

Quantity in 1,000 pounds; ratio in percent; interim is January through March

Item	Measure	2022	2023	2024	Interim 2024	Interim 2025
U.S. production	Quantity	***	***	***	***	***
Rezolex's purchases of U.S. imports from India imported by ***, see note.	Quantity	***	***	***	***	***
Overall imports from India	Quantity	***	***	***	***	***
Ratio of Rezolex’s purchases of U.S. imports from India to Rezolex’s U.S. production	Ratio	***	***	***	***	***
Ratio of Rezolex's purchases of U.S. imports from India imported by *** to overall U.S. imports from India	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “—”. *** submitted a late, incomplete U.S. importers' questionnaire response, and was not identifiable in a review of proprietary, Census-edited Customs import records.

U.S. employment, wages, and productivity

Table 3.9 presents U.S. producer’s Rezolex’s employment-related data. The number of production and related workers (“PRWs”) remained relatively stable during 2022 to 2024 and the interim periods. Total hours worked and hours worked per PRW decreased from 2022 to 2024 and were lower in interim 2025 compared to interim 2024. Hourly wages increased from 2022 to 2024⁶ and were higher in interim 2025 compared to interim 2024. During 2022 to 2024, productivity increased irregularly, and unit labor costs decreased irregularly while they both were similar during the interim periods.

Table 3.9 Oleoresin paprika: U.S. producer’s employment related information, by period

Interim is January through March

Item	2022	2023	2024	Interim 2024	Interim 2025
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***
Unit labor costs (dollars per pound)	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

⁶ ***. Email from ***, July 17, 2025.

Part 4: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 30 firms believed to be importers of subject oleoresin paprika, as well as to all U.S. producers of oleoresin paprika.¹ Usable questionnaire responses were received from 20 companies,² representing a substantial majority of U.S. imports from India and a majority of U.S. imports from nonsubject sources in 2024.³ Table 4.1 lists all responding U.S. importers of oleoresin paprika from India and other sources, their locations, and their shares of U.S. imports, in 2024.

¹ The Commission issued questionnaires to those firms identified in the petitions; staff research; and proprietary, Census-edited Customs' import records.

² Four firms submitted certified responses that they had not imported oleoresin paprika into the United States since January 1, 2022. U.S. importer *** submitted a late, incomplete U.S. importers' questionnaire response.

³ Based on proprietary Customs records using HTS statistical reporting numbers 3203.00.8000 and 3301.90.1010, responding firms accounted for *** percent of imports from India and *** percent of imports from nonsubject sources in 2024.

Table 4.1 Oleoresin paprika: U.S. importers, their headquarters, and share of imports within each source, 2024

Share in percent

Firm	Headquarters	India	Nonsubject sources	All import sources
Akay USA	Sayreville, NJ	***	***	***
Badia Spices	Miami, FL	***	***	***
DDW Colors	Port Washington, WI	***	***	***
Elite Spice	Jessup, MD	***	***	***
FoodRGB	Anaheim, CA	***	***	***
Givaudan	Cincinnati, OH	***	***	***
Griffith Foods	Alsip, IL	***	***	***
International Flavors & Fragrances	New York City, NY	***	***	***
Kalsec	Kalamazoo, MI	***	***	***
Kemin	Des Moines, IA	***	***	***
Kerry	Beloit, WI	***	***	***
Mane	Lebanon, OH	***	***	***
McCormick	Hunt Valley, MD	***	***	***
Occidental Foods	Randolph, NJ	***	***	***
Olde Thompson	Oxnard, CA	***	***	***
Oterra	Mt. Pleasant, WI	***	***	***
Pax Spices & Labs	Covina, CA	***	***	***
Robertet Canada	Markham, ON	***	***	***
Sensient Colors	Saint Louis, MO	***	***	***
Synthite USA	Chicago, IL	***	***	***
All firms	Various	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. imports

Tables 4.2 and 4.3 present data for U.S. imports of oleoresin paprika from India and all other sources.⁴ U.S. imports of oleoresin paprika from India decreased from 2022 to 2023 before increasing in 2024, for an overall increase of 9.8 percent during 2022 to 2024, and were higher in interim 2025 than in interim 2024. U.S. imports of oleoresin paprika from India accounted for the vast majority of total imports during the period for which data were collected. Unit values for U.S. imports of oleoresin paprika from India increased from 2022 to 2023 before decreasing in 2024 and were higher in interim 2025 than in interim 2024. As a ratio to U.S. production, from 2022 to 2024, subject imports generally accounted for at least *** times the quantity of annual U.S. production of oleoresin paprika.

Table 4.2 Oleoresin paprika: U.S. imports by source and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Ratio is the proportion of imports to U.S. production; Interim period is January through March

Source	Measure	2022	2023	2024	Interim 2024	Interim 2025
India	Quantity	2,743	2,494	3,013	589	869
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
India	Value	25,996	26,097	28,698	4,486	8,715
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
India	Unit value	9.48	10.46	9.52	7.62	10.03
Nonsubject sources	Unit value	***	***	***	***	***
All import sources	Unit value	***	***	***	***	***
India	Share of quantity	***	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***	***
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
India	Share of value	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
India	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Share of quantity is the share of U.S. imports by quantity; share of value is the share of U.S. imports by value; ratio are U.S. imports to production.

⁴ One firm, ***, reported admitting into and withdrawing from a foreign trade zone *** short tons and *** short tons of oleoresin paprika from India, respectively. ***'s importer questionnaire response, section I-8a and I-8b.

Figure 4.1 Oleoresin paprika: U.S. import quantities and average unit values, by source and period

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Table 4.3 Oleoresin paprika: Changes in U.S. imports, by source and period

Changes (Δ) in percent (%) or changes in shares by percentage point (ppt)

Source	Measure	2022 to 2024	2022 to 2023	2023 to 2024	Interim 2024 to 2025
India	% Δ Quantity	▲9.8	▼(9.1)	▲20.8	▲47.5
Nonsubject sources	% Δ Quantity	▼***	▼***	▲***	▲***
All import sources	% Δ Quantity	▲***	▼***	▲***	▲***
India	% Δ Value	▲10.4	▲0.4	▲10.0	▲94.3
Nonsubject sources	% Δ Value	▼***	▼***	▲***	▲***
All import sources	% Δ Value	▼***	▼***	▲***	▲***
India	% Δ Unit value	▲0.5	▲10.4	▼(9.0)	▲31.7
Nonsubject sources	% Δ Unit value	▼***	▼***	▲***	▼***
All import sources	% Δ Unit value	▼***	▲***	▼***	▲***
India	ppt Δ Quantity	▲***	▲***	▼***	▼***
Nonsubject sources	ppt Δ Quantity	▼***	▼***	▲***	▲***
All import sources	ppt Δ Quantity	***	***	***	***
India	ppt Δ Value	▲***	▲***	▼***	▼***
Nonsubject sources	ppt Δ Value	▼***	▼***	▲***	▲***
All import sources	ppt Δ Value	***	***	***	***
India	ppt Δ Ratio	▲***	▲***	▲***	▲***
Nonsubject sources	ppt Δ Ratio	▼***	▼***	▲***	▲***
All import sources	ppt Δ Ratio	▲***	▼***	▲***	▲***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as “0.0” percent represent non-zero values less than “0.05” percent (if positive) and greater than “(0.05)” percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as “—”. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

Tables 4.4 and 4.5 present information on U.S. importers’ 2024 U.S. shipments of imports of oleoresin paprika from India by color units (CU).⁵ U.S. shipments of oleoresin paprika from India included all the color ranges with U.S. shipments *** accounting for the greatest share of quantity, followed by *** and ***. Collectively, these three categories accounted for *** percent of U.S. shipments of subject oleoresin paprika in 2024. U.S. shipments of imports of oleoresin paprika from nonsubject sources included four of the seven categories for which data were collected.

⁵ The color value of blended, or “standardized,” ORP is determined by spectrophotometric measurement of color absorbance at a wavelength of 460nm. American Spice Trade Association (ASTA) values and CU values are convertible. CU values are 40 times ASTA values (e.g., 1000 ASTA = 40,000 CU).

