

# Certain Dry Pasta from Italy and Turkey

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Domestic Industry Hearing Presentation

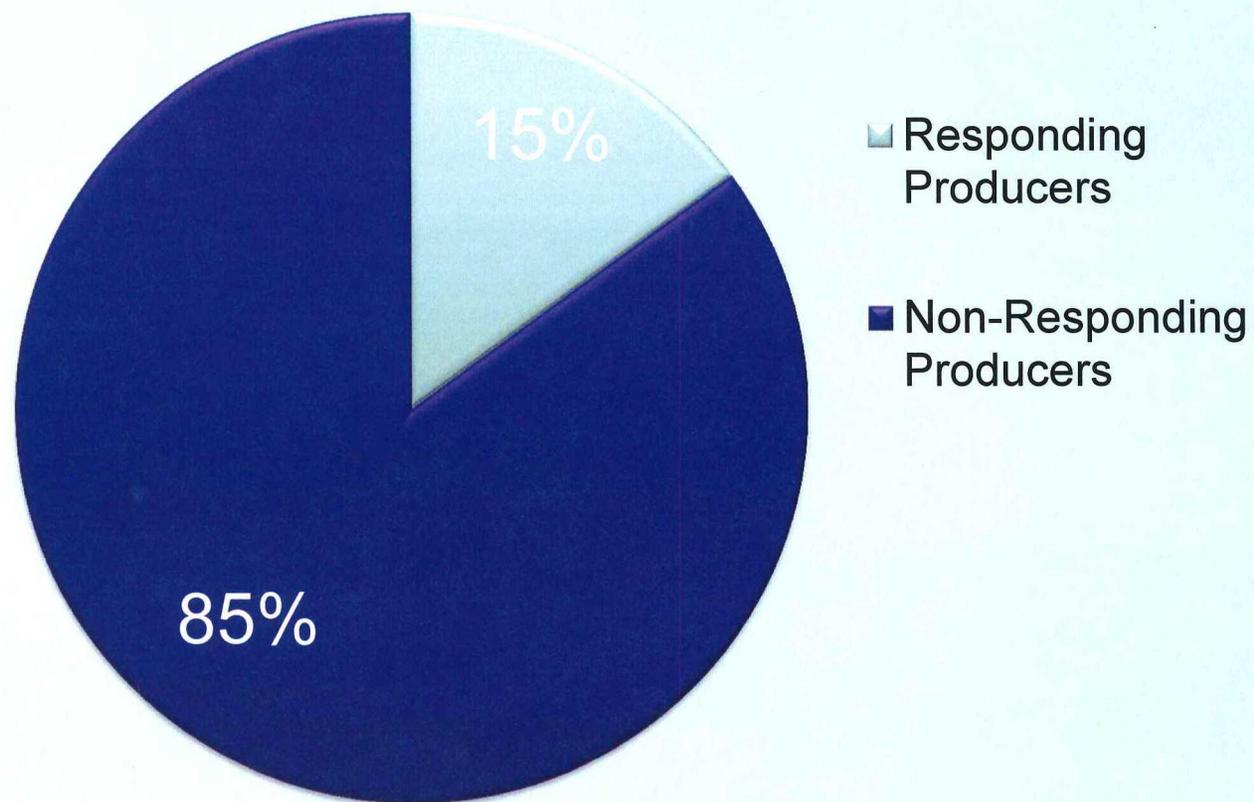
July 11, 2013

**KELLEY**  

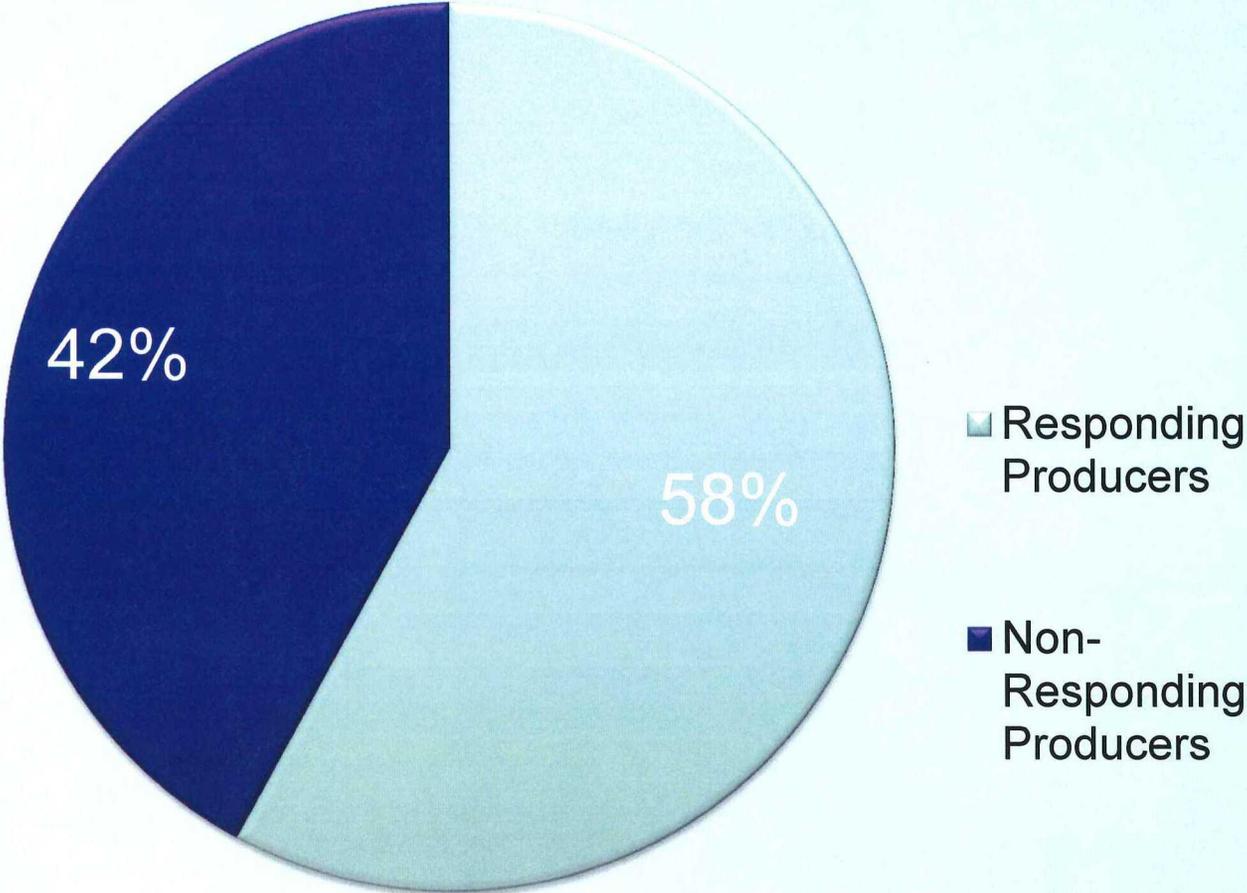
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**DRYE**

