

CERTAIN RED RASPBERRIES FROM CANADA

**Determination of the Commission
in Investigation No. 701-TA-254
(Preliminary) Under the Tariff
Act of 1930, Together With
the Information Obtained in
the Investigation**



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UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 701-TA-254 (Preliminary)

CERTAIN RED RASPBERRIES FROM CANADA

Determination

On the basis of the record 1/ developed in investigation No. 701-TA-254 (Preliminary), the Commission determines, 2/ pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Canada of fresh and frozen red raspberries in containers of a gross weight of over 20 pounds, provided for in items 146.54, 146.56, and 146.74 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Government of Canada.

Background

On July 18, 1985, growers, packers, and related trade associations filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is materially injured or is threatened with material injury by reason of subsidized imports of red raspberries from Canada. Accordingly, effective July 18, 1985, the Commission instituted countervailing duty investigation No. 701-TA-254 (Preliminary). Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith

1/ The "record" is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i)).

2/ Commissioner Rohr determines that there is a reasonable indication that an industry in the United States is materially injured or is threatened with material injury.

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 31, 1985 (50 FR 31048). A public conference was held in Washington, DC, on August 14, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

We determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Canada of red raspberries packed in bulk containers, which are allegedly subsidized by the Government of Canada. 1/

Definition of the domestic industry

As a threshold matter, we are required to define the scope of the relevant domestic industry to be examined in this countervailing duty investigation. The term "industry" is defined by statute as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 2/ "Like product," in turn, is defined 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" 3/

Recently, in an antidumping investigation involving imports of bulk-packed red raspberries from Canada brought by many of the same petitioners, 4/ the Commission defined the like product as red raspberries packed in bulk containers, excluding all other types of berries, fresh-market

1/ Commissioner Rohr has determined that there is a reasonable indication that the domestic industry is materially injured or threatened with material injury by allegedly subsidized imports from Canada.

2/ 19 U.S.C. § 1677(4)(A).

3/ 19 U.S.C. § 1677(10).

4/ Certain Red Raspberries from Canada, Inv. No. 731-TA-196 (Final), USITC Pub. No. 1707 (1985) (hereinafter "Antidumping investigation").

red raspberries, and retail/institutional packed berries. 5/ No information has been presented nor arguments made during this preliminary investigation 6/ which indicate that the Commission should adopt a different definition of like product in this investigation. Therefore, we adopt that definition for purposes of this preliminary investigation.

In the antidumping investigation, we defined the domestic industry as comprising both growers and packers of red raspberries packed in bulk. 7/ That definition included all growers who also maintained packing facilities, but excluded all production by growers and packers of red raspberries for the fresh market, or for retail or institutional packing. Since no new information has been presented or uncovered concerning this point, we again find that the domestic industry includes both growers and packers of bulk-packed red raspberries. 8/ 9/

5/ Id. at 4.

6/ The respondents have not filed any document in this investigation, nor did they appear at the conference held on August 14, 1985.

7/ Antidumping investigation at 4.

8/ Chairwoman Stern notes that since her determination would not have been different whether the growers were included or excluded from the industry definition, she does not reach this issue. Therefore, she defines the industry to include only packers (including grower/packers, but only with respect to their packing operations). Where separate data on their packing operations were not available, pursuant to § 771(4)(D), she considered some data that reflected growing operations as well. Accordingly, she does not join the majority's discussion that pertains to growers alone. Should this return for a final determination, further examination of the industry question will be welcome.

9/ Vice Chairman Liebler requests that the grower/packer issue be fully briefed in the event of the final investigation. As she noted in Live Swine and Pork from Canada, Inv. No. 701-TA-224 (Final), USITC Pub. No. 1733 (July 1985) (Additional and Dissenting Views of Vice Chairman Liebler) the two-part test currently followed by the Commission is open to serious legal and economic criticism.

Condition of the domestic industry

We have determined that there is a reasonable indication that the domestic industry producing red raspberries packed in bulk is materially injured. 10/ 11/ 12/ In reaching this determination, we have considered, among other factors, whether there are declines in production, domestic prices, market share, employment, and profitability. 13/

The information before us is largely based on the information gathered in the recently concluded antidumping investigation. 14/ There is no new information that shows a substantial change in the condition of the domestic industry or marketplace since April 1985, when the information for the

10/ "Material injury" is defined by statute as "harm which is not inconsequential, immaterial, or unimportant." 19 U.S.C. § 1677(7).