Table 4.4 Oleoresin paprika: U.S. importers' U.S. shipments of imports from India in 2024, by product type

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Shares in percent

Product type	Quantity	Value	Unit value	Share of quantity	Share of value
Crude, or unstandardized	***	***	***	***	***
Less than or equal to 50,000 CU	***	***	***	***	***
Greater than 50,000 and less than or equal to 70,000 CU	***	***	***	***	***
Greater than 70,000 and less than or equal to 90,000 CU	***	***	***	***	***
Greater than 90,000 and less than or equal to 110,000 CU	***	***	***	***	***
Greater than 110,000 and less than or equal to 130,000 CU	***	***	***	***	***
Greater than 130,000 CU	***	***	***	***	***
All product types	3,186	30,048	9.43	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table 4.5 Oleoresin paprika: U.S. importers' U.S. shipments of imports from nonsubject sources in 2024, by product type

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Shares in percent

Product type	Quantity	Value	Unit value	Share of quantity	Share of value
Crude, or unstandardized	***	***	***	***	***
Less than or equal to 50,000 CU	***	***	***	***	***
Greater than 50,000 and less than or equal to 70,000 CU	***	***	***	***	***
Greater than 70,000 and less than or equal to 90,000 CU	***	***	***	***	***
Greater than 90,000 and less than or equal to 110,000 CU	***	***	***	***	***
Greater than 110,000 and less than or equal to 130,000 CU	***	***	***	***	***
Greater than 130,000 CU	***	***	***	***	***
All product types	***	***	***	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.⁶ Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.⁷ Table 4.6 presents information on imports from India and all other sources in the 12-month period preceding the filing of the petition (i.e., June 2024 through May 2025). U.S. imports of oleoresin paprika from India exceeded three percent of total imports, specifically accounting for *** percent of total imports of oleoresin paprika by quantity during this period.

Table 4.6 Oleoresin paprika: U.S. imports in the twelve-month period preceding the filing of the petition, June 2024 through May 2025

Quantity in 1,000 pounds; Share of quantity in percent

Source of imports	Quantity	Share of quantity
India	3,007	***
All other sources	***	***
All import sources	***	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

⁶ Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

⁷ Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Apparent U.S. consumption and market shares

Quantity

Table 4.7 and figure 4.2 present data on apparent U.S. consumption and U.S. market shares by quantity for oleoresin paprika. Apparent U.S. consumption, by quantity, increased by *** percent from 2022 to 2024 and was *** percent lower in interim 2025 than in interim 2024. During the same period, the U.S. producer’s market share decreased from *** percent to *** percent but was *** percentage points higher in interim 2025 compared to interim 2024, while the share of oleoresin paprika from India increased from *** percent to *** percent but was *** percentage points lower in interim 2025 compared to interim 2024. By quantity, U.S. imports of oleoresin paprika from nonsubject sources were consistently the smallest component of apparent U.S. consumption.

Table 4.7 Oleoresin paprika: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in 1,000 pounds; Shares in percent; Interim period is January through March

Source	Measure	2022	2023	2024	Interim 2024	Interim 2025
U.S. producer	Quantity	***	***	***	***	***
India	Quantity	2,061	2,630	3,190	837	806
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
All sources	Quantity	***	***	***	***	***
U.S. producer	Share	***	***	***	***	***
India	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Figure 4.2 Oleoresin paprika: Apparent U.S. consumption based on quantity, by source and period

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires

Value

Table 4.8 and figure 4.3 present data on apparent U.S. consumption and U.S. market shares by value for oleoresin paprika. Apparent U.S. consumption, by value, increased by *** percent from 2022 to 2024 and was *** percent lower in interim 2025 than in interim 2024. During the same period, the U.S. producer's market share decreased irregularly from *** percent to *** percent but was *** percentage points higher in interim 2025 compared to interim 2024, while the share of subject imports increased irregularly from *** percent to *** percent but was *** percentage points lower in interim 2025 compared to interim 2024. By value, U.S. imports of oleoresin paprika from nonsubject sources were consistently the smallest component of apparent U.S. consumption.

Table 4.8 Oleoresin paprika: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; Shares in percent; Interim period is January through March

Source	Measure	2022	2023	2024	Interim 2024	Interim 2025
U.S. producer	Value	***	***	***	***	***
India	Value	20,069	29,230	30,068	10,472	8,918
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
All sources	Value	***	***	***	***	***
U.S. producer	Share	***	***	***	***	***
India	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Figure 4.3 Oleoresin paprika: Apparent U.S. consumption based on value, by source and period

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Figure 4.4 presents data on U.S. shipments of oleoresin paprika by color units. U.S.-produced oleoresin paprika and U.S. imports of oleoresin paprika from India were shipped in each of the color ranges while U.S. imports of oleoresin paprika from nonsubject sources were shipped in a subset of color ranges.

Figure 4.4 Oleoresin paprika: U.S. shipments in 2024, by product type

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires and presented in tables 3.6, 4.4 and 4.5.

Part 5: Pricing data

Factors affecting prices

Raw material costs

Average unit values for red peppers, the principal input into domestically produced oleoresin paprika, increased to a peak in 2024, before declining sharply in 2025 (based on imported red peppers) (figure 5.1 and table 5.1). According to U.S. producer Rezolex, its paprika pepper acquisition costs ***.¹ Raw materials, which accounted for the largest share of the U.S. producer's cost of goods sold (COGS), increased slightly as a share of COGS between 2022 and 2024.

Table 5.1 Oleoresin paprika: Raw material average unit values for imported red peppers, by month

Values in dollars per pound

Month	2022	2023	2024	2025
January	NA	0.95	1.18	1.13
February	NA	0.87	1.15	1.09
March	NA	0.97	1.25	1.05
April	NA	0.95	0.96	0.86
May	NA	0.99	0.89	0.75
June	NA	1.03	1.16	NA
July	1.45	1.07	1.47	NA
August	1.36	1.23	1.49	NA
September	1.08	1.16	1.26	NA
October	1.14	0.92	1.17	NA
November	1.42	0.88	1.16	NA
December	1.22	1.10	1.03	NA

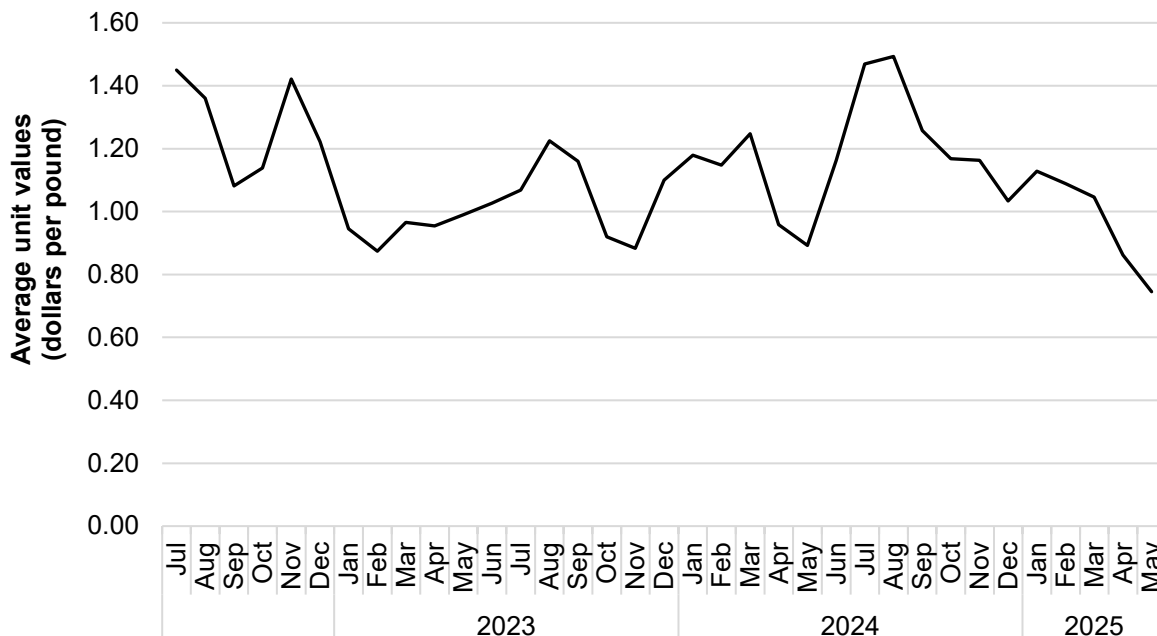
Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 0709.60.4007, 0709.60.4022, 0709.60.4063, and 0709.60.4081, accessed July 16, 2025. "

Note: Due to official import statistics categorization, average unit values were not available prior to July 2022.

¹ Counsel for U.S. producer Rezolex's email to USITC staff, July 23, 2025.

