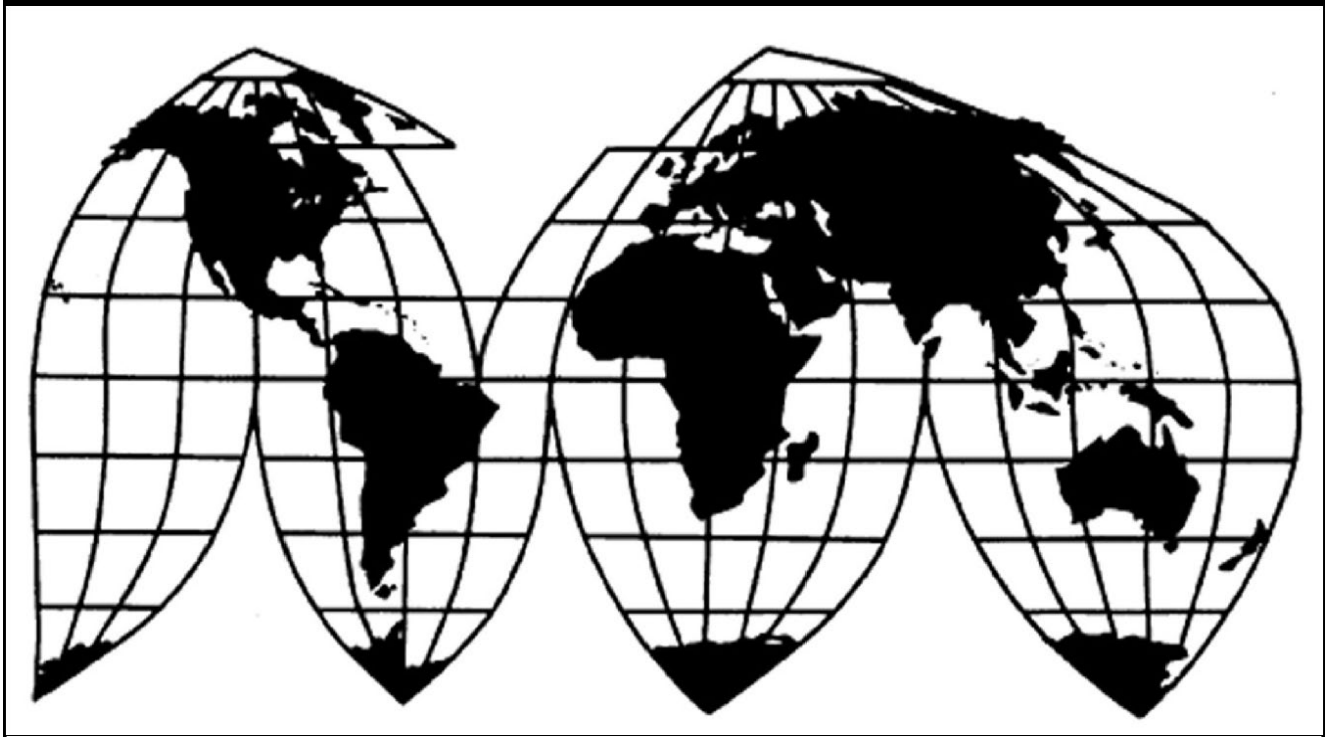
Oleoresin Paprika from India

Investigation Nos. 701-TA-771 and 731-TA-1755 (Final)

Publication 5794 **October 2026**

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Pamela Davis, Economist
Jennifer Brinckhaus, Accountant
Aboubakari Kpeitoni, Statistician
Lena Raxter, Attorney
Douglas Corkran, 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
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Note.—Information that would reveal confidential operations of individual firms may not be published. Such information is identified by brackets ([ ]) in confidential reports and is deleted and replaced with asterisks (***) in public reports. Zeroes, null values, and undefined calculations are suppressed and shown as em dashes (—) in tables. If using a screen reader, we recommend increasing the verbosity setting.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-771 and 731-TA-1755 (Final)

Oleoresin Paprika from India

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that an industry in the United States is materially injured by reason of imports of oleoresin paprika from India,[2] [3] provided for under subheadings 3203.00.80 and 3301.90.10 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") and subsidized by the government of India.[4] [5]

BACKGROUND

The Commission instituted these investigations effective June 25, 2025, following receipt of petitions filed with the Commission and Commerce by Rezolex, Ltd. Co., Las Cruces, New Mexico. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of oleoresin paprika from India were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on April 20, 2026 (91 FR 21016). The Commission conducted its hearing on August 18, 2026. All persons who requested the opportunity were permitted to participate.

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

[2] Commissioner Jason E. Kearns determines that an industry in the United States is threatened with material injury.

[3] Commissioner Samuel T. Negatu not participating.

[4] 91 FR 54302 and 91 FR 54300 (August 21, 2026).

[5] The Commission also finds that imports subject to Commerce's affirmative critical circumstances determination are not likely to undermine seriously the remedial effect of the countervailing duty order on oleoresin paprika from India.

Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of oleoresin paprika ("ORP") from India found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") and subsidized by the government of India.[1] We also find that critical circumstances do not exist with respect to imports from India that are subject to Commerce's final affirmative critical circumstances determination in its countervailing duty investigation.

I. Background

Rezolex, Ltd. Co. ("Rezolex" or "Petitioner"), a domestic producer of ORP, filed the petitions in these investigations on June 25, 2025.[2] Petitioner submitted prehearing and posthearing briefs, and final comments; and appeared at the hearing accompanied by counsel.[3]

Several respondent entities participated in the final phase of these investigations: McCormick & Company, Inc. ("McCormick"), a U.S. importer of ORP; and Indian producers/exporters Plant Lipids Pvt. Ltd., Synthite Industries Ltd. ("Synthite"), Mane Kancor Ingredients Ltd. ("Mane Kancor"), and Akay Natural Ingredients Private Ltd (collectively, "Respondents"). Respondents submitted joint prehearing and posthearing briefs, and final comments; and appeared at the hearing accompanied by counsel.[4]

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[1] Commissioner Jason E. Kearns determines that an industry in the United States is threatened with material injury by reason of imports of oleoresin paprika from India that Commerce found to be sold in the United States at LTFV and subsidized by the government of India. He joins his colleagues' analysis as supplemented by pertinent footnotes.

[2] Confidential Staff Report, INV-YY-129 (Sept. 8, 2026) ("CR") at 1.1; *Oleoresin Paprika from India*, Inv. Nos. 701-TA-771 and 731-TA-1755 (Final), USITC Pub. 5794 at 1.1 (Oct. 2026) ("PR").

[3] Hearing Transcript ("Hearing Tr.") at 3; Rezolex Prehearing Brief, EDIS Doc. 891207 (Public) (Aug. 11, 2026) & 891204 (Confidential) (Aug. 11, 2026) ("Petitioner's Prehearing Br."); Rezolex Posthearing Brief, EDIS Doc. 893138 (Public) & 898135 (Confidential) (Aug. 28, 2026) ("Petitioner's Posthearing Br."); Petitioner's Final Comments, EDIS Doc. 894893 (Public) (Sept. 16, 2026) & 894769 (Confidential) (Sept. 15, 2026) and Revised Pages, EDIS Doc. 894892 (Sept. 16, 2026) ("Petitioner's Final Comments").

[4] Hearing Tr. at 4-5; Respondents' Prehearing Brief, EDIS Doc. 891333 (Public) (Aug. 12, 2026) & 891185 (Confidential) (Aug. 11, 2026) and Revised Pages, EDIS Doc. 891332 (Aug. 12, 2026) ("Respondents' Prehearing Br."); Respondents' Posthearing Brief, EDIS Doc. 893410 (Public) (Aug. 31, 2026) & 893141 (Confidential) (Aug. 28, 2026) and Revised Pages, EDIS Doc. 893409 (Aug. 31, 2026) ("Respondents' Posthearing Br."); Respondents' Final Comments, EDIS Doc. 894934 (Public) (Sept. 16, 2026) & 894752 (Confidential) (Sept. 15, 2026) and Revised Pages, EDIS Doc. 894933 (Sept. 16, 2026) ("Respondents' Final Comments").

U.S. industry data are based on the questionnaire response from one firm, Rezolex, that accounted for all known domestic production of ORP in 2025.[5] U.S. import data are based on the questionnaire responses of 23 U.S. importers accounting for approximately 90 percent of subject imports.[6] The Commission also received six usable responses to its questionnaires from producers and/or exporters of subject merchandise from India, accounting for an estimated 92.6 percent of production of ORP in India in 2025, and whose exports accounted for an estimated 55.4 percent of subject imports from India in 2025.[7]

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the "domestic like product" and the "industry."[8] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[9] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an

[5] CR/PR at 1.5.

Respondents argue that, due to major revisions to Petitioner's data, the record as it existed during the hearing on August 18, 2026, fundamentally changed. *See* Respondents' Posthearing Br. at 1-3. While some of Petitioner's data changed after the hearing, following standard verification processes by the Commission, this neither prejudiced Respondents nor deprived them of any due process. Respondents received the revised data two days following the hearing, and the Commission promptly released the verified data two days after the hearing concluded. Moreover, Respondents then had two opportunities to comment on the revised information. In fact, the Commission extended the deadline for posthearing briefs specifically to provide Respondents with additional time to address the revised data. *See* Grant Letter for Request to Revise the Briefing Schedule, EDIS Doc. 892614 (Aug. 25, 2026). Furthermore, Respondents had the opportunity to file final comments after the record closed pursuant to 19 U.S.C. § 1677m(g).

[6] CR/PR at 1.5. Coverage for imports of ORP from nonsubject sources (*** percent) is believed to be higher than the figure shown, because HTS statistical reporting number 3203.00.8000 contains out-of-scope merchandise. *See id.* at 4.1 n.3.

[7] Usable responses to the Commission's questionnaire were received from six firms: the *** of the Indian producers, Universal Oleoresins, provided data in the preliminary phase but not in the final phase; accordingly, Staff used its response in the preliminary phase to estimate its response in final phase. CR/PR at 7.3, Table 7.1.

[8] 19 U.S.C. § 1677(4)(A).

[9] 19 U.S.C. § 1677(4)(A).

investigation."[10]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by Commerce.[11] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[12] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[13] The decision regarding the appropriate domestic like product in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[14] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[15] The Commission looks for clear dividing lines among possible like products and disregards minor

[10] 19 U.S.C. § 1677(10).

[11] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[12] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, Case No. 19-1289, slip op. at 8-9 (Fed. Circ. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[13] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–52 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[14] *See, e.g.*, *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors, including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

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

variations.[16]

B. Product Description

Commerce defined the imported merchandise within the scope of these investigations as follows:

> The merchandise covered by the scope of this investigation is the coloring additive oleoresin paprika. Oleoresin paprika is a viscous, highly colored liquid in various shades of red or orange made from the extract of Capsicum peppers. Covered merchandise includes all oleoresin paprika, regardless of pepper variety, with an American Spice Trade Association (ASTA) value of at least 500 or a color unit (CU) value of at least 20,000 as determined by spectrophotometric measurement. The Chemical Abstracts Service (CAS) Registry numbers for oleoresin paprika are 68917–78–2 and 84625–29–6; the Center for Food Safety and Applied Nutrition (CFSAN) number is 977006–45–3; the Flavoring Extract Manufacturers' Association (FEMA) number is 2834; and the E number is E160c. Subject oleoresin paprika may also be referred to by other product names, including, but not limited to, paprika oleoresin, oleoresin of paprika, paprika extract, extract of paprika, paprika oil, or paprika essential oil.
>
> Subject oleoresin paprika may be blended with oil or water prior to importation or may be imported in its crude or unstandardized form. Subject oleoresin paprika may also be blended with emulsifiers or preservatives. The scope includes all oleoresin paprika meeting the specifications above regardless of whether or not blended with or soluble in oil or water, and regardless of weight, pungency, quality, solvent content, or additives. Further, the scope includes crude or unstandardized oleoresin paprika that has been blended, finished, packaged, or otherwise processed in a third country, if the blending, finishing, packaging, or

[16] *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; *see also* S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

> processing performed would not otherwise remove the merchandise from the scope. Oleoresin paprika that is otherwise subject to this investigation is not excluded when commingled with oleoresin paprika from sources not subject to this investigation, or when commingled with other oleoresins. Only the subject component of such commingled products is covered by the scope of this investigation.[17]

ORP consists of a natural, viscous, liquid with an orange-to-dark-red tint.[18] This industrial product's primary functions include as a color additive or as a flavoring agent in food products, such as sausages, cheese sauces, gravies, condiments, salt and spice blends, salad dressings, baked goods, snacks, and icings.[19] Other end uses include cosmetics and pharmaceuticals.[20]

ORP can be either oil-soluble or water-soluble, and firms sell it on the basis of color, concentration, and weight.[21] Companies ship ORP to customers in 5 gallon pails, 55 gallon drums, and 160 gallon plastic totes.[22] Firms produce ORP in a variety of colors, from orange to dark red, and color concentrations.[23] The red pigment comes primarily from capsorubin and capsanthin in the paprika, while the yellow pigment comes from the β-carotene component.[24] The color is measured by spectrophotometric analysis at 460 nanometers and reported in color units ("CU").[25] Unstandardized (or "crude") extract (*i.e.*, prior to blending with vegetable oil) provides the highest concentration of color.[26] Different varieties of peppers yield different color levels, with hotter peppers, like the chili peppers typically used in India, generally

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[17] *Oleoresin Paprika from India: Final Affirmative Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 91 Fed. Reg. 54302 (Aug. 21, 2026); *Oleoresin Paprika from India: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, in Part*, 91 Fed. Reg. 54300 (Aug. 21, 2026).

[18] ORP may also be referred to as paprika oleoresin, oleoresin of paprika, paprika extract, or extract of paprika. CR/PR at 1.13, n.26.

[19] CR/PR at 1.13-1.14.

[20] CR/PR at 1.13.

[21] CR/PR at 1.13.

[22] CR/PR at 1.13.

[23] CR/PR at 1.13.

[24] CR/PR at 1.13. Oil-based solutions appear more orange-red and water-based solutions appear more bright orange. *Id.*

[25] CR/PR at 1.13. American Spice Trade Association ("ASTA") values, which are one-fortieth the CU value, may also be used. *See* Conference Tr. at 18 (Stirk).

[26] CR/PR at 1.13.

producing lower levels.[27] Both domestic and subject ORP provide a minimum of 20,000 CU.[28] Petitioner asserts that it has produced ORP with up to 200,000 CU.[29]

C. Arguments

Petitioner argues that the Commission should define a single domestic like product consisting of ORP, coextensive with the scope.[30] No respondent party challenged the Commission's definition of the domestic like product from the preliminary determinations or requested that the Commission obtain information regarding any alternative domestic like products.[31]

D. Analysis

In its preliminary determinations, the Commission defined a single domestic like product consisting of ORP, coextensive with the scope.[32] Applying its traditional six-factor like product analysis, the Commission found that all grades and forms of ORP covered by the scope share the same basic physical characteristics and general uses, are sold through the same channels of distribution, and are interchangeable if customer specifications are met; and clear lines divide ORP and other products.[33] The record in the final phase of these investigations does not contain any new information. Accordingly, and in the absence of any argument to the contrary, we define a single domestic like product consisting of ORP, coextensive with the scope.

III. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[34] 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

[27] CR/PR at 1.13.
[28] CR/PR at 1.13-1.14.
[29] CR/PR at 1.17.
[30] Petitioner's Prehearing Br. at 5-14; Petitioner's Posthearing Br. at 2.
[31] *See* Petitioner's Posthearing Br. at 2.
[32] *Oleoresin Paprika from India*, Inv. Nos. 701-TA-771 and 731-TA-1755 (Preliminary), USITC Pub. 5656 at 11 (August 2025) ("Preliminary Determinations").
[33] Preliminary Determinations, USITC Pub. 5656 at 8-11.
[34] 19 U.S.C. § 1677(4)(A).

the domestic merchant market.

In these investigations, we consider whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[35] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[36]

Rezolex is subject to potential exclusion pursuant to 19 U.S.C. § 1677(4)(B)(ii) because it purchased subject merchandise during the period of investigation.[37]

[35] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem*., 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[36] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[37] Exclusion of a domestic producer that purchases subject imports ensures that the data for a domestic producer with a large enough share of domestic production or purchases of subject merchandise of a large enough size will not skew the data in a way that would mask injury to the domestic industry. A domestic producer may be subject to the related parties provision if it controls a purchaser of large volumes of subject imports. *See* Uruguay Round Agreements Act Statement of Administrative Action ("SAA"), H.R. Doc. No. 103-316, vol. I, at 858 (1994). The Commission has found such control to exist, for example, where the domestic producer's purchases represented a predominant portion of an importer's subject imports and the importer's subject imports were substantial. *See, e.g.*, *Iron Construction Castings from Brazil, Canada, and China*, Inv. Nos. 701-TA-248 and 731-TA-262-263, 265 (Fourth Review), USITC Pub. 4655 at 11 (Dec. 2016); *Chlorinated Isocyanurates from China and Spain*, Inv. Nos. 731-TA-1082-1083 (Review), USITC Pub. 4646 at 12 (Nov. 2016).

A. Arguments

Petitioner asks the Commission to define the domestic industry to include all domestic producers of ORP, namely Rezolex.[38] Respondents did not address the definition of the domestic industry.

B. Analysis

In its preliminary determinations, the Commission defined the domestic industry to include all domestic producers of ORP, namely, Rezolex.[39]

Rezolex accounted for 100 percent of U.S. production in 2025, was the only domestic producer of ORP during the period of investigation, and is the Petitioner.[40] Rezolex purchased ORP from India in *** that *** imported; Rezolex did not purchase subject ORP ***.[41] The ratio of Rezolex's purchases of subject imports to its domestic production was *** percent in *** and *** percent in ***.[42] *** imports of subject merchandise accounted for *** percent of total subject imports in 2023, *** percent in 2024, and *** percent in 2025; its subject imports accounted for *** percent in interim 2025 and *** percent in interim 2026.[43] Rezolex's purchases accounted for *** percent of *** total imports in *** and *** percent in ***.[44] Rezolex purchased the Indian ORP due to paprika crop shortfalls so that it could meet supply contract obligations.[45]

Appropriate circumstances do not exist to exclude Rezolex from the domestic industry. It is the Petitioner and sole producer of ORP. Where the sole domestic producer qualifies for possible exclusion under the related parties provision, the Commission previously has found that appropriate circumstances do not exist to exclude that producer.[46] Moreover, the ratio of

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[38] Petitioner's Prehearing Br. at 14-15; Petitioner's Posthearing Br. at 2.
[39] Preliminary Determination, USITC Pub. 5656 at 13.
[40] CR/PR at 3.1, Table 3.1.
[41] CR/PR at Table 3.11.
[42] *Derived from* CR/PR at Table 3.11.
[43] CR/PR at Table 3.11.
[44] CR/PR at Table 3.11.
[45] CR/PR at 3.10.
[46] *See Non-Refillable Steel Cylinders from India*, Inv. Nos. 701-TA-689 and 731-TA-1618 (Preliminary), USITC Pub. 5437 at 11-12 (June 2023); *see also Tetrahydrofurfuryl Alcohol from China*, Inv. No. 731-TA-1046 (Preliminary), USITC Pub. 3620 at 5 n.20 (Aug. 2003) ("As it has been the sole domestic producer throughout the {period of investigation}, however, appropriate circumstances do not exist to exclude it from the domestic industry."); *1-Hydroxyethylidene-1, 1-Diphosphonic Acid (HEDP) from China and India*, Inv. Nos. 731-TA-1146-1147 (Preliminary), USITC Pub. 3998 at 9 (May 2008); *Industrial*
(Continued...)

Rezolex's purchases to its production remained low, and it only purchased subject merchandise in ***. Further, *** share of total subject imports was not substantial, and Rezolex's purchases of subject merchandise did not account for a predominant proportion of *** total subject imports.

Accordingly, consistent with our definition of the domestic like product, we define the domestic industry to include all domestic producers of ORP, namely, Rezolex.

IV. Negligibility

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product shall be deemed negligible if they account for less than three percent (or four percent in the case of a developing country in a countervailing duty investigation) of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition.[47]

During the 12-month period preceding filing of the petitions (June 2024 to May 2025), subject imports from India accounted for *** percent of total imports of ORP.[48] Because subject imports from India exceed the three percent negligibility threshold, we find that imports of ORP from India subject to the antidumping and countervailing duty investigations are not negligible.

V. Material Injury by Reason of Subject Imports

Based on the record in the final phase of these investigations, we find that an industry in the United States is materially injured by reason of imports of ORP from India that Commerce has found to be sold at LTFV and subsidized by the government of India.

Nitrocellulose from Brazil, China, France, Germany, Japan, Korea, the United Kingdom, and Yugoslavia, Inv. Nos. 731-TA-96 and 439-445 (Review), USITC Pub. 3342 at 8 (Aug. 2000) (sole domestic producer not excluded); *Drafting Machines from Japan*, Inv. No. 731-TA-432 (Review), USITC Pub. 3252 at 5 (Nov. 1999).