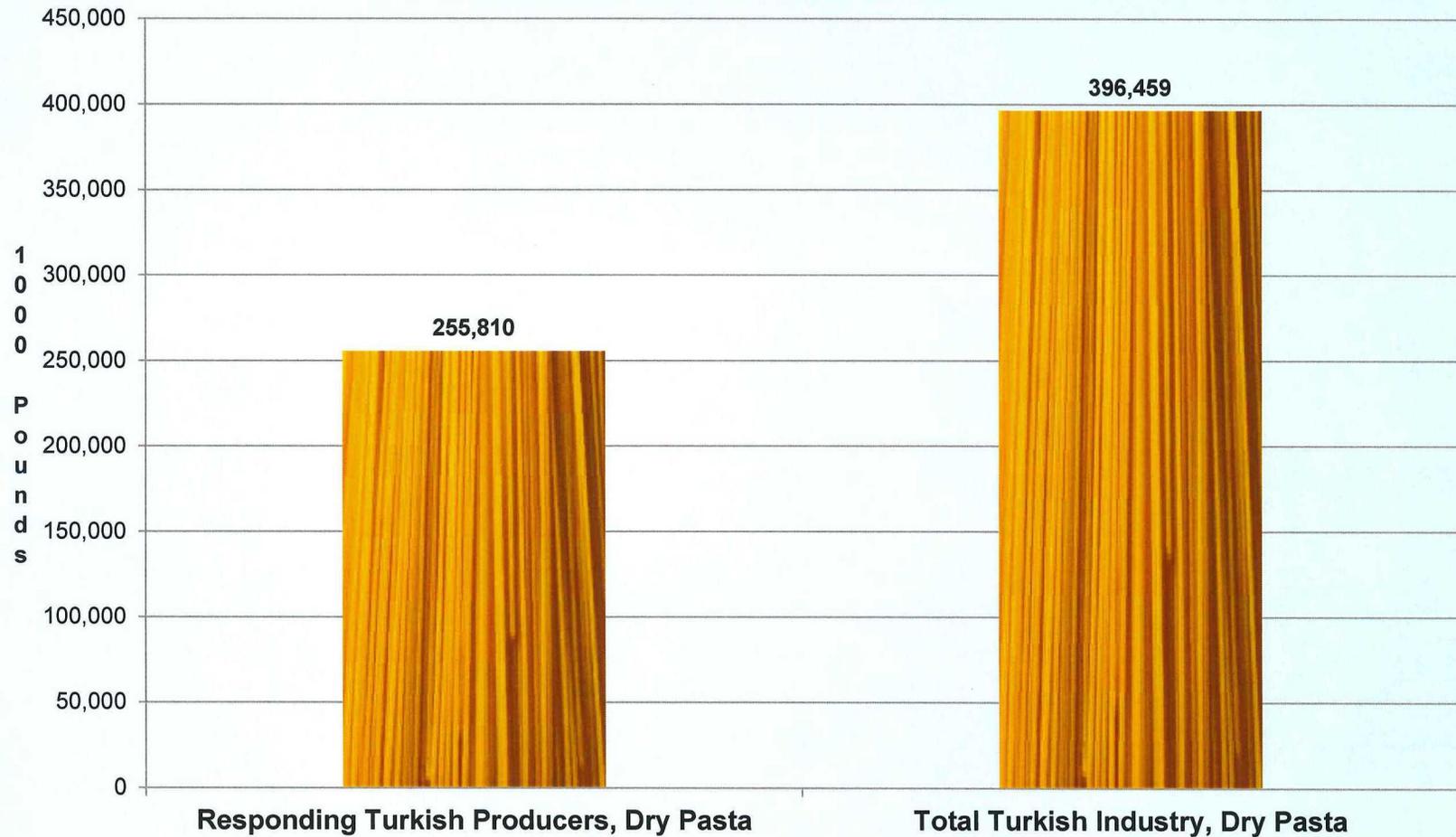
## Italian Responding Producers



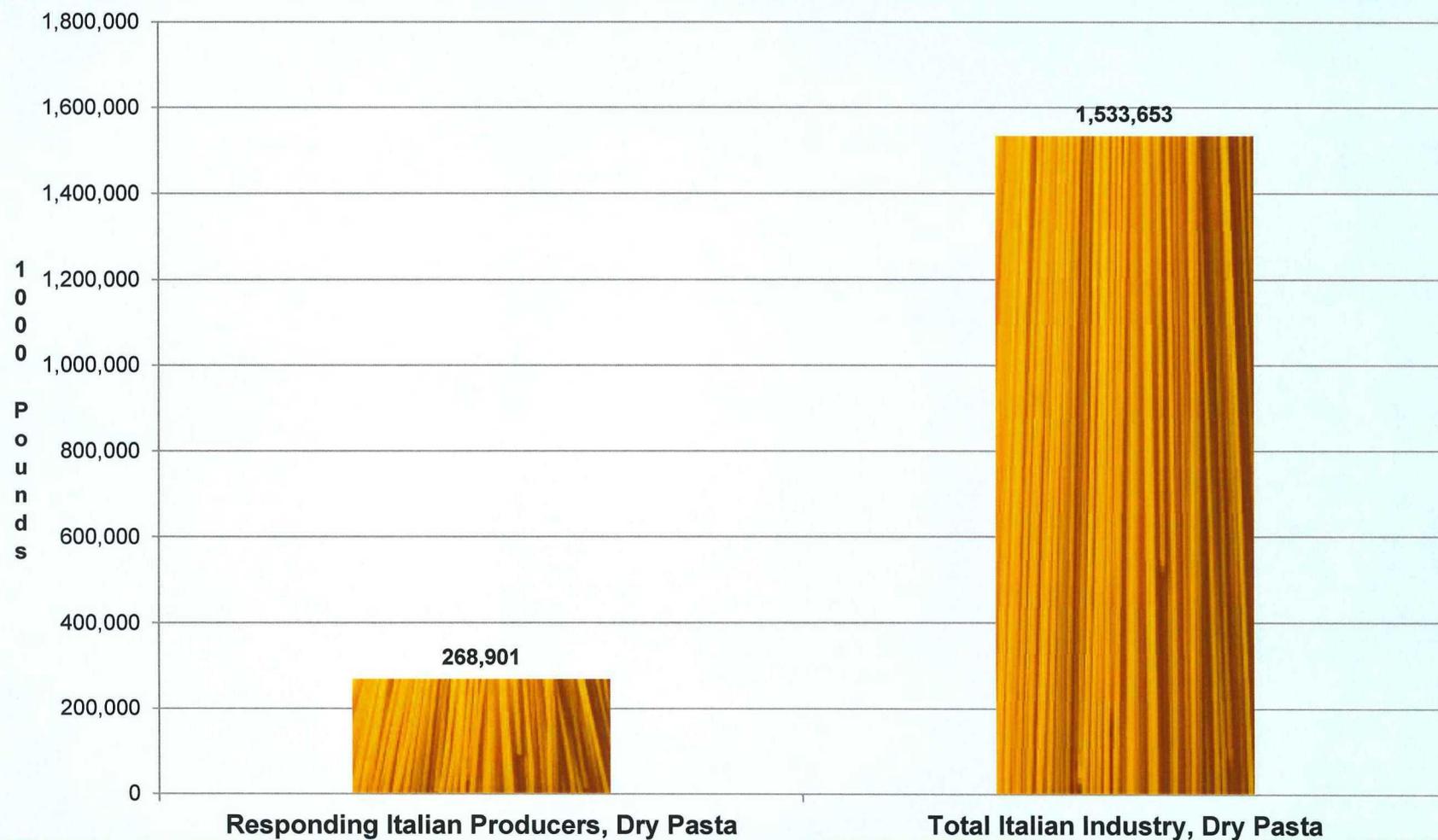
# Turkish Responding Producers



# Turkish Unused Pasta Capacity



# Italian Unused Pasta Capacity



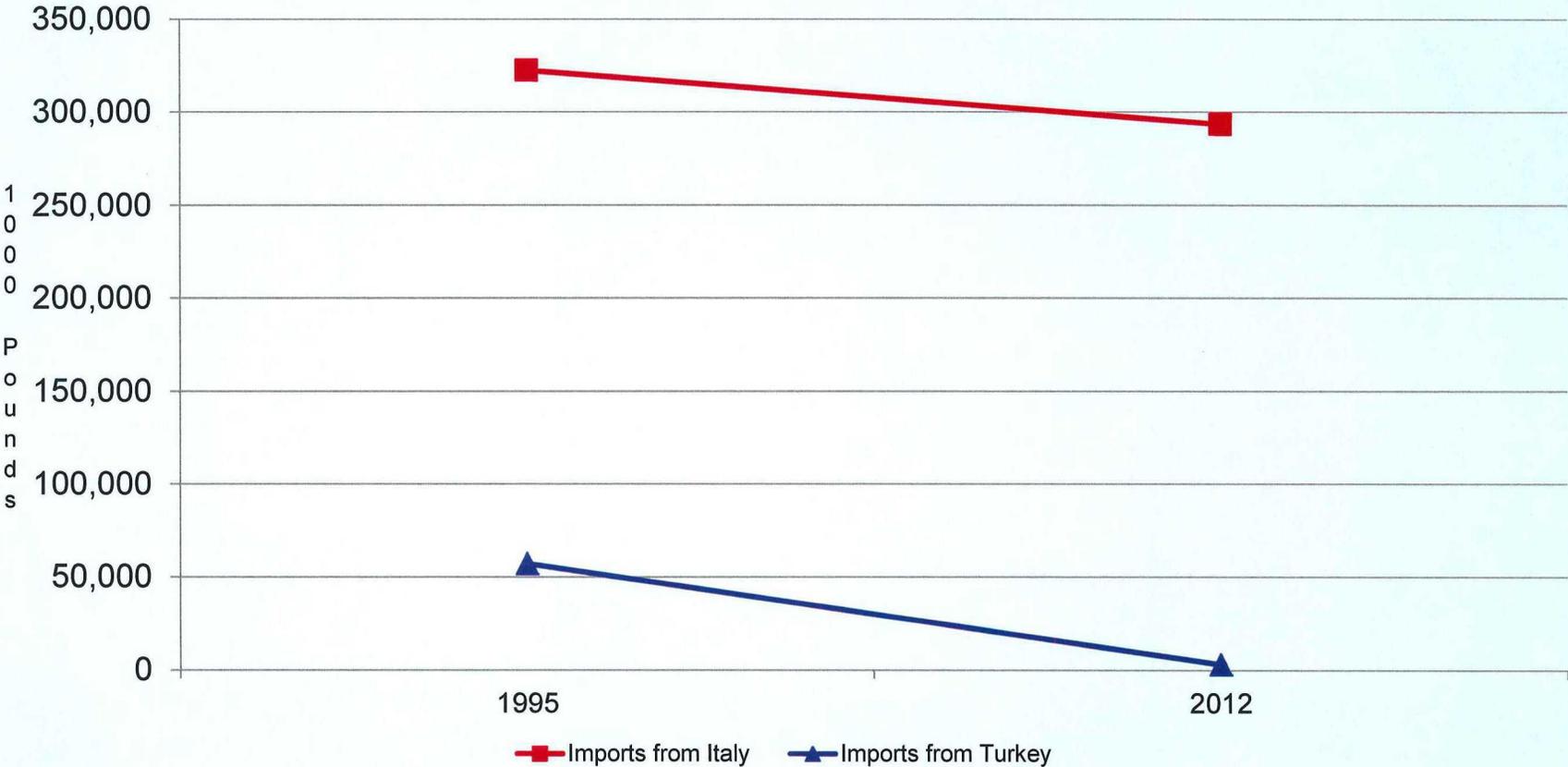
## Purchasers' Comparisons between U.S.-Produced and Italian-Produced Dry Pasta

Factor	United States vs. Italy		
	Superior	Comparable	Inferior
Availability	4	<b>7</b>	1
Delivery terms	4	<b>7</b>	1
Packaging	1	<b>10</b>	1
Product Consistency	1	<b>11</b>	0
Quality exceeds Industry standard	0	<b>12</b>	0
Quality meets Industry standard	0	<b>11</b>	1
Product range	0	<b>10</b>	2
Technical support/service	2	<b>10</b>	0