Figure 5.1 Oleoresin paprika: Raw material average unit values for imported red peppers, by month

Values in dollars per pound



Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 0709.60.4007, 0709.60.4022, 0709.60.4063, and 0709.60.4081, accessed July 16, 2025.

Note: Due to official import statistics categorization, average unit values were not available prior to July 2022.

Transportation costs to the U.S. market

Transportation costs for oleoresin paprika shipped from India to the United States averaged 3.1 percent during 2024. These estimates were derived from official import data and represent the transportation and other charges on imports.²

² The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2024 and then dividing by the customs value based on the HTS statistical reporting number 3203.00.8000.

U.S. inland transportation costs

U.S. producer Rezolex reported that ***, and importers reported that they typically arrange transportation to their customers. U.S. producer Rezolex reported that its U.S. inland transportation costs *** percent while most importers reported costs of 1 percent, and costs ranging between 1.0 and 5.0 percent.

Pricing practices

Pricing methods

U.S. producer Rezolex bases its pricing on color value, such that color values are proportionately distributed. For example, the price for 40,000 color units would be 40 percent of 100,000 color units, plus the cost of vegetable oil, packaging, blending, labor, and any additional ingredients.³

U.S. producer Rezolex reported setting prices using ***, and most importers reported setting prices using annual contracts, followed by transaction-by-transaction negotiations (table 5.2). U.S. producer Rezolex stated that it approaches its buyers every December/January before planting to ask what quantities of oleoresin paprika they will need when it is harvested.⁴ McCormick stated that ***.⁵

Table 5.2 Oleoresin paprika: Count of U.S. producer's and importers' reported price setting methods

Method	U.S. producer	Importers
Transaction-by-transaction	***	10
Contract	***	6
Set price list	***	3
Other	***	3
Responding firms	1	13

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

³ Conference transcript, p. 57 (Biad).

⁴ Conference transcript, p. 58 (Biad).

⁵ McCormick's postconference brief, p. 6.

U.S. producer Rezolex reported selling *** of its oleoresin paprika under ***, while importers reported selling the majority of their oleoresin paprika under annual contracts, with additional volumes sold under spot and short-term contract sales (table 5.3). U.S. producer Rezolex stated that it operates on a one year, one contract basis and that it tried in the past to have long-term contracts with its customers, but that market factors such as fluctuations in labor, access to water, and cost of chemicals made it difficult.⁶

⁶ Conference transcript, p. 31 to 32 (Biad).

Table 5.3 Oleoresin paprika: U.S. producer’s and importers’ shares of commercial U.S. shipments by type of sale, 2024

Share in percent

Type of sale	U.S. producers	Subject importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
Total	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Because of rounding, figures may not add to the totals shown.

U.S. producer Rezolex reported that it *** renegotiate price, **, and indexing to raw materials for **. Two responding importers indicated renegotiating contracts for both short-term and annual contracts, and three indicated that they did not renegotiate annual contracts. Two reported that their short-term contracts fixed to both price and quantity, while three did for annual contracts. No importers reported indexing to raw materials.

Sales terms and discounts

U.S. producer Rezolex typically quotes prices on ** basis and offers **. Most importers typically quote prices on an f.o.b. basis but have no discount policies.

Price data

The Commission requested U.S. producer Rezolex and importers to provide quarterly data for the total quantity and f.o.b. value of the following oleoresin paprika products shipped to unrelated U.S. customers during January 2022 to March 2025.

Product 1.--“Oleoresin paprika, food grade, 140,000 CU”.

Product 2.--“Oleoresin paprika, food grade, 100,000 CU”.

Product 3.--“Oleoresin paprika, food grade, 80,000 CU”.

Product 4.-- “Oleoresin paprika, food grade, 40,000 CU”.

U.S. producer Rezolex and 10 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.⁷ Pricing data reported by these firms accounted for approximately *** percent of U.S. producer Rezolex’s U.S. shipments of oleoresin paprika and *** percent of U.S. shipments of subject imports from India, in 2024.⁸ Price data for products 1 to 4 are presented in tables 5.4 to 5.7 and figures 5.2 to 5.5.

Table 5.4 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	India price	India quantity	India margin
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: “Oleoresin paprika, food grade, 140,000 CU”. Counsel for Rezolex stated that ***. Email to USITC staff, July 17, 2025. *** was the only importer to provide data for pricing product 1. Counsel for ***. Email to USITC staff, July 31, 2025.

⁷ Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates. Of the importers that reported that they did not sell oleoresin paprika from India, most reported internal consumption of oleoresin paprika.

⁸ Pricing coverage is based on U.S. shipments reported in questionnaires.

Figure 5.2 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter

Price of product 1

* * * * *

Volume of product 1

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: "Oleoresin paprika, food grade, 140,000 CU".

Table 5.5 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	India price	India quantity	India margin
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: “Oleoresin paprika, food grade, 100,000 CU”. Importer *** reported approximately *** pounds for Product 2, but did not provide values, and did not respond to multiple staff attempts to obtain or cure these data; as such, these quantities were removed from the data set.

Figure 5.3 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter

Price of product 2

* * * * *

Volume of product 2

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: "Oleoresin paprika, food grade, 100,000 CU".

Table 5.6 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	India price	India quantity	India margin
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: “Oleoresin paprika, food grade, 80,000 CU”. Importer *** reported approximately *** pounds for Product 3, but did not provide values, and did not respond to multiple staff attempts to obtain or cure these data; as such, these quantities were removed from the data set.

Figure 5.4 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter

Price of product 3

* * * * *

Volume of product 3

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: "Oleoresin paprika, food grade, 80,000 CU".

Table 5.7 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	India price	India quantity	India margin
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: “Oleoresin paprika, food grade, 40,000 CU”. Importer *** reported approximately *** for Product 4, but did not provide values, and did not respond to multiple staff attempts to obtain or cure these data; as such, these quantities were removed from the data set.

Figure 5.5 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by source and quarter

Price of product 4

* * * * *

Volume of product 4

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: "Oleoresin paprika, food grade, 40,000 CU".

Price trends

In general, prices increased during January 2022 to March 2025. Table 5.8 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent during January 2022 to March 2025 while import price increases ranged from *** to *** percent.

Table 5.8 Oleoresin paprika: Summary of price data, by product and source, January 2022 to March 2025

Quantity in pounds, price in dollars per pound

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Percent change in price over period
Product 1	United States	13	***	***	***	***	***	***
Product 1	India	11	***	***	***	***	***	***
Product 2	United States	13	***	***	***	***	***	***
Product 2	India	13	***	***	***	***	***	***
Product 3	United States	13	***	***	***	***	***	***
Product 3	India	13	***	***	***	***	***	***
Product 4	United States	13	***	***	***	***	***	***
Product 4	India	13	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Percent change column is percentage change from the first quarter 2022 to the first quarter in 2025. Counsel for ***. Email to USITC staff, July 31, 2025.

Table 5.9 Oleoresin paprika: Indexed U.S. producer prices, by quarter

Index in percent, 2022 Q1= 100.0 percent

Period	Product 1	Product 2	Product 3	Product 4
2022 Q1	100.0	100.0	100.0	100.0
2022 Q2	***	***	***	***
2022 Q3	***	***	***	***
2022 Q4	***	***	***	***
2023 Q1	***	***	***	***
2023 Q2	***	***	***	***
2023 Q3	***	***	***	***
2023 Q4	***	***	***	***
2024 Q1	***	***	***	***
2024 Q2	***	***	***	***
2024 Q3	***	***	***	***
2024 Q4	***	***	***	***
2025 Q1	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Figure 5.6 Oleoresin paprika: Indexed U.S. producer prices, by quarter

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Table 5.10 Oleoresin paprika: Indexed subject U.S. importer prices, by quarter

Index in percent, 2022 Q1= 100.0 percent

Period	Product 1	Product 2	Product 3	Product 4
2022 Q1	100.0	100.0	100.0	100.0
2022 Q2	***	***	***	***
2022 Q3	***	***	***	***
2022 Q4	***	***	***	***
2023 Q1	***	***	***	***
2023 Q2	***	***	***	***
2023 Q3	***	***	***	***
2023 Q4	***	***	***	***
2024 Q1	***	***	***	***
2024 Q2	***	***	***	***
2024 Q3	***	***	***	***
2024 Q4	***	***	***	***
2025 Q1	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Figure 5.7 Oleoresin paprika: Indexed U.S. producer prices, by quarter

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Price comparisons

As shown in table 5.11, prices for product imported from India were below those for U.S.-produced product in 41 of 50 instances (***) pounds); margins of underselling ranged from *** percent. In the remaining 9 instances (***) pounds), prices for product from India were between *** percent above prices for the domestic product.

