

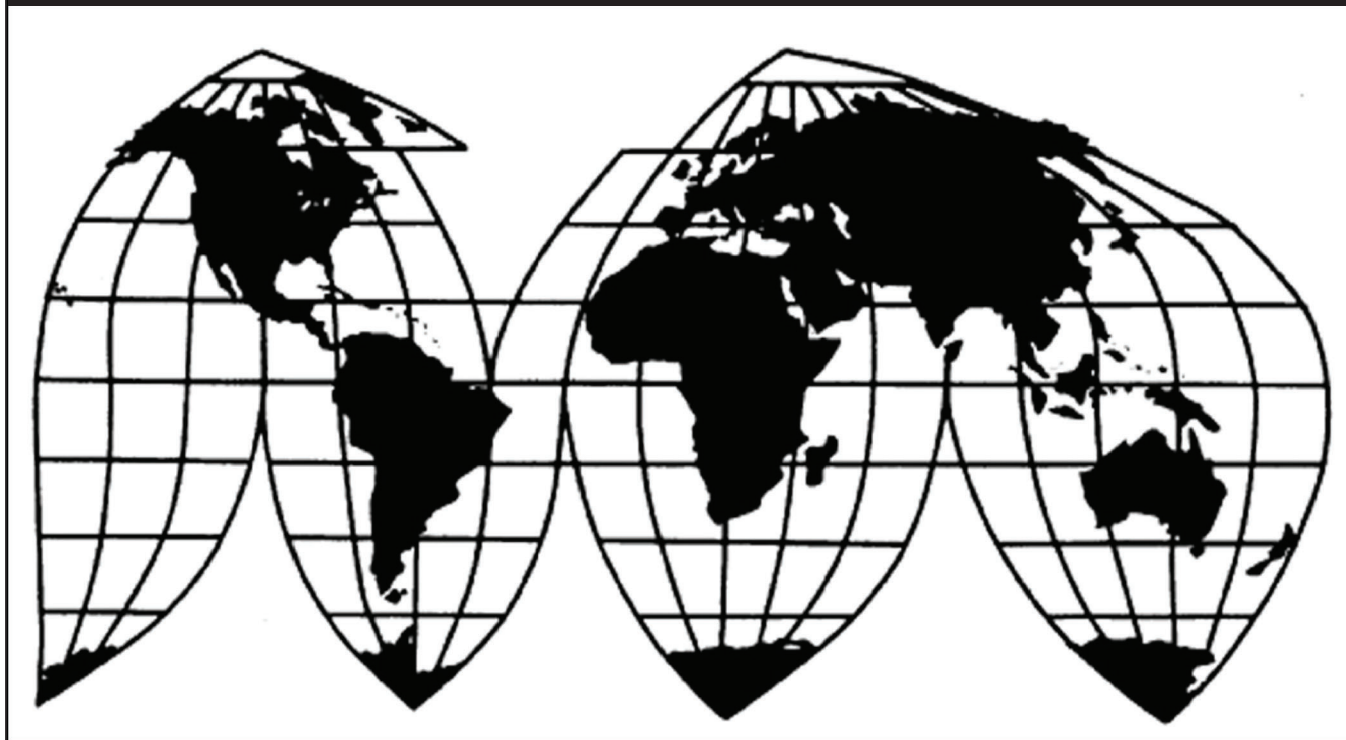
# **Citric Acid and Certain Citrate Salts from China**

Investigation Nos. 701-TA-456 and 731-TA-1152 (Second Review)

**Publication 5147**

**December 2020**

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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## UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-456 and 731-TA-1152 (Second Review)

Citric Acid and Certain Citrate Salts from China

### DETERMINATION

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing and antidumping duty orders on citric acid and certain citrate salts from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### BACKGROUND

The Commission instituted these reviews on May 1, 2020 (85 FR 25475) and determined on August 4, 2020 that it would conduct expedited reviews (85 FR 74759, November 23, 2020).

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





## Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping and countervailing duty orders on citric acid and certain citrate salts (“CACCS”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

*Original Investigations.* On April 14, 2008, Archer Daniels Midland Company, Cargill, Incorporated, and Tate & Lyle Ingredients Americas LLC (collectively, “the domestic producers”) filed antidumping and countervailing duty petitions covering CACCS from Canada and China.<sup>1</sup> On May 22, 2009, the Commission determined that an industry in the United States was materially injured by reason of imports of CACCS from Canada and China.<sup>2</sup> The U.S. Department of Commerce (“Commerce”) issued the antidumping duty and countervailing duty orders on May 29, 2009.<sup>3</sup>

*First Reviews.* The Commission instituted the first reviews of the orders on April 1, 2014.<sup>4</sup> After conducting full reviews,<sup>5</sup> the Commission reached an affirmative determination

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<sup>1</sup> Confidential Report, INV-SS-084 (July 23, 2020) (“CR”) at I-3; Public Report (“PR”) at I-3.

<sup>2</sup> *Citric Acid and Certain Citrate Salts from Canada and China*, Inv. Nos. 701-TA-456 and 731-TA-1151-1152 (Review), USITC Pub. 4076 (May 2009), at 1 (“*Original Determinations*”); *Citric Acid and Certain Citrate Salts from Canada and China*, 74 Fed. Reg. 25771 (May 29, 2009).

<sup>3</sup> *Citric Acid and Certain Citrate Salts from Canada and the People's Republic of China: Antidumping Duty Orders*, 74 Fed. Reg. 25703 (May 29, 2009); *Citric Acid and Certain Citrate Salts From the People's Republic of China: Notice of Countervailing Duty Order*, 74 Fed. Reg. 25705 (May 29, 2009).

The Court of International Trade (“CIT”) affirmed the Commission's affirmative injury determination with respect to CACCS from China. *Shandong TTCA Biochemistry Co. v. United States*, 774 F. Supp. 1317 (Ct. Int'l Trade 2011).

<sup>4</sup> *Citric Acid and Certain Citrate Salts from Canada and China; Institution of Five-Year Reviews*, 79 Fed. Reg. 18311 (Apr. 1, 2014).

<sup>5</sup> *Citric Acid and Certain Citrate Salts from Canada and China; Notice of Commission Determination to Conduct Full Five-Year Reviews*, 79 Fed. Reg. 42049 (July 18, 2014). With respect to the antidumping duty order on CACCS from Canada, the Commission found the domestic group response and the respondent group response to its notice of institution were adequate and determined to conduct a full review. With respect to the orders on CACCS from China, the Commission found that the domestic group response was adequate and that the respondent group was inadequate, but that circumstances warranted conducting full reviews of the orders on CACCS from China. *Id.* at 42049–50.

with respect to all three orders under review on June 11, 2015.<sup>6</sup> Commerce issued continuations of the orders on CACCS from Canada and China on June 24, 2015.<sup>7</sup>

*Current Reviews:* The Commission instituted these second reviews on May 1, 2020.<sup>8</sup> Effective June 24, 2020, Commerce revoked the antidumping duty order on CACCS from Canada after the domestic producers withdrew their intent to participate in the review.<sup>9</sup> Accordingly, the Commission terminated its review of the antidumping duty order on CACCS from Canada.<sup>10</sup>

The domestic producers filed the only response to the Commission's notice of institution.<sup>11</sup> On August 4, 2020, the Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response was inadequate.<sup>12</sup> Finding that no other circumstances warranted conducting full reviews, the Commission determined to conduct expedited reviews.<sup>13</sup> The domestic producers also submitted comments concerning the Commission's final determination in these reviews.<sup>14</sup>

In these five-year reviews, U.S. industry data are based on information submitted by the three domestic producers in response to the notice of institution.<sup>15</sup> The domestic producers estimate that they accounted for all or nearly all domestic production of CACCS in 2019.<sup>16</sup> U.S.

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<sup>6</sup> *Citric Acid and Certain Citrate Salts from Canada and China*, Inv. Nos. 701-TA-456 and 731-TA-1151-1152 (Review), USITC Pub. 4538 (June 2015), at 3 (“*Review Determinations*”); *Citric Acid and Certain Citrate Salts from Canada and China*, 80 Fed. Reg. 34693 (June 17, 2015).

<sup>7</sup> *Citric Acid and Certain Citrate Salts From Canada and the People's Republic of China: Continuation of the Antidumping Duty Orders on Canada and the People's Republic of China, and Continuation of the Countervailing Duty Order on the People's Republic of China*, 80 Fed. Reg. 36318 (June 24, 2015).

<sup>8</sup> *Citric Acid and Certain Citrate Salts from Canada and China; Institution of Five-Year Reviews*, 85 Fed. Reg. 25475 (May 1, 2020).

<sup>9</sup> *Citric Acid and Certain Citrate Salts from Canada: Final Results of Sunset Review and Revocation of Order*, 85 Fed. Reg. 37626 (June 23, 2020).

<sup>10</sup> *Citric Acid and Certain Citrate Salts from Canada; Termination of Five-Year Review*, 85 Fed. Reg. 44546 (July 23, 2020).

<sup>11</sup> Domestic Industry's Confidential Response to the Notice of Institution, EDIS Doc. 711549 (June 1, 2020) (“*Response*”); Confidential Supplemental Information Relating to the Domestic Industry's Response to the Notice of Institution, EDIS Doc. 712703 (June 15, 2020). The domestic producers also filed comments on the adequacy of responses to the notice of institution. Confidential Domestic Industry's Comments on Adequacy, EDIS Doc. 714690 (July 15, 2020).

<sup>12</sup> *Citric Acid and Certain Citrate Salts from China; Scheduling of Expedited Five-Year Reviews*, 85 Fed. Reg. 74759, 74760 (Nov. 23, 2020).

<sup>13</sup> Explanation of Commission Determination on Adequacy, EDIS Doc. 720485.

<sup>14</sup> Confidential Final Written Comments, EDIS Doc. 725890 (Nov. 20, 2020) (“*Comments*”).

<sup>15</sup> CR/PR at Table I-1.

<sup>16</sup> CR/PR at Table I-1.

import data and related information are based on Commerce’s official import statistics.<sup>17</sup> Foreign industry data and related information are based on information furnished by the domestic producers, questionnaire responses from the original investigations and first reviews, and publicly available information gathered by Commission staff.<sup>18</sup> Staff contacted five U.S. purchasers of CACCS that were identified by the domestic producers in their response to the notice of institution; of these five purchasers, three responded to the Commission’s adequacy phase questionnaire.<sup>19</sup>

## II. Domestic Like Product and Industry

### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>20</sup> 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 under this subtitle.”<sup>21</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation(s) and consider whether the record indicates any reason to revisit the prior findings.<sup>22</sup>

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

{A}ll grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type. The scope also includes blends of citric acid, sodium citrate, and potassium

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<sup>17</sup> CR/PR at Tables I-4 and I-5.

<sup>18</sup> See CR/PR at Tables I-6 and I-7.

<sup>19</sup> CR/PR at D-3.

<sup>20</sup> 19 U.S.C. § 1677(4)(A).

<sup>21</sup> 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Dep’t of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>22</sup> See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8–9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

citrate; as well as blends with other ingredients, such as sugar, where the unblended form(s) of citric acid, sodium citrate, and potassium citrate constitute 40 percent or more, by weight, of the blend. The scope of the order{s} also includes all forms of crude calcium citrate, including dicalcium citrate monohydrate, and tricalcium citrate tetrahydrate, which are intermediate products in the production of citric acid, sodium citrate, and potassium citrate. The scope of the order{s} does not include calcium citrate that satisfies the standards set forth in the United States Pharmacopeia and has been mixed with a functional excipient, such as dextrose or starch, where the excipient constitutes at least 2 percent, by weight, of the product. The scope of the order{s} includes the hydrous and anhydrous forms of citric acid, the dihydrate and anhydrous forms of sodium citrate, otherwise known as citric acid sodium salt, and the monohydrate and monopotassium forms of potassium citrate. Sodium citrate also includes both trisodium citrate and monosodium citrate, which are also known as citric acid trisodium salt and citric acid monosodium salt, respectively.<sup>23</sup>

The scope has not changed since the original investigations.<sup>24</sup>

Citric acid, sodium citrate, and potassium citrate are chemical products used in the production and formulation of a wide variety of foods, beverages, pharmaceuticals, and cosmetics, as well as commercial and household products including detergents and metal cleaners, and in textile finishing treatments and other industrial applications.<sup>25</sup>

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<sup>23</sup> *Citric Acid and Certain Citrate Salts From the People's Republic of China: Final Results of Second Expedited Sunset Review of Antidumping Duty Order*, 85 Fed. Reg. 50009, 50009-10 (Aug. 17, 2020); *Issues and Decision Memorandum for the Expedited Second Sunset Review of the Antidumping Duty Order on Citric Acid and Certain Citrate Salts from the People's Republic of China*, (Aug. 11, 2020) at 2–3; *Citric Acid and Certain Citrate Salts From the People's Republic of China: Final Results of the Expedited Second Five-Year Sunset Review of the Countervailing Duty Order*, 85 Fed. Reg. 54536 (Sept. 2, 2020); *Issues and Decision Memorandum for the Expedited Second Sunset Review of the Countervailing Duty Order on Citric Acid and Certain Citrate Salts from the People's Republic of China*, (Aug. 27, 2020) at 2.