11/ Chairwoman Stern does not believe it necessary or desirable to make a determination on the question of material injury separate from the consideration of causality. She joins her colleagues by concluding that the domestic industry is experiencing economic problems.

12/ Commissioner Eckes believes that the Commission is to make a finding regarding the question of material injury in each investigation. The Court of International Trade recently held that:

The Commission must make an affirmative finding only when it finds both (1) present material injury (or threat to or retardation of the establishment of an industry) and (2) that the material injury is 'by reason of' the subject imports. Relief may not be granted when the domestic industry is suffering material injury but not by reason of unfairly traded imports. Nor may relief be granted when there is no material injury, regardless of the presence of dumped or subsidized imports of the product under investigation. In the latter circumstance, the presence of dumped or subsidized imports is irrelevant, because only one of the two necessary criteria has been met, and any analysis of causation of injury would thus be superfluous.

American Spring Wire Corp. v. United States, 590 F. Supp. 1273, 1276 (Ct. Int'l Trade 1984) (emphasis supplied) aff'd sub nom., Armco Inc. v. United States, 760 F.2d 249 (C.A.F.C. 1985).

13/ 19 U.S.C. § 1677(7)(C)(iii).

14/ The record from the final antidumping investigation has been incorporated into the record of this preliminary countervailing duty investigation. 50 F.R. 31048, and Report of the Commission (Report) at A-3.

antidumping investigation was gathered. New information covering the 1985 crop year is not yet available, and will not be available until early 1986. 15/ Therefore, our findings about the condition of the domestic industry made in the antidumping investigation remain the same. 16/

Some of those findings, however, bear repeating. Domestic consumption of red raspberries packed in bulk containers has risen in recent years, while at the same time domestic production has fallen. 17/ Shipments of bulk-packed red raspberries by U.S. producers have dropped, causing a corresponding increase in the amount that packers and grower/packers placed in cold storage. 18/ This has resulted in the packers and grower/packers paying increased storage fees and higher interest charges on unsold inventory. Profitability has also declined for packers, grower/packers, and non-packer growers. 19/ Long-term prospects for the industry have also been hurt because normal capital expenditures have been reduced, interest expenses have increased, and some growers have not been able to get financing for the replacement of old fields. 20/

Reasonable indication of material injury by reason of Canadian imports 21/

There is considerable information on the record indicating that imports from Canada are a cause of the declines suffered by the domestic industry. In reviewing the question of causation we have considered, among other factors,

15/ Report at A-3. Thus, no new questionnaires were sent out during this preliminary investigation.

16/ Antidumping investigation at 5-8.

17/ Id. at 5.

18/ Id. at 6.

19/ Id. at 6-7.

20/ Id. at 7.

21/ For Commissioner Rohr's views on causation, see note 24 infra.

the volume of imports of the merchandise under investigation, the effect of such imports on domestic prices, and the impact of such imports on the domestic industry. 22/

We note at the outset of this analysis that the volume of Canadian imports and the import penetration is greater in this investigation than in the antidumping investigation. In the final antidumping investigation, data on import volume from one of the Canadian exporters, Abbotsford Grower Cooperative Association (Abbotsford), were excluded from our analysis of market penetration because Commerce determined that its less-than-fair-value (LTFV) margins were de minimis. 23/ Since this investigation involves alleged subsidies rather than LTFV sales, information about Abbotsford is relevant to our analysis. Thus, the import volume and market penetration of Canadian red raspberries is substantially higher than in the antidumping investigation. The data reinforce our findings on causation in the antidumping investigation. 24/

From 1981 on, prices in the U.S. market have declined sharply as the total supply in the market from all sources increased. 25/ A sharp increase

22/ 19 U.S.C. § 1677(7)(B).

23/ Report at A-2; Antidumping investigation at 8 n.30.