Table 5.11 Oleoresin paprika: Instances of underselling and overselling and the range and average of margins, by product

Quantity in pounds; margin in percent

Product	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	4	***	***	***	***
Product 2	Underselling	13	***	***	***	***
Product 3	Underselling	13	***	***	***	***
Product 4	Underselling	11	***	***	***	***
Total, all products	Underselling	41	***	***	***	***
Product 1	Overselling	7	***	***	***	***
Product 2	Overselling	—	***	***	***	***
Product 3	Overselling	—	***	***	***	***
Product 4	Overselling	2	***	***	***	***
Total, all products	Overselling	9	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table 5.12 Oleoresin paprika: Instances of underselling and overselling and the range and average of margins, by year

Quantity in pounds; margin in percent

Year	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
2022	Underselling	10	***	***	***	***
2023	Underselling	12	***	***	***	***
2024	Underselling	15	***	***	***	***
January through March 2025	Underselling	4	***	***	***	***
Total, all years	Underselling	41	***	***	***	***
2022	Overselling	4	***	***	***	***
2023	Overselling	4	***	***	***	***
2024	Overselling	1	***	***	***	***
January through March 2025	Overselling	—	***	***	***	***
Total, all years	Overselling	9	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Lost sales and lost revenue

The Commission requested that U.S. producers of oleoresin paprika report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of oleoresin paprika from India during January 2022 through March 2025. U.S. producer Rezolex reported that it ***. Rezolex identified five firms with which it lost sales or revenue during the period of investigation (all consisting of both types of allegations). Allegations occurred during either the first quarter of 2023 or the first quarter of 2025.

Staff contacted five purchasers and received responses from all five purchasers. Responding purchasers reported purchasing *** pounds of oleoresin paprika during January 2022 to March 2025 (table 5.13).

Of the five responding purchasers, all reported that, since 2022, they had purchased imported oleoresin paprika from India instead of U.S.-produced product. Five of these purchasers reported that subject import prices were lower than U.S.-produced product, and three of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Three purchasers estimated the quantity of oleoresin paprika from India purchased instead of domestic product; quantities ranged from *** pounds to *** pounds (table 5.14). Purchasers identified year-round

availability outside harvest times, quality, product consistency, performance, supply continuity, service, alignment with technical requirements, technological expertise, and processing capabilities (such as ***) as non-price reasons for purchasing imported rather than U.S.-produced product.

Of the five responding purchasers, three reported that the U.S. producer had not reduced prices in order to compete with lower-priced imports from India and two reported that they did not know; therefore, purchasers did not provide estimated price reductions.

Table 5.13 Oleoresin paprika: Purchasers' reported purchases and imports, by firm and source

Quantity in thousand pounds, share in percent

Purchaser	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject country share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

Table 5.14 Oleoresin paprika: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in thousand pounds

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes: 5; No: 0	Yes: 5; No: 0	Yes: 3; No: 2	***	NA

Source: Compiled from data submitted in response to Commission questionnaires.

Part 6: Financial experience of U.S. producer

Background¹

The sole U.S. producer, Rezolex, provided usable financial results on its oleoresin paprika operations. Rezolex's financial results were reported on a calendar-year basis.² The company uses a *** for its accounting framework.³

Operations on oleoresin paprika

Table 6.1 presents the U.S. producer's results of operations in relation to oleoresin paprika, while table 6.2 presents the corresponding changes in AUVs. As previously mentioned, ***.⁴

¹ The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

² Rezolex's U.S. producer questionnaire, section 3.2A.1. The company's internal books and records are primarily kept on the basis of ***. Staff notes from meeting with ***, July 28, 2025.

³ Staff notes from meeting with ***, July 28, 2025. ***. Ibid. ***. Email from ***, July 23, 2025. ***.

⁴ Due to the issues associated with ***. These results are shown in table 6.5.

Table 6.1 Oleoresin paprika: U.S. producer's results of operations, by item and period

Quantity in 1,000 pounds; value in \$1,000; ratios and shares in percent; unit values in dollars per pound; interim is January through March

Item	Measure	2022	2023	2024	Interim 2024	Interim 2025
Total net sales	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
COGS: Raw materials	Value	***	***	***	***	***
COGS: Direct labor	Value	***	***	***	***	***
COGS: Other factory	Value	***	***	***	***	***
COGS: Total	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Interest expense	Value	***	***	***	***	***
All other expenses	Value	***	***	***	***	***
All other income	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***
Cash flow	Value	***	***	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***	***	***
COGS: Other factory	Ratio to NS	***	***	***	***	***
COGS: Total	Ratio to NS	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***
COGS: Raw materials	Share of COGS	***	***	***	***	***
COGS: Direct labor	Share of COGS	***	***	***	***	***
COGS: Other factory	Share of COGS	***	***	***	***	***
COGS: Total	Share of COGS	100.0	100.0	100.0	100.0	100.0
Total net sales	Unit value	***	***	***	***	***
COGS: Raw materials	Unit value	***	***	***	***	***
COGS: Direct labor	Unit value	***	***	***	***	***
COGS: Other factory	Unit value	***	***	***	***	***
COGS: Total	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”. Rezolex reported that ***. Email from ***, July 24, 2028. As discussed in further detail in the section below, the individual components of COGS were ***.

Table 6.2 Oleoresin paprika: Changes in AUVs between comparison periods

Changes in percent; interim is January through March

Item	2022-24	2022-23	2023-24	Interim 2024-25
Total net sales	***	***	***	***
COGS: Raw materials	***	***	***	***
COGS: Direct labor	***	***	***	***
COGS: Other factory	***	***	***	***
COGS: Total	***	***	***	***

Table continued.

Table 6.2 (Continued) Oleoresin paprika: Changes in AUVs between comparison periods

Changes in dollars per pound; interim is January through March

Item	2022-24	2022-23	2023-24	Interim 2024-25
Total net sales	***	***	***	***
COGS: Raw materials	***	***	***	***
COGS: Direct labor	***	***	***	***
COGS: Other factory	***	***	***	***
COGS: Total	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expense	***	***	***	***
Operating income or (loss)	***	***	***	***
Net income or (loss)	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “—”. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

Net sales

The net sales quantity of oleoresin paprika decreased from 2022 to 2023, then increased slightly in 2024; it was unchanged in interim 2025 from interim 2024. Net sales value increased each year from 2022 to 2024 and was higher in interim 2025 than in interim 2024. The net sales AUV of oleoresin paprika increased each year from 2022 to 2024 and was higher in interim 2025 than in interim 2024.

Rezolex produces two other products while producing oleoresin paprika: spent meal (a co-product) and paprika seed (a by-product). Table 6.3 shows the net sales revenue of each product and each product's share of aggregate revenue. Paprika seed represented a *** share of the aggregate revenue, whereas the revenue received for spent meal was approximately *** of the combined revenue. To provide financial results that were specific to oleoresin paprika, the company treated the revenue of these products as an offset to the individual components of COGS, based on each component's share of total COGS.⁵

Table 6.3 Oleoresin paprika: U.S. producer's oleoresin paprika and related product revenue, by item and period

Value in \$1,000; share of value in percent

Item	Measure	2022	2023	2024	Interim 2024	Interim 2025
Oleoresin paprika revenue	Value	***	***	***	***	***
Spent meal revenue	Value	***	***	***	***	***
Paprika seed revenue	Value	***	***	***	***	***
Combined revenue	Value	***	***	***	***	***
Oleoresin paprika	Share	***	***	***	***	***
Spent meal	Share	***	***	***	***	***
Paprika seed	Share	***	***	***	***	***
Combined revenue	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

⁵ Email from ***, July 23, 2025.

Cost of goods sold and gross profit or loss

Raw material costs were the largest component of oleoresin paprika COGS, representing approximately *** percent of total COGS during the period for which data were collected. As a ratio to net sales and on a per-pound basis, raw material costs decreased from 2022 to 2023 but increased *** in 2024, for an overall increase between 2022 and 2024; however, raw material costs were lower in interim 2025 than in interim 2024. In response to questions from staff regarding the fluctuations in the company's raw material cost AUVs during the period for which data were collected, the company's explanation ***.⁶

Table 6.4 presents raw materials, by type. The table shows that dried peppers accounted for the large majority of raw material costs. Rezolex purchases *** dried paprika peppers from Biad Chile, Ltd. Co ("Biad Chile").⁷

⁶ Email from ***, July 14, 2025. Specifically, the company provided the following response when asked about the fluctuations in raw material cost AUVs: ***. Ibid. ***.

