

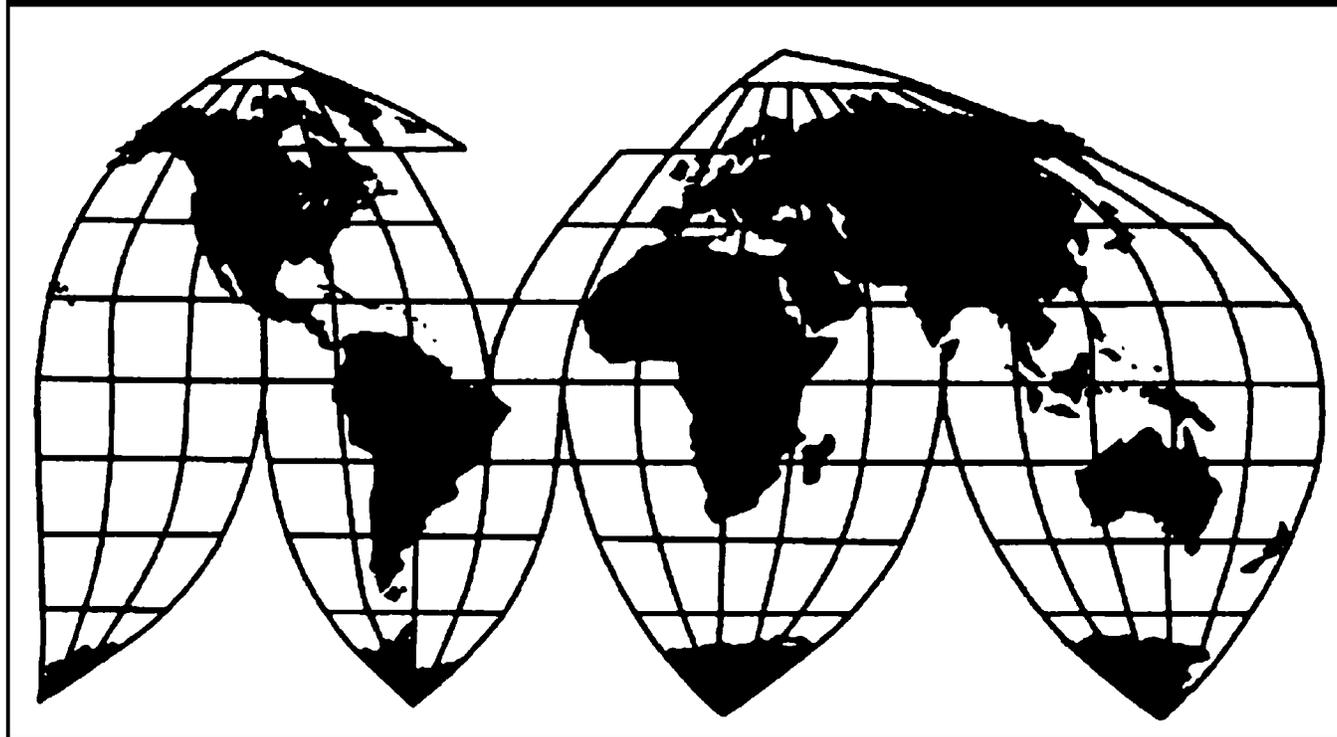
Potassium Phosphate Salts from China

Investigation Nos. 701-TA-473 and 731-TA-1173 (Second Review)

Publication 5208

June 2021

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Jason E. Kearns, Chair
Randolph J. Stayin, Vice Chair
David S. Johanson
Rhonda K. Schmidlein
Amy A. Karpel

Catherine DeFilippo
Director of Operations

Staff assigned

Julie Duffy, Investigator
Christopher S. Robinson, Industry Analyst
Pamela Davis, Economist
John Henderson, Attorney
Elizabeth Haines, Supervisory Investigator

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

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Potassium Phosphate Salts from China

Investigation Nos. 701-TA-473 and 731-TA-1173 (Second Review)

Publication 5208



June 2021

CONTENTS

	Page
Determinations	1
Views of the Commission	3
Information obtained in these reviews	I-1
Background	I-1
Responses to the Commission’s notice of institution.....	I-2
Individual responses	I-2
Party comments on adequacy	I-3
The original investigations and subsequent reviews	I-3
The original investigations	I-3
The first five-year reviews.....	I-4
Previous and related investigations.....	I-4
Commerce’s five-year reviews.....	I-5
The product.....	I-6
Commerce’s scope	I-6
U.S. tariff treatment.....	I-7
Description and uses.....	I-7
Manufacturing process	I-8
The industry in the United States	I-9
U.S. producers.....	I-9
Recent developments	I-9
U.S. producers’ trade and financial data	I-10
Definitions of the domestic like product and domestic industry	I-12
U.S. imports and apparent U.S. consumption	I-13
U.S. importers	I-13
U.S. imports	I-13
Apparent U.S. consumption and market shares.....	I-16
The industry in China	I-18
Antidumping or countervailing duty orders in third-country markets.....	I-20
The global market	I-20

Appendixes

A.	<i>Federal Register</i> notices.....	A-1
B.	Company-specific data.....	B-1
C.	Summary data compiled in prior proceedings.....	C-1
D.	Purchaser questionnaire responses.....	D-1

Note: Information that would reveal confidential operations of individual concerns may not be published.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-473 and 731-TA-1173 (Second Review)

Potassium Phosphate Salts from China

DETERMINATION

On the basis of the record¹ 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 duty order and antidumping duty order on potassium phosphate salts from China would be likely to lead to continuation or recurrence of material injury to U.S. industries producing dipotassium phosphate and tetrapotassium pyrophosphate within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on November 2, 2020 (85 FR 69352, November 2, 2020) and determined on February 5, 2021 that it would conduct expedited reviews (86 FR 29288, June 1, 2021).

¹ 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 potassium phosphate salts (“phosphate salts”) from China would be likely to lead to continuation or recurrence of material injury to U.S. industries producing dipotassium phosphate (“DKP”) and tetrapotassium pyrophosphate (“TKPP”) within a reasonably foreseeable time.

I. Background

Original Determinations. The Commission instituted the original investigations of phosphate salts from China based on petitions filed by ICL Performance Products LP (“ICL”) and Prayon, Inc. (“Prayon”) on September 24, 2009. The Commission issued its final determinations in July 2010. In its final determinations, the Commission found three domestic like products: (1) DKP; (2) TKPP; and (3) monopotassium phosphates (“MKP”). The Commission determined that domestic industries in the United States producing DKP and TKPP were materially injured by reason of dumped and subsidized imports of phosphate salts from China, and determined that subject imports of MKP from China did not materially injure or threaten material injury to a domestic industry.¹ On July 22, 2010, the Department of Commerce issued antidumping and countervailing duty orders on imports of certain phosphate salts from China.²

The First Reviews. The Commission instituted the first five-year reviews on June 1, 2015.³ The Commission received a joint response to the notice of institution from ICL and Prayon. The Commission did not receive a response to the notice of institution from any respondent interested party. On September 4, 2015, the Commission determined that the domestic interested party group response to its notice of institution was adequate.⁴ In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant full reviews, the Commission determined that it would

¹ *Certain Potassium Phosphate Salts From China*, Inv. Nos. 701-TA-473 and 731-TA-1173 (Final), USITC Pub. 4171 (July 2010) (“*Original Determinations*, USITC Pub. 4171”).

² *Certain Potassium Phosphate Salts From the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 Fed. Reg. 42682 (July 22, 2010); *Certain Potassium Phosphate Salts From the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 75 Fed. Reg. 42683 (July 22, 2010).

³ *Certain Potassium Phosphate Salts From China; Institution of Five-Year Reviews*, 80 Fed. Reg. 31068 (June 1, 2015).

⁴ *Potassium Phosphate Salts From China; Scheduling of Expedited Five-Year Reviews*, 80 Fed. Reg. 57204 (Sept. 22, 2015).

conduct expedited reviews of the orders.⁵ On December 4, 2015, the Commission determined that revocation of the antidumping and countervailing duty orders on certain potassium phosphate salts from China would be likely to lead to continuation or recurrence of material injury to U.S. industries producing DKP and TKPP within a reasonably foreseeable time.⁶ Commerce issued notices of continuation of the antidumping and countervailing duty orders on imports of potassium phosphate salts from China, effective December 21, 2015.⁷

The Current Reviews. The Commission instituted these second five-year reviews on November 2, 2020.⁸ The Commission received a joint response to the notice of institution from ICL and Prayon (collectively “domestic interested parties”). The Commission did not receive a response to the notice of institution from any respondent interested party. On February 5, 2021, the Commission determined that the domestic interested party group response to its notice of institution was adequate.⁹ In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant full reviews, the Commission determined that it would conduct expedited reviews of the orders.¹⁰ Domestic interested parties submitted comments supporting affirmative determinations pursuant to Commission rule 207.62(d)(1).

Data/Response Coverage. U.S. industry data are based on information submitted by ICL and Prayon. ICL estimates that it accounted for *** percent of U.S. DKP production and *** percent of U.S. TKPP production in 2019, while Prayon estimates that it accounted for *** percent of U.S. TKPP production in 2019.¹¹ U.S. import data are based on a combination of questionnaire data from the original investigations for 2007-2009, official import statistics for 2010-2014 from the first reviews, and official import statistics for 2015-2019.¹² Foreign

⁵ *Potassium Phosphate Salts From China; Scheduling of Expedited Five-Year Reviews*, 80 Fed. Reg. 57204 (Sept. 22, 2015).

⁶ *Potassium Phosphate Salts from China*, 80 Fed. Reg. 76708 (Dec. 10, 2015).

⁷ *Certain Potassium Phosphate Salts from the People’s Republic of China: Continuation of Antidumping Duty Order and Countervailing Duty Order*, 80 Fed. Reg. 79305 (Dec. 21, 2015).

⁸ *Potassium Phosphate Salts from China; Institution of Five-Year Reviews*, 85 Fed. Reg. 69352 (Nov. 2, 2020).

⁹ *Potassium Phosphate Salts From China; Scheduling of Expedited Five-Year Reviews*, 86 Fed. Reg. 29288 (June 1, 2021).

¹⁰ *Potassium Phosphate Salts from China; Scheduling of Expedited Five-Year Reviews*, 86 Fed. Reg. 29288 (June 1, 2021). The Commission also determined that the reviews were extraordinarily complicated and exercised its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. § 1675(c)(5)(B). *Id.* at 29289.

¹¹ Confidential Report (“CR”) at I-2, Table I-1; Public Report (“PR”) at I-2, Table I-1.

¹² CR/PR at I-13 to I-15, Tables I-4 to I-5. According to domestic interested parties, official import statistics under the HTS statistical reporting number encompassing DKP also include substantial quantities of out-of-scope merchandise. CR/PR at I-14 note; Domestic Interested Parties’ Final Comments, June 3, 2021, at 2.

industry data and related information are based on information from the original investigations and first reviews, and information reported by domestic interested parties in these reviews.¹³ The Commission received one response to the adequacy phase questionnaire from a U.S. purchaser of potassium phosphate salts.¹⁴

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.”¹⁵ 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.”¹⁶ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.¹⁷

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

The products covered by the Order include anhydrous Dipotassium Phosphate (DKP) and Tetrapotassium Pyrophosphate (TKPP), whether anhydrous or in solution (collectively “phosphate salts”).

TKPP, also known as normal potassium pyrophosphate, Diphosphoric acid or Tetrapotassium salt, is a potassium salt with the formula $K_4P_2O_7$. The CAS registry number for TKPP is 7320–34–5. TKPP is typically 18.7 percent phosphorus and 47.3 percent potassium. It is generally greater than or equal to 43.0 percent P_2O_5 content. TKPP is classified under subheading 2835.39.1000 of the Harmonized Tariff Schedule of the United States (HTSUS).

¹³ CR/PR at I-18 to I-20, Tables I-8 to I-9.

¹⁴ CR/PR at D-3.

¹⁵ 19 U.S.C. § 1677(4)(A).

¹⁶ 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. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *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, 96th Cong., 1st Sess. 90-91 (1979).

¹⁷ 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).

DKP, also known as Dipotassium salt, Dipotassium hydrogen orthophosphate or Potassium phosphate, dibasic, has a chemical formula of K_2HPO_4 . The CAS registry number for DKP is 7758–11–4. DKP is typically 17.8 percent phosphorus, 44.8 percent potassium and 40 percent P_2O_5 content. DKP is classified under subheading 2835.24.0000 HTSUS.

The products covered by the Order include the foregoing phosphate salts in all grades, whether food grade or technical grade. The products covered by the Order also include anhydrous DKP without regard to the physical form, whether crushed, granule, powder or fines. Also covered are all forms of TKPP, whether crushed, granule, powder, fines or solution.

For purposes of the Order, the narrative description is dispositive, and not the tariff heading, American Chemical Society, CAS registry number or CAS name, or the specific percentage chemical composition identified above.¹⁸

This scope definition is unchanged from Commerce's scope definition of the orders following the original investigations.¹⁹

DKP and TKPP are among the potassium salts of phosphoric acid, also known as potassium phosphates. DKP and TKPP are sold primarily as either technical or food grade. DKP and TKPP have different primary applications. DKP is generally used in dairy products, non-dairy creamers, baked goods, and meat processing, often as an emulsifier to prevent coagulation and reduce acidity. TKPP is generally used in liquid cleaning products and in potable and industrial water treatment to prevent corrosion. TKPP is also used in metal cleaners and metal surface treatment and in the manufacture of latex paints to maintain suspension stability.²⁰

Original Investigations. In the preliminary phase of the original investigations, the Commission defined four separate domestic like products: DKP, TKPP, MKP, and sodium

¹⁸ *Certain Potassium Phosphate Salts From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 86 Fed. Reg. 13311, 13312 (March 8, 2021); see *Certain Potassium Phosphate Salts From the People's Republic of China: Final Results of the Expedited Second Five-Year Sunset Review of the Countervailing Duty Order*, 86 Fed. Reg. 13314, 13315 (March 8, 2021).