<sup>24</sup> See *Original Determinations*, USITC Pub. 4076, at 5; *Review Determinations*, USITC Pub. 4538, at 5.

<sup>25</sup> CR/PR at I-6 to I-7.

In the original investigations, the domestic producers asserted that citric acid, sodium citrate, and potassium citrate should be part of the same domestic like product, and that industry studies treated producers of all three as part of a single industry.<sup>26</sup> The Commission found no clear dividing lines among domestically produced products corresponding to the scope of the investigations based on chemical or physical form, grade, or product type.<sup>27</sup> It stated that the physical appearance of the products may vary, but all had similar chemical compositions.<sup>28</sup> The Commission observed that while citric acid, sodium citrate, and potassium citrate were not substitutable in all applications, they were used in some of the same applications as buffers, acidulants, and preservatives. It found that citric acid, sodium citrate, and potassium citrate were produced in the same manufacturing facilities by the same employees, at least in the early stages of production. The Commission acknowledged, however, that there were some differences in price based on chemical and physical form and grade. As a result, and in the absence of any contrary arguments, the Commission defined a single domestic like product consisting of CACCS in all chemical and physical forms and grades.<sup>29</sup>

In the first reviews, the Commission stated that there was no new information that warranted revisiting the domestic like product definition from the original investigations. Accordingly, and in the absence of any argument to the contrary, the Commission again defined a single domestic like product consisting of CACCS in all chemical and physical forms and grades, as it had done in the original investigations.<sup>30</sup>

In the current reviews, the record contains no new information suggesting that the characteristics and uses of domestically produced CACCS have changed since the first reviews.<sup>31</sup> The domestic producers state that they agree with the Commission's domestic like product definition from the prior proceedings.<sup>32</sup> We therefore again define a single domestic like product consisting of CACCS in all chemical and physical forms and grades, coextensive with the scope of the orders under review.

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<sup>26</sup> *Original Determinations*, USITC Pub. 4076, at 8.

<sup>27</sup> *Original Determinations*, USITC Pub. 4076, at 7.

<sup>28</sup> *Original Determinations*, USITC Pub. 4076, at 7–8.

<sup>29</sup> *Original Determinations*, USITC Pub. 4076, at 9. For convenience, the Commission used the term “citric acid and certain citrate salts,” herein referred to as CACCS, to refer to the collective grouping of citric acid (crude and finished), sodium citrate, and potassium citrate. *Id.* at n.45.

<sup>30</sup> *Review Determinations*, USITC Pub. 4538, at 6.

<sup>31</sup> See generally CR/PR at I-5 to I-9.

<sup>32</sup> Response at 8, 31.

## **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry 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.”<sup>33</sup> 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.

In the original investigations and first reviews, the Commission defined the domestic industry as consisting of all domestic producers of CACCS and did not exclude any producer from the domestic industry under the related parties provision contained in 19 U.S.C. § 1677(4)(B).<sup>34</sup>

In these reviews, the record does not indicate that there are any related party or other domestic industry issues.<sup>35</sup> The domestic producers state that they agree with the Commission definition of the domestic industry from the prior proceedings.<sup>36</sup> Consequently, we again define the domestic industry to consist of all domestic producers of CACCS.

## **III. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time**

### **A. Legal Standards**

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>37</sup> The Uruguay Round Agreements Act Statement of Administrative Action (“SAA”) states that

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<sup>33</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>34</sup> *Original Determinations*, USITC Pub. 4076, at 9; *Review Determinations*, USITC Pub. 4538, at 7.

<sup>35</sup> See Response at 29.

<sup>36</sup> Response at 8, 31.

<sup>37</sup> 19 U.S.C. § 1675a(a).

“under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>38</sup> Thus, the likelihood standard is prospective in nature.<sup>39</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>40</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>41</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>42</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of

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<sup>38</sup> SAA, H.R. Rep. 103-316, vol. I at 883–84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>39</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>40</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>41</sup> 19 U.S.C. § 1675a(a)(5).

<sup>42</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>43</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>44</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>45</sup>

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>46</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) 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.<sup>47</sup>

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>48</sup>

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<sup>43</sup> 19 U.S.C. § 1675a(a)(1).

<sup>44</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings with respect to the orders on CACCS from China. *Issues and Decision Memorandum for the Expedited Second Sunset Review of the Antidumping Duty Order on Citric Acid and Certain Citrate Salts from the People’s Republic of China*, (Aug. 11, 2020) at 4.

<sup>45</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>46</sup> 19 U.S.C. § 1675a(a)(2).

<sup>47</sup> 19 U.S.C. § 1675a(a)(2)(A–D).

<sup>48</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and



In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>49</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.<sup>50</sup>

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the CACCS industry in China. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations, first reviews, and the limited new information on the record in these reviews.

## **B. Conditions of Competition and the Business Cycle**

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>51</sup> The following conditions of competition inform our determinations.

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termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>49</sup> 19 U.S.C. § 1675a(a)(4).

<sup>50</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, 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 may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

<sup>51</sup> 19 U.S.C. § 1675a(a)(4).

## 1. Demand Conditions

*Original Investigations.* In the original investigations, the Commission stated that demand for CACCS was derived from the demand for the end products in which they were used. It observed that the largest end-use segment of the U.S. market was food and beverage applications (particularly soft drink beverages), followed by industrial applications (particularly household detergents and cleaners) and pharmaceutical applications (including beauty and oral hygiene/cosmetics). CACCS accounted for a relatively small share of the cost of the products in which they were used and there were relatively few substitutes for CACCS.<sup>52</sup>

The Commission found that demand for CACCS in the United States was strong and growing, as indicated by the \*\*\* percent increase in apparent U.S. consumption over the original 2006 to 2008 period of investigation (“POI”), and as reflected by market participants’ responses to Commission questionnaires.<sup>53</sup> Market participants indicated that the growth in U.S. demand was attributable, in part, to economic growth, CACCS’s relative low cost, reformulation of downstream products to increase the use of citric acid, increased use in detergents, sodium reduction initiatives, new products, and increased demand for downstream products.<sup>54</sup> The Commission observed that domestically produced CACCS and subject imports were more frequently sold to end users than to distributors and that a few relatively large purchasers accounted for a substantial portion of total purchases, despite smaller purchasers numbering in the hundreds.<sup>55</sup>

*First Reviews.* In the first reviews, the Commission stated that the factors driving U.S. demand for CACCS had not changed since the original investigations. The Commission indicated that the most frequent end use for CACCS continued to be carbonated beverages while other major end-uses included other beverages, food, detergents, cleaners, personal care products, and pharmaceuticals. CACCS continued to have limited substitutes and constitute a small share of the end-use products.<sup>56</sup> The Commission observed that a relatively small number of U.S. purchasers accounted for a large percentage of U.S. purchases of CACCS.<sup>57</sup> While market participants provided mixed responses regarding projected U.S. demand trends for CACCS, both the domestic producers and the respondent interested party agreed that U.S. demand for soft

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<sup>52</sup> *Original Determinations*, USITC Pub. 4076, at 19.

<sup>53</sup> *Original Determinations*, USITC Pub. 4076, at 19; *Confidential Original Determinations*, EDIS Doc. 711531, at 24.

<sup>54</sup> *Original Determinations*, USITC Pub. 4076, at 19.

<sup>55</sup> *Original Determinations*, USITC Pub. 4076, at 19–20.

<sup>56</sup> *Review Determinations*, USITC Pub. 4538, at 23.

<sup>57</sup> *Review Determinations*, USITC Pub. 4538, at 26.

drinks had been declining.<sup>58</sup> Apparent U.S. consumption of CACCS increased by \*\*\* percent from 2009 to 2013.<sup>59</sup>

*Current Reviews.* Domestic producers report that since the period covered by the first reviews, conditions of competition in the U.S. market have generally remained the same. They state that CACCS is most frequently used in food and beverage end uses, with detergent and cleaners, personal care products, and pharmaceuticals being other significant end uses. Domestic producers report that demand has generally increased since the first period of review (“POR”) and has generally tracked growth in gross domestic product.<sup>60</sup> The record compiled in these reviews indicates that apparent U.S. consumption of CACCS was \*\*\* percent higher in 2019 (at \*\*\* dry pounds) than in 2013 (at \*\*\* dry pounds).<sup>61</sup> Purchasers, however, report that in 2020 the COVID-19 pandemic reduced consumption of beverages, resulting in a decline in demand for CACCS.<sup>62</sup>

## 2. Supply Conditions

*Original Investigations.* During the original POI, the domestic industry held the largest share of the U.S. market, followed by cumulated subject imports (China and Canada) and then nonsubject imports.<sup>63</sup> The domestic industry’s share of apparent U.S. consumption, by quantity, fluctuated but declined from \*\*\* percent in 2006 to \*\*\* percent in 2008; cumulated subject imports’ share increased from \*\*\* percent in 2006 to \*\*\* percent in 2008; nonsubject imports’ share decreased from \*\*\* percent in 2006 to \*\*\* percent in 2008.<sup>64</sup> The Commission found that the CACCS industry was a high-fixed cost, capital-intensive industry that was dependent on continuous production in a fermentation process that could not easily be slowed or stopped. It found that the citric acid industry in China was the largest in the world.<sup>65</sup> The Commission also observed that the largest sources of nonsubject imports, on the basis of volume in 2008, were Israel, Colombia, Germany, Thailand, Austria, and Belgium.<sup>66</sup>

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<sup>58</sup> *Review Determinations*, USITC Pub. 4538, at 23–24.

<sup>59</sup> *Review Determinations*, USITC Pub. 4538, at 24; *Confidential Review Determinations*, EDIS Doc. 711551, at 36.

<sup>60</sup> Response at 11.

<sup>61</sup> CR/PR at Table I-5.

<sup>62</sup> CR/PR at D-3.

<sup>63</sup> *Original Determinations*, USITC Pub. 4076, at 21.

<sup>64</sup> *Original Determinations*, USITC Pub. 4076, at 21; *Confidential Original Determinations*, EDIS Doc. 711531, at 27.

<sup>65</sup> *Original Determinations*, USITC Pub. 4076, at 22.

<sup>66</sup> *Original Determinations*, USITC Pub. 4076, at 23.

*First Reviews.* In the first reviews, the domestic industry held the largest share of apparent U.S. consumption, followed by nonsubject imports and then cumulated subject imports.<sup>67</sup> Its share of apparent U.S. consumption ranged between a period low of \*\*\* percent in 2010 and a period high of \*\*\* percent in 2011; nonsubject imports' share ranged from a period low of \*\*\* percent in 2009 and a period high of \*\*\* percent in 2010; cumulated subject imports' share ranged between a period low of \*\*\* percent in 2011 and a period high of \*\*\* percent in 2010.<sup>68</sup> The Commission observed that the largest sources of nonsubject imports in 2013 were Thailand, Israel, Belgium, Colombia, and Germany. It found that CACCS continued to be a high fixed-cost, capital-intensive industry that was dependent on continuous production for efficient operations, as was the case in the original investigations.<sup>69</sup>

*Current Reviews.* There have not been any significant changes in the structure of the domestic industry since the first reviews of the orders, and the petitioners in the original investigations remain the only domestic producers of CACCS.<sup>70</sup> The domestic producers report that the domestic industry remains a high fixed-cost, capital-intensive industry that is dependent on continuous production for efficient operations.<sup>71</sup>

The domestic industry was the largest source of supply of CACCS to the U.S. market during 2019, accounting for \*\*\* percent of apparent U.S. consumption by quantity.<sup>72</sup> Nonsubject imports, primarily from Thailand and Israel, accounted for \*\*\* percent of CACCS consumed in the U.S. market in 2019.<sup>73</sup> Imports of CACCS from Canada, which were subject to an antidumping duty order in 2019, accounted for \*\*\* percent of apparent U.S. consumption that year.<sup>74</sup> Subject imports from China have remained in the U.S. market in limited quantities since the Commission completed its first review of the orders in 2015.<sup>75</sup> Subject imports from

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<sup>67</sup> The first POR was January 2009 to September 2014.

<sup>68</sup> *Review Determinations*, USITC Pub. 4538, at 24–25, n.129; *Confidential Review Determinations*, EDIS Doc. 711551, at 37–38, n.129.

<sup>69</sup> *Review Determinations*, USITC Pub. 4538, at 25.

<sup>70</sup> CR/PR at I-9.

<sup>71</sup> Response at 11.

<sup>72</sup> CR/PR at Table I-5.

<sup>73</sup> CR/PR at Tables I-4 and I-5. Import data for CACCS are based on official import statistics, with the exception of import data for CACCS from Canada, which is based on proprietary Customs data. See CR/PR at Table I-4 note.