[47] 19 U.S.C. §§ 1671d(b), 1673d(b), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

[48] CR/PR at Table 4.9. Although imports from India are subject to both antidumping and countervailing duty investigations, the volume of subject imports from India is the same with respect to both investigations. *Id.*

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[49] In making these determinations, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[50] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[51] In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[52] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[53]

Although the statute requires the Commission to determine whether the domestic

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[49] 19 U.S.C. §§ 1671d(b), 1673d(b).

[50] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped and subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted." 19 U.S.C. § 1677(7)(F)(ii). The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in determining whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued. 19 U.S.C. § 1677(7)(F)(ii). The Commission considers all relevant statutory threat factors, which in these investigations include: (I) information presented by Commerce about the nature of the countervailable subsidies; (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country taking into account the availability of other markets; (III) a significant rate of increase of the volume or market penetration of subject imports; (IV) inventories of the subject merchandise; (V) the potential for product shifting if production facilities in the foreign countries are currently being used to produce other products; (VI) whether subject imports enter at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports; (VII) the actual and potential effect on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product; and (VIII) any other demonstrable adverse trends that indicate the probability of likely material injury by reason of subject imports. 19 U.S.C. § 1677(7)(F)(i).

[51] 19 U.S.C. § 1677(7)(A).

[52] 19 U.S.C. § 1677(7)(C)(iii).

[53] 19 U.S.C. § 1677(7)(C)(iii).

industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[54] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[55] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[56]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[57] In performing its examination, however, the Commission need not isolate

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[54] 19 U.S.C. §§ 1671d(b), 1673d(b).

[55] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'd,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[56] The Federal Circuit, in addressing the causation standard of the statute, observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

[57] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, (Continued...)

the injury caused by other factors from injury caused by unfairly traded imports.[58] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[59] It is clear that the existence of injury caused by other factors does not compel a negative determination.[60]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[61] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other

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developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[58] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

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

[60] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

[61] *Mittal Steel*, 542 F.3d at 876 & 78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

sources to the subject imports." [62] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[63]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[64] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[65]

B. Conditions of Competition and the Business Cycle

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

1. Demand Conditions

Demand for ORP in the United States depends on demand for downstream products, such as breading, batter, and coating mixes; condiments; dry blends; sauces; and seasonings.[66] ORP typically functions as a color additive in food products, such as sausages, cheese sauces, gravies, condiments, salad dressings, baked goods, snacks, and icings.[67] Demand for ORP in the U.S. market is highly concentrated in low-heat products—*e.g.*, ORP with heat profiles of 0 to 2,500 Scoville heat units ("SHUs").[68] Overall demand for ORP is likely to experience small changes in response to changes in prices due to the limited range of substitute products and the small to moderate cost share of ORP in most of its end-use products.[69]

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[62] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

[63] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

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

[65] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp*., 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

[66] CR/PR at 2.7.

[67] CR/PR at 1.13.

[68] CR/PR at Figure D.3; Petitioner's Prehearing Br. at 25-26.

[69] CR/PR at 2.7.

A majority of market participants reported an increase in U.S. demand for ORP since January 2023.[70] According to Petitioner, demand for ORP in the U.S. market steadily increased over the period of investigation, likely because of regulatory changes encouraging a switch from synthetic dyes to natural food coloring.[71]

Apparent U.S. consumption of ORP increased by *** percent between 2023 and 2025, increasing from *** pounds in 2023 to *** pounds in 2024 and 2025.[72] Apparent U.S. consumption was *** percent higher in interim 2026 (*** pounds) than in interim 2025 (*** pounds).[73]

2. Supply Conditions

The domestic industry represented the *** source of ORP in the U.S. market during the period of investigation.[74] The industry's share of apparent U.S. consumption based on quantity decreased by *** percentage points over the period of investigation, from *** percent in 2023 to *** percent in 2024 and *** percent in 2025.[75]

The domestic industry reported excess capacity throughout the period of investigation.[76] Its practical ORP capacity increased by *** percent over the period of investigation, from *** pounds in 2023 to *** pounds in 2024 and 2025.[77] The industry's practical ORP capacity utilization rate increased irregularly by *** percentage points over the period of investigation, from *** percent in 2023 to *** percent in 2024 and *** percent in 2025.[78]

Subject imports represented the *** source of ORP in the U.S. market throughout the period of investigation.[79] Subject imports' share of apparent U.S. consumption based on quantity increased irregularly by *** percentage points over the period of investigation, initially

[70] CR/PR at 2.8.
[71] Petitioner's Prehearing Br. at 17-18; *see also* CR/PR at 1.16, Table 3.2.
[72] CR/PR at Tables 4.12, C.1.
[73] CR/PR at Tables 4.12, C.1.
[74] CR/PR at Tables 4.12, C.1.
[75] CR/PR at Tables 4.12, C.1. The industry's market share was lower, at *** percent, in interim 2026, compared with *** percent in interim 2025. *Id.*
[76] CR/PR at Tables 3.4, C.1.
[77] CR/PR at Tables 3.4, C.1.
[78] CR/PR at Tables 3.4, C.1.
[79] CR/PR at Table 4.12, C.1.

increasing from *** percent in 2023 to *** percent in 2024 before decreasing to *** percent in 2025.[80]

Nonsubject imports represented the *** source of supply to the U.S. market during the period of investigation.[81] Their share of apparent U.S. consumption based on quantity increased irregularly by *** percentage points over the period of investigation, initially decreasing from *** percent in 2023 to *** percent in 2024 before increasing to *** percent in 2025.[82] China and Spain accounted for the largest sources of nonsubject imports during the period of investigation.[83]

U.S. producer Rezolex and 19 of 22 importers had not experienced supply constraints since January 1, 2023.[84] Of the importers that experienced supply constraints, two reported that the constraints occurred in 2023, one reported that they occurred during 2024 and 2025, and one reported that they occurred in 2026.[85] Constraints reported by firms included the COVID-19 pandemic, geopolitical constraints, port strikes, shipping delays, and the Uyghur Forced Labor Prevention Act (UFLPA) ban of the Chinese producer, Chenguang Biotech.[86] Four of 22 responding purchasers experienced supply constraints, with two reporting supply constraints from domestic producer Rezolex in 2023 and 2024 and one in 2025 and 2026, and one reporting constraints from foreign producers or importers in 2023, 2025, and 2026.[87] Purchasers reported that Rezolex could not meet 100 percent of demand in 2023.[88]

Respondents argue that the domestic industry lacks the capacity to satisfy demand for the full U.S. market and for certain products, due in part to constraints on its raw materials supply.[89] We are not persuaded by Respondents' claims. As discussed above, Rezolex maintained substantial excess practical ORP capacity from which it could have increased production during the period of investigation.[90] The record also does not support Respondents' assertions that Rezolex was unable to obtain sufficient raw materials to supply additional ORP. As discussed above, Rezolex reported that it *** experience supply constraints during the

[80] CR/PR at Table 4.12, C.1. Subject imports' market share was higher, at *** percent, in interim 2026, compared with *** percent in interim 2025. *Id.*

[81] CR/PR at Table 4.12, C.1.

[82] CR/PR at Table 4.12, C.1. Nonsubject imports' market share was higher, at *** percent, in interim 2026, compared with *** percent in interim 2025. *Id.*

[83] CR/PR at 4.3.

[84] CR/PR at 2.6.

[85] CR/PR at Table 2.5.

[86] CR/PR at 2.6.

[87] CR/PR at 2.6, Table 2.5.

[88] CR/PR at 2.6.

[89] Respondents' Prehearing Br. at 18, 23-29; Respondents' Posthearing Br. at 13.

[90] Petitioner's Prehearing Br. at 20.

period of investigation. Further, Rezolex explained that it could obtain additional raw materials as needed during the period of investigation through various means, including by contracting with farmers for increased acreage as well as importing or purchasing raw materials, and it supplied *** with above-contract volumes even during the post-farming period.[91] Rezolex provided letters from four of its suppliers stating that if Rezolex's demand for peppers increased and justified planting additional acreage, they are eager to do so.[92] Although we acknowledge that Rezolex reported purchasing OPR in *** due to paprika crop shortfalls, such purchases accounted for only a small share of Rezolex's production, as discussed above. Accordingly, we do not find these limited quantities of purchases indicate a substantial and widespread inability to source raw materials.

Nor do we find that differences in the SHUs in U.S. shipments of the domestic like product and subject imports support Respondents' assertions that Rezolex is unable to supply any significant part of the U.S. market.[93] Rezolex presented evidence that customers require only that ORP have heat levels less than or equal to 2,500 SHUs, and it argues that there is no evidence that customers seek SHU values in narrower ranges under 2,500.[94] Indeed, at the hearing, respondent McCormick conceded that it requires ORP to have heat levels at or below 2,500 SHUs and that differences in SHUs below that level are negligible.[95] In 2025, *** of Rezolex's U.S. shipments of ORP and the majority (at least *** percent) of U.S. shipments of subject imports had SHU values less than 2,500.[96] As discussed below, purchasers reported that the domestic like product and subject imports were comparable across most purchasing factors. In fact, all responding purchasers reported that the domestic like product and subject imports were comparable in terms of pungency/lack of flavor and lack of spice/heat.[97]

3. Substitutability and Other Conditions

Based on the record in the final phase of these investigations, we find at least a moderate degree of substitutability between subject imports and domestically produced ORP.

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[91] CR/PR at Table 3.11; Petitioner's Prehearing Br. at 21-22, Exh. 5; Petitioner's Posthearing Br. at Exhs. 7-8, 17, Responses to Hearing Questions at 38-39, 43-50.

[92] Petitioner's Prehearing Br. at Exh. 5; Petitioner's Posthearing Br. at Exh. 17.

[93] Respondents' Prehearing Br. at 25 (claiming that Rezolex cannot supply ORP ***).

[94] Hearing Tr. at 58–60; Petitioner's Prehearing Br. at Exhs. 6–7.

[95] Hearing Tr. at 130 ("So, our raw material specifications today require a SHU level of . . . below or equal to 2,500. Below that we know that SHU variance is negligible to end use application.").

[96] CR/PR at Tables 3.9, 4.7. In 2025, *** percent of U.S. shipments of subject imports were of ORP with heat levels greater than or equal to 2,250 SHUs and less than or equal to 2,750 SHUs. *Id.* at Table 4.7. It is likely that some of those shipments had heat levels less than or equal to 2,500 SHUs.

[97] CR/PR at Table 2.13.

Factors increasing substitutability include similar lead times from domestic and subject sources for ORP from inventories, few domestic content requirements, and interchangeability between ORP from domestic and subject sources.[98] Factors reducing substitutability include some purchasers' reportedly strong preference for certain producers, purchaser preferences for ORP from subject sources over other sources, differences between domestically produced ORP and ORP imported from India across multiple purchase factors which purchasers ranked as very important, and significant factors other than price.[99]

Respondents argue that subject imports and the domestic like product are not interchangeable, limiting head-to-head competition between the two in the U.S. market.[100] Specifically, Respondents claim that differences in flavor, color, and certain specifications attenuate competition between the domestic like product and subject imports.[101] The record, however, indicates that the products are interchangeable, with some limitations. For example, *** reported that the domestic like product and subject imports were *** interchangeable, while seven of 15 importers and six of 13 purchasers reported that they were always or frequently interchangeable.[102] *** reported that differences other than price are *** significant, and most importers characterized non-price differences as only sometimes or never significant in sales of the domestic like product and subject imports.[103]

Although most purchasers characterized such non-price differences as always or frequently significant, majorities of purchasers rated the U.S. product to be superior or comparable to Indian ORP in terms of 18 non-price purchasing factors.[104] In particular, all responding purchasers characterized the domestic like product and subject imports as comparable in terms of pungency/lack of flavor and lack of spice/heat.[105] Most purchasers also characterized the domestic like product and subject imports as comparable in terms of color

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[98] CR/PR at 2.9.

[99] CR/PR at 2.8-2.9.

[100] Respondents' Prehearing Br. at 31, 33-34; Respondents' Posthearing Br. at 13-14; Respondents' Final Comments at 2-3.

[101] Respondents' Prehearing Br. at 31, 33-34; Respondents' Posthearing Br. at 13-14; Respondents' Final Comments at 2-3.

[102] CR/PR at Table 2.14.

[103] CR/PR at Table 2.15.

[104] CR/PR at Tables 2.13, 2.15. The exceptions were availability and delivery time. Six purchasers reported that the domestic like product was inferior to subject imports in terms of availability, while six reported them to be comparable and one reported subject imports were superior. Six purchasers each characterized the domestic like product as superior or comparable to subject imports in terms of delivery time, while one reported that the domestic like product was inferior compared to subject imports on this factor. *Id.*

[105] CR/PR at Table 2.13.

unit uniformity and color/tint.[106] More importantly, direct evidence confirms that U.S. purchasers buy ORP from Indian suppliers with technical specifications *** to those Rezolex is qualified to provide.[107] Accordingly, we find that the record in these investigations demonstrates head-to-head competition between the domestic like product and subject imports.

We also find that price is an important factor in purchasing decisions for ORP, among other important factors. The three most important factors that firms considered in their purchasing decisions for ORP were price/cost (15 firms), quality (14 firms), and availability (9 firms).[108] Seventeen of 22 purchasers identified price as very important to their purchasing decisions.[109]

Rezolex identified the principal raw material used to produce ORP as red peppers.[110] The cost for imported red peppers fluctuated, increasing irregularly to a peak in August 2024 before declining in 2025 and early 2026.[111] Raw material costs accounted for the largest share of the domestic industry's cost of goods sold ("COGS") throughout the period of investigation.[112] The domestic industry requires *** because it generally purchases peppers during a specific four-month season (approximately October through January), but sells ORP to U.S. customers, recouping its raw material costs, over a broader period of time.[113]

Effective July 24, 2026, ORP from India imported under HTS statistical reporting number 3301.90.1010 became subject to additional *ad valorem* duties under Section 301 of the Trade Expansion Act of 1962, as amended, with these duties set at 10 percent.[114] Between February 24, 2026, through July 24, 2026, ORP originating in India imported under statistical reporting number 3301.90.1010 faced an additional 10 percent *ad valorem* duty under section 122 of the Trade Act of 1974.[115] Between August 27, 2025, and February 7, 2026, ORP originating in India imported under statistical reporting number 3203.00.8000 faced a country-specific additional 25 percent *ad valorem* duty under the International Emergency Economic Powers Act

[106] CR/PR at Table 2.13.

[107] CR/PR at Figures D.2, D.3; Petitioner's Prehearing Br. at p. 27; Petitioner's Posthearing Br. at 3-4, Responses to Hearing Questions at 3-22.

[108] CR/PR at Table 2.8.

[109] CR/PR at Table 2.9.

[110] CR/PR at 5.1.

[111] CR/PR at Table 5.1, Figure 5.1.

[112] CR/PR at Table 6.1.

[113] Petitioner's Final Comments at 8-9.

[114] CR/PR at 1.9-1.10. ORP is imported under HTS statistical reporting number 3203.00.0800; however, Petitioner claims that at least some subject imports were misclassified and entered under HTS statistical reporting number 3301.90.1010. CR/PR at 1.9.

[115] CR/PR at 1.10.

("IEEPA").[116] Between April 5, 2025, and February 7, 2026, ORP originating in India imported under statistical reporting number 3301.90.1010 faced additional *ad valorem* duties, including country-specific duties, at varying levels under IEEPA.[117]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[118]

During a period when apparent U.S. consumption increased overall by *** percent, the volume of subject imports increased by 35.0 percent between 2023 and 2025, from 2.6 million pounds in 2023 to 2.9 million pounds in 2024 and 3.6 million pounds in 2025.[119] The volume of subject imports was 8.1 percent lower in interim 2026, at 844,000 pounds, than in interim 2025, at 918,000 pounds, and apparent U.S. consumption was *** percent higher in interim 2026 than in interim 2025.[120]

Subject imports as a share of apparent U.S. consumption increased irregularly by *** percentage points between 2023 and 2025, increasing from *** in 2023 to *** percent in 2024 before declining slightly to *** percent in 2025.[121] Their share of apparent U.S. consumption was *** percentage points higher in interim 2026, at *** percent, compared with interim 2025, at *** percent.[122]

The ratio of U.S. imports of ORP from India to U.S. production increased irregularly by *** percentage points between 2023 and 2025, decreasing from *** percent in 2023 to *** percent in 2024, before increasing to *** percent in 2025.[123] It was *** percentage points lower in interim 2026, at *** percent, compared with interim 2025, at *** percent.[124]

[116] CR/PR at 1.10 – 1.11.
[117] CR/PR at 1.10 – 1.11.
[118] 19 U.S.C. § 1677(7)(C)(i).
[119] CR/PR at Tables 4.2, 4.3.
[120] CR/PR at Tables 4.2, 4.3.
[121] CR/PR at Tables 4.12, C.1.
[122] CR/PR at Tables 4.12, C.1.
[123] CR/PR at Tables 4.2, 4.3.
[124] CR/PR at Tables 4.2, 4.3.

Based on the foregoing, we find that the volume of subject imports is significant in absolute terms and relative to domestic production and consumption in the United States. We also find that the increase in volume of subject imports is significant in absolute terms.[125]

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether

[125] Commissioner Kearns agrees that subject imports from India already represent a significant volume, because subject imports from India maintained approximately *** of the U.S. market throughout the period of investigation and subject imports *** domestic ORP production by ***. CR/PR at Table 4.2, Table 4.12. Responding Indian ORP producers in India – which accounted for only a subset of the industry (their U.S. exports represented 55.4 percent of U.S. imports from India) – reported significant capacity of 17.662 million pounds in 2025 (equivalent to *** the domestic industry's capacity in that year). Even if the Indian ORP industry operates at 57.2 to 60.4 percent capacity utilization in 2026 and 2027 as projected, that would still leave over 10.0 million pounds of unused ORP capacity in India for export to the United States (equivalent to *** the domestic industry's 2025 capacity). CR/PR at Table 7.1, Table 7.9, Table C.1. The Indian ORP industry increased production over the period of investigation and projects further production increases in 2026 and 2027. Furthermore, Mane Kancor, one of the largest producers in India, expected a recent expansion to quadruple its production and allow it to meet the "growing demand" for the company's products in North America. *See* Petitioner's Posthearing Brief at 13-14, Exh. 21-22; CR/PR at Table 7.3, Table 7.9, Table C.1. The industry in India also reported the ability to shift production on shared equipment from other products to ORP, and ORP accounted for an increasing share of its total production on that shared equipment. CR/PR at Table 7.10. The Indian industry reported 425,000 pounds of end-of-period inventories in India in 2025, ***. CR/PR at Table 7.9, Table C.1. Moreover, U.S. importers still retained 1.372 million pounds of Indian ORP inventories by interim 2026, and they arranged for an additional *** pounds of ORP imports from India through Q1-2027. CR/PR at Table 7.12, Table 7.13. In short, the Indian ORP industry demonstrated the ability to export substantial volumes to the U.S. market during the period of investigation and retains the imminent ability to continue exporting significant volumes to the United States. Various reasons incentivize the export-oriented industry in India to continue exporting significant volumes to the attractive U.S. market unless the AD/CVD orders take effect. For example, the Indian ORP industry exported at least two-thirds of its production throughout the period of investigation and directed an increasing share of its shipments to the United States while reducing shipments to its home market and non-U.S. export markets. CR/PR at Table 7.9. Indeed, the government of India supported its ORP producers with various countervailable programs, including programs that encouraged exports. Commerce assigned total countervailable subsidy rates of 18.67 percent for Mane Kancor, 25.42 percent for Synthite, and 21.90 percent for all others. CR/PR at Table 1.2; Commerce's I&D Memo (Aug. 17, 2026), EDIS Doc. 2609302. Additionally, Global Trade Atlas data on the broader category of "coloring matter of vegetable or animal origin" show that the average unit values of India's exports to the United States exceed those to several other export destinations and identify India as a top ten global exporter. CR/PR at Table 7.11, Table 7.14.

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[126]

As discussed above in Section V.B.3., we find at least a moderate degree of substitutability between the domestic like product and subject imports and that price is an important factor in purchasing decisions, among other important factors.

We examined several sources of data in our underselling analysis, including pricing data, import purchase cost data, and information concerning lost sales. With respect to pricing data, the Commission collected quarterly data for the total quantity and f.o.b. sales of four pricing products shipped by U.S. producers and importers to unrelated U.S. customers from January 2023 to March 2026.[127] U.S. producer Rezolex and 10 importers provided usable pricing data for sales of the requested pricing products, although not all firms reported data for all products for all quarters.[128] Pricing data reported by these firms accounted for approximately *** percent of the domestic industry's U.S. shipments of ORP and *** percent of U.S. commercial shipments of subject imports in 2025.[129]

The pricing data show that subject imports undersold the domestic like product in 47 of 52 quarterly comparisons (90.4 percent of comparisons), with underselling margins ranging

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[126] 19 U.S.C. § 1677(7)(C)(ii).