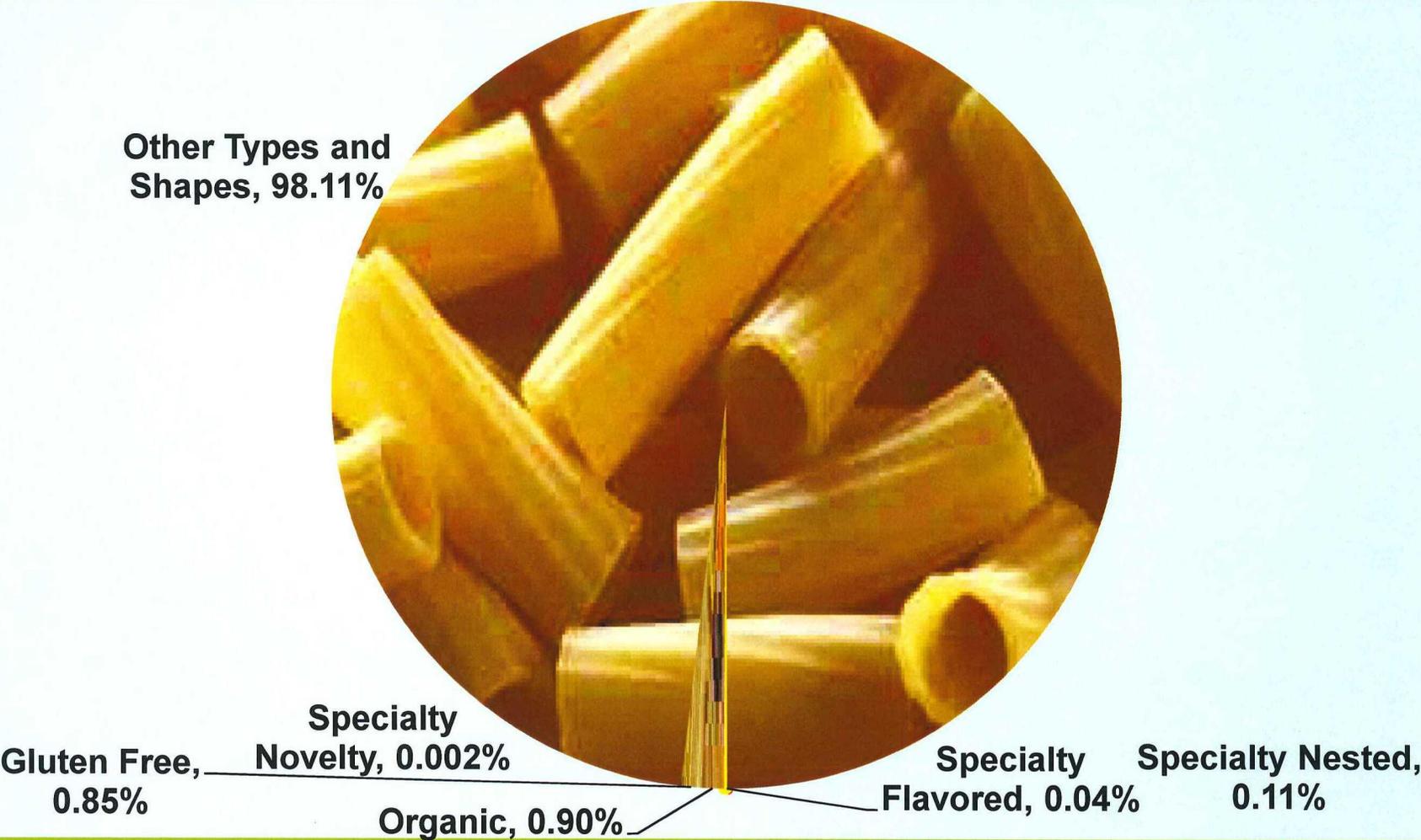
## Exports of Dry Pasta, by Country

Country	Volume (1,000 pounds)
Italy	3,525,588
Turkey	961,573
United States	225,398
Canada	95,319
Thailand	130,417
Egypt	132,921
Other	1,713,788
World	6,785,002

# Subject Dry Pasta Imports' Post-Order Trends



# U.S. Market Share of Specialty “Niche” Products to All Dry Pasta



# Importance of Price in Purchasing Decisions

Factor	Very Important	Somewhat Important	Not Important
Price	15	2	0

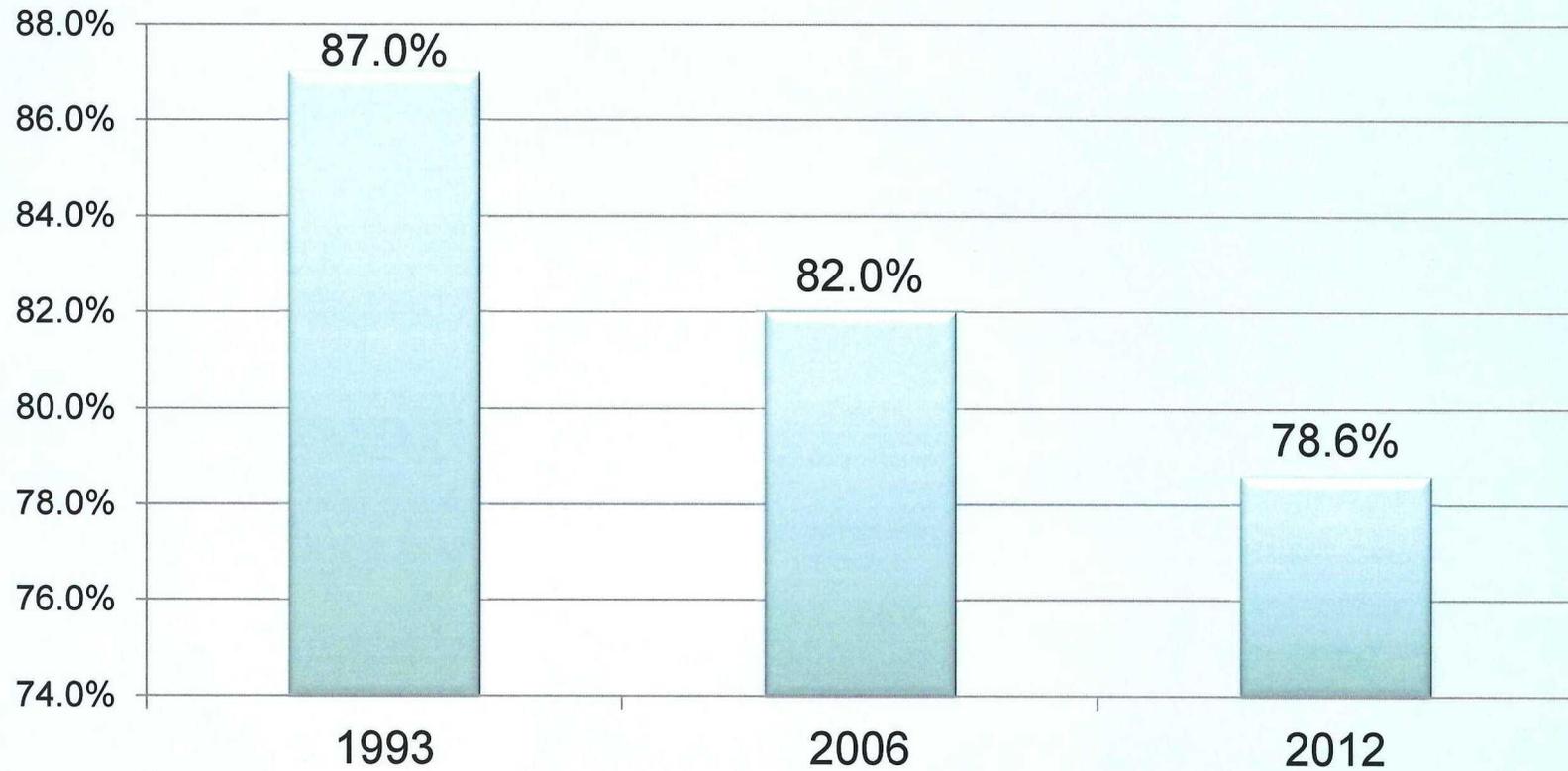
## Comparison of Key U.S. Industry Trade Variables

Factor	Trend from 1995-2012
U.S. Apparent Domestic Consumption	
U.S. Industry Market Share	
Capacity	
Production	
Shipments (quantity)	
PRWs	
Hours Worked	

