Dried Tart Cherries from Turkey

Investigation Nos. 701-TA-622 and 731-TA-1448 (Final)

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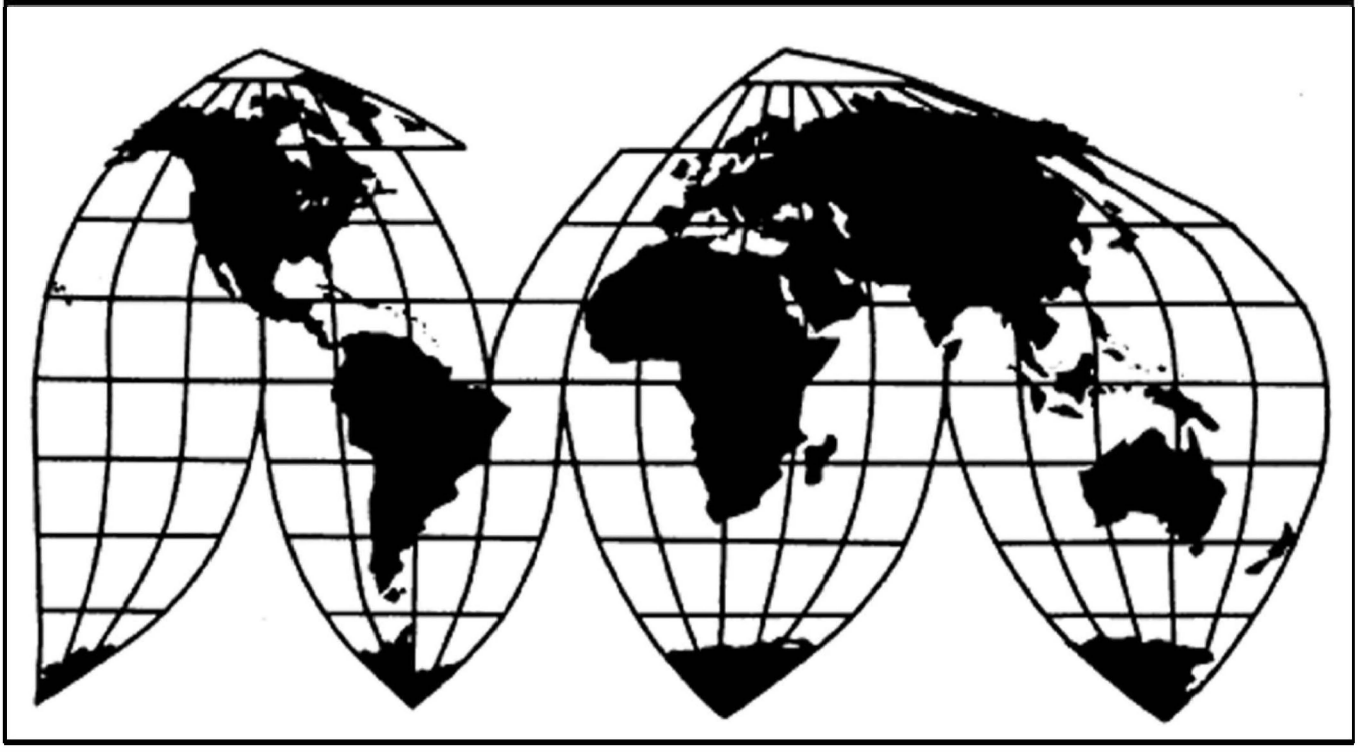

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Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (***) in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-622 and 731-TA-1448 (Final)

Dried Tart Cherries from Turkey

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that an industry in the United States is not materially injured or threatened with material injury by reason of imports of dried tart cherries from Turkey, provided for in subheading 0813.40.30 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV"), and to be subsidized by the government of Turkey.

BACKGROUND

The Commission instituted these investigations effective April 23, 2019, following receipt of petitions filed with the Commission and Commerce by the Dried Tart Cherry Trade Committee.[2] The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of dried tart cherries from Turkey were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing 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 October 4, 2019 (84 FR 53175). The hearing was held in Washington, DC, on December 3, 2019, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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[1] The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

[2] The Dried Tart Cherry Trade Committee consists of Cherry Central Cooperative; Graceland Fruit, Inc.; Payson Fruit Growers Coop; Shoreline Fruit, LLC; and Smeltzer Orchard, Co.

Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of dried tart cherries from Turkey found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") and to be subsidized by the government of Turkey.[1]

I. Background

The Dried Tart Cherry Trade Committee ("Petitioner"), an association of dried cherry processors, filed the petitions in these investigations on April 23, 2019.[2] Representatives of Petitioner appeared at the hearing accompanied by counsel and submitted prehearing and posthearing briefs and final comments.

Two respondent entities participated in these investigations. Representatives of Sanford A.S. ("Sanford"), a producer and exporter of the subject merchandise, appeared at the hearing accompanied by counsel and submitted prehearing and posthearing briefs and final comments.[3] The Ministry of Trade for the Republic of Turkey ("the Government of Turkey") filed a prehearing brief.

U.S. industry data are based on the questionnaire responses of five firms that accounted for the vast majority of U.S. production of dried tart cherries in 2018.[4] U.S. import data are based on questionnaire responses from 11 U.S. importers, except where otherwise noted.[5] Companies that provided questionnaire responses accounted for *** percent of total official U.S. import data for dried cherries from all sources in 2018 under HTS subheading 0813.40.3000,[6] including *** percent of official import data from Turkey, and *** percent of

[1] Material retardation is not an issue in these investigations.

[2] Confidential Report, Memorandum INV-RR-135 (Dec. 23, 2019) ("CR") at I-1; Public Report ("PR") at I-1.

[3] Sanford represents that its views are submitted "with the support of the entire Turkish dried tart cherries industry." Sanford Prehearing Brief at 1.

[4] CR/PR at I-4 and Table III-1.

[5] CR/PR at I-4, IV-1, and Tables IV-1-2. We discuss in more detail in section IV.B.1. below how we calculated import data in these investigations.

[6] CR/PR at IV-1 n.3, IV-2 & n.5, and Table D-1 at D-5. Petitioner states that the vast majority of dried tart cherries imports from Turkey are entered under HTS 0813.40.3000. CR/PR at IV-1. U.S. importer *** reported importing dried tart cherries under a different HTS subheading and the Commission included *** questionnaire data in its calculation of total subject imports. *See* CR/PR at Table D-2 at D-10.

official import data from all other sources under this HTS subheading, although these percentages include imports of out-of-scope products.[7] Foreign industry data and related information are based on questionnaire responses from six producers/exporters of dried tart cherries in Turkey, whose production accounted for approximately *** percent of total production of dried tart cherries in Turkey in 2018 and whose exports accounted for approximately *** percent of total reported exports of dried tart cherries from Turkey to the United States in 2018.[8]

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the "domestic like product" and the "industry."[9] 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."[10] 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."[11]

The decision regarding the appropriate domestic like product 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.[12] No single factor is

[7] We discuss in more detail in section IV.B.1 below products typically imported under HTS subheading 0813.40.3000.

[8] CR/PR at VII-4.

[9] 19 U.S.C. § 1677(4)(A).

[10] 19 U.S.C. § 1677(4)(A).

[11] 19 U.S.C. § 1677(10).

[12] *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.[13] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[14] Although the Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized or sold at less than fair value,[15] the Commission determines what domestic product is like the imported articles Commerce has identified.[16]

B. Product Description

In its final determinations, Commerce defined the imported merchandise within the scope of these investigations as:

> . . . dried tart cherries, which may also be referred to as, *e.g.,* dried sour cherries or dried red tart cherries. Dried tart cherries may be processed from any variety of tart cherries. Tart cherries are generally classified as *Prunus cerasus.* Types of tart cherries include, but are not limited to, Amarelle, Kutahya, Lutowka, Montmorency, Morello, and Oblacinska. Dried tart cherries are covered by the scope of this investigation regardless of the horticulture method through which the cherries were produced (*e.g.,* organic or not), whether or not they contain any added sugar or other sweetening matter, whether or not they are coated in oil or rice flour, whether infused or not infused, and regardless of the infusion ingredients, including sugar, sucrose, fruit juice, and any other infusion ingredients. The scope includes partially rehydrated dried tart cherries that retain the character of dried fruit. The subject merchandise

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

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

[14] *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.").

[15] *See*, *e.g., USEC, Inc. v. United States*, 34 Fed. Appx. 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).

[16] *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); *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Torrington*, 747 F. Supp. at 748-52 (affirming the Commission's determination defining six like products in investigations in which Commerce found five classes or kinds).

covers all shapes, sizes, and colors of dried tart cherries, whether pitted or unpitted, and whether whole, chopped, minced, crumbled, broken, or otherwise reduced in size. The scope covers dried tart cherries in all types of packaging, regardless of the size or packaging material.

Included in the scope of this investigation are dried tart cherries that otherwise meet the definition above that are packaged with nonsubject products, including, but not limited to, mixtures of dried fruits and mixtures of dried fruits and nuts, where the smallest individual packaging unit of any such product contains a majority (*i.e.,* 50 percent or more) of dried tart cherries by dry net weight. Only the dried tart cherry components of such products are covered by this investigation; the scope does not include the non-subject components of such products.

Included in the scope of this investigation are dried tart cherries that have been further processed in a third country, including but not limited to processing by stabilizing, preserving, sweetening, adding oil or syrup, coating, chopping, mincing, crumbling, packaging with non-subject products, or other packaging, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the dried tart cherries.

Excluded from the scope of this investigation are dried tart cherries that have been incorporated as an ingredient in finished bakery and confectionary items (cakes, cookies, candy, granola bars, etc.). The subject merchandise is currently classifiable under 0813.40.3000 of the Harmonized Tariff Schedule of the United States (HTSUS). The subject merchandise may also enter under subheadings 0813.40.9000, 0813.50.0020, 0813.50.0060, 2006.00.2000, 2006.00.5000, and 2008.60.0060. The HTSUS subheadings set forth above are provided for convenience and U.S. customs purposes only. The written description of the scope is dispositive.[17]

All dried tart cherries within the scope are produced from raw tart cherries.[18] The Montmorency variety is the main tart cherry variety grown in the United States, and Kutahya is the main variety grown in Turkey.[19] Although they can be eaten fresh, nearly all tart cherries are processed before consumption.[20] Fresh tart cherries can be juiced, canned, frozen, or

[17] Dried Tart Cherries from the Republic of Turkey: Final Affirmative Determination of Sales at Less Than Fair Value ("Commerce Final AD Determination"), 84 Fed. Reg. 67429, 67430 (Dec. 10, 2019); Dried Tart Cherries from the Republic of Turkey: Final Affirmative Countervailing Duty Determination ("Commerce Final CVD Determination"), 84 Fed. Reg. 67430, 67431-67432 (Dec. 10, 2019).

[18] CR/PR at I-8.

[19] CR/PR at I-8.

[20] CR/PR at I-8.

dried.[21] Before drying, tart cherries are usually pitted and individually quick frozen.[22] The shelf life for tart cherries once they are dried is 16 months.[23]

C. Analysis

In the preliminary determinations, the Commission defined a single domestic like product consisting of all dried tart cherries that was coextensive with the scope of the investigations.[24] The Commission found that all dried tart cherries within the scope have similar physical characteristics as they are produced from raw tart cherries, generally have a tender, chewy texture, and are usually pitted.[25] Further, all dried tart cherries within the scope have the same end use insofar as they are either consumed directly or used as an ingredient in nut or dried fruit mixtures, cereals, baked goods, and other processed foods.[26] The record indicated that all dried tart cherries within the scope generally are made with the same production facilities and manufacturing processes, and are sold predominantly in the same channels of distribution.[27] The Commission additionally found that, notwithstanding differences in their size or presentation, all dried tart cherries within the scope generally are interchangeable and are perceived to be the same product by market participants.[28] In light of the above, and the absence of any contrary arguments, the Commission defined a single domestic like product consisting of all dried tart cherries corresponding to Commerce's scope definition.[29]

The record in these final phase investigations does not contain any new information that would warrant revisiting the definition of the domestic like product,[30] and no party has argued for a definition of the domestic like product different from that in the preliminary determinations.[31] Therefore, for the reasons set forth in the preliminary determinations, we

[21] CR/PR at I-8.

[22] CR/PR at I-12.

[23] CR/PR at I-12.

[24] *Dried Tart Cherries from Turkey*, Inv. Nos. 701-TA-622 and 731-TA-1448 (Preliminary), USITC Pub. 4902 at 6 (June 2019) ("*Preliminary Determinations*").

[25] *Preliminary Determinations*, USITC Pub. 4902 at 6-7.

[26] *Preliminary Determinations*, USITC Pub. 4902 at 7-8.

[27] *Preliminary Determinations*, USITC Pub. 4902 at 8.

[28] *Preliminary Determinations*, USITC Pub. 4902 at 8.

[29] *Preliminary Determinations*, USITC Pub. 4902 at 8.

[30] *See generally* CR/PR at I-8-13.

[31] Petitioner argues that there is a single domestic like product consisting of all dried tart cherries that is coextensive with Commerce's scope. Petitioner Prehearing Brief at 3. In the final phase

define a single domestic like product consisting of all dried tart cherries, coextensive with the scope of the investigations.

III. 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."[32] 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.

The Commission addressed only one domestic industry issue in the preliminary phase of these investigations: whether raw tart cherry growers should be included in the domestic industry under the statutory grower-processor provision.[33] The Commission determined that the record did not support including the raw tart cherry growers in the domestic industry pursuant to this provision.[34] In the final phase of these investigations, both Petitioner and Sanford expressly state that they do not challenge the Commission's decision in the preliminary determinations not to include the growers of raw tart cherries in the domestic industry.[35] The current record does not contain any new information that would warrant revisiting this issue.[36] Therefore, for the same reasons set forth in the preliminary determinations, we do not include the growers in the domestic industry and limit the domestic industry to processors of dried tart

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of these investigations, the only respondent to address this issue was Sanford, which expressly agreed with Petitioner's proposed domestic like product definition. *See, e.g.*, Sanford Prehearing Brief at 4-5; Hearing Transcript ("Tr.") at 148 (Thomas).

[32] 19 U.S.C. § 1677(4)(A).

[33] This provision directs the Commission to include growers of a processed agricultural product in the domestic industry in investigations involving the processed agricultural product in certain circumstances. *See* 19 U.S.C. § 1677(4)(E).

[34] In the preliminary phase of the investigations, Petitioner estimated that approximately 25 to 35 percent of raw tart cherries are processed into dried tart cherries. *Preliminary Determinations*, USITC Pub. 4902 at 8. The Commission found in the preliminary determinations that this percentage was insufficient to satisfy the first prong of the grower/processor provision, 19 U.S.C. § 1677(4)(E)(ii), and therefore did not include the growers of raw tart cherries in the domestic industry. *Preliminary Determinations*, USITC Pub. 4902 at 8.

[35] *See* Petitioner Prehearing Brief at 3, Sanford Prehearing Brief at 5.

[36] *See* CR/PR at I-8.

cherries. Because there are no other domestic industry issues in these investigations,[37] we define the domestic industry to include all U.S. processors of dried tart cherries.

IV. No Material Injury by Reason of Subject Imports[38]

Based on the record in the final phase of these investigations, we find that an industry in the United States is not materially injured or threatened with material injury by reason of imports of dumped and subsidized dried tart cherries from Turkey.

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[39] In making this determination, the Commission must consider the volume of 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.[40] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[41] In assessing whether 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.[42] No single factor is dispositive, and all relevant factors are considered "within the

[37] No domestic producers are related to exporters or importers of subject merchandise, and no domestic producer imported subject merchandise during the January 2016-June 2019 period of investigation (POI). CR/PR at III-2.

[38] 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 three 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 generally be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B). The exceptions to this general rule are not pertinent here.

Subject imports from Turkey during the most recent 12-month period preceding the filing of the petitions (April 2018 to March 2019) accounted for *** percent of total imports by quantity. CR/PR at IV-10 and Table IV-4. Because this exceeds the statutory negligibility threshold, we find that subject imports from Turkey are not negligible.

[39] 19 U.S.C. §§ 1671d(b), 1673d(b).

[40] 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).

[41] 19 U.S.C. § 1677(7)(A).

[42] 19 U.S.C. § 1677(7)(C)(iii).

context of the business cycle and conditions of competition that are distinctive to the affected industry."[43]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[44] 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.[45] 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.[46]

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 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.[47] In performing its examination, however, the Commission need not isolate

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[43] 19 U.S.C. § 1677(7)(C)(iii).

[44] 19 U.S.C. §§ 1671d(b), 1673d(b).

[45] *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).

[46] 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).

[47] Uruguay Round Agreements Act Statement of Administrative Action (SAA), H.R. Rep. 103-316 vol. I at 851-52 (1994) ("{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

the injury caused by other factors from injury caused by unfairly traded imports.[48] 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.[49] It is clear that the existence of injury caused by other factors does not compel a negative determination.[50]

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" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[51] The Commission ensures that it has "evidence in the record" to "show that the

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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.

[48] 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.").

[49] S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

[50] *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.").

[51] *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

harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports."[52] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[53]

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.[54] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[55]

B. Conditions of Competition and the Business Cycle

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

1. Data Issues

A key disputed issue in these investigations concerns what principal source the Commission should use to ascertain volumes of subject (and nonsubject) imports. As we explain below, we have primarily used data provided in response to the Commission's importer questionnaires.

The available importer questionnaire data are substantially complete; that is, the Commission received questionnaire response from the vast majority of known importers, and from all the largest ones. Petitioner states that the vast majority of dried tart cherries imports

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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*.

[52] *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.

[53] *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.").

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

[55] *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.").

from Turkey are entered under HTS 0813.40.3000.[56] Firms that responded to the Commission's importer questionnaire represented *** percent, by quantity, and *** percent, by value, of total U.S. import data from Turkey for 2018 under this HTS number, although these percentages include imports of out-of-scope products. However, for five small importers that did not respond to the questionnaire, we have used proprietary customs data as the only available data.[57]

We further find that the importer questionnaire data are reliable.[58] Because HTS 0813.40.3000 includes out-of-scope merchandise (in particular out-of-scope dried sweet cherries), and due to other reporting discrepancies described below, the total quantity of imports under HTS 0813.40.3000 was generally greater than the total reported in questionnaire responses; for some importers, the quantities reported in their individual questionnaires were considerably lower than the quantity indicated in proprietary customs data for these firms.[59] [60] This difference was particularly apparent for three *** importers.[61] However, for these importers, their reported subject import values were very close to the proprietary customs data.[62]

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[56] CR/PR at IV-1. *** classified subject imports under a different HTS code. CR/PR at Table D-2. The record does not show, and no party has argued, that any other meaningful volumes of imports entered under any other HTS code.

[57] CR/PR at IV-1 n.3; *see also* EDIS Docs. 695564 (compilation of proprietary import statistics for HTS 0813.40.3000 between January 2016 and September 2019) and 698391 (compilation of public import statistics for HTS 0813.40.3000). These figures include firms that provided responses to the Commission's importer questionnaire, but indicated that they had not imported dried tart cherries into the United States since 2016. CR/PR at IV-2 & n.5. As explained further below, HTS 0813.40.3000 encompasses out-of-scope merchandise, in particular dried sweet cherries.

[58] The Commission has previously relied on sworn statements of responding importers in lieu of other reported data when, as here, the HTS does not provide a statistical breakout and the statements accounted for the majority of subject imports. *AWP Industries, Inc. v. United States*, 783 F. Supp. 2d 1266, 1274 n.17, 1275 (Ct. Int'l Trade 2011) (*citing Timken,* 321 F.Supp.2d at 1365-67).

[59] The Commission obtained specific import entry information from the proprietary customs data for U.S. imports from Turkey under HTS statistical reporting number 0813.40.3000. These data include detailed transactional information about imports, including names and addresses of firms identified as importers of the merchandise, and the volume of the merchandise at issue.

[60] *Compare* CR/PR at Table IV-1 *with* Table D-1 at D-3 (total imports under the pertinent HTS number) and D-4 (imports indicated in proprietary customs data).

[61] CR/PR at IV-1 n.3.

[62] *See* CR/PR Table D-2 at D-10-13. For the three *** importers, reported values were *** percent or more of the values in proprietary customs data, whereas reported quantities were around 10 percent or lower of the data in proprietary customs data. We examine both quantity and value data in our analysis below of subject import volume trends and market shares. *Id*.

Staff took additional steps to ensure that the data were reliable and followed up with individual firms, both by telephone and written correspondence, to confirm directly with company representatives that the certified questionnaire data submitted to the Commission were accurate, and, when possible, to obtain documentation corroborating the specific responses in question.[63] The three *** importers each confirmed that the certified questionnaire data that they submitted to the Commission were accurate and that they did not import dried sweet cherries from 2016 to 2018. We further observe that the average unit values ("AUVs") yielded by the questionnaire data over the period of investigation ("POI") – January 2016 to June 2019 – range from $*** to $*** per pound.[64] These AUVs are reasonably within the range of the pricing data provided in questionnaire responses; reported quarterly prices ranged from $*** to $*** per pound.[65] Based on importers' certified and confirmed questionnaires and the general consistency between AUVs calculated based on questionnaire import data and the questionnaire pricing data, coupled with the high coverage of the questionnaire data, we find the import data as reported in the questionnaire responses to be reliable, and as elaborated below, more reliable than the customs data.

Petitioner advocates that, instead of relying on questionnaire data, the Commission use official import statistics as a baseline for computing import volume, and adjust those data as warranted.[66] We initially note that the use of questionnaire data is consistent with agency practice; as we have previously stated, "{o}ur normal practice is to collect import data both through importer questionnaires and from official import statistics, and we determine our preferred data source on a case-by-case basis."[67]

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[63] CR/PR at IV-1 n.3*; see also* EDIS Docs. 697427 (telephone conversation with ***), 696975 and 697426 (emails from ***), 675543 (communications with ***). Commission Staff also contacted *** and *** and received documentary support from both firms that they did not import subject merchandise during the POI. CR/PR at IV-1 n.3, IV-2 n.5; *see* EDIS Docs. 696105 (emails and bill of lading from ***), and 697032 (emails and bill of lading from ***); *see also* Sanford Posthearing Brief at Exhibits 4, 6. The Commission has previously relied on questionnaire data that was similarly verified. *See, e.g.*, *Nitrogen Solutions Fair Trade Committee v. U.S.*, 358 F. Supp. 2d 1314, 1321 (Ct. Int'l Trade 2005).

[64] CR/PR at Table IV-2.

[65] *See* CR/PR at Tables V-3-6.

[66] *See* Petitioner Final Comments at 2-3.

[67] *Drill Pipe and Drill Collars from China,* Inv. Nos. 701-TA-474 and 731-TA-1176 (Final), USITC Pub. 4213 at 22 (Feb. 2011). We observe that in the preliminary phase, the Commission calculated import volume based on a hybrid of questionnaire responses and official import statistics. *See Preliminary Determinations*, USITC Pub. 4902 at IV-1.

Petitioner's reliance on other investigations,[68] such as *Tapered Roller Bearings from Korea*,[69] as establishing a policy in favor of using official import data overlooks that those investigations involved circumstances that are inapplicable here. While the use of official import data may be preferred when there are significant gaps in importer questionnaire coverage,[70] there are no such gaps here. Rather, as explained above, importer questionnaire coverage is substantially complete in this investigation.

Moreover, while the Commission may prefer to use official import data when these data correspond generally with the scope definition, that is also not the case in this investigation because HTS 0813.40.3000 also includes dried sweet cherries, which are outside the scope.[71] Petitioner initially argued in the final phase of this investigation that the official import data closely tracked the scope, claiming that there was no appreciable U.S. market for dried sweet cherries, which are outside the scope but within the merchandise covered by HTS 0813.40.3000.[72] The record developed in these investigations indicates otherwise.[73] As Petitioner acknowledged in its Final Comments, any calculation of subject imports would require substantial modifications to the official import data for HTS 0813.40.3000 by deducting quantity data for imports it now concedes to be out-of-scope merchandise.[74] In fact, the subject import quantities that Petitioner purports to have derived from the official import statistics only accounted for *** percent of all imports from Turkey reported under HTS 0813.40.3000 for 2016 through 2018.[75] Accordingly, the record in this investigation

[68] Petitioner Posthearing Brief, Response to Commission Questions at 10-11.

[69] *Tapered Roller Bearings from Korea*, Inv. No. 731-TA-1380 (Final) ("*TRBs")*, USITC Pub. 4806 (Aug. 2018).

[70] *See TRBs,* USITC Pub. 4806 at 3 n.3, 23.

[71] *TRBs*, USITC Pub. 4806 at 23.

[72] *See*, *e.g.,* Petitioner Prehearing Brief at 6-10; Hearing Transcript (Tr.) at 12-13 (Cloutier), 22 (Gregory), 70 (Drake).

[73] *See, e.g.,* Sanford Posthearing Brief, Response to Commissioner Questions at A-8, and Exhibits 1, 4, and 5.

[74] Petitioner Final Comments at 3. Petitioner conceded that official import data for this HTS classification included out-of-scope dried sweet cherries. *Id.* Petitioner cited a post-petition decline in imports under HTS 0813.40.3000 as affirmative evidence that the vast majority of imports thereunder are in-scope dried tart cherries, rather than out-of-scope dried sweet cherries. Petitioner Posthearing Brief at 4 & Answers to Commissioner Questions at 12-13. Sanford disputes the decline was in response to the petition, arguing that volume of all imports from Turkey under HTS 0813.40.3000 typically decline every year between May and June. Sanford's Posthearing Brief at A-13. Moreover, as discussed below, the record indicates that importers of subject merchandise generally imported sporadically during the POI and in fluctuating amounts.

[75] *Compare* Petitioner Final Comments at 3 *with* CR/PR Table D-1 at D-3.

demonstrates that official import statistics do not correspond to the scope definition, as in the cases cited by Petitioner.

Furthermore, discrepancies between AUVs calculated based on the customs data and the questionnaire product-specific pricing data call into question the accuracy of the quantities reported in the proprietary customs data. Specifically, the proprietary customs data that Petitioner urges the Commission to use as a baseline yield AUVs ranging between $*** to $*** per pound, far below any reported price for subject imports, which as noted above ranged from $*** to $*** per pound.[76] The record consequently undercuts the reliability of the official import data whose use Petitioner advocates.

We also do not find persuasive Petitioner's argument that information on bills of lading render the proprietary customs data more reliable than the information in the questionnaire responses.[77] Specifically, Petitioner points to these bills of lading to suggest that the questionnaire responses underreport imports of dried tart cherries, and therefore proprietary customs data is more reliable than the information in the questionnaire responses. We disagree. As an initial matter, we observe that, unlike the questionnaire data that have been certified, and in some significant instances were confirmed through staff outreach to be correct, bills of lading are maintained by private companies that do not similarly certify the accuracy of the information included in them. Indeed, several of the bills of lading contain errors such as incorrectly reported HTS numbers.[78] In addition, several of the bills of lading do not specifically reflect imports of subject merchandise,[79] and as such do not necessarily reflect imports of subject merchandise not reported in the questionnaires, as Petitioner contends. As noted above, the record information shows that out-of-scope dried sweet cherries are imported under HTS 0813.40.3000. Accordingly, we are not persuaded that the bills of lading show the questionnaire data to be less reliable than proprietary customs data.[80]

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[76] *Derived from* CR/PR Tables V-3-6, D-1 at D-4; *see also* Petitioner Posthearing Brief, Exhibit 1. For example, according to Petitioners, the AUVs from proprietary customs data for ***. Petitioner Posthearing Brief, Exhibit 1. When asked about this discrepancy, Petitioner did not have an explanation and acknowledged that AUVs calculated based on the customs data were likely lower than actual AUVs of subject merchandise. Hearing Tr. at 65-66 (Drake).

[77] *See* Hearing Tr. at 216 (Drake); Petitioner Posthearing Brief, Responses to Commissioner Questions at 21-22.

[78] Such defects are apparent among the bills of lading Petitioner submitted in Exhibit 4 to its Posthearing Brief.