[127] The four pricing products are as follows:

Product 1. Oleoresin paprika, food grade, 140,000 CU ± 3,500 CU.

Product 2. Oleoresin paprika, food grade, 100,000 CU ± 2,500 CU.

Product 3. Oleoresin paprika, food grade, 80,000 CU ± 2,000 CU.

Product 4. Oleoresin paprika, food grade, 40,000 CU ± 1,000 CU.

CR/PR at 5.5.

Respondents argue that the pricing data should be afforded less weight in these investigations because, in their view, the pricing products do not account for certain product characteristics, preventing apples-to-apples comparisons. Respondents' Prehearing Br. at 38-41; Hearing Tr. at 103-104 (Shapiro); 139-140 (Becker); 161-62 (Becker). Respondents, however, failed to avail themselves of the opportunity to suggest alternative pricing products in their comments on the draft questionnaires. *See* Hearing Tr. at 149-151 (Becker) (counsel for McCormick acknowledging that they did not avail themselves of the opportunity to suggest alternative pricing products).

[128] CR/PR at 5.6.

[129] CR/PR at 5.6.

from *** percent to *** percent, and averaging *** percent.[130] Subject imports oversold the domestic like product in the remaining five comparisons (9.6 percent of comparisons), all of which occurred towards the beginning of the period of investigation, with overselling margins ranging from *** percent to *** percent, and averaging *** percent.[131] Quarters involving underselling accounted for almost 100.0 percent of the total quantity of subject import pricing product data during the period of investigation (*** pounds), and quarters involving overselling accounted for 0.03 percent of total quantity of subject import pricing product data (*** pounds).[132]

The pricing data show that underselling by subject imports also increased over the period of investigation. The percentage of quarterly comparisons involving underselling increased from 75.0 percent in 2023 to 93.7 percent in 2024 and 100.0 percent in 2025 and interim 2026.[133] The volume of reported subject import sales in quarters with underselling

[130] CR/PR at Table 5.16.

[131] CR/PR at Tables 5.16, 5.17.

[132] CR/PR at Table 5.16.

[133] CR/PR at Table 5.17. Subject imports undersold the domestic like product in 12 of 16 quarterly comparisons in 2023, 15 of 16 quarterly comparisons in 2024, all sixteen quarterly comparisons in 2026, and all four quarterly comparisons in interim 2026. *Id.*

Respondents argue that Rezolex's sales methods and production processes explain any price undercutting by subject imports. Respondents' Prehearing Br. at 18-23, 38-41; Respondents' Posthearing Br. at 5-6, Exh. 1 at 31-33. Specifically, Respondents argue that Indian producers can sell at lower prices than the domestic industry because the Indian ORP industry manufactures ORP and a co-product ***, allowing Indian producers to spread the costs of production across a greater range of products. Unlike Rezolex, subject producers in India also sun-dry their peppers, which is less capital intensive. *Id.* As the Commission has previously explained, however, the statute requires "the Commission to assess whether imports are being sold by importers in the U.S. market at lower prices than the domestic like product, not to compare the cost of production of foreign producers with the cost of production in the United States." *See Certain Preserved Mushrooms from France*, 731-TA-1587 (Final), USITC Pub. 5393 at 36 n. 188 (Jan. 2023) (*quoting Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-1104 (Final), USITC Pub. 3922 at 9 n.119 (June 2007)); *see also Steel Wire Garment Hangers from China*, Inv. No. 731-TA-1123 (Final), USITC Pub. 4034 at 19-20 & n.133 (Sept. 2008). Accordingly, Respondents' arguments regarding the differences in the production processes of the domestic like product and subject imports are not pertinent to our analysis.

Equally unpersuasive are Respondents' arguments that subject imports' bundling of ORP with other products explains any underselling by subject imports. Respondents' Prehearing Br. at 18-23, 38-41; Respondents' Posthearing Br. at 5-6, Exh. 1 at 31-33. Most purchasers reported that they purchased ORP as a standalone product. CR/PR at 2.11. And while eight purchasers reported purchasing ORP when it is bundled with other products, just three reported only purchasing ORP when it was bundled with other products. *Id.* Accordingly, the bundling of products is not widespread in the U.S. market. Even if bundling were common, this argument remains unpersuasive. *See Large Residential Washers from China*, Inv. No. 731-TA-1306 (Final), USITC Pub. 4666 at 36-38 (January 2017) (discussing how the (Continued...)

increased from *** pounds in 2023 to *** pounds in 2024, before decreasing to *** pounds in 2025.[134]

The Commission also collected purchase cost data for the same four pricing products from firms that directly imported these products from India. Eight importers provided usable purchase cost data for the pricing products.[135] Purchase cost data reported by these firms accounted for *** percent of subject imports in 2025.[136] The import purchase cost data show that the landed duty-paid ("LDP") costs for subject imports were less than the sales price for the domestic like product in all 52 quarterly comparisons, at price-cost differentials ranging from *** percent to *** percent, and averaging *** percent.[137] LDP costs for direct imports of the subject imports were lower than the domestic sales prices in 100 percent of quarterly comparisons for the import purchase cost data, involving *** pounds of subject imports.[138]

We recognize that the import purchase cost data may not reflect the total cost of importing and therefore asked direct importers to provide information regarding the additional costs and benefits of directly importing ORP. Five of nine importers incurred additional costs beyond LDP costs by importing ORP themselves rather than purchasing from a U.S. producer or U.S. importer.[139] The remaining four responding importers did not incur additional costs beyond LDP costs associated with importing.[140] The Commission also asked U.S. importers whether the cost of ORP that they imported was lower than the price of purchasing ORP from a U.S. producer or importer. Three of seven firms reported that the cost of importing directly was lower than purchasing from a U.S. producer or importer excluding additional costs.[141] Five of nine reported that this lower price included additional costs.[142] Two importers estimated that they saved *** percent of the purchase price by importing directly, including additional

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Commission must focus on the product under investigation, not any products that may be bundled with the product under investigation). Here, the fact that subject imports may sell ORP as a "loss leader" that is bundled with other products does not undermine the fact that Commerce found ORP to be unfairly traded and imports of ORP undersell the domestic like product.

[134] CR/PR at Table 5.17.

[135] CR/PR at 5.6.

[136] CR/PR at 5.6.

[137] CR/PR at Table 5.18.

[138] CR/PR at Table 5.18.

[139] CR/PR at 5.6. Two importers reported additional costs which they identified as tariffs or import duties. *Id*.

[140] CR/PR at 5.6. In determining whether to directly import ORP, four responding importers reported that they compare costs of importing directly to the cost of purchasing from a U.S. producer and the cost of purchasing from a U.S. importer. *Id*. at 5.6.

[141] CR/PR at 5.7.

[142] CR/PR at 5.7.

costs of importing, rather than purchasing from U.S. producer Rezolex; one estimated saving *** percent; and another estimated saving *** percent.[143] Two importers reported that they saved *** percent compared to purchasing the product from a U.S. importer, and one reported saving *** percent; both reported larger savings than average transportation costs to the U.S. market from India from official import data.[144] In short, purchase cost data on direct imports of subject merchandise from India reinforce the significant and widespread underselling of the domestic like product by subject imports evident in the traditional weighted-average pricing data.

We also considered purchaser responses regarding alleged lost sales. Of 22 responding purchasers, 13 reported that, since 2023, they purchased subject imports rather than domestically produced ORP, with ten of these purchasers reporting lower prices for subject import price than for the domestic like product.[145] Seven of those ten purchasers further identified price as a primary reason for their decision to purchase subject imports rather than the domestic like product.[146] Six purchasers reported the quantity of subject imports purchased instead of domestic product, ranging from *** pounds to *** pounds, for total confirmed lost sales quantities of *** pounds.[147] This substantial volume of confirmed lost sales equates to *** percent of apparent U.S. consumption during the period of investigation and *** percent of the domestic industry's U.S. shipments during that time.[148]

[143] CR/PR at 5.7.

[144] CR/PR at 5.7.

[145] CR/PR at 5.32, Table 5.21.

[146] CR/PR at 5.32, Table 5.21.

[147] CR/PR at Table 5.21. Respondents argue that the quantity of confirmed lost sales is overstated because some purchasers reported purchasing subject imports instead of the domestic like product for nonprice reasons. Respondents' Prehearing Br. at 36, 44-46. We find that Respondents have failed to justify discounting any part of the full quantity of confirmed lost sales. Even if nonprice factors played a role, the responding purchasers confirmed that the lower price of subject imports was a primary reason for the purchases that were confirmed lost sales. CR/PR at Table 5.21. Further, Respondent's argument only addresses three of the six purchasers that confirmed lost sales, ***, the purchases of which accounted for *** percent of the total confirmed quantity of lost sales. *Calculated from* CR/PR at Table 5.21; Respondents' Prehearing Br. at 44-45. Respondents did not contest the other three purchasers' confirmed lost sales, ***, the purchases of which accounted for *** percent of the total reported quantity of lost sales. *Calculated from* CR/PR at Table 5.21; Respondents' Prehearing Br. at 44-45. Consequently, although we find no justification to discount any portion of the confirmed lost sales, even if we were to discount the disputed purchases, the confirmed lost sales quantity would continue to be significant.

[148] *Calculated from* Table 5.21, C.1.

Based on the foregoing, including the at least moderate degree of substitutability between the domestic like product and subject imports, the importance of price in purchasing decisions, pricing data showing pervasive underselling, purchase cost data showing universally lower costs for direct imports of subject merchandise than for the domestic like product, and the substantial quantity of confirmed lost sales, we find that subject imports significantly undersold the domestic like product, which allowed subject imports to maintain a significant market share.

We also considered whether subject imports depressed or suppressed prices to a significant degree. The domestic industry's prices for ORP increased overall during the period of investigation. The domestic industry increased prices for each pricing product in either the fourth quarter of 2023 or the first quarter of 2024 but then kept prices essentially flat until the fourth quarter of 2025, when the domestic industry began decreasing prices.[149] For Pricing Product 1, in which subject imports had a comparatively lower presence, the domestic industry increased the price by *** percent.[150] For Pricing Product 2, the domestic industry increased the price by *** percent.[151] For Pricing Product 3, the domestic industry increased the price by *** percent.[152] For Pricing Product 4, the domestic industry increased the price by *** percent.[153] Subject import prices for Pricing Product 1 decreased by *** percent and subject import prices for Pricing Product 3 decreased by *** percent while subject import prices for Pricing Product 2 increased by *** percent and subject import prices for Pricing Product 4 increased by *** percent.[154] One purchaser confirmed that the U.S. producer had reduced prices in order to compete with lower-priced imports from India.[155]

The domestic industry's ratio of COGS to net sales decreased by *** percentage points between 2023 and 2025, decreasing from *** percent in 2023 to *** percent in 2024 and *** percent in 2025.[156] Between 2023 and 2025, the domestic industry's COGS per pound increased by $*** per pound, or *** percent,[157] driven by increases in raw material costs of $***, or *** percent, per pound[158] and direct labor costs increases of $***, or *** percent, per

[149] CR/PR at Tables 5.4 – 5.7.
[150] *Calculated from* CR/PR at Table 5.12.
[151] *Calculated from* CR/PR at Table 5.12.
[152] *Calculated from* CR/PR at Table 5.12.
[153] *Calculated from* CR/PR at Table 5.12.
[154] *Calculated from* CR/PR at Table 5.12.
[155] CR/PR at 5.32-5.33.
[156] CR/PR at Tables 6.1, C.1.
[157] CR/PR at Tables 6.1, 6.2.
[158] CR/PR at Tables 6.1, 6.2. Raw material costs comprised the largest portion of COGS in 2025, at *** percent, followed by other factory costs, which accounted for *** percent. *Id*. at Table 6.1.

pound, both of which accounted for substantial portions of the industry's COGS.[159] At the same time, the domestic industry's net sales AUVs increased by $***, or *** percent, per pound.[160]

Based on the foregoing, we find that subject imports significantly undersold the domestic like product, which resulted in a significant quantity of confirmed lost sales and allowed subject imports to maintain their significant market share throughout the period of investigation. We therefore find that subject imports had significant price effects.[161]

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[159] CR/PR at Tables 6.1, 6.2.

[160] CR/PR at Tables 6.1, 6.2. The domestic industry's net sales AUVs per pound increased from $*** in 2023 to $*** in 2024 and then decreased to $*** in 2025. *Id*. at Table 6.1.

[161] Commissioner Kearns observes that dried peppers accounted for the large majority of the domestic industry's raw material costs and that raw material costs in turn represented the majority of COGS during the period of investigation. When pepper costs began rising in 2023, the unit value of the domestic industry's raw materials rose from $*** per pound in 2023 to $*** per pound in 2024, and the domestic industry responded by raising ORP prices. The domestic industry's *** involved pricing product 1, ***. CR/PR at Figure 5.2 to Figure 5.5, 6.6, Table 6.1. By raising its prices, the domestic industry lost sales, with its market share falling from *** percent in 2023 to *** percent in 2024 because purchasers preferred to buy lower-priced subject imports from India, which undersold the domestic like product every quarter of 2023 for *** according to the quarterly pricing data. Importers reported lower purchase cost data for direct imports from India than the domestic industry's prices ***. CR/PR at Table 5.4 to Table 5.11, Table C.1. Meanwhile, to maintain their market dominance, subject imports from India continued to undersell the domestic like product at increasing frequencies, with the traditional pricing data showing underselling *** and the purchase cost data showing lower prices for direct imports ***. CR/PR at Table 5.4 to 5.11. Underselling margins for subject imports from India averaged *** percent in 2023 and increased to averages of *** percent in 2024 and 2025. CR/PR at Table 5.17. In 2023, *** pounds out of *** (*** percent) of subject imports undersold the domestic like product, and this share of underselling by quantity also grew over the period of investigation, with *** pounds (*** percent) underselling in 2024, and *** pounds (*** percent) underselling in 2025. CR/PR at Table 5.17. The domestic industry's prices also exceeded purchase costs for *** pounds of direct imports from India in 2024 and 2025. CR/PR at Table 5.19. Faced with such widespread underselling the domestic industry reduced its prices in Q4-2025 and Q1-2026. CR/PR at Table 5.5 to 5.11. Recognizing that the interim period covers only one quarter, subject imports continued to sell at lower prices than the domestic industry's reduced prices in interim 2026 and captured additional sales and market share from the domestic industry even after the petition filings. CR/PR at Table 5.4 to Table 5.11, Table C.1. Collectively, responding purchasers reduced their purchases from the domestic industry by *** percent and increased their purchases of subject imports by *** percent. CR/PR at Table 5.20. Indeed, purchasers identified lower prices as a reason why they bought *** pounds of subject imports from India instead of buying ORP from the domestic industry. CR/PR at 5.32, Table 5.21. The record did not show significant price depression during the period of investigation because the domestic industry raised its prices when its raw material costs rose from 2023 to 2024 and *** to avoid losing further market share. CR/PR at Figure 5.2 to Figure 5.5. The domestic industry's raw materials costs, which rose from 2023 to 2024, fell thereafter, leading to improvements in the domestic industry's COGS-to-net-sales ratio. Based on the increasing frequency, quantities, and margins of underselling over the period of investigation, subject imports from India will continue to undersell the domestic like product in (Continued...)

E. Impact of the Subject Imports[162]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[163] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[164]

The domestic industry reported mixed trade-related performance indicators between 2023 and 2025. The industry's practical capacity increased by *** percent,[165] and its production increased by *** percent.[166] The domestic industry's capacity utilization also increased by *** percentage points during this time,[167] but as discussed above in Section V.B.2., it remained low, and the domestic industry possessed substantial excess capacity throughout the period of investigation. The domestic industry's U.S. shipments decreased by *** percent

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the imminent future in order to maintain a significant presence in the U.S. market even if the domestic industry further reduces prices. This underselling will increase demand for further subject imports from India and increase the likelihood that subject imports from India will significantly depress and suppress domestic prices.

[162] In its final determination of sales at less-than-fair-value, Commerce found dumping margins of 4.24 to 5.78 percent for imports from India. *Oleoresin Paprika from India: Final Affirmative Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 91 Fed. Reg. 54302 (Aug. 21, 2026). We take into account in our analysis the fact that Commerce has made a final finding that all subject producers in India are selling subject imports in the United States at LTFV.

[163] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

[164] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[165] CR/PR at Tables 3.4, C.1. The domestic industry's practical ORP capacity remained the same in the interim periods. *Id.*

[166] CR/PR at Tables 3.4, C.1. Its production was *** percent higher in interim 2026 than in interim 2025. *Id.*

[167] CR/PR at Tables 3.4, C.1. The domestic industry's capacity utilization rate was *** percent higher in interim 2026 than in interim 2025. *Id.*

from 2023 to 2025.[168] As discussed above in Section V.B.2., while subject imports maintained approximately *** market share from 2023 to 2025, the domestic industry lost *** percentage points of market share.[169] The domestic industry's end-of-period inventories increased by *** percent from 2023 to 2025,[170] and its end-of-period inventories as a share of total shipments increased by *** percentage points.[171]

The domestic industry reported mixed employment-related indicators from 2023 to 2025. The number of production and related workers ("PRWs") increased by *** percent from 2023 to 2025.[172] Wages paid increased irregularly by *** percent from 2023 to 2025.[173] Productivity also increased irregularly by *** percent during that time.[174] Conversely, hours worked decreased by *** percent from 2023 to 2025.[175]

The domestic industry's financial indicators generally increased from 2023 to 2025, particularly when it managed to raise prices to some degree from 2023 to 2024, as discussed above in Section V.D. The industry's net sales value increased overall by *** percent from 2023 to 2025.[176] Its gross profits also increased by *** percent from 2023 to 2025.[177] The industry's operating income increased by *** percent from 2023 to 2025.[178] As a ratio to net sales, the industry's operating income increased by *** percentage points from 2023 to 2025.[179] Its net income decreased by *** percent from 2023 to 2025, in part due to the domestic industry's inability to generate sufficient cash flow to cover the loans it needed for its dried pepper

[168] CR/PR at Tables 3.6, C.1. The domestic industry's U.S. shipments were *** percent points lower in in interim 2026 than in 2025. *Id.*

[169] CR/PR at Table C.1. The domestic industry's market share was *** percentage points lower in interim 2026 than interim 2025. *Id.*

[170] CR/PR at Tables 3.10, C.1. Its end-of-period inventories were *** percent higher in interim 2026 than in interim 2025. *Id.*

[171] CR/PR at Tables 3.10, C.1. The ratio of endo-of-period inventories to total shipments was *** percent higher in interim 2026 than in interim 2025. *Id.*

[172] CR/PR at Tables 3.12, C.1. The domestic industry's number of PRWs was *** percent lower in interim 2026 than in interim 2025. *Id.*

[173] CR/PR at Tables 3.12, C.1. Wages paid were *** percent higher in interim 2026 than in interim 2025. *Id.*

[174] CR/PR at Tables 3.12, C.1. Productivity was *** percent higher in interim 2026 than in interim 2025. *Id.*

[175] CR/PR at Tables 3.12, C.1. Hours worked remained the same across the interim periods. *Id.*

[176] CR/PR at Tables 6.1, C.1. Net sales value was *** percent lower in interim 2026 than in interim 2025. *Id.*

[177] CR/PR at Tables 6.1, C.1. Gross profits were *** percent lower in interim 2026 than in interim 2025. *Id.*

[178] CR/PR at Tables 6.1, C.1. It was *** percent lower in interim 2026 than interim 2025. *Id.*

[179] CR/PR at Tables 6.1, C.1. It was *** percentage points lower in interim 2026 than interim 2025. *Id.*

inputs.[180] As a ratio to net sales, the industry's net income declined by *** percentage points from 2023 to 2025.[181] Its total assets decreased by *** percent,[182] and return on assets increased by *** percentage points.[183] The domestic industry reported no research and development expenses.[184] Its capital expenditures decreased by *** percent, and the domestic industry made no capital expenditures since 2023.[185] The domestic industry also had to ***.[186]

As discussed above, a significant volume of low-priced subject imports significantly and increasingly undersold the domestic like product throughout the period of investigation. As a result of this pervasive underselling, subject imports maintained their significant and dominant share of the U.S. market share, and purchasers confirmed that the domestic industry lost a substantial quantity of lost sales to low-priced subject imports. As discussed above in Section V.B.2, the domestic industry operated at low capacity utilization rates throughout the period of investigation and therefore, could have supplied considerably more ORP to the U.S. market had subject imports not retained their large share of the U.S. market through underselling. Further, as the confirmed lost sales data show, but for lower-priced subject imports the domestic industry would have been able to substantially increase its U.S. shipments and market share. Consequently, but for the subject imports, the domestic industry's production, U.S. shipments, market share, and resulting financial performance all would have been higher. We therefore find that subject imports had a significant impact on the domestic industry.