**Corn is replacing wheat plantings leading to higher raw material costs and increased vulnerability.**



## Domestic Producers' Share of U.S. Market

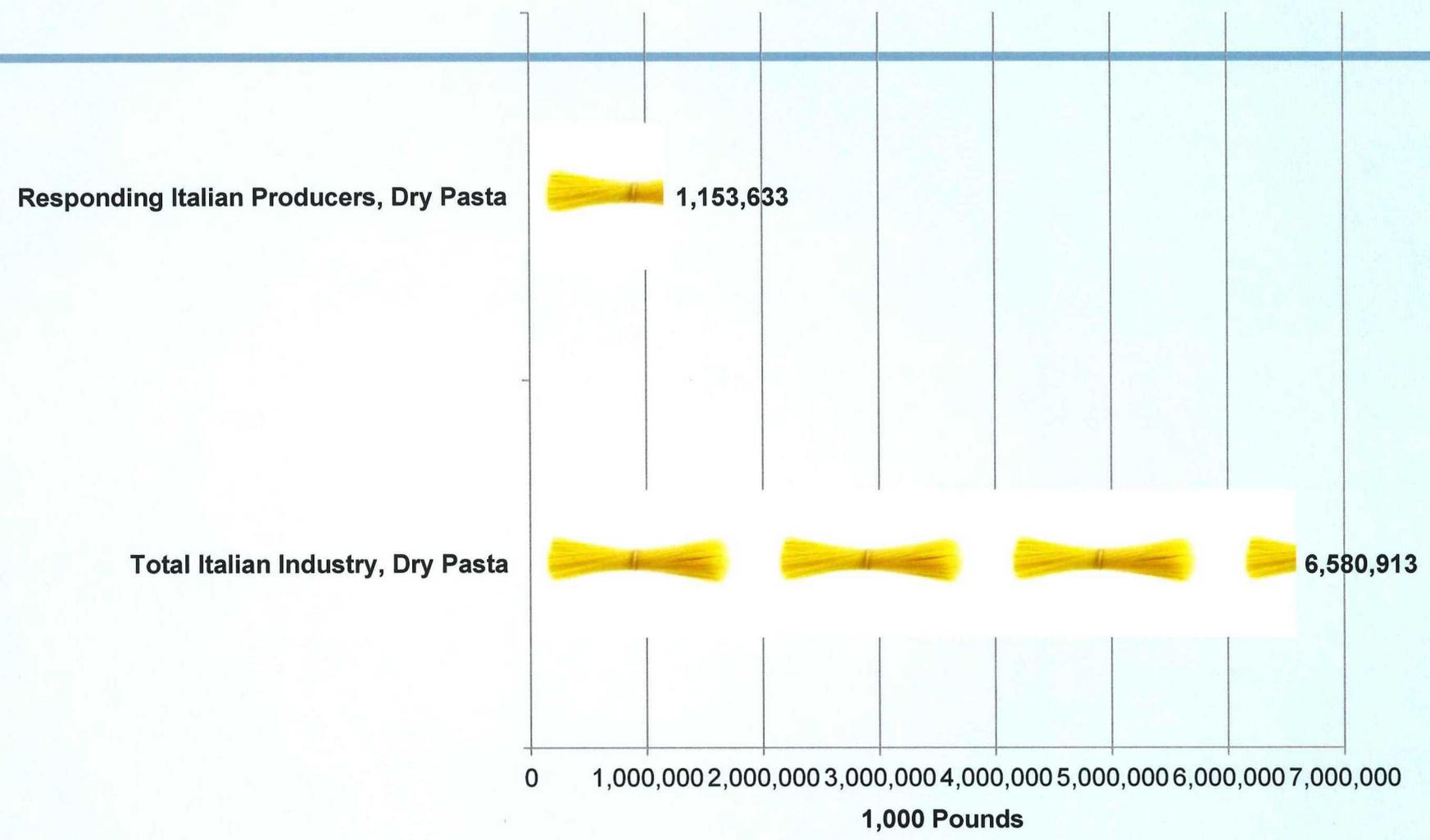


# Underselling by Subject Dry Pasta Imports

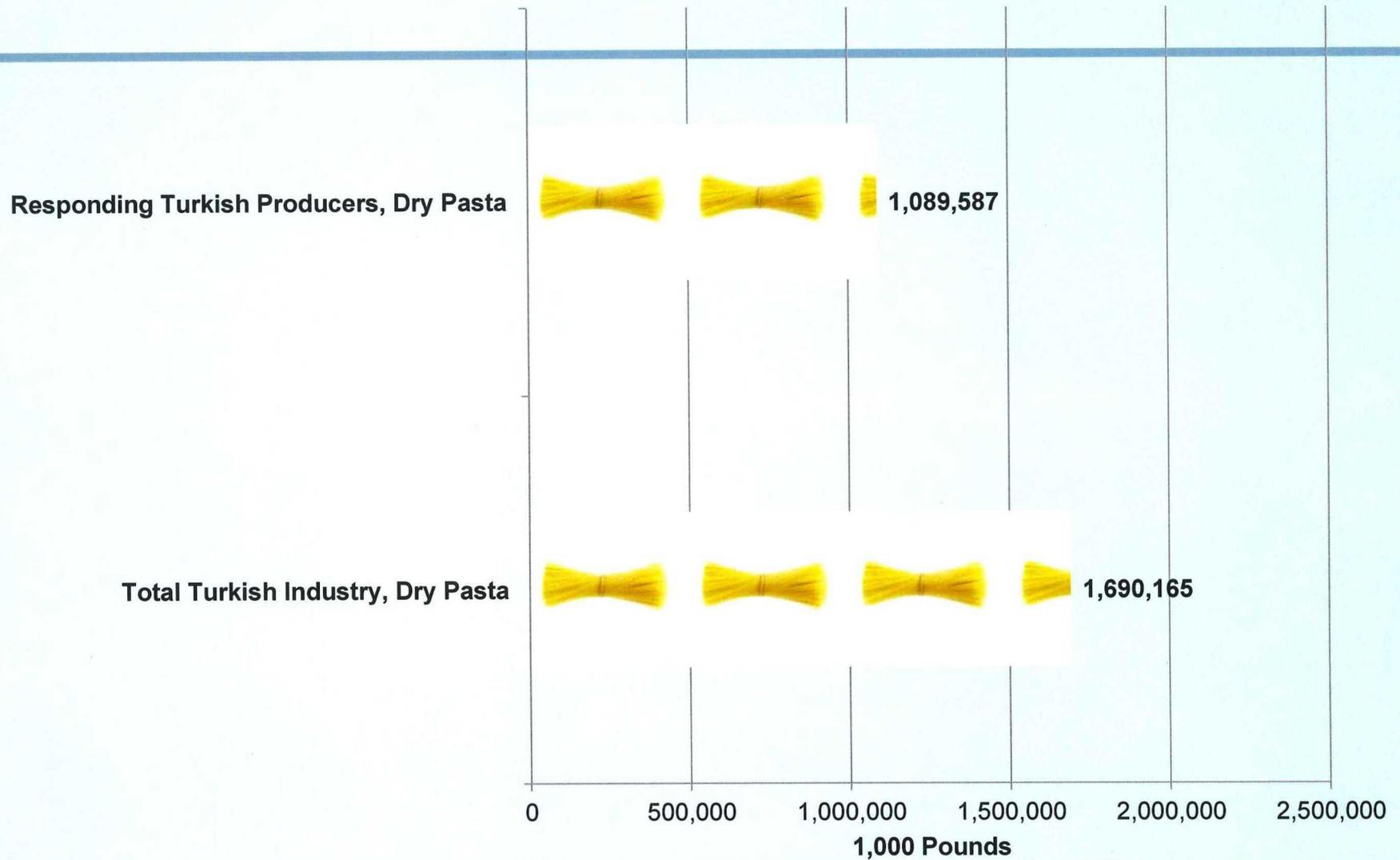
## January 2007-March 2013

Source	Underselling Based on Quarterly Comparisons	Underselling Percent	Average Margin (percent)
Italy	110 of 190	58	18.1
Turkey	68 of 68	100	45.6
Total	178 of 258	69	28.5