24/ In the previous antidumping investigation, Commissioner Rohr concurred that the domestic industry is materially injured but did not find that LTFV imports from Canada have been a cause of that material injury. He did, however, find that the U.S. industry faces a real and imminent threat of material injury by reason of LTFV imports of red raspberries from Canada. His rationale for this determination appears in Antidumping investigation at 21-23 (Additional Views of Commissioner Rohr). However, in this subsidy investigation, import volume and market penetration have increased significantly due to the inclusion of data on the Abbotsford Growers Cooperative Association. As a result, in reviewing the question of causation in the current case he finds a reasonable indication of either material injury or threat of material injury to the domestic industry due to allegedly subsidized imports of Canadian red raspberries packed in bulk containers.

25/ Antidumping investigation at 9.

in the volume of Canadian imports in the first nine months of crop year 1984 coincided with the offering of those imports of raspberries at very low prices. 26/ These lower price offerings were the result of aggressive pricing by Canadian suppliers. 27/

Both growers and grower/packers are price takers in this market, so they have little or no ability to set prices at a level that will guarantee profitability. 28/ They must match lower prices because bulk-packed red raspberries, whether domestically produced or imported, are essentially fungible products. 29/ Because competition is based solely on price, the reduction in the prices of Canadian imports, coupled with the sharp increase in their import volume, provide a reasonable indication that imports have had a negative impact on the domestic producers' incomes.

Based on the foregoing reasons, we conclude that there is a reasonable indication that allegedly subsidized imports of bulk-packed red raspberries from Canada are a cause of material injury to the domestic industry.

26/ Id. at 9.

27/ Id. at 10.

28/ Id. at 9.

29/ Id. at 9.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On July 18, 1985, a petition was filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel for the Washington Red Raspberry Commission, the Red Raspberry Committee of the Oregon Caneberry Commission, the Red Raspberry Committee of the Northwest Food Processors Association, the Red Raspberry Member Group of the American Frozen Food Institute, Rader Farms (a grower-packer of red raspberries), Ron Roberts (a grower of red raspberries), Shuksan Frozen Foods, Inc. (an independent packer of red raspberries), the Washington Red Raspberry Growers Association, Inc., and the North Willamette Horticultural Society on behalf of U.S. growers and packers of red raspberries. The petition alleges that the production and/or exportation to the United States of red raspberries packed in bulk containers are being subsidized by the Government of Canada and that, by reason of sales in the United States of such subsidized product an industry in the United States producing and selling the like product is materially injured, or is threatened with material injury. Accordingly, effective July 18, 1985, the Commission instituted investigation No. 701-TA-254 (Preliminary), Certain Red Raspberries from Canada, under section 703(a) of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of the allegedly subsidized merchandise. The statute directs that the Commission make its determination within 45 days after its receipt of a petition, or in this case, by September 3, 1985. 1/

Notice of the institution of the Commission's investigation and of the 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 on July 31, 1985 (50 F.R. 31048). 2/ The public conference was held in Washington, DC, on August 14, 1985, at which time all interested parties were afforded the opportunity to present information for consideration by the Commission. 3/ The Commission is scheduled to vote on the investigation during the week of August 25, 1985.

Other Investigations of the Subject Products

On July 5, 1984, an antidumping petition was filed with the Department of Commerce and the Commission on behalf of the same petitioners. The Department of Commerce determined that red raspberries packed in bulk containers were

1/ The Commission has set an administrative deadline of Aug. 30, 1985.

2/ A copy of the Commission's notice is presented in app. A. A copy of the U.S. Department of Commerce's notice is presented in app. B.

3/ A list of witnesses appearing at the conference is presented in app. C.

being sold in the United States at less than fair value (50 F.R. 19768, May 10, 1985) The weighted-average margins are shown in the following tabulation:

<u>Exporters</u>	<u>Weighted-average margins (Percent)</u>
Abbotsford Growers_____	0.19 (de minimis, excluded)
Jesse Processing_____	22.76
Mukhtiar & Sons_____	1.21
East Chilliwack_____	3.39
All other manufacturers/producers/ exporters_____	2.41

The Commission determined that an industry in the United States is materially injured by imports of Canadian red raspberries packed in bulk containers, which the Department of Commerce determined are being sold in the United States at less than fair value. 1/

In the recently completed antidumping investigation, the Department of Commerce treated alleged subsidies received by growers as "other revenue," which it deducted from the Canadian packers' cost of production and constructed value. Accordingly, petitioners allege that treatment of the subsidy as "other revenue" reduced the dumping margins and may have resulted in the exclusion of one of the Canadian producers, Abbotsford Growers Cooperative Association, from the Commerce Department's final affirmative determination.