We are not persuaded by Respondents' argument that subject imports did not cause any injury to the domestic industry due to attenuated competition between the domestic like product and subject imports.[187] As discussed above in Section V.B.3, most purchasers characterized the domestic like product and subject imports as comparable across most purchasing factors, including those that Respondents claim distinguish subject imports from domestically produced ORP. Further, Respondents' characterizations of subject imports as a

[180] CR/PR at Tables 6.1, C.1. The decline in net income was due, in part, to Rezolex's inability to generate sufficient cash flow to pay off the loans that it needed to obtain to purchase its dried pepper inputs; Rezolex reported that ***. CR/PR at 6.8, n.9. The domestic industry's net income was *** percent lower in interim 2026 than interim 2025. CR/PR at Tables 6.1, C.1.

[181] CR/PR at Tables 6.1, C.1. It was *** between interim 2026 and interim 2025. *Id.*

[182] CR/PR at Tables 6.7, C.1.

[183] CR/PR at Tables 6.7, C.1.

[184] CR/PR at Tables 6.7, C.1.

[185] CR/PR at Tables 6.7, C.1.

[186] CR/PR at Table 6.10.

[187] Respondents' Prehearing Br. at 18-23, 31, 33-34; Respondents' Posthearing Br. at 5-6, 13-14, Exh. 1 at 31-33; Respondents' Final Comments at 12-15.

unique or superior product compared to the domestic like product are undermined by the pervasive and increasing underselling identified above in Section V.D.

We also considered whether other factors may have had an impact on the domestic industry to ensure that we are not attributing injury from such other factors to subject imports. Nonsubject imports do not explain the material injury to the domestic industry during the period of investigation. While the volume of nonsubject imports increased over the course of the period of investigation, they remained a small source of supply to the U.S. market, fluctuating from *** percent of apparent U.S. consumption in 2023 to *** percent in 2024 and *** percent in 2025.[188] The AUV of U.S. shipments of nonsubject imports exceeded the AUV of U.S. shipments of subject imports throughout the period of investigation.[189] Nonsubject imports do not explain the pervasive underselling by subject imports that enabled subject imports to maintain their significant market share and dominant position in the U.S. market. Moreover, nonsubject imports do not explain the substantial quantity of sales that purchasers confirmed the domestic industry lost to lower-priced subject imports.

We also are not persuaded by Respondents' argument that the production process used by the domestic industry explains the injury to the domestic industry.[190] As discussed above, the statute requires us to compare prices of the domestic like product and subject imports not the cost of production between the domestic industry and subject producers. Moreover, Respondents premise their arguments on an assumption that subject import pricing reflects fair market value whereas domestic prices are inflated. In other words, Respondents' arguments challenge Commerce's finding that subject imports are unfairly traded at less than fair value and dumped into the U.S. market. It is, however, not within the Commission's authority to look behind Commerce's margin calculations to evaluate costs and we decline to infringe upon the responsibilities that the statute commits to our sister agency.[191] Commerce found the subject imports to be unfairly traded,[192] and we will not entertain challenges to that finding.

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[188] CR/PR at Tables 4.12, C.1.

[189] CR/PR at Table C.1. We recognize that AUV comparisons may be influenced by differences in product mix and changes in product mix over time.

[190] Respondents' Posthearing Br. at 6-7.

[191] *See Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, China, Thailand, and the United Arab Emirates*, Inv. Nos. 731-TA-1131-1134 (Final), USITC Pub. 4040 at 26 n.170 (Oct. 2008) ("the statute . . . does not allow the Commission to calculate such margins or to decline to consider margins for individual companies.") (citing 19 U.S.C. §1677(35)(C) and *Algoma Steel Corp. v. United States*, 688 F. Supp. 639 (Ct. Int'l Trade 1988), *aff'd*, 865 F.2d 240 (Fed. Cir. 1989)).

[192] *See Oleoresin Paprika from India: Final Affirmative Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 91 Fed. Reg. 54302 (Aug. 21, 2026); *Oleoresin Paprika from India: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, in Part*, 91 Fed. Reg. 54300 (Aug. 21, 2026).

Equally unavailing is Respondents' argument that the domestic industry lacks the capacity to satisfy demand for the full U.S. market and for certain products, due in part to constraints on its raw materials supply and the fact that the domestic industry does not offer bundled products.[193] First, nothing in the statute predicates affirmative material injury determinations on a requirement that the domestic industry demonstrate the capacity to supply the entire U.S. market.[194] As addressed above, the record does not support Respondent's contention that the domestic industry's purported inability to source raw materials prevented it from supplying additional quantities of ORP to the U.S. market. Nor does the fact that the domestic industry did not bundle its ORP with other products explain the injury to the domestic industry, given that bundling was not prevalent in the U.S. market, as discussed above. Moreover, the record does not show an inability by the domestic industry to supply ORP with certain specific characteristics because most purchasers viewed subject imports and the domestic like product as comparable products that compete directly for sales, as demonstrated by purchasers' confirmed lost sales.

In sum, based on the record of the final phase of these investigations, we find that subject imports had a significant impact on the domestic industry.[195]

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[193] Respondents' Prehearing Br. at 18, 23-29; Respondents' Posthearing Br. at 5, 13.

[194] 19 U.S.C. § 1677(7). As the Commission previously explained, "the fact that the domestic industry may not be able to supply all of demand does not mean the industry may not be materially injured or threatened with material injury by reason of subject imports." *Small-Diameter Graphite Electrodes from China*, Inv. No. 731-TA-1143 (Final), USITC Pub. 4062 at 22-23 (Feb. 2009) (citations omitted).

[195] Commissioner Kearns observes that, following the Commission's negative injury determinations regarding imports of ORP from India in prior proceedings, Kalsec, Gilroy Foods, and Rogers Foods ceased manufacturing ORP in the United States, leaving only Rezolex, which ***. *See* Petitioner's Prehearing Brief at 2, 31-41; CR/PR at Table C.1. As explained earlier, the domestic industry initially raised prices when its raw material costs rose from 2023 to 2024, but lost market share to lower-priced subject imports from India. To defend against the significant volumes of lower-priced subject imports from India, the domestic industry *** to avoid losing additional sales. CR/PR at Figure 5.2 to Figure 5.5. Because the domestic industry's unit cost of raw materials fortuitously fell from $*** in 2024 to $*** in 2025 and $*** in interim 2026, its COGS-to-net sales ratio and other financial indicators improved. CR/PR at Table 6.1, Table C.1. The domestic industry's COGS-to-net sales ratio fell from *** percent in 2023 to *** percent in 2024 and remained elevated at *** percent in 2025 and *** percent in interim 2026. The domestic industry's operating income margin improved *** percent in 2023 to *** percent in 2024 and *** percent in 2025 and *** percent in interim 2026, despite irregular declines in U.S. shipments from *** pounds in 2023 to *** pounds in 2024 and *** pounds in 2025 and declines in net sales quantities from *** pounds in 2023 to *** pounds in 2024 and *** pounds in 2025. CR/PR at Table C.1. These raw material cost improvements occurred during a period of increasing apparent U.S. consumption when the pendency of these investigations somewhat restrained subject imports from India, allowing improvements in some of the domestic industry's performance indicators in 2025 and (Continued...)

VI. Critical Circumstances

A. Legal Standards

In its final countervailing duty determination on subject imports from India, Commerce found that critical circumstances exist for ORP from Synthite, but did not exist for Mane Kancor and all other producers/exporters.[196] Because we have determined that the domestic industry is materially injured by reason of subject imports from India, we must further determine "whether the imports subject to the affirmative {Commerce critical circumstances} determination ... are likely to undermine seriously the remedial effect of the countervailing duty order to be issued."[197]

The SAA indicates that the Commission is to determine "whether, by massively increasing imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order" and specifically "whether the surge in imports prior to the suspension of liquidation, rather than the failure to provide retroactive relief, is likely to seriously undermine the remedial effect of the order."[198] The legislative history for the critical

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interim 2026. CR/PR at Table C.1 (showing, *e.g.*, overall improvements in capacity, production, capacity utilization, PRWs, wages, COGS/net sales, and operating income, but also showing problems in other areas, *e.g.*, low utilization, declines in shipments and net sales quantities despite price reductions at the end of the period of investigation, and limited capital expenditures). The domestic industry remains susceptible to material injury by reason of subject imports from India. Unlike Indian producers, whose government subsidizes cold-storage facilities, Rezolex cancelled a planned investment to construct a cold storage facility for dehydrated paprika inputs, forcing it to continue paying for a third-party facility. Petitioner's Posthearing Brief at 9-10, PDF page 99. Rezolex also already cut other expenses ***. Petitioner's Posthearing Brief at 11. To pay for the four months of seeds and other costs related to dried capsicum peppers, Rezolex obtains annual crop loans because it receives payments for ORP over a longer ***-month period, but its inability to ship greater volumes of ORP at more sustainable prices ***. With annual operating income of $*** over the POI and the need to take out *** at the beginning of each season to buy seeds and other pepper-related inputs, Rezolex ***. Petitioner's Posthearing Brief at 10, Q&A at 63-65, Exhibit 20; Petitioner's Prehearing Brief at 66-67; CR/PR at Table C.1. Unless orders are imposed on subject imports, the industry in India has the ability and the incentive to continue exporting significant volumes of lower-priced ORP to the U.S. market, which it will use to maintain significant market share, capture sales from the domestic industry, depress and suppress domestic prices, and otherwise have an imminent, significant adverse impact on the domestic industry, ***. Based on the record in these investigations, Commissioner Kearns would have found material injury by reason of subject imports but for the suspension of liquidation of entries of the subject merchandise within the meaning of 19 U.S.C. §§ 1671d(b)(4)(B), 1673d(b)(4)(B).

[196] *Oleoresin Paprika from India: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, in Part*, 91 Fed. Reg. 54300 (Aug. 21, 2026).

[197] 19 U.S.C. § 1671d(b)(4)(A)(ii).

[198] SAA at 877.

circumstances provision indicates that the provision was designed "to deter exporters whose merchandise is subject to an investigation from circumventing the intent of the law by increasing their exports to the United States during the period between initiation of an investigation and a preliminary determination by {Commerce}."[199] An affirmative critical circumstances determination by the Commission, in conjunction with an affirmative determination of material injury by reason of subject imports, would normally result in the retroactive imposition of duties for those imports subject to the affirmative Commerce critical circumstances determination for a period 90 days prior to the suspension of liquidation.

The statute provides that, in making this determination, the Commission shall consider, among other factors it considers relevant,

(I) the timing and the volume of the imports,

(II) a rapid increase in inventories of the imports, and

(III) any other circumstances indicating that the remedial effect of the {order} will be seriously undermined.[200]

In considering the timing and volume of subject imports, the Commission's practice is to consider import quantities prior to the filing of the petition with those subsequent to the filing of the petition using monthly statistics on the record regarding those firms for which Commerce has made an affirmative critical circumstances determination.[201]

B. Party Arguments

Petitioner does not make any arguments regarding critical circumstances. Respondents argue that the volume and timing of the subject imports do not indicate that the remedial effect of the CVD order would be seriously undermined because the volumes subject to Commerce's retrospective critical circumstances determination *** during the six month post-petition period.[202] Respondents also argue that there was no rapid increase in inventories of the imports that would indicate that the remedial effect of the CVD order would be seriously undermined because the increase in end-of-period inventories in the latter part of the period of

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[199] *ICC Industries, Inc. v United States,* 812 F.2d 694, 700 (Fed. Cir. 1987), *quoting* H.R. Rep. No. 96-317 at 63 (1979), *aff'g,* 632 F. Supp. 36 (Ct. Int'l Trade 1986). *See* 19 U.S.C. §§ 1671b(e)(2), 1673b(e)(2).

[200] 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

[201] *See Lined Paper School Supplies from China, India, and Indonesia,* Inv. Nos. 701-TA-442-443 and 731-TA-1095-1097**,**USITC Pub. 3884 at 46-48 (Sept. 2006); *Carbazole Violet Pigment from China and India, Inv.* Nos. 701-TA-437 and 731-TA-1060-1061 (Final), USITC Pub. 3744 at 26 (Dec. 2004); *Certain Frozen Fish Fillets from Vietnam,* Inv. No. 731-TA-1012 (Final), USITC Pub. 3617 at 20-22 (Aug. 2003).

[202] Respondents' Prehearing Br. at 74.

investigation was *** percent higher (*** pounds) than the inventories maintained prior to the filing of the petition.[203] Accordingly, Respondents argue that the statutory conditions for an affirmative critical circumstances finding are not met.[204]

C. Analysis

We first consider the appropriate periods for comparison of pre-petition and post-petition levels of subject imports from India. The petitions in these investigations were filed on June 25, 2025.[205] The Commission frequently relies on comparisons of the six-month periods preceding and following the filing of the petition, but it has relied on shorter periods when Commerce's preliminary determination applicable to the country at issue fell within the six-month post-petition period the Commission typically considers.[206] We will compare the volume of subject imports in the six months prior to the filing of the petition (January 2025 – June 2025) with the volume of subject imports six months after the filing of the petition (July 2026 – December 2025) in our critical circumstances analysis of imports from India subject to these investigations.[207]

Subject imports from India subject to Commerce's affirmative critical circumstances determination in the countervailing duty investigation decreased from *** pounds in the pre-petition period to *** pounds in the post-petition period, a decrease of *** percent.[208] U.S. importers held end-of-period U.S. inventories of the relevant subject imports from India of ***

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[203] Respondents' Prehearing Br. at 75; Respondents' Posthearing Br. at Exh. 2.

[204] Respondents' Prehearing Br. at 74-76.

[205] CR/PR at Table 1.1.

[206] *See Carbon and Certain Alloy Steek Wire Rod from Belarus, Russia, and the United Arab Emirates*, Inv. Nos. 731-TA-1349, 1352, and 1357 (Final), USITC Pub. 4752 at 46-47 (Jan. 2018) (regarding subject imports from Russia); *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297 (Final), USITC Pub. 4638 at 49-50 (Sept. 2016) (regarding subject imports from Brazil); *Certain Corrosion-Resistance Steel Products from China, India, Italy, Korea, and Taiwan*, Inv. Nos. 701-TA-534-537 and 731-TA-1274-1278 (Final), USITC Pub. 4620 at 35-40 (July 2016) (regarding subject imports from China, Italy, and Korea); *Carbon and Certain Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final), USITC Pub. 4509 at 25-26 (Jan. 2015) (using five-month periods because the preliminary Commerce countervailing duty determination was during the sixth month after the petition).

The Commission is not required to examine the same periods that Commerce examined in performing the critical circumstances analysis. *See Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-1104 (Final), USITC Pub. 3922 at 35 (June 2007); *Steel Concrete Reinforcing Bars from Turkey*, Inv. No. 731-TA-745 (Final), USITC Pub. 3034 at 34 (Apr. 1997).

[207] Because the petition was filed on June 25, 2025, that month is included in the pre-petition period.

[208] CR/PR at Table 4.10.

pounds at the end of the pre-petition period, and *** pounds at the end of the post-petition period, an increase of *** percent, indicating no stockpiling of subject imports after the filing of the petitions.[209]

Based on the foregoing, we find that subject imports from India subject to Commerce's affirmative determination of critical circumstances are not likely to undermine seriously the remedial effects of the countervailing duty order. Consequently, we make negative critical circumstances findings with respect to subject imports from India subject to Commerce's affirmative determination of critical circumstances.[210]

VII. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of subject imports of ORP from India that have been found by Commerce to be sold in the United States at LTFV and subsidized by the government of India.[211] We also find that critical circumstances do not exist with respect to imports from India that are subject to Commerce's final affirmative critical circumstances determination in its countervailing duty investigation.

[209] CR/PR at Table 4.11.

[210] Having reached affirmative threat of material injury determinations regarding imports of oleoresin paprika from India, Commissioner Kearns does not need to reach the issue of critical circumstances, although he concurs with the analysis conducted by his colleagues.

[211] For the reasons identified above, Commissioner Kearns determines that an industry in the United States is threatened with material injury by reason of imports of oleoresin paprika from India that sell in the United States at less than fair value and that are subsidized by the government of India. Commissioner Foley agrees that the record includes substantial evidence that an industry in the United States is threatened with material injury by reason of subject imports from India but finds it unnecessary to reach the question of threat because the record demonstrates present material injury for all of the reasons discussed above.

Part 1: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by Rezolex, Ltd. Co., Las Cruces, New Mexico, on June 25, 2025, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of oleoresin paprika[1] from India. Table 1.1 presents information relating to the background of these investigations.[2] [3]

Table 1.1 Oleoresin paprika: Information relating to the background and schedule of this proceeding

Effective date	Action
June 25, 2025	Petitions filed with Commerce and the Commission; institution of the Commission's investigations (90 FR 28767, June 1, 2025)
July 15, 2025	Commerce's notices of initiation (90 FR 34419 and 90 FR 34433, July 22, 2025)
August 11, 2025	Commission's preliminary determinations (90 FR 39224, August 14, 2025)
February 6, 2026	Commerce's preliminary CVD determination (90 FR 34433, February 6, 2026)
April 2, 2026	Commerce's preliminary AD determination (91 FR 16636, April 2, 2026); scheduling of final phase of Commission investigations (91 FR 21016, April 20, 2026)
August 18, 2026	Commission's hearing
August 21, 2026	Commerce's final CVD (91 FR 54300, August 21, 2026) and AD (91 FR 54300, August 21, 2026) determinations
September 18, 2026	Commission's vote
October 5, 2026	Commission's views (administrative)

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission—

[1] See the section entitled "The subject merchandise" in Part 1 of this report for a complete description of the merchandise subject in this proceeding.

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

[3] Appendix B presents the witnesses that appeared at the Commission's hearing.

> shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that—[4]

> In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.
>
> In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

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

> (J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part 1 of this report presents information on the subject merchandise, subsidy rates/dumping margins, and domestic like product. Part 2 of this report presents information on conditions of competition and other relevant economic factors. Part 3 presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts 4 and 5 present the volume of subject imports and pricing of domestic and imported products, respectively. Part 6 presents information on the financial experience of U.S. producers. Part 7 presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Oleoresin paprika is generally used to color food products such as sausage type products, cheese sauces, gravies, condiments, salad dressings, baked goods, snacks, icings, cereals, and consumer products such as shampoos, soaps, and lipsticks. Perhaps the most common use of oleoresin paprika is in spice blends, where the oleoresin is used to color salt which, in turn, is mixed with spices and peppers to complete the finished spice blend.[6] Petitioner Rezolex is the only confirmed U.S. producer of oleoresin paprika, while leading producers of oleoresin paprika outside the United States include Synthite Industries Private Limited ("Synthite Industries") and Mane Kancor Ingredients Private Limited ("Mane") of India. The leading U.S. importers of oleoresin paprika from India are ***. Leading importers of oleoresin paprika from nonsubject sources (primarily China and Spain) include *** and ***. U.S. purchasers of oleoresin paprika are firms in a variety of industries, including flavorings/taste, nutrition science, and spices; leading purchasers include McCormick and ***.

Apparent U.S. consumption of oleoresin paprika totaled approximately *** pounds and ($***) in 2025. Rezolex's U.S. shipments of its U.S.-produced oleoresin paprika totaled *** pounds ($***) in 2025 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from India totaled 2.9 million pounds ($30.6 million) in 2025 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from nonsubject sources totaled *** pounds ($***) in 2025 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

[6] Petition, pp. 9 to 10.

Summary data and data sources

Appendix C presents a summary of data collected in these investigations. The Commission's questionnaires collected data for the years 2023 to 2025 and interim periods January through March of 2025 ("interim 2025") and January through March of 2026 ("interim 2026"). Except as noted, U.S. industry data are based on questionnaire responses of Rezolex, which accounted for all known U.S. production of oleoresin paprika during 2025. U.S. imports are based on questionnaire responses from 23 firms estimated to account for approximately 90 percent of U.S. imports. U.S. purchases are based on questionnaire responses of 22 firms. Foreign producer/exporter data are based on questionnaire responses of 7 firms estimated to account for approximately *** percent of exports as a share of U.S. imports from India.

Previous and related investigations

In 1979, the Commission received advice from the Department of the Treasury regarding the payment of a bounty or grant with respect to oleoresins from India.[7] In July 1979, the Commission concluded its countervailing duty investigation under section 303 (b) of the Tariff Act of 1930 and found that an industry in the United States was not being and was not likely to be injured, and was not prevented from being established, by reason of the importation of oleoresins (which included paprika oleoresin) from India.[8]

In 2001, the Commission conducted a preliminary phase antidumping duty investigation on oleoresin paprika from India.[9] In April 2001, the Commission determined that there was no reasonable indication that an industry in the United States was materially injured or threatened with material injury, or that the establishment of an industry in the United States was materially retarded, by reason of imports from India of oleoresin paprika.[10]

[7] This investigation originated from a petition filed by Kalsec, Inc., with the Department of the Treasury.