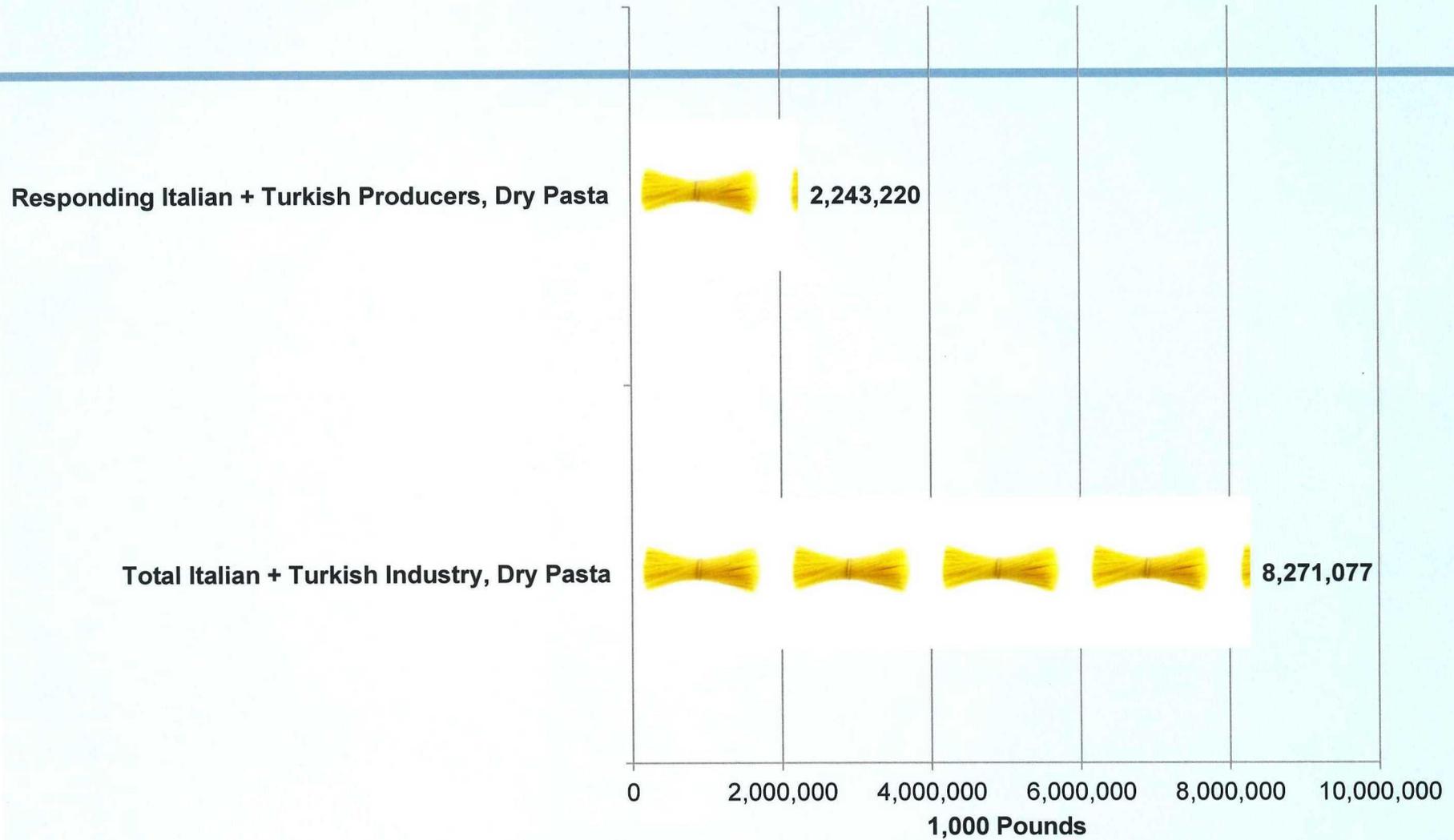
# Italian Dry Pasta Production



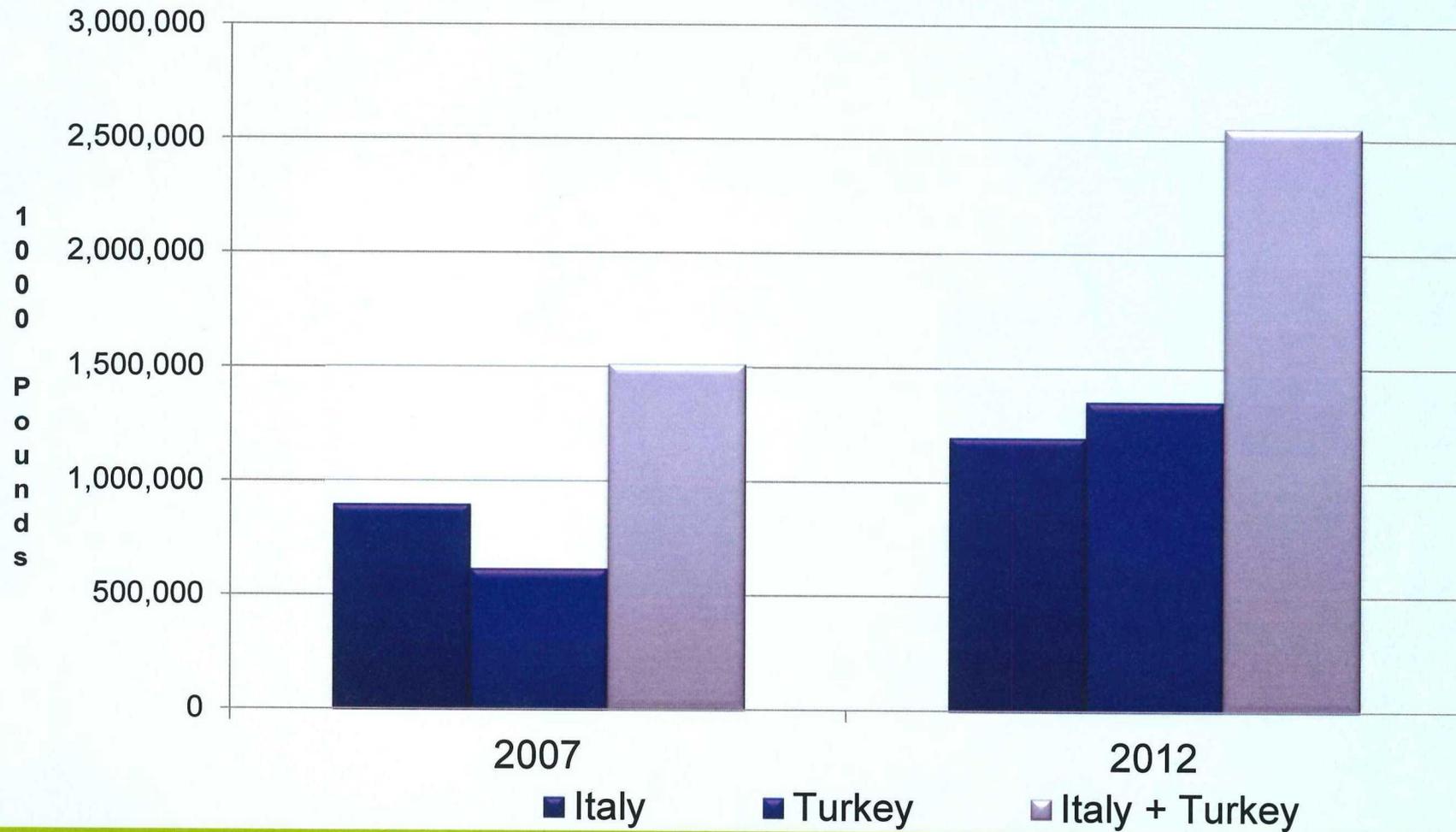
# Turkish Dry Pasta Production



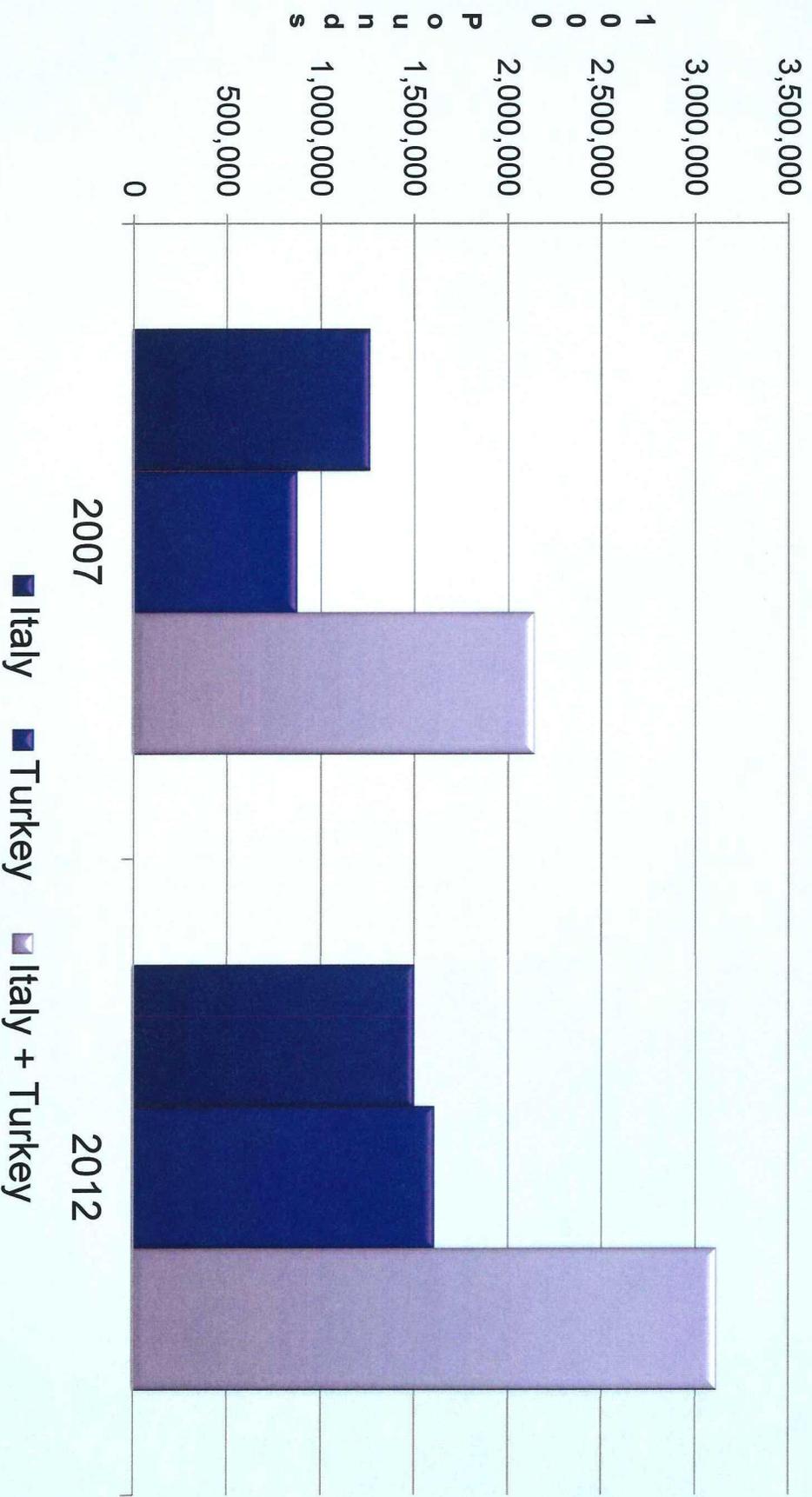
# Italian and Turkish Dry Pasta Production