[79] *See* Petitioner Posthearing Brief, Response to Commission Questions at 22, Exhibit 4 (showing that bills of lading included descriptions such as ***).

[80] We similarly are not persuaded that product labels and information submitted by Petitioner show that questionnaire data to be unreliable. Petitioner submitted product information regarding ***

In sum, given that the applicable HTS classification does not correspond with the scope due to substantial quantities of out-of-scope merchandise, and the apparent inaccuracy of the quantities reported in the proprietary customs data, we find that the certified and confirmed importer questionnaire data provide the most reliable database and that their use is consistent with agency practice. Accordingly, we have relied primarily upon questionnaire data, which account for the *** of total U.S. imports from Turkey for 2018 under HTS 0813.40.3000, to calculate the volume of imports, supplemented with proprietary customs data for the *** percentage of importers from which we did not receive responses to our questionnaires.[81]

2. Demand Conditions

Dried tart cherries may be a standalone food item or used as an ingredient in prepared foods such as fruit mixtures, cereals, and baked goods.[82] U.S. demand for dried tart cherries consequently depends on the demand for food items in which they are used as an ingredient.[83] U.S. producers of dried tart cherries, as well as importers of dried tart cherries from nonsubject countries, reported selling dried tart cherries principally to distributors, but also sold appreciable quantities to retailers and the small remainder to end users throughout the POI.[84] The primary channels of distribution for subject imports fluctuated over the POI, with majorities of shipments to retailers in 2016, 2017, and January-June ("interim") 2019, substantial shares to both retailers and distributors in 2018, and a plurality to end users during interim 2018.[85]

Market participants had mixed perspectives on demand trends during the POI: most domestic producers and purchasers reported that U.S. demand increased or did not change during the POI, while most importers reported that demand declined or fluctuated.[86]

Apparent U.S. consumption of dried tart cherries declined from *** pounds in 2016 to *** pounds in 2017 and *** pounds in 2018, a level *** percent lower than in 2016.[87]

products, *see e.g.,* Petitioner Posthearing Brief, Exhibit 2; however, as discussed above, Petitioner now concedes that *** imported only out-of-scope dried sweet cherries during the POI.

[81] CR/PR at Table IV-2 & D-5, D-7, D-17.

[82] CR/PR at II-1.

[83] CR/PR at I-3, II-1.

[84] CR/PR at Table II-1.

[85] CR/PR at Table II-1.

[86] CR/PR at Table II-5.

[87] CR/PR at Table C-1.

Apparent U.S. consumption was *** percent higher in interim 2019, at *** pounds, compared to interim 2018, at *** pounds.[88]

3. Supply Conditions

The domestic industry supplied the overwhelming share of the U.S. dried tart cherry market throughout the POI. The industry consists of the five producers that constitute the petitioning entity, with the *** accounting for *** percent of domestic production in 2018.[89] Petitioner contends that the individual producers in the industry ***.[90] The domestic industry's share of the quantity of apparent U.S. consumption was *** percent in 2016, and *** percent in 2017 and 2018; their share of apparent U.S. consumption was *** percent in interim 2018 and *** percent in interim 2019.[91]

Subject imports from Turkey were the smallest source of supply to the U.S. market throughout the POI. Subject imports' share of the quantity of apparent U.S. consumption was less than *** percent throughout the POI. It rose from *** percent in 2016 to *** percent in 2017, and then declined to *** percent in 2018; it was *** percent in interim 2018 and *** percent in interim 2019.[92] Importers make most of their sales from U.S. inventories.[93] The record indicates that the individual importers of subject merchandise imported sporadically during the POI and in fluctuating amounts.[94]

Nonsubject imports were the second largest source of supply to the U.S. market throughout the POI. Nonsubject imports' share of the quantity of apparent U.S. consumption

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[88] CR/PR at Table IV-5. We have also examined value data in these investigations. These indicate that the value of apparent U.S. consumption of dried tart cherries declined from $*** in 2016 to $*** in 2017 and then rose to $*** in 2018, a figure still *** percent below that of 2016. The value of apparent U.S. consumption was $*** in interim 2018 and higher, at $***, in interim 2019. CR/PR at Table C-1.

[89] *See* CR/PR at Table III-1.

[90] Petitioner Posthearing Brief, Response to Commissioner Questions at 48.

[91] CR/PR at Tables IV-5, C-1. The domestic industry's share of the value of apparent U.S. consumption was *** percent in 2016, *** percent in 2017, and *** percent in 2018. This share was *** percent in interim 2018 and *** percent in interim 2019. *Id*.

[92] CR/PR at Tables IV-5, C-1. Subject imports' share of the value of apparent U.S. consumption was *** percent in 2016, and *** percent in 2017 and 2018. It was *** percent in interim 2018 and *** percent in interim 2019. *Id.*

[93] CR/PR at II-8.

[94] CR/PR Table D-2 at D-12. *** reported importing subject merchandise during all three full years of the POI, except for ***. *Id*.

fell from *** percent in 2016 to *** percent in 2017, and returned to *** percent in 2018.[95] Nonsubject imports' share of apparent U.S. consumption was higher in interim 2019, at *** percent, than in interim 2018, at *** percent.[96] Serbia, Uzbekistan, and China were the largest sources of nonsubject imports during the POI.[97] Combined, these countries accounted for *** percent of nonsubject imports in 2018.[98]

4. Substitutability and Other Conditions

We find that there is a high degree of substitutability between subject imports and the domestic like product, although substitutability may be limited with respect to organic products, which account for a small part of the market, as discussed below.[99] All responding domestic producers and the majority of responding importers reported that the domestic like product and subject imports were always or frequently interchangeable.[100] Although purchasers' responses were mixed, a plurality reported that the domestic like product and subject imports were sometimes interchangeable.[101]

Both price and certain non-price factors are important in purchasing decisions. Quality was the most frequently cited top purchasing factor by U.S. purchasers of dried tart cherries, followed by price and availability.[102] Price, quality, and availability were also the three factors

[95] CR/PR at Tables IV-5, C-1.

[96] CR/PR at Tables IV-5, C-1. Nonsubject imports' share of the value of apparent U.S. consumption was *** percent in 2016 and 2017 and *** percent in 2018. It was *** percent in interim 2018 and higher, at *** percent, in interim 2019. *Id.*

[97] CR/PR at II-5.

[98] CR/PR at II-5.

[99] CR/PR at II-8, Tables III-6 and IV-3.

[100] CR/PR at Table II-11. All five responding producers reported that the domestic like product and subject imports were always or frequently interchangeable. *Id*. Three of five responding importers reported that the domestic like product and subject imports were always or frequently interchangeable, one importer reported that they were sometimes interchangeable, and one importer reported that they were never interchangeable. *Id*.

[101] CR/PR at Table II-11. Two of six responding purchasers reported that the domestic like product and subject import were frequently interchangeable, three reported that they were sometimes interchangeable, and one reported that they were never interchangeable. *Id*.

[102] CR/PR at Table II-7. The most frequently cited top three factors considered by purchasers of dried tart cherries in their purchasing decisions were price/cost (13 purchasers), quality (11 purchasers), and availability/supply (six purchasers). *Id*. The most frequently cited most important factor considered by purchasers of dried tart cherries in their purchasing decisions were quality (nine purchasers), price (two purchasers), and availability (two purchasers). *Id*.

purchasers most frequently identified as very important to purchasing decisions.[103] Although purchasers reported that the domestic like product and subject imports were comparable on a majority of purchasing factors, majorities found the domestic like product superior in four of 17 factors, including availability.[104]

Majorities of producers, importers, and purchasers reported that factors other than price were sometimes important to purchasing decisions.[105] In particular, a majority of purchasers reported that purchases were always based on the producer and a plurality reported that purchasers were always based on country of origin.[106]

Dried tart cherries may be produced from tart cherries that have been grown by both conventional and organic methods.[107] Most purchasers (nine of 12) reported that organic and non-organic dried tart cherries are not interchangeable.[108] Shipments of organic dried tart cherries never exceeded *** percent of total apparent U.S. consumption of dried tart cherries in any full year or interim period of the POI.[109] Purchasers reported that almost all of their purchases of dried tart cherries during 2018 (98.8 percent) were not required to be an organic product.[110] During the POI, U.S. producers' U.S. shipments were overwhelmingly concentrated in non-organic dried tart cherries; as a share of their total U.S. shipments, U.S. producers' U.S. shipments of organic dried tart cherries never exceeded *** percent in any year or interim period.[111] By contrast, subject imports were predominantly organic products in the latter portions of the POI.[112]

Tart cherries, which are usually pitted and individually quick frozen,[113] are the main raw material used by U.S. processors for producing dried tart cherries, and accounted for the

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[103] CR/PR at Table II-8.

[104] CR/PR at Table II-10.

[105] CR/PR at Table II-13.

[106] CR/PR at Table III-6.

[107] CR/PR at II-11, Tables III-6 and IV-3.

[108] CR/PR at II-11. ***. CR/PR at IV-3. In addition, *** reported that the availability of organic raw materials was a significant purchasing factor. CR/PR at II-15. The record also indicates that organic dried tart cherries tend to be priced higher than non-organic dried tart cherries. CR/PR at Tables III-6, IV-3.

[109] *Derived from* CR/PR at Tables III-6, IV-3.

[110] CR/PR at II-11. Purchasers reported that *** pounds of their dried tart cherry purchases were not required to be organic and *** pounds were required to be organic in 2018. *Id*.

[111] CR/PR at Table III-6.

[112] CR/PR at Table IV-3. Subject imports of organic dried tart cherries were *** percent of U.S. shipments of subject imports in 2016, *** percent in 2017, *** percent in 2018, *** percent in interim 2018, and *** percent in interim 2019. *Id*.

[113] CR/PR at I-12.

majority of U.S. producers' cost of goods sold ("COGS") during the POI. [114] U.S. producers reported that raw material costs had fluctuated or remained unchanged during the POI.[115] On a per unit basis, raw material costs generally declined during the POI.[116]

C. Volume of 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."[117]

As discussed above, we have primarily used data provided in response to the Commission's importer questionnaires for our analysis. Subject imports entered the U.S. market in small, fluctuating quantities during the POI. The quantity of subject imports declined from *** pounds in 2016 to *** pounds in 2017, and then increased to *** pounds in 2018. The quantity of subject imports was higher in interim 2019, at *** pounds, than in interim 2018, at *** pounds.[118]

We have calculated apparent U.S. consumption based on U.S. shipments of producers and importers; consequently, market share computations are based on U.S. shipments of subject imports. Data trends for U.S. shipments of subject imports diverge in some respects from those for the volume of subject imports because, as stated above, individual importers tend to import sporadically and most sales of subject imports are made from U.S. inventories.[119] The quantity of U.S. shipments of subject imports increased from *** pounds in 2016 to *** pounds in 2017 and declined to *** pounds in 2018. U.S. shipments of subject imports were *** pounds in interim 2018 and higher, at *** pounds, in interim 2019.[120] By quantity, U.S. shipments of subject imports' share of apparent U.S. consumption was less than *** percent during the POI. It initially increased from *** percent in 2016 to *** percent in

[114] CR/PR at V-1, Table VI-4.

[115] CR/PR at V-1.

[116] CR/PR at Table VI-1.

[117] 19 U.S.C. § 1677(7)(C)(i).

[118] CR/PR at Table IV-2. The value of subject imports declined from $*** in 2016 to $*** in 2017, and then increased to $*** in 2018. The value of subject imports was $*** in interim 2018 and higher, at $***, in interim 2019. *Id*. Because subject imports were higher in interim 2019 than interim 2018, we do not apply the statutory provision on post-petition data, 19 U.S.C. § 1677(7)(I).

[119] CR/PR at Table D-2.

[120] CR/PR at Table IV-3. The value of U.S. shipments of subject imports increased from $*** in 2016 to $*** and $*** in 2018. These values were $*** in interim 2018 and higher, at $***, in interim 2019. *Id*.

2017, and then declined to *** percent in 2018.[121] By quantity, subject imports' share of apparent U.S. consumption was higher in interim 2019, at *** percent, than in interim 2018, at *** percent.[122] [123]

The share of subject imports as a ratio to domestic industry production also remained below *** percent during the POI. As a ratio to domestic industry production, subject imports held constant at *** percent in 2016 and 2017, and then increased to *** percent in 2018.[124] This ratio was *** percent in interim 2018 and *** percent in interim 2019.[125]

Based on the record in these investigations, we find the volume of subject imports was not significant in absolute terms or relative to consumption or production. At all times during the POI, subject imports simply had too small a presence in the market, both relative to apparent U.S. consumption and domestic production, to be significant.

We also find that the increase in subject imports, either absolutely or relative to consumption or production, was not significant in these investigations. We acknowledge that, in absolute terms and relative to consumption and production, subject imports rose between 2016 and 2018 and had a larger presence in interim 2019 than interim 2018. We further acknowledge, that, when viewed in isolation, the increases in the quantity and value of U.S. shipments of subject imports between certain points in the POI, when put into percentage terms, may appear to be substantial.[126] This, however, reflects the minimal level of subject imports (or U.S. shipments thereof) in the U.S. market both at the beginning of the POI and at discrete points during the POI. In terms of the overall U.S. market, these increases were extremely modest. Subject import market penetration increased only *** percentage points by quantity and *** percentage points by value from 2016 to 2018 and was higher in interim 2019

[121] CR/PR at Table IV-5.

[122] CR/PR at Table IV-5. By value, subject imports' share of apparent U.S. consumption remained similarly small during the POI. Subject imports' share of apparent U.S. consumption by value rose from *** percent in 2016 to *** percent in 2017 and 2018. It was *** percent in interim 2018 and higher, at *** percent, in interim 2019. *Id*. We observe that, during the POI, U.S. shipments of subject imports consisted increasingly of organic cherries, which tend to be higher priced than non-organic cherries. CR/PR at Table IV-3.

[123] Although comparisons of volume findings between different investigations are of limited pertinence in light of the *sui generis* nature of Commission injury determinations, *Nucor Corp. v. United States*, 318 F. Supp.2d 1207, 1246-47 (Ct. Int'l Trade 2004), *aff'd*, 414 F.3d 1331 (Fed. Cir. 2005), we observe that the subject import market shares in the investigations Petitioner cites for the proposition that subject imports with small market shares can be deemed significant are nonetheless larger than the ones here. *Compare* CR/PR at Table IV-3 *with* Petitioner Posthearing Brief at 27-28.

[124] CR/PR at Table IV-2.

[125] CR/PR at Table IV-2.

[126] *See* CR/PR at Table C-1.

than in interim 2018 by only *** percentage points in terms of quantity and *** percentage points in terms of value.[127] In the context of the overall U.S. dried tart cherry market, we do not deem increases that are so small in magnitude to be significant. Moreover, for the reasons discussed below, we find that the subject imports had neither significant price effects nor a significant impact on the domestic industry.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of the 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
>
> (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.[128]

As addressed in section IV.B.3, the record indicates that there is a high degree of substitutability between the domestic like product and subject imports. Additionally, both price and several non-price factors are important considerations in purchasing decisions.

In the final phase of these investigations, five domestic producers and six importers of subject merchandise provided usable pricing data for four pricing products,[129] although not all firms reported pricing for all products for all quarters.[130] Pricing data reported by these firms accounted for approximately 73.7 percent of U.S. processors' U.S. commercial shipments of

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[127] CR/PR at Table IV-5. The magnitude of the increases relative to production was even smaller. *See* CR/PR at Table IV-2.

[128] 19 U.S.C. § 1677(7)(C)(ii).

[129] CR/PR at V-5. The four pricing products are as follows:

Product 1.—Non-organic dried tart cherries, pitted, whole, and infused, sold in bulk containers, *i.e.*, in 20-pound to 40-pound bags or boxes.

Product 2.—USDA certified organic dried tart cherries, pitted, whole, and infused, sold in bulk containers, *i.e.*, in 20-pound to 40-pound bags or boxes.

Product 3.-- Non-organic dried tart cherries, pitted, whole, and infused, sold in packages for retail sale (bags or boxes), weighing four pounds or less each.

Product 4. – USDA certified organic dried tart cherries, pitted, whole, and infused, sold in packages for retail sales (bags or boxes), weighing four pounds or less each.

[130] CR/PR at V-5.

dried tart cherries and 32.5 percent of U.S. commercial shipments of subject imports from Turkey in 2018.[131] Pricing comparisons were possible for products 1, 2, and 3.[132]

There was predominant overselling by subject imports during the POI. The data show that subject imports oversold the domestic like product in 15 of 20 quarterly price comparisons, or 75 percent of such comparisons, by margins ranging from *** percent to *** percent and averaging *** percent.[133] By comparison, subject imports undersold the domestic like product in only five of 20 quarterly price comparisons, or 25 percent of such comparisons, by margins ranging from *** percent to *** percent and averaging *** percent.[134]

We have also assessed pricing product data on a volume basis. Overselling by subject imports accounted for *** pounds or *** percent of subject import volumes reported for the pricing products.[135] By comparison, underselling by subject imports accounted for *** pounds or *** percent of subject import volumes reported for the pricing products.[136] We observe that the instances of underselling were reported *** and only by a single importer, ***.[137] Notably, the instances of underselling began in the second half of 2017, as the volume of *** U.S. shipments of pricing product 3 declined considerably.[138]

We are not persuaded by Petitioner's objections to the pricing data. While Petitioner complains about lack of importer participation,[139] the pricing data cover an appreciable percentage of subject import shipments.[140] Petitioner's complaints that the pricing data may reflect differences in levels of trade between the domestic like product and the subject imports[141] disregard that Petitioner never requested the Commission to collect pricing data

[131] CR/PR at V-5.

[132] *See* CR/PR at Figures V-2 to V-5, and Table V-7. Pricing comparisons were not available for pricing product 4 because no U.S. producer reported usable pricing data for this product. CR/PR at V-6 & Table V-6.

[133] CR/PR at Table V-8.

[134] CR/PR at Table V-8.

[135] CR/PR at Table V-8.

[136] CR/PR at Table V-8.

[137] CR/PR at Table V-5.

[138] CR/PR at Table V-5. We further observe that *** reported decreasing its total sales of subject imports from 2016 to 2018 and that it sold exclusively to retailers, which was a significantly smaller channel of distribution for U.S. producers. CR/PR at Table II-1.

[139] Petitioner Posthearing Brief at 5.

[140] *See* CR/PR at V-5.

[141] Petitioner Posthearing Brief at 5.

based on particular levels of trade.[142] [143] Moreover, as previously discussed, channels of distribution for U.S. shipments of subject imports varied considerably during the POI, primarily because ***, which sold exclusively to retailers, decreased its total sales from 2016 to 2018.[144]

Other information in the record also supports the finding that subject imports generally were not sold at lower prices than the domestic like product. Notwithstanding that Petitioner made no lost sales or lost revenue allegations in the petition, during the final phase investigations the purchaser questionnaire asked about purchase patterns, including whether purchasers had purchased subject imports rather than the domestic like product because of lower prices or whether U.S. producers had reduced their prices due to subject import competition.[145] None of the 13 responding purchasers reported that they purchased subject imports instead of the domestic like product during the POI or that domestic producers had reduced prices in order to compete with lower-priced subject imports.[146] Considering all of the data in the record, we find that underselling by subject imports was not significant.[147] The record does not indicate that subject imports undercut the domestic like product on the basis

[142] *See* Petitioner Comments on Draft Questionnaires (EDIS Doc. 685439) at 2-3. *See also* Hearing Tr. at 78-79 (Drake) (acknowledging pricing data based on channels of distribution could have been collected but were not).

[143] Parties are normally required to make data gathering requests at the time of comments on draft questionnaires. 19 C.F.R. § 207.20.

[144] *See* CR/PR at II-2 & Table II-1.

[145] CR/PR at V-17.

[146] CR/PR at V-17 and Table V-9.

[147] Petitioner claims that there are instances of lost sales not reflected in the Commission's record because of allegedly incomplete responses to the purchasers' questionnaire. *See* Petitioner Posthearing Brief at 7-8. Notwithstanding this, the purported documentation Petitioner provides concerning lost sales, including declarations from domestic producers, does not provide specific instances of U.S. producers being informed by their customers, or through other market information, about the availability of lower-priced subject imports. To the contrary, the producers who submitted declarations acknowledged that their customers typically provide little information about competitors' pricing or why a sale was made. *See* Petitioner Posthearing Brief, Exhibit 10, para. 2-4; Exhibit 11, para. 3. In any event, no purchaser that responded to the Commission's questionnaire reported purchasing subject imports instead of the domestic like product. CR/PR at V-17. Moreover, while ***. CR/PR at Table V-9. Only *** purchasers, ***, reported that subject imports' share of their total purchases increased. CR/PR at Table V-9. As discussed above, ***. CR/PR at IV-3 n.6. Similarly, *** reported that the availability of organic raw materials was a significant purchasing factor. CR/PR at II-15. Furthermore, we observe that, while Petitioner asserts that domestic producers ***, Petitioner Posthearing Brief, Response to Commissioner Questions at 48, one of the producers that submitted a declaration, ***. *See* Petitioner Posthearing Brief, Exhibit 10, para. 5. ***. CR/PR at IV-3 n.6. ***. CR/PR at III-7. Consequently, to the extent that it was unable to make sales to ***.

of price, nor that any market share gains made by subject imports during the latter portion of the POI were the result of underselling.[148]

We have also examined price trends. While prices declined for two domestically produced pricing products during the POI,[149] no correlation between price movements of the domestic like product and subject import prices can be discerned. For one of the products, prices declined both during periods that the subject imports oversold the domestic like product and in periods when there were no reported U.S. shipments of subject imports of that product.[150] For the other product, domestic producer prices mainly declined while subject imports were overselling the domestic like product and generally rose while subject imports were underselling the domestic like product.[151] [152] Moreover, demand generally declined from 2016 to 2018, and the domestic industry's raw material costs also declined, factors which would tend to lead to price declines.[153] Given these considerations, we find that subject imports did not have the effect of depressing domestic prices to a significant degree.

Because demand generally was declining or flat during the POI, while the domestic industry's raw material costs also declined, the domestic industry's ability to institute price

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[148] As discussed above, underselling was only reported by *** for ***, during the latter portion of the POI, and the underselling corresponded to a substantial overall decline in U.S. shipments of subject imports of that product. CR/PR at Table V-5. In addition, *** reported decreasing the volume of its imports and total sales during the POI. CR/PR at II-2, IV-3. It also reported that, of its overall purchases, domestic products' share increased from 2016 to 2018, while subject imports' share decreased. CR/PR at Table V-9. In addition, Product 3 was a non-organic product. CR/PR at Table V-5. U.S. shipments of non-organic subject imports declined from 2017 to 2018 and were minimal in both interim periods. CR/PR at Table IV-3. While U.S. shipments of subject imports of organic dried tart cherries increased after 2017, *id*., there were no reported instances of underselling for either organic pricing product at any point during the POI. CR/PR at Tables V-4, V-6.

[149] CR/PR at Tables V-3 to V-6. Prices declined for domestically produced Products 1 and 3, each of which is non-organic, by *** percent and *** percent respectively between the first quarter of 2016 and the second quarter of 2019. CR/PR at Table V-7. During the same period, prices for domestically produced Product 2, an organic product, increased by *** percent. *Id*. Domestic producers reported no pricing observations for Product 4, an organic product. *Id*. at V-6, Tables V-6-7.

[150] CR/PR at Table V-3.

[151] CR/PR at Table V-5.

[152] We consider the product-specific pricing data for Product 2 (an organic product) to be more probative than the broader AUV data for organic products cited by Petitioner. The trends in the pricing data for Product 2 do not show a correlation between price movements of the domestic like product and subject import pricing. During the POI, the price for the domestic product fluctuated but increased overall. In contrast, shipments of subject imports for this product were only reported in 2018 and 2019, at prices that oversold the domestic product in each available comparison. CR/PR at Table V-4.

[153] CR/PR at Tables C-1, IV-5, VI-1, VI-2, and VI-3.

increases was quite limited.[154] Moreover, as discussed above, the record indicates no discernible correlation between subject imports and price movements for the domestically produced pricing products.[155] Accordingly, we find that the subject imports did not have the effect of preventing price increases that would otherwise have occurred to a significant degree.

In view of the foregoing, we find that subject imports did not have the effect of depressing prices or preventing price increases that would otherwise have occurred to a significant degree. Accordingly, we find that the subject imports did not have significant price effects.

E. Impact of the Subject Imports[156]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[157] 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 debts, research and development, and factors affecting domestic prices. No single

[154] CR/PR at Table III-6; Petitioner Final Comments at 7. We acknowledge that the domestic industry's unit COGS was higher in interim 2019 than interim 2018. CR/PR at Table VI-1. The data show this was entirely a function of higher unit other factory costs, which occurred notwithstanding that the domestic industry's production was higher in interim 2019 than in interim 2018. CR/PR at Tables III-4, VI-1. Narrative responses to Staff inquiries indicated these higher costs were ***. CR/PR at VI-11 n.9, Table VI-3.

[155] *See, e.g.*, Hearing Tr. (Rowley) at 79-80 (domestic industry witness acknowledging "there were not significant price increases we were pushing through").

[156] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at less value, Commerce found dumping margins ranging from 541.29 to 648.35 percent for imports of subject merchandise from Turkey. *Dried Tart Cherries from the Republic of Turkey: Final Affirmative Determination of Sales at Less Than Fair Value*, 84 Fed. Reg. 67429 (Dec. 10, 2019). We take into account in our analysis the fact that Commerce has made final findings that all subject merchandise from Turkey is dumped. In addition to this consideration, our analysis also takes into account our prior findings that the subject imports did not significantly undersell the domestic like product and did not cause significant price effects.

[157] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

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."[158]

Most of the domestic industry's indicators of output showed similar trends to apparent U.S. consumption, declining from 2016 to 2018, and improving in interim 2019 as compared to interim 2018. Production declined from 17.8 million pounds in 2016 to 16.5 million pounds in 2017 and 15.4 million pounds in 2018.[159] Capacity declined from 21.4 million pounds in 2016 to 20.5 million pounds in 2017, but then increased to 21.7 million pounds in 2018.[160] Capacity utilization declined from 83.2 percent in 2016 to 80.4 percent in 2017 and 71.0 percent in 2018.[161] U.S. shipments fell from 17.1 million pounds in 2016 to 14.5 million pounds in 2017 and 14.3 million pounds in 2018.[162] Inventories and inventories as a share of total shipments increased throughout the POI.[163]

As previously discussed, the domestic industry supplied the vast majority of U.S. demand throughout the POI. The domestic industry's share of the quantity of apparent U.S. consumption decreased from *** percent in 2016 to *** percent in 2017 and 2018.[164]

The domestic industry's employment indicators were mixed. The number of production and related workers ("PRWs"), hours worked per PRW, total hours worked, and total wages

[158] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[159] CR/PR at Table III-4. Production was 7.3 million pounds in interim 2019 and 7.2 million pounds in interim 2018. *Id*.

[160] CR/PR at Table III-4. Capacity was 11.6 million pounds in interim 2019 and 10.5 million pounds in interim 2018. *Id*.

[161] CR/PR at Table III-4. Capacity utilization was 63.0 percent in interim 2019 and 68.2 percent in interim 2018. *Id*.

[162] CR/PR at Table III-6. U.S. shipments were 5.8 million pounds in interim 2019 and 5.6 million pounds in interim 2018. *Id*.

[163] The domestic industry's end-of-period inventories increased from 1.3 million pounds in 2016 to 2.2 million pounds in 2017 and 2.3 million pounds in 2018; they were 3.2 million pounds in interim 2018 and 3.4 million pounds in interim 2019. CR/PR at Table III-7. The domestic industry's end-of-period inventories as a share of total shipments increased from 7.4 percent in 2016 to 14.1 percent in 2017 and 15.2 percent in 2018, and were higher in interim 2019, at 26.8 percent, than in interim 2018, at 26.0 percent. *Id*.