[8] Oleoresins from India, USITC Publication 989, July 1979.

[9] The petition was filed with the Commission and Commerce by Rezolex, the petitioner in the present proceedings.

[10] 66 FR 21015, April 26, 2001. Oleoresin Paprika from India, USITC Publication 3415, April 2001.

Nature and extent of subsidies and sales at LTFV

Subsidies

On August 21, 2026, Commerce published a notice in the Federal Register of its final determination of countervailable subsidies for producers and exporters of oleoresin paprika from India.[11] Table 1.2 presents Commerce's findings of subsidization of oleoresin paprika in India.

Table 1.2 Oleoresin paprika: Commerce's final subsidy determination with respect to imports from India

Entity	Final countervailable subsidy rate (percent)
Mane Kancor Ingredients Private Limited	18.67
Synthite Industries Pvt. Ltd	25.42
All others	21.90

Source: 91 FR 54300, August 21, 2026.

Note: For further information on programs determined to be countervailable, see Commerce's associated Issues and Decision Memorandum.

Sales at LTFV

On August 21, 2026, Commerce published a notice in the Federal Register of its final determination of sales at LTFV with respect to imports from India.[12] Table 1.3 presents Commerce's dumping margins with respect to imports of product from India.

Table 1.3 Oleoresin paprika: Commerce's final weighted-average LTFV margins with respect to imports from India

Exporter/Producer	Final dumping margin (percent)	Cash deposit rate (adjusted for subsidy offset(s)) (percent)
Synthite Industries Pvt. Ltd	5.78	0.00
Mane Kancor Ingredients Private Limited	4.24	0.00
All others	5.08	0.00

Source: 91 FR 54302, August 21, 2026.

[11] 91 FR 54300, August 21, 2026.
[12] 91 FR 54302, August 21, 2026.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[13]

> The merchandise covered by the scope of this investigation is the coloring additive oleoresin paprika. Oleoresin paprika is a viscous, highly colored liquid in various shades of red or orange made from the extract of Capsicum peppers. Covered merchandise includes all oleoresin paprika, regardless of pepper variety, with an American Spice Trade Association (ASTA) value of at least 500 or a color unit (CU) value of at least 20,000 as determined by spectrophotometric measurement. The Chemical Abstracts Service (CAS) Registry numbers for oleoresin paprika are 68917-78-2 and 84625-29-6; the Center for Food Safety and Applied Nutrition (CFSAN) number is 977006-45-3; the Flavoring Extract Manufacturers' Association (FEMA) number is 2834; and the E number is E160c. Subject oleoresin paprika may also be referred to by other product names, including, but not limited to, paprika oleoresin, oleoresin of paprika, paprika extract, extract of paprika, paprika oil, or paprika essential oil.
>
> Subject oleoresin paprika may be blended with oil or water prior to importation or may be imported in its crude or unstandardized form. Subject oleoresin paprika may also be blended with emulsifiers or preservatives. The scope includes all oleoresin paprika meeting the specifications above regardless of whether or not blended with or soluble in oil or water, and regardless of weight, pungency, quality, solvent content, or additives. Further, the scope includes crude or unstandardized oleoresin paprika that has been blended, finished, packaged, or otherwise processed in a third country, if the blending, finishing, packaging, or processing performed would not otherwise remove the merchandise from the scope. Oleoresin paprika that is otherwise subject to this investigation is not excluded when commingled with oleoresin paprika from sources not subject to this investigation, or when commingled with other oleoresins. Only the subject component of such commingled products is covered by the scope of this investigation.

[13] 90 FR 54300 and 90 FR 54302, August 21, 2026.

Tariff treatment

Oleoresin paprika is imported under Harmonized Tariff Schedule of the United States ("HTS") statistical reporting number 3203.00.8000.[14] HTS statistical reporting number 3203.00.8000 also includes products not covered in the scope of these investigations. Petitioner asserts that numerous imports of oleoresin paprika from India were misclassified and entered the U.S. market under HTS statistical reporting number 3301.90.1010.[15] The general rate of duty is 3.1 percent ad valorem for HTS subheading 3203.00.80 and 3.8 percent ad valorem for HTS subheading 3301.90.10.[16] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Below is a summary of additional tariffs applied to oleoresin paprika from India. Table 1.4 provides a summary of additional tariffs in place as of September 4, 2026. Historical information is summarized beneath the table.

Table 1.4 Oleoresin paprika: Additional tariffs on imports originating in India as of September 4, 2026

Duty rates in percent ad valorem

Additional tariff	3203.00.80	3301.90.10
Section 301	NA	10
Total additional ad valorem rate	0	10

Source: Federal Register notices and other sources cited in this section (Tariff treatment).

Note: For the purposes if this table, "not applicable" is shown as "NA." This applies when the subject product for that subject country is not subject to the tariff for any reason.

Note: Duty rates in the table reflect the duty rates as of the writing of this report. See the text below for historical changes to the additional tariffs.

[14] CROSS rulings confirm that oleoresin paprika is correctly classified under HTS 3203.00.8000. HQ Ruling 089290 (Oct. 1, 1991), NY Ruling L84329 (May 13, 2005), and NY Ruling L82408 (May 18, 2005).

[15] Petition, pp. 33 to 36.

[16] The subject merchandise in this proceeding may also be imported under the following reporting numbers: 1301.90.9190, 1302.19.9140, and 3205.00.0500. USITC, HTS (2026) Revision 12, Publication 5768, July 2026, pp. 13.2 to 13.3, 32.2, 32.15, and 33.4.

Section 301 tariffs

Oleoresin paprika originating in India that is imported under statistical reporting number 3203.00.8000 is not subject to tariffs initiated in July 2026 under section 301 of the Trade Act of 1974.[17]

Effective July 24, 2026, oleoresin paprika originating in India that is imported under statistical reporting number 3301.90.1010 is subject to an additional 10 percent ad valorem duty as part of tariffs initiated in July 2026 under Section 301 of the Trade Act of 1974.[18]

Section 122 tariffs

Oleoresin paprika originating in India that is imported under statistical reporting number 3203.00.8000 was not subject to tariffs initiated in February 2026 under section 122 of the Trade Act of 1974.[19]

Effective February 24, 2026, through July 24, 2026, oleoresin paprika originating in India that is imported under statistical reporting number 3301.90.1010 was subject to an additional 10 percent ad valorem duty under section 122 of the Trade Act of 1974.[20]

[17] Certain articles for use in pharmaceutical applications, including oleoresin paprika that is imported under statistical reporting number 3203.00.8000, are not subject to the tariffs initiated in July 2026 under section 301. 91 FR 47717, July 28, 2026. See also HTS heading 9903.05.89 and U.S. note 52(e) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 14, Publication 5772, July 2026, pp. 99.3.391 to 99.3.394, and 99.3.477.

[18] 91 FR 47717, July 28, 2026. See also HTS heading 9903.05.44 and U.S. note 52 to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 14, Publication 5772, July 2026, pp. 99.3.381 to 99.3.423, and 99.3.470.

[19] Oleoresin paprika that is imported under subheading 3203.00.80 was included in a list of products not subject to section 122 tariffs that were in effect from February 24, 2026, through July 23, 2026. 91 FR 9339, February 25, 2026. See also HTS heading 9903.03.03 and U.S. note 2(aa)(ii) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 14, Publication 5772, July 2026, pp. 99.3.51 to 99.3.55, and 99.3.462.

[20] 91 FR 9339, February 25, 2026. See also HTS heading 9903.03.01 and U.S. note 2(aa) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 14, Publication 5772, July 2026, pp. 99.3.49 to 99.3.59, and 99.3.461.

Tariffs initiated under the International Emergency Economic Powers Act ("IEEPA")[21]

Effective February 20, 2026, all tariffs initiated under IEEPA were terminated. Below is a history of the IEEPA tariffs relevant to oleoresin paprika originating in India that were in effect until February 20, 2026.[22]

Country specific IEEPA tariffs

Effective August 27, 2025, oleoresin paprika originating in India that is imported under statistical reporting numbers 3203.00.8000 and 3301.90.1010 was subject to an additional 25 percent ad valorem duty under IEEPA. Effective February 7, 2026, the additional tariff specific to India was terminated.[23]

Tariffs initiated in April 2025 under IEEPA

Oleoresin paprika originating in India that is imported under HTS statistical reporting number 3203.00.8000 was not subject to tariffs initiated in April 2025 under IEEPA. As noted previously, effective February 20, 2026, tariffs initiated under IEEPA and the associated duties imposed under IEEPA were terminated.[24]

Effective April 5, 2025, oleoresin paprika originating in India that is imported under statistical reporting number 3301.90.1010 was subject to an additional 10 percent ad valorem duty as part of tariffs initiated in April 2025 under IEEPA. Effective April 9, 2025, India was instead assigned an individualized country duty of 26 percent ad valorem. However, effective

[21] Multiple tariffs were enacted under the authority of the International Emergency Economic Powers Act ("IEEPA"), including tariffs that applied to countries that may not be subject in this proceeding. Tariffs specific to Canada, China, and Mexico were initiated in February 2025. Tariffs initiated in April 2025 under IEEPA were applied globally. Tariffs specific to Brazil were initiated in July 2025. Tariffs specific to India were initiated in August 2025 and terminated effective February 7, 2026. Tariffs under IEEPA were amended over time. All tariffs initiated under IEEPA were terminated effective February 20, 2026. 91 FR 9437, February 25, 2026.

[22] 91 FR 9437, February 25, 2026.

[23] 90 FR 38701, August 11, 2025; 91 FR 6501, February 11, 2026. See also HTS headings 9903.01.84, 9903.01.85, 9903.01.86, 9903.01.87, 9903.01.88, and 9903.01.89 and U.S. note 2(z) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 14, Publication 5772, July 2026, pp. 99.3.48 to 99.3.49, and 99.3.438 to 99.3.439.

[24] Oleoresin paprika that was imported under subheading 3203.00.80 was included in a list of products in HTS U.S. note 2(v)(iii)(a) to subchapter III of chapter 99 that are not subject to tariffs initiated in April 2025 under IEEPA. 90 FR 15041, April 7, 2025; 91 FR 9437, February 25, 2026. See also HTS headings 9903.01.25 and 9903.01.32 and U.S. note 2(v)(iii)(a) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 14, Publication 5772, July 2026, pp. 99.3.4 to 99.3.11, and 99.3.426 to 99.3.427.

April 10, 2025, the individualized country duties were suspended and the additional duty rate as part of tariffs initiated in April 2025 under IEEPA for oleoresin paprika originating in India that is imported under statistical reporting number 3301.90.1010 was returned to 10 percent. Effective August 7, 2025, India was assigned an individualized country duty of 25 percent. As noted previously, effective February 20, 2026, tariffs initiated under IEEPA and the associated duties imposed under IEEPA were terminated.[25]

[25] Individualized country duties as part of tariffs initiated in April 2025 under IEEPA for countries other than China were suspended from April 10, 2025, until August 7, 2025. 90 FR 15041, April 7, 2025; 90 FR 15625, April 15, 2025; 90 FR 30823, July 10, 2025; 90 FR 37963, August 6, 2025; 91 FR 9437, February 25, 2026. See also HTS headings 9903.01.25, 9903.01.55, and 9903.02.26 and U.S. note 2(v) to subchapter 3 of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2026) Revision 14, Publication 5772, July 2026, pp. 99.3.4 to 99.3.41, and 99.3.426, 99.3.431, 99.3.446.

The product

Description and applications

Oleoresin paprika is a natural, viscous, liquid color additive with an orange to dark-red tint.[26] Oleoresin paprika is an industrial product primarily used as a color additive in food products, such as sausages, cheese sauces, gravies, condiments, salad dressings, baked goods, snacks, and icings. It is also used to color salt, which is mixed with spices and peppers to achieve a finished spice blend, and in cosmetics and pharmaceuticals.[27] Oleoresin paprika can be oil-soluble or water-soluble and is sold on the basis of color, concentration, and weight.[28] It is shipped to customers in 5-gallon pails, 55-gallon drums, and 160-gallon plastic totes.[29]

Oleoresin paprika is produced with a variety of colors from orange to dark red and color concentrations. The red pigment in oleoresin paprika comes primarily from capsorubin and capsanthin in the paprika, while the yellow pigment comes from the beta-carotene component.[30] Oil-based solutions appear more orange-red and water-based solutions appear more bright orange.[31] The color is reported in either color units ("CU") or the American Spice Trade Association ("ASTA") scale. The CU of oleoresin paprika is measured by spectrophotometric analysis of color absorbance at a wavelength of 460 nanometers. ASTA values and CU values are convertible, with CU values equal to 40 times ASTA values (e.g., 1,000 ASTA = 40,000 CU).[32] Unstandardized (or "crude") extract (i.e., prior to blending with vegetable oil) will have the highest concentration of color.[33] Different varieties of peppers yield different CU levels. Domestic producers typically use red, sweet paprika peppers.[34] Hotter peppers, like the red chili peppers typically used in India, generally produce lower CU levels.[35] Both domestic

[26] Oleoresin paprika may also be referred to as paprika oleoresin, oleoresin of paprika, paprika extract, or extract of paprika. Petition, p. 8; Conference transcript, p. 13 (Stirk); and Petitioner's postconference brief, p. 7. Oleoresin paprika can be identified by the following CAS registration numbers: 68917-78-2 and 84625-29-6. Petition, p. 13.

[27] Petition, pp. 13 to 14. Petitioner's postconference brief, p. 7. Indian producers' postconference letter, attachment 2, pp. 1 and 2.

[28] Petition, pp. 10 and 48. Petitioner's postconference brief, p. 8.

[29] Conference transcript, p. 92 (Biad). Petitioner stated that Indian producers do not use 160 gallon totes because of the greater risk of puncture of a plastic container on an ocean vessel, although this could not be independently confirmed. Conference transcript, p. 92 (Biad).

[30] Petition, pp. 10 and 48. Petitioner's postconference brief, p. 8.

[31] Petition, pp. 10 and 48. Petitioner's postconference brief, p. 8.

[32] Petition, p. 49. Petitioner's postconference brief, p. 8. Conference transcript, p. 66 (Biad).

[33] Petition, p. 11.

[34] Petition, p. 19.

[35] Petitioner's postconference brief, Preliminary Staff Conference Questions, p. 15.

and subject oleoresin paprika have a minimum CU of 20,000.[36] Petitioner stated that it has produced oleoresin paprika with up to 200,000 CU.[37]

Oleoresin paprika provides a more uniform distribution of color than dried, ground paprika does in the downstream food product.[38] Additionally, oleoresin paprika retains its color longer than dried paprika does.[39] Petitioner stated that oleoresin paprika is also preferred as a food colorant to paprika powder due to cost because dry paprika would require 10 to 13 times the volume of oleoresin paprika.[40]

The U.S. Food and Drug Administration ("FDA") recognizes oleoresin paprika as both a "color or coloring adjunct" and a "flavoring agent or adjuvant."[41] Petitioner stated that oleoresin paprika has some flavor and is best suited to applications in aromatic or savory food items; tailoring it for an application in a sweet would be difficult.[42] However, petitioner asserted that oleoresin paprika is used solely for its color and that end users prefer oleoresin paprika that does not impact flavor.[43] According to a 2008 letter from the American Spice Trade Association ("ASTA") to the FDA, oleoresin paprika has little if any flavor and is used only as a color additive.[44]

While petitioner stated that oleoresin paprika has a mild flavor and little or no odor or heat (spiciness), Indian producers stated that the subject product has a higher heat level and distinct odor than the domestic product.[45] Indian producers stated that the greater heat, distinct flavor, and more orange hue allow the subject product to find applications that require both color and mild pungency, such as ethnic foods, seasoning blends, and spice-rich food products.[46]

Petitioner asserts that purchasers do not demand hot or spicy oleoresin paprika.[47] The heat of a pepper is determined by the levels of a chemical known as capsaicin. Heat is measured in Scoville Heat Units (SHU), which represents the number of times the concentration

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[36] Petition, p. 49.
[37] Conference transcript, p. 50 (Biad).
[38] Conference transcript, p. 14 (Stirk). Petitioner's postconference brief, p. 7.
[39] Conference transcript, p. 14 (Stirk). Petitioner's postconference brief, p. 7.
[40] Conference transcript, p. 83 (Biad).
[41] FDA, "Paprika Oleoresin (Capsicum Annuum L.)," accessed August 21, 2026.
[42] Conference transcript, pp. 84 to 85 (Biad).
[43] Hearing transcript, p. 54 (Biad).
[44] ASTA, Letter to Felicia Billingslea of the FDA, p 5.
[45] Petitioner's postconference brief, p. 8. Indian producers' postconference letter, attachment 1, p. 1; attachment 2, p. 1; attachment 3, p. 3; and attachment 4, p. 2.
[46] Indian producers' postconference letter, attachment 1, p. 1; attachment 2, p. 1; attachment 3, p. 3; and attachment 4, p. 2.
[47] Hearing transcript, p. 54 (Biad).

of capsaicin in a pepper needs to be diluted before it is no longer detectable.[48] Petitioner provided technical specifications for oleoresin paprika that show purchasers set a maximum level of heat around 2,500 SHU.[49] McCormick, a major purchaser and end user of oleoresin paprika, stated that their oleoresin paprika specifications requires a heat level of 2,500 SHU or below. McCormick stated that SHU variance below 2,500 does not affect end use application.[50]

The petitioner asserts that domestic oleoresin paprika and subject imports are essentially interchangeable and claims that its customers also consider them to be interchangeable.[51] The petitioner commissioned independent labs to test domestic and subject oleoresin paprika and stated that the results showed "no physical, microbiological or practical or applicable differences between domestic and Indian" product.[52] While the peppers used by Indian producers contain a higher level of capsaicin, the component that gives the pepper its pungency, they extract the capsaicin via a process using either supercritical carbon dioxide or methanol.[53] Petitioner asserts that once the capsaicin is removed during the second extraction, Indian and domestic oleoresin paprika are the same.[54]

McCormick asserts that the products are not interchangeable and that end users rely on distinct specifications for their various downstream products.[55] It claims that the pepper variety, the solvent, and the production process all affect the color, flavor, and heat profile of the oleoresin paprika that are critical to end-use performance.[56] According to McCormick, purchasers "source oleoresin paprika on a variety- and supplier-specific basis" to ensure the consistency of their downstream products.[57] McCormick conducted a blind sensory test in which oleoresin paprika samples from *** were incorporated into a finished seasoning. McCormick stated that the test shows samples with similar specifications differing across sensory attributes that affected the end-product.[58]

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[48] "How Do You Measure the 'Heat' of a Pepper," March 25, 2025.

[49] Green bell peppers have an SHU of zero, while the SHU of a poblano pepper is between 1,000 and 2,000, and the SHU of a jalapeño is between 2,500 and 8,000. Petruzzello, "Scoville Scale," June 4, 2026.

[50] Hearing transcript, p. 130 (Bayles).

[51] Conference transcript, p. 12 (Biad).

[52] Conference transcript, p. 10 (Biad). Petitioner's postconference brief, exh. 4 to 6.

[53] Conference transcript, p. 13 (Biad).

[54] Conference transcript, pp. 18 to 19 (Stirk).

[55] Hearing transcript, pp. 84 to 89 (Bayles). McCormick's postconference brief, pp. 2 to 3. For more information on product interchangeability, see Part 2.

[56] Hearing transcript, pp. 86 to 90 (Bayles).

[57] McCormick's postconference brief, pp. 2 to 3.

[58] Posthearing brief of McCormick and Indian producers, pp. 6 to 8.

Demand for oleoresin paprika is believed to be increasing due to consumer preferences shifting toward natural ingredients in food and beverages and recent federal policies mandating a move away from some synthetic ingredients.[59] In January 2025, the U.S. Food and Drug Administration ("FDA") revoked authorization for the use of FD&C Red No. 3 in food and ingested drugs, giving food manufacturers until January 2027 and drug manufacturers until January 2028 to reformulate their products.[60] The FDA subsequently announced in April 2025 that it would work with the food industry to eliminate six remaining synthetic dyes frequently used in the food supply by the end of 2027.[61] In February 2026, the FDA took further steps to encourage the use of natural colorants over synthetic dyes in food by allowing companies to claim products contain no "artificial colors" when the products do not contain petroleum-based colors.[62] Petitioner stated that broader demand for oleoresin paprika is likely to increase due to the shift towards natural ingredients.[63]

Manufacturing processes[64]

Oleoresin paprika is produced from dehydrated *Capsicum annuum* L peppers. The volume of dehydrated peppers required to produce one pound of oleoresin paprika can vary from year to year based on the color content of the peppers resulting from weather conditions, chemical application and other factors.[65] The *Capsicum annuum* L category of peppers encompasses sweet paprika, cayenne, chili, and numerous other peppers.[66] Dehydrated peppers need to be processed immediately or put into cold storage to avoid degradation of the

[59] Demonstrating industry's and the public's shifting preference in favor of natural colorants, McCormick cited the International Dairy Foods Association's pledge to eliminate artificial dyes from ice cream and other frozen desserts by 2028. McCormick's postconference brief, p. 5 and exh. 5. For more information on demand trends, see Part 2.