⁷ Conference transcript, pp. 29 to 30 (Biad). Rezolex and Biad Chile are ***. Email from ***, July 23, 2025. The dried paprika peppers purchased from Biad Chile represented *** percent of Rezolex's total oleoresin paprika COGS in 2024. Rezolex's U.S. producer questionnaire, section 3.7a. These purchases *** (i.e., Rezolex pays market price). Email from ***, July 23, 2025; conference transcript, p. 29 (Biad).

Table 6.4 Oleoresin paprika: U.S. producer’s raw material costs in 2024

Value in \$1,000; unit values in dollars per pound; share of value in percent

Item	Value	Unit value	Share of value
Dried peppers	***	***	***
Natural solvents	***	***	***
Vegetable oil	***	***	***
Other material inputs	***	***	***
All raw materials	***	***	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: While ***. Rezolex’s U.S. producer questionnaire response, section 3.9c. The company clarified that ***. Email from ***, July 14, 2023.

In order to have a more meaningful comparison of input costs over the period for which data were collected, staff requested that the company provide the following information, by crop year (“CY”): average acquisition cost for the dried paprika peppers (which account for the large majority of raw material costs, as shown in table 6.4), the average yield (ratio of dried paprika peppers to oleoresin paprika produced), and the average sales price of oleoresin paprika. This allows for the calculation of the average material margin (net sales value less raw material cost) per pound of oleoresin paprika produced, by crop year. These data are shown in table 6.5.

Table 6.5 Oleoresin paprika: U.S. producer’s average acquisition cost of dried peppers, average yield, average sales price of oleoresin paprika, and material margin for oleoresin paprika, by item and period

Unit values in dollars per pound; ratio in percent; crop year is October through September, such that “CY ended 2022” is for October 1, 2021, through September 30, 2022

Item	Measure	CY ended 2022	CY ended 2023	CY ended 2024	CY ended 2025 YTD
Acquisition cost of paprika peppers	Unit value	***	***	***	***
Yield (paprika peppers to oleoresin paprika)	Ratio	***	***	***	***
Cost of paprika peppers per pound of oleoresin paprika (100,000 CU) produced (a)	Unit value	***	***	***	***
Average sales price of oleoresin paprika (100,000 CU) (b)	Unit value	***	***	***	***
Material margin (b-a)	Unit value	***	***	***	***

Source: Email from ***, July 29, 2025.

Note: The average cost data represent the costs per unit of oleoresin paprika that is produced in the given period (rather than what is sold) and do not include raw material inputs other than the dried paprika peppers. In addition, they are higher than the per-pound raw material costs in table 6.1 because ***. The average unit sales prices of oleoresin paprika in this table are higher than what is reported in table 6.1 because they are per pound of 100,000 CU oleoresin paprika whereas the net sales quantities in table 6.1 are in actual pounds sold (i.e., including the weight of vegetable oil added to adjust the color unit value).

Direct labor costs for oleoresin paprika were the second-largest component of COGS, representing approximately *** percent of total COGS during the period for which data were collected. On an average per-pound basis, direct labor costs decreased from 2022 to 2023, then increased in 2024, for an overall increase from 2022 to 2024; they were lower in interim 2025 than they were in interim 2024.

Other factory costs were the smallest component of oleoresin paprika COGS, representing approximately *** percent of total COGS during the period for which data were collected. On a per-pound basis these costs increased from 2022 to 2023, then decreased in 2024, but remained above their 2022 level; they were lower in interim 2025 than in interim 2024.

The company’s COGS to net sales ratio decreased from 2022 to 2023 and then increased in 2024, for an overall increase from 2022 to 2024; it was lower in interim 2025 than in interim 2024. Unit COGS increased overall from 2022 to 2024, largely reflecting the increase in per-pound raw material costs. Similarly, the AUV of COGS was lower in interim 2025 than in interim 2024, which was primarily the result of lower raw material costs per pound. The U.S. producer’s gross profit for oleoresin paprika increased from 2022 to 2023 but decreased in 2024, for an overall decrease from 2022 to 2024; it was higher in interim 2025 than in interim 2024.

SG&A expenses and operating income or loss

As seen in table 6.1, Rezolex's SG&A expenses increased modestly from 2022 to 2024 and were unchanged between the interim periods. The SG&A expense ratio (SG&A expenses divided by net sales value) remained within a relatively narrow range. The trend in the company's oleoresin paprika operating income was very similar to its gross profit. It increased from 2022 to 2023 but decreased to the annual-period low in 2024; it was higher in interim 2025 than in interim 2024.

All other expenses and net income or loss

Classified below operating income are interest expense and other expenses, net of other income. Rezolex reported ***. The company reported that the ***.⁸ Net income followed the same directional trends as gross profit and operating income; that is, it increased from 2022 to 2023 but decreased in 2024, for an overall decrease between 2022 and 2024. It was higher in interim 2025 than in interim 2024.

⁸ Email from ***, July 14, 2023. Staff notes that these expenses are typically classified within ***. However, in *** companies have more discretion on where expenses are classified.

Variance analysis

A variance analysis for the operations of U.S. producers of oleoresin paprika is presented in table 6.6.⁹ The information for this variance analysis is derived from table 6.1. The analysis shows that the decrease in operating income from 2022 to 2024 was primarily attributable to an unfavorable cost/expense variance, despite a favorable price variance. The higher operating income in interim 2025 compared with interim 2024 was the result of a favorable price variance and a larger favorable cost/expense variance.

Table 6.6 Oleoresin paprika: Variance analysis on the operations of U.S. producers between comparison periods

Value in \$1,000; interim is January through March

Item	2022-24	2022-23	2023-24	Interim 2024-25
Net sales price variance	***	***	***	***
Net sales volume variance	***	***	***	***
Net sales total variance	***	***	***	***
COGS cost variance	***	***	***	***
COGS volume variance	***	***	***	***
COGS total variance	***	***	***	***
Gross profit variance	***	***	***	***
SG&A cost variance	***	***	***	***
SG&A volume variance	***	***	***	***
SG&A total variance	***	***	***	***
Operating income price variance	***	***	***	***
Operating income cost variance	***	***	***	***
Operating income volume variance	***	***	***	***
Operating income total variance	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Unfavorable variances (which are negative) are shown in parentheses, all others are favorable (positive).

⁹ The Commission's variance analysis is calculated in three parts: Net sales variance, COGS variance, and SG&A expense variance. Each part consists of a price variance (in the case of the net sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variances are calculated as the change in unit price or per-unit cost/expense, respectively, times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the operating income price variance is from sales; the operating income cost/expense variance is the sum of the cost components in the COGS and SG&A expense variances, and the operating income volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances.

Capital expenditures, R&D expenses, total assets, and return on assets

Table 6.7 presents capital expenditures, R&D expenses, total assets, and operating return on assets.¹⁰ Table 6.8 presents the firm's narrative explanations for these categories. As shown in table 6.7, ***. The company's total assets increased irregularly from 2022 to 2024, whereas its operating ROA decreased irregularly.

Table 6.7 Oleoresin paprika: U.S. producer's capital expenditures, R&D expenses, total assets, and operating ROA, by period

Value in \$1,000; interim is January through March

Item	Measure	2022	2023	2024	Interim 2024	Interim 2025
Capital expenditures	Value	***	***	***	***	***
R&D expenses	Value	***	***	***	***	***
Total assets	Value	***	***	***	***	***
ROA	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table 6.8 Oleoresin paprika: U.S. producer's narrative descriptions of its capital expenditures, R&D expenses, and total assets

Item	Narrative on item
Capital expenditures	***
R&D expenses	***
Total assets	***

Source: Compiled from data submitted in response to Commission questionnaires.

¹⁰ The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value on a product-specific basis.

Capital and investment

The Commission requested the U.S. producer of oleoresin paprika to describe any actual or potential negative effects of imports of oleoresin paprika from India on the firm’s growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table 6.9 presents the number of firms reporting an impact in each category and table 6.10 provides the U.S. producer’s narrative responses.