[164] CR/PR at Table IV-5. The domestic industry's share of the quantity of apparent U.S. consumption was slightly lower in interim 2019, at *** percent, than in interim 2018, at *** percent. Its share of the value of apparent U.S. consumption declined from *** percent in 2016 to *** percent in 2017 and *** percent in 2018. This share was lower in interim 2019, at *** percent, than in interim 2018, when it was *** percent. *Id*.

paid declined overall between 2016 and 2018.[165] However, hourly wages and productivity increased overall from 2016 to 2018 while unit labor costs were the same in 2016 and 2018.[166]

Most measures of domestic industry financial performance declined during the POI. Net sales revenue declined from $87.6 million in 2016 to $78.0 million in 2017 and $71.7 million in 2018.[167] Gross profits declined from $6.4 million in 2016 to $6.0 million in 2017 and $3.3 million in 2018.[168] Operating income declined from $337,000 in 2016 to $271,000 in 2017 and a loss of $2.4 million in 2018.[169] The operating income margin declined from 0.4 percent in 2016 to 0.3 percent in 2017 and negative 3.4 percent in 2018.[170] The domestic industry reported net losses of $717,000 in 2016, $661,000 in 2017, and $3.7 million in 2018.[171] The domestic industry's capital expenditures declined from $*** in 2016 to $*** in 2017 and $*** in 2018.[172]

[165] The number of PRWs were 345 in 2016, 348 in 2017, 336 in 2018, 338 in interim 2018, and 260 in interim 2019. CR/PR at Table III-8. Hours worked per PRW were 1,637 hours in 2016, 1,577 hours in 2017, 1,405 hours in 2018, 682 hours in interim 2018, and 736 hours in interim 2019. *Id.* Total hours worked were 565,000 hours in 2016, 549,000 hours in 2017, 472,000 hours in 2018, 230,000 hours in interim 2018, and 191,000 hours in interim 2019. *Id*. Total wages paid were $8.1 million in 2016 and 2017, $7.0 million in 2018, $3.5 million in interim 2018, and $3.3 million in interim 2019. *Id*.

[166] Hourly wages were $14.25 per hour in 2016, $14.81 per hour in 2017, $14.84 per hour in 2018, $15.05 per hour in interim 2018, and $17.43 per hour in interim 2019. CR/PR at Table III-8. Productivity was 31.5 pounds per hour in 2016, 30.1 pounds per hour in 2017, 32.7 pounds per hour in 2018, 31.1 pounds per hour in interim 2018, and 38.3 pounds per hour in interim 2019. *Id*. Unit labor costs were $0.45 per pound in 2016, $0.49 per pound in 2017, $0.45 per pound in 2018, $0.48 per pound in interim 2018, and $0.46 per pound in interim 2019. *Id*.

[167] CR/PR at Table VI-3. Net sales revenue was higher in interim 2019, at $29.0 million, than in interim 2018, at $28.7 million. *Id*.

[168] CR/PR at Table VI-3. Gross profits were lower in interim 2019, at $1.3 million, than in interim 2018, at $2.0 million. *Id*.

[169] CR/PR at Table VI-3. Operating income was lower in interim 2019, with an operating loss of $1.6 million, than in interim 2018, with an operating loss of $546,000. *Id*.

[170] CR/PR at Table VI-3. The operating income margin was negative 5.4 percent in interim 2019 and negative 1.9 percent in interim 2018. *Id*.

[171] CR/PR at Table VI-3. The domestic industry had net losses of $2.1 million in interim 2019 and $1.1 million in interim 2018. *Id*.

[172] CR/PR at Table VI-6. Capital expenditures were higher in interim 2019, at $***, than in interim 2018, at $***. *Id*. Research and development expenses increased from $*** in 2016 to $*** in 2017, and $*** in 2018; they were higher in interim 2019, at $***, than in interim 2018, at $***. Each domestic producer reported negative effects on investment or growth and investment due to the subject imports. CR/PR at Table VI-8. These negative effects generally referred to ***. CR/PR at Table VI-9. As explained above, the record does not indicate that the domestic industry lost sales due to the pricing of subject imports.

From 2016 to 2018, the domestic industry's total assets and its average operating return on assets each declined.[173]

The record in these final phase investigations does not indicate that the declines in output and financial performance the domestic industry experienced during the POI were caused by subject imports. As discussed above, subject imports did not enter the U.S. market in significant quantities, they did not take significant market share from the domestic industry,[174] which supplied most U.S. demand throughout the POI, subject imports were generally priced higher than the domestic like product, and did not cause significant price effects.

Petitioner emphasizes that the portion of the domestic industry supplying organic dried cherries lost significant market share to subject imports during the POI.[175] While we do not dispute that by the end of the POI subject imports furnished an appreciably greater, and the domestic industry furnished an appreciably lower, percentage of U.S. shipments of organic dried tart cherries than at the beginning of the period, organic shipments constituted only a tiny portion of the overall U.S. dried tart cherry market.[176] As discussed above in section IV.B.4., organic dried tart cherries never constituted more than *** percent of the domestic industry's total shipments or *** percent of total U.S. shipments of dried tart cherries during any year or interim period of the POI.[177] Because we evaluate injury to the industry as a whole,[178] and organic products constitute a miniscule share of the overall market for dried tart cherries, we do not consider market share losses in this sector as an indication of significant impact to the overall domestic industry producing dried tart cherries.

Moreover, as explained in section IV.D. above, there were no reported instances of underselling of the two organic dried tart cherry pricing products.[179] Additionally, the record

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[173] The domestic industry's total assets increased from $44.3 million in 2016 to $45.9 million in 2017, but then declined to $41.9 million in 2018. CR/PR at Table VI-7. The domestic industry's average operating return on assets declined from 0.8 percent in 2016 to 0.6 percent in 2017 and negative 5.7 percent in 2018. *Id*.

[174] Subject imports gained only *** percentage points of market share from 2016 to 2018, some of which was at the expense of nonsubject imports. CR/PR at Table C-1.

[175] Petitioner Posthearing Brief at 5.

[176] Two domestic producers testified regarding USDA certification for organic dried tart cherries. Hearing Tr. at 28 (Rowley), 40 (Veliquette).

[177] *Derived from* CR/PR at Tables III-6, IV-3.

[178] 19 U.S.C. § 1677(4)(A); *see Celanese Chemicals Ltd. v. United States*, 31 CIT 279, 296-98 (2007); *Committee for Fair Coke Trade v. United States*, Slip Op. 04-68 at 42-43 (Ct. Int'l Trade June 10, 2004).

[179] Domestic producers reported no pricing data for Product 4, an organic product. CR/PR at V-6, Tables V-6-7.

indicates that the AUVs for organic dried tart cherries from Turkey were considerably higher than AUVs for the domestically produced organic product throughout the POI.[180] Further, the greater quantity of subject imports of organic dried tart cherries in interim 2019 compared to interim 2018 largely reflects imports made by ***.[181]

We observe that the record indicates that factors unrelated to subject imports may have contributed to the domestic industry's difficulties. As previously discussed, nonsubject imports had a greater presence in the U.S. market than subject imports throughout the POI,[182] and apparent U.S. consumption declined *** percent from 2016 to 2018.[183] While apparent U.S. consumption was higher in interim 2019 than interim 2018, nonsubject imports – which had a greater presence in the market than subject imports – also were higher; indeed, the quantity of U.S. shipments of nonsubject imports was *** pounds in interim 2018 and *** pounds in interim 2019 while the quantity of U.S. shipments of subject imports was *** pounds in interim 2018 and *** pounds in interim 2019.[184]

For the foregoing reasons, we find that subject imports do not have a significant impact on the domestic industry. Accordingly, we find that the domestic industry is not materially injured by reason of dumped and subsidized subject imports from Turkey.

V. No Threat of Material Injury by Reason of Subject Imports

A. Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing 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."[185] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material

[180] *See* CR/PR at Tables III-6, IV-3.

[181] CR/PR at IV-3 n.6.

[182] CR/PR at Table C-1.

[183] CR/PR at Table IV-5. We observe that several of the domestic industry's indicators generally tracked this decline. Specifically, from 2016 to 2018, the domestic industry's U.S. production declined *** percent, U.S. shipments declined *** percent, and net sales by quantity declined *** percent. CR/PR at Table C-1.

[184] CR/PR at Table IV-3.

[185] 19 U.S.C. § 1677(7)(F)(ii).

injury by reason of subject imports would occur unless an order is issued.[186] In making our determination, we consider all statutory threat factors that are relevant to these investigations.[187]

B. Analysis

1. Likely Volume

As discussed above, subject imports from Turkey held only a small presence in the U.S. market throughout the POI. Measured by quantity, subject imports supplied less than *** percent during the POI, having peaked at *** percent of the U.S. market in 2017. Measured by value, subject imports never supplied more than *** percent of the U.S. market, a level

[186] 19 U.S.C. § 1677(7)(F)(ii).

[187] These factors are as follows:

(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,

(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,

(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).

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable to this investigation.

achieved in interim 2019. Although market penetration was higher in interim 2019 than in interim 2018, the interim 2019 market penetration was below the period peak measured by quantity, and was only *** percentage points above the period peak measured by value.[188] The record consequently does not indicate that there was a rapid increase in subject imports' presence in the U.S. market during the latter portion of the POI, or during any portion of the POI in light of the consistently very small volumes of subject imports, as measured both by quantity and by value.

The record further indicates that substantially increased subject imports are not likely in the imminent future. We acknowledge that there is information in the record indicating that the subject industry has the potential to increase exports of subject merchandise. These include the presence of excess capacity,[189] a degree of export orientation,[190] and the ability to engage in product shifting.[191] However, these conditions existed throughout the POI and did not result in a significant volume of subject imports or a significant increase in the volume of subject imports. The record does not indicate any likely changes in conditions of competition which would support a conclusion that the subject industry is likely to substantially increase in

[188] CR/PR at Table IV-5.

[189] The subject industry's reported production capacity was *** pounds in 2016, *** pounds in 2017, *** pounds in 2018, and *** pounds in interim 2018 and interim 2019. CR/PR at Table VII-4. Its reported production of subject merchandise was *** pounds in 2017, *** pounds in 2017, *** pounds in 2018, *** pounds in interim 2018, and *** pounds in interim 2019. *Id.* Consequently, its reported capacity utilization was *** percent in 2016 and 2017, *** percent in 2018, *** percent in interim 2018, and *** percent in interim 2019. Subject producers project capacity utilization of *** percent in 2019 and *** percent in 2020. *Id*. By contrast, the size of the Turkish industry is relatively small compared to U.S. production and apparent U.S. consumption, which totaled *** pounds, respectively in 2018. CR/PR at Tables III-4, IV-5. We note this is true even taking into account that data were collected from producers in Turkey accounting for an estimated *** percent of overall production in Turkey. CR/PR at VII-4.

[190] Total exports accounted for *** percent of total shipments by the industry in Turkey in 2016, *** percent in 2017, *** percent in 2018, *** percent in interim 2018, *** percent in interim 2019. During the POI, an increasing share of exports were directed to the United States. The industry projects that export shipments will account for *** percent of total shipments in 2019 and *** percent in 2020. CR/PR at Table VII-4. While the industry also projects that in 2019 and 2020, a reduced percentage of total exports will be directed to the United States, *id*., we have given this projection limited weight in our analysis.

[191] Several subject producers reported the ability to produce other products, including other oven-dried fruit, fruit purees, and fruit sauces, on the same equipment used to produce dried tart cherries. CR/PR at VII-8. Subject producers reported production of dried tart cherries on their shared equipment during the POI ranging from *** to *** percent, while approximately *** to *** percent was of out-of-scope products. CR/PR at Table VII-5.

the imminent future the very limited exports it directed to the U.S. market during the POI.[192] Additionally, the industry in Turkey also carried very small inventories of dried tart cherries throughout the POI, and its inventories are projected to remain low in the imminent future.[193] U.S. importers' inventories of subject merchandise fluctuated during the POI but were at very small levels relative to apparent U.S. consumption.[194] The record also indicates that there are no antidumping or countervailing duty orders or investigations concerning dried tart cherries from Turkey in any other market.[195]

In light of the foregoing, subject imports from Turkey will likely maintain the same small presence in the U.S. market in the imminent future that they did during the POI. We

[192] Indeed, the record indicates no arranged U.S. imports of subject merchandise through June 2020. CR/PR at Table VII-8.

[193] The subject industry's end-of-period inventories were *** pounds in 2016, *** pounds in 2017, *** pounds in 2018, *** pounds in interim 2018, and *** pounds in interim 2019; they are projected to be *** pounds in 2019 and *** pounds in 2020. CR/PR at Table VII-4. As a ratio to production, they were *** percent in 2016, *** percent in 2017, *** percent in 2018, *** percent in interim 2018, and *** percent in interim 2019; they are projected to be *** percent in 2019 and *** percent in 2020. *Id*. As a ratio to total shipments, they were *** percent in 2016, *** percent in 2017, *** percent in 2018, *** percent in interim 2018, and *** percent in interim 2019; they are projected to be *** percent in 2019 and *** percent in 2020. *Id*.

[194] U.S. importers' inventories of subject merchandise were *** pounds in 2016, *** pounds in 2017, *** pounds in 2018, *** pounds in interim 2018, and *** pounds in interim 2019. CR/PR at Table VII-7. We observe that these inventories amounted to *** percent of apparent U.S. consumption in 2018 and *** percent of apparent U.S. consumption in interim 2019. *Derived from* CR/PR at Tables IV-5, VII-7. As discussed above, importers of subject merchandise do so sporadically and make sales mainly from inventories, causing inventory levels to fluctuate.

[195] CR/PR at VII-11. We have also considered in our analysis the nature of the subsidies Commerce has found to be countervailable, particularly whether the countervailable subsidies are ones described in Articles 3 or 6.1 of the WTO Agreement on Subsidies and Countervailing Measures, and whether imports of the subject merchandise are likely to increase. 19 U.S.C. § 1677(7)(F)(i)(I). We observe that Commerce found 28 countervailable subsidy programs. *Commerce Final CVD Determination*, 84 Fed. Reg. at 67431; Commerce Memorandum from Scott Fullerton to Jeffrey I. Kessler, Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Dried Tart Cherries from the Republic of Turkey (Sept. 20, 2019) at 11. We observe that several of the alleged subsidy programs by the Government of Turkey appear to be directed specifically towards exports. We have taken these subsidy findings into account in our analysis of likely subject import volume. As discussed in the text, however, the fact that the subject industry may have the ability and incentive to increase exports to the United States does not make further subject imports likely in light of the pertinent conditions of competition. Notably, these alleged subsidy programs were in effect during the POI and did not lead to a significant increase in volume at that time. *See id*.; *supra* section IV.C (finding find that the increase in subject imports was not significant in these investigations).

consequently find that there is not likely to be a significant rate of increase in the volume or market share of subject imports from Turkey into the United States in the imminent future.[196]

2. Likely Price Effects

We found above that subject imports did not engage in significant underselling, depress prices to a significant degree, or prevent price increases that would otherwise have occurred to a significant degree during the POI. The record provides no indication that the pricing of subject imports from Turkey is likely to be different during the imminent future than during the POI. Given our finding that subject import volumes are not likely to increase significantly in the imminent future, the small likely quantity of subject imports, which will continue likely to predominantly oversell the domestic like product, will not likely have significant price effects.[197] We consequently find that imports of subject merchandise from Turkey are not likely to enter at prices that are likely to have significant depressing or suppressing effects on domestic prices, or that are likely to increase demand for further imports.

3. Likely Impact

While the domestic industry encountered declines in its performance over the POI, particularly with respect to its financial performance, we have found that the record does not indicate that these were caused by subject imports from Turkey. We found above that subject import volumes are not likely to increase significantly from the very small levels observed during the POI in the imminent future and that subject imports are not likely to have significant price effects. In light of these findings, the record does not indicate that subject imports will likely be the cause of any discernible adverse trends the domestic industry may experience in the imminent future, nor that subject imports will likely have any actual or potential negative effects on the industry's development and production efforts. We consequently find that subject imports will not likely have a significant impact on the domestic industry.

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[196] We note that the Petitioner made no threat argument related to organic dried tart cherries. *See* Petitioner Final Comments. In any event, there is no record evidence that organic products' share of the overall market is likely to substantially increase in the imminent future.

[197] As discussed in section IV.D. above, the underselling observed during the latter portion of the POI was in a non-organic pricing product, and subject imports of non-organic products declined from 2017 to 2018 and were at minimal levels during the interim periods. *See* CR/PR at Table IV-5. As discussed in section IV.E. above, any market share gains made by organic subject imports during the latter portion of the POI were not a function of underselling or price competition.

Accordingly, we conclude that the domestic dried tart cherries industry is not threatened with material injury by reason of subject imports of dried tart cherries from Turkey.

VI. Conclusion

For the reasons stated above, we determine that an industry in the United States is not materially injured or threatened with material injury by reason of subject imports of dried tart cherries that are sold in the United States at LTFV and that are subsidized by the government of Turkey.

Part I: 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 the Dried Tart Cherry Trade Committee[1] on April 23, 2019, 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 dried tart cherries[2] from Turkey. The following tabulation provides information relating to the background of these investigations.[3] [4]

Effective date	Action
April 23, 2019	Petitions filed with Commerce and the Commission; institution of the Commission's investigations (84 FR 18084, April 29, 2019)
May 13, 2019	Commerce's notice of initiation (84 FR 22809, May 20, 2019)
June 7, 2019	Commission's preliminary determinations (84 FR 27359, June 12, 2019)
July 3, 2019	Commerce's postponement of preliminary determination in the CVD duty investigation, (84 FR 31840)
September 27, 2019	Commerce's preliminary affirmative CVD determination (84 FR 51109); and preliminary affirmative AD determination (84 FR 51112)
September 27, 2019	Scheduling of final phase of Commission investigations (84 FR 53175, October 4, 2019)
December 3, 2019	Commission's hearing
December 10, 2019	Commerce's final affirmative CVD determination (84 FR 67430) and final affirmative AD determination (84 FR 67429)
January 14, 2020	Commission's vote
January 27, 2020	Commission's views

[1] The Dried Tart Cherry Trade Committee consists of Cherry Central Cooperative; Graceland Fruit, Inc.; Payson Fruit Growers Coop; Shoreline Fruit, LLC; and Smeltzer Orchard, Co.

[2] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding.

[3] Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

[4] Appendix B of this report presents a list of witnesses appearing at the Commission's hearing.

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--[5]

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

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

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[6]

(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 I of this report presents information on the subject merchandise, subsidy and dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII 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

Dried tart cherries are generally used in nut or dried fruit mixtures, cereals, baked goods, and other processed foods. The leading U.S. producers of dried tart cherries are ***, while leading producers of dried tart cherries outside the United States include *** of Turkey. The leading U.S. importers of dried tart cherries from Turkey are ***, while the leading importers of dried tart cherries from nonsubject countries (primarily Serbia and Uzbekistan) include ***.[7] U.S. purchasers of dried tart cherries are wholesalers; leading purchasers include ***.

Apparent U.S. consumption of dried tart cherries totaled approximately *** pounds ($***) in 2018. Currently, five firms are known to produce dried tart cherries in the United States. U.S. producers' U.S. shipments of dried tart cherries totaled 14.3 million pounds ($70.6 million) in 2018, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from subject sources totaled *** pounds ($***) in 2018 and accounted for *** percent of apparent U.S. consumption by quantity and

[6] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.
[7] ***.

*** percent by value. U.S. shipments of imports from nonsubject sources totaled *** pounds ($***) in 2018 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. Except as noted, U.S. industry data are based on questionnaire responses of five firms that accounted for the vast majority of U.S. production of dried tart cherries during 2018. U.S. imports are based on questionnaire responses from eleven firms, representing virtually all reported U.S. imports from Turkey in 2018 under HTS statistical reporting number 0813.40.3000.

Previous and related investigations

Dried tart cherries have not been the subject of prior countervailing and antidumping duty investigations in the United States. However, there have been antidumping duty investigations of other tart cherry products. On March 19, 1991, petitions were filed by the Cherry Marketing Institute alleging that an industry in the United States was materially injured and threatened with further material injury by reason of imports of tart cherry juice and tart cherry juice concentrate from Germany and Yugoslavia.[8] On May 3, 1991, the Commission determined that there was no reasonable indication that an industry in the United States was materially injured or threatened with material injury, or that the establishment of an industry in the United States was materially retarded, by reason of imports of tart cherry juice and tart cherry juice concentrate from Germany and Yugoslavia.[9]

Nature and extent of subsidies and sales at LTFV

Subsidies

On December 10, 2019, Commerce published a notice in the *Federal Register* of its final affirmative determination of countervailable subsidies for producers and exporters of dried tart cherries from Turkey.[10] Commerce, on September 27, 2019, published a notice in the *Federal*

[8] Tart Cherry Juice and Tart Cherry Concentrate from Germany and Yugoslavia, Inv. Nos. 731-TA-512-513 (Preliminary), USITC Publication 2378, May 1991, p. A-3.

[9] 56 FR 22447, May 15, 1991.

[10] 84 FR 67430, December 10, 2019.

(continued...)

Register of its preliminary affirmative determination of countervailable subsidies for producers and exporters of dried tart cherries from Turkey.[11] Table I-1 presents Commerce's findings of subsidization of dried tart cherries in Turkey.

Table I-1
Dried tart cherries: Commerce's preliminary and final subsidy determinations with respect to imports from Turkey

Entity	Preliminary countervailable subsidy margin (percent)	Final countervailable subsidy margin (percent)
Isik Tarim Urunleri Sanayi ve Ticaret A.S.	204.93	204.93
Yamanlar Tarim Urunleri	204.93	204.93
All others	204.93	204.93

Source: 84 FR 51109, September 27, 2019 and 84 FR 67430, December 10, 2019.

Sales at LTFV

On December 10, 2019, Commerce published a notice in the *Federal Register* of its final determination of sales at LTFV with respect to imports from Turkey.[12] Commerce, on September 27, 2019, published a notice in the *Federal Register* of its preliminary determination of sales at LTFV with respect to imports from Turkey.[13] Table I-2 presents Commerce's dumping margins with respect to imports of dried tart cherries from Turkey.

[11] 84 FR 51109, September 27, 2019.
[12] 84 FR 67429, December 10, 2019.
[13] 84 FR 51112, September 27, 2019.

Table I-2
Dried tart cherries: Commerce's preliminary and final weighted-average LTFV margins with respect to imports from Turkey

Exporter/producer	Preliminary dumping margin (percent)	Final dumping margin (percent)
Isik Tarim Urunleri Sanayi ve Ticaret A.S.	648.35	648.35
Yamanlar Tarim Urunleri	648.35	648.35
All others	541.29	541.29

Source: 84 FR 51113, September 27, 2019 and 84 FR 67429, December 10, 2019.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[14]

The scope of this investigation covers dried tart cherries, which may also be referred to as, e.g., dried sour cherries or dried red tart cherries. Dried tart cherries may be processed from any variety of tart cherries. Tart cherries are generally classified as Prunus cerasus. Types of tart cherries include, but are not limited to, Amarelle, Kutahya, Lutowka, Montmorency, Morello, and Oblacinska. Dried tart cherries are covered by the scope of this investigation regardless of the horticulture method through which the cherries were produced (e.g., organic or not), whether or not they contain any added sugar or other sweetening matter, whether or not they are coated in oil or rice flour, whether infused or not infused, and regardless of the infusion ingredients, including sugar, sucrose, fruit juice, and any other infusion ingredients. The scope includes partially rehydrated dried tart cherries that retain the character of dried fruit. The subject merchandise covers all shapes, sizes, and colors of dried tart cherries, whether pitted or unpitted, and whether whole, chopped, minced, crumbled, broken, or otherwise reduced in size. The scope covers dried tart cherries in all types of packaging, regardless of the size or packaging material.

Included in the scope of this investigation are dried tart cherries that otherwise meet the definition above that are packaged with non-subject products, including, but not limited to, mixtures of dried fruits and mixtures of dried fruits and nuts, where the smallest individual packaging unit of any such product contains a majority (i.e., 50 percent or more) of dried tart cherries by dry net weight. Only the dried tart cherry

[14] 84 FR 67430, December 10, 2019.

components of such products are covered by this investigation; the scope does not include the non-subject components of such products.

Included in the scope of this investigation are dried tart cherries that have been further processed in a third country, including but not limited to processing by stabilizing, preserving, sweetening, adding oil or syrup, coating, chopping, mincing, crumbling, packaging with non-subject products, or other packaging, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the dried tart cherries.

Excluded from the scope of this investigation are dried tart cherries that have been incorporated as an ingredient in finished bakery and confectionary items (cakes, cookies, candy, granola bars, etc.).

Tariff treatment

Based upon the scope set forth by the Department of Commerce, information available to the Commission indicates that the merchandise subject to these investigations is provided for in subheadings 0813.40.30 (dried cherries not covered by earlier headings of chapter 8), 0813.40.90 (other dried fruits of chapter 8), 0813.50.00 (mixtures of nuts or dried fruits of chapter 8), 2006.00.20 (cherries preserved by sugar), 2006.00.50 (mixtures of fruit preserved by sugar), and 2008.60.00 (prepared or preserved cherries) of the Harmonized Tariff Schedule of the United States ("HTS"). The 2019 general rate of duty is 10.6 cents per kilogram for HTS subheading 0813.40.30; 2.5 percent ad valorem for HTS subheading 0813.40.90; 14 percent ad valorem for HTS subheading 0813.50.00; 9.9 cents per kilogram plus 6.4 percent ad valorem for HTS subheading 2006.00.20; 16 percent ad valorem for HTS subheading 2006.00.50; and 6.9 cents per kilogram plus 4.5 percent ad valorem for HTS subheading 2008.60.00. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

The product

Description and applications

Dried tart cherries are a type of processed tart cherry that is consumed directly or used in nut or dried fruit mixtures, cereals, baked goods, and other processed foods.[15] Dried tart cherries have a tender, chewy texture, and the full flavor profile stems from the high acidity of the fresh cherry.[16] Before they are dried, tart cherries can be infused with a sweetener or flavoring juice.[17] Dried tart cherries are usually pitted, and can be sold whole or diced, chopped, or further reduced in size.[18]

Dried tart cherries are produced from upstream, out of scope fresh tart cherries. Tart cherries are the fruit of *Prunus cerasus.*[19] The 'Montmorency' variety is the main tart cherry variety grown in the United States, and 'Kutahya' is the main variety grown in Turkey.[20] There are variations in the fruit characteristics between varieties but they are largely interchangeable when dried.[21] While they can be eaten fresh, nearly all tart cherries are processed before consumption.[22] Fresh tart cherries can be juiced, canned, frozen, or dried. Approximately 25 to 35 percent of the annual U.S. crop of fresh tart cherries are dried.[23]

Tart cherry trees grow well in sandy soils in temperate climates that do not have deep cold or hot temperature extremes. In the United States, tart cherries grow particularly well in the sandy loam soils of western Michigan, where the waters of Lake Michigan moderate the winter and summer temperature extremes.[24] Michigan grew 73 percent of the total 259.5

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[15] Petition, p. 10.

[16] Petition, p. 9.

[17] Petition, p. 10.

[18] Ibid.

[19] Sweet cherries are the fruit of *Prunus avium*, and are primarily eaten fresh. Sweet cherries are out of scope.

[20] Conference transcript, p 43 (Gregory); Fresh Plaza, "Turkey: tart cherries profitable…," July 13, 2016 https://www.freshplaza.com/article/160636/Turkey-Tart-cherries-profitable-in-difficult-economic-times/.

[21] Petition, p. 12.

[22] Conference transcript, p. 24 (Gregory).

[23] Petition, p. 4.

[24] Conference transcript, p. 24 (Gregory); Dunckel, "Michigan leads the nation in the production…," Michigan State University (MSU) Extension, July 28, 2011, https://www.canr.msu.edu/news/michigan_leads_the_nation_in_the_production_of_blueberries_and_tart_cherrie.