[60] "FD&C Red No. 3," January 15, 2025.

[61] The six synthetic dyes are FD&C Green No. 3, FD&C Red No. 40, FD&C Yellow No. 5, FD&C Yellow No. 6, FD&C Blue No. 1, and FD&C Blue No. 2. "HHS, FDA to Phase Out Petroleum-Based Synthetic Dyes in Nation's Food Supply," April 22, 2025.

[62] "FDA Takes New Approach to 'No Artificial Color' Claims," February 5, 2026.

[63] Conference transcript, pp. 32 to 33 (Biad).

[64] Unless otherwise noted, this information is based on preliminary publication, pp. 1.11 to 1.13.

[65] Conference transcript, p. 43 (Biad).

[66] Petition, p. 16.

color through oxidation.[67] [68] The dehydrated paprika peppers are milled, the seeds are removed, and "everything except for the seed" is pressed into small pellets.[69] Then, the pellets are showered with a solvent (petitioner uses hexane) for four hours to extract the oleoresin.[70]

The next step is to remove the solvent (e.g., hexane) from the oleoresin.[71] The oleoresin is distilled using steam, evaporating the solvent for collection and reuse.[72] The solvent is removed not only for reuse in subsequent cycles, but also to comply with FDA regulations regarding solvent residue levels permitted in the product.[73] The crude oleoresin paprika undergoes filtration and centrifugation processes to remove any remaining solids.[74]

The remaining crude oleoresin paprika is blended with vegetable oil and tested with spectrophotometric analysis to determine its color.[75] Petitioner stated that it produces to a standard of 100,000 CU, but it ships at various CU levels and has produced oleoresin paprika up to 200,000 CU.[76] The combination of color pigments in the red chili peppers typically used by Indian producers are different, so the resulting color is generally less intense red.

Indian production of oleoresin paprika requires an extra step. The red chili peppers typically used by producers in India contain capsaicin that has pungency.[77] This pungency must

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[67] Dehydrated peppers lose about one percent of their color per day when kept in a warehouse at 90 degrees Fahrenheit. Conference transcript, p. 49 (Biad). Storing dehydrated peppers at zero degrees Fahrenheit stops any color loss. Conference transcript, pp. 36 and 49 (Biad).

[68] According to the petitioner, its New Mexico oleoresin plant is in "the heart of a major paprika-growing region." Conference transcript, p. 11 (Biad). McCormick submitted information stating that New Mexico produces roughly 77 percent of chili peppers grown in the United States. McCormick's postconference brief, exh. 7. Petitioner stated that it has also imported paprika for processing from Chile, China, Peru, South Africa, Spain, and Zimbabwe. Petitioner stated that sourcing paprika from overseas would reduce seasonality and allow it to process peppers year-round. Conference transcript, p. 35 (Biad).

[69] Conference transcript, p. 16 (Stirk) and p. 61 (Biad).

[70] Conference transcript, p. 17 (Stirk). According to the FDA, oleoresin paprika may be extracted by using acetone, ethyl alcohol, ethylene dichloride, hexane, isopropyl alcohol, methyl alcohol, methylene chloride, trichloroethylene, or a combination thereof. Petition, p. 15. Petitioner stated that they use hexane because it extracts more color from the dehydrated peppers, but it also extracts other components which then have to be removed from the solution. If acetone were used as the solvent to extract the color, fewer of these impurities would be in the resulting solution. However, acetone also extracts less color from the peppers. Conference transcript, pp. 76 to 77 (Biad).

[71] Conference transcript, p. 17 (Stirk). Petitioner stated that they recover about 99.5 percent of the hexane from each cycle. Conference transcript, p. 81 (Biad).

[72] Conference transcript, p. 17 (Stirk).

[73] Petition, p. 16.

[74] Conference transcript, p. 17 (Stirk).

[75] Conference transcript, p. 18 (Stirk).

[76] Conference transcript, pp. 50 to 51 (Biad).

[77] Conference transcript, p. 18 (Stirk); Petition, pp. 19 and 52.

be removed since most downstream users of oleoresin paprika want only the color.[78] The removal of heat is referred to as "sweetening." Oleoresin paprika that has had the aroma removed has been "deodorized."[79] The second extraction process, to remove capsaicin, is accomplished via one of two methods: using either methanol or supercritical carbon dioxide.[80]

Petitioner stated that there was one other difference in its production method from that of the Indian producers. Petitioner uses a continuous process but claims that the Indian suppliers produce oleoresin paprika in batches.[81] Plant Lipids Pvt. Ltd., one of the Indian producers, reported using both batch and continuous systems.[82] Indian producer *** also reported using batch production.

[78] Oleoresin capsicum is derived from the same chili peppers in India, but the second extraction is not performed to remove the capsaicin. Oleoresin capsicum retains its pungency and is used as a flavoring agent or as an ingredient in pepper spray. Petition, pp. 23 to 24.

[79] Petition, pp. 19 to 21.

[80] Conference transcript, p. 18 (Stirk); Petition, pp. 38 to 39. Petitioner stated that using supercritical carbon dioxide to remove pungency might appeal to those who want to market their product as organic because the process does not leave any residual solvent. Conference transcript, p. 80 (Biad).

[81] Conference transcript, p. 28 (Biad).

[82] Indian producers' postconference letter--Indian producers on behalf of Plant Lipids Pvt. Ltd., Synthite Industries Ltd., Mane Kancor Ingredients Ltd., and Akay Natural Ingredients Private Ltd., attachment 1, p. 1.

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations. The petitioner proposes a single domestic like product consisting of oleoresin paprika coextensive with the scope. No respondent contests petitioner's definition of the domestic like product, although, in their letter in lieu of postconference brief, Indian producers stated that "Indian oleoresin chili typically contains moderate to high levels of capsaicin in addition to high ASTA color values, making it suitable for use in applications that require both color and mild pungency, while U.S.-produced oleoresin paprika contains negligible capsaicin, and is specifically tailored for color-only applications within the food industry."[83] In the preliminary phase of these investigations, the Commission defined a single domestic like product consisting of oleoresin paprika, coextensive with Commerce's scope.[84] In their comments on draft questionnaires the petitioner and respondents did not request data or other information necessary for the analysis of the domestic like product, nor did parties contest the Commission's finding in their briefs or at the Commission's hearing.

[83] Indian producers' postconference letter--Indian producers on behalf of Plant Lipids Pvt. Ltd., Synthite Industries Ltd., Mane Kancor Ingredients Ltd., and Akay Natural Ingredients Private Ltd., attachment 1, p.1, attachment 2, p.1, attachment 3, p.3, attachment 4, p.2.

[84] Views p. 9. Oleoresin Paprika from India, USITC Publication 5656, August 2025.

Part 2: Conditions of competition in the U.S. market

U.S. market characteristics

Oleoresin paprika is a natural source of orange-red coloring for consumer products and, most commonly, food products such as salt used in spice blends.[1] The market for oleoresin paprika has experienced increasing demand in recent years, attributed by some to the product's desirability as a natural ingredient. Oleoresin paprika is available in a range of color profiles and can vary in terms of other characteristics, such as heat intensity. The U.S. market for oleoresin paprika is largely supplied by multiple producers in India and a single producer in the United States, although there is limited availability of the product from other suppliers, mainly located in China.

Several of the larger individual market participants identified distinctive conditions of competition. U.S. producer Rezolex indicated that the market *** subject to distinctive conditions of competition, and identified price as the main condition of competition in the market. Eighteen of 21 importers and 11 of 18 responding purchasers indicated that the market was not subject to distinctive conditions of competition. However, of the importers indicating that it was, *** reported that the oleoresin paprika market is subject to distinctive conditions such as fluctuations in paprika crop yields, raw material availability and quality, and changes in processing costs. Importer/purchaser McCormick reported that oleoresin paprika has different physical and technical characteristics and that specific suppliers provide a particular variety of oleoresin paprika for a particular use.[2]

Apparent U.S. consumption of oleoresin paprika increased between 2023 and 2024 but decreased modestly between 2024 and 2025. Overall, apparent U.S. consumption in 2025 was higher than in 2023. Likewise, apparent U.S. consumption was noticeably higher in the first quarter of 2026 than in the first quarter of 2025.

U.S. purchasers

The Commission received 22 usable questionnaire responses from firms that have purchased oleoresin paprika since January 2023.[3] Of the responding purchasers, 10 reported

[1] For more information on oleoresin paprika as a flavoring agent, please see Part 1.
[2] Hearing transcript, pp. 85 to 89 (Bayles).
[3] The following firms provided purchaser questionnaire responses: ***.

purchasing domestic oleoresin paprika, 16 reported purchasing imports of oleoresin paprika from India, and 3 reporting purchasing imports of oleoresin paprika from other sources. Seven firms that reported that they purchased from unknown sources (while most had a general idea of the source, their suppliers often refused to confirm the origin of the oleoresin paprika they supplied). Fifteen purchasers indicated they had marketing/pricing knowledge of domestic product and 20 had knowledge of Indian product. Seven responding purchasers are distributors, 18 are end users, and 1 is a blender that sells flavors and seasonings. In general, responding U.S. purchasers were located in the eastern half of the United States. The responding purchasers represented firms in a variety of industries, including food manufacturing. Large purchasers of oleoresin paprika include McCormick and ***.

Impact of new or modified tariffs

U.S. producer Rezolex, importers, and purchasers were asked to report the impact of tariff announcements and tariff changes associated with Presidential actions since January 1, 2025 on price, supply, demand, and/or raw material costs (table 2.1). Most firms reported that there had been an impact.

Table 2.1 Oleoresin paprika: Count of firms' responses regarding the impact of new or modified tariffs

Firm type	No	Yes	Don't know
U.S. producer	***	***	***
Importers	1	14	8
Purchasers	4	11	6

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

Channels of distribution

Oleoresin paprika is sold directly from the producer or importer to end users, with only a tiny fraction of U.S. shipments moving through distributors. U.S. producer Rezolex sold *** to end users while importers sold almost exclusively to end users, as shown in table 2.2.

Table 2.2 Oleoresin paprika: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent; interim is January through March

Source	Channel	2023	2024	2025	Interim 2025	Interim 2026
United States	Distributor	***	***	***	***	***
United States	End user	***	***	***	***	***
India	Distributor	***	***	***	***	***
India	End user	***	***	***	***	***
Nonsubject sources	Distributor	***	***	***	***	***
Nonsubject sources	End user	***	***	***	***	***
All import sources	Distributor	***	***	***	***	***
All import sources	End user	***	***	***	***	***

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

Geographic distribution

U.S. producer Rezolex reported selling oleoresin paprika to *** (table 2.3). Importers reported selling to all regions in the United States, with most importers reporting selling to the Northeast, Southeast, and Midwest. For U.S. producer Rezolex, *** percent of its sales were within 100 miles of its production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table 2.3 Oleoresin paprika: Count of U.S. producer's and U.S. importers' geographic markets

Region	U.S. producer	India
Northeast	***	12
Midwest	***	10
Southeast	***	10
Central Southwest	***	7
Mountain	***	7
Pacific Coast	***	7
Other	***	2
All regions (except Other)	***	6
Reporting firms	1	14

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

Note: Other U.S. markets include AK, HI, PR, and VI.

Supply and demand considerations

U.S. supply

Table 2.4 provides a summary of the supply factors regarding oleoresin paprika from U.S. producer Rezolex and from India. Indian capacity was larger than U.S. capacity in 2023, and although U.S. capacity slightly increased between 2023 and 2025, Indian capacity was still substantially larger in 2025.

U.S. production increased between 2023 and 2024 before decreasing between 2024 and 2025, while practical capacity increased slightly, leading to a slight increase in capacity utilization during 2023 to 2025. Rezolex reportedly can also produce CBD oil for usage as an "anti-inflammatory" with the same equipment used for oleoresin paprika.[4] Factors affecting the U.S. producer's ability to shift production include ***.

Rezolex stated that, if it added a fourth shift, it could produce upwards of 3.4 to 3.5 million pounds of oleoresin paprika, and that it can purchase paprika peppers from suppliers

[4] Conference transcript, p. 98 (Biad).

other than Biad Chili, including imports.[5] It also reported that ***. A witness for importer/purchaser McCormick stated that its Indian suppliers can meaningfully adjust committed volumes mid-contract if its needs change, and that Indian suppliers have access to abundant raw material supplies. It also added that when it contracts with Rezolex, annual contracts are set before the pepper planting season and that, while Rezolex can occasionally offer it additional incremental volume, it cannot materially revise contracted volumes mid-contract or meaningfully increase production without securing additional pepper acreage from farmers, which McCormick believes Rezolex cannot do mid-cycle.[6] An importer/purchaser reported that chili pepper farming is geographically concentrated which exposes the U.S. chili pepper supply to significant risks of damage or destruction due to natural disasters, extreme weather events, or pests; and it is vulnerable to labor force issues such as shortages or strikes.[7]

Indian production increased by a greater percentage than practical capacity during 2023 to 2025, leading to a slight increase in capacity utilization. The majority of this production was directed to export markets. Major export markets identified by Indian producers are located in Asia and Europe, including ***. Other products that responding Indian producers reportedly can produce on the same equipment as oleoresin paprika are: ***. Factors affecting foreign producers' ability to shift production include ***.

[5] Conference transcript, pp. 33 to 35 (Biad).
[6] Hearing transcript, pp. 94 to 95 (Bayles).
[7] *** postconference brief, Exhibit 1, pp. 1 to 2.

Table 2.4 Oleoresin paprika: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in 1,000 pounds; ratio and share in percent

Factor	Measure	United States	India
Capacity 2023	Quantity	***	14,152
Capacity 2025	Quantity	***	17,662
Capacity utilization 2023	Ratio	***	50.5
Capacity utilization 2025	Ratio	***	53.6
Inventories to total shipments 2023	Ratio	***	12.4
Inventories to total shipments 2025	Ratio	***	4.4
Home market shipments 2025	Share	***	27.6
Non-US export market shipments 2025	Share	***	52.0
Ability to shift production (firms reporting “yes”)	Count	***	3 of 7

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

Note: U.S. producer Rezolex accounted for all of U.S. production of oleoresin paprika in 2025. Responding foreign producer/exporter firms accounted for more than half of U.S. imports of oleoresin paprika from India during 2025. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Parts 3 and 7.

Supply constraints

U.S. producer Rezolex reported that it *** experienced supply constraints, while 19 of 22 importers reported that they had not experienced supply constraints since January 1, 2023. Of those that reported they had experienced supply constraints, two reported the constraints occurred during 2023, one reported they occurred during 2024 and 2025, and one in 2026 (table 2.5). Constraints reported by firms included the COVID-19 pandemic, geopolitical constraints, port strikes, shipping delays, and the Uyghur Forced Labor Prevention Act (UFLPA) ban of Chenguang Biotech.

Four of 22 responding purchasers reported that they had experienced supply constraints, with two reporting supply constraints from domestic producer Rezolex in 2023 and 2024 and one in 2025 and 2026, while one reported supply constraints from foreign producers or importers in each year except for 2024. The constraint purchasers experienced from domestic producer Rezolex was that U.S. production could not meet 100 percent of demand in 2023. Constraints purchasers experienced from foreign producers or importers were that Mane Inc. (India) was unable to meet timely shipment commitments, and that Chenguang Biotech (China) was sanctioned by the U.S. government. U.S purchaser *** reported that in 2026, McCormick had delays of Indian-produced oleoresin paprika due to raw material unavailability of “a few weeks.”

Table 2.5 Oleoresin paprika: Count of firms' responses regarding timing of supply constraints, by firm type and source

Firm type	Source	2023	2024	2025	January 1, 2026 - present
U.S. producers	Domestic	*** of 1	*** of 1	*** of 1	*** of 1
Importers	Imported	2 of 22	1 of 22	1 of 22	1 of 22
Purchasers	Domestic	2 of 22	2 of 22	1 of 22	1 of 22
Purchasers	Imported	1 of 22	0 of 22	1 of 22	1 of 22

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

New suppliers

All 22 purchasers indicated that no new suppliers entered the U.S. market since January 1, 2023.

U.S. demand

Based on available information, the overall demand for oleoresin paprika is likely to experience small changes in response to changes in price. The main contributing factors are the limited range of substitute products and the small to moderate cost share of oleoresin paprika in most of its end-use products.

End uses and cost share

U.S. demand for oleoresin paprika depends on the demand for U.S.-produced downstream products, and accounts for a small to moderate share of the cost of the end-use products in which it is used. Most purchasers reported a cost share of 1 percent for oleoresin paprika, and end use products included breading, batter, and coating mixes, condiments, dry blends, sauces, seasonings, and other downstream food products. An executive for Mane stated that some end use formats for oleoresin paprika include being spray-dried onto a free-flowing powder, incorporated into a dry blend and added directly into a seasoning system, or formulated from its original oil state into a water dispersible compatible system for products like beverages or confectionary bakery and cereal products.[8]

Business cycles

U.S. producer Rezolex indicated that the market *** subject to business cycles. Nineteen of 21 importers, and 14 of 20 responding purchasers indicated that the market was not subject to business cycles.

[8] Hearing transcript, p. 110 (Truby).

Demand trends

Although more pronounced among suppliers than purchasers, overall the majority of market participants reported an increase in U.S. demand for oleoresin paprika since January 1, 2023. In contrast, market participants generally characterized foreign demand as unchanged (table 2.6). However. a representative for Mane stated that foreign demand from APAC and Africa regions has increased.[9]

Table 2.6 Oleoresin paprika: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Market	Firm type	Steadily Increase	Fluctuate upward	No change	Fluctuate downward	Steadily decrease
Domestic demand	U.S. producer	***	***	***	***	***
Domestic demand	Importers	6	8	5	1	0
Domestic demand	Purchasers	4	3	10	0	0
Foreign demand	U.S. producer	***	***	***	***	***
Foreign demand	Importers	2	3	8	0	1
Foreign demand	Purchasers	1	0	12	0	0
Demand for end use products	Purchasers	4	4	9	3	0

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

Substitute products

Substitutes for oleoresin paprika are limited. U.S. producer Rezolex and most importers and purchasers reported that there were no substitutes. Of the substitutes that were reported, firms cited ground paprika and red dye for chorizo and seasoning end uses, respectively, and oleoresin capsicum, but did not cite a specific end use.

Substitutability issues

This section assesses the degree to which U.S.-produced oleoresin paprika and imports of oleoresin paprika from India can be substituted for one another by examining the importance of certain purchasing factors and the comparability of oleoresin paprika from domestic and imported sources based on those factors. Based on available data, staff believes that there is a moderate degree of substitutability between domestically produced oleoresin paprika and oleoresin paprika imported from India.[10] Factors reducing substitutability include a

[9] Hearing transcript, pp. 115 to 116 (Truby).

[10] The degree of substitution between domestic and imported oleoresin paprika depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced oleoresin paprika to the oleoresin paprika imported

(*continued*...)

strong preference for certain producers, purchaser preferences for oleoresin paprika from subject sources over other sources, differences between domestically produced oleoresin paprika and oleoresin paprika imported from India across multiple purchase factors which purchasers ranked as very important, and significant factors other than price. Factors increasing substitutability include similar lead times from domestic and subject sources for oleoresin paprika from inventories, few domestic content requirements, and interchangeability between oleoresin paprika from domestic and subject sources.

Factors affecting purchasing decisions

Purchaser decisions based on source

As shown in table 2.7, responses to purchasing decisions based on the producer were evenly dispersed, while most of purchasers' customers never make purchasing decisions based on the producer. In addition, a plurality of purchasers and their customers never make purchasing decisions based on country of origin or pepper type. Ten purchasers reported that they always or usually make purchasing decisions based on pepper type. Firms cited existing supplier relationship, consistent product performance, using approved or qualified suppliers, differing end uses, Food Safety Verification Program certification, and product specifications as reasons for making purchasing decisions based on the manufacturer, and cited avoiding oleoresin paprika sourced from China as a reason for making purchasing decisions based on the country of origin.

Table 2.7 Oleoresin paprika: Count of purchasers' responses regarding frequency of purchasing decisions based on producer, country of origin, and pepper type

Firm making decision	Decision based on	Always	Usually	Sometimes	Never
Purchaser	Producer	6	6	4	6
Customer	Producer	1	2	3	12
Purchaser	Country	4	2	4	11
Customer	Country	1	1	5	11
Purchaser	Pepper type	5	5	1	10
Customer	Pepper type	2	3	1	12

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

from the subject country (or vice versa) when prices change. The degree of substitution may include such factors as quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

Importance of purchasing domestic product

Eighteen of 22 purchasers reported that most or all of their 2025 purchases did not require purchasing U.S.-produced product. One purchaser, ***, reported that its customers required domestic product for *** percent of its purchases, and two additional firms reported other preferences for domestic product.[11] Specifically, *** reported that it purchased domestic product due to a smaller volume for more niche oleoresin paprika ingredient applications, while *** reported that it required a custom blend.