<sup>74</sup> CR/PR at Table I-5. As noted above, the antidumping duty order on CACCS from Canada was revoked effective June 24, 2020, so imports of CACCS from Canada are no longer subject imports. *Citric Acid and Certain Citrate Salts from Canada: Final Results of Sunset Review and Revocation of Order*, 85 Fed. Reg. 37626 (June 23, 2020).

<sup>75</sup> See CR/PR at Table I-4.

China accounted for \*\*\* percent of apparent U.S. consumption in 2019.<sup>76</sup> CACCS from Belgium, Colombia, and Thailand also became subject to antidumping duty orders in 2018.<sup>77</sup>

### 3. Substitutability and Other Conditions

*Original Investigations.* In the original investigations, the Commission observed that CACCS are commodities and that price was an important consideration in purchasing decisions, in addition to quality and availability. It also observed that questionnaire respondents generally reported that imports from each subject source were substitutable for one another and for the domestic like product.<sup>78</sup> The Commission stated that the principal raw materials used to produce CACCS were the substrate (such as corn starch, molasses, dextrose, and high fructose corn syrup) and chemicals (including calcium carbonate and sulfuric acid). Energy, including electricity and the cost of producing steam, was also a significant part of the cost of producing CACCS.<sup>79</sup>

*First Reviews.* In the first reviews, the Commission stated that purchasers indicated that price was a very important factor in purchasing decisions while factors such as reliability of supply and quality were also important. It found that there was a moderate to high degree of substitutability between the domestic like product and subject imports. The Commission also noted that U.S. producers primarily sold CACCS through contracts while importers of the subject merchandise primarily sold on the spot market.<sup>80</sup>

*Current Reviews.* There is no information on the record of these reviews to suggest that the substitutability of subject merchandise and the domestic like product or the importance of price in purchasing decisions have changed appreciably since the first reviews.<sup>81</sup> The domestic

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<sup>76</sup> See CR/PR at Table I-5.

<sup>77</sup> See CR/PR at Table I-2; *Citric Acid and Certain Citrate Salts from Belgium, Colombia, and Thailand*, Inv. Nos. 731-TA-1374-1376 (Final), USITC Pub. 4799 (July 2018).

<sup>78</sup> *Original Determinations*, USITC Pub. 4076, at 25–26. The Commission discussed substitutability, important purchasing factors, and CACCS as commodities in the context of its price effects analysis rather than its discussion of the conditions of competition affecting the U.S. CACCS market.

<sup>79</sup> *Original Determinations*, USITC Pub. 4076, at 23. While U.S. producers used corn and sometimes other feedstocks such as molasses, producers in China used a wider variety of substrates. *Id.*

<sup>80</sup> *Review Determinations*, USITC Pub. 4538, at 26. While domestic producers' contracts generally did not allow for price renegotiation during the contract term, some domestic producers reported that certain purchasers asked for price concessions mid-contract when prices in the spot market had fallen. *Id.* at 26–27.

<sup>81</sup> See Response at 12. In the 2018 investigations of CACCS from Belgium, Colombia, and Thailand, the Commission found that there was at least a moderate degree of substitutability between

producers note that a relatively small number of large purchasers continue to account for a large portion of sales of CACCS in the U.S. market. U.S. producers sell citric acid primarily on a contract basis, but purchasers reportedly seek price concessions during the term of the contracts.<sup>82</sup> Subject imports from China are currently subject to additional 25 percent *ad valorem* duties under Section 301 of the Trade Act of 1974 (“Section 301”).<sup>83</sup>

### C. Likely Volume of Subject Imports

#### 1. Original Investigations and First Reviews

In the original investigations, the Commission found that subject imports had a large and growing presence in the U.S. market while nonsubject imports had a smaller and declining presence.<sup>84</sup> Apparent U.S. consumption increased by \*\*\* percent over the three-year POI (2006–2008), while the volume of cumulated subject imports increased overall by \*\*\* percent and captured an increasing share of the U.S. market, first from nonsubject imports and, by 2008, from the domestic industry.<sup>85</sup> The Commission found that the domestic industry's U.S. shipments grew at a much slower rate than U.S. consumption from 2006 to 2008. Accordingly, the domestic industry was unable to take full advantage of strong demand conditions.<sup>86</sup> The Commission found that the volume of cumulated subject imports was significant both absolutely and relative to consumption and production in the United States and that the increase in the volume of subject imports was significant relative to the increase in apparent U.S. consumption.<sup>87</sup>

In the first reviews, the Commission found that the CACCS industries in Canada and China had the means and incentive to significantly increase shipments of subject merchandise

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domestically produced CACCS and imports of CACCS from subject sources and that price was an important factor in purchasing decisions. *Citric Acid and Certain Citrate Salts from Belgium, Colombia, and Thailand*, Inv. Nos. 731-TA-1374-1376 (Final), USITC Pub. 4799 at 20 (July 2018).

<sup>82</sup> See Response at 11.

<sup>83</sup> 19 U.S.C. § 2411. See *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47974 (Sept. 21, 2018); CR/PR at I-6.

<sup>84</sup> *Original Determinations*, USITC Pub. 4076, at 23–24.

<sup>85</sup> *Original Determinations*, USITC Pub. 4076, at 24; *Confidential Original Determinations*, EDIS Doc. 711531, at 31.

<sup>86</sup> *Original Determinations*, USITC Pub. 4076, at 24.

<sup>87</sup> *Original Determinations*, USITC Pub. 4076, at 25.

to the U.S. market within a reasonably foreseeable time if the orders were revoked.<sup>88</sup> It found that the CACCS industry in China was the largest in the world and that China's citric acid capacity had approximately \*\*\* between 2008 and 2012, resulting in a production capacity that \*\*\* in 2012.<sup>89</sup> Available information indicated that the capacity utilization of the industry in China was \*\*\* percent in 2012.<sup>90</sup>

The Commission found that the CACCS industries in Canada and China were export-oriented and had strong economic incentives to run their plants continuously at or near capacity because of the high fixed-cost, capital-intensive nature of CACCS production.<sup>91</sup> It stated that producers in Canada and China continued to export CACCS to the U.S. market, notwithstanding the discipline of the orders, and that these producers would likely direct significant volumes of CACCS to the United States, one of the largest CACCS markets in the world, in the event of revocation.<sup>92</sup>

Moreover, Brazil, the European Union, India, Russia, Thailand, and Ukraine maintained antidumping duty orders on imports of CACCS from China, providing a further incentive for subject producers in China to ship CACCS to the United States if the order on that country were revoked. Given the subject producers' capacity increases, unused capacity, and overall export orientation, the size and relative attractiveness of the U.S market, third country trade barriers on imports of CACCS, and the continued presence of subject imports in the U.S. market during the POR, the Commission concluded that cumulated subject import volumes would likely be significant, both in absolute terms and relative to U.S. consumption, upon revocation of the orders.<sup>93</sup>

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<sup>88</sup> *Review Determinations*, USITC Pub. 4538, at 27. The Commission also stated that a CACCS producer in Canada had added capacity between 2009 and 2013 and had declining capacity utilization from 2012 to 2013. *Id.* at 27–28.

<sup>89</sup> *Review Determinations*, USITC Pub. 4538, at 28; *Confidential Review Determinations*, EDIS Doc. 711551, at 42. The Commission also observed that some citric acid producers in China had plans to expand production capacity by the end of 2015. *Review Determinations*, USITC Pub. 4538, at 28.

<sup>90</sup> *Review Determinations*, USITC Pub. 4538, at 28; *Confidential Review Determinations*, EDIS Doc. 711551, at 43.

<sup>91</sup> *Review Determinations*, USITC Pub. 4538, at 28. A CACCS producer in Canada exported over \*\*\* percent of its total shipments during the POR, while exports accounted for more than \*\*\* percent of CACCS production in China. *Review Determinations*, USITC Pub. 4538, at 28; *Confidential Review Determinations*, EDIS Doc. 711551, at 43.

<sup>92</sup> *Review Determinations*, USITC Pub. 4538, at 29.

<sup>93</sup> *Review Determinations*, USITC Pub. 4538, at 29.

## 2. The Current Reviews

Subject imports from China have declined since the original investigations, reflecting the restraining effect of the antidumping and countervailing duty orders. During the four most recent years of the POR (2016–2019), annual subject import volume remained modest, ranging from a low of 7.2 million dry pounds in 2016 to a high of 15.9 million dry pounds in 2018.<sup>94</sup> In 2019, subject imports from China were 11.2 million dry pounds and accounted for \*\*\* percent of the U.S. market.<sup>95</sup> The continued presence of subject imports in the U.S. market during the POR notwithstanding the disciplining effect of the orders and additional duties under Section 301, albeit in comparatively small volumes, demonstrates a sustained interest in exporting to the United States.<sup>96</sup>

Information in these reviews concerning Chinese producers of CACCS is limited because they declined to participate or furnish information to the Commission.<sup>97</sup> When the Commission conducted the first reviews, the record indicated that the industry in China represented over two-thirds of global capacity for production of CACCS. Four of the world's five largest producers of CACCS were Chinese and operated only in China.<sup>98</sup>

The record in the current reviews continues to indicate that the CACCS industry in China is very large compared to the U.S. market. The domestic producers furnished public data indicating that, in 2017, there were at least ten significant producers of CACCS in China.<sup>99</sup> These producers had a reported total capacity of approximately 4.8 billion dry pounds, an amount equivalent to several times the size of the domestic industry's capacity of 555.3 million dry pounds and apparent U.S. consumption of \*\*\* dry pounds in 2019.<sup>100</sup>

Moreover, the CACCS industry in China has added significant production capacity since the first review of the orders, further increasing their ability to export to the U.S. market. The record indicates that five producers of CACCS in China increased their capacity by a total of 1.28 billion dry pounds since the first reviews.<sup>101</sup>

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<sup>94</sup> CR/PR at Table I-4. During the original POI, the volume of subject imports from China ranged from 158.9 million dry pounds in 2006 to 193.7 million dry pounds in 2008. CR/PR at C-3.

<sup>95</sup> CR/PR at Table I-5.

<sup>96</sup> CR/PR at Table I-4.

<sup>97</sup> The Commission also did not receive questionnaire responses from Chinese producers or exporters in the first reviews. *Review Determinations*, USITC Pub. 4538, at 4.

<sup>98</sup> USITC Pub. 4538 at IV-11.

<sup>99</sup> Response at 14, Exh. 2.

<sup>100</sup> CR/PR at I-15, Tables I-3 and I-5.

<sup>101</sup> Calculated from CR/PR at Table I-6.



Available information also indicates that the industry in China is operating at a modest capacity utilization rate. Data from the \*\*\* indicate that the Chinese CACCS industry operated at a capacity utilization rate of 68.7 percent in 2015.<sup>102</sup> As noted, CACCS producers have an economic incentive to operate at or near capacity because of the high fixed-cost, capital-intensive nature of CACCS production. The Chinese producers' capacity utilization rate indicates that the Chinese industry will likely seek to increase production and exports to operate more efficiently at a higher utilization rate.

The available evidence indicates that the CACCS industry in China is export-oriented. It has increased its exports of CACCS and related products, directing its exports to many markets throughout the world.<sup>103</sup> Exports from China of these products increased from 2.1 billion dry pounds in 2014 to 2.6 billion dry pounds 2019.<sup>104</sup>

The record indicates that the U.S. market is attractive for exports of CACCS. It remains one of largest markets in the world for sales of CACCS, and it is dominated by a few large multinational purchasers that already purchase CACCS from China in other markets.<sup>105</sup> CACCS from China is qualified by top U.S. purchasers and has been sold in the U.S. market for many years.<sup>106</sup> In addition, prices for exports of CACCS from China to the United States were higher, and often substantially so, than export prices to other export markets from 2014 to 2019.<sup>107</sup>

Moreover, Chinese producers of CACCS face barriers to their exports of CACCS in several other markets (including the European Union). These barriers would provide a further incentive to direct exports of CACCS to the U.S. market in the event of revocation of the orders under review.<sup>108</sup>

We therefore find that, absent the disciplining effect of the orders, CACCS producers in China are likely to direct significant volumes of subject merchandise to the United States. Accordingly, we find that the likely volume of subject imports from China, both in absolute

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<sup>102</sup> Response at 15, Exh. 4.

<sup>103</sup> CR/PR at Tables I-7. The export data available from the Global Trade Atlas concern citric acid, citric acid salts, and esters of citric acid, a product category that includes both subject CACCS and out-of-scope merchandise such as esters. *Id.*

<sup>104</sup> CR/PR at Table I-7.

<sup>105</sup> Response at 19.

<sup>106</sup> Response at 18–19. During 2006 and 2007, the first two years of the POI in the original investigations, the United States was China's largest export market for CACCS. Response at 19.

<sup>107</sup> Response at 17–18.