¹⁹ See *Certain Potassium Phosphate Salts From the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 Fed. Reg. 42682 (July 22, 2010); *Certain Potassium Phosphate Salts From the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 75 Fed. Reg. 42683 (July 22, 2010).

²⁰ CR/PR at I-7 to I-8.

tripolyphosphate (“STPP”). The Commission found that the four products were different chemical compounds with distinct chemical formulas and physical characteristics, and typically had different end uses with minimal overlap.²¹ In its preliminary determinations, the Commission made affirmative determinations with respect to imports of DKP, TKPP, and MKP, but made negative determinations with respect to imports of STPP.²²

In the final phase of the original investigations, the Commission defined three separate domestic like products: DKP, TKPP, and MKP, finding that each product had different properties and physical characteristics, performed different functions and served different end uses, were not interchangeable, and were perceived as separate products. The Commission noted that the three products shared common manufacturing facilities, certain processes, and employees, and were arguably priced at comparable levels, and that there was some overlap in channels of distribution. However, it concluded that DKP, TKPP, and MKPP were separate domestic like products, for the reasons noted in the preliminary determinations, and in the absence of argument to the contrary.²³ In its final determinations, the Commission made affirmative determinations with respect to imports of DKP and TKPP, but made negative determinations with respect to imports of MKP.²⁴

First Reviews. In the expedited first five-year reviews, the Commission continued to define DKP and TKPP as separate domestic like products. The Commission found that the record of the reviews contained no new information that suggested any reason to revisit the Commission’s prior domestic like product definitions, noting that domestic interested parties indicated that they agreed with the Commission’s definition of the domestic like product in the original investigations.²⁵

The Current Reviews. In their response to the notice of institution, domestic interested parties agreed with the definition of the domestic like product adopted in the original investigations.²⁶ The record indicates that the characteristics and uses of DKP and TKPP have not changed since the original investigations or first reviews.²⁷ We thus define two domestic like products, consisting of DKP and TKPP within the scope of these reviews, for the same reasons articulated in the original determinations and first reviews.

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

²¹ *Certain Sodium and Potassium Phosphate Salts from China*, Inv. 701-TA-473 and 731-TA-1173 (Preliminary), USITC Pub. 4110 at 6-11 (Nov. 2009) (“*Preliminary Determinations*”).

²² *Preliminary Determinations*, USITC Pub. 4110 at 3.

²³ *Original Determinations*, USITC Pub. 4171 at 6-7.

²⁴ *Original Determinations*, USITC Pub. 4171 at 3.

²⁵ *First Reviews*, USITC Pub. 4584 at 4-6.

²⁶ Domestic Interested Parties’ Response to the Commission’s Notice of Institution (“Substantive Response”), December 2, 2020, at 25-26.

²⁷ See generally CR/PR at I-6 to I-8.

of a domestic like product constitutes a major proportion of the total domestic production of the product.”²⁸ 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.

DKP. In the original investigations, the Commission defined the pertinent domestic industry to include all domestic producers of DKP.²⁹ No U.S. producer of DKP was a related party.³⁰ In the expedited first reviews, domestic interested parties indicated that they agreed with the Commission’s definition of the domestic industry in the original investigations, there were no related party issues pertaining to DKP, and the Commission consequently found the domestic DKP industry to include all U.S. producers of DKP.³¹ In these reviews, domestic interested parties state that they agree with the Commission’s definition of the domestic industry in the original investigations.³² There are no related party issues pertaining to DKP.³³ We consequently define the domestic DKP industry to include all U.S. producers of DKP.

TKPP. In the original investigations, the Commission defined the pertinent domestic industry to include all domestic producers of TKPP.³⁴ No U.S. producer of TKPP was a related party.³⁵ In the expedited first reviews, domestic interested parties indicated that they agreed with the Commission’s definition of the domestic industry in the original investigations, there were no related party issues pertaining to TKPP, and the Commission consequently found the domestic TKPP industry to include all U.S. producers of TKPP.³⁶ In these reviews, domestic interested parties state that they agree with the Commission’s definition of the domestic industry in the original investigations.³⁷ There are no related party issues pertaining to TKPP.³⁸ We consequently define the domestic TKPP industry to include all U.S. producers of TKPP.

²⁸ 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.

²⁹ *Original Determinations*, USITC Pub. 4171 at 7.

³⁰ *Original Determinations*, USITC Pub. 4171 at 7.

³¹ *First Reviews*, USITC Pub. 4584 at 6-7.

³² Domestic Interested Parties’ Substantive Response, December 2, 2020, at 25-26.

³³ Domestic Interested Parties’ Substantive Response, December 2, 2020, at 23.

³⁴ *Original Determinations*, USITC Pub. 4171 at 7.

³⁵ *Original Determinations*, USITC Pub. 4171 at 7.

³⁶ *First Reviews*, USITC Pub. 4584 at 7.

³⁷ Domestic Interested Parties’ Substantive Response, December 2, 2020, at 25-26.

³⁸ Domestic Interested Parties’ Substantive Response, December 2, 2020, at 23.

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.”³⁹ The SAA states that “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.”⁴⁰ Thus, the likelihood standard is prospective in nature.⁴¹ 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.⁴²

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.”⁴³ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but

³⁹ 19 U.S.C. § 1675a(a).

⁴⁰ SAA at 883-84. 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.

⁴¹ 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.

⁴² 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’”).

⁴³ 19 U.S.C. § 1675a(a)(5).

normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁴⁴

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 imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁴⁵ 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).⁴⁶ 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.⁴⁷

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.⁴⁸ 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.⁴⁹

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

⁴⁴ 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.*

⁴⁵ 19 U.S.C. § 1675a(a)(1).

⁴⁶ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings with respect to the antidumping duty order. See Department of Commerce memorandum from James Maeder to Christian Marsh, *Issues and Decision Memorandum for the Final Results of the Expedited Second Review of the Antidumping Duty Order on Certain Potassium Phosphate Salts from the People’s Republic of China*, March 2, 2021, at 3 (EDIS Document No. 743423).

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

⁴⁸ 19 U.S.C. § 1675a(a)(2).

⁴⁹ 19 U.S.C. § 1675a(a)(2)(A-D).

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.⁵⁰

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.⁵¹ 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.⁵²

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the DKP and TKPP industries in China. There also is limited information on the DKP and TKPP markets in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and first reviews, and the limited new information on the record in these second five-year reviews.

B. DKP

1. 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

⁵⁰ 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 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.

⁵¹ 19 U.S.C. § 1675a(a)(4).

⁵² 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.

“within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁵³ The following conditions of competition inform our determinations.

In its determinations in the original investigations, the Commission identified several conditions of competition pertinent to its analysis. The original determinations contained a single discussion of conditions of competition pertaining to the three domestic like products (DKP, TKPP, and MKP).⁵⁴

Demand Conditions. In the original investigations, the Commission stated that demand for each phosphate salt tended to fluctuate depending on the general level of demand in the end-use market for that phosphate salt.⁵⁵ The Commission found that DKP was used as a buffering agent and emulsifier in compounding formulas, baked goods, and dairy applications (e.g., coffee creamers).⁵⁶ Purchasers of DKP reported fluctuating demand.⁵⁷ Apparent U.S. consumption of DKP increased during the 2007-2009 period of investigation (POI).⁵⁸

In the expedited first reviews, the Commission found that the information available indicated that factors affecting buying patterns and demand for DKP remain largely unchanged since the original POI.⁵⁹ The Commission found that reliable data for apparent U.S. consumption of DKP were unavailable for the period of review.⁶⁰

In these reviews, the information available indicates that the factors affecting demand for DKP remain largely unchanged since the original POI.⁶¹ Domestic interested parties state that the conditions of competition for DKP are essentially unchanged since 2010, contending that U.S. demand for DKP is stable or declining, and tends to increase in line with GDP growth.⁶² As in the first reviews, reliable data for apparent U.S. consumption of DKP are unavailable for the period of review, since the pertinent HTS reporting number is a basket category encompassing both DKP and a substantial quantity of other products.⁶³

Supply Conditions. In the original investigations, the Commission found that the market share of ICL, the sole U.S. producer of DKP, fell from *** percent in 2007 to *** percent in

⁵³ 19 U.S.C. § 1675a(a)(4).

⁵⁴ *Original Determinations*, USITC Pub. 4171 at 13-17.

⁵⁵ *Original Determinations*, USITC Pub. 4171 at 13.

⁵⁶ *Original Determinations*, USITC Pub. 4171 at 15.

⁵⁷ *Original Determinations*, USITC Pub. 4171 at 13.

⁵⁸ *Original Determinations*, USITC Pub. 4171 at 13.

⁵⁹ *First Reviews*, USITC Pub. 4584 at 10.

⁶⁰ *First Reviews*, USITC Pub. 4584 at 10.

⁶¹ No purchaser identified any changes in supply or demand conditions in response to the Commission’s questionnaire in these reviews. CR/PR at D-3.

⁶² Domestic Interested Parties’ Substantive Response, December 2, 2020, at 13-14, 25; Domestic Interested Parties’ Final Comments, June 3, 2021, at 2-3, 5-6.

⁶³ See CR/PR at Table I-4 note.

2009.⁶⁴ The market share of subject imports of DKP increased from *** percent in 2007 to *** percent in 2009.⁶⁵ The market share of nonsubject imports of DKP increased during the POI.⁶⁶

The Commission found that DKP was sold directly to large end-use customers, or through regional or national distributors.⁶⁷ U.S. producers of each phosphate salt reported that they had refused, declined, or been unable to supply customers during the POI because of shortages of phosphoric acid and/or potassium hydroxide (key reactants used in producing phosphate salts), caused by a potassium miners' strike in Canada.⁶⁸ U.S. producers also imported substantial quantities of phosphate salts (including MKP) from nonsubject countries, often from affiliated companies.⁶⁹ In general, the domestic producer's capacity was stable over the POI.⁷⁰

In the expedited first reviews, the Commission stated that ICL remained the only domestic producer of DKP.⁷¹ Because the record did not contain reliable apparent U.S. consumption data, the Commission was unable to calculate market shares during the period of review for the domestic industry, subject imports, or nonsubject imports.⁷² The Commission noted domestic interested parties' contention that the orders had greatly reduced the quantity of subject DKP imports in the U.S. market.⁷³

In these reviews, ICL remains the only domestic producer of DKP. Domestic interested parties state that the capacity and supply positions of domestic producer ICL remain the same.⁷⁴ As in the first reviews, the record does not contain reliable apparent U.S. consumption data, and we are accordingly unable to calculate market shares during the period of review for the domestic industry, subject imports, or nonsubject imports.

U.S. imports of DKP produced in China were subject to an additional 10 percent *ad valorem* duty under Section 301 of the Trade Act of 1974, effective September 24, 2018. This duty increased to 25 percent *ad valorem*, effective May 10, 2019.⁷⁵

Substitutability and Other Considerations. In the original investigations, the Commission found that DKP and TKPP were sold primarily as technical or food grade products, with food grade products subject to more careful analysis and requiring a more narrow range of

⁶⁴ Confidential Commission Views in Original Investigations (EDIS Document 729507) ("Confidential Original Views") at 19; *Original Determinations*, USITC Pub. 4171 at 14.

⁶⁵ Confidential Original Views at 20; *Original Determinations*, USITC Pub. 4171 at 14.

⁶⁶ *Original Determinations*, USITC Pub. 4171 at 14.

⁶⁷ *Original Determinations*, USITC Pub. 4171 at 15.

⁶⁸ *Original Determinations*, USITC Pub. 4171 at 14.

⁶⁹ *Original Determinations*, USITC Pub. 4171 at 15.

⁷⁰ Confidential Original Views at 22; *Original Determinations*, USITC Pub. 4171 at 15. The Commission observed, however, that because the ***. *Id.*

⁷¹ *First Reviews*, USITC Pub. 4584 at 11.

⁷² *First Reviews*, USITC Pub. 4584 at 11.

⁷³ *First Reviews*, USITC Pub. 4584 at 11.

⁷⁴ Domestic Interested Parties' Response to the Commission's Second Cure Letter, January 6, 2021, at 2.