Most important purchase factors

The most often cited top-three factors firms consider in their purchasing decisions for oleoresin paprika were price/cost (15 firms) and quality (14 firms), followed by availability (9 firms), as shown in table 2.8. Quality was the most frequently cited first-most important factor (cited by 10 firms) and price/cost was the most frequently reported second-most important factor (8 firms).

Table 2.8 Oleoresin paprika: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Factor	First	Second	Third	Total
Price / Cost	3	8	4	15
Quality	10	3	1	14
Availability / Supply	2	3	6	9
All other factors	6	5	8	NA

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

Note: Other factors include color value, product consistency, product specifications, payment terms, reliability of supply, supply assurance, and product line variety.

[11] ***.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 19 factors in their purchasing decisions (table 2.9). The factors rated as very important by more than half of responding purchasers were quality meets industry standards and reliability of supply (cited by 22 purchasers each), color unit ("CU") uniformity and product consistency (21 each), availability and color/tint (20 each), price (17), delivery time (16), pungency/lack of flavor (15), and lack of spice (13).

Table 2.9 Oleoresin paprika: Count of purchasers' responses regarding importance of purchase factors, by factor

Factor	Very important	Somewhat important	Not important
Quality meets industry standards	22	0	0
Reliability of supply	22	0	0
CU uniformity	21	1	0
Product consistency	21	1	0
Availability	20	2	0
Color/tint	20	2	0
Price	17	5	0
Delivery time	16	6	0
Pungency/lack of flavor	15	7	0
Lack of spice/heat	13	7	2
Payment terms	11	9	2
Quality exceeds industry standards	11	8	3
Technical support/service	9	9	4
U.S. transportation costs	8	8	5
Delivery terms	7	13	2
Minimum quantity requirements	6	11	5
Product range	6	11	5
Discounts offered	3	16	3
Packaging	2	18	2

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

Product bundling

Purchasers were asked if they purchased oleoresin paprika as a standalone product or if they purchased it in a bundle with other products. Most purchasers (14) reported that they purchased oleoresin paprika as a standalone product. However, eight purchasers bundled oleoresin paprika with other oleoresins, other spices, and essential oils (table 2.10). Three of these purchasers only reported purchasing oleoresin paprika when bundled with other products. Of those that reported bundling, one reported that *** percent of its purchases were bundled, another reported that *** percent of its purchases were, and the other six reported shares of *** percent. All eight purchasers that reported purchasing oleoresin paprika in a bundle with other products also purchased and/or imported at least half of their oleoresin paprika from India between January 2023 and December 2025. McCormick, an importer and

purchaser of oleoresin paprika, stated that its Indian suppliers frequently offer it products beyond oleoresin paprika, and therefore it frequently purchases both oleoresin paprika and other products from these suppliers, while it only purchases oleoresin paprika from Rezolex, and that procuring multiple products from the same supplier helps it manages freight costs and provide negotiating leverage and flexibility across the broader supplier relationship.[12]

Table 2.10 Oleoresin paprika: U.S. purchasers' shares of purchases that are bundled and narratives relating to transactions that are bundled

Firm	Share of purchases that are bundled	Narrative on bundling
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

Lead times

Oleoresin paprika is primarily sold from inventories. U.S. producer Rezolex reported that *** percent of its commercial shipments were sold from inventories, with lead times averaging *** days. The remaining *** percent of its commercial shipments were produced-to-order, with lead times averaging *** days. Importers reported that *** percent of their commercial shipments were from U.S. inventories, with lead times averaging *** days; and *** percent were produced-to-order, with lead times averaging *** days. The remaining *** percent of their commercial shipments were from foreign inventories, with lead times averaging *** days.

[12] Hearing transcript, pp. 95 to 96 (Bayles).

Supplier certification

Nineteen responding purchasers require their suppliers to become certified or qualified to sell oleoresin paprika to their firm. Purchasers reported that the time to qualify a new supplier ranged from one day to a year, although a plurality of purchasers reported a range of 90 to 180 days. No purchasers reported that U.S. producer Rezolex or nonsubject producers had failed in their attempt to qualify oleoresin paprika or had lost approved status since 2023. Two purchasers, *** and ***, reported that oleoresin paprika from India had failed qualification because Sudan dye was detected in plant lipids material samples and the color was not stable in its products, respectively.[13] A representative for importer/purchaser McCormick stated that its qualification process ensures that the product has the required technical properties, quality and sensory attributes and performance characteristics, that the supplier can satisfy those requirements consistently, and that one oleoresin paprika variety can be used in multiple downstream products for a customer. It added that the process includes samples, end use application testing, specification documentation review, labelling work, a facility audit, and that its process can take a few to several months.[14]

Minimum quality specifications

As can be seen from table 2.11, most responding purchasers reported that domestically produced product and product from India always or usually met minimum quality specifications. A representative for Rezolex stated that the product specifications are provided by its customers.[15]

[13] Sudan dye can be used illegally as an adulterant to enhance the color and value of oleoresin paprika. Galvin-King P, Haughey SA, Elliott CT. "The Detection of Substitution Adulteration of Paprika with Spent Paprika by the Application of Molecular Spectroscopy Tools." Foods, July 16, 2020. Retrieved from https://pmc.ncbi.nlm.nih.gov/articles/PMC7404712/.

[14] Hearing transcript, pp. 90 to 92 (Bayles).

[15] Hearing transcript, p. 72 (Biad).

Table 2.11 Oleoresin paprika: Count of purchasers' responses regarding suppliers' ability to meet minimum quality specifications, by source

Source of purchases	Always	Usually	Sometimes	Rarely or never	Don't Know
United States	8	5	1	1	7
India	10	6	1	0	5
Nonsubject sources	3	2	0	0	13

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

Note: Purchasers were asked how often domestically produced or imported oleoresin paprika meets minimum quality specifications for their own or their customers' uses.

Changes in purchasing patterns

Seven purchasers reported that they had changed suppliers since January 1, 2023, while 14 reported that they had not. Specifically, *** reported that it discontinued purchases from Rezolex (United States) due to product quality concerns, *** discontinued purchases from Mane (India) due to shipment delays, and *** reported dropping Chenguang Biotech (China) because of U.S. government sanctions. *** added purchases from Value Ingredients Pvt. Ltd. due to technical expertise in oleoresin paprika and reliable supply capabilities, and *** added ROHA USA LLC (St. Louis, Missouri) ***.[16] *** added purchases from CNJ and Yunnan Future (China). *** reported that it ***.

Purchasers were also asked about changes in their purchasing patterns from different countries since January 1, 2023 (table 2.12). Purchasers reported decreasing purchases of U.S.-produced product because of the different color characteristics required by end use customers and product specifications. Purchasers reported increased purchases of product from India because of price disparity, their supplier increasing their oleoresin paprika sourced from India, and customer approval of the product sourced from India.

Table 2.12 Oleoresin paprika: Count of purchasers' responses regarding changes in purchase patterns from U.S., India, and nonsubject countries

Source of purchases	Steadily Increase	Fluctuate Up	No change	Fluctuate Down	Steadily Decrease	Did not purchase
United States	1	1	5	3	3	7
India	4	4	8	2	1	3
Nonsubject sources	2	1	4	0	1	10
Sources unknown	2	1	7	0	0	6

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

[16] *** added that it also sources yellow colorants from ROHA USA LLC.

Purchase factor comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing oleoresin paprika produced in the United States, India, and nonsubject countries. First, purchasers were asked for a country-by-country comparison of the same 19 factors for which they were asked to rate the importance (table 2.13).

Most responding purchasers reported that U.S.-produced product and product imported from India were comparable on color/tint, color uniformity, delivery terms, discounts offered, lack of spice/heat, minimum quantity requirements, packaging, payment terms, product consistency, product range, pungency/lack of flavor, quality meets industry standards, quality exceeds industry standards, technical support/service, and U.S. transportation costs. An equal number of responding purchasers (six each) reported that oleoresin paprika produced in the United States was either comparable or inferior to oleoresin paprika produced in India on availability, a factor that more than half of purchasers rated as very important (table 2.9). A narrow majority of responding purchasers reported that oleoresin paprika produced in the United States was comparable to that produced in India on reliability of supply, another factor rated as very important by more than half of purchasers. Most responding purchasers reported that U.S.-produced oleoresin paprika was inferior to oleoresin paprika from India on the basis of price, a factor rated as very important by more than three-fourths of purchasers.

Table 2.13 Oleoresin paprika: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Quality meets industry standards	U.S. v. India	0	12	1
Reliability of supply	U.S. v. India	0	7	5
CU uniformity	U.S. v. India	1	10	2
Product consistency	U.S. v. India	1	9	3
Availability	U.S. v. India	1	6	6
Color/tint	U.S. v. India	1	10	2
Price	U.S. v. India	2	2	9
Delivery time	U.S. v. India	6	6	1
Pungency/lack of flavor	U.S. v. India	0	12	0
Lack of spice/heat	U.S. v. India	0	13	0
Payment terms	U.S. v. India	0	11	2
Quality exceeds industry standards	U.S. v. India	1	9	2
Technical support/service	U.S. v. India	0	11	1
U.S. transportation costs	U.S. v. India	2	9	2
Delivery terms	U.S. v. India	4	9	0
Minimum quantity requirements	U.S. v. India	2	10	1
Product range	U.S. v. India	0	9	4
Discounts offered	U.S. v. India	0	11	2
Packaging	U.S. v. India	0	12	0

Table continued.

Table 2.13 (Continued) Oleoresin paprika: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Quality meets industry standards	U.S. v. Nonsubject	0	7	0
Reliability of supply	U.S. v. Nonsubject	0	5	2
CU uniformity	U.S. v. Nonsubject	1	5	1
Product consistency	U.S. v. Nonsubject	1	5	1
Availability	U.S. v. Nonsubject	1	3	2
Color/tint	U.S. v. Nonsubject	1	5	1
Price	U.S. v. Nonsubject	1	3	3
Delivery time	U.S. v. Nonsubject	3	4	0
Pungency/lack of flavor	U.S. v. Nonsubject	0	6	0
Lack of spice/heat	U.S. v. Nonsubject	0	7	0
Payment terms	U.S. v. Nonsubject	0	6	1
Quality exceeds industry standards	U.S. v. Nonsubject	1	5	0
Technical support/service	U.S. v. Nonsubject	0	6	0
U.S. transportation costs	U.S. v. Nonsubject	0	5	2
Delivery terms	U.S. v. Nonsubject	3	4	0
Minimum quantity requirements	U.S. v. Nonsubject	1	6	0
Product range	U.S. v. Nonsubject	0	5	2
Discounts offered	U.S. v. Nonsubject	0	6	1
Packaging	U.S. v. Nonsubject	0	6	0

Table continued.

Table 2.13 (Continued) Oleoresin paprika: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Quality meets industry standards	India v. Nonsubject	0	8	0
Reliability of supply	India v. Nonsubject	2	6	0
CU uniformity	India v. Nonsubject	2	6	0
Product consistency	India v. Nonsubject	2	6	0
Availability	India v. Nonsubject	4	4	0
Color/tint	India v. Nonsubject	2	6	0
Price	India v. Nonsubject	2	5	1
Delivery time	India v. Nonsubject	0	8	0
Pungency/lack of flavor	India v. Nonsubject	0	7	0
Lack of spice/heat	India v. Nonsubject	1	7	0
Payment terms	India v. Nonsubject	0	8	0
Quality exceeds industry standards	India v. Nonsubject	0	7	0
Technical support/service	India v. Nonsubject	0	7	0
U.S. transportation costs	India v. Nonsubject	1	6	0
Delivery terms	India v. Nonsubject	0	7	1
Minimum quantity requirements	India v. Nonsubject	0	7	1
Product range	India v. Nonsubject	1	7	0
Discounts offered	India v. Nonsubject	0	8	0
Packaging	India v. Nonsubject	0	7	0

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

Note: With respect to cost/price factors, a rating of superior means that the cost/price for the first source in the country pair is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Comparison of U.S.-produced and imported oleoresin paprika

In order to determine whether U.S.-produced oleoresin paprika can generally be used in the same applications as imports from India, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table 2.14, most importers and purchasers reported that oleoresin paprika from the United States was frequently or sometimes interchangeable with oleoresin paprika from India. Importer/purchaser *** cited capability to supply a range of heat and color levels based on supplier expertise and manufacturing capabilities as factors that affected interchangeability, while purchaser *** reported that the standard product in the United States is not as potent from a color/color unit standpoint, or is made to be specifically high concentrated, ***. An executive for Mane stated that oleoresin paprika produced in the United States is typically milder with a warm, earthy tone and less pungency, that oleoresin paprika produced in India is valued for its vibrant red color and a balanced flavor profile blending sweet, spicy, and pungent notes, and that oleoresin paprika produced in the United States is not directly interchangeable with oleoresin paprika produced in India for commercial applications, particularly for ethnic foods and spice-rich cuisines.[17]

Table 2.14 Oleoresin paprika: Count of U.S. producer Rezolex, importers, and purchasers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Firm type	Always	Frequently	Sometimes	Never
U.S. vs. India	U.S. producer	***	***	***	***
U.S. vs. other	U.S. producer	***	***	***	***
India vs. other	U.S. producer	***	***	***	***
U.S. vs. India	Importers	2	5	6	2
U.S. vs. other	Importers	3	3	4	1
India vs. other	Importers	3	3	7	0
U.S. vs. India	Purchasers	2	4	6	1
U.S. vs. other	Purchasers	2	1	2	0
India vs. other	Purchasers	2	2	3	0

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

In addition, U.S. producer Rezolex, importers, and purchasers were asked to assess how often differences other than price were significant in sales of oleoresin paprika from the United States, subject, or nonsubject countries. As seen in table 2.15, pluralities of importers reported that differences other than price were sometimes significant across comparisons, while most

[17] Hearing transcript, pp. 110 to 111 (Truby).

purchasers reported that they always or frequently were for comparisons between the United States and India. Importers reported that non-price factors such as availability, color, consistency, quality, and product specifications were important, while purchasers cited product availability, global logistics, product quality, product bundling, and transportation networks.

Table 2.15 Oleoresin paprika: Count of U.S. producer Rezolex, importers, and purchasers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Firm type	Always	Frequently	Sometimes	Never
U.S. vs. India	U.S. producer	***	***	***	***
U.S. vs. other	U.S. producer	***	***	***	***
India vs. other	U.S. producer	***	***	***	***
U.S. vs. India	Importers	5	2	6	4
U.S. vs. other	Importers	2	1	6	4
India vs. other	Importers	3	1	7	3
U.S. vs. India	Purchasers	5	5	4	0
U.S. vs. other	Purchasers	3	2	3	0
India vs. other	Purchasers	1	3	5	0

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

Part 3: U.S. producer's production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in Part 1 of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part 4 and Part 5. Information on the other factors specified is presented in this section and/or Part 6 and (except as noted) is based on the questionnaire responses of one firm, Rezolex, that accounted for all known U.S. production of oleoresin paprika during 2025.

U.S. producer

The Commission issued a U.S. producer's questionnaire to one firm based on information contained in the petition, and through staff research. That firm, petitioner Rezolex, provided usable data on its operations.[1] Table 3.1 identified U.S. producer Rezolex's production location, position on the petition, and share of total production.

[1] During the preliminary phase, the Commission issued a U.S. producer questionnaire to two firms. Kalsec submitted a certified response that it has not produced oleoresin paprika since January 1, 2022. Kalsec, a U.S. importer of oleoresin paprika, last produced oleoresin paprika in ***. It currently produces ***. Email to USITC staff from ***, August 3, 2026, ***, final phase U.S. importer's questionnaire at II-4.

Table 3.1 Oleoresin paprika: U.S. producer Rezolex's, position on the petition, production location, and shares of reported production, 2025

Shares in percent

Firm	Position on petition	Production location	Share of production
Rezolex	Petitioner	Radium Springs	100.0

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

U.S. producer Rezolex ***. Rezolex is related to Biad Chili Company which is a chili dehydrator.[2] As discussed in greater detail below, ***.

Table 3.2 presents events in the U.S. industry since January 1, 2023. No major market entries, exits, or disruptions were reported since January 2023. Regulatory changes in 2025 and a recent shift in consumer preferences towards natural ingredients potentially increased U.S. demand for oleoresin paprika.

[2] Conference transcript, p. 29 (Biad).

Table 3.2 Oleoresin paprika: Important industry events since January 1, 2023

Item	Firm	Event
Regulatory change	—	In January 2025, the U.S. Food and Drug Administration ("FDA") revoked the authorization for the use of the petroleum-based dye, FD&C Red No. 3. In April, the Department of Health and Human Services ("HHS") and FDA subsequently announced measures to phase out all petroleum-based synthetic dyes, including FD&C Red No. 40, FD&C Yellow No. 5, and FD&C Yellow No. 6. Analysts expect these and other state-level measures, as well as growing consumer preferences for natural ingredients, to boost demand for natural color additives such as oleoresin paprika.
Rising oleoresin paprika demand	—	In June 2025, General Mills and Kraft Heinz announced they would phase out FD&C colors from their U.S. product portfolios by the end of 2027. The announcements came amidst commitments by PepsiCo, JM Smucker, McCormick, and other food manufacturers to remove petroleum-based food dyes in line with the HHS and FDA initiative announced in April 2025. Many of these companies plan to replace synthetic dyes in their products with natural color additives, including oleoresin paprika.

Sources: Fairfield, Paprika Oleoresin Market, April 2026, https://www.fairfieldmarketresearch.com/report/paprika-oleoresin-market; FDA, FDA to Revoke Authorization for the Use of Red No. 3 in Food and Ingested Drugs, January 15, 2025, https://www.fda.gov/food/hfp-constituent-updates/fda-revoke-authorization-use-red-no-3-food-and-ingested-drugs; FDA, HHS, FDA to Phase Out Petroleum-Based Synthetic Dyes in Nation's Food Supply, April 22, 2025, https://www.fda.gov/news-events/press-announcements/hhs-fda-phase-out-petroleum-based-synthetic-dyes-nations-food-supply; FDA, Tracking Food Industry Pledges to Remove Petroleum Based Food Dyes, June 16, 2026, https://www.fda.gov/food/color-additives-information-consumers/tracking-food-industry-pledges-remove-petroleum-based-food-dyes; General Mills, General Mills Announces Plans to Remove Certified Colors, June 17, 2025, https://investors.generalmills.com/press-releases/press-release-details/2025/General-Mills-Announces-Plans-to-Remove-Certified-Colors-from-All-U-S--Cereals-and-All-Foods-Served-in-K-12-Schools-by-Summer-2026/default.aspx; Global Market Insights, Paprika Oleoresin Market Size & Share, January 2024, https://www.gminsights.com/industry-analysis/paprika-oleoresin-market; Kraft Heinz, Kraft Heinz Commits to Remove FD&C Colors, June 17, 2025, https://news.kraftheinzcompany.com/press-releases-details/2025/Kraft-Heinz-Commits-to-Remove-FDC-Colors-From-Its-U-S--Portfolio-Before-the-End-of-2027-and-Will-Not-Launch-New-Products-in-the-U-S--With-FDC-Colors-Effective-Immediately/default.aspx; Pacific Spice Company, The Color Reset, April 20, 2026, https://pacificspice.com/2026/04/20/natural-color-reformulation-paprika-annatto-turmeric/; Steinberg and Nguyen, Doritos and Cheetos Colored with Veggies?, September 13, 2025, https://www.nbcnews.com/business/consumer/doritos-cheetos-natural-colors-first-look-rcna230158.

Rezolex, the sole producer in the United States, was asked to report any change in the character of its operations or organization relating to the production of oleoresin paprika since 2023. Rezolex indicated in its questionnaire that it had experienced such changes. Table 3.3 presents these changes.

Table 3.3 Oleoresin paprika: U.S. producer Rezolex's reported changes in operations, since January 1, 2023

Item	Narrative response on changes in operations
Production curtailments	***
Expansions	***

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

U.S. production, capacity, and capacity utilization

Table 3.4 and Figure 3.1 present Rezolex's installed and practical capacity and production on the same equipment. From 2023 to 2025, installed and practical overall capacities remained stable. Practical oleoresin paprika capacity fluctuated modestly during the period for which data were collected, reflecting the allocations of capacity to other products. All reported capacities were similar during the interim periods. Installed and practical overall capacity utilization decreased from 2023 to 2025, while practical oleoresin paprika capacity utilization increased irregularly during the same period and was higher in interim 2026 compared to interim 2025. Rezolex ***. Practical oleoresin paprika capacity utilization remained below *** percent from 2023 to 2025 and during the interim periods.