Table 6.9 Oleoresin paprika: The U.S. producer’s actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2022, by effect

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	***
Denial or rejection of investment proposal	Investment	***
Reduction in the size of capital investments	Investment	***
Return on specific investments negatively impacted	Investment	***
Other investment effects	Investment	***
Any negative effects on investment	Investment	***
Rejection of bank loans	Growth	***
Lowering of credit rating	Growth	***
Problem related to the issue of stocks or bonds	Growth	***
Ability to service debt	Growth	***
Other growth and development effects	Growth	***
Any negative effects on growth and development	Growth	***
Anticipated negative effects of imports	Future	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table 6.10 Oleoresin paprika: U.S. producer’s narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2022, by firm and effect

Item	Rezolex’s narrative responses on impact of imports
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Part 7: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors¹⁻⁻

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,
- (V) inventories of the subject merchandise,

¹ Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that “The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.”

- (VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,
- (VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),
- (VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and
- (IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).²

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in Parts 4 and 5; and information on the effects of imports of the subject merchandise on the U.S. producer's existing development and production efforts is presented in Part 6. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

² Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in India

The Commission issued foreign producers' or exporters' questionnaires to 13 firms believed to produce and/or export oleoresin paprika from India.³ Usable responses to the Commission's questionnaire were received from seven firms, which by self-estimates, accounted for 82.3 percent of oleoresin paprika production in India.⁴

Table 7.1 presents the number of producers/exporters in India that responded to the Commission's questionnaire, their exports to the United States as a share of U.S. imports by India in 2024, and their estimated share of total production of oleoresin paprika in India during 2024.

Table 7.1 Oleoresin paprika: Number of responding producers/exporters, approximate share of production, and exports to the United States as a share of U.S. imports from India, 2024

Subject foreign industry	Number of responding firms	Approximate share of production (percent)	Exports as a share of U.S. imports from India (percent)
India	7	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: "Approximate share of production" reflects the responding firms' estimates of their production as a share of total India production of oleoresin paprika in 2024. Since not all firms have perfect knowledge of the industry in their home market, different firms might use different denominators in estimating their firm's share of the total requested. Approximate shares are rounded to the nearest whole number.

Note: "Exports as a share of U.S. imports" reflects a comparison of export data reported by firms in response to the Commission's foreign producer/exporter questionnaire with U.S. import data reported by firms in response to the Commission's U.S. importer questionnaire.

³ These firms were identified through a review of information submitted in the petition, presented in third-party sources and through staff research.

⁴ One firm, ***, submitted a certified response that it does not produce oleoresin paprika in India.

Table 7.2 presents information on the oleoresin paprika operations of the responding producers and exporters in India.

Table 7.2 Oleoresin paprika: Summary data for producers in India in 2024

Producer	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Akay	***	***	***	***	***	***
AVT Natural	***	***	***	***	***	***
Mane Kancor	***	***	***	***	***	***
Paprika Oleo's	***	***	***	***	***	***
Plant Lipids	***	***	***	***	***	***
Synthite Industries	***	***	***	***	***	***
Universal Oleoresins	***	***	***	***	***	***
All individual producers	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

There have been no known changes in the industry in India since January 1, 2022, other than the changes in operations reported in questionnaires.

Changes in operations

Producers in India were asked to report any change in the character of their operations or organization relating to the production of oleoresin paprika since 2022. Three of seven producers indicated in their questionnaires that they had experienced such changes. The operational changes identified were plant opening, production curtailments, and expansions, reported by two producers each. Tables 7.3 and 7.4 present the changes identified by these producers and corresponding narratives.

Table 7.3 Oleoresin paprika: Count of reported changes in operations since January 1, 2022 and anticipated changes, by type of change in operation

Item	India
Plant openings	***
Plant closings	***
Prolonged shutdowns	***
Production curtailments	***
Relocations	***
Expansions	***
Acquisitions	***
Consolidations	***
Weather-related or force majeure events	***
Other	***
Any change	***
Anticipated changes in operations	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table 7.4 Oleoresin paprika: Reported changes in operations in India since January 1, 2022 and anticipated changes, by reported change category and firm

Item	Firm name and accompanying narrative response regarding changes in operations
Plant openings	***
Production curtailments	***
Expansions	***
Other	***
Anticipated changes in operations	***

Source: Compiled from data submitted in response to Commission questionnaires.

Installed and practical overall capacity

Table 7.5 presents data on producers' installed capacity, practical overall capacity, and practical oleoresin paprika capacity and production on the same equipment in India. During 2022 to 2024, installed overall and practical overall capacity increased by *** percent and *** percent, respectively, and practical oleoresin paprika capacity increased *** by *** percent. All capacities were similar during the interim periods. Overall production and oleoresin paprika production increased *** from 2022 to 2024. Capacity utilization for installed overall, practical overall, and oleoresin paprika production declined from 2022 to 2023 before increasing in 2024.

Table 7.5 Oleoresin paprika: Producers' installed and practical capacity and production on the same equipment as in-scope production in India, by period

Capacity and production in 1,000 pounds; utilization in percent; Interim period is January through March

Item	Measure	2022	2023	2024	Interim 2024	Interim 2025
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical Oleoresin paprika	Capacity	***	***	***	***	***
Practical Oleoresin paprika	Production	***	***	***	***	***
Practical Oleoresin paprika	Utilization	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Constraints on capacity

Tables 7.6 and 7.7 present Indian producers' reported capacity constraints since January 1, 2022. *** of *** Indian producers reported such constraints.

Table 7.6 Oleoresin paprika: Count of reported production constraints, by type of constraint

Type of constraint	India
Production bottlenecks	***
Existing labor force	***
Supply of material inputs	***
Fuel or energy	***
Storage capacity	***
Logistics/transportation	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table 7.7 Oleoresin paprika: Producers' reported constraints to practical overall capacity in India since January 1, 2022, by type of constraint and firm

Type of constraint	Firm name, and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Storage capacity	***
Storage capacity	***
Storage capacity	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on oleoresin paprika

The Commission solicited information on the types of peppers used by responding producers and exporters in India in oleoresin paprika production. As presented in table 7.8, *** Indian production is from capsicum peppers other than red, sweet paprika peppers.

Table 7.8 Oleoresin paprika: Producers in India production by type of pepper input

Quantity in 1,000 pounds; Interim period is January through March

Type	Measure	2022	2023	2024	Interim 2024	Interim 2025
Production: Using red, sweet paprika peppers	Quantity	***	***	***	***	***
Production: Using other capsicum peppers	Quantity	***	***	***	***	***
Production: Using all pepper inputs	Quantity	***	***	***	***	***
Production: Using red, sweet paprika peppers	Share	***	***	***	***	***
Production: Using other capsicum peppers	Share	***	***	***	***	***
Production: Using all pepper inputs	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table 7.9 presents information on the oleoresin paprika operations of the responding producers and exporters in India. Indian producers' combined capacity increased by *** percent during 2022 to 2024, was comparable during the interim periods, and is projected to increase in 2025 and 2026. Production increased *** from 2022 to 2024, was lower in interim 2025 than in interim 2024, and is projected to increase in 2025 and 2026. Capacity utilization increased *** from 2022 to 2024, was lower in interim 2025 than in interim 2024, and is projected to increase in 2025 and 2026.

Exports shipments accounted for approximately *** of Indian producers' total shipments during 2022 to 2024 and 2025/2026 projections, and *** higher during the interim periods. Exports to United States, which accounted for between *** and *** percent of total shipments, increased by *** percent from 2022 to 2024, were comparable during the interim periods, and are projected to decrease *** in 2025 and 2026. Exports to all other markets accounted for the largest share of shipments across all periods.

Indian producers' end-of-period inventories of oleoresin paprika decreased *** from 2022 to 2024, were lower in interim 2025 compared to 2024, and are projected to decrease further in 2025 and 2026.

Table 7.9 Oleoresin paprika: Data on industry in India, by period

Quantity in 1,000 pounds; Interim period is January through March

Item	2022	2023	2024	Interim 2024	Interim 2025	Projection 2025	Projection 2026
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued

Table 7.9 Continued Oleoresin paprika: Data on industry in India, by period

Shares and ratios in percent; Interim period is January through March

Item	2022	2023	2024	Interim 2024	Interim 2025	Projection 2025	Projection 2026
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

Five of seven responding subject producers reported producing other products on the same equipment and machinery used to produce oleoresin paprika. These data are presented in in table 7.10. Oleoresin paprika accounted for *** of overall production, accounting for at least *** percent in each full year or interim period. Other reported production on the same equipment included oleoresin capsicum, which is obtained from the longer, moderately pungent Capsicum and is sold as a flavoring agent or as an ingredient in pepper spray,⁵ and ***.