⁷⁵ CR/PR at I-7.

specifications.⁷⁶ U.S. producers sold *** percent of their DKP as food grade in 2009.⁷⁷ That same year, *** U.S. imports of DKP from China were food grade.⁷⁸ The Commission stated that the record with respect to DKP and TKPP generally indicated a high degree of potential substitutability among each domestically produced product and the corresponding subject and nonsubject imports.⁷⁹

U.S. producers also experienced rising raw material costs during the POI.⁸⁰ The price of phosphoric acid rose rapidly in 2008, increasing by 400 percent, but fell sharply after early 2009.⁸¹ Prices for potassium hydroxide began rising in the first half of 2008 and increased by 300 percent between the third quarter of 2008 and the second quarter of 2009.⁸²

In the expedited first reviews, the Commission found nothing in the record that called into question the Commission's finding in the original investigations of a high degree of substitutability between domestically produced DKP and subject imports of that product.⁸³

In these reviews, there is nothing in the record that calls into question our findings in the original investigations that there is a high degree of substitutability between domestically produced DKP and subject imports of that product and that price is an important factor in purchasing decisions for DKP.⁸⁴

⁷⁶ Confidential Original Views at 23; *Original Determinations*, USITC Pub. 4171 at 15-16. Food grade phosphate salts were subject to more careful analysis and required a more narrow range of specifications including pH and maximum allowable amounts of arsenic, fluoride, lead, and insoluble materials as specified in the Food Chemicals Codex. Domestic producers and importers also provided their customers with a certification of analysis after the finished product was tested in a laboratory assessing the degree of impurities, the particle size, and the product's density. Although a higher grade, *i.e.*, food grade, could be substituted for technical grade when it was economically feasible, the reverse was usually not true. *Id.*

⁷⁷ Confidential Original Views at 23; *Original Determinations*, USITC Pub. 4171 at 16.

⁷⁸ Confidential Original Views at 24; *Original Determinations*, USITC Pub. 4171 at 16.

⁷⁹ *Original Determinations*, USITC Pub. 4171 at 16. The Commission qualified this finding with respect to the other domestic like product at issue (MKP). *Id.*

⁸⁰ *Original Determinations*, USITC Pub. 4171 at 16. The primary raw materials used in the production of phosphate salts, phosphoric acid and potassium hydroxide, together accounted for a substantial portion of the cost of goods sold ("COGS"). *Id.*

⁸¹ *Original Determinations*, USITC Pub. 4171 at 16-17. The Commission attributed this rise partly to increased demand for phosphates used in corn and soybean fertilizer applications as federal biofuel mandates became effective. *Id.*

⁸² *Original Determinations*, USITC Pub. 4171 at 16-17.

⁸³ *First Reviews*, USITC Pub. 4584 at 12.

⁸⁴ See Domestic Interested Parties' Substantive Response, December 2, 2020, at 15; Domestic Interested Parties' Final Comments, June 3, 2021, at 3.

2. Likely Volume of Subject Imports

Original Investigations. The volume of subject imports of DKP increased from *** pounds in 2007 to *** pounds in 2009.⁸⁵ The market share of subject imports of DKP increased by *** percentage points from 2007 to 2009.⁸⁶ The ratio of the quantity of subject imports to U.S. production also increased from *** percent in 2007 to *** percent in 2009.⁸⁷ The Commission found that the volume of subject imports of DKP was significant in absolute terms and relative to consumption and production in the United States, and that the increase in subject import volume and market share was also significant.⁸⁸

First Reviews. In the expedited first reviews, the Commission stated that official import statistics for DKP were not reliable because the pertinent HTS statistical reporting number was a basket category that contained substantial quantities of products other than DKP.⁸⁹ However, data provided by domestic interested parties indicated that subject imports of DKP declined *** since imposition of the orders, and that subject imports of DKP from China in 2014 were only 36,000 pounds, in contrast to *** pounds of subject imports of DKP in 2009.⁹⁰

The Commission found that the information available indicated that the DKP industry in China had both the means and incentive to increase exports to the United States significantly should the orders be revoked, since the industry continued to maintain and operate substantial capacity, and this capacity was likely to increase, given the continued expansion of phosphate production in China. The Commission noted that the record from the original investigations indicated that the industry in China had substantial excess capacity to produce DKP.⁹¹

The Commission stated that in the original investigations the DKP industry in China was substantially export oriented, and that more recent information available indicated that Chinese producers exported a substantial portion of their production of ortho potassium phosphates, a product category that included DKP but also included out-of-scope merchandise.⁹² The Commission found that the United States remained an attractive export market for subject producers of DKP, since it was the world's largest importing country of ortho potassium phosphates, and available information showed that DKP prices in the United States were higher than those in China's other export markets. The Commission found that absent the discipline of the orders, DKP producers in China would be likely to use their excess capacity to increase shipments of subject DKP to the United States rapidly, as they did during the original POI.⁹³

⁸⁵ Confidential Original Views at 38; *Original Determinations*, USITC Pub. 4171 at 24.

⁸⁶ Confidential Original Views at 38; *Original Determinations*, USITC Pub. 4171 at 24.

⁸⁷ Confidential Original Views at 39; *Original Determinations*, USITC Pub. 4171 at 24.

⁸⁸ *Original Determinations*, USITC Pub. 4171 at 25.

⁸⁹ *First Reviews*, USITC Pub. 4584 at 12.

⁹⁰ Confidential Commission Views in First Reviews (EDIS Document No. 729508) ("Confidential First Reviews Views") at 17-18; *First Reviews*, USITC Pub. 4584 at 12.

⁹¹ *First Reviews*, USITC Pub. 4584 at 12-13.

⁹² *First Reviews*, USITC Pub. 4584 at 13.

⁹³ *First Reviews*, USITC Pub. 4584 at 13.

The Commission found that the likely volume of subject imports of DKP, both in absolute terms and as a share of the U.S. market, would be significant in the event of revocation of the orders.⁹⁴

The Current Reviews. The available information indicates that subject imports of DKP have been minimal during the current period of review under the disciplining effect of the orders. As previously discussed, official import statistics for DKP are not reliable because the pertinent HTS statistical reporting number (subheading 2835.24.0000) is a basket category that contains substantial quantities of products other than DKP.⁹⁵ According to domestic interested parties, almost all of the recent reported imports from China in the pertinent basket category are MKP, which is not subject to any U.S. trade remedies.⁹⁶ Domestic interested parties provided ships' manifest data from Datamyne indicating that subject imports of DKP from China were zero in 2015 through 2018, and 18 metric tons in 2019.⁹⁷

The information available in the current reviews indicates that the DKP industry in China has both the means and incentive to increase exports to the United States significantly should the orders be revoked. The record from the original investigations indicated that the industry in China had substantial excess capacity to produce DKP.⁹⁸ Information provided by domestic interested parties indicates that the DKP industry in China continues to maintain and operate substantial capacity; they estimated the annual capacity of the Chinese DKP industry at 1.542 million metric tons.⁹⁹ This is likely to increase, as there has been expansion of phosphate production in China since the original POI, focused on development of fine phosphorus chemical products.¹⁰⁰

Information from the original investigations also indicates that the DKP industry in China is substantially export oriented.¹⁰¹ The more recent information available indicates that Chinese producers exported a substantial portion of their production of potassium phosphate and polyphosphates, a product category that includes DKP but also includes considerable out-

⁹⁴ *First Reviews*, USITC Pub. 4584 at 13.

⁹⁵ CR/PR at Table I-4 note.

⁹⁶ Domestic Interested Parties' Substantive Response, December 2, 2020, at 17-18; Domestic Interested Parties' Final Comments, June 3, 2021, at 2. ***. CR/PR at Table I-4 note.

⁹⁷ Domestic Interested Parties' Substantive Response, December 2, 2020, at 17-18, Table 3 and Exh. 4.

⁹⁸ The capacity utilization rate of the DKP industry in China was *** percent in 2007, *** percent in 2008, and *** percent in 2009. Confidential Original Staff Report, INV-HH-065, EDIS Doc. 729500 (June 18, 2010) at Table VII-3.

⁹⁹ Domestic Interested Parties' Substantive Response, December 2, 2020, at 14, Table 1, and Exh. 2; Domestic Interested Parties' Final Comments, June 3, 2021, at 9.

¹⁰⁰ See Domestic Interested Parties' Substantive Response, December 2, 2020, at 21-22 and Exhs. 6-8.

¹⁰¹ Confidential Original Staff Report at Table VII-3; *Original Determinations*, USITC Pub. 4171 at Table VII-3.

of-scope merchandise, from 2015 to 2019. China was by far the world's largest exporting country of potassium phosphate and polyphosphates in each year from 2015 to 2019.¹⁰²

The record also indicates that the United States remains an attractive export market for DKP. The available information shows that DKP prices in the United States are higher than those available to Chinese DKP producers in their current export markets.¹⁰³ Moreover, information provided by domestic interested parties indicates that Chinese producers are currently selling phosphate salts other than DKP and TKPP to a substantial number of U.S. distributors and end users, indicating that channels of distribution are in place for subject producers to increase shipments of DKP to the U.S. market if the orders are revoked.¹⁰⁴ Consequently, absent the discipline of the orders, DKP producers in China are likely to use their excess capacity to increase shipments of subject DKP to the United States rapidly, as they did during the original investigations.

Accordingly, we find that the likely volume of subject imports of DKP, both in absolute terms and as a share of the U.S. market, would be significant in the event of revocation.¹⁰⁵

3. Likely Price Effects

Original Investigations. In the original investigations, the Commission found that subject imports of DKP and domestically produced DKP were both primarily food grade and were generally interchangeable.¹⁰⁶ The Commission collected pricing data on two DKP products (food grade and technical grade), and found that subject imports generally undersold the domestic like product during the POI and gained market share as a result, with subject imports underselling the U.S. product in 8 of 12 quarterly comparisons for food grade DKP and in all four quarterly comparisons for technical grade DKP.¹⁰⁷ The Commission did not find that subject imports significantly depressed the prices of domestically produced DKP, as domestic

¹⁰² See CR/PR at Table I-9. Total Chinese exports of potassium phosphate and polyphosphates during the 2015-2019 period ranged between a low of 519.6 million pounds in 2015 and a high of 641.9 million pounds in 2018. Id.

¹⁰³ Domestic Interested Parties' Final Comments (June 3, 2021) at 9, 11-12; Domestic Interested Parties' Substantive Response, December 2, 2020, at 19, Table 4 (comparing domestic producers' average unit sales values of DKP with average Chinese export values of HS subheading 2835.24.00, which includes DKP and out of scope product).

¹⁰⁴ Domestic Interested Parties' Substantive Response, December 2, 2020, at 20 and Exh. 4; Domestic Interested Parties' Final Comments (June 3, 2021) at 7.

¹⁰⁵ There were no known trade remedy investigations or existing antidumping or countervailing duty orders in other countries with respect to imports of DKP from China during the period of review. CR/PR at I-20. Because producers and importers of the subject merchandise did not participate in these reviews, the record does not contain data addressing existing inventories of the subject merchandise or the potential for product shifting.

¹⁰⁶ *Original Determinations*, USITC Pub. 4171 at 24.

¹⁰⁷ *Original Determinations*, USITC Pub. 4171 at 25-26.

producers' prices increased from 2007 to 2009, as their input costs increased.¹⁰⁸ However, the Commission found that subject imports of DKP had significant price suppressing effects.¹⁰⁹ A rise in the domestic industry's COGS to net sales ratio combined with a surge in subject imports indicated that, due to the significant volume of lower-priced subject imports entering the U.S. market, the domestic producers were unable to raise their prices sufficiently in 2009 to cover increased costs.¹¹⁰

First Reviews. In the expedited first reviews, the Commission stated that the record did not contain any additional pricing comparisons due to the lack of participation from respondent interested parties and the expedited nature of the reviews. It continued to find that domestically produced DKP and subject imports of DKP were highly substitutable and that price remained an important factor in purchasing decisions. The Commission found that if the orders were revoked, subject producers would likely resume exporting significant volumes of DKP to the United States, and would likely sell the subject merchandise at low prices and undersell domestically produced DKP to gain market share, as had occurred during the original POI.¹¹¹

The Commission found that given the importance of price in purchasing decisions, the presence of significant quantities of subject imports of DKP that would likely enter the United States in the event of revocation, and would likely undersell the domestically produced product, would force the domestic DKP industry either to lower prices or lose sales. In light of these considerations, the Commission concluded that absent the disciplining effects of the orders, subject imports of DKP would likely have significant depressing or suppressing effects on prices for the domestic like product.¹¹²

The Current Reviews. The record does not contain any additional pricing comparisons due to the lack of participation from respondent interested parties and the expedited nature of the reviews. As explained above, we continue to find that domestically produced DKP and subject imports are highly substitutable and that price remains an important factor in purchasing decisions. As stated above, if the orders were revoked, subject producers would likely export significant volumes of DKP to the United States. The subject imports would likely undersell domestically produced DKP and gain market share from domestic producers, as occurred during the original POI.

Because price is important to purchasing decisions, the presence of significant quantities of subject imports that would likely enter the United States in the event of revocation, and that would likely undersell the domestically produced product, would force the domestic DKP industry either to lower prices or lose sales. In light of these considerations, we conclude that absent the disciplining effects of the orders, subject imports of DKP would likely have significant price effects.

¹⁰⁸ *Original Determinations*, USITC Pub. 4171 at 26.

¹⁰⁹ *Original Determinations*, USITC Pub. 4171 at 26.

¹¹⁰ *Original Determinations*, USITC Pub. 4171 at 26, 28-29.

¹¹¹ *First Reviews*, USITC Pub. 4584 at 20.

¹¹² *First Reviews*, USITC Pub. 4584 at 21.