(continued...)

million pounds of the U.S. tart cherry crop in 2017, followed by Utah with 10 percent.[25] Tart cherries can reportedly grow well across Turkey, with commercial production concentrated in the Afyon, Konya, and Kutahya provinces of western and central Turkey that together produce 63 percent of Turkey's tart cherry crop.[26]

Tart cherries in the United States are typically harvested using a mechanical trunk shaker that shakes the cherries off the tree into a catch frame.[27] Due to this harvest method, trees are not commercially productive until the trees are mature enough to withstand the shaking, and trees typically live about 20 years due to harvesting damage.[28] The bulky equipment required for harvesting requires wide rows between large trees that reduces the density of orchards, which in turn reduces efficiency.[29] The Turkish crop is harvested by hand, but orchards are still low density with tall trees by nature of the traditional rootstocks and production methods used.[30]

Tart cherry production is highly variable, largely driven by invasive pests and weather variability.[31] There were only two years in the last 12 that the United States did not see double-digit percent changes in the quantity of tart cherries harvested.[32] Spotted wing drosophila

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[25] Petition, Exhibit I-3.

[26] Gül and Öktem, 2017, "Marketing structure and problems of Sour Cherry Farmers…," *Scientific Papers: Management, Economic Engineering in Agriculture & Rural Development,* p 147; Fresh Plaza, "Turkey: tart cherries profitable…," July 13, 2016 https://www.freshplaza.com/article/160636/Turkey-Tart-cherries-profitable-in-difficult-economic-times/.

[27] MSU Extension, "Research aims to keep Michigan's tart cherry industry competitive," April 25, 2012, https://www.canr.msu.edu/news/research_aims_to_keep_michigans_tart_cherry_industry_competitive

[28] Ibid.

[29] Ibid; high-density orchards can reduce the time for trees to reach commercial maturity, improve yields and fruit quality, and make pesticide application and other orchard management activities more efficient. Michigan orchards are reportedly limited to about 240 trees per acre, while new orchards in Germany and Poland are planted at 1,150 trees per acre with smaller trees on dwarf rootstock. Milkovich, "Utah, Michigan studying high-density tart cherry options," Fruit Growers News, April 2, 2015, https://fruitgrowersnews.com/article/utah-michigan-studying-high-density-tart-cherry-options/.

[30] Fresh Plaza, "Turkey: Cherry production down 20% in Kemalpasa," May 3, 2018, https://www.freshplaza.com/article/2193864/turkey-cherry-production-down-20-in-kemalpasa/; Gül and Öktem, 2017, "Marketing structure and problems of Sour Cherry Farmers…," *Scientific Papers: Management, Economic Engineering in Agriculture & Rural Development,* p 149.

[31] Conference transcript, p. 61 (Gregory); Milkovich, "Three Pillars' uphold the tart cherry industry," Fruit Growers News, December 4, 2015, https://fruitgrowersnews.com/news/three-pillars-uphold-the-tart-cherry-industry/

[32] United States Department of Agriculture (USDA) National Agricultural Statistics Service (NASS) QuickStats (accessed November 4, 2019).

(continued...)

("SWD"), an invasive fruit fly from East Asia, is a source of variability in tart cherry yields. Unlike other native fruit flies, SWD lays its eggs in and the larva feed on ripe fruit rather than spoiled fruit, destroying otherwise marketable fruit in the process.[33] Managing the pest requires constant monitoring and heavy, proactive applications of pesticides that raise the cost of production and reduce profit margins.[34] The pressure of SWD varies based on weather patterns, but because the fly multiplies rapidly, consistent preventive spraying is required, making the costs associated with SWD control constant.[35] SWD is less of an issue in Utah than in Michigan, where it tends to come out after harvest.[36] There are reports of SWD being spotted in Turkey.[37]

Weather is another source of variability, as the flowers and developing fruit are sensitive to late frosts, high winds can damage flowers, excessive rain right before harvest can split the fruit, and high temperatures can stunt the size of the fruit potentially rendering it too small for pitting.[38] Devastating late frosts in Michigan occurred in 2002 and 2012 that wiped out upwards of 90 percent of the crop.[39] The Kutahya variety grown in Turkey is a late flowering variety that helps reduce the risk of frost damage.[40]

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[33] Longstroth, "Plan to change when dealing with spotted wing Drosophila," MSU Extension, June 28, 2017, https://www.canr.msu.edu/news/plan_to_change_when_dealing_with_spotted_wing_drosophila.

[34] Longstroth, "Plan to change when dealing with spotted wing Drosophila," MSU Extension, June 28, 2017, https://www.canr.msu.edu/news/plan_to_change_when_dealing_with_spotted_wing_drosophila; Prengaman, and Courtney, "Tart growers target Turkey," Good Fruit Grower, June 6, 2018, https://www.goodfruit.com/tart-growers-target-turkey/.

[35] Conference transcript, p. 58-59 (Gregory); Wilson, Isaacs, and Gut, "Michigan spotted wing Drosophila update – June 19, 2018," MSU Extension, June 19, 2018.

[36] Conference transcript, p. 60, (Rowley).

[37] Petitioner's post conference brief, p. 15.

[38] Agricultural Marketing Resource Center, "Cherries," June 2018, https://www.agmrc.org/commodities-products/fruits/cherries; Fresh Plaza, "Turkey: Cherry production down 20% in Kemalpasa," May 3, 2018, https://www.freshplaza.com/article/2193864/turkey-cherry-production-down-20-in-kemalpasa/; Nanni, " Sharp drop for Serbian sour cherry prices," Foodnews, June 19, 2018, https://iegvu.agribusinessintelligence.informa.com/CO219712/Sharp-drop-for-Serbian-sour-cherry-prices.

[39] Conference transcript, p. 56 (Brian); Payette, "Michigan's tart cherry orchards struggle to cope with erratic spring weather," NPR, April 7, 2017, https://www.npr.org/sections/thesalt/2017/04/07/523004370/michigans-tart-cherry-orchards-struggle-to-cope-with-erratic-spring-weather.

[40] Ercisli, "Sour cherry breeding activities in Turkey," p. 5, in: Keserović, et al.," Current situation and perspectives in sour cherry production." *Sour Cherry Breeding COST action FA1104 Sustainable production of high-quality cherries for the European market Novi Sad, Serbia* 15, no. 2014.

Organic tart cherries

Tart cherries can be grown organically. In the United States, 2 percent of the tart cherry crop was organic in 2016, the latest year data was available.[41] Generally, organic tart cherry production differs from conventional in two main areas: nutrient management, and pest and disease control. Nutrient management in the organic tart cherry orchard is similar to that for other organic fruit orchards, relying on cover crops, mulches, and compost to add and store the majority of required nutrients in the soil rather than synthetic fertilizers.[42] Additional applications of organic fertilizers, such as alfalfa or blood meals can be used to further amend soil fertility levels.[43] Due to the limited number of pesticides approved for organic production, organic tart cherry growers use several strategies to control pests and diseases. These include planting trees on disease resistant rootstocks, monitoring pest pressure through traps, using beneficial insects to control pest populations, and applying approved pesticides like pyrethrin and spinosad.[44] It takes three continuous years of using organic production practices before a product from an organically managed orchard can be certified organic.[45]

Organic tart cherry production reportedly adds 20-36 percent to the costs of production relative to conventional for tart cherries produced in Michigan,[46] and 30-35 percent in Utah.[47] Additional incremental costs come from the organic certification of the drying plant, the need to use organic sugar in the infusion process, the packaging, and the handling along the chain of custody.[48]

Federal Marketing Order

Tart cherries are regulated in the United States by a USDA federal marketing order. Under the marketing order, there are active research and marketing activities, and although

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[41] United States Department of Agriculture (USDA) National Agricultural Statistics Service (NASS) QuickStats (accessed November 4, 2019).

[42] Thomson, et al, "Strategies for Managing Soil Fertility and Health in the Organic Orchard – A Fact Sheet," Utah State University Extension, July 2018.

[43] Thomson, et al, "Strategies for Managing Soil Fertility and Health in the Organic Orchard – A Fact Sheet," Utah State University Extension, July 2018.

[44] Ames, "Cherries: Organic Production," National Sustainable Agriculture Information Service, March 2014.

[45] Hearing transcript, p. 40 (Veliquette).

[46] Hearing transcript, p. 124 (Veliquette).

[47] Hearing transcript, p. 124 (Rowley).

[48] Hearing transcript, p. 124 (Rowley).

(continued...)

product grade and size regulations are allowed, there are none currently in effect.[49] The marketing order gives the Cherry Industry Administrative Board (CIAB) the authority to control the volume of tart cherries supplied to the U.S. market. The goal is to smooth out the fluctuating supply to keep prices stable for growers. The basic formula to determine the "free" percentage that can be sold on the market in a given year is 110 percent of the average sales for the previous three years.[50] The rest of the crop is the "restricted" percentage that is only allowed to be held in inventory or used in diversion programs, in hedges, or exported.[51] For 2019, the proposed free percentage is 73 percent and the restricted is 27 percent.[52] The calculation of the percentages does not take into account imports, and only focuses on smoothing out and aligning domestic supply with domestic demand.[53] According to the petitioners, the marketing order did not restrict domestic supply during the period for which data were collected.[54]

Manufacturing processes

Before drying, tart cherries are usually pitted and individually quick frozen ("IQF").[55] Once frozen, the cherries can be stored for two and sometimes up to four years.[56] Since the shelf life for tart cherries once they are dried is 16 months, processors will usually only dry frozen cherries when they have an order.[57] To make infused dried tart cherries, processors take IQF cherries and soak them in a sweet liquid like a syrup or fruit juice so that as the cherries thaw, they absorb the liquid. The liquid the cherries are soaked in can influence the final color of the dried cherry. The soaking liquid can be reused for subsequent batches of cherries, getting

[49] United States Department of Agriculture (USDA), Agricultural Marketing Service (AMS), "930 Tart Cherries," https://www.ams.usda.gov/rules-regulations/moa/930-tart-cherries.

[50] Conference transcript, p. 63 (Gregory).

[51] Conference transcript, p. 64 (Drake). USDA, AMS "930 Tart Cherries," https://www.ams.usda.gov/rules-regulations/moa/930-tart-cherries.

[52] *Tart Cherries Grown in the States of Michigan, et al.; Free and Restricted Percentages for the 2018-19 Crop Year and Revision of Grower Diversion Requirement for Tart Cherries*, 84 FR 20043, May 8, 2019.

[53] Conference transcript, p 64-65 (Drake); *Tart Cherries Grown in the States of Michigan, et al.; Free and Restricted Percentages for the 2018-19 Crop Year and Revision of Grower Diversion Requirement for Tart Cherries*, 84 FR 20043, May 8, 2019.

[54] Petitioner's post conference brief, p. 15-16.

[55] Petition, p. 10.

[56] Conference transcript, p. 29 (Rowley), 70-71 (Rowley).

[57] Conference transcript, p. 71 (Rowley).

(continued...)

darker each time such that a lighter colored cherry can be turned dark when soaked in reused liquid.[58]

The most common drying process involves putting cherries on a conveyor that moves them under a series of driers that blow hot air on the cherries. To prevent sticking, the dried cherries are often lightly coated in sunflower or safflower oil. The dried cherries can be either packaged at this point or further processed through chopping or dicing. The packaging varies by sector and customer needs. Bulk dried tart cherries are commonly packed in a 25-pound bag in a box. Products sold into food service are often in five- or ten-pound packages. For retail, dried tart cherries can be packaged in four-pound, two-pound or other sized bags.[59]

Domestic like product issues

The petitioner proposes the domestic like product be defined as all dried tart cherries co-extensive with the scope of these investigations.[60] No respondents participated in the preliminary phase of these investigations. In the final phase of these investigations, Sanford, the sole respondent from Turkey, stated that the firm does not challenge the finding of a single domestic like product consisting of dried tart cherries as described in the scope and a single U.S. domestic industry producing such dried tart cherries.[61] No party requested data or other information necessary for the analysis of the domestic like product.

[58] Conference transcript, p 70 (Drake).

[59] Petition, p 11.

[60] Petitioners' postconference brief, p. 4.

[61] However, Sanford urged the Commission to recognize that the differences between organic and non-organic dried tart cherries, which, according to the respondent, would otherwise inform its analysis of the separate like product issue, are appropriate considerations in assessing the extent to which competition between the organic and non-organic products–sales of which are concentrated in different market sectors is attenuated. Respondent's prehearing brief, p. 5.

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

U.S. market characteristics

Dried tart cherries are made from tart cherries. Tart cherries are pitted, individually quick frozen, possibly infused with a liquid sweetener, and finally dried. Dried tart cherries may be further processed by being chopped, minced, or reduced to other forms. Dried tart cherries are a standalone food item or an ingredient in prepared food items. End users include retailers, food manufacturers, and the food service industry.[1] The U.S. market for dried tart cherries is supplied mainly by U.S. producers, which accounted for approximately *** percent of the U.S. market in 2016-18, and *** percent in January-June 2019.

Apparent U.S. consumption of dried tart cherries decreased from 2016 to 2018. Overall, apparent U.S. consumption in 2018 was *** percent lower than in 2016.

All U.S. producers and the majority of importers indicated that there had been no significant changes in the product range, mix, or marketing of dried tart cherries since January 1, 2016.

U.S. purchasers

The Commission received 13 usable questionnaire responses from firms that had purchased dried tart cherries during January 2016-June 2019.[2] Three responding purchasers are retailers, four are distributors, and six are other types of firms. Firms that identified as other types of firms reported being packers, manufacturers, or trail mix producers. The majority of responding purchasers (5 of 9) reported that they did not compete for sales to customers with the producers or importers from which they purchase dried tart cherries. However, ***, a distributor, reported that it competes with the U.S. producers from which it buys dried tart cherries. Purchaser *** reported that *** have private label bids where dried tart cherry manufactures may complete against one another and other dried fruit packers. The largest responding purchasers of dried tart cherries in 2018, in descending order of purchases, were ***, ***, ***, ***, and ***. Combined these purchasers accounted for 86.1 percent of reported purchases in 2018.

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[1] Petition, Volume 1, pp. 10-12.

[2] Of the 13 responding purchasers, nine purchased the domestic dried tart cherries, two purchased imports of the subject merchandise from Turkey, and one purchased imports of dried tart cherries from other sources.

Channels of distribution

U.S. producers sold more than 90 percent of their dried tart cherries to distributors during the period, and most of the remainder were sold to retailers (table II-1). Sales to end users comprised less than 1 percent of their total sales.

Importers of dried tart cherries from Turkey shifted sales between channels of distribution during the period. These importers sold over *** percent of dried tart cherries to retailers in 2016 and over *** percent in 2017, but sales to retailers decreased to *** in 2018. Sales to distributors increased from less than *** percent in 2016 to over *** percent in 2018 and sales increased to end users from less than *** percent in 2016 to *** percent in 2018. This shift in the importers' channels of distribution in 2018 was caused by importer ***, which sold exclusively to retailers and decreased their total sales during 2016-18; while *** entered the market in 2017 and sold exclusively to distributors and *** entered the market in 2018 and sold exclusively to end users. This change in the channels of distribution partially reversed itself in interim 2019, but importers still sold a larger proportion of dried tart cherries to end users than distributors in interim 2019. Importers sold a majority of the dried tart cherries from nonsubject countries to distributors during 2016-2018, with most of the remainder going to retailers.

Table II-1
Dried tart cherries: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2016-18, January to June 2018, and January to June 2019

* * * * * * *

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

Geographic distribution

U.S. producers and importers reported selling dried tart cherries to all regions of the United States (table II-2). For U.S. producers, 2.5 percent of sales were within 100 miles of their production facility, 65.9 percent were between 101 and 1,000 miles, and 31.6 percent were over 1,000 miles. Importers sold 43.4 percent within 100 miles of their U.S. point of shipment, 22.9 percent between 101 and 1,000 miles, and 33.7 percent over 1,000 miles.

Table II-2
Dried tart cherries: Geographic market areas in the United States served by U.S. producers and U.S. importers

Region	U.S. producers	Subject U.S. importers
Northeast	5	5
Midwest	5	6
Southeast	3	5
Central Southwest	4	2
Mountain	4	5
Pacific Coast	4	5
Other[1]	2	1
All regions (except Other)	3	1
Reporting firms	5	8

[1] All other U.S. markets, including AK, HI, PR, and VI.

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

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding dried tart cherries from the United States and Turkey. U.S. producers have more than *** times the capacity of producers in Turkey to produce dried tart cherries.

Table II-3
Dried tart cherries: U.S. and foreign industry factors that affect ability to increase shipments to the United States

	Capacity (*1,000 pounds*)		Capacity utilization (*percent*)		Ratio of inventories to total shipments (*percent*)		Shipments by market, 2018 (*percent*)		Able to shift to alternate products
Country	2016	2018	2016	2018	2016	2018	Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	***	***	***	***	***	***	***	***	4 of 5
Turkey	***	***	***	***	***	***	***	***	6 of 6

Note: Responding U.S. producers accounted for more than *** percent of U.S. production of dried tart cherries in 2018. Responding foreign producer/exporter firms accounted for over *** percent of U.S. imports of dried tart cherries from Turkey during 2018. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary data and data sources."

Domestic production

Based on available information, U.S. producers of dried tart cherries have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of U.S.-produced dried tart cherries to the U.S. market. The main contributing factors to this degree of responsiveness of supply are moderate inventory levels, unused capacity, and the ability to shift production from other products to dried tart cherries. The limited ability for U.S. producers to divert shipments from other markets decreases responsiveness of supply.

Domestic capacity to produce dried tart cherries increased slightly from 2016 to 2018 but production declined, leading to reduced capacity utilization. U.S. producers' inventories increased from 2016 to 2018. U.S. producers exported 6.6 percent of their total shipments of dried tart cherries in 2018. The majority of responding U.S. producers (4 of 5) stated that they could switch production from other products to dried tart cherries. U.S. producers reportedly can produce other dried fruit, such as blueberries, cranberries, currants, apples, strawberries, and pomegranates on the same equipment as dried tart cherries. U.S. producers reported that the factors affecting their ability to shift production from alternate products include extensive

cleaning when changing to process a different type of fruit, investment in different syrups used in each type of fruit, the cost of leaving machinery idle while changes to production were made, and the labor cost to clean and reconfigure equipment. One U.S. producer, ***, reported that each time it changes products, the change ***.

Subject imports from Turkey

Based on available information, producers of dried tart cherries from Turkey have the ability to respond to changes in demand with large changes in the quantity of shipments of dried tart cherries to the U.S. market. The main contributing factors to this degree of responsiveness of supply are low levels of capacity utilization, the ability to divert shipments from other markets, and the ability to shift production away from other products to dried tart cherries. Low inventories are a mitigating factor.

Responding Turkish producers' capacity utilization decreased from 2016 to 2018 as a result of increased capacity and decreased production. Responding Turkish producers reported *** percent shipments of dried tart cherries to export markets other than the United States in 2018. All responding Turkish producers indicated that they produced other products on the same machinery or equipment as dried tart cherries, including figs, apricots, apples, pears, strawberries, tangerines, and blackberries.

Imports from nonsubject sources

The largest sources of nonsubject imports in 2018, in descending order, were Serbia, Uzbekistan, and China. Combined, these countries accounted for *** percent of nonsubject imports in 2018.

Supply constraints

All responding U.S. producers, all responding importers, and the majority of purchasers reported no supply constraints. Purchaser *** reported shortages due to a bad crop. Tart cherries can be frozen and processed into dried tart cherries at a later date which reduces the impact of raw material shortages on supply of dried tart cherries.[3]

The majority of responding purchasers (5 of 9) reported that certain grades, types, or sizes of dried tart cherries were only available from a specific country source. Purchaser

[3] Conference transcript, pp. 24-25 (Mr. Gregory).

*** reported that dried tart cherries made from Montmorency cherries were only available from the United States.

Weather and natural disasters

As shown in table II-4, all responding U.S. producers reported that weather or natural disasters had not impacted the availability or price of dried tart cherries in the United States. All three responding importers also reported that weather or natural disasters had not affected the availability or price of dried tart cherries in the United States or nonsubject countries, and two importers reported that weather or natural disasters had not affected availability or prices of dried tart cherries from Turkey. Only one responding importer (***) reported that weather had impacted availability of dried tart cherries from any source; it stated that that weather had affected crop size and quality in Turkey and had caused prices to increase. However, *** did not report any supply constants.

Table II-4
Dried tart cherries: Weather or natural disaster affect the availability or prices

Item	U.S. producers		U.S. importers	
	No	Yes	No	Yes
United States	2	---	3	---
Turkey	---	---	2	1
All other countries	---	---	3	---

New suppliers

The majority of responding purchasers (12 of 13) indicated that new suppliers have not entered the dried tart cherries market since January 2016. One purchaser, ***, reported that Sunrise Fresh had entered the dried tart cherry market since January 2016.

U.S. demand

Based on available information, the overall demand for dried tart cherries is likely to experience moderate changes in response to changes in price. The main contributing factor is dried tart cherries are a final good and there are no direct substitutes for dried tart cherries. However, dried tart cherries are not an essential food staple and if the price of dried tart cherries increases to a certain point demand could fall. However, changes in dried tart cherries' prices may lead consumers to alter their consumption of dried tart cherries relative to other dried fruits in their diet, or may lead producers of goods that use dried tart cherries as an ingredient to alter the recipe to exclude dried tart cherries or to reduce the proportion of dried tart cherries in the product.

Business cycles

All responding U.S. producers, importers, and the majority of purchasers indicated that the market was not subject to business cycles. The majority of responding U.S. producers (4 of 5), importers (4 of 6), and purchasers (10 of 13) reported that the market was not subject to distinct conditions of competition. U.S. producer *** reported that it competes with European producers when these producers' crop of tart cherries is large. Importer *** reported that crop conditions and annual production of tart cherries can impact supply.

Demand trends

U.S. producers' and importers' reports on the demand for dried tart cherries were mixed. However, no U.S. producer reported that that demand for dried tart cherries had increased and no importer reported that demand had decreased since January 1, 2016 (table II-5). The majority of responding purchasers reported that U.S. demand for dried tart cherries in the United States had increased or remained constant and that demand outside of the United States fluctuated.

Purchasers' responses with respect to changes in demand for end-use products that incorporate dried tart cherries were mixed. However, almost all responding purchasers (6 of 7) reported that the demand for end-use products that incorporate dried tart cherries had impacted their firms demand for dried tart cherries. Purchaser *** reported that demand for dried tart cherries was directly determined by the demand for the products that incorporate them.

Table II-5
Dried tart cherries: Firms' perceptions regarding demand in the United States and outside of the United States

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand inside the United States:				
U.S. producers	---	1	2	2
Importers	2	3	---	2
Purchasers	4	4	2	3
Demand outside the United States:				
U.S. producers	---	2	1	2
Importers	1	2	---	3
Purchasers	---	2	---	2

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

Substitute products

All responding U.S. producers (5 of 5), importers (6 of 6), and the majority of purchasers (11 of 13) reported that there were no substitutes for dried tart cherries. Purchaser *** reported that dried sweet cherries were a substitute for dried tart cherries and purchaser *** reported that dried cranberries were a substitute for dried tart cherries when used as an ingredient in pet food.

Substitutability issues

The degree of substitution between domestic and imported dried tart cherries depends upon such factors as relative prices, quality (e.g., grade standards, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is a high degree of substitutability between domestically produced dried tart cherries and dried tart cherries imported from Turkey.

Lead times

Just over half of U.S. producers' and importers' sales of dried tart cherries were from U.S. inventories, with the majority of remaining sales produced-to-order. U.S. producers reported that 48.8 percent of their commercial shipments were produced-to-order, with lead times averaging 18 days. The remaining 51.2 percent of their commercial shipments came from inventories, with lead times averaging 6 days. Importers reported 56.8 percent of sales from U.S. inventories, 27.9 percent of their sales were produced-to-order, and 15.3 percent from foreign inventories. Importers reported lead times averaging 150 days for produced-to-order product, 7 days from U.S. inventories, and 35 days from foreign inventories.

Knowledge of country sources

Thirteen purchasers indicated they had marketing/pricing knowledge of domestic dried tart cherries, four of Turkish dried tart cherries, and two of dried tart cherries from other countries (Uzbekistan and Canada).

As shown in table II-6, the majority of purchasers always or usually make purchasing decisions based on the producer or country of origin. The majority of purchasers reported that their customers sometimes or never base their decision on which country or producer produced organic dried tart cherries.

Table II-6
Dried tart cherries: Purchasing decisions based on producer and country of origin

Decision	Always	Usually	Sometimes	Never
Purchases based on producer:				
Purchaser's decision	7	3	1	2
Purchaser's customer's decision	---	2	3	5
Purchases based on country of origin:				
Purchaser's decision	5	4	3	1
Purchaser's customer's decision	---	3	4	2

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

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for dried tart cherries were price/cost (13 firms), quality (11 firms), and availability/supply (6 firms), as shown in table II-7. Quality was the most frequently cited first-most important factor (cited by 9 firms); price/cost was the most frequently cited second-most important factor (6 firms) and third-most important factor (5 firms).

Table II-7
Dried tart cherries: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Factor	First	Second	Third	Total
Price / Cost	2	6	5	13
Quality	9	2	---	11
Availability / Supply	---	2	4	6
All other factors[1]	2	3	4	NA

[1] Other factors include food safety for first factor; color and sizing for second factor; and color, flavor, relationships, commitment of supply and geographic proximity as third factor.

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

Six of 13 responding purchasers reported that they usually purchase the lowest-priced product and five reported that they sometimes do.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 17 factors in their purchasing decisions (table II-8). The factors rated as very important by half or more of responding purchasers were price (13 firms); availability and reliability of supply (12 firms each); product consistency, quality exceeds industry standards, and quality meets industry standards (11 each); and delivery time (8). The majority or plurality of firms rated delivery terms (10); U.S. transportation costs (9); payment terms (8); and packaging (7); and discounts offered, minimum quantity requirements (6) as somewhat important. Product range was rated somewhat important by six firms and not

important by six firms. Variety was rated very important by five firms and somewhat important by five firms.

Table II-8
Dried tart cherries: Importance of purchase factors, as reported by U.S. purchasers

Factor	Number of firms reporting		
	Very	Somewhat	Not
Availability	12	1	---
Delivery terms	3	10	---
Delivery time	8	5	---
Discounts offered	4	6	3
Minimum quantity requirements	4	6	3
Packaging	3	7	3
Payment terms	3	8	2
Price	13	---	---
Product consistency	11	2	---
Product range	1	6	6
Quality meets industry standards	11	2	---
Quality exceeds industry standards	11	1	1
Reliability of supply	12	1	---
Technical support/service	5	5	3
USDA certified organic	6	3	4
U.S. transportation costs	3	9	1
Variety	5	5	3

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

Supplier certification

Most responding purchasers (10 of 13) require their suppliers to become certified or qualified to sell dried tart cherries to their firm. Responding purchasers named food safety certifications and proof the dried tart cherries were organic and not genetically modified as required certifications. Most responding purchasers reported the time to qualify a new supplier was 45 days or less, however *** reported 180 days. All responding purchasers reported that no supplier had failed to qualify to supply dried tart cherries, or had lost its approved status since January 1, 2016.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since January 1, 2016 (table II-9). The majority of responding purchasers (7 firms) reported constant purchases of domestically produced dried tart cherries. The majority of responding purchasers (7 of 10) reported that they did not purchase dried tart cherries from Turkey or (8 of 10) nonsubject countries. Of the firms that did purchase imports, purchaser *** reported that its purchases had fluctuated based on Turkish crop yields and

*** reported decreased purchases because it lost a retail business. Purchaser *** reported that it had changed ***.

Table II-9
Dried tart cherries: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	1	2	2	7	2
Turkey	7	1	---	1	1
All other sources	8	---	1	---	---
Sources unknown	8	---	---	---	---

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

Importance of purchasing domestic product

Seven of 13 purchasers reported that most or all of their purchases did not require purchasing U.S.-produced dried tart cherries. Purchaser *** reported domestic product was required by its customers (for 96.5 percent of its purchases) and three purchasers, ***, reported other preferences for domestic product (for 100 percent of their purchases). Other reported preferences include specification requirements or approval processes that are not available to international suppliers.