Table 7.10 Oleoresin paprika: Producers' overall production on the same equipment as in-scope production in India, by period

Quantities in 1,000 pounds; shares and Ratios in percent; Interim period is January through March

Product type	Measure	2022	2023	2024	Interim 2024	Interim 2025
Oleoresin paprika	Quantity	***	***	***	***	***
Oleoresin capsicum	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
Out-of-scope products	Quantity	***	***	***	***	***
All product types	Quantity	***	***	***	***	***
Oleoresin paprika	Share	***	***	***	***	***
Oleoresin capsicum	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
Out-of-scope products	Share	***	***	***	***	***
All product types	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

⁵ Petition, pp. 23 to 24.

Exports

According to GTA, the leading export markets for coloring matter of vegetable or animal origin from India, which included out-of-scope products, are United Arab Emirates, Bangladesh, and Italy, which collectively accounted for almost two thirds of such exports in 2024 (table 7.11). During 2024, the United States accounted for 0.9 percent of exports of coloring matter of vegetable or animal origin from India, but with average unit values substantially higher than non-U.S. destination markets.

Table 7.11 Coloring matter of vegetable or animal origin: Exports from India, by destination market and by period

Quantity in 1,000 pounds; Value in 1,000 dollars

Destination market	Measure	2022	2023	2024
United States	Quantity	185	116	124
United Arab Emirates	Quantity	2,703	5,084	5,833
Bangladesh	Quantity	1,629	2,660	1,725
Italy	Quantity	1,644	1,598	1,085
China	Quantity	500	744	864
France	Quantity	477	397	697
Russia	Quantity	167	436	561
Senegal	Quantity	329	657	513
Ghana	Quantity	63	127	165
All other destination markets	Quantity	2,233	2,072	1,503
Non-U.S. destination markets	Quantity	9,745	13,774	12,947
All destination markets	Quantity	9,930	13,890	13,071
United States	Value	1,213	690	1,041
United Arab Emirates	Value	1,220	2,212	3,517
Bangladesh	Value	320	710	310
Italy	Value	1,234	1,210	863
China	Value	855	1,142	1,130
France	Value	822	1,064	1,692
Russia	Value	328	555	546
Senegal	Value	1,683	3,296	2,510
Ghana	Value	1,059	2,144	3,432
All other destination markets	Value	13,163	13,298	14,324
Non-U.S. destination markets	Value	20,683	25,632	28,324
All destination markets	Value	21,896	26,321	29,365

Table continued.

Table 7.11 Continued Coloring matter of vegetable or animal origin: Exports from India, by destination market and by period

Unit values in dollars per pound; Shares in percent

Destination market	Measure	2022	2023	2024
United States	Unit value	6.54	5.94	8.39
United Arab Emirates	Unit value	0.45	0.44	0.60
Bangladesh	Unit value	0.20	0.27	0.18
Italy	Unit value	0.75	0.76	0.80
China	Unit value	1.71	1.54	1.31
France	Unit value	1.72	2.68	2.43
Russia	Unit value	1.97	1.27	0.97
Senegal	Unit value	5.12	5.02	4.90
Ghana	Unit value	16.72	16.82	20.77
All other destination markets	Unit value	5.89	6.42	9.53
Non-U.S. destination markets	Unit value	2.12	1.86	2.19
All destination markets	Unit value	2.20	1.90	2.25
United States	Share of quantity	1.9	0.8	0.9
United Arab Emirates	Share of quantity	27.2	36.6	44.6
Bangladesh	Share of quantity	16.4	19.1	13.2
Italy	Share of quantity	16.6	11.5	8.3
China	Share of quantity	5.0	5.4	6.6
France	Share of quantity	4.8	2.9	5.3
Russia	Share of quantity	1.7	3.1	4.3
Senegal	Share of quantity	3.3	4.7	3.9
Ghana	Share of quantity	0.6	0.9	1.3
All other destination markets	Share of quantity	22.5	14.9	11.5
Non-U.S. destination markets	Share of quantity	98.1	99.2	99.1
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 3203.00 as reported by India in the Global Trade Atlas Suite database, accessed July 2, 2025.

Note: United States is shown at the top. All remaining top export destinations are shown in descending order of 2024 data.

U.S. inventories of imported merchandise

Table 7.12 presents data on U.S. importers' reported inventories of oleoresin paprika. Thirteen of twenty responding firms reported inventories of oleoresin paprika during 2022 to 2024. U.S. importers' inventories of imports from India decreased by slightly more than half during 2022 to 2024 but were modestly higher in interim 2025 than in interim 2024. U.S. importers' ratios of inventories to imports and U.S. shipments of imports declined from 2022 to 2024.

Table 7.12 Oleoresin paprika: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 pounds; Ratio in percent; Interim period is January through March

Measure	Source	2022	2023	2024	Interim 2024	Interim 2025
Inventories quantity	India	1,242	978	609	644	670
Ratio to imports	India	45.3	39.2	20.2	27.3	19.3
Ratio to U.S. shipments of imports	India	60.3	37.2	19.1	19.2	20.8
Ratio to total shipments of imports	India	***	***	***	***	***
Inventories quantity	Nonsubject sources	***	***	***	***	***
Ratio to imports	Nonsubject sources	***	***	***	***	***
Ratio to U.S. shipments of imports	Nonsubject sources	***	***	***	***	***
Ratio to total shipments of imports	Nonsubject sources	***	***	***	***	***
Inventories quantity	All import sources	***	***	***	***	***
Ratio to imports	All import sources	***	***	***	***	***
Ratio to U.S. shipments of imports	All import sources	***	***	***	***	***
Ratio to total shipments of imports	All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of oleoresin paprika from India after March 31, 2025. Their reported data are presented in table 7.13. India accounted for virtually all reported arranged imports of oleoresin paprika after April 1, 2025.

Table 7.13 Oleoresin paprika: U.S. importers' arranged imports, by source and period

Quantity in 1,000 pounds

Source	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Total
India	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Third-country trade actions

There are no known trade remedy actions on oleoresin paprika originating in India in third-country markets.

Information on nonsubject countries

Petitioner presented information on Spain and China as the two largest nonsubject sources of oleoresin paprika imported into the U.S. market.⁶ The petitioner asserts that China has largely left the U.S. market since the United States imposed Section 301 tariffs on imports of Chinese origin in 2018.⁷

Table 7.14 presents GTA data for global exports of coloring matter of vegetable or animal origin under HS subheading 3203.00 (an HS classification that includes oleoresin paprika and out-of-scope goods).⁸ Based on GTA data, China was the dominant global exporter of these coloring matters in 2024, followed by the Netherlands, Italy, and Spain.

⁶ Petition, p. 37.

⁷ Petition, p. 36.

⁸ The full article description for HS subheading 3203.00 is "Coloring matter of vegetable or animal origin (including dyeing extracts but excluding animal black), whether or not chemically defined; preparations as specified in note 3 to this chapter based on coloring matter of vegetable or animal origin." USITC, HTS (2025) Revision 16, Publication 5644, July 2025, pp. 32.2.

Table 7.14 Coloring matter of vegetable or animal origin: Global exports, by exporting country and by period

Quantity in 1,000 pounds; share in percent

Exporting country	Measure	2022	2023	2024
United States	Quantity	8,713	7,458	7,401
India	Quantity	9,930	13,890	13,071
China	Quantity	21,694	24,424	24,145
Netherlands	Quantity	23,068	20,745	18,807
Italy	Quantity	16,955	16,462	18,107
Spain	Quantity	19,963	19,760	15,709
Germany	Quantity	14,951	14,239	14,319
New Zealand	Quantity	2,258	3,606	14,118
Denmark	Quantity	8,393	8,439	8,926
France	Quantity	11,130	9,632	8,476
Mexico	Quantity	4,895	5,189	5,799
Peru	Quantity	4,938	5,301	4,917
All other exporters	Quantity	41,058	34,478	31,348
All reporting exporters	Quantity	187,946	183,624	185,141
United States	Value	167,291	165,963	153,357
India	Value	21,896	26,321	29,365
China	Value	281,198	276,081	265,010
Netherlands	Value	231,429	224,373	214,974
Italy	Value	92,538	89,286	86,043
Spain	Value	110,133	103,860	111,367
Germany	Value	147,011	153,294	162,569
New Zealand	Value	5,973	9,086	31,366
Denmark	Value	105,338	134,033	119,950
France	Value	70,849	77,956	69,310
Mexico	Value	21,908	21,039	24,156
Peru	Value	71,429	93,600	109,163
All other exporters	Value	357,535	363,305	346,204
All reporting exporters	Value	1,684,530	1,738,195	1,722,834

Table continued.