4. Likely Impact¹¹³

Original Investigations. In the original investigations, the Commission found that despite growth in apparent U.S. consumption of DKP between 2007 and 2009, production of DKP by ICL, the sole domestic producer of DKP, was virtually unchanged.¹¹⁴ ICL's net sales showed little growth, and it experienced a steep decline in its U.S. shipments throughout the period, which offset the benefits of increased export opportunities.¹¹⁵ With its U.S. shipments falling, ICL's share of the U.S. market fell from *** percent in 2007 to *** percent in 2009, with nearly *** of that loss directly attributable to imports of DKP from China.¹¹⁶ The Commission found that the tremendous growth in the volume of low-priced subject imports, which undersold both the domestic like product and nonsubject imports in the majority of instances, resulted in such price pressure that ICL was unable to cover its rapidly rising costs, culminating in operating losses in 2009.¹¹⁷ The Commission also observed that although nonsubject imports also took sales and market share from ICL during the period, the presence of nonsubject imports did not negate the causal link between subject imports of DKP and the adverse effects that the domestic industry was experiencing. The Commission found that nonsubject imports undersold the domestic like product less frequently than did subject imports, and subject imports undersold nonsubject imports in nearly 60 percent of the comparisons.¹¹⁸

First Reviews. In the expedited first reviews, the Commission found that the limited information on the record concerning the performance of the domestic DKP industry since the original investigations, which pertained only to certain economic factors and was available only for 2014, was insufficient for it to make a finding as to whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.¹¹⁹ The Commission found that the DKP production, capacity, U.S. shipments, capacity utilization, operating income, and ratio of operating income to net sales for 2014 for ICL, the

¹¹³ In its expedited review of the antidumping duty order, Commerce determined that revocation of the order would be likely to lead to continuation or recurrence of dumping at weighted-average margins of up to 95.40 percent. *Certain Potassium Phosphate Salts From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 86 Fed. Reg. 13311, 13312 (March 8, 2021).

In its expedited review of the countervailing duty order, Commerce determined that revocation of the order would be likely to lead to the continuation or recurrence of countervailable subsidies at rates of 109.11 percent for all manufacturers/exporters with separate rates and all others. *Certain Potassium Phosphate Salts From the People's Republic of China: Final Results of the Expedited Second Five-Year Sunset Review of the Countervailing Duty Order*, 86 Fed. Reg. 13314, 13315 (March 8, 2021).

¹¹⁴ *Original Determinations*, USITC Pub. 4171 at 29.

¹¹⁵ *Original Determinations*, USITC Pub. 4171 at 29.

¹¹⁶ Confidential Original Views at 19, 47; *Original Determinations*, USITC Pub. 4171 at 29.

¹¹⁷ *Original Determinations*, USITC Pub. 4171 at 29.

¹¹⁸ *Original Determinations*, USITC Pub. 4171 at 29.

¹¹⁹ *First Reviews*, USITC Pub. 4584 at 15.

sole domestic producer of DKP, were each higher than any of those indicators reported for any year during the original POI.¹²⁰

The Commission found that should the orders be revoked, there would likely be a significant volume of subject imports of DKP from China, and those imports would likely undersell the domestic like product and have significant price effects. It found that these, in turn, would have a significant adverse impact on the domestic industry's production, capacity utilization, shipments, sales, market share, and revenues and would likely cause the domestic industry's profitability to fall.¹²¹

The Commission also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to subject imports. It noted that reliable data concerning nonsubject import volume during the period of review were not available, but found that even if the volume of nonsubject imports increased, they did not preclude the domestic industry from improving its production, capacity utilization, and operating performance. Consequently, the Commission found that the likely impact of subject imports in the reasonably foreseeable future was distinguishable from that of nonsubject imports.¹²² Accordingly, the Commission concluded that, if the antidumping and countervailing duty orders were revoked, subject imports of DKP from China would likely have a significant impact on the domestic DKP industry within a reasonably foreseeable time.¹²³

The Current Reviews. Because these are expedited reviews, information on the record concerning the performance of the domestic DKP industry since the first reviews pertains only to certain economic factors and is available only for 2019.¹²⁴ This limited information is insufficient for us to make a finding on whether the domestic DKP industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.¹²⁵

In 2019, the DKP capacity of ICL, the sole domestic producer, was *** pounds, its DKP production was *** pounds and its U.S. shipments of DKP were *** pounds, while its capacity utilization was *** percent.¹²⁶ Its capacity was higher than that reported in both the original POI and 2014, but its production and capacity utilization figures were lower than any reported during the original POI or in 2014.¹²⁷ Operating income was \$*** in 2019 and the ratio of operating income to net sales was *** percent. Both of these figures were higher than any reported during the original POI, but lower than those reported in 2014.¹²⁸

¹²⁰ *First Reviews*, USITC Pub. 4584 at 15-16.

¹²¹ *First Reviews*, USITC Pub. 4584 at 16.

¹²² *First Reviews*, USITC Pub. 4584 at 16.

¹²³ *First Reviews*, USITC Pub. 4584 at 16.

¹²⁴ CR/PR at Table I-2.

¹²⁵ We note that domestic interested parties state that the domestic DKP industry has *** under the orders, and (unlike the domestic TKPP industry) do not claim that it is vulnerable to increased imports. Domestic Interested Parties' Final Comments, June 3, 2021, at 13.

¹²⁶ CR/PR at Table I-2.

¹²⁷ CR/PR at Table I-2, C-1. The industry's U.S. shipments were higher than those reported during the original POI, but lower than those reported in 2014. *Id.*

¹²⁸ CR/PR at Tables I-2, C-1.

Based on the record, we find that, should the orders be revoked, there will likely be a significant volume of subject imports of DKP from China, and that these imports would likely undersell the domestic like product and have significant price effects. These, in turn, would have a significant adverse impact on the domestic industry's production, capacity utilization, shipments, sales, market share, and revenues and likely cause the domestic industry's profitability to fall.

We also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to subject imports. As previously stated, reliable data concerning nonsubject import volume during the period of review are not available. Even if the volume of nonsubject imports increased, they did not preclude the domestic industry from improving its capacity utilization and operating performance from the original POI. Consequently, the likely impact of subject imports in the reasonably foreseeable future is distinguishable from that of nonsubject imports.

Accordingly, we conclude that, if the antidumping and countervailing duty orders were revoked, subject imports of DKP from China would likely have a significant impact on the domestic DKP industry within a reasonably foreseeable time.

C. TKPP

1. Conditions of Competition and the Business Cycle

Demand Conditions. In the original investigations, the Commission found that TKPP was used in potable and industrial water treatment, household and industrial-type products, detergents, metal finishing, and to keep paint in stable suspension.¹²⁹ Purchasers of TKPP that could identify a trend indicated that demand decreased over the POI.¹³⁰ Apparent U.S. consumption of TKPP declined over the POI.¹³¹

In the expedited first reviews, the Commission found that the information available indicated that the factors affecting buying patterns and demand for TKPP remained largely unchanged since the original POI.¹³² The Commission noted that apparent U.S. consumption of TKPP in 2014 was higher than in 2009, but lower than in 2007.¹³³

In these reviews, the information available indicates that the factors affecting demand for TKPP remain largely unchanged since the original POI.¹³⁴ Domestic interested parties state that the conditions of competition for TKPP are essentially unchanged since 2010, contending that U.S. demand for TKPP is stable or declining, and tends to increase in line with GDP

¹²⁹ *Original Determinations*, USITC Pub. 4171 at 15.

¹³⁰ *Original Determinations*, USITC Pub. 4171 at 13.

¹³¹ *Original Determinations*, USITC Pub. 4171 at 13.

¹³² *First Reviews*, USITC Pub. 4584 at 16.

¹³³ *First Reviews*, USITC Pub. 4584 at 16.

¹³⁴ No purchaser identified any changes in supply or demand conditions in response to the Commission's questionnaire in these reviews. CR/PR at D-3.

growth.¹³⁵ Apparent U.S. consumption of TKPP in 2019 was *** pounds, which was greater than apparent U.S. consumption in 2009, but lower than apparent U.S. consumption in 2007, 2008, and 2014.¹³⁶

Supply Conditions. In the original investigations, the Commission found that the three domestic producers of TKPP (ICL, PCS, and Prayon) were the largest source of supply.¹³⁷ Their market share dropped from 90.5 percent in 2007 to 81.7 percent in 2009.¹³⁸ The market share of subject imports of TKPP increased from *** percent in 2007 to *** percent in 2009.¹³⁹ The market share of nonsubject imports of TKPP remained small during the POI, but increased from *** percent in 2007 to *** percent in 2009.¹⁴⁰

The Commission found that TKPP was sold directly to large end-use customers, or through regional or national distributors.¹⁴¹ U.S. producers of each phosphate salt reported that they had refused, declined, or been unable to supply customers during the POI because of shortages of phosphoric acid and/or potassium hydroxide (key reactants used in producing phosphate salts), caused by a potassium miners' strike in Canada.¹⁴² U.S. producers also imported substantial quantities of phosphate salts (including MKP) from nonsubject countries, often from affiliated companies.¹⁴³ In general, the domestic producers' capacity was stable over the POI.¹⁴⁴

In the expedited first reviews, the Commission stated that as of 2014, only two companies continued to produce TKPP domestically, ICL and Prayon.¹⁴⁵ It found that U.S. producers no longer represented the largest source of supply of TKPP, with their share of apparent U.S. consumption at *** percent in 2014, down from 81.7 percent in 2009 and a peak of 90.5 percent in 2007.¹⁴⁶ The Commission found that subject imports of TKPP from China had had a very small presence in the U.S. market since 2010, and that their share of apparent U.S. consumption in 2014 was less than *** percent.¹⁴⁷ The Commission found that nonsubject imports were the largest source of supply of TKPP, with *** percent of apparent U.S.

¹³⁵ Domestic Interested Parties' Substantive Response, December 2, 2020, at 13-14, 25; Domestic Interested Parties' Final Comments, June 3, 2021, at 2-3, 5-6.

¹³⁶ CR/PR at Tables I-7, C-3.

¹³⁷ *Original Determinations*, USITC Pub. 4171 at 14.

¹³⁸ *Original Determinations*, USITC Pub. 4171 at 14.

¹³⁹ Confidential Original Views at 20; *Original Determinations*, USITC Pub. 4171 at 14.

¹⁴⁰ Confidential Original Views at 20; *Original Determinations*, USITC Pub. 4171 at 14.

¹⁴¹ *Original Determinations*, USITC Pub. 4171 at 15.

¹⁴² *Original Determinations*, USITC Pub. 4171 at 14.

¹⁴³ *Original Determinations*, USITC Pub. 4171 at 15.

¹⁴⁴ *Original Determinations*, USITC Pub. 4171 at 15.

¹⁴⁵ *First Reviews*, USITC Pub. 4584 at 17. The Commission stated that ***. Confidential First Reviews Views at 25 n.107; *First Reviews*, USITC Pub. 4584 at 17 n.107.

¹⁴⁶ Confidential First Reviews Views at 25; *First Reviews*, USITC Pub. 4584 at 17.

¹⁴⁷ Confidential First Reviews Views at 25; *First Reviews*, USITC Pub. 4584 at 17.

consumption in 2014, and that the largest suppliers of nonsubject imports were Mexico, Canada, and Germany.¹⁴⁸

In these reviews, domestic interested parties state that the only known change in supply conditions with respect to TKPP is the exit by TKPP producer PCS from domestic production of TKPP. PCS merged with Agrium Inc. in 2018 and became Nutrien, Ltd. They state that Nutrien/PCS once had the capacity to produce TKPP, but there is no indication that it has domestically produced any TKPP since early 2017.¹⁴⁹ Domestic interested parties state that the capacity and supply positions of domestic TKPP producers ICL and Prayon remain the same.¹⁵⁰

U.S. imports of TKPP produced in China were subject to an additional 10 percent *ad valorem* duty under Section 301 of the Trade Act of 1974, effective September 24, 2018. This duty increased to 25 percent *ad valorem*, effective May 10, 2019.¹⁵¹

By contrast with the first reviews, U.S. producers were the largest source of supply of TKPP in 2019, with a share of apparent U.S. consumption of *** percent.¹⁵² While nonsubject import volume and market share in 2019 were higher than in 2009, the volume of nonsubject imports in 2019 was less than half of that in 2014. The market share of nonsubject imports was *** percent in 2019.¹⁵³ Subject imports had a minimal presence in 2019 and a market share of *** percent.¹⁵⁴

Substitutability and Other Considerations. In the original investigations, the Commission found that DKP and TKPP were sold primarily as technical or food grade products, with food grade products subject to more careful analysis and requiring a more narrow range of specifications.¹⁵⁵ In 2009, U.S. producers sold *** percent of TKPP as technical grade.¹⁵⁶ During that year, U.S. importers sold *** percent of their TKPP from China as technical grade.¹⁵⁷ The

¹⁴⁸ Confidential First Reviews Views at 25; *First Reviews*, USITC Pub. 4584 at 17.

¹⁴⁹ Domestic Interested Parties' Response to the Commission's Cure Letter, December 14, 2020, at 2; Domestic Interested Parties' Response to the Commission's Second Cure Letter, January 6, 2021, at 2; CR/PR at I-2, Table I-1 note, I-9.

¹⁵⁰ Domestic Interested Parties' Response to the Commission's Second Cure Letter, January 6, 2021, at 2.

¹⁵¹ CR/PR at I-7.

¹⁵² CR/PR at Table I-7.

¹⁵³ CR/PR at Table I-7.

¹⁵⁴ CR/PR at Table I-7.

¹⁵⁵ Confidential Original Views at 23; *Original Determinations*, USITC Pub. 4171 at 15-16. Food grade phosphate salts were subject to more careful analysis and required a more narrow range of specifications including pH and maximum allowable amounts of arsenic, fluoride, lead, and insoluble materials as specified in the Food Chemicals Codex. Domestic producers and importers also provided their customers with a certification of analysis after the finished product was tested in a laboratory assessing the degree of impurities, the particle size, and the product's density. Although a higher grade, *i.e.*, food grade, could be substituted for technical grade when it was economically feasible, the reverse was usually not true. *Id.*

¹⁵⁶ Confidential Original Views at 23; *Original Determinations*, USITC Pub. 4171 at 16.