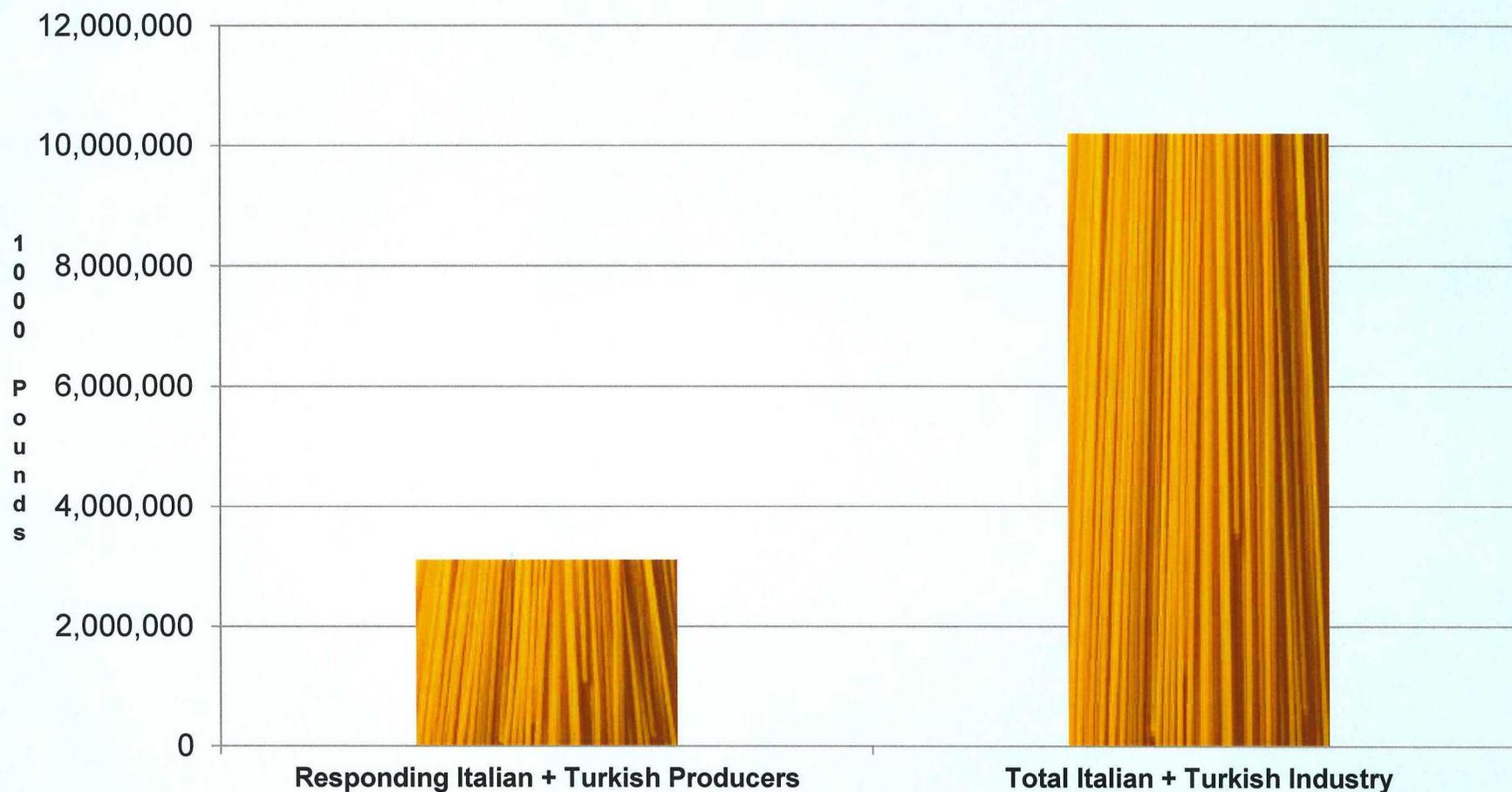
# Production of Responding Subject Producers



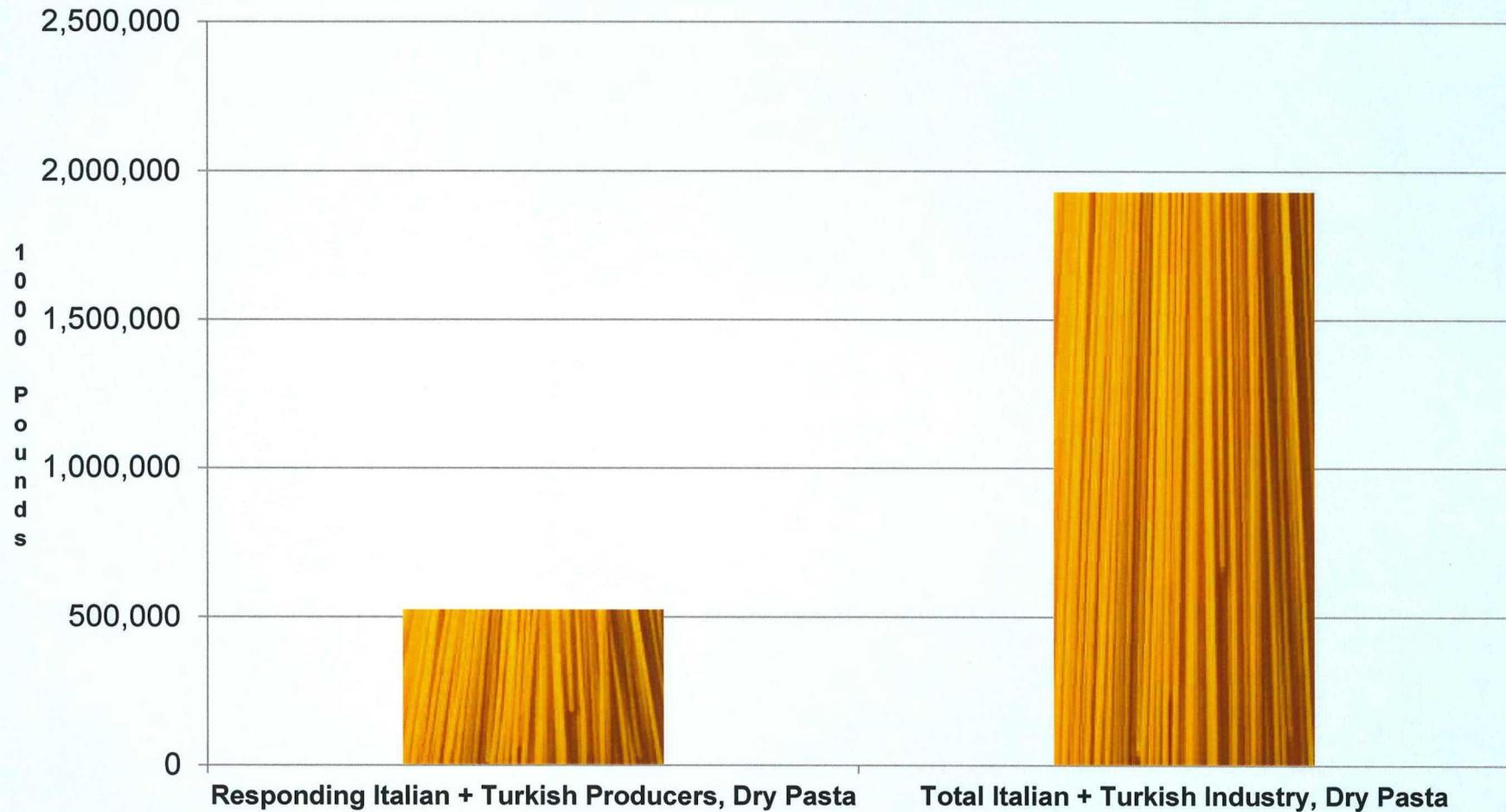
# Capacity of Responding Subject Producers