<sup>108</sup> See CR/PR at Tables I-10 and I-11. Specifically, Brazil, Colombia, the European Union, the Eurasian Economic Union (which includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia), India, and Thailand have imposed antidumping duties on citric acid and/or citrate salts from China. CR/PR at I-17 to I-18.

terms and relative to production and consumption in the United States, would likely be significant if the orders were revoked.<sup>109</sup>

#### **D. Likely Price Effects**

##### **1. Original Investigations and First Reviews**

In the original investigations, the Commission found that CACCS were commodity products, and that price was an important factor in purchasing decisions.<sup>110</sup> The pricing data collected in the final phase of the investigations, taken as a whole, showed mixed underselling and overselling.<sup>111</sup> The Commission found that the filing of the petitions in April 2008 affected prices in the U.S. market, because prices of subject imports rose substantially during 2008, and underselling was much more prevalent before the petitions were filed.<sup>112</sup> It indicated that the pricing data overall supported a finding of significant underselling, particularly for a commodity-type product for which large price differences would not be expected. The Commission observed that subject import pricing acted as a cap or ceiling on the price levels that could be obtained by domestic producers, and that the underselling that occurred was significant because it established the cap or ceiling at low levels.<sup>113</sup>

While it did not find significant price depression, the Commission found that the domestic industry was not able to increase its prices to levels sufficient to cover increases in its costs during the POI, despite strong and increasing demand.<sup>114</sup> The domestic industry's inability to obtain higher prices in 2007 was due in significant part to the large and growing presence of relatively low-priced subject imports.<sup>115</sup> Accordingly, the Commission found that the large and

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<sup>109</sup> Due to the expedited nature of these reviews, the record does not contain current information regarding inventories of CACCS or subject producers' ability to shift production to CACCS from out-of-scope products.

<sup>110</sup> *Original Determinations*, USITC Pub. 4076, at 25.

<sup>111</sup> *Original Determinations*, USITC Pub. 4076, at 26. Underselling occurred in \*\*\* percent of price comparisons. *Id.*; *Confidential Original Determinations*, EDIS Doc. 711531, at 35. The data showed 139 instances of underselling with an average margin of 12.7 percent and 92 instances of overselling with an average margin of 15.0 percent. *Original Determinations*, USITC Pub. 4076, at 26, n.182.

<sup>112</sup> *Original Determinations*, USITC Pub. 4076, at 27.

<sup>113</sup> *Original Determinations*, USITC Pub. 4076, at 28.

<sup>114</sup> *Original Determinations*, USITC Pub. 4076, at 28.

<sup>115</sup> *Original Determinations*, USITC Pub. 4076, at 28–29. The Commission indicated that costs for the domestic industry's largest single cost item, corn, spiked from 2006 to 2007. The reason that the domestic industry was unable to negotiate price increases for its long-term contracts was not its inability to anticipate this spike but was instead largely due to the increased presence of low-priced imports. *Id.*

increasing volume of cumulated subject imports had significantly suppressed prices for the domestic like product.<sup>116</sup>

In the first reviews, the Commission reiterated that domestically produced and subject CACCS continued to be interchangeable and that price remained a very important factor in purchasing decisions. It found that, with the orders in place, the pricing data collected for the POR showed mixed underselling and overselling by cumulated subject imports with more overselling than underselling.<sup>117</sup>

The Commission found that, given the importance of price in purchasing decisions and the interchangeability of domestically produced and subject CACCS, suppliers of subject merchandise would seek to increase their sales in the U.S. market by offering CACCS at low prices. It stated that the underselling was likely to be sufficiently pervasive to have significant effects on the domestic industry's market share and/or prices absent the discipline of the orders. The Commission found that, given the continuous production process used to produce CACCS, the domestic industry would likely lower prices to maintain market share and avoid curtailing its production. Consequently, the Commission found the increasing volumes of cumulated subject imports were likely to have significant effects on prices for the domestic like product.<sup>118</sup>

## 2. The Current Reviews

In these reviews, we find, for the reasons stated in section III.B.3., that the domestic like product and subject imports have a moderate-to-high degree of substitutability and that price is an important factor in purchasing decisions.<sup>119</sup> Consequently, subject imports would likely undersell the domestic like product, as they did in the original investigations, if the antidumping and countervailing duty orders were revoked. Given the likely significant volume of subject

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at 29–30. The Commission found that intra-industry competition among the three domestic producers did play a role in the inadequate price levels but did not undermine the evidence showing significant pricing pressure from cumulated subject imports. *Id.* at 30–31.

<sup>116</sup> *Original Determinations*, USITC Pub. 4076, at 32.

<sup>117</sup> *Review Determinations*, USITC Pub. 4538, at 31. Cumulated subject imports undersold the domestic like product in 70 of 237 (or 29.5 percent of) quarterly price comparisons with average margins of underselling of 6.2 percent; they oversold the domestic like product in 167 of 237 (or 70.5 percent of) quarterly price comparisons with an average margin of overselling of 12.7 percent. *Id.* The instances of underselling accounted for \*\*\* percent of the subject import volume accounted for by the pricing data. *Id.* at 31–32; *Confidential Review Determinations*, EDIS Doc. 711551, at 49.

<sup>118</sup> *Review Determinations*, USITC Pub. 4538, at 32.

<sup>119</sup> The record does not contain current pricing comparisons because of the expedited nature of these reviews.

imports, such as underselling, would likely cause the domestic industry to lose market share or to lower prices or forego price increases to cover costs in an effort to maintain market share as was the case in the original investigations. Accordingly, we conclude that subject imports would likely have significant suppressing or depressing effects on prices for the domestic like product and/or would likely gain market share at the expense of the domestic industry, if the orders were revoked.

## **E. Likely Impact**

### **1. Original Investigations and First Reviews**

In the original investigations, the Commission found that a number of the domestic industry's performance indicators improved between 2006 and 2007, but slowed or declined between 2007 and 2008, notwithstanding strong and increasing demand in the U.S. market.<sup>120</sup> Because the domestic industry was unable to raise prices sufficiently, it had substantial operating losses, negative net income, and negative cash flow throughout the POI.<sup>121</sup> By the end of the POI, cumulated subject imports began taking market share from the domestic industry, with significant adverse effects on the domestic industry's performance.<sup>122</sup>

The domestic industry's production and U.S. shipments increased over the POI but did so more slowly than growth in apparent U.S. consumption. Its end-of-period inventories declined over the POI, while its production capacity remained stable, and its capacity utilization levels improved over the POI.<sup>123</sup> Employment indicators were generally negative; the number of production-related jobs declined, hours worked and wage expenses fell, while average hourly wages increased by only 0.5 percent. Although the domestic industry's net sales increased over the POI, they did not increase proportionally to demand, so the domestic industry's market share declined from 2007 to 2008.<sup>124</sup>

The domestic industry experienced a cost-price squeeze as its price increases were not sufficient to cover the industry's increased unit cost of goods sold ("COGS"), or to prevent the industry from experiencing operating losses from 2006 to 2008. The domestic industry's operating income margin fluctuated, but was negative from 2006 to 2008, and its level of

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<sup>120</sup> *Original Determinations*, USITC Pub. 4076, at 32.

<sup>121</sup> *Original Determinations*, USITC Pub. 4076, at 32–33.

<sup>122</sup> *Original Determinations*, USITC Pub. 4076, at 33.

<sup>123</sup> *Original Determinations*, USITC Pub. 4076, at 33.

<sup>124</sup> *Original Determinations*, USITC Pub. 4076, at 34.

capital expenditures and research and development expenses were low.<sup>125</sup> The Commission concluded that cumulated subject imports had a significant adverse impact on the condition of the domestic industry, finding a causal nexus between the subject imports and the domestic industry's poor performance during the POI.<sup>126</sup>

In the first reviews, the Commission observed that the domestic industry's performance during the POR was much stronger than during the original investigations and that its market share fluctuated but was higher in every year of the POR than during the POI.<sup>127</sup> The domestic industry's capacity increased slightly over the POR while its capacity utilization and ratio of inventories to total shipments fluctuated but declined slightly overall. The domestic industry's U.S. shipments increased over the POR while its net sales fluctuated but increased overall.<sup>128</sup> The domestic industry registered an operating profit every year of the POR.<sup>129</sup>

The domestic industry's employment indicators generally improved over the POR; the number of production related workers, wages paid, and hours worked increased, although productivity declined.<sup>130</sup> Its research and development expenses and capital expenditures were significantly higher during the POR than during the original investigations.<sup>131</sup> While the domestic industry experienced declines in some performance indicators from 2012 to 2013, the Commission did not find the industry was in a vulnerable condition and attributed the overall improvement in its condition, in large part, to the discipline of the orders. The Commission found that if the orders were revoked, the likely significant volume of subject imports would likely result in significant adverse price effects or loss of market share for the domestic industry, in either case leading to a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. These reductions would then have a direct adverse impact on the industry's profitability, employment, and ability to raise capital and make and maintain necessary capital investments. Accordingly, the Commission found that

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<sup>125</sup> *Original Determinations*, USITC Pub. 4076, at 34.

<sup>126</sup> *Original Determinations*, USITC Pub. 4076, at 35. In its non-attribution analysis, the Commission stated that the presence of nonsubject imports did not undermine its finding on the significant adverse effects due to cumulated subject imports because nonsubject imports were priced higher than subject imports and were not taking sales from the domestic industry. *Id.*

<sup>127</sup> *Review Determinations*, USITC Pub. 4538, at 34–35.

<sup>128</sup> *Review Determinations*, USITC Pub. 4538, at 35–36.

<sup>129</sup> *Review Determinations*, USITC Pub. 4538, at 36.

<sup>130</sup> *Review Determinations*, USITC Pub. 4538, at 36.

<sup>131</sup> *Review Determinations*, USITC Pub. 4538, at 36–37.

if the orders were revoked, cumulated subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>132</sup>

## 2. The Current Reviews<sup>133</sup>

In the current reviews, the information available concerning the domestic industry's condition is based on data provided by the three domestic producers that jointly responded to the notice of institution. In 2019, the domestic producers' capacity was 555.3 million dry pounds, production was 474.5 million dry pounds, and capacity utilization was 85.4 percent.<sup>134</sup> Their U.S. shipments totaled 428.4 million dry pounds. Domestic producers reported an operating income of \$\*\*\* from net sales of \$323.5 million, resulting in an operating income margin of \*\*\* percent in 2019.<sup>135</sup> The domestic industry's market share was \*\*\* percent in 2019, lower than its \*\*\* percent share in 2013.<sup>136</sup> The limited evidence in these expedited reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury should the orders be revoked.

As discussed above, we have found that, upon revocation of the orders, subject import volume would likely be significant and subject imports would likely have significant adverse price effects. Based on the information on the record, we further find that the likely significant volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipment, sales, market share, employment, and revenues of the domestic industry. The likely declines in these factors would, in turn, likely have a direct adverse impact on the domestic industry's profitability.

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<sup>132</sup> *Review Determinations*, USITC Pub. 4538, at 37.

<sup>133</sup> The statute requires that we "consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement." 19 U.S.C. § 1675a(6). In its issues and decisions memorandum accompanying its expedited sunset review, Commerce identified two loan programs and four grant programs that fall within the definition of an export subsidy under Article 3.1 of the WTO Subsidies Agreement (which specifies certain types of subsidies that are prohibited). Commerce also found 54 programs that could be subsidies described in Article 6.1 of the Subsidies Agreement (which describes certain circumstances under which serious prejudice could be deemed to exist). In addition, Commerce determined one loan program, six income tax programs, one income tax credit program, four grant programs, and two LTAR and land programs to be countervailable on the basis of adverse facts available. *Issues and Decision Memorandum for the Expedited Second Sunset Review of the Countervailing Duty Order on Citric Acid and Certain Citrate Salts from the People's Republic of China*, (Aug. 27, 2020) at 10–14.

<sup>134</sup> CR/PR at Table I-3.

<sup>135</sup> CR/PR at Table I-3.

<sup>136</sup> CR/PR at Table I-5.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute likely injury from other factors to the subject imports. Nonsubject import volume rose from 2014 to 2015 before sharply declining in 2016 and then fluctuating around that lower level through 2019. Overall, nonsubject imports declined by \*\*\* percent over the POR.<sup>137</sup> Nonsubject imports accounted for \*\*\* percent share of apparent U.S. consumption in 2019.<sup>138</sup> While subject imports from Canada increased from 2016 to 2019 even with the antidumping duty order in place, there is only one producer of CACCS in Canada and its production capacity is smaller than that of the Chinese industry.<sup>139</sup>

Given the substitutability of imported and domestically produced CACCS, the importance of price in purchasing decisions, and the likely underselling by subject imports in the event of revocation of the orders, as well as the fact that the domestic industry supplies a majority of the U.S. market for CACCS, any likely increase in subject imports would likely take market share away, at least in part, from the domestic industry. Consequently, the subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports if the orders were revoked.