¹⁵⁷ Confidential Original Views at 24; *Original Determinations*, USITC Pub. 4171 at 16.

Commission stated that the record with respect to TKPP generally indicated a high degree of potential substitutability among the domestically produced product and the corresponding subject and nonsubject imports.¹⁵⁸

U.S. producers also experienced rising raw material costs during the POI.¹⁵⁹ The price of phosphoric acid rose rapidly in 2008, increasing by 400 percent, but fell sharply after early 2009.¹⁶⁰ Prices for potassium hydroxide began rising in the first half of 2008 and increased by 300 percent between the third quarter of 2008 and the second quarter of 2009.¹⁶¹

In the first expedited reviews, the Commission found that nothing in the record called into question its finding in the original investigations of a high degree of substitutability between domestically produced TKPP and subject imports of that product.¹⁶²

Similarly, in these reviews, there is nothing in the record that calls into question our findings in the original investigations that there is a high degree of substitutability between domestically produced TKPP and subject imports of that product.¹⁶³

2. Likely Volume of Subject Imports

Original Investigations. The Commission found that the volume of subject imports of TKPP increased from *** pounds in 2007 to *** pounds in 2009, and that the market share of subject imports of TKPP increased by *** percentage points from 2007 to 2009. The ratio of the quantity of subject imports to U.S. production increased from *** percent in 2007 to *** percent in 2009.¹⁶⁴ The Commission found that the volume of subject imports was significant, in absolute terms and relative to consumption and production in the United States, and that the increase in subject import volume and market share was also significant.¹⁶⁵

First Reviews. In the expedited first reviews, the Commission found that subject imports of TKPP had been minimal under the disciplining effects of the orders. Subject imports of TKPP declined from 432,000 pounds in 2010 to 79,000 pounds in 2011, 35,000 pounds in 2012, and 9,000 pounds in 2013 and 2014.¹⁶⁶

¹⁵⁸ *Original Determinations*, USITC Pub. 4171 at 16.

¹⁵⁹ *Original Determinations*, USITC Pub. 4171 at 16. The primary raw materials used in the production of phosphate salts, phosphoric acid and potassium hydroxide, together accounted for a substantial portion of the cost of goods sold. *Id.*

¹⁶⁰ *Original Determinations*, USITC Pub. 4171 at 16-17. The Commission attributed this rise partly to increased demand for phosphates used in corn and soybean fertilizer applications as federal biofuel mandates became effective. *Id.*

¹⁶¹ *Original Determinations*, USITC Pub. 4171 at 16-17.

¹⁶² *First Reviews*, USITC Pub. 4584 at 18.

¹⁶³ See Domestic Interested Parties' Substantive Response, December 2, 2020, at 15; Domestic Interested Parties' Final Comments, June 3, 2021, at 3.

¹⁶⁴ Confidential Original Views at 49; *Original Determinations*, USITC Pub. 4171 at 30.

¹⁶⁵ *Original Determinations*, USITC Pub. 4171 at 31.

¹⁶⁶ *First Reviews*, USITC Pub. 4584 at 18.

The Commission found that the information available indicated that the TKPP industry in China had both the means and incentive to increase exports to the United States significantly should the orders be revoked, since the industry continued to maintain and operate substantial capacity, and that this capacity was likely to increase, given the continued expansion of phosphate production in China. The Commission noted that the record from the original investigations indicated that the industry in China had substantial excess capacity to produce TKPP.¹⁶⁷

The Commission stated that in the original investigations the TKPP industry in China was substantially export oriented, and that more recent information available indicated that Chinese producers exported a substantial portion of their production of potassium polyphosphate salts, a product category that included TKPP but also included out-of-scope merchandise.¹⁶⁸ The Commission found that the United States remained an attractive export market for subject producers of TKPP, since it was the world's largest importing country of potassium polyphosphate salts, and available information showed that TKPP prices in the United States were higher than those in China's other export markets. The Commission found that absent the discipline of the orders, TKPP producers in China would be likely to use their excess capacity to increase shipments of subject TKPP to the United States rapidly, as they did during the original POI.¹⁶⁹

The Commission found that the likely volume of subject imports of TKPP, in absolute terms and as a share of the U.S. market, would be significant in the event of revocation of the orders.¹⁷⁰

The Current Reviews. Subject imports of TKPP from China have been minimal during the period of review under the disciplining effects of the orders. The volume of imports from China under the pertinent HTS number was 0 pounds in 2015, 9,000 pounds in 2016, 336,000 pounds in 2017, 376,000 pounds in 2018, and 38,000 pounds in 2019.¹⁷¹ The pertinent HTS statistical reporting number for TKPP (2835.39.1000), however, may contain products outside the scope of these reviews.¹⁷² Domestic interested parties presented ships' manifest data from Datamyne indicating that subject imports of TKPP from China were zero in 2015 and 2016, 143 metric tons in 2017, 60 metric tons in 2018, and 20 metric tons in 2019.¹⁷³

The information available in the current reviews indicates that the TKPP industry in China has both the means and incentive to increase exports to the United States to significant levels upon revocation of the orders. The record of the original investigations indicated that

¹⁶⁷ *First Reviews*, USITC Pub. 4584 at 18-19.

¹⁶⁸ *First Reviews*, USITC Pub. 4584 at 19.

¹⁶⁹ *First Reviews*, USITC Pub. 4584 at 19.

¹⁷⁰ *First Reviews*, USITC Pub. 4584 at 19.

¹⁷¹ CR/PR at Table I-5.

¹⁷² CR/PR at Table I-5 note. ***. *Id.*

¹⁷³ Domestic Interested Parties' Substantive Response, December 2, 2020, at 17-18, Table 3 and Exh. 4.

the industry in China had substantial excess capacity to produce TKPP.¹⁷⁴ Information provided by domestic interested parties indicates that the TKPP industry in China continues to maintain and operate substantial capacity; they estimated the annual capacity of the Chinese TKPP industry at 1.426 million metric tons.¹⁷⁵ This is likely to increase, as there has been expansion of phosphate production in China since the original POI, focused on development of fine phosphorus chemical products.¹⁷⁶

Information from the original investigations indicates that the TKPP industry in China is substantially export oriented.¹⁷⁷ The more recent information available indicates that Chinese producers exported a substantial portion of their production of potassium phosphate and polyphosphates, a product category that includes TKPP but also includes considerable out-of-scope merchandise, from 2015 to 2019. China was by far the world's largest exporting country of potassium phosphate and polyphosphates in each year from 2015 to 2019.¹⁷⁸

The record also indicates that the United States remains an attractive export market for producers of TKPP in China. The available information shows that TKPP prices in the United States are higher than those available to Chinese TKPP producers in their current export markets.¹⁷⁹ Moreover, information provided by domestic interested parties indicates that Chinese producers are currently selling phosphate salts other than DKP and TKPP to a substantial number of U.S. distributors and end users, indicating that channels of distribution are in place for subject producers to increase shipments of TKPP to the U.S. market if the orders are revoked.¹⁸⁰ Consequently, subject TKPP producers in China are likely to use their excess capacity to increase shipments of subject TKPP to the United States upon revocation of the orders, as they did during the original investigations.

¹⁷⁴ The Chinese TKPP industry's capacity utilization rate was *** percent in 2007, *** percent in 2008, and *** percent in 2009. Confidential Original Staff Report at Table VII-5.

¹⁷⁵ Domestic Interested Parties' Substantive Response, December 2, 2020, at 14, Table 1, and Exh. 2; Domestic Interested Parties' Final Comments, June 3, 2021, at 9.

¹⁷⁶ See Domestic Interested Parties' Substantive Response, December 2, 2020, at 21-22 and Exhs. 6-8.

¹⁷⁷ Confidential Original Staff Report at Table VII-5; Original Determinations, USITC Pub. 4171 at Table VII-5.

¹⁷⁸ See CR/PR at Table I-9. Total Chinese exports of potassium phosphate and polyphosphates, during the 2015-2019 period ranged between a low of 519.6 million pounds in 2015 and a high of 641.9 million pounds in 2018. *Id.*

¹⁷⁹ Domestic Interested Parties' Final Comments (June 3, 2021) at 9, 11-12; Domestic Interested Parties' Substantive Response, December 2, 2020, at 19, Table 4 (comparing domestic producers' average unit sales values of TKPP with average Chinese export values of HS 2835.39.90, which includes TKPP and out of scope product).

¹⁸⁰ Domestic Interested Parties' Substantive Response, December 2, 2020, at 20 and Exh. 4; Domestic Interested Parties' Final Comments (June 3, 2021) at 7.

Accordingly, we find that the likely volume of subject imports of TKPP, both in absolute terms and as a share of the U.S. market, would be significant in the event of revocation.¹⁸¹

3. Likely Price Effects

Original Investigations. In the original investigations, the Commission collected pricing data on two TKPP products (food grade and technical grade).¹⁸² The Commission found that subject imports generally undersold the domestic like product during the POI and gained market share as a result.¹⁸³ Subject imports of food grade TKPP undersold domestically produced TKPP in all five quarterly comparisons, while subject imports of technical grade TKPP undersold the domestic product in 7 of 12 quarterly comparisons.¹⁸⁴ The Commission did not find that subject imports significantly depressed the prices of domestically produced TKPP, as domestic producers' prices generally increased from 2007 to 2009 as their input costs increased.¹⁸⁵

However, the Commission did find evidence of significant price suppression by subject imports of TKPP.¹⁸⁶ The domestic industry's COGS to net sales ratio increased irregularly from 2007 to 2009.¹⁸⁷ The Commission found that the rise in this ratio to its highest point in 2009 coincided with the highest levels of market penetration by subject imports during the period; they provided some evidence that, due to the significant volumes of lower-priced subject imports entering the U.S. market, the domestic producers were unable to raise their prices sufficiently to cover increased costs.¹⁸⁸

First Reviews. In the expedited first reviews, the Commission stated that the record did not contain any additional pricing comparisons due to the lack of participation from respondent interested parties and the expedited nature of the reviews. It continued to find that domestically produced TKPP and subject imports were highly substitutable, and that price was an important factor in purchasing decisions. The Commission found that if the orders were revoked, subject producers would likely resume exporting significant volumes of TKPP to the United States, and would likely sell the subject merchandise at low prices and undersell domestically produced TKPP to gain market share, as had occurred during the original POI.¹⁸⁹

¹⁸¹ There were no known trade remedy investigations or existing antidumping or countervailing duty orders in any other countries with respect to imports of TKPP from China during the period of review. CR/PR at I-20. The record does not contain data addressing existing inventories of the subject merchandise or the potential for product shifting.

¹⁸² *Original Determinations*, USITC Pub. 4171 at 31.

¹⁸³ *Original Determinations*, USITC Pub. 4171 at 31-32.

¹⁸⁴ *Original Determinations*, USITC Pub. 4171 at 31.

¹⁸⁵ *Original Determinations*, USITC Pub. 4171 at 31-32.

¹⁸⁶ *Original Determinations*, USITC Pub. 4171 at 32-33.

¹⁸⁷ *Original Determinations*, USITC Pub. 4171 at 32.

¹⁸⁸ *Original Determinations*, USITC Pub. 4171 at 32.

¹⁸⁹ *First Reviews*, USITC Pub. 4584 at 20.

The Commission found that given the importance of price in purchasing decisions, the presence of significant quantities of subject imports of TKPP that would likely enter the United States in the event of revocation, and that would likely undersell the domestically produced product, would force the domestic TKPP industry either to lower prices or lose sales. In light of these considerations, the Commission concluded that absent the disciplining effects of the orders, subject imports of TKPP would likely have significant depressing or suppressing effects on prices for the domestic like product.¹⁹⁰

The Current Reviews. The record does not contain any additional pricing comparisons due to the lack of participation from respondent interested parties and the expedited nature of the reviews. As explained above, we continue to find that domestically produced TKPP and subject imports are highly substitutable, and that price remains an important factor in purchasing decisions. As stated above, if the orders were revoked, subject producers would likely export significant volumes of TKPP to the United States. The subject producers would likely undersell domestically produced TKPP and gain market share from domestic producers, as occurred during the original POI.

Because price is important to purchasing decisions, the presence of significant quantities of subject imports that would likely enter the United States in the event of revocation and that would likely undersell the domestically produced product, would force the domestic TKPP industry either to lower prices or lose sales. In light of these considerations, we conclude that absent the discipline of the orders, subject TKPP imports would likely have significant price effects.

4. Likely Impact¹⁹¹

Original Investigations. In the original investigations, the Commission found that although the domestic TKPP industry had a positive performance as to operating income in 2008, it experienced a negative performance in many other trade indicators from 2007 to 2009.¹⁹² Apparent U.S. consumption declined throughout the period, while subject imports of TKPP increased markedly.¹⁹³ U.S. producers experienced a decline in their U.S. shipments and

¹⁹⁰ *First Reviews*, USITC Pub. 4584 at 21.

¹⁹¹ In its expedited review of the antidumping duty order, Commerce determined that revocation of the order would be likely to lead to continuation or recurrence of dumping at weighted-average margins of up to 95.40 percent. *Certain Potassium Phosphate Salts From the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order*, 86 Fed. Reg. 13311, 13312 (March 8, 2021).