Importance of purchasing organic product

Purchasers reported that almost all of their purchases (98.8 percent) did not require dried tart cherries to be USDA certified organic. Purchasers reported that *** pounds of their dried tart cherry purchases were not required to be organic and *** pounds were required to be organic in 2018. The majority of purchasers (9 of 12) reported that USDA certified organic dried tart cherries were not interchangeable with non-organic dried tart cherries. All eight responding purchasers reported that organic and non-organic dried tart cherries could never be used in place of one another.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing dried tart cherries produced in the United States, Turkey, and nonsubject countries. First, purchasers were asked for a country-

by-country comparison on the same 17 factors (table II-8) for which they were asked to rate the importance.

Five purchasers compared U.S. and Turkish dried tart cherries, and generally rated the U.S. product as superior or comparable to the Turkish dried tart cherries on every factor except USDA certified organic (table II-10).[4] The majority of responding purchasers reported that dried tart cherries from the United States and Turkey were comparable with respect to 12 factors: discounts offered, minimum quantity requirements, packaging, price, product consistency, product range, quality meets industry standards, quality exceeds industry standards, reliability of supply, technical support/service, USDA certified organic and U.S. transportation costs. A majority of responding purchasers reported that dried tart cherries from the United States were superior to dried tart cherries from Turkey with respect to four of the 17 factors (availability, delivery terms, and delivery time, and variety). With respect to payment terms, two purchasers reported that domestic product was superior and two reported that it was comparable to imports from Turkey.

All or the majority of purchasers compared dried tart cherries from Turkey and nonsubject countries, and reported that they were comparable on 14 of 17 factors. Purchasers reported that dried tart cherries from Turkey were comparable or inferior on three factors (delivery time, reliability of supply, and variety).

Purchasers were also asked if they or their customers had a preference for dried tart cherries from one particular country, and 10 of 13 purchasers reported a preference for dried tart cherries produced in the United States. Purchaser *** reported that it preferred U.S.-produced dried tart cherries because they were FDA and (Food Safety Modernization Act) FSMA compliant.

[4] Only one of the three purchasers provided a comparison for USDA certified organic and it reported the Turkish product was superior.

Table II-10
Dried tart cherries: Purchasers' comparisons between U.S.-produced and imported product

	United States vs. Turkey			United States vs. Nonsubject sources			Turkey vs. Nonsubject sources		
Factor	**S**	**C**	**I**	**S**	**C**	**I**	**S**	**C**	**I**
Availability	4	1	---	1	1	---	---	3	---
Delivery terms	3	2	---	1	1	---	---	3	---
Delivery time	4	1	---	1	1	---	---	1	2
Discounts offered	1	3	---	---	2	---	---	3	---
Minimum quantity requirements	2	3	---	---	2	---	---	2	1
Packaging	1	3	---	---	2	---	1	2	---
Payment terms	2	2	---	1	1	---	1	2	---
Price	1	2	1	---	2	---	1	2	---
Product consistency	2	3	---	---	2	---	---	2	---
Product range	1	3	---	---	2	---	---	3	---
Quality meets industry standards	1	4	---	---	2	---	1	2	---
Quality exceeds industry standards	1	4	---	---	2	---	---	3	---
Reliability of supply	2	3	---	---	2	---	---	1	1
Technical support/service	1	3	---	---	2	---	---	3	---
USDA certified organic	---	2	1	---	2	---	---	2	---
U.S. transportation costs	1	3	---	1	1	---	---	2	1
Variety	2	1	---	---	1	---	---	1	1

Note.--A rating of superior for price or U.S. transportation cost means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

Comparison of U.S. produced and imported dried tart cherries

In order to determine whether U.S. produced dried tart cherries can generally be used in the same applications as imports from Turkey, U.S. producers, importers, and purchasers were asked whether dried tart cherries can always, frequently, sometimes, or never be used interchangeably.

As shown in table II-11, all responding U.S. producers reported that dried tart cherries from the United States, Turkey, and nonsubject countries were always or frequently interchangeable. U.S. producer *** reported that some customers prefer U.S.-produced cherries for quality and safety assurance. Importers had mixed responses regarding the interchangeability of dried tart cherries from the United States and Turkey. Importer *** reported that montmorency tart cherries produced in the United States and those produced in Turkey or Uzbekistan are not identical because while both exhibit sour flavors, the flavors are not equal and that the color and characteristics of Turkish and Uzbek dried tart cherries are substantially different from U.S.-produced dried tart cherries. Importer *** reported that it had been able to find organic dried tart cherries in Turkey and had been unable to identify a domestic supplier.

Half of responding purchasers (3 of 6) reported that dried tart cherries from the United States and Turkey were sometimes interchangeable. *** reported that Turkish cherries are much darker than U.S. cherries when dried and *** reported that the color and flavor of Turkish cherries were substantially different from U.S. cherries but that it had customers that preferred both options.

Table II-11
Dried tart cherries: Interchangeability between dried tart cherries produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Turkey	3	2	---	---	1	2	1	1	---	2	3	1
United States vs. Other	3	2	---	---	---	---	1	---	---	1	1	---
Turkey vs. Other	2	1	---	---	---	1	---	---	---	2	---	---

Note.—A=Always, F=Frequently, S=Sometimes, N=Never.

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

As shown in table II-12, all responding purchasers reported that dried tart cherries from the United States, Turkey, and nonsubject sources always or usually meet minimum quality specifications.

Table II-12
Dried tart cherries: Ability to meet minimum quality specifications, by source[1]

Source	Always	Usually	Sometimes	Rarely or never	Don't know
United States	8	5	---	---	---
Turkey	1	3	---	---	---
All other sources	1	1	---	---	---

[1] Purchasers were asked how often domestically produced or imported dried tart cherries meet minimum quality specifications for their own or their customers' uses.

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

When comparing dried tart cherries from the United States, Turkey, and nonsubject countries on factors other than price, the majority of responding U.S. producers reported that factors other than price were sometimes or never significant (table II-13). The majority of responding importers reported that factors other than price were sometimes significant when comparing U.S. and Turkish product.

The majority of responding purchasers reported that factors other than price were sometimes significant when comparing U.S. and Turkish dried tart cherries while the remaining purchasers reported that factors other than price were frequently significant. *** reported that the availability of organic raw materials was frequently a significant factor and *** reported that logistics and customer preferences were factors that were frequently significant.

Table II-13
Dried tart cherries: Significance of differences other than price between dried tart cherries produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Turkey	---	---	3	2	---	1	3	---	---	2	3	---
United States vs. Other	---	---	3	2	---	1	---	---	---	1	1	---
Turkey vs. Other	---	---	1	1	---	---	1	---	---	---	2	---

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

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

Elasticity estimates

This section discusses elasticity estimates. Parties were encouraged to comment on these estimates; none did so in their prehearing or posthearing briefs.

U.S. supply elasticity

The domestic supply elasticity[5] for dried tart cherries measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of dried tart cherries. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, and the availability of alternate markets for U.S.-produced dried tart cherries. Analysis of these factors above indicates that the U.S. industry has a moderate-to-large ability to increase or decrease shipments to the U.S. market in response to changes in price. Tart cherries could be diverted from other products to increase dried tart cherry production and can be stored frozen and processed into dried tart cherries over a period of time which makes the primary raw materials readily available. There is currently excess capacity and moderate inventory levels which would allow U.S. producers to fill immediate orders and increase production. An estimate of 5 to 7 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for dried tart cherries measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of dried tart cherries. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the dried tart cherries in the production of any products. As previously discussed, most firms reported that there are no substitutes for dried tart cherries. However changes in dried tart cherries' prices may lead consumers to alter their consumption of dried tart cherries relative to other dried fruits in their diet, or may lead producers of goods that use dried tart cherries as an ingredient to alter the recipe to exclude dried tart cherries or to reduce the proportion of dried tart cherries in the product. The aggregate demand for dried tart cherries is therefore likely to be elastic; a range of -1 to -2 is suggested.

[5] A supply function is not defined in the case of a non-competitive market.

(*continued*...)

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[6] Product differentiation, in turn, depends upon such factors as quality (e.g., color, flavor, appearance, etc.) and availability (e.g., availability and availability of varieties, etc.). Based on available information, the elasticity of substitution between U.S.-produced dried tart cherries and imported dried tart cherries is likely to be in the range of 4 to 7.

[6] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

Part III: U.S. producers' 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 I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of five firms that accounted for the vast majority of U.S. production of dried tart cherries during 2018.

U.S. producers

The Commission issued a U.S. producer questionnaire to eleven firms based on information contained in the petition and through research, and five firms provided usable data on their production operations. Staff believes that these responses represent the vast majority of U.S. production of dried tart cherries.[1] Table III-1 lists U.S. producers of dried tart cherries, their production locations, positions on the petition, and shares of total production.

Table III-1
Dried tart cherries: U.S. producers, their position on the petition, production locations, and share of reported production, 2018

Firm	Position on petition	Production location(s)	Share of production (percent)
Graceland	Petitioner	Frankfort, MI Hart, MI Walkerville, MI	***
Oceana	Petitioner	Shelby, MI	***
Payson	Petitioner	Payson, UT	***
Shoreline	Petitioner	Williamsburg, MI	***
Smeltzer	Petitioner	Frankfort, MI	***
Total			100.0

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

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms of dried tart cherries.

[1] Petition supplement, p. 9 and Exhibit 11, April 29, 2019.

Table III-2
Dried tart cherries: U.S. producers' ownership, related and/or affiliated firms, 2018

Item / Firm	Firm Name	Affiliated/Ownership
Ownership:		
	***	***
	***	***
	***	***
	***	***
	***	***
	***	***
	***	***
	***	***
***	***	***
Related producers:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

*** of the U.S. producers are related to foreign producers and/or affiliated firms of the subject merchandise and *** U.S. producer directly imported subject merchandise.

Table III-3 presents U.S. producers' reported changes in operations since January 1, 2016.

Table III-3
Dried tart cherries: U.S. producers' reported changes in operations, since January 1, 2016

Item / Firm	Reported changed in operations
Plant openings:	
***	***
Expansions:	
***	***
Prolonged shutdowns or curtailments:	
***	***
***	***
***	***
***	***
Other:	
***	***
***	***

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

U.S. production, capacity, and capacity utilization

Table III-4 and figure III-1 present U.S. producers' production, capacity, and capacity utilization.[2] Combined U.S. producers' capacity decreased 4.0 percent from 2016 to 2017, then increased by 5.8 percent from 2017 to 2018, ending 1.6 percent higher in 2018 than in 2016. Production capacity was higher by 10.6 percent in January-June 2019 than the same interim period in 2018. Production capacity for *** steadily increased during 2016-18, while *** reported decreasing production capacity during 2016-18. *** capacity remained unchanged during all periods and was also the *** reported of the five companies, (except in 2016). ***, which accounted for the majority of the total increase in reported production capacity during 2016-18, stated that the decision to increase its production from 2017 to 2018 was driven, in part, by its decision to ***.[3] *** reported that the firm's capacity increased in 2018 due to ***. The decrease in ***.[4]

U.S. producers' production decreased by 7.2 percent from 2016 to 2017 and by 6.6 percent from 2017 to 2018, ending 15.3 percent lower in 2018 than in 2016. Production in January-June 2019 was 2.2 percent higher than in January-June 2018. *** out of five responding U.S. producers reported less production in 2018 than in 2016.[5] *** accounted for the largest share in the total decrease in production from 2016 to 2018. *** production level *** throughout 2016-18. U.S. producers' average capacity utilization decreased from 83.2 percent in 2016 to 80.4 percent in 2017 and to 71.0 percent in 2018. *** reported lower capacity utilization in 2018 than in 2016, with rates below *** percent. *** production remained largely unchanged while its production capacity increased during 2016-18. *** production fluctuated while its production capacity remained unchanged.

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[2] Tolling occurs in this industry, where a toller will dry the tart cherries for the tollee. It represented a ***. For more information on tolling, please see Part VI of this report. Petitioners estimate that about 25 to 30 percent of the domestic crop of tart cherries is processed into dried tart cherries. Hearing transcript pp. 21-22 (Gregory).

[3] *** email correspondence with Commission staff, May 20, 2019.

[4] ***.

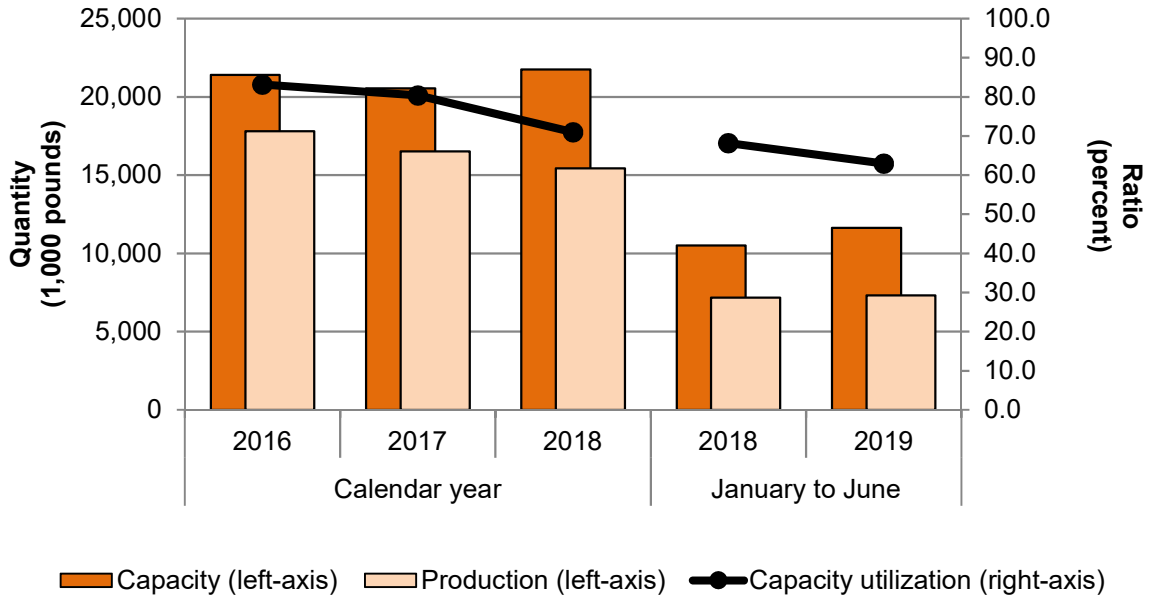
[5] According to ***, changes in weather conditions can cause year-to-year fluctuations in raw cherry crop yield. Petitioners note that Montmorency cherries, the most commonly produced cherry variety in the United States, are particularly susceptible to changes in climate. In order to ensure an adequate supply of raw cherries for drying, U.S. producers maintain a steady inventory of frozen cherries throughout the year. Petitioners' postconference brief, p. 15.

Table III-4
Dried tart cherries: U.S. producers' production, capacity, and capacity utilization, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Capacity (1,000 pounds)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total capacity	21,399	20,544	21,743	10,516	11,632
	Production (1,000 pounds)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total production	17,801	16,521	15,434	7,168	7,325
	Capacity utilization (percent)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average capacity utilization	83.2	80.4	71.0	68.2	63.0
	Share of production (percent)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average	100.0	100.0	100.0	100.0	100.0

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

Figure III-1
Dried tart cherries: U.S. producers' production, capacity, and capacity utilization, period 2016-18, January-June 2018, and January-June 2019



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

Alternative products

As shown in table III-5, dried tart cherries accounted for between 56.3 percent and 61.6 percent of responding U.S. producers' total production on shared equipment during 2016-18. In addition to dried tart cherries, *** reported producing dried apples, dried blueberries, dried cranberries, dried light sweet cherries, dried currants, dried pomegranates, and dried strawberries. Out of the five U.S. producers, *** was the only company that reported not being able to switch production between dried tart cherries and other products using the same equipment and/or labor.

Table III-5
Dried tart cherries: U.S. producers' overall plant capacity and production on the same equipment as subject production, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Overall capacity	32,526	33,580	34,262	16,988	17,040
Production:					
Dried tart cherries	17,801	16,521	15,434	7,168	7,325
Out-of-scope production[1]	11,076	12,700	11,991	7,197	2,294
Total production on same machinery	28,877	29,222	27,425	14,365	9,619
	Ratios and shares (percent)				
Overall capacity utilization	88.8	87.0	80.0	84.6	56.5
Share of production:					
Dried tart cherries	61.6	56.5	56.3	49.9	76.2
Out-of-scope production	38.4	43.5	43.7	50.1	23.8
Total production on same machinery	100.0	100.0	100.0	100.0	100.0

[1] The decline in out-of-scope production is driven almost entirely by two firms (***). ***. *** emails to USITC staff, November 13 and 14, 2019.

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

U.S. producers' U.S. shipments and exports

Table III-6 presents U.S. producers' U.S. shipments, export shipments, and total shipments.

By quantity, U.S. producers' U.S. shipments of dried tart cherries accounted for more than 91.9 percent of total shipments throughout 2016-18. From 2016 to 2018, U.S. producers' U.S. shipments of dried tart cherries decreased by 16.2 percent, with the majority of the decrease occurring from 2016 to 2017. Total U.S. producers' U.S. shipments by quantity were higher in January-June 2019 than in January-June 2018. *** out of five U.S. producers reported less U.S. shipments in 2018 than in 2016, with *** accounting for most of the decrease from 2016 to 2018. According to ***, its decrease in U.S. shipments was ***.[6]

By value, U.S. shipments accounted for over 92.0 percent of total shipments throughout 2016-18. The value of U.S. producers' U.S. shipments decreased by 15.2 percent from 2016 to 2017, but then increased by 0.8 percent from 2017 to 2018, ending 14.5 percent lower in 2018 than in 2016. ***, all other U.S. producers reported lower values for their U.S. shipments in 2018 than in 2016. The average unit value of U.S. producers' U.S. shipments increased from $4.84 per pound in 2016 to $4.94 per pound in 2018. Average unit values in January-June 2019 were higher ($4.62 per pound) than in January-June 2018 ($4.61 per pound). Average unit

[6] ***, email to USITC staff, May 10, 2019.

values for U.S. producers' U.S. shipments of organic dried tart cherries were higher than non-organic dried tart cherries throughout 2016-18 and January-June 2019. Three firms (***) had shipments of organic dried tart cherries during 2016-18, which accounted for less than *** percent of U.S. producers' U.S. shipments during all periods.

U.S. producers' export shipments of dried tart cherries, by quantity, accounted for less than 8.0 percent of total shipments throughout 2016-18. The share of U.S. producers' export shipments of dried tart cherries of total shipments was lower in January-June 2019 than the previous interim year. *** responding producers reported export shipments during 2016-18 with *** accounting for approximately *** percent of such shipments in 2018. ***.

Table III-6
Dried tart cherries: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Organic U.S. shipments	***	***	***	***	***
Non-organic U.S. shipments	***	***	***	***	***
U.S. shipments	17,055	14,464	14,299	5,621	5,805
Export shipments	936	1,182	1,010	545	484
Total shipments	17,991	15,647	15,309	6,166	6,289
	Value (1,000 dollars)				
Organic U.S. shipments	***	***	***	***	***
Non-organic U.S. shipments	***	***	***	***	***
U.S. shipments	82,555	70,015	70,582	25,850	26,815
Export shipments	4,177	5,210	4,575	2,560	2,171
Total shipments	86,732	75,225	75,157	28,411	28,986
	Unit value (dollars per pound)				
Organic U.S. shipments	***	***	***	***	***
Non-organic U.S. shipments	***	***	***	***	***
U.S. shipments	4.84	4.84	4.94	4.60	4.62
Export shipments	4.46	4.41	4.53	4.69	4.48
Total shipments	4.82	4.81	4.91	4.61	4.61

Table continued on the next page.

Table III-6--Continued
Dried tart cherries: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Share of U.S. shipments by quantity (percent)				
Organic U.S. shipments	***	***	***	***	***
Non-organic U.S. shipments	***	***	***	***	***
U.S. shipments	100.0	100.0	100.0	100.0	100.0
	Share of U.S. shipments by value (percent)				
Organic U.S. shipments	***	***	***	***	***
Non-organic U.S. shipments	***	***	***	***	***
U.S. shipments	100.0	100.0	100.0	100.0	100.0
	Share of total shipments by quantity (percent)				
Organic U.S. shipments	***	***	***	***	***
Non-organic U.S. shipments	***	***	***	***	***
U.S. shipments	94.8	92.4	93.4	91.2	92.3
Export shipments	5.2	7.6	6.6	8.8	7.7
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of total shipments by value (percent)				
Organic U.S. shipments	***	***	***	***	***
Non-organic U.S. shipments	***	***	***	***	***
U.S. shipments	95.2	93.1	93.9	91.0	92.5
Export shipments	4.8	6.9	6.1	9.0	7.5
Total shipments	100.0	100.0	100.0	100.0	100.0

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

U.S. producers' inventories

Table III-7 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.**

U.S. producers' end-of-period inventories increased by 65.5 percent from 2016 to 2017 and by 5.6 percent from 2017 to 2018, ending 74.9 percent higher in 2018 than in 2016. Aggregated end-of-period inventories were higher in January-June 2019 than in January-June 2018. *** out of the five responding U.S. producers reported end-of-period inventories throughout 2016-18. *** reported end-of-period inventories only in 2018 and January-June 2019. *** accounted for most of the U.S. producers' end-of-period inventories in 2016 and 2018, while *** accounted for most of the U.S. producers' end-of-period inventories in 2017. The ratio of U.S. producers' end-of-period inventories to their production increased from 7.5 percent in 2016 to 13.4 percent in 2017 and to 15.1 percent in 2018. The ratio of U.S. producers' end-of-period inventories to their U.S. shipments increased from 7.8 percent in 2016 to 15.3 percent in 2017 and to 16.3 percent in 2018.

Table III-7
Dried tart cherries: U.S. producers' inventories, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. producers' end-of-period inventories	1,334	2,208	2,333	3,210	3,369
	Ratio (percent)				
Ratio of inventories to.--					
U.S. production	7.5	13.4	15.1	22.4	23.0
U.S. shipments	7.8	15.3	16.3	28.6	29.0
Total shipments	7.4	14.1	15.2	26.0	26.8

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

U.S. employment, wages, and productivity

Table III-8 shows U.S. producers' employment-related data during 2016-18 and January-June 2018 and January-June 2019. The number of production-related workers ("PRWs") increased by 3 between 2016 and 2017, but then decreased by 12 between 2017 and 2018. *** reported fewer PRWs in 2018 than in 2016, while *** did not report any change in the number of PRWs during 2016-18. Productivity fluctuated year to year, decreasing from 31.5 pounds per hour in 2016 to 30.1 pounds per hour in 2017, and then increasing to 32.7 pounds per hour in 2018. Productivity was higher in January-June 2019 then in January-June 2018. Unit labor costs also fluctuated year to year, increasing from $0.45 per pound in 2016 to $0.49 per pound in 2017, and then returning to $0.45 per pound in 2018. Unit labor costs were lower in January-June 2019 than in January-June 2018.

Table III-8
Dried tart cherries: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
Production and related workers (PRWs) (number)	345	348	336	338	260
Total hours worked (1,000 hours)	565	549	472	230	191
Hours worked per PRW (hours)	1,637	1,577	1,405	682	736
Wages paid ($1,000)	8,051	8,128	7,007	3,468	3,335
Hourly wages (dollars per hour)	$14.25	$14.81	$14.84	$15.05	$17.43
Productivity (pounds per hour)	31.5	30.1	32.7	31.1	38.3
Unit labor costs (dollars per pound)	$0.45	$0.49	$0.45	$0.48	$0.46

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

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

U.S. importers

The Commission issued importer questionnaires to 23 firms believed to be importers of dried tart cherries, as well as to all U.S. producers of dried tart cherries.[1] [2] Usable questionnaire responses were received from eleven companies, representing virtually all reported U.S. imports from Turkey in 2018 under HTS statistical reporting number 0813.40.3000.[3] [4]

Eight firms indicated that they did not import dried tart cherries into the United States since January 2016.[5]

Table IV-1 lists all responding U.S. importers of dried tart cherries from Turkey and other sources, their locations, and their shares of U.S. imports, in 2018.

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[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have accounted for more than one percent of total imports under HTS statistical reporting number 0813.40.3000 in 2018.

[2] The petitioner notes that the vast majority of imports of dried tart cherries are classified under HTS statistical reporting number 0813.40.3000. The petitioner also contends that dried tart cherries account for the vast majority of all imports classified under this statistical reporting number. Petition, volume I, p. 15.

[3] Mariani Packaging, Nature's Wild, and Tradin Organic, ***. ***. ***.

In the final phase of investigations, the Commission added a question in its U.S. importer questionnaires requesting companies that reported no imports of dried tart cherries to identify what products other than dried tart cherries the firm imported under HTS reporting number 0813.40.3000. *** responded importing products other than dried tart cherries within this tariff line item, with the exception of ***, which stated the firm may have entered *** in the same HTS in 2018. Staff telephone interview with ***.

Companies that provided U.S. importer questionnaire responses (certified yes or no responses) in the final phase of these investigations, represent *** percent, by quantity, and *** percent, by value, of total U.S. imports from Turkey under HTS statistical reporting number 0813.40.3000 in 2018 reported in proprietary Customs data.

[4] Appendix D presents data on U.S. imports from various sources.

[5] These firms are: ***. *** imported a small quantity (*** pounds) from Turkey in January 2019. *** importer of dried tart cherries from Turkey in 2018 that participated in the preliminary phase of these investigations, informed the Commission in the final phase of these investigations that all of the firm's imports were of out-of-scope dried sweet cherries for use in the pet food industry. ***, email correspondence with USITC staff, November 13, 2019.

Table IV-1
Dried tart cherries: U.S. importers by source, 2018

Firm	Headquarters	Share of imports by source (percent)		
		Turkey	Nonsubject sources	All import sources
American Nuts	Sylmar, CA	***	***	***
Bedemco	White Plains, NY	***	***	***
Business Integral	Coral Springs, FL	***	***	***
Great Lakes	Traverse City, MI	***	***	***
Mariani Packing	Vacaville, CA	***	***	***
Natural Food	Whitehall, PA	***	***	***
Nature's Wild	Irvine, CA	***	***	***
Penguin Trading	Brooklyn, NY	***	***	***
Van Drunen	Momence, IL	***	***	***
Tradin Organic	Scotts Valley, CA	***	***	***
VLM	Dollar-Des-Ormeaux, QC	***	***	***
All other firms		***	***	***
Total		***	***	***

Note: The "all other firms" data relate to the supplemental proprietary Customs data.

Source: Compiled from data submitted in response to Commission questionnaires and from proprietary Customs data using HTS statistical reporting number 0813.40.3000, accessed November 26, 2019.

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of dried tart cherries from Turkey and all other sources. By quantity, U.S. imports of dried tart cherries from Turkey increased by *** percent between 2016 and 2018 from *** pounds to *** pounds. U.S. imports of dried tart cherries from Turkey were higher in January-June 2019 by *** percent at *** pounds, compared to U.S. imports in January-June 2018, *** pounds.[6] By value, U.S. imports from dried tart cherries from Turkey increased between 2016 and 2018 and were higher in January-June 2019 than in January-June 2018. However, U.S. imports of dried tart cherries from Turkey declined by *** percent between 2016 and 2017 from $*** dollars to $*** dollars as *** ceased importing in 2017 and shipped solely from inventories, and *** decreased imports from *** pounds to *** pounds. Of the eleven responding U.S. importers, only *** reported imports from Turkey in each year during 2016-18, while *** U.S. importers reported imports from Turkey in just either one or two of the three years during 2016-18. Imports from Turkey increased *** percent by quantity in 2018 to *** pounds from *** pounds in the previous year, largely due to ***. U.S. imports of dried tart cherries from nonsubject sources exhibited mixed trends during 2016-18 and were higher in January-June 2019 than in January-June 2018, largely driven by ***, coupled with the imports of ***.