#### **IV. Conclusion**

For the reasons discussed above, we determine that revocation of the antidumping and countervailing duty orders on CACCS from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>137</sup> CR/PR at Table I-4. The sharpest decline in nonsubject imports occurred between 2015 and 2016, which can be largely attributed to a decline in imports of CACCS from Singapore, which fell from 1.4 billion dry pounds to zero dry pounds. CR/PR at Tables I-4 Note. Further, as noted above, imports from Belgium, Colombia, and Thailand were placed under the discipline of antidumping duty orders in mid-2018. *Citric Acid and Certain Citrate Salts from Belgium, Colombia, and Thailand*, Inv. Nos. 731-TA-1374-1376 (Final), USITC Pub. 4799 (July 2018).

<sup>138</sup> CR/PR at Tables I-4 and I-5. During the first reviews, nonsubject imports' market share increased from \*\*\* percent in 2011 to \*\*\* percent in 2013. CR/PR at C-1 (first reviews).

<sup>139</sup> CR/PR at Table I-4; *Review Determinations*, USITC Pub. 4538, at 16–17. We further note that the domestic interested parties withdrew their intent to participate in Commerce's five-year review with respect to Canada. As a result, in June 2020, Commerce revoked the antidumping duty order on CACCS from Canada and the Commission terminated its corresponding five-year review. See CR at I-1 n.3 and Response at 1 n.4.





# Information obtained in these reviews

## Background

On May 1, 2020, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews to determine whether revocation of antidumping and countervailing duty orders on citric acid and certain citrate salts (“CACCS”) from China and the antidumping duty order on CACCS from Canada would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2 3</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>4 5</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
May 1, 2020	Notice of initiation by Commerce (85 FR 25386, May 1, 2020)
May 1, 2020	Notice of institution by Commission (85 FR 25475, May 1, 2020)
June 24, 2020	Notice of Commerce’s revocation of antidumping duty order on Canada (85 FR 37626, June 23, 2020)
June 24, 2020	Notice of Commission’s termination of five year review of antidumping duty order on Canada (85 FR 44546, July 23, 2020)
August 4, 2020	Commission’s vote on adequacy
August 17, 2020	Commerce’s AD results of its expedited reviews
September 2, 2020	Commerce’s CVD results of its expedited reviews
December 18, 2020	Commission’s determinations and views

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> 85 FR 25475, May 1, 2020. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 85 FR 25386, May 1, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> The domestic interested parties withdrew their intent to participate in Commerce’s review with respect to Canada. Consequently, effective June 24, 2020, Commerce revoked the antidumping duty order on CACCS from Canada and the Commission terminated its corresponding five year review. 85 FR 37626, June 23, 2020; and 85 FR 44546, July 23, 2020.

<sup>4</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigations and subsequent full reviews are presented in app. C.

<sup>5</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

## Responses to the Commission’s notice of institution

### Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of the following entities: Archer Daniels Midland Company (“ADM”), Cargill, Incorporated (“Cargill”), and Tate & Lyle Ingredients Americas LLC (“Tate & Lyle”), domestic producers of CACCS (collectively referred to herein as “domestic interested parties”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

**Table I-1**  
**CACCS: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producers	3	100%

Note: The domestic interested parties reported that they were the only domestic producers of CACCS during 2019. Domestic interested parties’ response to the notice of institution, June 1, 2020, p. 29.

### Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from domestic interested parties ADM, Cargill, and Tate & Lyle. ADM, Cargill, and Tate & Lyle request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on CACCS.<sup>6</sup>

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<sup>6</sup> Domestic interested parties’ comments on adequacy, July 15, 2020, pp. 2-3.

## The original investigations and subsequent reviews

### The original investigations

The original investigations resulted from petitions filed on April 14, 2008 with Commerce and the Commission by ADM, Decatur, Illinois; Cargill, Wayzata, Minnesota; and Tate & Lyle, Decatur, Illinois.<sup>7</sup> On April 13, 2009, Commerce determined that imports of CACCS from Canada and China were being sold at less than fair value (“LTFV”) and subsidized by the Government of China.<sup>8</sup> The Commission determined on May 22, 2009, that the domestic industry was materially injured by reason of subsidized imports of CACCS from China and LTFV imports of CACCS from Canada and China.<sup>9</sup> On May 29, 2009, Commerce issued its antidumping and countervailing duty orders on subject imports of CACCS from China with the final weighted-average dumping margins ranging from 94.61 to 156.87 percent and net subsidy rates ranging from 3.60 to 118.95 percent.<sup>10</sup> Commerce also issued on May 29, 2009, its antidumping duty order on subject imports of CACCS from Canada with the final weighted-average dumping margin of 23.21 percent.<sup>11</sup>

### The first five-year reviews

On July 7, 2014, the Commission determined that it would conduct full reviews of the antidumping duty orders on CACCS from Canada and China and the countervailing duty order on the subject merchandise from China.<sup>12</sup> On August 6, 2014, Commerce determined that revocation of the antidumping and countervailing duty orders on CACCS from Canada and China would be likely to lead to continuation or recurrence of dumping and subsidization.<sup>13</sup> On June 11, 2015, the Commission determined that material injury would be likely to continue or recur

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<sup>7</sup> Citric Acid and Certain Citrate Salts from Canada and China, Inv. Nos. 701-TA-456 and 731-TA-1151-1152 (Final), USITC Publication 4076, May 2009 (“Original publication”), p. I-1.

<sup>8</sup> 74 FR 16843, 74 FR 16838, and 74 FR 16836, April 13, 2009.

<sup>9</sup> 74 FR 25771, May 29, 2009.

<sup>10</sup> 74 FR 25703 and 74 FR 25705, May 29, 2009.

<sup>11</sup> 74 FR 25703, May 29, 2009.

<sup>12</sup> 79 FR 42049, July 18, 2014. With respect to the antidumping duty order on CACCS from Canada, the Commission found the domestic group response and the respondent group response to its notice of institution were adequate and determined to conduct a full review. With respect to the antidumping and countervailing duty orders on CACCS from China, the Commission found that the domestic group response was adequate and that the respondent group was inadequate, but that circumstances warranted full reviews. *Ibid.*

<sup>13</sup> 79 FR 45763, August 6, 2014.

within a reasonably foreseeable time.<sup>14</sup> Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective June 24, 2015, Commerce issued a continuation of the antidumping and countervailing duty orders on CACCS from Canada and China.<sup>15</sup>

## Previous and related investigations

The Commission has conducted two previous import relief investigations on CACCS or similar merchandise. Table I-2 presents data on previous and related title VII investigations.

**Table I-2**  
**CACCS: Previous and related Commission proceedings**

Original investigation				Current Status
Date	Numbers	Countries	Outcome	
2000	731-TA-863	China	Negative	Negative Preliminary Determination
2018	731-TA-1374-1376	Belgium, Colombia, and Thailand	Affirmative	Ongoing

Note: "Date" refers to the year in which the investigation or review was instituted by the Commission.

Source: U.S. International Trade Commission publications and Federal Register notices.

## Commerce's five-year reviews

Commerce is conducting expedited reviews with respect to the orders on imports of CACCS from China and intends to issue the final results of these reviews based on the facts available not later than August 31, 2020.<sup>16</sup> Commerce's Issues and Decision Memoranda, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the orders, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memoranda can be accessed at <http://enforcement.trade.gov/frn/>. The Issues and Decision Memoranda will also include any decisions that may have been pending at the issuance of this report. Any foreign

<sup>14</sup> 80 FR 34693, June 17, 2015.

<sup>15</sup> 80 FR 36318, June 24, 2015.

<sup>16</sup> Letter from Shawn Thompson, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, June 22, 2020.

producers/exporters that are not currently subject to the antidumping and countervailing duty orders on imports of CACCS from China are noted in the sections titled “The original investigations” and “U.S. imports,” if applicable.

## **The product**

### **Commerce’s scope**

Commerce has defined the scope as follows:

*The scope of the orders include all grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type. The scope also includes blends of citric acid, sodium citrate, and potassium citrate; as well as blends with other ingredients, such as sugar, where the unblended form(s) of citric acid, sodium citrate, and potassium citrate constitute 40 percent or more, by weight, of the blend. The scope of the orders also include all forms of crude calcium citrate, including dicalcium citrate monohydrate, and tricalcium citrate tetrahydrate, which are intermediate products in the production of citric acid, sodium citrate, and potassium citrate. The scope of the orders do not include calcium citrate that satisfies the standards set forth in the United States Pharmacopeia and has been mixed with a functional excipient, such as dextrose or starch, where the excipient constitutes at least 2 percent, by weight, of the product. The scope of the orders include the hydrous and anhydrous forms of citric acid, the dihydrate and anhydrous forms of sodium citrate, otherwise known as citric acid sodium salt, and the monohydrate and monopotassium forms of potassium citrate. Sodium citrate also includes both trisodium citrate and monosodium citrate, which are also known as citric acid trisodium salt and citric acid monosodium salt, respectively.<sup>17</sup>*

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<sup>17</sup> 80 FR 36318, June 24, 2015.

## U.S. tariff treatment

CACCS is currently provided for in several HTS subheadings depending on the chemical composition. Citric acid and sodium citrate are provided for in eo nomine<sup>18</sup> subheadings 2918.14.00 and 2918.15.10 of the HTS, respectively, with column 1-general duty rates of 6.0 and 6.5 percent ad valorem. Potassium citrate is provided for in subheading 2918.15.50 with a column 1-general duty rate of 3.7 percent ad valorem. Crude calcium citrate and blends that include citric acid, sodium citrate, and potassium citrate are imported under statistical reporting number 3824.99.9297 with a column 1-general duty rate of 5.0 percent ad valorem. CACCS produced in China enters the U.S. market at the column 1-general duty rates. Effective September 24, 2018, CACCS produced in China is subject to an additional duty under Section 301 of the Trade Act of 1974. The additional duty provided for in subheading 9903.88.03 was 10 percent ad valorem from September 24, 2018, through December 31, 2018. On January 1, 2019, the additional duty increased to 25 percent ad valorem.<sup>19</sup> Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

## Description and uses<sup>20</sup>

The imported products subject to these reviews are citric acid and certain citrate salts, specifically sodium citrate, and potassium citrate; blends containing citric acid, sodium citrate and potassium citrate; and crude calcium citrate (“CCC”). Citric acid, sodium citrate, and potassium citrate are all available either in dry form or in solution. CCC is an intermediate form in the production of citric acid via the lime/sulfuric acid process. CCC can be shipped to another facility for further processing into refined citric acid. Petitioners argued in the original investigations that the products have only minor molecular differences which do not significantly alter their essential characteristics or uses.

Citric acid, sodium citrate, and potassium citrate are chemical products used in the production and formulation of a wide variety of foods, beverages, pharmaceuticals, and

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<sup>18</sup> Eo nomine HTS entries specify individual products by name rather than providing for a collection of products under a general category description.

<sup>19</sup> 83 FR 47974, September 21, 2018.

<sup>20</sup> Unless otherwise noted, this information is based on Citric Acid and Certain Citrate Salts from Canada and China, Investigation Nos. 701-TA-456 and 731-TA-1151-1152 (Review), USITC Publication 4538, June 2015 (“First review publication”), pp. I-16-I-17.

cosmetics as well as commercial and household products including detergents and metal cleaners, and in textile finishing treatments and other industrial applications.

The Chinese producers manufacture primarily citric acid. A witness in the original investigations stated that China's limited resources of the sodium and potassium compounds used to make the subject salts render Chinese-produced salts less competitive in the U.S. market.

### **Manufacturing process<sup>21</sup>**

Citric acid is produced in a two-stage process. In the first stage, sugars are fermented using a fermenting organism such as molds or yeasts. In the second stage, the crude citric acid is recovered and refined. Sodium citrate and potassium citrate are produced by reacting citric acid slurry with a solution containing certain sodium or potassium compounds (e.g., sodium hydroxide or potassium hydroxide).

The domestic producers stated in the original investigations that they produce sodium citrate and potassium citrate using some of the same equipment and workers that are used for citric acid.

Modern, large-scale production of citric acid is achieved through fermentation. The fermentation process involves the action of specific strains of organisms such as the *Aspergillus niger* mold or the *Candida lipolytica* or *Candida guilliermondii* yeast upon a substrate. Once the substrate is turned into glucose, it is fermented into crude citric acid by the organism. The yield of citric acid can be optimized through the careful control of fermentation conditions, such as temperature, acidity or alkalinity, dissolved air or oxygen, and the rate of stirring of the mixture. Each fermentation reaction is done in batch in large tanks which hold several thousand gallons and achieve a citric acid yield based on the weight of the sugar.