In its expedited review of the countervailing duty order, Commerce determined that revocation of the order would be likely to lead to the continuation or recurrence of countervailable subsidies at rates of 109.11 percent for all manufacturers/exporters with separate rates and all others. *Certain Potassium Phosphate Salts From the People's Republic of China: Final Results of the Expedited Second Five-Year Sunset Review of the Countervailing Duty Order*, 86 Fed. Reg. 13314, 13315 (March 8, 2021).

¹⁹² *Original Determinations*, USITC Pub. 4171 at 33.

¹⁹³ *Original Determinations*, USITC Pub. 4171 at 33.

an 8.8 percentage point decline in market share between 2007 and 2009.¹⁹⁴ Over the same period, there was also a decline in domestic production, average capacity, and capacity utilization.¹⁹⁵ Additionally, many employment-related indicators declined for the domestic industry, while unit labor costs rose substantially.¹⁹⁶ While net sales quantity declined between 2007 and 2008, the industry's operating income and its ratio of operating income to net sales increased, which the Commission attributed to an increase in the price of domestically produced TKPP.¹⁹⁷

In 2009, however, as subject imports of TKPP increased, price-based competition increased.¹⁹⁸ Although the domestic industry was able to raise prices from 2007 to 2009, U.S. producers were not able to raise prices sufficiently to cover their increasing costs beginning in late 2008 and accelerating in 2009, resulting in a cost/price squeeze for the industry.¹⁹⁹ As a result, the TKPP operations of domestic producers experienced an operating loss of \$2.0 million in 2009.²⁰⁰

The Commission found that the presence of nonsubject imports did not negate the causal link between the finding of significant adverse effects and subject imports of TKPP.²⁰¹ It stated that although nonsubject imports took an increasing share of the U.S. market and increased at a greater rate than subject imports during the POI, they were imported at much smaller levels and were sold at *** average unit values than subject imports.²⁰² Moreover, U.S. producers imported TKPP from nonsubject sources to address shortages in supply and to fulfill orders for products that they were unable to produce domestically.²⁰³

First Reviews. In the expedited first reviews, the Commission found that the limited information on the record concerning the performance of the domestic TKPP industry since the original investigations, which pertained only to certain economic factors and was available only for 2014, was insufficient for it to make a finding as to whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.²⁰⁴ The Commission found that the capacity of the domestic TKPP industry in 2014 was above the levels of 2008 and 2009 but below that of 2007. However, the industry's production, capacity utilization, and U.S. commercial shipments were considerably lower in 2014 than in any year during the original POI. The industry's operating income and its ratio of operating income to net sales were above the levels of 2007 and 2009, but below those of 2008.²⁰⁵

¹⁹⁴ *Original Determinations*, USITC Pub. 4171 at 33.

¹⁹⁵ *Original Determinations*, USITC Pub. 4171 at 33.

¹⁹⁶ *Original Determinations*, USITC Pub. 4171 at 34.

¹⁹⁷ *Original Determinations*, USITC Pub. 4171 at 34.

¹⁹⁸ *Original Determinations*, USITC Pub. 4171 at 35.

¹⁹⁹ *Original Determinations*, USITC Pub. 4171 at 35.

²⁰⁰ *Original Determinations*, USITC Pub. 4171 at 35.

²⁰¹ *Original Determinations*, USITC Pub. 4171 at 36.

²⁰² Confidential Original Views at 59; *Original Determinations*, USITC Pub. 4171 at 36.

²⁰³ *Original Determinations*, USITC Pub. 4171 at 36.

²⁰⁴ *First Reviews*, USITC Pub. 4584 at 22.

²⁰⁵ *First Reviews*, USITC Pub. 4584 at 22.

The Commission found that, should the orders be revoked, there would likely be a significant volume of subject imports of TKPP from China, which would likely undersell the domestic like product and have significant price effects. It found that these, in turn, would cause a significant impact on the domestic TKPP industry's production, capacity utilization, shipments, sales, market share, and revenues and would likely cause the domestic industry's profitability to fall.²⁰⁶

The Commission also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to subject imports. The Commission found that, notwithstanding the increase in nonsubject imports since the original investigations, the domestic TKPP industry was able to engage in *** operations in 2014, in contrast to 2009. Consequently, it found that the likely impact of future subject imports was distinguishable from that of future nonsubject imports.²⁰⁷ Accordingly, the Commission concluded that, if the antidumping and countervailing duty orders were revoked, subject imports of TKPP from China would likely have a significant impact on the domestic TKPP industry within a reasonably foreseeable time.²⁰⁸

The Current Reviews. Because these are expedited reviews, information on the record concerning the performance of the domestic TKPP industry since the first reviews pertains only to certain economic factors and is available only for 2019.²⁰⁹ This limited information is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the orders.

The capacity of the domestic TKPP industry was *** pounds in 2019, which was above the levels during the original POI and 2014.²¹⁰ However, production, shipments, and capacity utilization in 2019 were below the levels reported throughout the original POI, although production and shipments were higher in 2019 than in 2014.²¹¹ In 2019, production was *** pounds, the capacity utilization rate was *** percent, and U.S. shipments were *** pounds.²¹² Operating income was \$*** in 2019 and the ratio of operating income to net sales was *** percent. Both operating income and the operating ratio were above the levels of 2007, 2009, and 2014, but below those of 2008.²¹³ U.S. TKPP producers' share of apparent U.S. consumption was *** percent in 2019, which was lower than their 81.7 percent share in 2009, but higher than their *** percent share in 2014.²¹⁴

Based on the record, we find that, should the orders be revoked, there will likely be a significant volume of subject TKPP imports from China, and that these imports will likely undersell the domestic like product and have significant price effects. These, in turn, would

²⁰⁶ *First Reviews*, USITC Pub. 4584 at 22.

²⁰⁷ Confidential First Reviews Views at 33-34; *First Reviews*, USITC Pub. 4584 at 22.

²⁰⁸ *First Reviews*, USITC Pub. 4584 at 22.

²⁰⁹ CR/PR at Tables I-3.

²¹⁰ CR/PR at Tables I-3, C-3.

²¹¹ CR/PR at Tables I-3, C-3.

²¹² CR/PR at Tables I-3.

²¹³ CR/PR at Tables I-3, C-3.

²¹⁴ CR/PR at Table I-7.

cause a significant impact on the domestic industry's production, capacity utilization, shipments, sales, market share, and revenues and would likely cause the domestic industry's profitability to fall.

We also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Notwithstanding the increase in the volume and market share of nonsubject imports since the original POI, the domestic industry was able to engage in *** operations in 2019, in contrast to 2009.²¹⁵ Consequently, the likely impact of future subject imports is distinguishable from that of future nonsubject imports.

Accordingly, we conclude that, if the antidumping and countervailing duty orders were revoked, subject imports from China would likely have a significant impact on domestic producers of TKPP within a reasonably foreseeable time.

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping and countervailing duty orders on potassium phosphate salts from China would likely lead to continuation or recurrence of material injury to the industries in the United States producing DKP and TKPP within a reasonably foreseeable time.

²¹⁵ CR/PR at Table I-3.

Information obtained in these reviews

Background

On November 2, 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”),¹ that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on potassium phosphate salts from China² would likely lead to the continuation or recurrence of material injury to a domestic industry.³ All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{4 5} The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
November 1, 2020	Notice of initiation by Commerce (85 FR 69585, November 3, 2020)
November 2, 2020	Notice of institution by Commission (85 FR 69352, November 2, 2020)
February 5, 2021	Scheduled date for Commission’s vote on adequacy
March 3, 2021	Scheduled date for Commerce’s results of its expedited reviews
April 2, 2021	Commission’s statutory deadline to complete expedited reviews
October 29, 2021	Commission’s statutory deadline to complete full reviews

¹ 19 U.S.C. 1675(c).

² In the preliminary phase of the original determinations, the Commission defined four separate domestic like products: dipotassium phosphate (“DKP”), tetrapotassium pyrophosphate (“TKPP”), anhydrous monopotassium phosphate (“MKP”), and sodium tripolyphosphate (“STPP”), and made negative determinations as to imports of STPP from China. In the final phase of its original determinations, the Commission defined three separate like products: DKP, TKPP, and MKP, and made negative determinations as to imports of MKP from China.

³ 85 FR 69352, November 2, 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 69585, November 3, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

⁴ 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.

⁵ 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:

1. ICL Performance Products LP (“ICL”) and Prayon, Inc. (“Prayon”), domestic producers of potassium phosphate salts (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
Potassium phosphate salts: Summary of responses to the Commission’s notice of institution

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer (DKP)	2	***%
U.S. producer (TKPP)	2	***%

Note: Based on its definition of two domestic like products in the first reviews, the Commission found two corresponding domestic industries consisting of the following: (1) all producers of DKP; and (2) all producers of TKPP. For a discussion of the like product and domestic industry, please see “Definitions of the domestic like product and domestic industry” section.

Note: The U.S. producer coverage figure presented is the domestic interested parties’ estimate of their share of total U.S. production of potassium phosphate salts during 2019. Based on reported 2019 total U.S. production of DKP, ICL and Prayon accounted for approximately *** percent and *** percent, respectively. Based on reported 2019 total U.S. production of TKPP, ICL and Prayon accounted for approximately *** percent and *** percent, respectively. Domestic interested parties note that a third producer of potassium phosphate salts, PCS, merged with Agrium Inc. in 2018, and became Nutrien, Ltd. (“Nutrien”). Although Nutrien has the capacity to produce potassium phosphate salts, there is no indication that it has produced potassium phosphate salts since early 2017. Domestic interested parties’ response to the notice of institution, p. 23 and exh. 1; and domestic interested parties’ cure response to the notice of institution, December 14, 2020, p. 2.

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 the domestic interested parties. ICL and Prayon request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on potassium phosphate salts from China.⁶

The original investigations and subsequent reviews

The original investigations

The original investigations resulted from petitions filed on September 24, 2009 with Commerce and the Commission by ICL, St. Louis, Missouri, and Prayon, Augusta, Georgia.⁷ On June 1, 2010, Commerce determined that imports of potassium phosphate salts from China were being sold at less than fair value (“LTFV”) and subsidized by the Government of China.⁸ The Commission determined on July 15, 2010 that industries in the United States were materially injured by reason of LTFV and subsidized imports of potassium phosphate salts from China, specifically DKP and TKPP. The Commission also determined that an industry producing MKP’ was not materially injured or threatened with material injury, and that the establishment of an industry was not materially retarded, by reason of such imports from China.⁹ On July 22, 2010, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 62.23 to 95.40 percent and net subsidy rate of 109.11 percent.¹⁰

⁶ Domestic interested parties’ comments on adequacy, January 14, 2021, pp. 3-4.

⁷ Certain Potassium Phosphate Salts from China, Inv. Nos. 701-TA-473 and 731-TA-1173 (Final), USITC Publication 4171, July 2010 (“Original publication”), p. I-1.

⁸ 75 FR 30375, June 1, 2010; and 75 FR 30377, June 1, 2010.

⁹ 75 FR 42783, July 22, 2010. In the preliminary phase of the investigations, the Commission found that there was no reasonable indication that an industry in the United States was materially injured or threatened with material injury by reason of imports of sodium tripolyphosphate (“STPP”) from China. 74 FR 61173, November 23, 2009.

¹⁰ 75 FR 42683, July 22, 2010; and 75 FR 42682, July 22, 2010.

The first five-year reviews

On September 4, 2015, the Commission determined that it would conduct expedited reviews of the antidumping and countervailing duty orders on potassium phosphate salts from China.¹¹ On October 5, 2015, Commerce determined that revocation of the antidumping and countervailing duty orders on potassium phosphate salts from China would be likely to lead to continuation or recurrence of dumping and subsidization.¹² On December 4, 2015, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.¹³ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective December 21, 2015, Commerce issued a continuation of the antidumping and countervailing duty orders on imports of potassium phosphate salts from China.¹⁴

Previous and related investigations

There have been no other import injury investigations concerning DKP or TKPP. However, as discussed above, the Commission made negative determinations with respect to STPP and MKP during the preliminary and final phase of the investigations, respectively.¹⁵

In addition, on February 8, 2007, the Commission instituted an antidumping duty investigation on imports of another phosphate salt, sodium hexametaphosphate (“SHMP”).¹⁶ Effective March 12, 2008, the Commission determined that an industry in the United States was materially injured by reason of imports from China of SHMP that had been found by Commerce to be sold in the United States at less than fair value.¹⁷ The Commission conducted a review of the antidumping duty order on SHMP in 2013. Following an affirmative determination in the first five-year review by Commerce and the Commission, effective July 17, 2013, Commerce issued a continuation of the antidumping duty order on imports of SHMP from China.¹⁸ The Commission conducted a second five-year review of the antidumping duty order on SHMP in 2018. Following an affirmative determination in the second five-year review by Commerce and

¹¹ 80 FR 57204, September 22, 2015.

¹² 80 FR 60121, October 5, 2015; and 80 FR 60122, October 5, 2015.

¹³ 80 FR 76708, December 10, 2015.

¹⁴ 80 FR 79305, December 21, 2015.

¹⁵ 74 FR 61173, November 23, 2009; and 75 FR 42783, July 22, 2010.

¹⁶ 72 FR 7458, February 15, 2007.

¹⁷ 73 FR 6479, February 4, 2008; and 73 FR 14485, March 18, 2008.