U.S. imports of dried tart cherries from Turkey accounted for *** percent of the total quantity of U.S. imports in 2016, then increased to *** percent in 2017, and *** percent in 2018, equivalent to *** percentage points higher than in 2016. The share of U.S. imports of dried tart cherries from Turkey was *** percentage points lower in January-June 2019 compared to January-June 2018. By quantity, share of nonsubject sources declined during 2016-18, but were slightly higher in January-June 2019 compared to January-June 2018. By value, the share of U.S. imports of dried tart cherries from Turkey decreased between 2016 and 2017 and then increased in 2018, ending *** percentage points lower than in 2016. While U.S. imports from subject sources were higher in January-June 2019 than in January-June 2018, U.S. imports from nonsubject sources were lower interim periods in 2019 than the previous year.

The average unit value of U.S. imports of dried tart cherries from Turkey increased from $*** per pound in 2016 to $*** per pound in 2018. However, the average unit value decreased during 2016-17 by $*** per pound. Average unit values were $*** lower in January-June 2019 than in January-June 2018. The average unit value of U.S. imports of dried tart cherries from

[6] The increase in U.S. imports from Turkey in January-June 2019 is driven by ***, email to USITC staff, December 4, 2019; staff telephone interview, December 6, 2019; and U.S. purchaser questionnaire, II-4.

nonsubject sources steadily increased from $*** per pound in 2016 to $*** per pound in 2017, and again in 2018 to $*** per pound. The ratio of subject imports to U.S. production increased from *** percent in 2016 to *** percent in 2018. U.S. imports of dried tart cherries from Turkey in January-June 2019 experienced the same ratio to U.S. production as in the full year in 2018. The ratios of nonsubject imports to U.S. production were at or below *** percent for all periods, except in January-June 2019, when it reached *** percent.

Table IV-2
Dried tart cherries: U.S. imports by source, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Unit value (dollars per pound)				
U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of quantity (percent)				
U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of value (percent)				
U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Ratio to U.S. production				
U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Note: Nonsubject countries include Uzbekistan and Serbia.

Source: Compiled from data submitted in response to Commission questionnaires and from proprietary Customs data using HTS statistical reporting number 0813.40.3000, accessed November 26, 2019.

Figure IV-1
Dried tart cherries: U.S. import volumes and prices, 2016-18, January-June 2018, and January-June 2019

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires and from proprietary Customs data using HTS statistical reporting number 0813.40.3000, accessed November 26, 2019.

As presented in table IV-3, U.S importers' U.S. shipments of organic dried tart cherries from Turkey increased year-on-year by quantity, accounting for *** percent of total U.S. importers' U.S. shipments of all product types in 2018. Average unit values for U.S. shipments of organic dried tart cherries from Turkey were at least double the average unit values for U.S. shipments of nonorganic dried tart cherries in 2016 and 2017. Average unit values for U.S. shipments of organic dried tart cherries from Turkey increased from $*** per pound in 2017 and then decreased to $*** per pound in 2018. Average unit values for U.S. shipments of organic dried tart cherries from Turkey in January-June 2019 were virtually the same as those in January-June 2018. Average unit values for U.S. shipments of nonorganic dried tart cherries from Turkey decreased from $*** per pound in 2016 to $*** per pound in 2017 and then increased to $*** per pound in 2018.[7]

[7] This decrease in average unit value is driven by ***.

Table IV-3
Dried tart cherries: U.S. shipments, by type, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. shipments:					
Turkey:					
Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Value (1,000 dollars)				
U.S. shipments:					
Turkey:					
Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Unit value (dollars per pound)				
U.S. shipments:					
Turkey:					
Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Share of quantity (percent)				
U.S. shipments:					
Turkey:					
Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Share of value (percent)				
U.S. shipments:					
Turkey:					
Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***

Table continued on the next page.

Table IV-3--Continued
Dried tart cherries: U.S. shipments, by type, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. shipments: Nonsubject: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Value (1,000 dollars)				
U.S. shipments: Nonsubject: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Unit value (dollars per pound)				
U.S. shipments: Nonsubject: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Share of quantity (percent)				
U.S. shipments: Nonsubject: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Share of value (percent)				
U.S. shipments: Nonsubject: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***

Table continued on the next page.

Table IV-3--Continued
Dried tart cherries: U.S. shipments, by type, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. shipments: All import sources: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Value (1,000 dollars)				
U.S. shipments: All import sources: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Unit value (dollars per pound)				
U.S. shipments: All import sources: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Share of quantity (percent)				
U.S. shipments: All import sources: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***
	Share of value (percent)				
U.S. shipments: All import sources: Organic	***	***	***	***	***
Non-organic	***	***	***	***	***
All product types	***	***	***	***	***

Note: ***.

Source: Compiled from data submitted in response to Commission questionnaires and from proprietary Customs data using HTS statistical reporting number 0813.40.3000, accessed November 26, 2019.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[8] 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

[8] 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)).

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.[9] Imports from Turkey accounted for *** percent of total imports of dried tart cherries by quantity during the most recent 12-month period (April 2018-March 2019).

Table IV-4
Dried tart cherries: U.S. imports in the twelve-month period preceding the filing of the petition, April 2018 through March 2019

Item	April 2018 through March 2019	
	Quantity (1,000 pounds)	Share quantity (percent)
U.S. imports from.--		
Turkey	***	***
Nonsubject sources	***	***
All import sources	***	***

Source: Compiled from data submitted in response to Commission questionnaires and from proprietary Customs data using HTS statistical reporting number 0813.40.3000, accessed November 26, 2019.

Apparent U.S. consumption

Table IV-5 and figure IV-2 present data on apparent U.S. consumption and U.S. market shares for dried tart cherries. Apparent U.S. consumption, by quantity, decreased by *** percent from 2016 to 2017, and again by *** percent from 2017 to 2018, ending *** percent lower in 2018 than in 2016. The decrease in apparent U.S. consumption is largely driven by the decrease in U.S. producers' U.S. shipments. Petitioners note that the maturing of the dried tart cherries market has, in part, contributed to demand plateauing.[10]

Between 2016 and 2018, U.S. imports from Turkey's share of apparent U.S. consumption increased *** percentage points, by quantity, and *** percentage points, by

[9] Section 771 (24) of the Act (19 U.S.C § 1677(24)).
[10] Conference transcript, p. 45 (Drake).

value, while the share of U.S. producers declined by *** and *** percentage points, respectively.

Table IV-5
Dried tart cherries: Apparent U.S. consumption and market share, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***
	Share of quantity (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of value (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires and from proprietary Customs data using HTS statistical reporting number 0813.40.3000, accessed November 26, 2019.

Figure IV-2
Dried tart cherries: Apparent U.S. consumption, 2016-18, January-June 2018, and January-June 2019

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires and from proprietary Customs data using HTS statistical reporting number 0813.40.3000, accessed November 26, 2019.

Part V: Pricing data

Factors affecting prices

Raw material costs

Dried tart cherries are made primarily from pitted tart cherries, which can be infused with a liquid sweetener and oil.[1] Raw materials are the largest component of the total cost of goods sold ("COGS") for dried tart cherries. Tart cherries make up the majority of the raw material cost for dried tart cherries. U.S. producers' raw materials decreased from 68.1 percent of total COGS in 2016 to 65.3 percent in 2018.

The majority of responding U.S. producers (3 of 5) indicated that raw material costs had not changed since January 1, 2016, and the remaining two U.S. producers reported that raw material costs had fluctuated. Half of responding importers (3 of 6) reported that raw material costs had increased since January 1, 2016, one reported that such costs had not changed, and two reported that they fluctuated. The majority of purchasers (7 of 13) reported that they were familiar with raw material costs, and the majority of responding purchasers (10 of 12) reported that raw material costs affected their negotiations or contracts to purchase dried tart cherries. Purchaser *** reported that negotiations were impacted by changes in the size of the tart cherry crop.

U.S. inland transportation costs

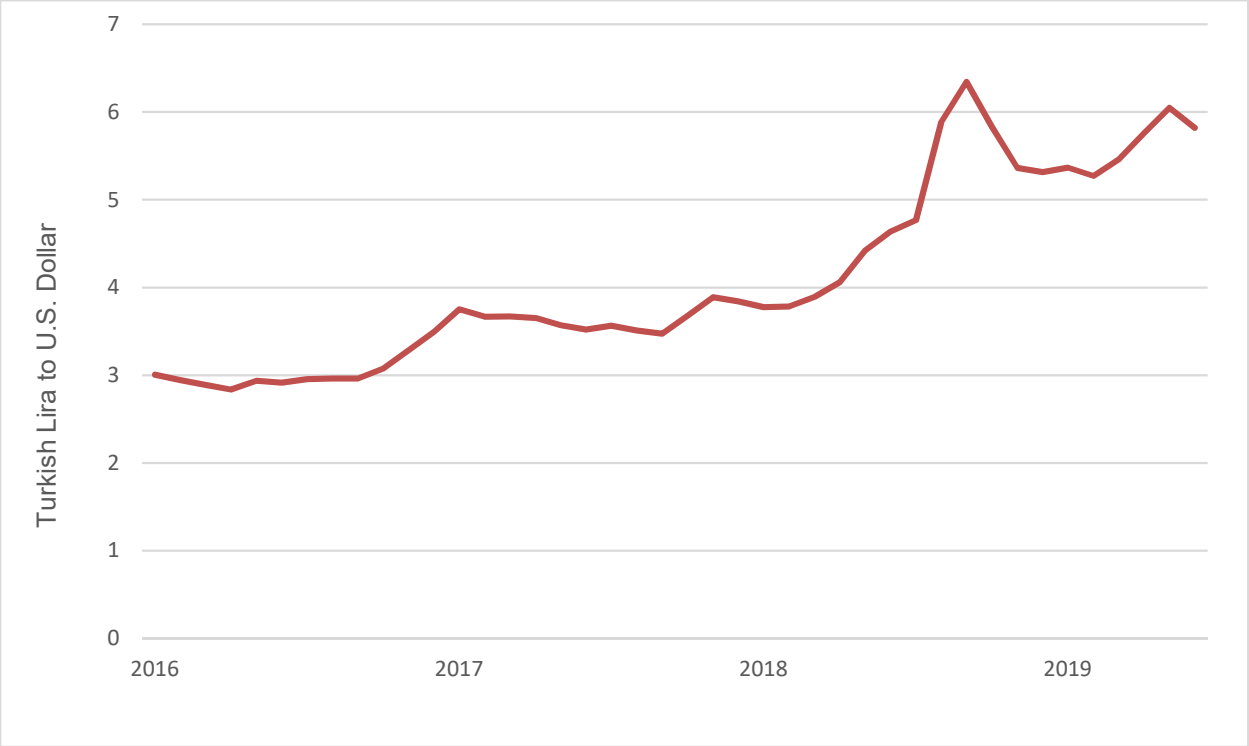
All responding U.S. producers (5 of 5) and half of importers (4 of 8) reported that they typically arrange transportation to their customers. U.S. producers estimated U.S. inland transportation costs ranging from 2 to 5 percent. Importers estimated U.S. inland transportation costs ranging from 4 to 10 percent.

Exchange rates

The nominal value of the Turkish Lira relative to the value of the U.S. dollar decreased by 93.4 percent from January 2016 and June 2019 (figure V-1).

[1] Petition, Volume 1, pp. 9-10.

Figure V-1
Exchange rates: Turkish Lira to U.S. dollar real exchange rate, weekly, January 2016 to June 2019



Source: Federal Reserve Economic Data (FRED), Federal Reserve Bank of St. Louis, https://fred.stlouisfed.org/series/TURCCUSMA02IXOBQ, retrieved November 5, 2019.

Pricing practices

Pricing methods

U.S. producers and importers reported using transaction-by-transaction, contracts, and price lists. As presented in table V-1, U.S. producers and importers sell primarily on a transaction-by-transaction basis, but firms also reported contracts and set price lists.

Table V-1
Dried tart cherries: U.S. producers' and importers' reported price setting methods, by number of responding firms[1]

Method	U.S. producers	Importers
Transaction-by-transaction	5	5
Contract	4	1
Set price list	3	2
Other	---	---
Responding firms	5	8

[1] 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.

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.

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

U.S. producers reported selling the majority of their dried tart cherries on a spot sales basis, and most of the remainder on an annual contract basis in 2018. Importers reported selling the majority of their dried tart cherries on a spot sales basis, and the remainder on an annual contract basis (table V-2).

Table V-2
Dried tart cherries: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2018

* * * * * * *

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

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

All responding U.S. producers (4 of 4) reported that they did not renegotiate price during short-term or annual contracts. Two U.S. producers reported fixing quantity for short-term and annual contracts and two reported fixing both price and quantity for short-term and

annual contracts. All four firms reported that that they did not index raw material costs for short-term or annual contracts.

Three responding importers reported using annual contracts. All three importers reported they did not renegotiate prices during annual contracts. Two importers reported fixing price; and two importers reported that prices were index to raw material costs. Importer *** reported using margin based pricing derived from raw material cost plus production and overhead costs.

One purchaser reported purchasing dried tart cherries weekly, seven purchase monthly, three purchase quarterly, and 1 purchases annually. Purchaser *** reported purchasing as needed based on its sales. Eight responding purchasers reported that their purchasing frequency had not changed since January 1, 2016. Purchasers generally reported contacting between one and four suppliers before making a purchase.[2]

Sales terms and discounts

All responding U.S. producers (5 of 5) and the majority of responding importers (5 of 8) reported that they typically quote prices on an f.o.b. basis. Two U.S. producers reported offering quantity discounts, one U.S. producer reported offering total volume discounts, and two U.S. producers reported having no discount policy. Two importers reported offering quantity discounts, five importers reported having no discount policy, and one importer *** reported offering other discounts based on the expiration date of the product.

Bundling sales

The majority of U.S. producers (3 of 5) and importers (6 of 8) reported that they do not bundle sales of dried tart cherries with other products. U.S. producer *** reported bundling sales of dried tart cherries with dried blueberries and U.S. producer *** reported bundling sales with dried blueberries and dried cranberries. Importers *** reported that it bundled sales with other dried fruits; importer *** reported that its bundles included apricots, figs, mango, dates, mulberries, goji berries, cranberries, pineapple, watermelon, persimmons, and prunes.

[2] One purchaser, ***, reported contacting between one and eight suppliers.

Price leadership

The majority purchasers (8 of 13) did not list any firms as price leaders in the dried tart cherry market. Three purchasers listed the Central Cherry Cooperative and one firm listed Royal Ridge Farms. Purchasers reported that the firms that make up the Central Cherry Cooperative set the price and control a large portion of tart cherry production and that Royal Ridge Farms had the lowest price.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following dried tart cherry products shipped to unrelated U.S. customers during January 2016-June 2019.

Product 1.-- Non-organic dried tart cherries, pitted, whole, and infused, sold in bulk containers, i.e., in 20-pound to 40-pound bags or boxes.

Product 2.-- USDA certified organic dried tart cherries, pitted, whole, and infused, sold in bulk containers, i.e., in 20-pound to 40-pound bags or boxes.

Product 3.-- Non-organic dried tart cherries, pitted, whole, and infused, sold in packages for retail sale (bags or boxes), weighing four pounds or less each.

Product 4.-- USDA certified organic dried tart cherries, pitted, whole, and infused, sold in packages for retail sale (bags or boxes), weighing four pounds or less each.

Five U.S. producers and six importers of Turkish dried tart cherries provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[3] Pricing data reported by these firms accounted for approximately 73.7 percent of U.S. producers' commercial U.S. shipments of dried tart cherries and 32.5 percent of commercial U.S. shipments of subject imports from Turkey in 2018.

[3] 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.

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-2 to V-5. U.S. producers did not provide price data for product 4. The majority of U.S. producer pricing data was reported for products 1 and 3 (non-organic dried tart cherries).

Table V-3
Dried tart cherries: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, and margins of underselling/(overselling), by quarter, January 2016-June 2019

* * * * * * *

Note:-- Importer *** reported pricing data for the second quarter of 2016. Importer *** reported pricing data from the third quarter of 2016 to the fourth quarter of 2017.

Product 1: Non-organic dried tart cherries, pitted, whole, and infused, sold in bulk containers, i.e., in 20-pound to 40-pound bags or boxes.

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

Table V-4
Dried tart cherries: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, and margins of underselling/(overselling), by quarter, January 2016-June 2019

* * * * * * *

Product 2: USDA certified organic dried tart cherries, pitted, whole, and infused, sold in bulk containers, i.e., in 20-pound to 40-pound bags or boxes.

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

Table V-5
Dried tart cherries: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, and margins of underselling/(overselling), by quarter, January 2016-June 2019

* * * * * * *

Note:-- One Importer, *** reported pricing data for all of the quarters where pricing data is available.

Product 3: Non-organic dried tart cherries, pitted, whole, and infused, sold in packages for retail sale (bags or boxes), weighing four pounds or less each.

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

Table V-6
Dried tart cherries: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, and margins of underselling/(overselling), by quarter, January 2016-June 2019

* * * * * * *

Product 4: USDA certified organic dried tart cherries, pitted, whole, and infused, sold in packages for retail sale (bags or boxes), weighing four pounds or less each.

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

Figure V-2
Dried tart cherries: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2016- June 2019

* * * * * * *

Product 1: Non-organic dried tart cherries, pitted, whole, and infused, sold in bulk containers, i.e., in 20-pound to 40-pound bags or boxes.

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

Figure V-3
Dried tart cherries: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2016-June 2019

* * * * * * *

Product 2: USDA certified organic dried tart cherries, pitted, whole, and infused, sold in bulk containers, i.e., in 20-pound to 40-pound bags or boxes.

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

Figure V-4
Dried tart cherries: Weighted-average prices and quantities of domestic and imported product 3, by quarters, January 2016-June 2019

* * * * * * *

Product 3: Non-organic dried tart cherries, pitted, whole, and infused, sold in packages for retail sale (bags or boxes), weighing four pounds or less each.

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

Figure V-5
Dried tart cherries: Weighted-average prices and quantities of domestic and imported product 4, by quarters, January 2016-June 2019

* * * * * * *

Product 4: USDA certified organic dried tart cherries, pitted, whole, and infused, sold in packages for retail sale (bags or boxes), weighing four pounds or less each.

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

Price trends

In general, the prices of U.S. and Turkish produced dried tart cherries decreased from January 2016 to June 2019 (figure V-6). Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic prices increased *** percent for product 2 and decreases ranged from *** percent to *** percent. Turkish price decreases ranged from *** percent to *** percent.

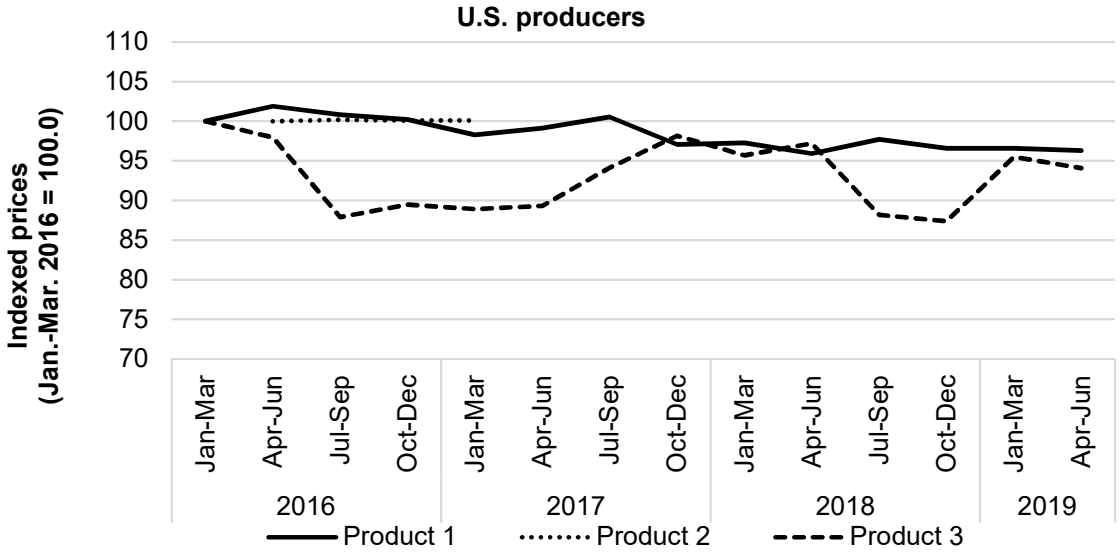
Table V-7
Dried tart cherries: Number of quarters containing observations low price, high price, and change in price over period, by product and source, January 2016-June 2019

* * * * * * *

[1] Percentage change from the first quarter in which data were available to the last quarter in which price data were available.

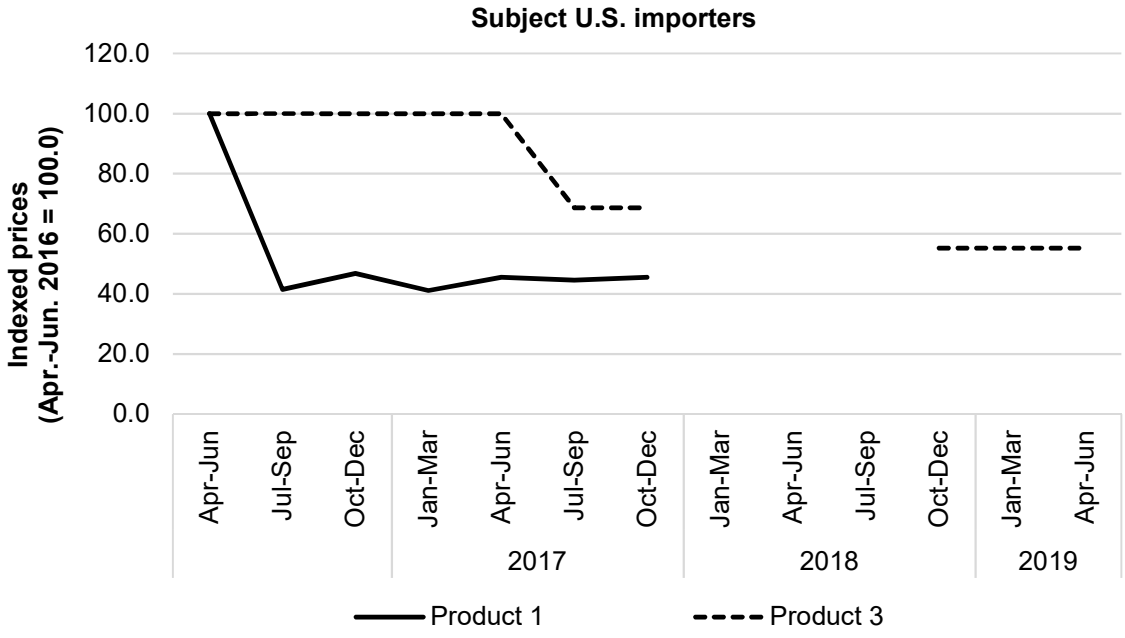
Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-6
Dried tart cherries: Indexed U.S. producer prices, January 2016 through June 2019



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

Figure V-7
Dried tart cherries: Indexed subject U.S. importer prices, April 2016 through June 2019



Note: Data for Product 1 and Product 3 are indexed based on Apr-June 2016 data. There is no 2016 data for Products 2 and 4 so they are not included in this figure.

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

Price comparisons

As shown in table V-8, prices for product imported from Turkey were below those for U.S.-produced product in 5 of 20 instances (*** pounds); margins of underselling ranged from *** to *** percent. In the remaining 15 instances (*** pounds), prices for product from Turkey were between *** and *** percent above prices for the domestic product.

Table V-8
Dried tart cherries: Instances of underselling/overselling and the range and average of margins, by product and by country, January 2016 through June 2019

Source	Underselling				
	Number of quarters	Quantity (pounds)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Product 1	***	***	***	***	***
Product 3	***	***	***	***	***
Non-organic	***	***	***	***	***
Product 2	***	***	***	***	***
Product 4	***	***	***	***	***
Organic	***	***	***	***	***
Total, underselling	5	***	***	***	***
Source	(Overselling)				
	Number of quarters	Quantity (pounds)	Average margin (percent)	Margin Range (percent)	
				Min	Max
Product 1	***	***	***	***	***
Product 3	***	***	***	***	***
Non-organic	***	***	***	***	***
Product 2	***	***	***	***	***
Product 4	***	***	***	***	***
Organic	***	***	***	***	***
Total, overselling	15	***	***	***	***

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

Lost sales and lost revenue

The Commission requested that U.S. producers of dried tart cherries report purchasers where they experienced instances of lost sales or revenue due to competition from imports of dried tart cherries from Turkey during 2016-18. Petitioners did not submit lost sales or lost revenue allegations in the petition, citing difficulty in identifying examples of U.S. producers losing sales to Turkish imports or lowering prices to compete with imports from Turkey.[4] In the final phase of these investigations, four U.S. producers reported that they had lost sales, one U.S. producer reported that it had reduced prices, and no U.S. producers reported that they had rolled back announced price increases.

Staff received purchaser questionnaire responses from 13 firms. Responding purchasers reported purchasing 16.1 million pounds of dried tart cherries during 2016-18, including 205,000 pounds from Turkey (table V-9). No responding purchasers reported that they had purchased imported dried tart cherries from Turkey instead of dried tart cherries from the United States and no purchasers reported that U.S. producers had reduced their prices to compete with lower-priced imports from Turkey.

[4] Petition, Volume 1, pp. 16-17. In the preliminary phase, the Commission requested that each petitioning producer submit contact information for 3-5 of their largest purchasers. Petitioners identified 21 firms as purchasers of dried tart cherries.

Table V-9
Dried tart cherries: Purchasers' responses to purchasing patterns

* * * * * * *

[1] Includes all other sources and unknown sources.
[2] Percentage points (pp) change: Change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

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

Part VI: Financial experience of U.S. producers

Background

Five U.S. producers provided usable financial results on their dried tart cherries operations. Three of the U.S. producers reported financial data on a calendar year basis.[1] All of the responding U.S. producers provided their financial data on the basis of generally accepted accounting principles ("GAAP").

Staff verified the results of Oceana with its corporate records. The verification adjustments were incorporated into this report.[2] Oceana's U.S. producer questionnaire response was changed to revise the following sections: ***.

Operations on dried tart cherries

Income-and-loss data for the U.S. producers' dried tart cherries operations are presented in table VI-1, while table VI-2 presents corresponding changes in average unit values. Table VI-3 presents selected company-specific financial data.[3] Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2018.

[1] ***.

[2] Staff verification report, Oceana, December 16, 2019.

[3] Tolling occurs in this industry, where a toller will dry the tart cherries for the tollee. It represented a ***. Tolling operations are combined with non-toll operations in this section of the report. Although this results in some degree of double counting for the industry's total sales, the effect is reflected in both revenue and COGS and therefore results in a reasonable presentation of the industry's profitability during the period examined.