Producers ferment the substrate by one of three different methods: shallow pan, deep tank, or solid-state. Citric acid was originally produced using a shallow pan with a liquid surface culture technology, where microbial fermentation occurred on the surface of the liquid. Some smaller, older Chinese plants may still use this technology. Most modern production of citric acid uses a deep tank with a submerged culture process, where the reaction is constantly agitated or stirred with air in order to allow the organism to grow throughout the mixture. The domestic producers use only the deep tank method. The submerged culture process is favored due to the economics of increased yields, although reaction conditions must be more tightly controlled. According to the domestic producers, solid-state fermentation is used only in Japan.

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<sup>21</sup> Unless otherwise noted, this information is based on the First review publication, pp. I-17-I-19.

Cornstarch is the principal substrate in the United States and China. U.S. producers also use molasses. Some Chinese producers also use cassava, sweet potato, or wheat.

The second stage of production, recovery and refining, is normally performed by one of three common processes: the lime/sulfuric acid method, the solvent extraction method, or the ion exchange method. All three of these methods are compatible with either the shallow pan or deep tank fermentation processes.

In the lime/sulfuric acid refining process, calcium hydroxide (lime) is added to the fermentation broth to precipitate out calcium citrate slurry, the CCC that is also part of the scope. After calcium citrate is separated by filtration, it is washed to remove soluble impurities. The citrate is then mixed with sulfuric acid to produce a citric acid/charcoal slurry and gypsum (calcium sulfate). The citric acid is then purified through evaporation, crystallization, centrifugation, and drying. Most Chinese producers use this process.

The second common refining process is the solvent extraction method. This process does not involve the production of calcium citrate or gypsum. Instead, solvents separate the citric acid slurry from spent biomass. The subsequent steps of evaporation, crystallization, centrifugation, and drying are similar to those used in the lime/sulfuric acid process.

The third refining method, ion exchange, is a more recent development. In this method, the slurry is passed through a bed of polymer-based resin. Ionic mineral elements such as calcium and magnesium adhere to the resin, thus removing them from the citric acid slurry. The subsequent steps are similar to the other two processes.

All three refining methods produce citric acid that is dissolved in water. The temperature used for the crystallization process determines whether the anhydrous or hydrous form is produced.

Producers can either sell the citric acid or convert it into salts. U.S. producers make dihydrate sodium citrate and anhydrous sodium citrate by diverting some of the citric acid slurry to a line dedicated to citric salt production, where the slurry is reacted with sodium hydroxide or sodium carbonate.

Similarly, potassium citrate is produced by reacting citric acid slurry with potassium hydroxide or potassium carbonate.

The dry forms of CACCS are packaged in polyethylene-lined paper bags, typically holding 50 pounds or 25 kilograms. "Super sacks" containing 500 to 2,000 pounds are also used. When preferred in solution form, CACCS is shipped in drums, railcars, or tank trucks. Drums are usually 200 to 275 pounds.

Sodium citrate and potassium citrate can also be produced by some distributors that are known as "converters." Converters can either provide citric acid as purchased from the



manufacturer or blend the citric acid from the manufacturer with sodium hydroxide or potassium hydroxide to provide sodium citrate or potassium citrate, respectively.

CCC is an intermediate product of producers that use the lime/sulfuric acid refining method. During the original investigations, petitioners asserted, and respondents did not contradict them, that CCC has only one function – to be converted into citric acid. Petitioners stated in the original investigations that there is not a separate CCC market in the United States or anywhere else around the globe, but they have been aware of instances when CCC was shipped from one country to another for further processing. Although there are no known imports of CCC, petitioners stated in the original investigations that they included it in the scope of the petition to avoid circumvention.

## **The industry in the United States**

### **U.S. producers**

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from three firms, which accounted for all production of CACCS in the United States during 2008.<sup>22</sup> During the first five-year reviews, the Commission received U.S. producer questionnaires from three firms, which accounted for all production of CACCS in the United States during 2013.<sup>23</sup>

In response to the Commission's notice of institution in these current reviews, the domestic interested parties stated they were the only producers of CACCS in the United States during 2019.<sup>24</sup>

### **Recent developments**

Since the Commission's last five-year reviews, there have been no significant developments in the CACCS industry in the United States.

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<sup>22</sup> Original publication, p. I-3.

<sup>23</sup> First review publication, p. I-19.

<sup>24</sup> Domestic interested parties' response to the notice of institution, June 1, 2020, p. 29.

## U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.<sup>25</sup> Table I-3 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews.

**Table I-3**  
**CACCS: Trade and financial data submitted by U.S. producers, 2008, 2013, and 2019**

Item	2008	2013	2019
Capacity (1,000 dry pounds)	553,913	558,322	555,316
Production (1,000 dry pounds)	507,917	481,724	474,456
Capacity utilization (percent)	91.7	86.3	85.4
U.S. shipments:			
Quantity (1,000 dry pounds)	402,518	444,282	428,423
Value (\$1,000)	214,641	343,010	311,292
Unit value (dollars per dry pound)	0.53	0.77	0.73
Net sales (\$1,000)	271,708	372,986	323,453
COGS (\$1,000)	266,120	304,219	***
COGS/net sales (percent)	97.9	81.6	***
Gross profit (loss) (\$1,000)	5,588	68,767	***
SG&A expenses (\$1,000)	13,093	19,673	***
Operating income (loss) (\$1,000)	(7,505)	49,094	***
Operating income (loss)/net sales (percent)	(2.8)	13.2	***

Note: For a discussion of data coverage, please see "U.S. producers" section.

Source: For the years 2008 and 2013, data are compiled using data submitted in the Commission's original investigations and first five-year reviews. For the year 2019, data are compiled using data submitted by domestic interested parties. Domestic interested parties' supplemental response to the notice of institution, June 15, 2020, revised exh. 9.

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<sup>25</sup> Individual company trade and financial data are presented in app. B.

## **Definitions of the domestic like product and domestic industry**

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.<sup>26</sup>

In its original determinations and its full first five-year review determinations, the Commission defined one domestic like product consisting of citric acid (whether in crude form as calcium citrate or in finished form), sodium citrate, and potassium citrate in all chemical and physical forms and grades, and it defined the domestic industry as consisting of all domestic producers of citric acid and citrate salts.<sup>27</sup>

## **U.S. imports and apparent U.S. consumption**

### **U.S. importers**

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 31 firms, which accounted for all U.S. imports from Canada and 86.5 percent of U.S. imports of CACCS from China during 2008.<sup>28</sup> Import data presented in the original investigations are based on the questionnaire response of Jungbunzlauer Technology GmbH & Co. (“JBL”) for U.S. imports from Canada and official Commerce statistics for China and all other sources.<sup>29</sup>

During the first five-year reviews, the Commission received U.S. importer questionnaires from 19 firms, which accounted for \*\*\* percent of subject imports during 2013 (all U.S. imports of CACCS from Canada and \*\*\* percent of U.S. imports of CACCS from China).<sup>30</sup> Import data presented in the first reviews for CACCS are based on questionnaire responses for U.S. imports from Canada, proprietary Customs data for U.S. imports from China, and official import

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<sup>26</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>27</sup> Original publication, pp. 7-9, 11; First review publication, pp. 6-7; 85 FR 25475, May 1, 2020.

<sup>28</sup> Original publication, p. IV-1.

<sup>29</sup> Ibid.

<sup>30</sup> Investigation Nos. 701-TA-456 and 731-TA-1151-1152 (Review): Citric Acid and Certain Citrate Salts from Canada and China, INV-NN-024, April 30, 2015, (“First review confidential report”), p. IV-1.

statistics for U.S. imports all other sources.<sup>31</sup> Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission’s notice of institution, the domestic interested parties provided a list of over 200 potential U.S. importers of CACCS.<sup>32 33</sup>

## U.S. imports

Table I-4 presents the quantity, value, and unit value of U.S. imports from Canada and China as well as the other top sources of U.S. imports (shown in descending order of 2019 imports by quantity).

**Table I-4**  
**CACCS: U.S. imports, 2014-19**

Item	2014	2015	2016	2017	2018	2019
<b>Quantity (1,000 dry pounds)</b>						
China	85,706	80,884	7,226	8,567	15,912	11,246
Canada	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Thailand	83,769	95,070	106,905	149,506	113,460	122,982
Israel	27,737	25,062	20,272	17,635	28,140	27,140
All other sources	1,070,787	1,727,104	96,523	78,892	77,556	62,273
Subtotal	1,182,293	1,847,236	223,700	246,033	219,156	212,395
Total imports	***	***	***	***	***	***
<b>Landed, duty-paid value (\$1,000)</b>						
China	126,306	123,272	6,235	6,939	12,097	9,678
Canada	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Thailand	63,604	66,388	54,741	80,678	70,075	70,127
Israel	25,680	21,474	17,045	15,217	23,420	22,543
All other sources	1,182,526	1,416,666	65,285	59,271	75,377	50,418
Subtotal	1,271,810	1,504,528	137,071	155,166	168,872	143,088
Total imports	***	***	***	***	***	***
<b>Unit value (dollars per dry pound)</b>						
China	1.47	1.52	0.86	0.81	0.76	0.86
Canada	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Thailand	0.76	0.70	0.51	0.54	0.62	0.57
Israel	0.93	0.86	0.84	0.86	0.83	0.83
All other sources	1.10	0.82	0.68	0.75	0.97	0.81
Subtotal	1.08	0.81	0.61	0.63	0.77	0.67
Total imports	***	***	***	***	***	***

Notes continued on next page.

<sup>31</sup> First review publication, p. IV-1.

<sup>32</sup> Domestic interested parties’ response to the notice of institution, June 1, 2020, exh. 7.

<sup>33</sup> The list of possible U.S. importers submitted by domestic interested parties likely overstates the actual number of U.S. importers of CACCS because it includes duplicate entities and numerous freight forwarding and logistics firms. Ibid.

Note: Because of rounding, figure may not add to total shown.

Note: Effective June 24, 2020, Commerce revoked the antidumping duty order with respect to imports of CACCS from Canada and the Commission terminated its corresponding five year review. 85 FR 37626, June 23, 2020; and 85 FR 44546, July 23, 2020.

Note: The decrease in all other sources of imports between 2015 and 2016 can largely be attributed to the exit of imports of CACCS from Singapore from 1.3 billion dry pounds to 0 dry pounds.

Note: In light of quantity data suppression in official import statistics, import data for CACCS from Canada is based on proprietary Customs data. Data for imports of CACCS from Canada during December 2019 is unavailable.

Source: Proprietary Customs data for Canada and official Commerce statistics for all other sources using HTS statistical reporting numbers 2918.14.0000, 2918.15.1000, and 2918.15.5000, accessed June 1, 2020. HTS number 3824.90.9290 was also used in obtaining U.S. import statistics, however it was decommissioned in 2015.

## Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares.

**Table I-5**  
**CACCS: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares 2008, 2013, and 2019**

Item	2008	2013	2019
	<b>Quantity (1,000 dry pounds)</b>		
U.S. producers' U.S. shipments	402,518	444,282	428,423
U.S. imports from--			
China	193,727	***	11,246
Canada	***	***	***
Subtotal	***	***	***
All other sources	55,594	193,820	212,395
Total imports	***	***	***
Apparent U.S. consumption	***	***	***
	<b>Value (1,000 dollars)</b>		
U.S. producers' U.S. shipments	214,641	343,010	311,292
U.S. imports from--			
China	118,342	***	9,678
Canada	***	***	***
Subtotal	***	***	***
All other sources	41,058	157,556	143,088
Total imports	***	***	***
Apparent U.S. consumption	***	***	***
	<b>Share of consumption based on quantity (percent)</b>		
U.S. producer's share	***	***	***
U.S. imports from--			
China	***	***	***
Canada	***	***	***
Subtotal	***	***	***
All other sources	***	***	***
Total imports	***	***	***
	<b>Share of consumption based on value (percent)</b>		
U.S. producer's share	***	***	***
U.S. imports from--			
China	***	***	***
Canada	***	***	***
Subtotal	***	***	***
All other sources	***	***	***
Total imports	***	***	***

Notes continued on next page.

Note: For a discussion of data coverage, please see “U.S. producers” and “U.S. importers” sections

Note: U.S. imports from China and nonsubject countries during 2008 may be somewhat overstated. A small volume (approximately 7 percent) of such imports consist of citric acid in the monohydrate form, which is outside the scope of the reviews.

Note: Effective June 24, 2020, Commerce revoked the antidumping duty order with respect to imports of CACCS from Canada and the Commission terminated its corresponding five year review. 85 FR 37626, June 23, 2020; and 85 FR 44546, July 23, 2020.

Source: For the years 2008 and 2013, data are compiled using data submitted in the Commission’s original investigations and first five-year reviews. For the year 2019, U.S. producers’ U.S. shipments are compiled from the domestic interested parties’ response to the Commission’s notice of institution, U.S. imports from Canada are compiled using proprietary Customs data, and U.S. imports from all other sources are compiled using official Commerce statistics under HTS statistical reporting numbers 2918.14.0000, 2918.15.1000, and 2918.15.5000, accessed June 1, 2020. HTS number 3824.90.9290 was also used in obtaining U.S. import statistics, however it was decommissioned in 2015.