Table 7.14 Continued Coloring matter of vegetable or animal origin: Global exports, by exporting country and by period

Unit values in dollars per pound; Shares in percent

Exporting country	Measure	2022	2023	2024
United States	Unit value	19.20	22.25	20.72
India	Unit value	2.20	1.90	2.25
China	Unit value	12.96	11.30	10.98
Netherlands	Unit value	10.03	10.82	11.43
Italy	Unit value	5.46	5.42	4.75
Spain	Unit value	5.52	5.26	7.09
Germany	Unit value	9.83	10.77	11.35
New Zealand	Unit value	2.65	2.52	2.22
Denmark	Unit value	12.55	15.88	13.44
France	Unit value	6.37	8.09	8.18
Mexico	Unit value	4.48	4.05	4.17
Peru	Unit value	14.47	17.66	22.20
All other exporters	Unit value	8.71	10.54	11.04
All reporting exporters	Unit value	8.96	9.47	9.31
United States	Share of quantity	4.6	4.1	4.0
India	Share of quantity	5.3	7.6	7.1
China	Share of quantity	11.5	13.3	13.0
Netherlands	Share of quantity	12.3	11.3	10.2
Italy	Share of quantity	9.0	9.0	9.8
Spain	Share of quantity	10.6	10.8	8.5
Germany	Share of quantity	8.0	7.8	7.7
New Zealand	Share of quantity	1.2	2.0	7.6
Denmark	Share of quantity	4.5	4.6	4.8
France	Share of quantity	5.9	5.2	4.6
Mexico	Share of quantity	2.6	2.8	3.1
Peru	Share of quantity	2.6	2.9	2.7
All other exporters	Share of quantity	21.8	18.8	16.9
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 3203.00 as reported by exporting country in the Global Trade Atlas Suite database, accessed July 2, 2025.

Note: United States is shown at the top followed by the country under investigation, all remaining top exporting countries in descending order of 2024 data.

APPENDIX A
FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
90 FR 28767, July 1, 2025	Oleoresin Paprika From India; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations	https://www.govinfo.gov/content/pkg/FR-2025-07-01/pdf/2025-12283.pdf
90 FR 34419, July 22, 2025	Oleoresin Paprika From India: Initiation of Less-Than-Fair-Value Investigation	https://www.govinfo.gov/content/pkg/FR-2025-07-22/pdf/2025-13695.pdf
90 FR 34433, July 22, 2025	Oleoresin Paprika From India: Initiation of Countervailing Duty Investigation	https://www.govinfo.gov/content/pkg/FR-2025-07-22/pdf/2025-13696.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission’s preliminary conference:

Subject: Oleoresin Paprika from India
Inv. Nos.: 701-TA-771 and 731-TA-1755 (Preliminary)
Date and Time: July 16, 2025 – 9:30 a.m.

Sessions were held in connection with these preliminary phase investigations in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, D.C.

OPENING REMARKS:

In Support of Imposition (**J. Daniel Stirk**, Picard Kentz & Rowe LLP)

**In Support of the Imposition of the
Antidumping and Countervailing Duty Orders:**

Picard Kentz & Rowe LLP
Washington, DC
on behalf of

Rezolex, Ltd. Co. (“Rezolex”)

Louis B. Biad, Managing Partner, Rezolex

Whitney M. Rolig)
) – OF COUNSEL
J. Daniel Stirk)

CLOSING REMARKS:

In Support of Imposition (**Whitney M. Rolig**, Picard Kentz & Rowe LLP)

APPENDIX C
SUMMARY DATA

Table C.1

Oleoresin paprika: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted; Interim period is January through March

Item	Reported data					Period change comparisons			
	2022	Calendar year 2023	2024	Interim 2024	2025	2022-24	Calendar year 2022-23	2023-24	Interim 2024-25
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Producers' share (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***
Importers' share (fn1):									
India.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Nonsubject sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
All import sources.....	***	***	***	***	***	▲***	▲***	▲***	▼***
U.S. consumption value:									
Amount.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Producers' share (fn1).....	***	***	***	***	***	▼***	▼***	▲***	▲***
Importers' share (fn1):									
India.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Nonsubject sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
All import sources.....	***	***	***	***	***	▲***	▲***	▼***	▼***
U.S. importers' U.S. shipments of imports from:									
India:									
Quantity.....	2,061	2,630	3,190	837	806	▲54.8	▲27.6	▲21.3	▼(3.7)
Value.....	20,069	29,230	30,068	10,472	8,918	▲49.8	▲45.6	▲2.9	▼(14.8)
Unit value.....	\$9.74	\$11.11	\$9.43	\$12.51	\$11.06	▼(3.2)	▲14.1	▼(15.2)	▼(11.6)
Ending inventory quantity.....	1,242	978	609	644	670	▼(51.0)	▼(21.3)	▼(37.7)	▲4.0
Nonsubject sources:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit value.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Ending inventory quantity.....	***	***	***	***	***	▲***	▼***	▲***	▲***
All import sources:									
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
U.S. producers:									
Practical capacity quantity.....	***	***	***	***	***	▲***	▼***	▲***	***
Production quantity.....	***	***	***	***	***	▲***	▼***	▲***	▼***
Capacity utilization (fn1).....	***	***	***	***	***	▼***	▼***	▲***	▼***
U.S. shipments:									
Quantity.....	***	***	***	***	***	▼***	▼***	▲***	***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Inventories/total shipments (fn1).....	***	***	***	***	***	▲***	▼***	▲***	▲***
Production workers.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Hours worked (1,000s).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Wages paid (\$1,000).....	***	***	***	***	***	▲***	▼***	▲***	▼***
Hourly wages (dollars per hour).....	***	***	***	***	***	▲***	▲***	▲***	▲***
Productivity (pounds per hour).....	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit labor costs.....	***	***	***	***	***	▼***	▲***	▼***	▲***

Table continued.

Table C.1 Continued

Oleoresin paprika: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted; Interim period is January through March

Item	Reported data					Period change comparisons				
	2022	Calendar year 2023	2024	Interim 2024	2025	2022-24	Calendar year 2022-23	2023-24	Interim 2024-25	
U.S. producers: Continued										
Net sales:										
Quantity.....	***	***	***	***	***	▼***	▼***	▲***	***	
Value.....	***	***	***	***	***	▲***	▲***	▲***	▲***	▲***
Unit value.....	***	***	***	***	***	▲***	▲***	▲***	▲***	▲***
Cost of goods sold (COGS).....	***	***	***	***	***	▲***	▼***	▲***	▲***	▼***
Gross profit or (loss) (fn2).....	***	***	***	***	***	▼***	▲***	▼***	▲***	▲***
SG&A expenses.....	***	***	***	***	***	▲***	▲***	▲***	▲***	***
Operating income or (loss) (fn2).....	***	***	***	***	***	▼***	▲***	▼***	▲***	▲***
Net income or (loss) (fn2).....	***	***	***	***	***	▼***	▲***	▼***	▲***	▲***
Unit COGS.....	***	***	***	***	***	▲***	▼***	▲***	▼***	▼***
Unit SG&A expenses.....	***	***	***	***	***	▲***	▲***	▲***	▲***	***
Unit operating income or (loss) (fn2).....	***	***	***	***	***	▼***	▲***	▼***	▲***	▲***
Unit net income or (loss) (fn2).....	***	***	***	***	***	▼***	▲***	▼***	▲***	▲***
COGS/sales (fn1).....	***	***	***	***	***	▲***	▼***	▲***	▼***	▼***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	▼***	▲***	▼***	▲***	▲***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	▼***	▲***	▼***	▲***	▲***
Capital expenditures.....	***	***	***	***	***	***	▲***	▼***	***	***
Research and development expenses.....	***	***	***	***	***	***	***	***	***	***
Total assets.....	***	***	***	***	***	▲***	▲***	▼***	***	***

Source: Compiled from data submitted in response to Commission questionnaires

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "--". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