## Italian and Turkish Dry Pasta Capacity



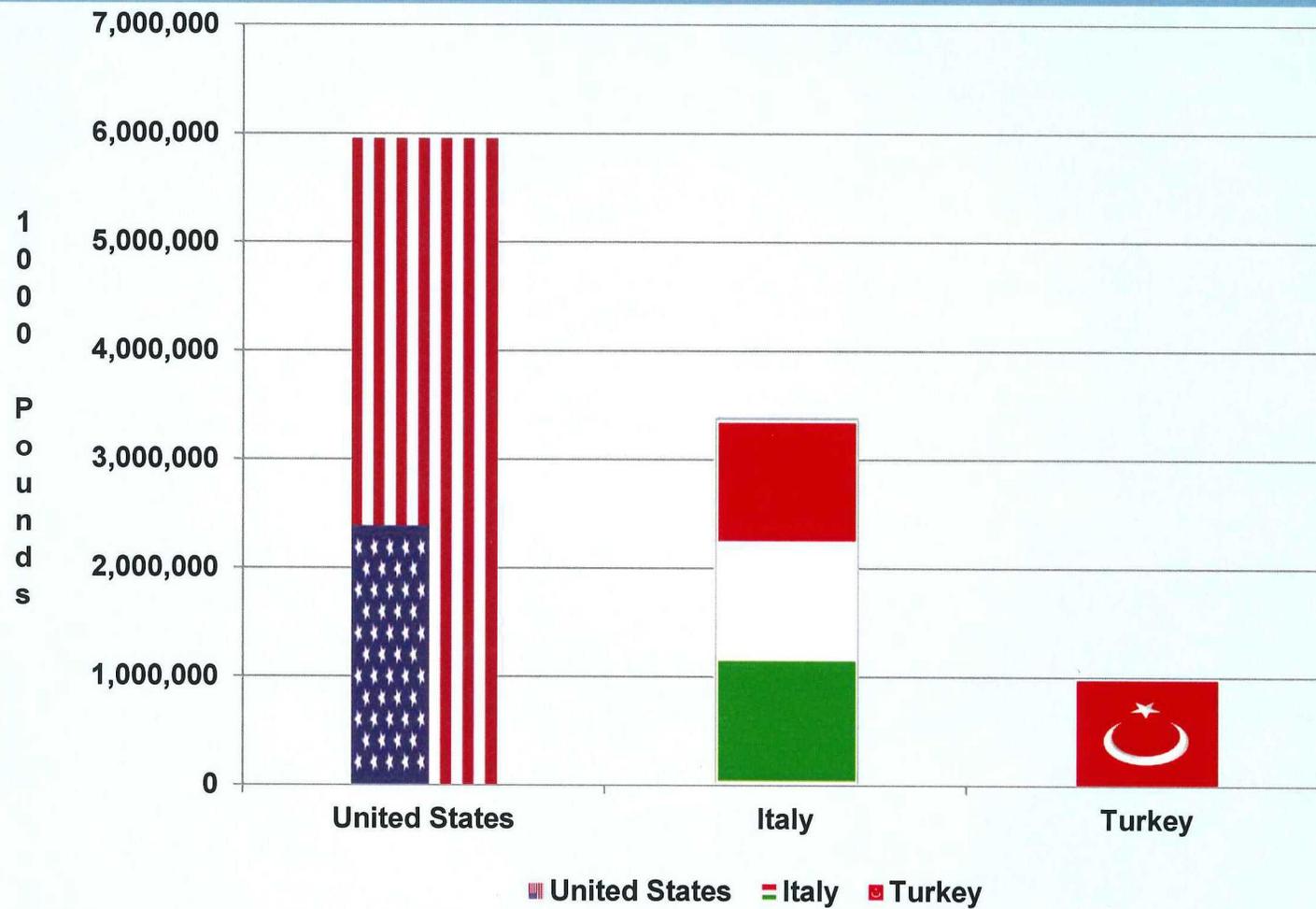
# Italian and Turkish Unused Dry Pasta Capacity



## Pasta Production Is Growing in Third-Country Markets

- Egypt
- Guatemala
- Ghana
- Russia
- Peru
- Oman
- Tunisia
- Argentina
- Iran
- India
- Ecuador
- Mexico
- Costa Rica
- Cote d'Ivoire
- Mauritius

# All Pasta Consumption



# Italy's AUVs to United States and Other Top Ten Export Markets

## January - February 2013

Country	AUV \$/Pound
United States	0.68
Germany	0.53
France	0.52
United Kingdom	0.52
Japan	0.68
Russia	0.51
Sweden	0.58
Netherlands	0.56
Belgium	0.62
Austria	0.56

# Turkey's AUVs to United States and Top Ten Export Markets

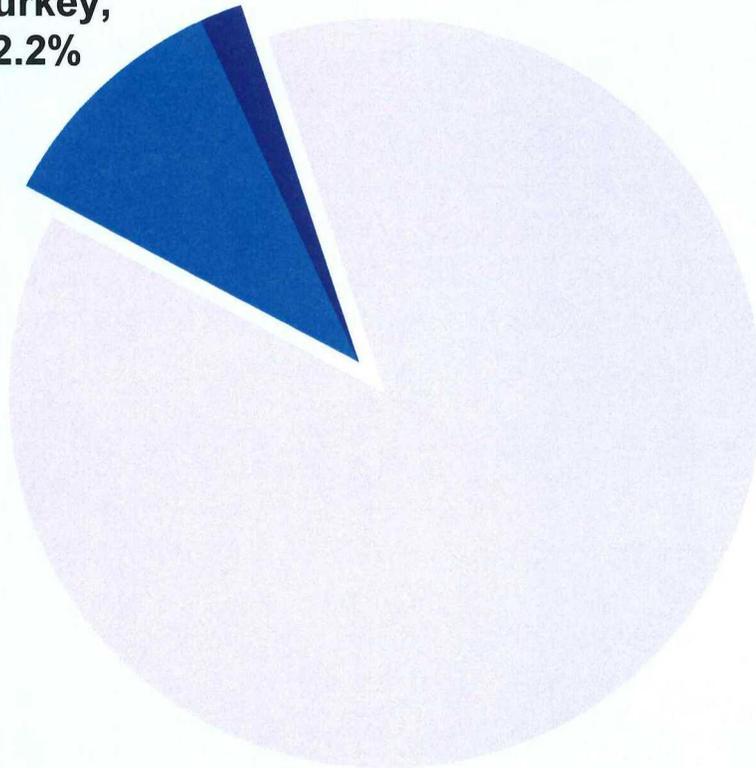
## January - February 2013

Country	AUV \$/Pound
<b>United States</b>	<b>0.33</b>
Angola	0.32
Benin	0.31
Togo	0.31
Niger	0.35
Japan	0.39
Congo	0.34
Cameroon	0.32
United Arab Emirates	0.32
Djibouti	0.32
Israel	0.31

### Responding Subject Producers' Unused Capacity as a Share of U.S. Market, 1995

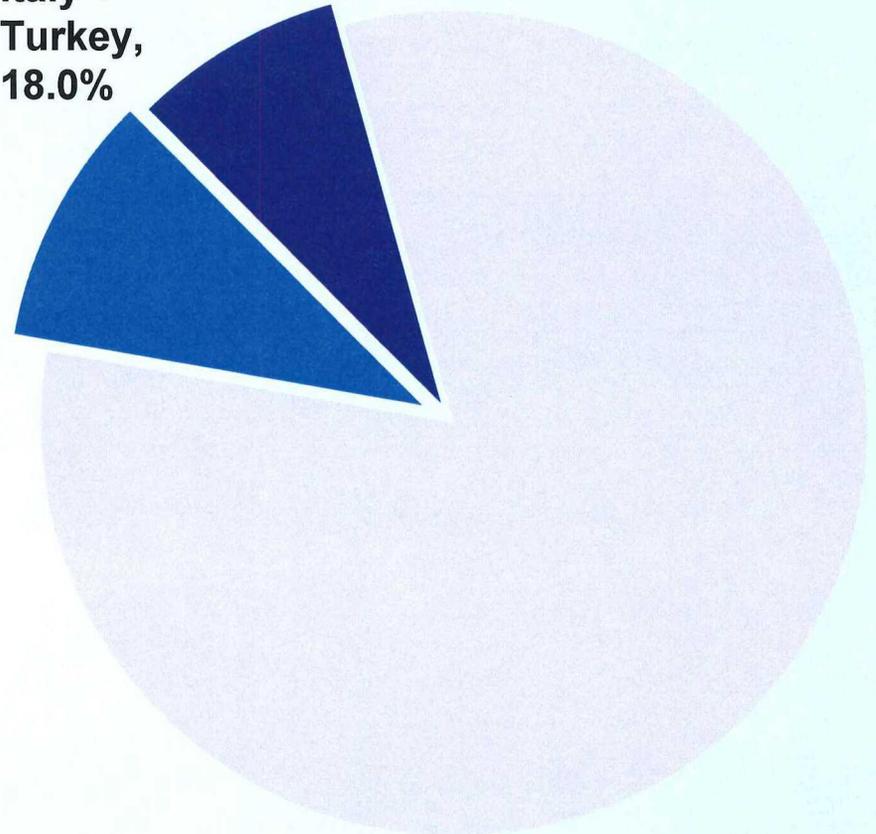
### Responding Subject Producers' Unused Capacity as a Share of U.S. Market, 2012