Figure VI-1
Dried tart cherries: Share of net sales quantity, by firm, 2018

* * * * * * *

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

Table VI-1
Dried tart cherries: Results of operations of U.S. producers, 2016-18, January-June 2018, and January-June 2019

Item	Fiscal year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Total net sales	17,564	16,064	14,688	6,227	6,209
	Value (1,000 dollars)				
Total net sales	87,584	77,996	71,653	28,703	28,986
Cost of goods sold.-- Raw materials	55,322	48,030	44,597	17,796	17,645
Direct labor	7,919	7,916	7,475	3,231	2,871
Other factory costs	17,975	16,084	16,262	5,648	7,202
Total COGS	81,216	72,030	68,333	26,674	27,718
Gross profit	6,368	5,966	3,320	2,030	1,268
SG&A expense	6,031	5,694	5,725	2,575	2,828
Operating income or (loss)	337	271	(2,405)	(546)	(1,560)
Interest expense	***	***	***	***	***
All other expenses	***	***	***	***	***
All other income	***	***	***	***	***
Net income or (loss)	(717)	(661)	(3,666)	(1,138)	(2,113)
Depreciation/amortization	2,818	2,959	2,498	1,527	1,829
Cash flow	2,102	2,298	(1,168)	390	(284)
	Ratio to net sales (percent)				
Cost of goods sold.-- Raw materials	63.2	61.6	62.2	62.0	60.9
Direct labor	9.0	10.1	10.4	11.3	9.9
Other factory costs	20.5	20.6	22.7	19.7	24.8
Average COGS	92.7	92.4	95.4	92.9	95.6
Gross profit	7.3	7.6	4.6	7.1	4.4
SG&A expense	6.9	7.3	8.0	9.0	9.8
Operating income or (loss)	0.4	0.3	(3.4)	(1.9)	(5.4)
Net income or (loss)	(0.8)	(0.8)	(5.1)	(4.0)	(7.3)
	Ratio to total COGS (percent)				
Cost of goods sold.-- Raw materials	68.1	66.7	65.3	66.7	63.7
Direct labor	9.8	11.0	10.9	12.1	10.4
Other factory costs	22.1	22.3	23.8	21.2	26.0
Average COGS	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table VI-1—Continued
Dried tart cherries: Results of operations of U.S. producers, 2016-18, January-June 2018, and January-June 2019

Item	Fiscal year			January to June	
	2016	2017	2018	2018	2019
	Unit value (dollars per pound)				
Total net sales	4.99	4.86	4.88	4.61	4.67
Cost of goods sold.-- Raw materials	3.15	2.99	3.04	2.86	2.84
Direct labor	0.45	0.49	0.51	0.52	0.46
Other factory costs	1.02	1.00	1.11	0.91	1.16
Average COGS	4.62	4.48	4.65	4.28	4.46
Gross profit	0.36	0.37	0.23	0.33	0.20
SG&A expense	0.34	0.35	0.39	0.41	0.46
Operating income or (loss)	0.02	0.02	(0.16)	(0.09)	(0.25)
Net income or (loss)	(0.04)	(0.04)	(0.25)	(0.18)	(0.34)
	Number of firms reporting				
Operating losses	3	4	4	1	2
Net losses	4	4	4	2	3
Data	5	5	5	5	5

Note: Tolling operations are combined with non-toll operations in this section of the report. Although this results in some degree of double counting for the industry's total sales, the effect is reflected in both revenue and COGS and therefore results in a reasonable presentation of the industry's profitability during the period examined.

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

Table VI-2
Dried tart cherries: Changes in AUVs between fiscal years and partial year periods

Item	Between fiscal years			Between partial year period
	2016-18	2016-17	2017-18	2018-19
	Change in AUVs (dollars per pound)			
Total net sales	(0.11)	(0.13)	0.02	0.06
Cost of goods sold.-- Raw materials	(0.11)	(0.16)	0.05	(0.02)
Direct labor	0.06	0.04	0.02	(0.06)
Other factory costs	0.08	(0.02)	0.11	0.25
Average COGS	0.03	(0.14)	0.17	0.18
Gross profit	(0.14)	0.01	(0.15)	(0.12)
SG&A expense	0.05	0.01	0.04	0.04
Operating income or (loss)	(0.18)	(0.00)	(0.18)	(0.16)
Net income or (loss)	(0.21)	(0.00)	(0.21)	(0.16)

Note: Values shown as 0.00 or (0.00) are increases or decreases, respectively, of less than $0.005.

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

Table VI-3
Dried tart cherries: Results of operations of U.S. producers, by firm, 2016-18, January-June 2018, and January-June 2019

Item	Fiscal year			January to June	
	2016	2017	2018	2018	2019
	Total net sales (1,000 pounds)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total net sales quantity	17,564	16,064	14,688	6,227	6,209
	Total net sales (1,000 dollars)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total net sales value	87,584	77,996	71,653	28,703	28,986
	Cost of goods sold (1,000 dollars)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total COGS	81,216	72,030	68,333	26,674	27,718
	Gross profit or (loss) (1,000 dollars)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total gross profit or (loss)	6,368	5,966	3,320	2,030	1,268

Table continued on next page.

Table VI-3—Continued
Dried tart cherries: Results of operations of U.S. producers, by firm, 2016-18, January-June 2018, and January-June 2019

Item	Fiscal year			January to June	
	2016	2017	2018	2018	2019
	SG&A expenses (1,000 dollars)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total SG&A expenses	6,031	5,694	5,725	2,575	2,828
	Operating income or (loss) (1,000 dollars)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total operating income or (loss)	337	271	(2,405)	(546)	(1,560)
	Net income or (loss) (1,000 dollars)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total net income or (loss)	(717)	(661)	(3,666)	(1,138)	(2,113)
	COGS to net sales ratio (percent)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average COGS to net sales ratio	92.7	92.4	95.4	92.9	95.6

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Table VI-3—Continued
Dried tart cherries: Results of operations of U.S. producers, by firm, 2016-18, January-June 2018, and January-June 2019

Item	Fiscal year			January to June	
	2016	2017	2018	2018	2019
	Gross profit or (loss) to net sales ratio (percent)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average gross profit or (loss) to net sales	7.3	7.6	4.6	7.1	4.4
	SG&A expense to net sales ratio (percent)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average SG&A expense to net sales	6.9	7.3	8.0	9.0	9.8
	Operating income or (loss) to net sales ratio (percent)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average operating income or (loss) to net sales	0.4	0.3	(3.4)	(1.9)	(5.4)
	Net income or (loss) to net sales ratio (percent)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average net income or (loss) to net sales	(0.8)	(0.8)	(5.1)	(4.0)	(7.3)

Table continued on next page.

Table VI-3—Continued
Dried tart cherries: Results of operations of U.S. producers, by firm, 2016-18, January-June 2018, and January-June 2019

Item	Fiscal year			January to June	
	2016	2017	2018	2018	2019
	Unit net sales value (dollars per pound)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average unit net sales value	4.99	4.86	4.88	4.61	4.67
	Unit raw materials (dollars per pound)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average unit raw materials	3.15	2.99	3.04	2.86	2.84
	Unit direct labor (dollars per pound)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average unit direct labor	0.45	0.49	0.51	0.52	0.46
	Unit other factory costs (dollars per pound)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average unit other factory costs	1.02	1.00	1.11	0.91	1.16

Table continued on next page.

Table VI-3—Continued
Dried tart cherries: Results of operations of U.S. producers, by firm, 2016-18, January-June 2018, and January-June 2019

Item	Fiscal year			January to June	
	2016	2017	2018	2018	2019
	Unit COGS (dollars per pound)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average unit COGS	4.62	4.48	4.65	4.28	4.46
	Unit gross profit or (loss) (dollars per pound)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average unit gross profit or (loss)	0.36	0.37	0.23	0.33	0.20
	Unit SG&A expenses (dollars per pound)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average unit SG&A expense	0.34	0.35	0.39	0.41	0.46
	Unit operating income or (loss) (dollars per pound)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average unit operating income or (loss)	0.02	0.02	(0.16)	(0.09)	(0.25)
	Unit net income or (loss) (dollars per pound)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Average unit net income or (loss)	(0.04)	(0.04)	(0.25)	(0.18)	(0.34)

Note: Tolling operations are combined with non-toll operations in this section of the report. Although this results in some degree of double counting for the industry's total sales, the effect is reflected in both revenue and COGS and therefore results in a reasonable presentation of the industry's profitability during the period examined. Ratios shown as 0.0 percent are values less than 0.05 percent.

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

Net sales

Both the quantity and value of the industry's net sales decreased from 2016 to 2018. The quantity of net sales was lower in interim 2019 than in interim 2018, but the value of net sales was higher.[4] The reported aggregate net sales quantity declined by 16.4 percent between 2016 and 2018, while the aggregate net sales value declined by 18.2 percent. The industry's average net sales unit value decreased from $4.99 per pound in 2016 to $4.88 per pound in 2018, but was higher in interim 2019 (at $4.67 per pound) than during interim 2018 (at $4.61 per pound). While the directional trends of the individual companies varied between the annual year periods, *** of five companies reported an overall decline in net sales quantity, value, and average unit value from 2016 to 2018.[5]

Cost of goods sold and gross profit or (loss)

Raw material costs, direct labor, and other factory costs accounted for an average of 66.4, 10.5, and 23.1 percent of total COGS, respectively, for the reporting period. On a per-pound basis, raw material costs decreased irregularly from $3.15 in 2016 to $3.04 in 2018, and were lower in interim 2019 than interim 2018.[6] Four of the five responding producers reported an overall decline in unit raw material costs from 2016 to 2018, while three of five reported lower unit raw material costs in interim 2019 compared to interim 2018.[7] Direct labor increased on a unit basis from $0.45 per pound in 2016 to $0.51 per pound in 2018, but was lower in interim 2019 than during interim 2018. Three of the five responding companies reported an overall increase in unit direct labor costs from 2016 to 2018, and three of five companies

[4] ***.

[5] Between the comparable interim year periods, four of five companies reported lower net sales by quantity and a lower net sales AUV, while three of five companies reported a lower net sales value.

[6] ***.

[7] ***.

reported lower unit direct labor costs in interim 2019 than during the same period in 2018.[8] On a per-pound basis, other factory costs decreased from $1.02 in 2016 to $1.00 in 2017, increased to $1.11 in 2018, and were higher in interim 2019 than in interim 2018.[9]

Table VI-4 presents the major raw materials, by type. The table shows that tart cherries represent the majority of the reported raw material costs (90.6 percent in 2018), followed by liquid sweetener (8.9 percent in 2018).

Table VI-4
Dried tart cherries: Raw materials by type, 2018

	Fiscal year 2018			Procurement method	
Raw materials	Value (1,000 dollars)	Share of value (percent)	Unit value (dollars per pound)	Produce internally (count of firms)	Purchase (count of firms)
Tart cherries	40,384	90.6	2.75	2	3
Liquid sweetener	3,982	8.9	0.27	---	5
Oil	114	0.3	0.01	---	4
Other inputs	116	0.3	0.01	---	2
Total, raw materials	44,597	100.0	3.04		

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

As seen in table VI-2, the average unit COGS increased by $0.03 per pound from 2016 to 2018, while the net sales unit value declined by $0.11 per pound. As a result, the industry's gross profit per pound sold decreased by $0.15 per pound. This decrease in gross profit per unit combined with a decline in net sales volume resulted in an overall decline in gross profit from $6.4 million in 2016 to $3.3 million in 2018. When comparing the interim year periods, the net sales AUV was $0.06 per pound higher in interim 2019, while the average unit COGS was $0.18 per pound higher. This resulted in the gross profit per unit being $0.12 lower in interim 2019. The lower unit gross profit combined with the lower net sales volume in interim 2019 resulted

[8] ***.
[9] ***. ***.

in a lower gross profit in interim 2019 (at $1.3 million) than during interim 2018 (at $2.0 million).

SG&A expenses and operating income or (loss)

As seen in table VI-1, the industry's SG&A expenses decreased from $6.0 million in 2016 to $5.7 million in 2018, but were higher in interim 2019 than in interim 2018. The SG&A expense ratio (SG&A expenses as a share of sales) increased from 6.9 percent 2016 to 8.0 percent in 2018, but was higher during the interim year periods (9.0 and 9.8 percent in interims 2018 and 2019, respectively).[10] [11] Operating income followed a similar trend as gross profit, decreasing from $337,000 in 2016 to a loss of $2.4 million in 2018. Operating income was worse in interim 2019 (a loss of $1.6 million) compared to interim 2018 (a loss of $546,000).

All other expenses and net income or (loss)

Classified below the operating income level are interest expense, other expense, and other income. As seen in table VI-1, the industry's interest expense increased by *** percent from 2016 to 2018, but was lower in interim 2019 than in interim 2018. *** accounted for the majority of the increase in interest expense between 2016 and 2018. The company reported that its increase in interest expense was due to ***.[12] All other expenses decreased from $*** in 2016 to $*** in 2018, and were slightly higher in interim 2019 compared to interim 2018. All other income decreased irregularly from $*** in 2016 to $*** in 2018, but was higher during the first half of 2019 than during the same period of 2018. The industry's net loss worsened from a loss of $717,000 in 2016 to a loss of $3.7 million in 2018, and was worse in interim 2019 (a loss of $2.1 million) than in interim 2018 (a loss of $1.1 million).

[10] ***.
[11] ***.
[12] ***.

Variance analysis

A variance analysis for the operations of U.S. producers of dried tart cherries is presented in table VI-5.[13] The information for this variance analysis is derived from table VI-1. The analysis illustrates that from 2016 to 2018, the decrease in operating income resulted from both a negative price variance ($1.6 million; unit revenues decreased) and a negative cost/expense variance ($1.1 million; unit costs increased). Between the interim year periods, the lower operating income was primarily attributable to a larger negative net cost/expense variance, despite a favorable price variance (i.e., per-unit costs/expenses increased more than net sales AUVs).

[13] The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the 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 variance is calculated as the change in unit price or per-unit cost/expense 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 price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Table VI-5
Dried tart cherries: Variance analysis on the operations of U.S. producers, between fiscal years and partial year periods

Item	Between fiscal years			Between partial year period
	2016-18	2016-17	2017-18	2018-19
	Value (1,000 dollars)			
Net sales:				
Price variance	(1,588)	(2,105)	336	366
Volume variance	(14,343)	(7,483)	(6,679)	(83)
Net sales variance	(15,930)	(9,588)	(6,343)	283
COGS:				
Cost variance	(417)	2,247	(2,472)	(1,122)
Volume variance	13,300	6,939	6,168	77
COGS variance	12,882	9,186	3,697	(1,044)
Gross profit variance	(3,048)	(402)	(2,646)	(762)
SG&A expenses:				
Cost/expense variance	(682)	(179)	(518)	(260)
Volume variance	988	515	488	7
Total SG&A expense variance	306	337	(30)	(252)
Operating income variance	(2,742)	(65)	(2,677)	(1,014)
Summarized (at the operating income level) as:				
Price variance	(1,588)	(2,105)	336	366
Net cost/expense variance	(1,099)	2,068	(2,990)	(1,382)
Net volume variance	(55)	(29)	(23)	2

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

Capital expenditures and research and development expenses

Table VI-6 presents capital expenditures and research and development ("R&D") expenses by firm. The industry's capital expenditures decreased from $3.5 million in 2016 to $1.6 million in 2018, and were higher in the first half of 2019 compared to the first half of 2018. *** accounted for the largest company-specific amount of capital expenditures in 2016, while *** accounted for the largest company-specific amounts in the remaining periods.[14] R&D expenses increased from $*** in 2016 to $*** in 2018, and were higher during the first half of 2019 compared to the same period in 2018. The increase in R&D expenses was mainly attributable to ***.[15]

Table VI-6
Dried tart cherries: Capital expenditures and R&D expenses of U.S. producers, 2016-18, January-June 2018, and January-June 2019

Item	Fiscal year			January to June	
	2016	2017	2018	2018	2019
	Capital expenditures (1,000 dollars)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total capital expenditures	3,546	1,822	1,625	***	***
	Research and development expenses (1,000 dollars)				
Graceland	***	***	***	***	***
Oceana	***	***	***	***	***
Payson	***	***	***	***	***
Shoreline	***	***	***	***	***
Smeltzer	***	***	***	***	***
Total R&D expenses	***	***	***	***	***

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

[14] *** U.S. producer questionnaire responses at section III-13.
[15] *** U.S. producer questionnaire response at section III-13.

Assets and return on assets

Table VI-7 presents data on the U.S. producers' total assets and their return on assets ("ROA"). Total net assets increased from $44.3 million in 2016 to $45.9 million in 2017, but decreased to $41.9 million in 2018. ***.[16] The industry's average ROA was 0.8 percent in 2016, 0.6 percent in 2017, and negative 5.7 percent in 2018.

Table VI-7
Dried tart cherries: U.S. producers' total assets and return on assets, 2016-18

Firm	Fiscal years		
	2016	2017	2018
	Total net assets (1,000 dollars)		
Graceland	***	***	***
Oceana	***	***	***
Payson	***	***	***
Shoreline	***	***	***
Smeltzer	***	***	***
Total net assets	44,282	45,902	41,862
	Operating return on assets (percent)		
Graceland	***	***	***
Oceana	***	***	***
Payson	***	***	***
Shoreline	***	***	***
Smeltzer	***	***	***
Average operating ROA	0.8	0.6	(5.7)

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

[16] ***.

Capital and investment

The Commission requested U.S. producers of dried tart cherries to describe any actual or potential negative effects of imports of dried tart cherries from Turkey on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-8 presents the number of firms reporting an impact in each category and table VI-9 provides the U.S. producers' narrative responses.

Table VI-8
Dried tart cherries: Actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2016

Item	No	Yes
Negative effects on investment	---	5
Cancellation, postponement, or rejection of expansion projects		***
Denial or rejection of investment proposal		***
Reduction in the size of capital investments		***
Return on specific investments negatively impacted		***
Other		***
Negative effects on growth and development	---	5
Rejection of bank loans		***
Lowering of credit rating		***
Problem related to the issue of stocks or bonds		***
Ability to service debt		***
Other		***
Anticipated negative effects of imports	---	5

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

Table VI-9
Dried tart cherries: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2016

Item / Firm	Narrative
Reduction in the size of capital investments:	
***	***
Return on specific investments negatively impacted:	
***	***
Other negative effects on investments:	
***	***
***	***
***	***
***	***
Ability to service debt:	
***	***
***	***
Other effects on growth and development:	
***	***
***	***
***	***
Anticipated effects of imports:	
***	***
***	***
***	***
***	***
***	***

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

Part VII: 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 factors*[1]*--*
>
> *(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 subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. 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 Turkey

Turkey is the second largest producer of tart cherries in the world, after Russia, with 400 million pounds of production in 2017.[3] The number of tart cherry trees have remained constant between 2012 and 2017, while plantings of sweet cherry trees have increased by 35 percent.[4] Tart cherries grow well across the country, with commercial production concentrated in the Afyon, Konya, and Kutahya provinces of western and central Turkey that together produce 63 percent of the tart cherry crop.[5] The country has varied climatic zones that help limit the effect adverse weather can have on the total cherry crop. For instance, the Canakkale and Balikesir regions experienced frost damage in the 2016-17 season that was partially offset by high yields in Bursa.[6]

Tart cherries are typically grown in relatively small, low-density orchards that are not vertically integrated with processors. The average orchard size in Afyon and Konya provinces, representing 38 percent of production, is 2.4 acres with yields averaging eight tons per acre.[7] Trees are typically not trained or pruned, and modern irrigation systems are rare.[8] Some areas planted in tart cherry trees are reportedly being replaced by with walnut trees in the hopes of making more money.[9] There is a lack of cold storage so the harvest needs to be sold quickly, over 97 percent of which is sold to brokers that in turn sell to processers.[10]

Driers of tart cherries purchase IQF sour cherries from frozen food companies.[11] The price of IQF sour cherries in Turkey is directly linked to the price of polish IQF sour cherries since Poland is the main supplier to the European market.[12] Driers of tart cherries require a firm

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[3] Turkey is also a major producer of sweet cherries, with 1.4 billion pounds grown in 2017. Food and Agriculture Organization of the United Nations, FAOSTAT Database, Rome, Italy: FAO, retrieved April 29, 2019 from http://www.fao.org/faostat/en/#data.

[4] Petition, exhibit I-14.

[5] Marketing structure, p 147; https://www.freshplaza.com/article/160636/Turkey-Tart-cherries-profitable-in-difficult-economic-times/

[6] USDA Foreign Agricultural Service, Global Agricultural Information Network (GAIN) Report, "Turkey Stone Fruit Annual 2017" TR7032, August 5, 2017, p 2.

[7] Gül and Öktem, 2017, "Marketing structure and problems of Sour Cherry Farmers…," *Scientific Papers: Management, Economic Engineering in Agriculture & Rural Development,* p 149.

[8] Petition, exhibit I-14.

[9] Hearing transcript, p 175 (Sanford).

[10] Gül and Öktem, 2017, "Marketing structure and problems of Sour Cherry Farmers…," *Scientific Papers: Management, Economic Engineering in Agriculture & Rural Development,* p 151.

[11] Hearing transcript, p 165 (Sanford).

[12] Hearing transcript, p 143 (Sanford).

cherry and pay a premium for the desired characteristic.[13] Unlike un-infused dried fruit products in Turkey that reportedly only need a packinghouse to sundry the fruit, infused dried fruits, like dried tart cherries, require a factory with infusing and drying equipment.[14]

The Commission issued foreign producers' or exporters' questionnaires to 23 firms believed to produce and/or export dried tart cherries from Turkey.[15] Usable responses to the Commission's questionnaire were received from six firms:[16] Mateks Tarim Ürunleri Gida Enerji Sanayi ve Ticaret A.Ş. ("Mateks"), Isik Tarim Ürunleri ve Ticaret A.Ş. ("Isik Tarim"), Sanford Foods Gida Ürunleri Ticaret ve Ltd. STL ("Sanford Foods"), Enko Meyve Orman Ürunleri Sanayi ve Ticaret Ltd. Stl. ("Enko Meyve"), SDA FOOD Tarım Ürunleri İth. İhr. Sanayi ve Tic. A.Ş. ("SDA"), and Nova Fruits International A.Ş. ("Nova Fruits"). These firms' exports to the United States accounted for approximately *** of reported exports to the U.S. by quantity of dried tart cherries from Turkey in 2018. According to estimates requested of the responding producers from Turkey, the production of dried tart cherries in Turkey reported in questionnaires accounts for approximately *** percent of overall production of dried tart cherries in Turkey.[17] Tables VII-1 and VII-2 present information on the dried tart cherries operations of the responding producers and exporters in Turkey.

[13] Hearing transcript, p 165 (Sanford).

[14] Hearing transcript, p 177, 192 (Sanford).

[15] These firms were identified through a review of information submitted in the petition and contained in *** records.

[16] Yamanlar Tarim Urunleri, a mandatory respondent in the Commerce investigations, provided a foreign producer questionnaire response to the Commission certifying that the company ***.

[17] ***.

Table VII-1
Dried tart cherries: Summary data for producers in Turkey, 2018

Firm	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)
Enko Meyve	***	***	***	***	***	***
Isik Tarim	***	***	***	***	***	***
Mateks	***	***	***	***	***	***
Sanford Foods	***	***	***	***	***	***
SDA	***	***	***	***	***	***
Total	***	***	***	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Table VII-2
Dried tart cherries: Summary data on resellers in Turkey exporting to the United States, 2018

Firm	Resales exported to the United States (1,000 pounds)	Share of resales exported to the United States (percent)
Nova Fruits[1]	***	***
Total	***	***

[1] Nova Fruits reported exporting dried tart cherries produced by *** to U.S. importers ***.

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

Changes in operations

As presented in table VII-3 producers in Turkey reported few operational and organizational changes since January 1, 2016.

Table VII-3
Dried tart cherries: Reported changes in operations by producers in Turkey, since January 2016

Item / Firm	Reported changed in operations
Relocations:	
***	***
Other:	
***	***

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

Operations on dried tart cherries

Table VII-4 presents information on the dried tart cherries operations of the responding producers and exporters in Turkey. As a whole, producers reported consistently increasing capacity during 2016-18, including a *** percent increase from *** pounds in 2016 to *** pounds in 2017, and an *** percent increase to *** pounds in 2018. While all other firms reported consistent capacity, the addition of *** beginning in *** contributed to the increased capacity during 2016-18. Capacity reported was the same in January-June 2019 as in January-June 2018. Projected capacity was reported to be close to actual capacity levels reported in ***, at *** pounds and *** pounds in 2019 and 2020, respectively. Production levels displayed a mixed trend during 2016-18, increasing *** percent from *** pounds in 2016 to *** pounds 2017, then decreasing *** percent in 2018 to *** pounds. Reported production was lower in January-June 2019 (*** pounds), than in January-June 2018, (*** pounds). Capacity utilization decreased by *** percentage points during 2016-18, from *** percent in 2016, to *** percent in 2018, and were projected to increase to *** percent in 2020.[18] Total export shipments to the United States (including resales) increased during 2016-18 by *** percent, from *** pounds in 2016 to *** pounds in 2018.[19] Like production, end-of-period inventories also varied during 2016-18, from *** in 2016, to *** pounds in 2017, to *** pounds in 2018.

[18] ***. Consequently, Commission staff believes that responding Turkish producers' average capacity utilization is understated throughout 2016-18.

[19] ***, while other firms reported export shipments beginning in 2017, if at all.

Table VII-4
Dried tart cherries: Data for producers in Turkey, 2016-18, January-June 2018, January-June 2019, and 2019-20

Item	Actual experience					Projections	
	Calendar year			January-June		Calendar year	
	2016	2017	2018	2018	2019	2019	2020
	Quantity (1,000 pounds)						
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***
Export shipments to:							
United States	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
	Ratios and shares (percent)						
Capacity utilization	***	***	***	***	***	***	***
Inventories/production	***	***	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***	***	***
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***
Export shipments to:							
United States	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
	Quantity (1,000 pounds)						
Resales exported to the United States	***	***	***	***	***	***	***
Total exports to the U.S.	***	***	***	***	***	***	***
	Ratios and shares (percent)						
Share of total exports to the United States:							
Exported by producers	***	***	***	***	***	***	***
Exported by resellers	***	***	***	***	***	***	***
Adjusted share of total shipments exported to the United States	***	***	***	***	***	***	***

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Alternative products

As shown in table VII-5, responding firms from Turkey produced other products on the same equipment and machinery used to produce dried tart cherries. Other products include other oven-dried fruit, fruit purees, and fruit sauces.

Table VII-5
Dried tart cherries: Overall capacity and production on the same equipment as subject production by producers in Turkey, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Overall capacity	***	***	***	***	***
Production:					
Dried tart cherries	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***
	Ratios and shares (percent)				
Overall capacity utilization	***	***	***	***	***
Share of production:					
Dried tart cherries	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***

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

Exports

According to GTA, the leading export markets for dried fruits from Turkey are the United States, Germany, and the Netherlands in 2018 (table VII-6).[20] During 2018, Germany was the top export market for dried fruit from Turkey, accounting for 27.1 percent by quantity, followed by the United States, accounting for 18.9 percent.

[20] Official exports statistics include dried fruit products other than dried tart cherries. Therefore, data for these products may be overstated.

Table VII-6
Dried fruit: Exports from Turkey by destination market, 2016-18

Destination market	Calendar year		
	2016	2017	2018
	Quantity (1,000 pounds)		
United States	543	843	761
Germany	938	1,035	1,092
Netherlands	345	339	276
Italy	109	89	164
France	178	161	164
Poland	160	177	127
United Kingdom	99	105	127
Sweden	70	63	65
Singapore	20	19	54
All other destination markets	805	1,549	1,199
Total exports	3,266	4,382	4,028
	Value (1,000 dollars)		
United States	1,268	1,792	1,994
Germany	2,042	2,117	2,602
Netherlands	844	879	685
Italy	255	202	319
France	535	573	477
Poland	287	325	232
United Kingdom	376	282	482
Sweden	345	206	218
Singapore	51	62	121
All other destination markets	1,492	2,383	2,043
Total exports	7,497	8,819	9,173

Table continued on the next page.

Table VII-6--Continued
Dried fruit: Exports from Turkey by destination market, 2016-18

Destination market	Calendar year		
	2016	2017	2018
	Unit value (dollars per pound)		
United States	2.34	2.13	2.62
Germany	2.18	2.04	2.38
Netherlands	2.45	2.59	2.48
Italy	2.35	2.25	1.95
France	3.01	3.56	2.91
Poland	1.80	1.83	1.82
United Kingdom	3.80	2.67	3.79
Sweden	4.94	3.28	3.37
Singapore	2.50	3.24	2.25
All other destination markets	1.85	1.54	1.70
Total exports	2.30	2.01	2.28
	Share of quantity (percent)		
United States	16.6	19.2	18.9
Germany	28.7	23.6	27.1
Netherlands	10.5	7.7	6.8
Italy	3.3	2.0	4.1
France	5.4	3.7	4.1
Poland	4.9	4.1	3.2
United Kingdom	3.0	2.4	3.2
Sweden	2.1	1.4	1.6
Singapore	0.6	0.4	1.3
All other destination markets	24.6	35.4	29.8
Total exports	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2018 data.

Source: Official exports statistics under HS subheading 0813.40 as reported by State Institute of Statistics in the Global Trade Atlas database, accessed October 29, 2019.