Nature and Extent of Alleged Subsidies

According to the petitioners, the production of Canadian red raspberries packed in bulk containers is subsidized by the Provincial Government of British Columbia through the British Columbia Raspberry Producers' Farm Income Plan (FIP). The FIP is one of several similar programs authorized under the British Columbia Farm Income Insurance Act and is intended to provide financial assistance to participating growers when average market returns fall below the cost of production.

The petitioners allege that the payments under the FIP are for the difference between an annually determined "cost of production" and the "average market return" on eligible 2/ sales of red raspberries. The

1/ Investigation No. 731-TA-196 (Final), Certain Red Raspberries From Canada, USITC Publication 1707, June 1985.

2/ "Eligible raspberries" are only those red raspberries "grown commercially in British Columbia that are delivered and sold to a raspberry processor in British Columbia." "Raspberry processor" means one recognized by the British Columbia Raspberry Growers' Association and approved by the British Columbia Government.

British Columbia Government in consultation with the British Columbia Federation of Agriculture determines the cost of production for red raspberries on the basis of a model farm concept. According to the British Columbia Ministry of Agriculture, the cost of production for the 1983 harvest was Can\$ 0.605 per pound. The British Columbia Government in consultation with the British Columbia Federation of Agriculture also determines an average market return by dividing the returns of all eligible red raspberries sold to government-approved British Columbia raspberry packers by the number of pounds sold less market costs. According to the Ministry of Agriculture, the average market return to growers for 1983 was Can\$ 0.468 per pound, or Can\$ 0.137 per pound below the cost of production.

The net subsidy paid to growers under the FIP is the average market return less a deduction for grower premiums. Total FIP payments to British Columbia growers for the 1983 harvest amounted to Can\$ 1,533,522.29, and they were paid on the basis of 15,680,000 pounds, which constitutes about 50 percent of the 1983 harvest in British Columbia. Payments to growers were made in two stages. An advance payment of Can\$ 0.065 per pound was made to growers in December 1983. After final calculations on the 1983 harvest were completed on May 11, 1984, a second payment of Can\$ 0.032 per pound was made to growers on June 1, 1984, for a total of Can\$ 0.097 per pound. The net payment is somewhat less than the difference between the cost of production and the average market return because the payment reflects a deduction for grower premiums.

Consideration of Material Injury or the Threat Thereof to an Industry in the United States

On June 17, 1985, the Commission determined that the U.S. red raspberry producing industry is materially injured by reason of imports from Canada that are being sold at less than fair value (LTFV). The entire record of investigation No. 731-TA-196 (Final), Certain Red Raspberries from Canada, is incorporated in the record of this instant investigation No. 701-TA-254 (Preliminary), Certain Red Raspberries from Canada.

In the previous dumping investigation, the Commission based its determination on import volume and market penetration data on only those imports that were "included" in Commerce's LTFV finding; such data excluded Abbotsford Growers Cooperative Association. In the instant countervailing duty investigation, it is appropriate for the Commission to consider the total import volume and market penetration data that covered all Canadian exporters.

In the previous dumping investigation the Commission reviewed and analyzed data on production, shipments, and imports for the period July 1, 1981, to March 31, 1985. Additional data that would cover the harvest and imports of the 1985 crop are not yet available because the subject products are harvested in the United States and in Canada, and are imported from Canada in the largest quantities during the months of July and August. The financial performance data analyzed in the previous dumping investigation covered calendar years 1982, 1983, and 1984 because the majority of growers and grower packers of the subject products maintained and reported financial data on a calendar-year basis; the data for 1985 will not be available until early 1986. Thus no new financial data from these growers or grower-packers of red raspberries are available.

The Commission staff was informed through telephone interviews that there has been no substantial change in the marketplace since April 1985. Independent packers stated that the Canadian red raspberries were offered at a price 6 to 7 cents below the opening price of U.S. red raspberries; as a result, the U.S. crop is being sold at prices lower than U.S. producers first asked. The Canadian exporters allegedly promised the purchasers that they will pay whatever additional duty is assessed.

A staff conference on this instant investigation was held on August 14, 1985. The petitioners were represented by counsel; the respondents did not appear at the conference. Counsel for the petitioners pointed out that, in the recently completed dumping investigation, the Commission considered only those imports included in the dumping-finding by Commerce; in this countervailing duty investigation, the Commission has to consider all imports from Canada.