## The industry in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from 14 firms, which accounted for approximately 90 percent of CACCS exports from China to the United States during 2008.<sup>34</sup>

Although the Commission did not receive responses from any Chinese respondent interested parties in its first five-year reviews, the domestic interested parties provided a list of 16 possible producers of CACCS in China in that proceeding.<sup>35</sup>

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of 10 possible producers of CACCS in China.<sup>36</sup> Chinese capacity, at least 1,730,000 MT (3.8 billion dry pounds) in 2015, has continued to increase.<sup>37</sup> Information submitted by the domestic interested parties and public sources show that the ten largest citric acid producers in China have capacity of approximately 2,188,000 MT (4.8 billion dry pounds) in 2020.<sup>38</sup>

Table I-6 presents events in the Chinese industry since the last five-year reviews.

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<sup>34</sup> Original publication, p. VII-3.

<sup>35</sup> First review publication, p. IV-12.

<sup>36</sup> Domestic interested parties’ response to the notice of institution, June 1, 2020, pp. 29-30.

<sup>37</sup> \*\*\*.

<sup>38</sup> Domestic interested parties’ response to the notice of institution, June 1, 2020, exh. 2.

**Table I-6**  
**CACCS: Recent developments in the Chinese industry**

Item	Firm	Event
Expansion	Laiwu Taihe Biochemical	Increased capacity from 90,000 MT to 149,000 MT.
Expansion	RZBC Group	Increased capacity from 250,000 MT to 400,000 MT.
Expansion	Shandong Hongshide Chemical	Increased capacity from 40,000 MT to 60,000 MT.
Expansion	Shandong Juxian Hongde Citric Acid	Increased capacity from 50,000 MT to 160,000 MT.
Expansion	Weifang Ensign Industry	Increased capacity from 360,000 MT to 600,000 MT.

Note: 1 MT = 2,204.62 dry pounds.

Source: China Starch Industry Association, [http://www.siacn.org/index.php?optionid=1153&auto\\_id=33221](http://www.siacn.org/index.php?optionid=1153&auto_id=33221); Engineering Network, <https://www.engnet.us/cf.aspx/sha467>; Shandong Juxian Hongde Citric Acid Co., Ltd., <http://citric-acid.cn/about-us/>, accessed July 2, 2020.

Table I-7 presents export data for citric acid and salts and esters of citric acid, categories that includes CACCS and out-of-scope products, from China (by export destination in descending order of quantity for 2019).

**Table I-7**  
**Citric acid and salts and esters of citric acid: Exports from China, by destination, 2014-19**

Export Destination	Calendar year					
	2014	2015	2016	2017	2018	2019
	<b>Quantity (1,000 dry pounds)</b>					
India	158,314	164,656	199,317	186,882	202,922	224,094
Turkey	111,107	96,454	95,209	142,957	132,152	142,378
Japan	110,505	116,346	121,220	130,201	130,994	137,815
Mexico	90,166	100,224	120,160	124,247	135,593	135,323
Russia	76,938	75,450	56,116	97,862	110,556	122,322
Germany	82,396	83,953	93,954	85,363	107,768	105,250
Indonesia	93,472	84,649	93,345	96,064	94,962	103,205
Poland	49,292	53,867	78,215	90,982	88,778	82,240
Netherlands	80,524	76,031	98,821	57,858	76,877	79,888
South Korea	48,084	52,799	63,580	72,609	70,633	70,257
All other	1,156,521	1,208,758	1,190,801	1,318,751	1,396,666	1,363,681
Total	2,057,319	2,113,187	2,211,411	2,403,776	2,547,901	2,566,452

Notes continued on next page.

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



Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 2918.14 and 2918.15, accessed June 25, 2020. These data may be overstated as HTS subheading 2918.15 may contain products outside the scope of these reviews. These data do not include imports of CCC and citric acid blends that are provided for in HTS subheading 3824.99.

## **Antidumping or countervailing duty orders in third-country markets**

Antidumping duty orders covering imports of citric acid or citrate salts from China have been imposed in Brazil, Colombia, the European Union (EU), the Eurasian Economic Union (which includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia), India, and Thailand.<sup>39</sup> On October 17, 2017, the Brazilian Ministry of Economy published that the antidumping duty order on CACCS from China was extended for up to 5 years. The antidumping duty order imposes a specific duty ranging from a minimum of US\$ 835.32 per MT to a maximum of US\$ 861.52 per MT.<sup>40</sup>

In 2014, Colombia initiated antidumping investigations of citric acid and sodium citrate. The Colombian Ministry of Commerce, Industry and Tourism did not impose antidumping duties on citric acid, but it did impose them on sodium citrate from China effective March 20, 2015. The antidumping duty is the difference between the FOB price and the reference FOB price of US\$1.80 per kg. On March 22, 2018, Colombia concluded a review investigation and extended the antidumping duty order on sodium citrate from China for up to five years.<sup>41</sup>

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<sup>39</sup> Ukraine had an antidumping duty order on citric acid from China at the time of the last review but allowed it to expire on May 28, 2018. Global Trade Alert, "Ukraine: Termination of definitive antidumping duty on imports of citric acid from China," <https://www.globaltradealert.org/intervention/17104/anti-dumping/ukraine-termination-of-definitive-antidumping-duty-on-imports-of-citric-acid-from-china>, accessed July 8, 2020.

<sup>40</sup> Brazilian Ministry of the Economy, Executive Secretariat of the Foreign Trade Chamber (CAMEX), Resolution No. 82 of October 17, 2017, <http://www.camex.gov.br/component/content/article/resolucoes-camex-e-outros-normativos/58-resolucoes-da-camex/1934-resolucao-n-82-de-17-de-outubro-de-2017>.

<sup>41</sup> Global Trade Alert, "Colombia: Extension of definitive antidumping duty on imports of sodium citrate from China," <https://www.globaltradealert.org/intervention/19513/anti-dumping/colombia-extension-of-definitive-antidumping-duty-on-imports-of-sodium-citrate-from-%E2%80%A6>, accessed July 7, 2020.

The EU has imposed antidumping duties on citric acid and trisodium citrate dihydrate from China. The antidumping duties range from 6.6 percent to 42.7 percent ad valorem. The orders were extended in 2015 and are currently being reviewed.<sup>42</sup>

On April 10, 2015, the Eurasian Economic Commission imposed antidumping duties on citric acid from China ranging from 4.2 percent to 16.97 percent ad valorem. The salts and esters of citric acid are not covered by the antidumping duty order.<sup>43</sup>

India imposed antidumping duties on sodium citrate from China on May 20, 2015. The specific duty is US\$ 367.59 per MT.<sup>44</sup> On April 30, 2020, India issued its final findings on a review of this antidumping duty order, but it has not issued a notice to extend the order. The specific duties recommended in the review final findings range from US\$96.05 per MT to US\$ 152.78 per MT.<sup>45</sup>

Antidumping duties in Thailand on citric acid from China are 57.79 percent ad valorem. The current rate, established on January 20, 2014, is being evaluated in a review investigation.<sup>46</sup>

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<sup>42</sup> Council Regulation (EC) No 1193/2008 of December 1, 2008. Commission Implementing Regulation (EU) 2015/82 of January 21, 2015. Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of citric acid originating in the People's Republic of China (2020/C 18/03) of January 1, 2020. [https://trade.ec.europa.eu/tdi/case\\_history.cfm?id=2432&init=443](https://trade.ec.europa.eu/tdi/case_history.cfm?id=2432&init=443).

<sup>43</sup> Global Trade Alert, "Eurasian Economic Union: Imposition of definitive antidumping duty, related to investigation AD 15, on imports of citric acid from China," <https://www.globaltradealert.org/intervention/20529/anti-dumping/eurasian-economic-union-imposition-of-definitive-antidumping-duty-related-to-investigation-ad-15-on-imports-of-citric-acid-from-china>, accessed July 7, 2020.

<sup>44</sup> Global Trade Alert, "India: Definitive antidumping duty on imports of sodium citrate from China," <https://www.globaltradealert.org/intervention/18992/anti-dumping/india-definitive-antidumping-duty-on-imports-of-sodium-citrate-from-china>, accessed July 3, 2020.

<sup>45</sup> Notification, Final Findings, Case No: (SSR) 09/2019, Sunset Review Investigation concerning imports of "Sodium Citrate" from People's Republic of China, <http://www.dgtr.gov.in/anti-dumping-cases/sodium-citrate-originating-or-exported-china-pr>, accessed July 7, 2020.

<sup>46</sup> Global Trade Alert, "Thailand: Extension of antidumping duty on imports of citric acid from China," <https://www.globaltradealert.org/intervention/18373/anti-dumping/thailand-extension-of-antidumping-duty-on-imports-of-citric-acid-from-china>, accessed July 2, 2020.

## The global market

Table I-8 presents global export data for citric acid and salts and esters of citric acid, categories that include CACCS and out-of-scope products, (by source in descending order of quantity for 2019).

**Table I-8**  
**Citric acid and salts and esters of citric acid: Global exports by major sources, 2014-19**

Exporter	2014	2015	2016	2017	2018	2019
	<b>Quantity (1,000 dry pounds)</b>					
China	2,057,319	2,113,187	2,211,411	2,403,776	2,547,901	2,566,452
Belgium	48,485	41,962	39,060	43,038	289,758	280,523
Thailand	111,231	133,592	197,617	220,387	193,045	186,680
Germany	152,164	160,412	138,726	142,497	149,294	155,912
Netherlands	63,289	54,543	122,476	123,561	87,320	126,029
Colombia	63,848	61,858	68,426	55,912	51,901	65,878
United States	48,565	43,906	53,754	51,675	46,666	41,367
Poland	25,396	35,416	41,610	35,485	36,801	32,788
Slovenia	14,868	19,316	20,305	19,518	24,935	25,758
Ireland	29,642	27,639	29,665	27,727	23,234	19,657
All other	177,465	125,132	124,151	116,955	126,608	118,921
Total	2,792,273	2,816,963	3,047,200	3,240,533	3,577,462	3,619,965

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

Note: U.S. Census Bureau suppresses data from public U.S. import statistics relating to exports to the United States from Canada under the primary HTS subheading for citric acid (2918.14) due to confidentiality concerns. It is likely that Canadian export data are also suppressed for confidentiality concerns by Canada's statistical authority.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 2918.14 and 2918.15, accessed June 25, 2020 These data may be overstated as HTS subheading 2918.15 may contain products outside the scope of these reviews. These data do not include imports of CCC and citric acid blends that are provided for in HTS subheading 3824.99.



**APPENDIX A**

***FEDERAL REGISTER NOTICES***



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://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
85 FR 25386, May 1, 2020	<i>Initiation of Five-Year Sunset Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-05-01/pdf/2020-09330.pdf">https://www.govinfo.gov/content/pkg/FR-2020-05-01/pdf/2020-09330.pdf</a>
85 FR 25475, May 1, 2020	<i>Citric Acid and Certain Citrate Salts from Canada and China; Institution of Five-Year Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-05-01/pdf/2020-09288.pdf">https://www.govinfo.gov/content/pkg/FR-2020-05-01/pdf/2020-09288.pdf</a>
85 FR 37626, June 23, 2020	<i>Citric Acid and Certain Citrate Salts from Canada; Final Results of Sunset Review and Revocation of Order</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-06-23/pdf/2020-13269.pdf">https://www.govinfo.gov/content/pkg/FR-2020-06-23/pdf/2020-13269.pdf</a>
85 FR 44546 July 23, 2020	<i>Citric Acid and Certain Citrate Salts from Canada; Termination of Five-Year Review</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-07-23/pdf/2020-15927.pdf">https://www.govinfo.gov/content/pkg/FR-2020-07-23/pdf/2020-15927.pdf</a>





**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



\* \* \* \* \*



**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



**Table C-1**  
**Citric acid and certain citrate salts: Summary data concerning the U.S. market, 2006-2008**

(Quantity=1,000 dry pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound;  
period changes=percent, except where noted)

Item	Reported data			Period changes		
	2006	2007	2008	2006-08	2006-07	2007-08
U.S. consumption quantity:						
Amount . . . . .	***	***	***	***	***	***
Producers' share (1) . . . . .	***	***	***	***	***	***
Importers' share (1):						
Canada . . . . .	***	***	***	***	***	***
China . . . . .	***	***	***	***	***	***
Subtotal . . . . .	***	***	***	***	***	***
All other sources . . . . .	***	***	***	***	***	***
Total imports . . . . .	***	***	***	***	***	***
U.S. consumption value:						
Amount . . . . .	***	***	***	***	***	***
Producers' share (1) . . . . .	***	***	***	***	***	***
Importers' share (1):						
Canada . . . . .	***	***	***	***	***	***
China . . . . .	***	***	***	***	***	***
Subtotal . . . . .	***	***	***	***	***	***
All other sources . . . . .	***	***	***	***	***	***
Total imports . . . . .	***	***	***	***	***	***
U.S. imports from:						
Canada:						
Quantity . . . . .	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***
Ending inventory quantity . . .	***	***	***	***	***	***
China:						
Quantity . . . . .	158,906	180,108	193,727	21.9	13.3	7.6
Value . . . . .	65,542	76,571	118,342	80.6	16.8	54.6
Unit value . . . . .	\$0.41	\$0.43	\$0.61	48.1	3.1	43.7
Ending inventory quantity . . .	17,701	28,685	24,376	37.7	62.0	-15.0
Subtotal:						
Quantity . . . . .	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***
Ending inventory quantity . . .	***	***	***	***	***	***
All other sources:						
Quantity . . . . .	68,584	65,634	55,594	-18.9	-4.3	-15.3
Value . . . . .	39,174	38,802	41,058	4.8	-0.9	5.8
Unit value . . . . .	\$0.57	\$0.59	\$0.74	29.3	3.5	24.9
Ending inventory quantity . . .	***	***	***	***	***	***
All sources:						
Quantity . . . . .	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***
Ending inventory quantity . . .	***	***	***	***	***	***

Table continued on next page.