¹⁸ 78 FR 34989, June 11, 2013; 78 FR 40505, July 5, 2013; and 78 FR 42754, July 17, 2013.

the Commission, effective March 1, 2019, Commerce issued a continuation of the antidumping duty order on imports of SHMP from China.¹⁹

Commerce's five-year reviews

Commerce is conducting expedited reviews with respect to the orders on imports of potassium phosphate salts from China and intends to issue the final results of these reviews based on the facts available not later than March 3, 2021.²⁰ 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 producers/exporters that are not currently subject to the antidumping or countervailing duty orders on imports of potassium phosphate salts from China are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

¹⁹ 83 FR 50338, October 5, 2018; 83 FR 63905, December 12, 2018; and 84 FR 7021, March 1, 2019.

²⁰ Letter from Melissa G. Skinner, Senior Director, Office VII, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, December 23, 2020.

The product

Commerce's scope

Commerce has defined the scope as follows:

The phosphate salts covered by the scope of the order include anhydrous Dipotassium Phosphate (DKP) and Tetrapotassium Pyrophosphate (TKPP), whether anhydrous or in solution (collectively "phosphate salts").

TKPP, also known as normal potassium pyrophosphate, Diphosphoric acid or Tetrapotassium salt, is a potassium salt with the formula $K_4P_2O_7$. The CAS registry number for TKPP is 7320-34-5. TKPP is typically 18.7% phosphorus and 47.3% potassium. It is generally greater than or equal to 43.0% P_2O_5 content. TKPP is classified under heading 2835.39.1000, HTSUS.

DKP, also known as Dipotassium salt, Dipotassium hydrogen orthophosphate or Potassium phosphate, dibasic, has a chemical formula of K_2HPO_4 . The CAS registry number for DKP is 7758-11-4. DKP is typically 17.8% phosphorus, 44.8% potassium and 40% P_2O_5 content. DKP is classified under heading 2835.24.0000, HTSUS.

The products covered by this order include the foregoing phosphate salts in all grades, whether food grade or technical grade. The products covered by this order also include anhydrous DKP without regard to the physical form, whether crushed, granule, powder or fines. Also covered are all forms of TKPP, whether crushed, granule, powder, fines or solution.

For purposes of the order, the narrative description is dispositive, and not the tariff heading, American Chemical Society, CAS registry number or CAS name, or the specific percentage chemical composition identified above.²¹

²¹ 80 FR 79305, December 21, 2015.

U.S. tariff treatment

Potassium phosphate salts are currently provided for in two different HTS subheadings: DKP in HTS 2835.24.00 (Phosphates: Of potassium) and TKPP in HTS 2835.39.10 (other phosphates of potassium).²² DKP and TKPP produced in China are imported into the U.S. market at a column 1-general duty rate of 3.1 percent ad valorem. Effective September 24, 2018, DKP and TKPP produced in China were subject to an additional 10 percent ad valorem duty under Section 301 of the Trade Act of 1974, as provided for in subheading 9903.88.03.²³ Effective May 10, 2019, this additional duty increased from 10 percent to 25 percent ad valorem.²⁴ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Description and uses²⁵

DKP (chemical formula K_2PO_4) and TKPP ($K_4P_2O_7$) are among the potassium salts of phosphoric acid, H_3PO_4 , also known as potassium phosphates. DKP and TKPP are sold primarily as either technical or food grade. Food grade phosphate salts are subject to more careful analysis and require a stricter range of specifications including pH and maximum allowable amounts of arsenic, fluoride, lead, and insoluble materials as specified in the Food Chemicals Codex. In the United States, producers generally manufacture technical and food grade phosphate salts in the same facility, subjecting food grade phosphate salts to more rigorous testing, handling, and maintenance requirements. The grades are further classified by particle size (typically categorized as fines, powder, or granules, in order of increasing size). These are determined by the average size of the individual particles when they are sifted through a sieve of given mesh size. Producers typically sell TKPP, but not DKP, in solution.

DKP and TKPP have different primary applications. DKP is generally used in dairy products, non-dairy creamers, baked goods, and meat processing, often as an emulsifier to prevent coagulation and reduce acidity. TKPP is generally used in liquid cleaning products and in potable and industrial water treatment to prevent corrosion. TKPP is also used in metal cleaners and metal surface treatment and in the manufacture of latex paints to maintain

²² HTS subheading 2835.24.00 includes out-of-scope phosphates while HTS 2835.39.10 includes out-of-scope polyphosphates.

²³ 83 FR 47974, September 21, 2018.

²⁴ 84 FR 20459, May 9, 2019.

²⁵ Unless otherwise noted, this information is based on the original publication, I-7-10 and Certain Potassium Phosphate Salts from China, Inv. Nos. 701-TA-473 and 731-TA-1173 (First Review), USITC Publication 4584, December 2015 (“First review publication”), pp. I-4-5.

suspension stability. Customers generally use a specific grade of a phosphate salt and do not interchange grades or phosphate salt.

Manufacturing process²⁶

Potassium phosphate salts are produced by reacting phosphoric acid with a base, usually potassium hydroxide. DKP is produced by reacting the base and phosphoric acid in a 1:1 or 1:2 molar ratio. TKPP is produced by calcining DKP solution at a temperature between 400 and 500 degrees Celsius. For both DKP and TKPP, sieves are used to sort the product by particle size. The products are then either packaged as a solid or, for TKPP solutions, dissolved and packaged, then shipped to customers. Once a customer accepts the certificate of analysis from the manufacturer (domestic or foreign), phosphate salts from different suppliers are interchangeable.

²⁶ Unless otherwise noted, this information is based on the original publication, p. I-11; and the first review publication, pp. I-5-6.

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 four firms that accounted for all known production of potassium phosphate salts during 2009.²⁷

During the first five-year reviews, domestic interested parties provided a list of two known and currently operating U.S. producers of potassium phosphate salts that accounted for *** percent of production of potassium phosphate salts during 2014.²⁸

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of two known and currently operating U.S. producers of potassium phosphate salts that accounted for *** percent of production of potassium phosphate salts in the United States during 2019.²⁹

Recent developments

As noted above, in 2018, potassium phosphate salt producers PCS and Agrium Inc. merged to form Nutrien.³⁰ The domestic interested parties reported that although Nutrien has the capacity to produce potassium phosphate salts, there is no indication that it has produced potassium phosphate salts since early 2017.³¹ Domestic interested parties also reported that demand for DKP and TKPP is stable or declining in the United States.³²

²⁷ Original publication, p. III-1.

²⁸ Investigation Nos. 701-TA-473 and 731-TA-1173 (First Review): Certain Potassium Phosphate Salts from China, Confidential Report, INV-NN-058, August 24, 2015, as revised in INV-NN-064, September 2, 2015 ("First review confidential report"), p. I-2.

²⁹ Domestic interested parties' response to the notice of institution, December 2, 2020 exh. 1; and Domestic interested parties' cure response to the notice of institution, December 14, 2020, p. 2.

³⁰ "Agrium and PotashCorp Merger Completed Forming Nutrien, a Leader in Global Agriculture," Nutrien news release. <https://www.nutrien.com/investors/news-releases/2018-agrium-and-potashcorp-merger-completed-forming-nutrien-leader-global>.

³¹ Domestic interested parties' cure response to the notice of institution, December 14, 2020, p. 2.

³² Domestic interested parties' response to the notice of institution, December 2, 2020, p. 25.

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.³³ Table I-2 and table I-3 present a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews regarding DKP and TKPP, respectively.

Table I-2
DKP: Trade and financial data submitted by U.S. producers, 2009, 2014, and 2019

Item	2009	2014	2019
Capacity (1,000 pounds)	***	***	***
Production (1,000 pounds)	***	***	***
Capacity utilization (percent)	***	***	***
U.S. shipments:			
Quantity (1,000 pounds)	***	***	***
Value (\$1,000)	***	***	***
Unit value (\$ per pound)	***	***	***
Net sales (\$1,000)	***	***	***
COGS (\$1,000)	***	***	***
COGS/net sales	***	***	***
Gross profit or (loss) (\$1,000)	***	***	***
SG&A expenses (loss) (\$1,000)	***	***	***
Operating income/(loss) (\$1,000)	***	***	***
Operating income (loss)/net sales (percent)	***	***	***

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

Source: For the years 2009 and 2014, 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' response to the notice of institution, December 2, 2020, exh. 1.

³³ Individual company trade and financial data are presented in app. B.

Table I-3
TKPP: Trade and financial data submitted by U.S. producers, 2009, 2014, and 2019

Item	2009	2014	2019
Capacity (1,000 pounds)	60,453	***	***
Production (1,000 pounds)	23,553	***	***
Capacity utilization (percent)	39.0	***	***
U.S. shipments:			
Quantity (1,000 pounds)	23,489	***	***
Value (\$1,000)	27,365	***	***
Unit value (\$ per pound)	1.17	***	***
Net sales (\$1,000)	29,109	***	***
COGS (\$1,000)	28,085	***	***
COGS/net sales	96.5	***	***
Gross profit or (loss) (\$1,000)	1,024	***	***
SG&A expenses (loss) (\$1,000)	2,997	***	***
Operating income/(loss) (\$1,000)	(1,973)	***	***
Operating income (loss)/net sales (percent)	(6.8)	***	***

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

Source: For the years 2009 and 2014, 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’ response to the notice of institution, December 2, 2020, exh. 1.

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.³⁴

In the preliminary phase of its original determinations, the Commission defined four separate domestic like products: DKP, TKPP, MKP, and STPP (and made negative determinations as to imports of STPP from China). In the final phase of its original determinations, the Commission defined three separate like products: DKP, TKPP, and MKP (and made negative determinations as to imports of MKP from China). In its expedited first five-year review determinations, the Commission defined DKP and TKPP, each of which is within Commerce’s scope definition, as separate domestic like products.³⁵

In the preliminary phase of its original determinations, the Commission defined four domestic industries: all domestic producers of DKP, all domestic producers of TKPP, all domestic producers of MKP, and all domestic producers of STPP. In the final phase of its original determinations, the Commission defined three domestic industries: all domestic producers of DKP, all domestic producers of TKPP, and all domestic producers of MKP. In its expedited first five-year review determinations, the Commission defined two domestic industries as follows: (1) all domestic producers of DKP and (2) all domestic producers of TKPP.³⁶

³⁴ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

³⁵ 85 FR 69352, November 2, 2020.

³⁶ Ibid.

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 37 firms. Staff believed that importer coverage was substantially complete.³⁷ Import data presented in the original investigations are based on questionnaire responses.

Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested parties provided a list of 122 known and currently operating U.S. importers of potassium phosphate salts from China.³⁸ Import data presented in the first reviews are based on official Commerce statistics.

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 three potential U.S. importers of DKP and four potential importers of TKPP.³⁹

U.S. imports

Table I-4 and table I-5 present the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2019 imports by quantity) for DKP and TKPP, respectively.

³⁷ Original publication, p. IV-1.

³⁸ First review publication, p. I-12.

³⁹ Domestic interested parties' response to the notice of institution, December 2, 2020, exh. 9.

Table I-4
DKP: U.S. imports, 2015-19

Item	2015	2016	2017	2018	2019
	Quantity (1,000 pounds)				
China (Subject)	15,089	15,005	14,619	9,886	4,538
Israel	23,259	19,102	13,662	17,766	21,524
Mexico	20,215	16,957	20,644	16,640	11,091
France	1,955	3,057	5,319	6,408	6,736
Germany	5,774	3,561	2,870	2,486	2,774
Belgium	2,707	2,378	2,121	2,668	2,081
Thailand	363	582	612	703	1,475
Canada	484	338	477	744	412
All other imports (nonsubject)	712	811	458	258	2,610
Subtotal, nonsubject	55,469	46,786	46,164	47,674	48,703
Total imports	70,558	61,790	60,783	57,560	53,241
	Landed, duty-paid value (\$1,000)				
China (Subject)	9,030	7,769	7,690	6,075	3,166
Israel	17,527	13,900	8,521	10,474	12,703
Mexico	17,000	14,856	17,304	13,151	9,081
France	2,183	3,125	4,879	5,789	6,566
Germany	7,215	3,886	3,229	2,787	2,924
Belgium	2,872	2,370	1,898	2,466	2,032
Thailand	309	458	477	553	1,233
Canada	268	185	226	383	227
All other imports (nonsubject)	959	966	1,073	522	1,963
Subtotal, nonsubject	48,333	39,746	37,607	36,124	36,729
Total imports	57,362	47,516	45,298	42,199	39,895
	Unit value (dollars per pound)				
China (Subject)	0.60	0.52	0.53	0.61	0.70
Israel	0.75	0.73	0.62	0.59	0.59
Mexico	0.84	0.88	0.84	0.79	0.82
France	1.12	1.02	0.92	0.90	0.97
Germany	1.25	1.09	1.13	1.12	1.05
Belgium	1.06	1.00	0.89	0.92	0.98
Thailand	0.85	0.79	0.78	0.79	0.84
Canada	0.55	0.55	0.47	0.52	0.55
All other imports (nonsubject)	1.35	1.19	2.35	2.02	0.75
Subtotal, nonsubject	0.87	0.85	0.81	0.76	0.75
Total imports	0.81	0.77	0.75	0.73	0.75

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

Note: HTS statistical reporting number 2835.24.0000 contains both DKP and out-of-scope MKP. The domestic interested parties noted that imports entered under this statistical reporting number have increased since 2010, although it is currently below 2009 levels. However, the domestic interested parties assert that, based on ship's manifest data, virtually all of this increase is accounted for by out-of-scope MKP. Domestic interested parties' response to the notice of institution, December 2, 2020, pp. 17-18 and exh. 4. ***.

Source: Compiled from official Commerce statistics for HTS subheading 2835.24.0000, accessed December 15, 2020.