Persons interested in the information developed in the earlier investigation can obtain copies of the public version of the staff report in that investigation by requesting USITC Publication 1707 dated June 1985 from the Office of the Secretary, U.S. International Trade Commission, Washington, DC 20436.

10/10/2014 10:10:10 AM

APPENDIX A

**NOTICE OF COMMISSION'S INSTITUTION OF A
COUNTERVAILING DUTY INVESTIGATION**

INTERNATIONAL TRADE COMMISSION

(Investigation No. 701-TA-254
(Preliminary))

Certain Red Raspberries From Canada

AGENCY: International Trade
Commission:

ACTION: Institution of a preliminary
countervailing duty investigation and
scheduling of a conference to be held in
connection with the investigation.

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigation No. 701-TA-254 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Canada of fresh and frozen red raspberries in containers of a gross weight of over 20 pounds, provided for in items 146.54, 146.56, and 146.74 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Government of Canada. As provided in section 703(a), the Commission must complete preliminary countervailing duty investigations in 45 days, or in this case by September 3, 1985.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, subparts A and B (19 CFR Part 207), and Part 201, subparts A through E (19 CFR Part 201).

EFFECTIVE DATE: July 18, 1985.

FOR FURTHER INFORMATION CONTACT:
Stephen A. Vastagh (202-523-0283),
Office of Investigations, U.S.
International Trade Commission, 701 E
Street NW., Washington, DC 20436.
Hearing-impaired individuals are
advised that information on this matter
can be obtained by contacting the
Commission's TDD terminal on 202-724-
0002.

SUPPLEMENTARY INFORMATION:

Background

This investigation is being instituted in response to a petition filed on July 18, 1985, by the Washington Raspberry Commission, Olympia, WA, the Oregon Caneberry Commission, Salem, OR, the Red Raspberry Committee of the Northwest Food Processors Association, Portland, OR, the Red Raspberry Member Group of the American Frozen Food Institute, McLean, VA, Rader

Farms, Orting, WA, Ron Roberts, Gresham, OR, and Shuksan Frozen Foods, Inc., Lynden, WA, which represent approximately 20 packers and the majority of growers of red raspberries in the United States.

On June 17, 1985, the Commission completed Inv. No. 731-TA-196 (Final), Certain Red Raspberries from Canada, USITC Publication 1707, June 1985. The record of Inv. No. 731-TA-196 (Final) will be incorporated into the record of this investigation.

Participation in the investigation

Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Service list

Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance. In accordance with § 201.16(c) of the rules (19 CFR 201.16(c)), each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by the service list) and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Conference

The Commission's Director of Operations has scheduled a conference in connection with this investigation for 9:30 a.m. on August 14, 1985, in Room 117 of the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Stephen A. Vastagh (202-523-0283) not later than August 13, 1985 to arrange for their appearance. Parties in support of the imposition of countervailing duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written submissions

Any person may submit to the Commission on or before August 16, 1985, a written statement of information pertinent to the subject of the investigation, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with section 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of section 201.6 of the Commission's rules (19 CFR 201.6).

Authenticity: This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

Issued: July 25, 1985.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 85-18180 Filed 7-30-85; 8:45 am]
GSA GEN CODE 7530-02-02

APPENDIX B

**NOTICE OF COMMERCE'S INSTITUTION OF A
COUNTERVAILING DUTY INVESTIGATION**

(C-122-604)

Initiation of Countervailing Duty Investigation; Certain Red Raspberries From Canada

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in Canada of certain red raspberries, as described in the "Scope of the Investigation" section below, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before September 3, 1985. If our investigation proceeds normally, we will make our preliminary determination on or before October 11, 1985.

EFFECTIVE DATE: August 12, 1985.

FOR FURTHER INFORMATION CONTACT: Mary Martin or Peter Sultan, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-3464 or 377-2815.

SUPPLEMENTARY INFORMATION:**The Petition**

On July 18, 1985, we received a petition from the Washington Red Raspberry Commission, the Red Raspberry Committee of the Oregon Caneberry Commission, the Red Raspberry Committee of the Northwest Food Processors Association, the Red Raspberry Member Group of the American Frozen Food Institute, Rader Farms (a grower-packer), Ron Roberts (a grower), Shuksan Frozen Foods, Inc., the Washington Red Raspberry Growers Association, and the North Willamette Horticultural Society, on behalf of domestic producers of red raspberries packed in bulk containers and suitable for further processing.