Italy + Turkey, 12.2%



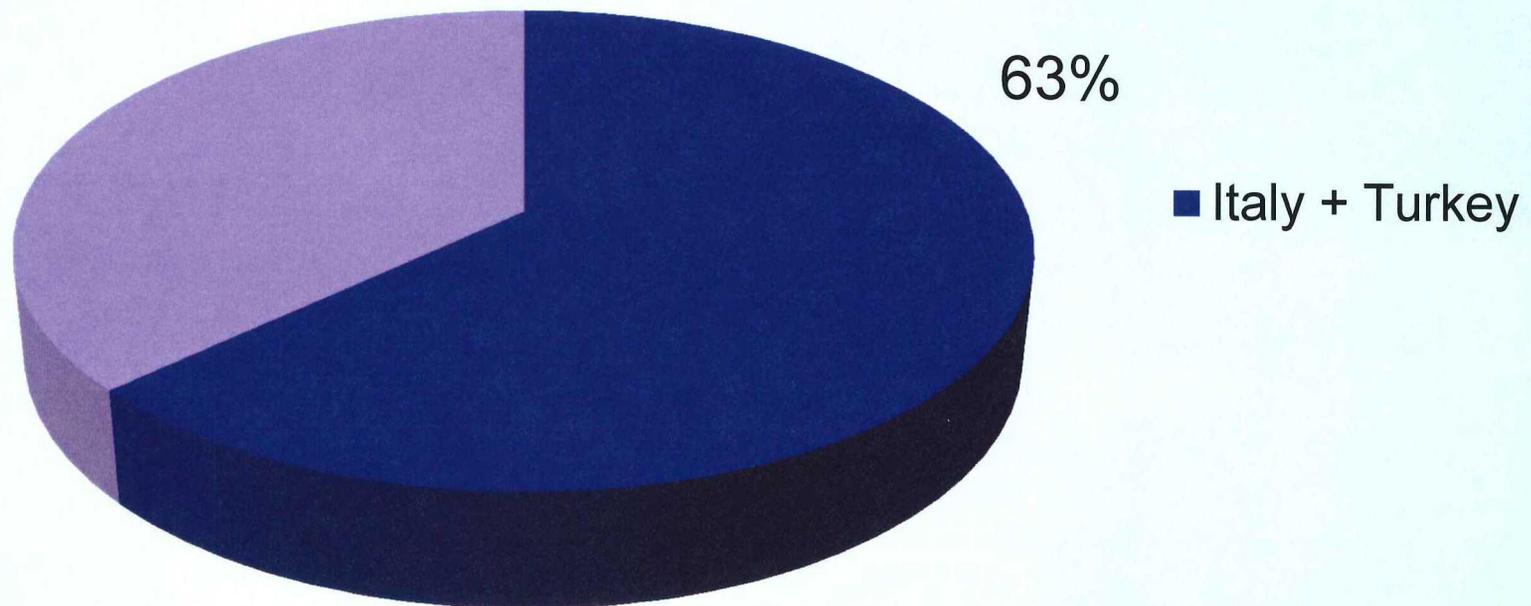
■ Italy ■ Turkey

Italy + Turkey, 18.0%

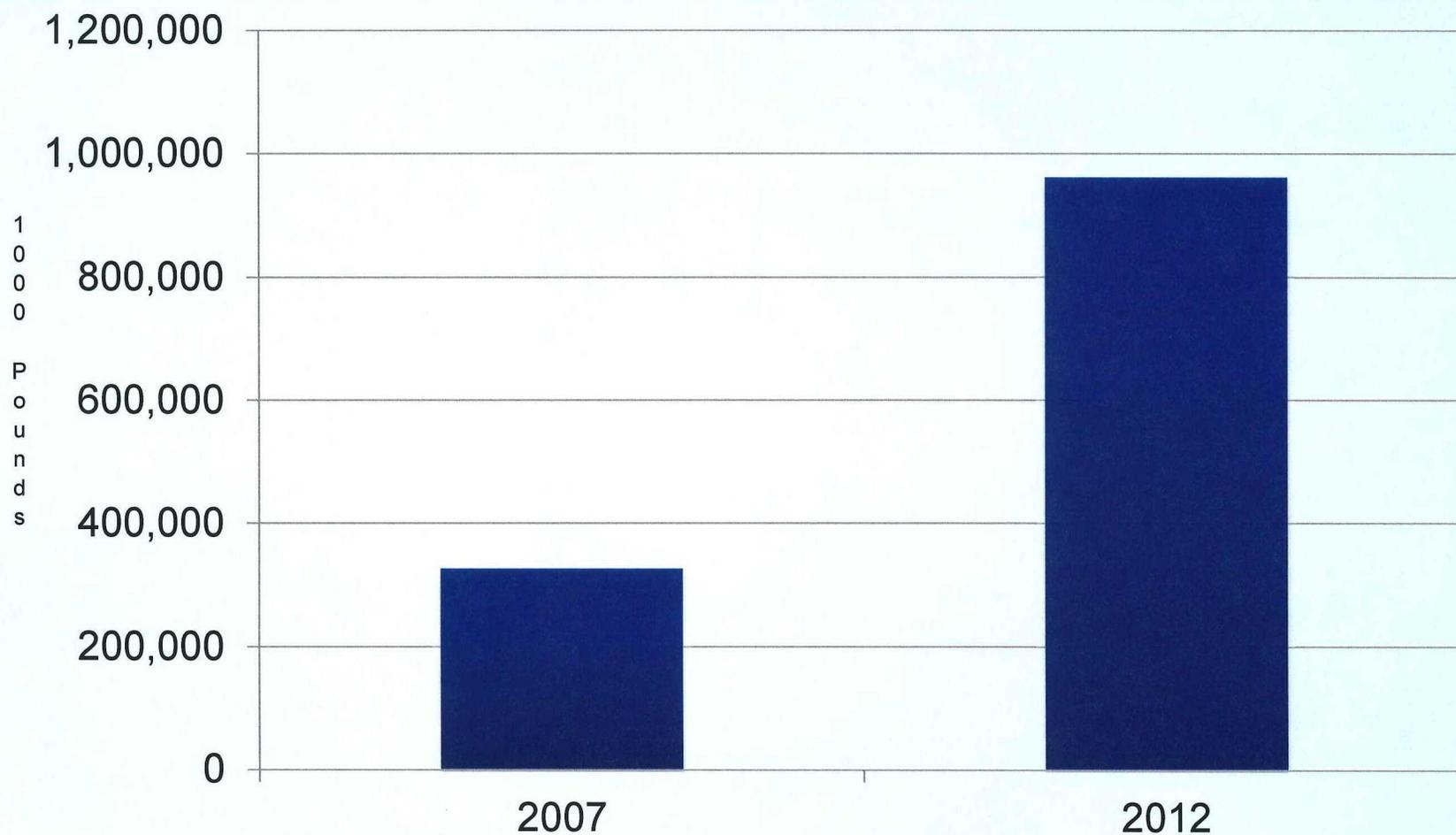


■ Italy ■ Turkey

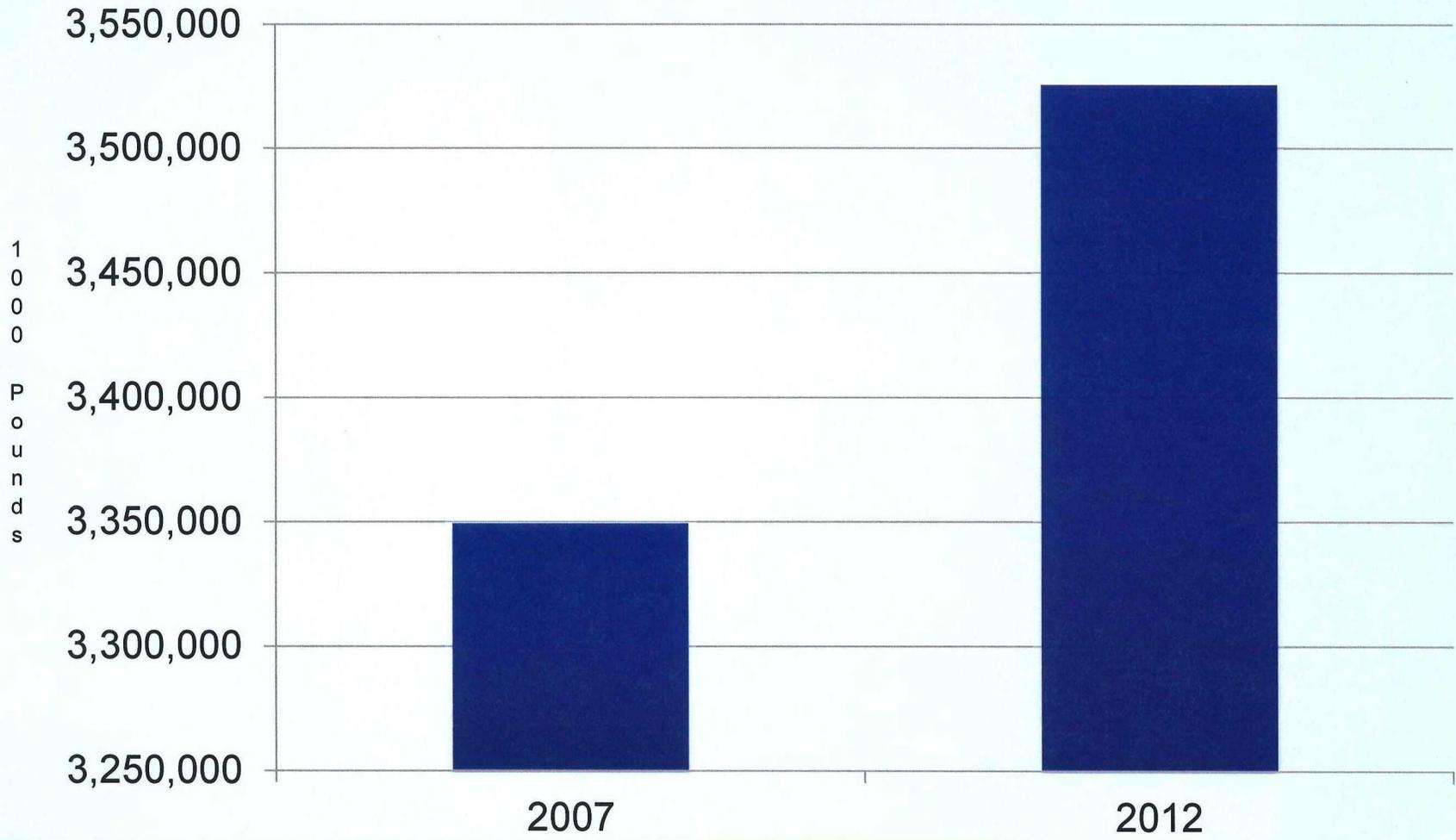
## Total Italian and Turkish Industry's Unused Dry Pasta Capacity as a Share of U.S. Market



# Turkish Dry Pasta Exports



# Italian Dry Pasta Exports



## Turkey's Plans for Increasing Exports In Imminent Future

- “Turkish Producers Set Eyes on Italians’ Throne” (May 25, 2013).
- “Turkey Longs for Italy’s Top Pasta Exporter Seat” (April 3, 2013).
- “Turkey, the second pasta exporter in the world after Italy, has eyes on Italy’s seat at top” (April 3, 2013).

# Italy and Turkey are Net Exporters