**Table C-1--Continued**

**Citric acid and certain citrate salts: Summary data concerning the U.S. market, 2006-2008**

(Quantity=1,000 dry pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound;  
period changes=percent, except where noted)

Item	Reported data			Period changes		
	2006	2007	2008	2006-08	2006-07	2007-08
U.S. producers':						
Average capacity quantity . . . .	553,913	553,913	553,913	0.0	0.0	0.0
Production quantity . . . . .	475,428	488,403	507,917	6.8	2.7	4.0
Capacity utilization (1) . . . . .	85.8	88.2	91.7	5.9	2.3	3.5
U.S. shipments:						
Quantity . . . . .	369,451	399,578	402,518	9.0	8.2	0.7
Value . . . . .	165,013	180,132	214,641	30.1	9.2	19.2
Unit value . . . . .	\$0.45	\$0.45	\$0.53	19.4	0.9	18.3
Export shipments:						
Quantity . . . . .	96,709	114,348	112,996	16.8	18.2	-1.2
Value . . . . .	41,042	47,381	57,541	40.2	15.4	21.4
Unit value . . . . .	\$0.42	\$0.41	\$0.51	20.0	-2.4	22.9
Ending inventory quantity . . . .	77,606	52,316	44,638	-42.5	-32.6	-14.7
Inventories/total shipments (1)	16.6	10.2	8.7	-8.0	-6.5	-1.5
Production workers . . . . .	306	300	292	-4.6	-2.0	-2.7
Hours worked (1,000s) . . . . .	701	687	669	-4.5	-1.9	-2.6
Wages paid (\$1,000) . . . . .	22,656	21,781	21,751	-4.0	-3.9	-0.1
Hourly wages . . . . .	\$32.34	\$31.70	\$32.50	0.5	-2.0	2.5
Productivity (pounds per hour)	678.6	710.8	758.9	11.8	4.7	6.8
Unit labor costs . . . . .	\$0.05	\$0.04	\$0.04	-10.1	-6.4	-4.0
Net sales:						
Quantity . . . . .	466,160	513,924	515,514	10.6	10.2	0.3
Value . . . . .	205,773	226,909	271,708	32.0	10.3	19.7
Unit value . . . . .	\$0.44	\$0.44	\$0.53	19.4	0.0	19.4
Cost of goods sold (COGS) . .	202,849	235,123	266,120	31.2	15.9	13.2
Gross profit or (loss) . . . . .	2,924	(8,214)	5,588	91.1	(2)	(2)
SG&A expenses . . . . .	13,653	13,420	13,093	-4.1	-1.7	-2.4
Operating income or (loss) . . .	(10,729)	(21,634)	(7,505)	30.0	-101.6	65.3
Capital expenditures . . . . .	6,534	7,746	5,537	-15.3	18.5	-28.5
Unit COGS . . . . .	\$0.44	\$0.46	\$0.52	18.6	5.1	12.8
Unit SG&A expenses . . . . .	\$0.03	\$0.03	\$0.03	-13.3	-10.8	-2.7
Unit operating income or (loss)	(\$0.02)	(\$0.04)	(\$0.01)	36.7	-82.9	65.4
COGS/sales (1) . . . . .	98.6	103.6	97.9	-0.6	5.0	-5.7
Operating income or (loss)/ sales (1) . . . . .	(5.2)	(9.5)	(2.8)	2.5	-4.3	6.8

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Undefined.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.



**Table C-2**

**Citric acid: Summary data concerning the U.S. market, 2006-2008**

\* \* \* \* \*

**Table C-3**

**Sodium citrate: Summary data concerning the U.S. market, 2006-2008**

\* \* \* \* \*

**Table C-4**

**Potassium citrate: Summary data concerning the U.S. market, 2006-2008**

\* \* \* \* \*

Table C-1

## CACCS: Summary data concerning the U.S. market, 2009-13, January-September 2013, and January-September 2014

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

	Reported data						
	2009	2010	Calendar year 2011	2012	2013	January to September 2013	2014
U.S. consumption quantity:							
Amount.....	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***
Importers' share (fn1):							
Canada.....	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***	***
U.S. consumption value:							
Amount.....	***	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***	***
Importers' share (fn1):							
Canada.....	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***	***
U.S. imports from:							
Canada:							
Quantity.....	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***
China:							
Quantity.....	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***
Subject sources:							
Quantity.....	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***
All other sources:							
Quantity.....	130,991	202,985	168,210	173,889	193,820	150,112	152,407
Value.....	122,040	168,191	147,607	148,710	157,556	123,017	115,872
Unit value.....	\$0.93	\$0.83	\$0.88	\$0.86	\$0.81	\$0.82	\$0.76
Ending inventory quantity.....	14,261	11,947	10,316	10,687	11,993	14,396	19,722
Total imports:							
Quantity.....	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***	***
U.S. producers':							
Average capacity quantity.....	541,913	541,913	541,913	553,913	558,322	418,742	418,742
Production quantity.....	497,356	432,229	476,839	522,452	481,724	364,298	370,790
Capacity utilization (fn1).....	91.8	79.8	88.0	94.3	86.3	87.0	88.5
U.S. shipments:							
Quantity.....	392,290	403,796	470,746	460,167	444,282	342,483	367,705
Value.....	327,478	324,663	366,468	360,348	343,010	267,086	256,493
Unit value.....	\$0.83	\$0.80	\$0.78	\$0.78	\$0.77	\$0.78	\$0.70
Export shipments:							
Quantity.....	55,801	43,849	37,418	36,374	35,516	28,096	21,595
Value.....	50,322	34,295	28,793	28,977	29,976	23,761	17,446
Unit value.....	\$0.90	\$0.78	\$0.77	\$0.80	\$0.84	\$0.85	\$0.81
Ending inventory quantity.....	***	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***	***
Hourly wages.....	***	***	***	***	***	***	***
Productivity (dry pounds per hour).....	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***
Net sales:							
Quantity.....	448,092	447,644	508,163	496,540	479,798	370,580	389,301
Value.....	377,801	358,958	395,262	389,326	372,986	290,848	273,939
Unit value.....	\$0.84	\$0.80	\$0.78	\$0.78	\$0.78	\$0.78	\$0.70
Cost of goods sold (COGS).....	265,835	251,424	299,220	288,953	304,219	239,504	222,219
Gross profit or (loss).....	111,966	107,534	96,042	100,373	68,767	51,344	51,720
SG&A expenses.....	14,302	14,747	16,797	17,386	19,673	14,439	13,939
Operating income or (loss).....	97,664	92,787	79,245	82,987	49,094	36,905	37,781
Capital expenditures.....	***	***	***	***	***	***	***
Unit COGS.....	\$0.59	\$0.56	\$0.59	\$0.58	\$0.63	\$0.65	\$0.57
Unit SG&A expenses.....	\$0.03	\$0.03	\$0.03	\$0.04	\$0.04	\$0.04	\$0.04
Unit operating income or (loss).....	\$0.22	\$0.21	\$0.16	\$0.17	\$0.10	\$0.10	\$0.10
COGS/sales (fn1).....	70.4	70.0	75.7	74.2	81.6	82.3	81.1
Operating income or (loss)/sales (fn1).....	25.9	25.8	20.0	21.3	13.2	12.7	13.8

Table continued next page.

Table C-1--Continued

CACCS: Summary data concerning the U.S. market, 2009-13, January-September 2013, and January-September 2014

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

	Period changes					
	2009-13	Calendar year 2009-10	2010-11	2011-12	2012-13	Jan-Sept 2013-14
U.S. consumption quantity:						
Amount.....	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***
Importers' share (fn1):						
Canada.....	***	***	***	***	***	***
China.....	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***
U.S. consumption value:						
Amount.....	***	***	***	***	***	***
Producers' share (fn1).....	***	***	***	***	***	***
Importers' share (fn1):						
Canada.....	***	***	***	***	***	***
China.....	***	***	***	***	***	***
Subject sources.....	***	***	***	***	***	***
All others sources.....	***	***	***	***	***	***
Total imports.....	***	***	***	***	***	***
U.S. imports from:						
Canada						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
China						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
Subject sources:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
All other sources:						
Quantity.....	48.0	55.0	(17.1)	3.4	11.5	1.5
Value.....	29.1	37.8	(12.2)	0.7	5.9	(5.8)
Unit value.....	(12.7)	(11.1)	5.9	(2.5)	(4.9)	(7.2)
Ending inventory quantity.....	(15.9)	(16.2)	(13.7)	3.6	12.2	37.0
Total imports:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
U.S. producers':						
Average capacity quantity.....	3.0	0.0	0.0	2.2	0.8	0.0
Production quantity.....	(3.1)	(13.1)	10.3	9.6	(7.8)	1.8
Capacity utilization (fn1).....	(5.5)	(12.0)	8.2	6.3	(8.0)	1.6
U.S. shipments:						
Quantity.....	13.3	2.9	16.6	(2.2)	(3.5)	7.4
Value.....	4.7	(0.9)	12.9	(1.7)	(4.8)	(4.0)
Unit value.....	(7.5)	(3.7)	(3.2)	0.6	(1.4)	(10.6)
Export shipments:						
Quantity.....	(36.4)	(21.4)	(14.7)	(2.8)	(2.4)	(23.1)
Value.....	(40.4)	(31.8)	(16.0)	0.6	3.4	(26.6)
Unit value.....	(6.4)	(13.3)	(1.6)	3.5	5.9	(4.5)
Ending inventory quantity.....	***	***	***	***	***	***
Inventories/total shipments (fn1).....	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***
Wages paid (\$1,000).....	***	***	***	***	***	***
Hourly wages.....	***	***	***	***	***	***
Productivity (dry pounds per hour).....	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***
Net sales:						
Quantity.....	7.1	(0.1)	13.5	(2.3)	(3.4)	5.1
Value.....	(1.3)	(5.0)	10.1	(1.5)	(4.2)	(5.8)
Unit value.....	(7.8)	(4.9)	(3.0)	0.8	(0.9)	(10.3)
Cost of goods sold (COGS).....	14.4	(5.4)	19.0	(3.4)	5.3	(7.2)
Gross profit or (loss).....	(38.6)	(4.0)	(10.7)	4.5	(31.5)	0.7
SG&A expenses.....	37.6	3.1	13.9	3.5	13.2	(3.5)
Operating income or (loss).....	(49.7)	(5.0)	(14.6)	4.7	(40.8)	2.4
Capital expenditures.....	***	***	***	***	***	***
Unit COGS.....	6.9	(5.3)	4.8	(1.2)	9.0	(11.7)
Unit SG&A expenses.....	28.5	3.2	0.3	5.9	17.1	(8.1)
Unit operating income or (loss).....	(53.1)	(4.9)	(24.8)	7.2	(38.8)	(2.5)
COGS/sales (fn1).....	11.2	(0.3)	5.7	(1.5)	7.3	(1.2)
Operating income or (loss)/sales (fn1).....	(12.7)	(0.0)	(5.8)	1.3	(8.2)	1.1

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

fn2.--Undefined.



**APPENDIX D**

**PURCHASER QUESTIONNAIRE RESPONSES**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following five firms as the top purchasers of citric acid and certain citrate salts: \*\*\*. Purchaser questionnaires were sent to these five firms and three firms \*\*\* provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for citric acid and certain citrate salts that have occurred in the United States or in the market for citric acid and certain citrate salts in Canada and China since January 1, 2014?

<b>Purchaser</b>	<b>Yes / No</b>	<b>Changes that have occurred</b>
***	***	***
***	***	***
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for citric acid and certain citrate salts in the United States or in the market for citric acid and certain citrate salts in Canada and China within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Yes / No</b>	<b>Changes that have occurred</b>
***	***	***
***	***	***
***	***	***