In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that producers or exporters of certain red raspberries in Canada, directly or indirectly, receive benefits which constitute subsidies

within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a U.S. industry.

Canada is a "country under the Agreement" within the meaning of section 701(b) of the Act; therefore, Title VII of the Act applies to this investigation and an injury determination is required.

Initiation of Investigation

Under section 702(c) of the Act, within 20 days after a petition is filed, we must determine whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined this petition and we have found that it meets the requirements for initiation.

We are initiating a countervailing duty investigation to determine whether producers or exporters in Canada of certain red raspberries, as described in the "Scope of the Investigation" section of this notice, receive benefits which constitute subsidies. If our investigation proceeds normally, we will make our preliminary determination by October 11, 1985.

Scope of the Investigation

The products covered by this investigation are fresh and frozen red raspberries packed in bulk and suitable for further processing. Fresh red raspberries are currently classified under item numbers 146.5400 and 146.5600 of the *Tariff Schedules of the United States, Annotated (TSUSA)*, and frozen raspberries under item number 146.7400.

Allegation of Subsidies

The petition alleges that Canadian production of red raspberries packed in bulk containers is subsidized by the provincial government of British Columbia. We are initiating an investigation on the following allegation:

British Columbia Raspberry Producers' Farm Income Plan

According to the petitioners, this program was created in 1976, pursuant to British Columbia's Farm Income Insurance Act. Participation is open to commercial raspberry growers in the province which, in the year of application, deliver at least 7,000 pounds of processing red raspberries to a processor in the province.

Participants in the program receive payments for years in which certain costs of production exceed certain

average market returns. These payments are equal to the difference between this cost of production and average market return, less a deduction for grower premiums. Petitioners allege that such payments have been made for crops produced in 1976, 1980 and 1983.

We are not initiating an investigation of the following allegation:

Low-interest Loans, Loan Guarantees and Partial Interest Reimbursement From Provincial Government of British Columbia

Petitioners allege that growers of red raspberries in British Columbia may be receiving low-interest loans, loan guarantees, and partial interest reimbursement from the provincial government of British Columbia. In a past investigation we have found these alleged programs not to be countervailable (See *Final Affirmative Countervailing Duty Determination: Live Swine and Fresh, Chilled and Frozen Pork Products from Canada* (50 FR 25087, 1985)). Petitioners have not presented new evidence, nor have they alleged changed circumstances, with respect to these programs.

Notification of ITC

Section 702(d) of the Act requires us to notify the U.S. International Trade Commission (ITC) of this action, and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by September 3, 1985, whether there is a reasonable indication that imports of certain red raspberries from Canada materially injure, or threaten material injury to, a U.S. industry. If the ITC's determination is negative, this investigation will be terminated; otherwise, the investigation will proceed according to the statutory procedures.

Gilbert B. Kaplan,

Acting Deputy Assistant Secretary for Import Administration.

August 6, 1985.

[FR Doc. 85-18121 Filed 8-9-85; 8:45 am]

BILLING CODE 3510-06-M

APPENDIX C

LIST OF WITNESSES APPEARING AT THE
COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigation No. 701-TA-254 (Preliminary)

CERTAIN RED RASPBERRIES FROM CANADA

Those listed below appeared at the United States International Trade Commission's conference held in connection with the subject investigation on August 14, 1985, in Room 117 of the USITC Building, 701 E Street, NW., Washington, DC.

In support of the imposition of countervailing duties

Kilpatrick & Cody—Counsel
Washington, DC
on behalf of—

Washington Red Raspberry Commission
Red Raspberry Committee of the Oregon Caneberry Commission
Red Raspberry Committee of the Northwest Food Producers' Association
Red Raspberry Member Group, American Frozen Food Institute
Rader Farms – grower/packer
Ron Roberts – grower
Shuksan Frozen Foods, Inc. – independent packer
Washington Red Raspberry Growers Association, Inc.
North Wilamette Horticultural Society

Joseph W. Dorn)
Anthony H. Anikeef) —OF COUNSEL