U.S. inventories of imported merchandise

Table VII-7 presents data on U.S. importers' reported inventories of dried tart cherries. Inventories varied during 2016-18, decreasing *** percent from *** pounds in 2016, to *** pounds in 2017, then increasing *** percent to *** pounds in 2018. Inventories reported in January-June 2019 were higher than in January-June 2018, at *** pounds in January-June 2018 and *** pounds in January-June 2019. Inventories ratio to U.S. imports was *** percent in 2018.

Table VII-7
Dried tart cherries: U.S. importers' inventories, 2016-18, January-June 2018, and January-June 2019

Item	Calendar year			January-June	
	2016	2017	2018	2018	2019
	Inventories (1,000 pounds); Ratios (percent)				
Imports from Turkey					
Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***
Imports from nonsubject sources:					
Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***
Imports from all import sources:					
Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***

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 dried tart cherries from Turkey after June 2019.

Table VII-8
Dried tart cherries: Arranged imports, July 2019 through June 2020

Item	Period				
	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Total
	Quantity (1,000 pounds)				
Arranged U.S. imports from.--					
Turkey	***	***	***	***	***
All other sources[1]	***	***	***	***	***
All import sources	***	***	***	***	***

[1] Only *** reported arranged imports during July 2019 to June 2020.

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

Antidumping or countervailing duty orders in third-country markets

There are no known trade remedy actions on dried tart cherries in third-country markets.

Information on nonsubject countries

The industry in Serbia

Serbia is the leading source of nonsubject dried tart cherry imports. In 2017, Serbia produced 202 million pounds of tart cherries, representing 77 percent of its total cherry crop.[21] The tart cherry crop is mainly grown using traditional production methods on small-scale, low-density orchards.[22] Average yield is just over one ton per acre, which is half the yield in other countries in Europe.[23] The main variety, Oblacinska, was recently granted a Geographical Indication, allowing branding of tart cherry products, including dried, in order to raise prices for qualifying products.[24]

The industry in Uzbekistan

Uzbekistan is the second largest[25] source of nonsubject dried tart cherry imports. The country grew 125 million pounds of tart and 301 million pounds of sweet cherries in 2017.[26] Both tart and sweet cherries are dried and exported.[27] The United States Agency for International Development (USAID) has helped the Uzbek horticulture sector develop high value products, including dried cherries, for export markets. The assistance involves helping companies purchase processing equipment, and then connecting them to export markets, such as Norway, the United States, and Japan.[28]

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[21] Food and Agriculture Organization of the United Nations, FAOSTAT Database, Rome, Italy: FAO, Retrieved April 29, 2019 from http://www.fao.org/faostat/en/#data.

[22] Vukoje, Milić, and Babić, "Profitability of dried cherries production using combined technology," *Journal on Processing and Energy in Agriculture* 19, no. 2 (2015): 91-94, p 91; Sredojević, Milić, and Jeločnik, "Investment in Sweet and Sour Cherry Production and New Processing Programs in terms of Serbian Agriculture Competitiveness," *Petroleum-Gas University of Ploiesti Bulletin, Economic Sciences Series* 63, no. 3 (2011) 37-49, p. 39.

[23] Sredojević, Milić, and Jeločnik, "Investment in Sweet and Sour Cherry Production and New Processing Programs in terms of Serbian Agriculture Competitiveness," *Petroleum-Gas University of Ploiesti Bulletin, Economic Sciences Series* 63, no. 3 (2011) 37-49, p. 39.

[24] EastAgri, "Geographical indication to sweeten the deal for Serbian producers, March 2018," March 15, 2018, http://www.eastagri.org/news/index.php?id=709.

[25] Chile is the third largest import source of dried cherries under 0813.40.30, but those are likely to be all sweet cherries. Conference transcript, pp. 11-12, 13, 14, 23, 41, and 69 (Drake).

[26] Food and Agriculture Organization of the United Nations, FAOSTAT Database, Rome, Italy: FAO, Retrieved April 29, 2019 from http://www.fao.org/faostat/en/#data.

[27] Vivapura website, https://www.vivapura.com/Sweet-Cherries-p/vu-018.htm.

[28] Fresh Plaza, "New markets for Uzbek cherry exporters," August 8, 2017, https://www.freshplaza.com/article/2179438/new-markets-for-uzbek-cherry-exporters/; U.S. Mission

Table VII-9
Dried fruit: Global exports by exporter, 2016-18

Exporter	Calendar year		
	2016	2017	2018
	Quantity (1,000 pounds)		
United States	39,161	29,710	18,271
Turkey	3,266	4,382	4,028
Thailand	327,127	509,476	504,231
Spain	199,407	222,562	214,867
China	43,126	36,354	41,402
Indonesia	48,126	44,867	38,788
India	48,470	52,110	37,151
Greece	20,661	29,082	34,590
Netherlands	11,870	23,801	20,627
Italy	20,003	18,935	16,859
Burkina Faso	4,220	10,685	14,220
Sri Lanka	2,977	3,875	10,119
All other exporters	153,425	145,873	101,214
Total	921,840	1,131,713	1,056,367
	Value (1,000 dollars)		
United States	61,321	60,640	53,986
Turkey	7,497	8,819	9,173
Thailand	277,945	374,937	367,330
Spain	88,492	89,427	89,684
China	113,766	96,631	124,488
Indonesia	12,721	15,606	10,682
India	16,965	22,486	20,367
Greece	5,677	7,928	10,594
Netherlands	31,922	38,181	37,674
Italy	12,254	11,518	10,986
Burkina Faso	183	268	307
Sri Lanka	2,498	2,323	2,647
All other exporters	410,249	395,965	247,904
Total	1,041,490	1,124,728	985,822

Table continued on the next page.

Uzbekistan, "United States helps Uzbek horticultural processor grow its business," July 24, 2018, https://uz.usembassy.gov/united-states-helps-uzbek-horticultural-processor-grow-its-business/.

Table VII-9--Continued
Dried fruit: Global exports by exporter, 2016-18

Exporter	Calendar year		
	2016	2017	2018
	Unit value (dollars per pound)		
United States	1.57	2.04	2.95
Turkey	2.30	2.01	2.28
Thailand	0.85	0.74	0.73
Spain	0.44	0.40	0.42
China	2.64	2.66	3.01
Indonesia	0.26	0.35	0.28
India	0.35	0.43	0.55
Greece	0.27	0.27	0.31
Netherlands	2.69	1.60	1.83
Italy	0.61	0.61	0.65
Burkina Faso	0.04	0.03	0.02
Sri Lanka	0.84	0.60	0.26
All other exporters	2.67	2.71	2.45
Total	1.13	0.99	0.93
	Share of quantity (percent)		
United States	4.2	2.6	1.7
Turkey	0.4	0.4	0.4
Thailand	35.5	45.0	47.7
Spain	21.6	19.7	20.3
China	4.7	3.2	3.9
Indonesia	5.2	4.0	3.7
India	5.3	4.6	3.5
Greece	2.2	2.6	3.3
Netherlands	1.3	2.1	2.0
Italy	2.2	1.7	1.6
Burkina Faso	0.5	0.9	1.3
Sri Lanka	0.3	0.3	1.0
All other exporters	16.6	12.9	9.6
Total	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 0813.40 reported by various national statistical authorities in the Global Trade Atlas database, accessed November 6, 2019.

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
84 FR 18084, April 29, 2019	*Dried Tart Cherries From Turkey; Institution of Anti-Dumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2019-04-29/pdf/2019-08570.pdf
84 FR 22809 May 20, 2019	*Dried Tart Cherries From the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigation*	https://www.govinfo.gov/content/pkg/FR-2019-05-20/pdf/2019-10439.pdf
84 FR 22813 May 20, 2019	*Dried Tart Cherries From the Republic of Turkey: Initiation of Countervailing Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2019-05-20/pdf/2019-10438.pdf
84 FR 27359 June 12, 2019	*Dried Tart Cherries From Turkey*	https://www.govinfo.gov/content/pkg/FR-2019-06-12/pdf/2019-12422.pdf
84 FR 31840 July 3, 2019	*Dried Tart Cherries From the Republic of Turkey: Postponement of Preliminary Determination in the Countervailing Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2019-07-03/pdf/2019-14236.pdf
84 FR 51109 September 27, 2019	*Dried Tart Cherries From the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2019-09-27/pdf/2019-21006.pdf

Citation	Title	Link
84 FR 51112 September 27, 2019	*Dried Tart Cherries From the Republic of Turkey: Preliminary Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2019-09-27/pdf/2019-21003.pdf
84 FR 53175 October 4, 2019	*Dried Tart Cherries From Turkey; Scheduling of the Final Phase of Countervailing Duty and Anti-Dumping Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2019-10-04/pdf/2019-21644.pdf
84 FR 67429 December 10, 2019	*Dried Tart Cherries From the Republic of Turkey: Final Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2019-12-10/pdf/2019-26551.pdf
84 FR 67430 December 10, 2019	*Dried Tart Cherries From the Republic of Turkey: Final Affirmative Countervailing Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2019-12-10/pdf/2019-26552.pdf

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Dried Tart Cherries from Turkey

Inv. Nos.: 701-TA-622 and 731-TA-1448 (Final)

Date and Time: December 3, 2019 - 9:30 a.m.

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

CONGRESSIONAL APPEARANCE:

The Honorable Gary C. Peters, United States Senator, Michigan

OPENING REMARKS:

Petitioner (**Christopher T. Cloutier**, Schagrin Associates)
Respondent (**Ritchie Thomas**, Squires Patton Boggs (US) LLP)

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

Schagrin Associates
Washington, DC
on behalf of

Dried Tart Cherry Trade Committee

Donald C. Gregory, Chairman of the Board, Cherry Bay Orchards, Inc.

Chad A. Rowley, General Manager, Payson Fruit Growers

Melanie LaPerriere, President and CEO, Cherry Central Cooperative, Inc.

Tim Brian, President, Smeltzer Orchard Company

Nels Veliquette, Vice President and Chief Financial Officer, Cherry Ke

Elizabeth J. Drake)
) – OF COUNSEL
Christopher T. Cloutier)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:

Squires Patton Boggs (US) LLP
Washington, DC
on behalf of

Sanford S.A.

Martin Sanford, Chairman, Sanford, S.A.

Ritchie Thomas)
) – OF COUNSEL
Jeremy Dutra)

REBUTTAL/CLOSING REMARKS:

Petitioner (**Elizabeth J. Drake**, Schagrin Associates)
Respondent (**Ritchie Thomas**, Squires Patton Boggs (US) LLP)

-END-

APPENDIX C

SUMMARY DATA

Table C-1

Dried tart cherries: Summary data concerning the U.S. market, 2016-18, January to June 2018, and January to June 2019

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions

	Reported data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2016	2017	2018	2018	2019	2016-18	2016-17	2017-18	2018-19
U.S. consumption quantity:									
Amount	***	***	***	***	***	▼***	▼***	▼***	▲***
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▼***	▼***
Importers' share (fn1):									
Turkey	***	***	***	***	***	▲***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▼***	▼***	▲***	▲***
All import sources	***	***	***	***	***	▲***	▲***	▲***	▲***
U.S. consumption value:									
Amount	***	***	***	***	***	▼***	▼***	▲***	▲***
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▼***	▼***
Importers' share (fn1):									
Turkey	***	***	***	***	***	▲***	▲***	▲***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▲***	▲***	▲***
All import sources	***	***	***	***	***	▲***	▲***	▲***	▲***
U.S. importers' U.S. shipments of imports from.--									
Turkey:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▲***
Value	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
Nonsubject sources:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
Value	***	***	***	***	***	▼***	▼***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
All import sources:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Value	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
U.S. producers':									
Average capacity quantity	21,399	20,544	21,743	10,516	11,632	▲1.6	▼(4.0)	▲5.8	▲10.6
Production quantity	17,801	16,521	15,434	7,168	7,325	▼(13.3)	▼(7.2)	▼(6.6)	▲2.2
Capacity utilization (fn1)	83.2	80.4	71.0	68.2	63.0	▼(12.2)	▼(2.8)	▼(9.4)	▼(5.2)
U.S. shipments:									
Quantity	17,055	14,464	14,299	5,621	5,805	▼(16.2)	▼(15.2)	▼(1.1)	▲3.3
Value	82,555	70,015	70,582	25,850	26,815	▼(14.5)	▼(15.2)	▲0.8	▲3.7
Unit value	$4.84	$4.84	$4.94	$4.60	$4.62	▲2.0	▼(0.0)	▲2.0	▲0.4
Export shipments:									
Quantity	936	1,182	1,010	545	484	▲7.9	▲26.3	▼(14.5)	▼(11.3)
Value	4,177	5,210	4,575	2,560	2,171	▲9.5	▲24.7	▼(12.2)	▼(15.2)
Unit value	$4.46	$4.41	$4.53	$4.69	$4.48	▲1.5	▼(1.3)	▲2.8	▼(4.5)
Ending inventory quantity	1,334	2,208	2,333	3,210	3,369	▲74.9	▲65.5	▲5.6	▲5.0
Inventories/total shipments (fn1)	7.4	14.1	15.2	26.0	26.8	▲7.8	▲6.7	▲1.1	▲0.8
Production workers	345	348	336	338	260	▼(2.6)	▲0.9	▼(3.4)	▼(23.1)
Hours worked (1,000s)	565	549	472	230	191	▼(16.4)	▼(2.8)	▼(14.0)	▼(17.0)
Wages paid ($1,000)	8,051	8,128	7,007	3,468	3,335	▼(13.0)	▲1.0	▼(13.8)	▼(3.8)
Hourly wages (dollars per hour)	$14.25	$14.81	$14.84	$15.05	$17.43	▲4.1	▲3.9	▲0.2	▲15.9
Productivity (pounds per hour)	31.5	30.1	32.7	31.1	38.3	▲3.7	▼(4.5)	▲8.6	▲23.1
Unit labor costs	$0.45	$0.49	$0.45	$0.48	$0.46	▲0.4	▲8.8	▼(7.7)	▼(5.9)

Table continued on next page.

Table C-1--Continued
Dried tart cherries: Summary data concerning the U.S. market, 2016-18, January to June 2018, and January to June 2019
(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions

	Reported data					Period changes			
	Calendar year			January to June		Calendar year			Jan-Jun
	2016	2017	2018	2018	2019	2016-18	2016-17	2017-18	2018-19
U.S. producers':									
Net sales:									
Quantity	17,564	16,064	14,688	6,227	6,209	▼(16.4)	▼(8.5)	▼(8.6)	▼(0.3)
Value	87,584	77,996	71,653	28,703	28,986	▼(18.2)	▼(10.9)	▼(8.1)	▲1.0
Unit value	$4.99	$4.86	$4.88	$4.61	$4.67	▼(2.2)	▼(2.6)	▲0.5	▲1.3
Cost of goods sold (COGS)	81,216	72,030	68,333	26,674	27,718	▼(15.9)	▼(11.3)	▼(5.1)	▲3.9
Gross profit or (loss) (fn2)	6,368	5,966	3,320	2,030	1,268	▼(47.9)	▼(6.3)	▼(44.4)	▼(37.5)
SG&A expenses	6,031	5,694	5,725	2,575	2,828	▼(5.1)	▼(5.6)	▲0.5	▲9.8
Operating income or (loss) (fn2)	337	271	(2,405)	(546)	(1,560)	▼---	▼(19.4)	▼---	▼---
Net income or (loss) (fn2)	(717)	(661)	(3,666)	(1,138)	(2,113)	▼---	▲---	▼---	▼---
Capital expenditures	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit COGS	$4.62	$4.48	$4.65	$4.28	$4.46	▲0.6	▼(3.0)	▲3.8	▲4.2
Unit SG&A expenses	$0.34	$0.35	$0.39	$0.41	$0.46	▲13.5	▲3.2	▲10.0	▲10.1
Unit operating income or (loss) (fn2)	$0.02	$0.02	$(0.16)	$(0.09)	$(0.25)	▼---	▼(11.9)	▼---	▼---
Unit net income or (loss) (fn2)	$(0.04)	$(0.04)	$(0.25)	$(0.18)	$(0.34)	▼---	▼---	▼---	▼---
COGS/sales (fn1)	92.7	92.4	95.4	92.9	95.6	▲2.6	▼(0.4)	▲3.0	▲2.7
Operating income or (loss)/sales (fn1)	0.4	0.3	(3.4)	(1.9)	(5.4)	▼(3.7)	▼(0.0)	▼(3.7)	▼(3.5)
Net income or (loss)/sales (fn1)	(0.8)	(0.8)	(5.1)	(4.0)	(7.3)	▼(4.3)	▼(0.0)	▼(4.3)	▼(3.3)

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.

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.

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

APPENDIX D

IMPORT DATA FROM VARIOUS SOURCES

Table D-1
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Official U.S. imports from.--					
Turkey	414	826	1,512	1,139	1,139
Nonsubject sources	1,102	409	1,656	1,122	972
All import sources	1,516	1,235	3,168	2,261	2,110
	Value (1,000 dollars)				
Official U.S. imports from.--					
Turkey	380	720	1,350	981	1,030
Nonsubject sources	1,251	562	1,603	1,053	870
All import sources	1,632	1,281	2,953	2,033	1,900
	Quantity (1,000 pounds)				
Proprietary Customs data (for all suppliers) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Proprietary Customs data (for all suppliers) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Quantity (1,000 pounds)				
Difference between official statistics and Customs data.--					
Turkey	---	---	---	---	---
Nonsubject sources	---	---	---	---	---
All import sources	---	---	---	---	---
	Value (1,000 dollars)				
Difference between official statistics and Customs data.--					
Turkey	---	---	---	---	---
Nonsubject sources	---	---	---	---	---
All import sources	---	---	---	---	---

Table continued on the next page.

Table D-1--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Proprietary Customs data (firms that certified yes) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Proprietary Customs data (firms that certified yes) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Quantity (1,000 pounds)				
Proprietary Customs data (firms that certified no) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Proprietary Customs data (firms that certified no) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Quantity (1,000 pounds)				
Proprietary Customs data (firms that certified yes or no, i.e., any questionnaire submission) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Proprietary Customs data (firms that certified yes or no, i.e., any questionnaire submission) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Table continued on the next page.

Table D-1--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Share of quantity (percent)				
Proprietary Customs data (firms that certified yes) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of value (percent)				
Proprietary Customs data (firms that certified yes) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of quantity (percent)				
Proprietary Customs data (firms that certified no) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of value (percent)				
Proprietary Customs data (firms that certified no) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	COVERAGE: Share of quantity (percent)				
Proprietary Customs data (firms that certified yes or no, i.e., any questionnaire submission) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	COVERAGE: Share of value (percent)				
Proprietary Customs data (firms that certified yes or no, i.e., any questionnaire submission) U.S. imports from.--					
Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Table continued on the next page.

Table D-1--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Questionnaire data U.S. imports (less supplement from Customs data) from.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Questionnaire data U.S. imports (less supplement from Customs data) from.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Quantity (1,000 pounds)				
Proprietary Customs data (firms that certified yes) U.S. imports from.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Proprietary Customs data (firms that certified yes) U.S. imports from.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Ratio based on quantity (percent)				
Ratio of questionnaire data to Customs data.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Ratio based on value (percent)				
Ratio of questionnaire data to Customs data.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Table continued on the next page.

Table D-1--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Questionnaire data U.S. imports (less supplement from Customs data) from.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Questionnaire data U.S. imports (less supplement from Customs data) from.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Quantity (1,000 pounds)				
Supplemental Customs data for firms that did not submit a questionnaire response.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Supplemental Customs data for firms that did not submit a questionnaire response.-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Quantity (1,000 pounds)				
Questionnaire data plus supplemental Customs data (current dataset in part IV).-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Questionnaire data plus supplemental Customs data (current dataset in part IV).-- Turkey	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Table continued on the next page.

Table D-1--Continued

Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Comparison years			January to June	
	2016-18	2016-17	2017-18		2018-19
	Change in quantity (percent)				
Questionnaire data U.S. imports (less supplement from Customs data) from.-- Turkey	▲***	▼***	▲***		▲***
Nonsubject sources	▼***	▼***	▲***		▲***
All import sources	▲***	▼***	▲***		▲***
	Change in value (percent)				
Questionnaire data U.S. imports (less supplement from Customs data) from.-- Turkey	▲***	▼***	▲***		▲***
Nonsubject sources	▲***	▼***	▲***		▲***
All import sources	▲***	▼***	▲***		▲***
	Change in quantity (percent)				
Supplemental Customs data for firms that did not submit a questionnaire response.-- Turkey	▲***	▲***	▼***		***
Nonsubject sources	▼***	▼***	▲***		▲***
All import sources	▼***	▼***	▼***		▲***
	Change in value (percent)				
Supplemental Customs data for firms that did not submit a questionnaire response.-- Turkey	▲***	▲***	▼***		***
Nonsubject sources	▲***	▼***	▲***		▼***
All import sources	▲***	▼***	▲***		▼***
	Change in quantity (percent)				
Questionnaire data plus supplemental Customs data (current dataset in part IV).-- Turkey	▲***	▼***	▲***		▲***
Nonsubject sources	▼***	▼***	▲***		▲***
All import sources	▼***	▼***	▲***		▲***
	Change in value (percent)				
Questionnaire data plus supplemental Customs data (current dataset in part IV).-- Turkey	▲***	▼***	▲***		▲***
Nonsubject sources	▲***	▼***	▲***		▲***
All import sources	▲***	▼***	▲***		▲***

Note: Sanford imports in Jan-Jun 2019 were included as "certified no" questionnaire submission as these related to the alleged out-of-scope imports by Made In Nature of dried sweet cherries.

Source: Compiled from data submitted in response to Commission questionnaires, official U.S. import statistics and proprietary Customs data using HTS statistical reporting number 0813.40.3000, accessed, November 26, 2019.

Table D-2
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Questionnaire data (less supplement from Customs data) U.S. imports from Turkey.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
All certified yes U.S. importers less ***	***	***	***	***	***
	Quantity (1,000 pounds)				
Proprietary Customs data (firms that certified yes) of U.S. imports from Turkey.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
All certified yes U.S. importers less ***	***	***	***	***	***

Table continued on the next page.

Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Ratio based on quantity (percent)				
Difference of questionnaire data to proprietary Customs data for U.S. imports from Turkey.-- ***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
All certified yes U.S. importers less ***	***	***	***	***	***

Table continued on the next page.

Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Value (1,000 dollars)				
Questionnaire data (less supplement from Customs data) U.S. imports from Turkey.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
All certified yes U.S. importers less ***	***	***	***	***	***
	Value (1,000 dollars)				
Proprietary Customs data (firms that certified yes) of U.S. imports from Turkey.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
All certified yes U.S. importers less ***	***	***	***	***	***

Table continued on the next page.

Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Ratio based on value (percent)				
Difference of questionnaire data to proprietary Customs data for U.S. imports from Turkey.-- ***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
All certified yes U.S. importers less ***	***	***	***	***	***

Table continued on the next page.

Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Average unit values (dollars per pound)				
Questionnaire data (less supplement from Customs data) U.S. imports from Turkey.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
All certified yes U.S. importers less ***	***	***	***	***	***
	Average unit values (dollars per pound)				
Proprietary Customs data (firms that certified yes) of U.S. imports from Turkey.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
All certified yes U.S. importers less ***	***	***	***	***	***

Table continued on the next page.

Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Differences in AUVs (dollars per pound)				
Difference of questionnaire data to proprietary Customs data for U.S. imports from Turkey.-- ***	***	▼***	▼***	***	***
***	▲***	***	***	***	***
***	***	▲***	▲***	▲***	***
***	***	***	***	***	***
***	***	▲***	▲***	▲***	▲***
***	***	***	***	***	***
***	▲***	***	▲***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	▲***	▲***	***
***	▲***	***	***	***	***
All certified yes U.S. importers	▲***	▲***	▲***	▲***	▲***
All certified yes U.S. importers less ***	▲***	▲***	▲***	▲***	▲***

Table continued on the next page.

Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Proprietary Customs data (certified No firms) of U.S. imports from Turkey.--***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified no U.S. importers	***	***	***	***	***
	Value (1,000 dollars)				
Proprietary Customs data (certified No firms) of U.S. imports from Turkey.--***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
All certified no U.S. importers	***	***	***	***	***
	Average unit values (dollars per pound)				
Proprietary Customs data (certified No firms) of U.S. imports from Turkey.--***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
All certified no U.S. importers	***	***	***	***	***

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Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Supplemental Customs plug data (no questionnaire response received) of U.S. imports from Turkey.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All no response U.S. importers	***	***	***	***	***
	Value (1,000 dollars)				
Supplemental Customs plug data (no questionnaire response received) of U.S. imports from Turkey.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All no response U.S. importers	***	***	***	***	***
	Average unit values (dollars per pound)				
Supplemental Customs plug data (no questionnaire response received) of U.S. imports from Turkey.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All no response U.S. importers	***	***	***	***	***

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Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Questionnaire data (less supplement from Customs data) U.S. imports from nonsubject sources.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
	Quantity (1,000 pounds)				
Proprietary Customs data (firms that certified Yes) of U.S. imports from nonsubject sources.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
	Ratio based on quantity (percent)				
Ratio of questionnaire data to proprietary Customs data for U.S. imports from nonsubject sources.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
	Value (1,000 dollars)				
Questionnaire data (less supplement from Customs data) U.S. imports from nonsubject sources.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
	Value (1,000 dollars)				
Proprietary Customs data (firms that certified Yes) of U.S. imports from nonsubject sources.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
	Ratio based on value (percent)				
Ratio of questionnaire data to proprietary Customs data for U.S. imports from nonsubject sources.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***

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Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Average unit values (dollars per pound)				
Questionnaire data (less supplement from Customs data) U.S. imports from nonsubject sources.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
	Average unit values (dollars per pound)				
Proprietary Customs data (firms that certified Yes) of U.S. imports from nonsubject sources.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All certified yes U.S. importers	***	***	***	***	***
	Differences in AUVs (dollars per pound)				
Difference of questionnaire data to proprietary Customs data for U.S. imports from nonsubject sources.--					
***	▲***	▲***	▲***	▲***	▼***
***	***	***	***	***	***
***	▲***	▲***	▲***	▲***	▲***
All certified yes U.S. importers	▲***	▲***	▲***	▲***	▲***
	Quantity (1,000 pounds)				
CNIF data (certified No) U.S. imports from nonsubject sources--					
***	***	***	***	***	***
***	***	***	***	***	***
All certified no U.S. importers	***	***	***	***	***
	Value (1,000 dollars)				
CNIF data (certified No) U.S. imports from nonsubject sources--***.	***	***	***	***	***
***	***	***	***	***	***
All certified no U.S. importers	***	***	***	***	***
	Average unit values (dollars per pound)				
CNIF data (certified No) U.S. imports from nonsubject sources--					
***	***	***	***	***	***
***	***	***	***	***	***
All certified no U.S. importers	***	***	***	***	***

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Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Supplemental Customs data (no questionnaire response received) of U.S. imports from nonsubject sources.-- ***	***	***	***	***	***
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All no response U.S. importers	***	***	***	***	***

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Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Value (1,000 dollars)				
Supplemental Customs data (no questionnaire response received) of U.S. imports from nonsubject sources.-- ***	***	***	***	***	***
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***	***	***	***	***	***
All no response U.S. importers	***	***	***	***	***

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Table D-2--Continued
Dried tart cherries: Import data from various sources, 2016-18, January to June 2018, and January to June 2019

Item	Calendar year			January to June	
	2016	2017	2018	2018	2019
	Average unit values (dollars per pound)				
Supplemental Customs data (no questionnaire response received) of U.S. imports from nonsubject sources.-- ***	***	***	***	***	***
***	***	***	***	***	***
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***	***	***	***	***	***
***	***	***	***	***	***
All no response U.S. importers	***	***	***	***	***

Note: U.S. imports by *** in Jan-Jun 2019 were included as "certified no" questionnaire submission as these related to the imports by *** of out-of-scope dried sweet cherries.

Source: Compiled from data submitted in response to Commission questionnaires, official U.S. import statistics and proprietary Customs data using HTS statistical reporting number 0813.40.3000, accessed, November 26, 2019.