Table I-5
TKPP: U.S. imports, 2015-19

Item	2015	2016	2017	2018	2019
	Quantity (1,000 pounds)				
China (subject)	0	9	336	376	38
Canada	15,987	11,601	16,283	13,619	10,242
Germany	1,992	3,554	3,980	3,222	1,073
Thailand	505	625	489	676	977
France	480	342	476	538	501
Mexico	5,837	84	0	20	0
Belgium	0	0	0	0	0
Israel	0	0	0	0	0
All other imports (nonsubject)	88	168	994	42	40
Subtotal, nonsubject	24,888	16,375	22,221	18,116	12,834
Total imports	24,888	16,383	22,557	18,492	12,871
	Landed, duty-paid value (\$1,000)				
China (subject)	0	10	189	266	41
Canada	11,720	9,459	10,867	10,838	8,035
Germany	2,217	3,980	4,364	3,774	1,424
Thailand	436	509	412	527	827
France	745	540	723	833	936
Mexico	4,316	60	0	11	0
Belgium	0	0	0	0	0
Israel	0	0	0	0	0
All other imports (nonsubject)	49	162	385	41	25
Subtotal, nonsubject	19,484	14,710	16,752	16,024	11,246
Total imports	19,484	14,720	16,941	16,291	11,287
	Unit value (dollars per pound)				
China (subject)	(¹)	1.11	0.56	0.71	1.09
Canada	0.73	0.82	0.67	0.80	0.78
Germany	1.11	1.12	1.10	1.17	1.33
France	0.86	0.81	0.84	0.78	0.85
Thailand	1.55	1.58	1.52	1.55	1.87
Mexico	0.74	0.72	(¹)	0.56	(¹)
Belgium	(¹)	(¹)	(¹)	(¹)	(¹)
Israel	(¹)	(¹)	(¹)	(¹)	(¹)
All other imports (nonsubject)	0.56	0.97	0.39	0.98	0.62
Subtotal, nonsubject	0.78	0.90	0.75	0.88	0.88
Total imports	0.78	0.90	0.75	0.88	0.88

¹ Not applicable.

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

Note: HTS statistical reporting number 2835.39.1000 may contain products outside the scope of these reviews.

According to ***.

Source: Compiled from official Commerce statistics for HTS subheading 2835.39.1000, accessed December 15, 2020.

Apparent U.S. consumption and market shares

Table I-6 and table I-7 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares for DKP and TKPP, respectively.

Table I-6
DKP: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares 2009, 2014, and 2019

Item	2009	2014	2019
	Quantity (1,000 pounds)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from—			
China	***	17,928	4,538
All other	***	53,911	48,703
Total imports	***	71,839	53,241
Apparent U.S. consumption	***	***	***
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	***	***	***
U.S. imports from—			
China	***	11,359	3,166
All other	***	45,937	36,729
Total imports	***	57,296	39,895
Apparent U.S. consumption	***	***	***
	Share of consumption based on quantity (percent)		
U.S. producers' share	***	***	***
U.S. imports from—			
China	***	***	***
All other sources	***	***	***
Total imports	***	***	***
	Share of consumption based on value (percent)		
U.S. producers' share	***	***	***
U.S. imports from—			
China	***	***	***
All other sources	***	***	***
Total imports	***	***	***

Note: Because of rounding, shares may not total to 100.0 percent.

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

Note: For 2009, import data is based on U.S. shipments of imports.

Source: For the years 2009 and 2014, 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 and U.S. imports are compiled using official Commerce statistics under HTS subheading 2835.24.0000, accessed December 15, 2020.

Table I-7

TKPP: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares 2009, 2014, and 2019

Item	2009	2014	2019
	Quantity (1,000 pounds)		
U.S. producers' U.S. shipments	23,489	***	***
U.S. imports from—			
China	***	9	38
All other	***	26,288	12,834
Total imports	5,261	26,297	12,871
Apparent U.S. consumption	28,750	***	***
	Value (1,000 dollars)		
U.S. producers' U.S. shipments	27,365	***	***
U.S. imports from—			
China	***	10	41
All other	***	20,790	11,246
Total imports	5,749	20,800	11,287
Apparent U.S. consumption	33,114	***	***
	Share of consumption based on quantity (percent)		
U.S. producers' share	81.7	***	***
U.S. imports from—			
China	***	***	***
All other sources	***	***	***
Total imports	18.3	***	***
	Share of consumption based on value (percent)		
U.S. producers' share	82.6	***	***
U.S. imports from—			
China	***	***	***
All other sources	***	***	***
Total imports	17.4	***	***

¹ ***.

Note: Because of rounding, shares may not total to 100.0 percent.

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

Note: For 2009, import data is based on U.S. shipments of imports.

Source: For the years 2009 and 2014, 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 and U.S. imports are compiled using official Commerce statistics under HTS subheading 2835.39.1000, accessed December 15, 2020.

The industry in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from twelve firms.⁴⁰ These firms' exports accounted for 99.5 percent and 8.2 percent of U.S. imports of DKP and TKPP from China in 2009, respectively.⁴¹

Although the Commission did not receive responses from any respondent interested parties in its first five-year reviews, the domestic interested parties provided a list of four possible producers of potassium phosphate salts in China in that proceeding.⁴²

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 two possible producers of DKP in China and five possible producers of TKPP in China.⁴³

The domestic interested parties provided information that the Chinese phosphorous industry plans to focus on developing its fine phosphorous chemicals industry, suggesting a move away from industrial phosphorous chemicals.⁴⁴

Table I-8 presents export data for "potassium phosphate and polyphosphates, nesoi," categories that include DKP, TKPP, and out-of-scope products, from China (by export destination in descending order of quantity for 2019).

⁴⁰ Original publication, p. VII-2.

⁴¹ Original publication, pp. VII-1-3.

⁴² First review publication, p. I-18.

⁴³ Domestic interested parties' response to the notice of institution, December 2, 2020, exh. 9.

⁴⁴ Domestic interested parties' response to the notice of institution, December 2, 2020, p. 22 and exh. 8.

Table I-8**Potassium phosphate and polyphosphates, nesoi: Exports from China, by destination, 2015-19**

Item	Calendar year				
	2015	2016	2017	2018	2019
Quantity (1,000 pounds)					
United States	22,387	19,192	20,855	20,115	10,118
India	53,359	69,193	66,972	77,184	66,747
Thailand	26,170	25,579	29,729	34,885	39,119
Korea	23,333	23,592	27,546	29,304	31,636
Australia	19,660	17,746	24,321	23,818	26,067
Russia	19,908	19,955	25,180	30,933	23,862
Spain	15,500	19,210	24,303	24,200	22,510
Brazil	22,362	23,640	23,208	25,787	22,349
Mexico	8,490	11,843	21,371	20,817	22,323
Saudi Arabia	16,408	16,217	19,634	18,296	21,597
Malaysia	24,405	23,641	18,695	22,604	20,089
All other	267,661	278,550	297,138	313,946	318,522
Total	519,643	548,358	598,952	641,889	624,939

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 2835.24 and 2835.39, accessed January 5, 2020. These data may be overstated as HTS subheadings 2835.24 and 2835.39 may contain products outside the scope of these reviews.

Antidumping or countervailing duty orders in third-country markets

Based on available information, potassium phosphate salts from China have not been subject to other antidumping or countervailing duty investigations outside the United States.

The global market

Table I-9 presents global export data for “potassium phosphate and polyphosphates, nesoi,” two categories that include subject potassium phosphate salts and out-of-scope products, by source in descending order of quantity for 2019.

Table I-9
Potassium phosphate and polyphosphates, nesoi: Global exports by major sources, 2015-19

Item	Calendar year				
	2015	2016	2017	2018	2019
Quantity (1,000 pounds)					
China	519,643	548,358	598,952	641,889	624,939
Germany	161,533	183,836	201,110	207,886	209,133
United States	104,316	102,197	115,274	116,295	133,906
Belgium	92,844	102,863	117,029	108,399	122,468
Thailand	87,573	90,762	90,840	108,001	110,921
Israel	78,548	72,838	59,626	49,723	72,050
Czech Republic	4,580	1,503	1,626	47,448	50,092
Canada	158,793	53,058	50,442	51,332	49,479
Netherlands	14,408	20,000	23,563	25,594	23,923
Spain	14,196	16,636	14,705	13,217	13,633
All other	101,130	103,625	113,674	116,273	70,030
Total	1,337,565	1,295,674	1,386,842	1,486,058	1,480,575

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheadings 2835.24 and 2835.39, accessed January 5, 2020. These data may be overstated as HTS subheadings 2835.24 and 2835.39 may contain products outside the scope of these reviews.

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
85 FR 69352 November 2, 2020	<i>Potassium Phosphate Salts From China; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2020-11-02/pdf/2020-24219.pdf
85 FR 69585, November 3, 2020	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2020-11-03/pdf/2020-24304.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1
DKP: Summary data concerning the U.S. market, 2007-09

(Quantity=1,000 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		
	2007	2008	2009	2007-09	2007-08	2008-09
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. shipments of imports from:						
China:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
U.S. producers:						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/sales (1)	***	***	***	***	***	***

(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.

Table C-3
TKPP: Summary data concerning the U.S. market, 2007-09

(Quantity=1,000 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		
	2007	2008	2009	2007-09	2007-08	2008-09
U.S. consumption quantity:						
Amount	43,263	37,356	28,750	-33.5	-13.7	-23.0
Producers' share (1)	90.5	87.7	81.7	-8.8	-2.8	-6.0
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	9.5	12.3	18.3	8.8	2.8	6.0
U.S. consumption value:						
Amount	26,222	37,161	33,114	26.3	41.7	-10.9
Producers' share (1)	89.8	85.6	82.6	-7.1	-4.2	-2.9
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	10.2	14.4	17.4	7.1	4.2	2.9
U.S. shipments of imports from:						
China:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	4,101	4,593	5,261	28.3	12.0	14.5
Value	2,684	5,368	5,749	114.2	100.0	7.1
Unit value	\$0.65	\$1.17	\$1.09	67.0	78.6	-6.5
Ending inventory quantity	1,058	1,396	2,167	104.8	31.9	55.3
U.S. producers:						
Average capacity quantity	72,176	62,072	60,453	-16.2	-14.0	-2.6
Production quantity	41,076	36,211	23,553	-42.7	-11.8	-35.0
Capacity utilization (1)	56.9	58.3	39.0	-18.0	1.4	-19.4
U.S. shipments:						
Quantity	39,162	32,763	23,489	-40.0	-16.3	-28.3
Value	23,538	31,793	27,365	16.3	35.1	-13.9
Unit value	\$0.60	\$0.97	\$1.17	93.8	61.5	20.1
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	60	52	46	-23.3	-13.3	-11.5
Hours worked (1,000s)	117	98	94	-19.8	-16.6	-3.9
Wages paid (\$1,000s)	4,205	3,656	3,637	-13.5	-13.0	-0.5
Hourly wages	\$35.95	\$37.48	\$38.79	7.9	4.3	3.5
Productivity (pounds per hour)	351.2	371.2	251.2	-28.5	5.7	-32.3
Unit labor costs	\$0.10	\$0.10	\$0.15	50.8	-1.4	52.9
Net sales:						
Quantity	41,876	34,353	24,867	-40.6	-18.0	-27.6
Value	25,390	33,314	29,109	14.6	31.2	-12.6
Unit value	\$0.61	\$0.97	\$1.17	93.1	59.9	20.7
Cost of goods sold (COGS)	22,577	26,226	28,085	24.4	16.2	7.1
Gross profit or (loss)	2,813	7,088	1,024	-63.6	152.0	-85.6
SG&A expenses	2,675	3,139	2,997	12.0	17.3	-4.5
Operating income or (loss)	138	3,949	(1,973)	(2)	2,761.6	(2)
Capital expenditures	***	***	***	***	***	***
Unit COGS	\$0.54	\$0.76	\$1.13	109.5	41.6	47.9
Unit SG&A expenses	\$0.06	\$0.09	\$0.12	88.7	43.0	31.9
Unit operating income or (loss)	\$0.003	\$0.11	(\$0.08)	(2)	3,388.3	(2)
COGS/sales (1)	88.9	78.7	96.5	7.6	-10.2	17.8
Operating income or (loss)/ sales (1)	0.5	11.9	(6.8)	-7.3	11.3	-18.6

(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.

Note.--Revenue, cost, and income related to PCS' tolling operations appear separately in table V19.

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

Table C-4
DKP, MKP, and TKPP: Summary data concerning the U.S. market, 2007-09

(Quantity=1,000 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		
	2007	2008	2009	2007-09	2007-08	2008-09
U.S. consumption quantity:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. consumption value:						
Amount	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***
Importers' share (1):						
China	***	***	***	***	***	***
All other sources	***	***	***	***	***	***
Total imports	***	***	***	***	***	***
U.S. shipments of imports from:						
China:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All other sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
U.S. producers':						
Average capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***
U.S. shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***
Net sales:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***

(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.

Note.--Revenue, cost, and income related to PCS' tolling operations appear separately in table VI-9.

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

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 ten firms as the top purchasers of potassium phosphate salts: ***. Purchaser questionnaires were sent to these ten firms and one firm (***) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for potassium phosphate salts that have occurred in the United States or in the market for potassium phosphate salts in China since January 1, 2015?

Purchaser	Yes / No	Changes that have occurred
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for potassium phosphate salts in the United States or in the market for potassium phosphate salts in China within a reasonably foreseeable time?

Purchaser	Yes / No	Changes that have occurred
***	***	***