Table 3.4 Oleoresin paprika: U.S. producer Rezolex's installed and practical capacity and production on the same equipment as in-scope production, by period

Capacity and production in 1,000 pounds; utilization in percent; interim is January through March

Item	Measure	2023	2024	2025	Interim 2025	Interim 2026
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical oleoresin paprika	Capacity	***	***	***	***	***
Practical oleoresin paprika	Production	***	***	***	***	***
Practical oleoresin paprika	Utilization	***	***	***	***	***

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

Figure 3.1 Oleoresin paprika: U.S. producer Rezolex's capacity, production, and capacity utilization, by period

* * * * * * *

Alternative products

As shown in table 3.5, the majority of the product produced during 2023 to 2025 by U.S. producer Rezolex was oleoresin paprika. Oleoresin paprika accounted for ***. Other products produced on the same equipment included Cannabidiol ("CBD") oil.[3] Rezolex uses sweet paprika peppers *** as a raw material input for oleoresin paprika.[4] Rezolex's production season runs from early-to-mid-October through mid-to-late January.

[3] Conference transcript, pp. 98 to 99 (Biad).
[4] Petition, pp. 19 and 52.

Table 3.5 Oleoresin paprika: U.S. producer Rezolex's overall production on the same equipment as in-scope production, by period

Quantity in 1,000 pounds; share in percent; interim is January through March

Product type	Measure	2023	2024	2025	Interim 2025	Interim 2026
Oleoresin paprika	Quantity	***	***	***	***	***
Oleoresin capsicum	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
Out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
Oleoresin paprika	Share	***	***	***	***	***
Oleoresin capsicum	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
Out-of-scope products	Share	***	***	***	***	***
All products	Share	100.0	100.0	100.0	100.0	100.0

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

U.S. producer's U.S. shipments and exports

Table 3.6 presents the U.S. producer's U.S. shipments, export shipments, and total shipments. The quantity of U.S. shipments were unchanged from 2023 to 2024 and then decreased in 2025. U.S. shipments increased irregularly by value. The firm's U.S. shipments were lower in terms of quantity and value during the interim 2026 relative to the interim 2025. Unit values increased irregularly from 2023 to 2025 but were substantially lower in interim 2026 compared to interim 2025. Rezolex reported *** internal consumption, transfers to related parties, or export shipments during the period for which data were collected.

Table 3.6 Oleoresin paprika: U.S. producer Rezolex's shipments, by destination and period

Quantity in 1,000 pounds on a 100,000 CU equivalent basis; value in 1,000 dollars; unit value in dollars per pounds; shares in percent; interim is January through March

Item	Measure	2023	2024	2025	Interim 2025	Interim 2026
U.S. shipments	Quantity	***	***	***	***	***
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Table 3.7 presents U.S. producer Rezolex's U.S. shipments of oleoresin paprika. Shipments occurred in all months, although quantities varied.

Table 3.7 Oleoresin paprika: U.S. producer Rezolex's shipments, by destination and month

Quantity in 1,000 pounds on a 100,000 CU equivalent basis

Month	2023	2024	2025	2026
January	***	***	***	***
February	***	***	***	***
March	***	***	***	***
April	***	***	***	***
May	***	***	***	***
June	***	***	***	***
July	***	***	***	***
August	***	***	***	***
September	***	***	***	***
October	***	***	***	***
November	***	***	***	***
December	***	***	***	***

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

The Commission asked the U.S. producer to report 2025 U.S. shipments of oleoresin paprika by color units ("CU").[5] These data are presented in Table 3.8. The majority of 2025 U.S. shipments reported by Rezolex were in the range between *** and *** CUs. In general, higher CUs corresponded with higher shipment unit values with the notable exception of crude oleoresin paprika which had the highest average unit value. The equivalent data for U.S. shipments of imported oleoresin paprika are presented in Part 4.

Table 3.8 ORP: U.S. producer Rezolex's U.S. shipments in 2025, by product type

Quantity in 1,000 pounds on a 100,000 CU equivalent basis; Value in 1,000 dollars; Unit values in dollars per pound; Shares in percent

Product type	Quantity	Value	Unit value	Share of quantity	Share of value
Crude oleoresin paprika	***	***	***	***	***
Less than or equal to 50,000 CU	***	***	***	***	***
Greater than 50,000 and less than or equal to 70,000 CU	***	***	***	***	***
Greater than 70,000 and less than or equal to 90,000 CU	***	***	***	***	***
Greater than 90,000 and less than or equal to 110,000 CU	***	***	***	***	***
Greater than 110,000 and less than or equal to 130,000 CU	***	***	***	***	***
Greater than 130,000 CU	***	***	***	***	***
All product types	***	***	***	100.0	100.0

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

Table 3.9 presents U.S. shipments of oleoresin paprika by Scoville Heat Units ("SHU") in 2025.[6] The majority of 2025 U.S. shipments reported by Rezolex are believed to be *** SHUs.[7] The equivalent data for U.S. shipments of imported oleoresin paprika are presented in Part 4.

[5] The color value of blended, or "standardized," oleoresin paprika is determined by spectrophotometric measurement of color absorbance at a wavelength of 460nm. American Spice Trade Association (ASTA) values and CU values are convertible. CU values are 40 times ASTA values (e.g., 1000 ASTA = 40,000 CU).

[6] SHUs are a standardized measurement of the spiciness of chili peppers, based on the concentration of capsaicinoids in the peppers. The capsaicinoid concentration in dried pepper mass in parts per million ("PPM") can be measured objectively by dissolving a dried pepper extract into a liquid solution and analyzing the solution using high-performance liquid chromatography ("HPLC") equipment. PPM can be converted into SHU by multiplying the PPM value by 15.

[7] In its questionnaire response Rezolex noted that ***. Rezolex LTD Co. Questionnaire II-18.

Table 3.9 Oleoresin paprika: U.S. producer Rezolex's U.S. shipments in 2025, by product type

Quantity in 1,000 pounds on a 100,000 CU equivalent basis; Shares in percent

SHU range	Quantity	Share
Less than 1,750 SHU	***	***
Greater than 1,750, and less than 2,250 SHU	***	***
Greater than or equal to 2,250, less than or equal to 2,750 SHU	***	***
Greater than 2,750 SHU	***	***
All SHU ranges	***	***

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

U.S. producer's inventories

Table 3.10 presents U.S. producer Rezolex's end-of-period inventories and the ratio of these inventories to its production, U.S. shipments, and total shipments. Rezolex's inventories increased irregularly from 2023 to 2025 and were higher in interim 2026 compared to interim 2025, in absolute quantity and as a ratio to production, U.S. shipments, and total shipments.[8]

Table 3.10 Oleoresin paprika: U.S. producer Rezolex's inventories and its ratio to select items, by period

Quantity in 1,000 pounds; ratio in percent; interim is January through March

Item	2023	2024	2025	Interim 2025	Interim 2026
End-of-period inventory quantity	***	***	***	***	***
Inventory ratio to U.S. production	***	***	***	***	***
Inventory ratio to U.S. shipments	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***

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

[8] Because of the seasonal nature of operations, interim period inventories and inventory ratios, even annualized, are not directly comparable to calendar year data.

U.S. producer's imports from subject sources

U.S. producer Rezolex did not report importing oleoresin paprika since January 1, 2023.

U.S. producer's purchases of imports from subject sources

U.S. producer Rezolex's purchases of imports from India are presented in table 3.11. The purchases made by Rezolex were *** and represented a small minority of overall U.S. subject imports from India. Rezolex's reason for purchasing oleoresin paprika was that paprika crop shortfalls necessitated the purchases so that it could meet supply contract obligations.[9]

Table 3.11 Oleoresin paprika: U.S. producer Rezolex's purchases of imports from subject sources, by source, importer of record, and period

Quantity in 1,000 pounds; ratio in percent; interim is January through March

Item	Measure	2023	2024	2025	Interim 2025	Interim 2026
***'s U.S. production	Quantity	***	***	***	***	***
***'s purchases of U.S. imports from *** imported by ***.	Quantity	***	***	***	***	***
***'s U.S. imports from ***	Quantity	***	***	***	***	***
Ratio 1: The producer's purchases relative to the importers' imports	Ratio	***	***	***	***	***
Overall U.S. imports from ***	Quantity	***	***	***	***	***
Ratio 2: ***' imports relative to overall U.S. imports from ***	Ratio	***	***	***	***	***
Ratio 3: ***' U.S. imports relative to the producer's production	Ratio	***	***	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

[9] Hearing transcript, p. 51 (Rolig).

U.S. employment, wages, and productivity

Table 3.12 shows U.S. producer's employment-related data. The number of production and related workers ("PRWS") increased during the period for which data were collected but were lower in interim 2026 compared to interim 2025. Total hours worked decreased from 2023 to 2025 and remained constant during the interim periods. Hourly wages fluctuated, ending higher in 2025 compared to 2023, reaching a peak in 2024.[10] Productivity increased between 2023 and 2025 and was higher during interim period 2026 compared to 2025. The unit labor cost decreased irregularly, ending lower in 2025 compared to 2023, while remaining relatively constant during interim periods for 2025 and 2026.

Table 3.12 Oleoresin paprika: U.S. producer Rezolex's employment related information, by period

Interim is January through March

Item	2023	2024	2025	Interim 2025	Interim 2026
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***
Unit labor costs (dollars per pound)	***	***	***	***	***

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

[10] ***. Email to USITC staff from ***, July 17, 2025.

Part 4: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 29 firms believed to be importers of subject oleoresin paprika, as well as to all U.S. producers of oleoresin paprika.[1] Usable questionnaire responses were received from 23 companies,[2] representing 91.2 percent of U.S. imports from India and *** percent of U.S. imports from nonsubject sources in 2025 under HTS statistical reporting number 3203.00.8000, which includes both in-scope and out-of-scope merchandise.[3] Table 4.1 lists all responding U.S. importers of oleoresin paprika from India and other sources, their locations, and their shares of U.S. imports, in 2025.

[1] The Commission issued questionnaires to those firms identified in the petitions; staff research; and proprietary, Census-edited Customs' import records.

[2] Staff was unable to incorporate the questionnaire response of ***, believed to import less than *** pounds annually.

[3] Based on proprietary Customs records using HTS statistical reporting number 3203.00.8000. Coverage for imports of oleoresin paprika from nonsubject sources is believed to be higher than the figure shown because HTS statistical reporting number 3203.00.8000 contains out-of-scope merchandise.

Table 4.1 Oleoresin paprika: U.S. importers, their headquarters, and share of imports by source, 2025

Share in percent

Firm	Headquarters	India	Nonsubject sources	All import sources
Akay USA	Sayreville, NJ	***	***	***
Badia	Miami, FL	***	***	***
DDW	Port Washington, WI	***	***	***
FoodRGB	Anaheim, CA	***	***	***
Givaudan	Cincinnati, OH	***	***	***
Griffith	Alsip, IL	***	***	***
Imperial Foods	Hillside, NJ	***	***	***
International	New York City, NY	***	***	***
Kalsec	Kalamazoo, MI	***	***	***
Kemin	Des Moines, IA	***	***	***
Kerry	Beloit, WI	***	***	***
Lodaat.	Oak Brook, IL	***	***	***
Mane	Lebanon, OH	***	***	***
McCormick	Hunt Valley, MD	***	***	***
Occidental International	Randolph, NJ	***	***	***
Olde Thompson	Oxnard, CA	***	***	***
Oterra	Mt. Pleasant, WI	***	***	***
Pax Spices	Covina, CA	***	***	***
Robertet Canada	Markham, ON	***	***	***
RR Occicom	Palmetto Bay, FL	***	***	***
Sensient	Saint Louis, MO	***	***	***
Synthite USA	Chicago, IL	***	***	***
Trilogy	Abingdon, MD	***	***	***
All firms	Various	100.0	100.0	100.0

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

U.S. imports

Tables 4.2 and 4.3, and figure 4.1 present data for U.S. imports of oleoresin paprika from India and all other sources.[4] U.S. imports from India of oleoresin paprika increased from 2023 to 2025 by 35.0 percent and were 8.1 percent lower in interim 2026 than in interim 2025. U.S. imports oleoresin paprika from India accounted for the large majority of total imports during the data collection period. Unit values for U.S. imports of oleoresin paprika from India decreased from 2023 to 2024 then increased from 2024 to 2025, but declined overall between 2023 and 2025. The ratio of U.S. imports of oleoresin paprika from India to U.S. production fluctuated during the period for which data were collected, ending higher in 2025 compared with 2023. Imports from nonsubject imports represented a minority of overall imports, although growing as a share of total imports since 2023. The top nonsubject sources reported were China and Spain.

Table 4.2 Oleoresin paprika: U.S. imports by source and period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per 1,000 pounds; interim is January through March

Source	Measure	2023	2024	2025	Interim 2025	Interim 2026
India	Quantity	2,632	2,931	3,553	918	844
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
India	Value	28,379	29,068	37,243	8,827	8,825
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
India	Unit value	10.78	9.92	10.48	9.62	10.46
Nonsubject sources	Unit value	***	***	***	***	***
All import sources	Unit value	***	***	***	***	***
India	Share of quantity	***	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***	***
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
India	Share of value	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
India	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***

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

[4] U.S. importer ***, reported admitting into a foreign trade zone *** short tons oleoresin paprika from India. ***'s importer questionnaire response, section I-8a and I-8b. A second importer, ***, reported admitting and holding end-of-period inventories in foreign trade zone *** short tons and *** short tons of oleoresin paprika from India, respectively. ***'s importer questionnaire response, section I-8a and I-8b.

Figure 4.1 Oleoresin paprika: U.S. import quantities and average unit values, by source and period

* * * * * * *

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

Table 4.3 Oleoresin paprika: Changes in U.S. imports by source and period
Changes (Δ) in percent (%) or percentage point (ppt)

Source	Measure	2023 to 2025	2023 to 2024	2024 to 2025	Interim 2025 to 2026
India	%Δ Quantity	▲35.0	▲11.4	▲21.2	▼(8.1)
Nonsubject sources	%Δ Quantity	▲***	▲***	▲***	▼***
All import sources	%Δ Quantity	▲***	▲***	▲***	▼***
India	%Δ Value	▲31.2	▲2.4	▲28.1	▼(0.0)
Nonsubject sources	%Δ Value	▲***	▲***	▲***	▲***
All import sources	%Δ Value	▲***	▲***	▲***	▲***
India	%Δ Unit value	▼(2.8)	▼(8.0)	▲5.7	▲8.7
Nonsubject sources	%Δ Unit value	▼***	▲***	▼***	▲***
All import sources	%Δ Unit value	▼***	▼***	▲***	▲***
India	ppt Δ Quantity	▼***	▼***	▼***	▲***
Nonsubject sources	ppt Δ Quantity	▲***	▲***	▲***	▼***
All import sources	ppt Δ Quantity	***	***	***	***
India	ppt Δ Value	▼***	▼***	▼***	▼***
Nonsubject sources	ppt Δ Value	▲***	▲***	▲***	▲***
All import sources	ppt Δ Value	***	***	***	***
India	ppt Δ Ratio	▲***	▼***	▲***	▼***
Nonsubject sources	ppt Δ Ratio	▲***	▼***	▲***	▼***
All import sources	ppt Δ Ratio	▲***	▼***	▲***	▼***

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

Table 4.4 presents information on monthly import data. Imports from India were reported in all months. Imports from nonsubject sources were reported in 16 of the 39 months between January 2023 and March 2026.

Table 4.4 Oleoresin paprika: U.S. importers' U.S. imports, by month and source

Quantity in 1,000 pounds

Year	Month	India	Nonsubject sources	All import sources
2023	January	***	***	***
2023	February	***	***	***
2023	March	***	***	***
2023	April	***	***	***
2023	May	***	***	***
2023	June	***	***	***
2023	July	***	***	***
2023	August	***	***	***
2023	September	***	***	***
2023	October	***	***	***
2023	November	***	***	***
2023	December	***	***	***
2024	January	***	***	***
2024	February	***	***	***
2024	March	***	***	***
2024	April	***	***	***
2024	May	***	***	***
2024	June	***	***	***
2024	July	***	***	***
2024	August	***	***	***
2024	September	***	***	***
2024	October	***	***	***
2024	November	***	***	***
2024	December	***	***	***
2025	January	***	***	***
2025	February	***	***	***
2025	March	***	***	***
2025	April	***	***	***
2025	May	***	***	***
2025	June	***	***	***
2025	July	***	***	***
2026	August	***	***	***
2025	September	***	***	***
2025	October	***	***	***
2025	November	***	***	***
2025	December	***	***	***
2026	January	***	***	***
2026	February	***	***	***
2026	March	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Tables 4.5 and 4.6 presents data for U.S. importers' U.S. shipments by CUs. The highest concentration of shipments of imports from India was in the range between *** and *** CUs. In general, higher CUs corresponded to higher shipment unit values with the notable exception of crude oleoresin paprika which had the second highest unit value shipments of imports from India. From nonsubject sources the majority of shipments were ***. The equivalent data for the U.S. producer's U.S. shipments of oleoresin paprika are presented in Part 3.

Table 4.5 Oleoresin paprika: U.S. importers' U.S. shipments of imports from India in 2025, by product type

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit value in dollars per pound; Share in percent

Product type	Quantity	Value	Unit value	Share of quantity	Share of value
Crude oleoresin paprika	***	***	***	***	***
Less than or equal to 50,000 CU	***	***	***	***	***
Greater than 50,000 and less than or equal to 70,000 CU	***	***	***	***	***
Greater than 70,000 and less than or equal to 90,000 CU	***	***	***	***	***
Greater than 90,000 and less than or equal to 110,000 CU	***	***	***	***	***
Greater than 110,000 and less than or equal to 130,000 CU	***	***	***	***	***
Greater than 130,000 CU	***	***	***	***	***
All product types	2,915	30,485	10.46	100.0	100.0

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

Table 4.6 Oleoresin paprika: U.S. importers' U.S. shipments of imports from nonsubject sources in 2025, by product type

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit value in dollars per pound; Share in percent

Product type	Quantity	Value	Unit value	Share of quantity	Share of value
Crude oleoresin paprika	***	***	***	***	***
Less than or equal to 50,000 CU	***	***	***	***	***
Greater than 50,000 and less than or equal to 70,000 CU	***	***	***	***	***
Greater than 70,000 and less than or equal to 90,000 CU	***	***	***	***	***
Greater than 90,000 and less than or equal to 110,000 CU	***	***	***	***	***
Greater than 110,000 and less than or equal to 130,000 CU	***	***	***	***	***
Greater than 130,000 CU	***	***	***	***	***
All product types	***	***	***	100.0	100.0

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

The Commission requested U.S. importers to report 2025 U.S. shipments of oleoresin paprika by Scoville Heat Units (SHUs). The majority of importers' U.S. shipments from India and nonsubject sources were in the *** SHUs range. The equivalent data for the U.S. producer's U.S. shipments of oleoresin paprika are presented in Part 3.

Table 4.7 Oleoresin paprika: U.S. importers' U.S. shipments of imports from India in 2025, by product type

Quantity in 1,000 pounds; Shares in percent

SHU range	Quantity	Share
Less than 1,750 SHU	***	***
Greater than 1,750, and less than 2,250 SHU	***	***
Greater than or equal to 2,250, less than or equal to 2,750 SHU	***	***
Greater than 2,750 SHU Q	***	***
All SHU ranges	***	100.0

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

Table 4.8 Oleoresin paprika: U.S. importers' U.S. shipments of imports from nonsubject in 2025, by product type

Quantity in 1,000 pounds; Shares in percent

Product type	Quantity	Share
Less than 1,750 SHU	***	***
Greater than 1,750, and less than 2,250 SHU	***	***
Greater than or equal to 2,250, less than or equal to 2,750 SHU	***	***
Greater than 2,750 SHU Q	***	***
All SHU ranges	***	100.0

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

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[5] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all

[5] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[6] Imports from India accounted for *** percent of total imports of oleoresin paprika by quantity from June 2024 through May 2025. In the twelve months period preceding the petition India represented the large majority of imports of oleoresin paprika.

Table 4.9 Oleoresin paprika: U.S. imports in the twelve-month period preceding the filing of the petition, June 2024 through May 2025

Quantity in 1,000 pounds; Share of quantity in percent

Source of imports	Quantity	Share of quantity
India	2,902	***
All other sources	***	***
All import sources	***	100.0

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

Critical circumstances

On August 21, 2026, Commerce issued its final countervailing duty determination that "critical circumstances" exist in part with regard to imports from India of oleoresin paprika from Synthite but do not exist with respect to Mane Kancor and all other producers or exporters of oleoresin paprika.[7] Commerce issued a negative final determination with respect to critical circumstances in its antidumping duty investigation.[8]

With respect to the countervailing duty investigation, if both Commerce and the Commission make affirmative final critical circumstances determinations, certain subject imports may be subject to countervailing duties retroactive by 90 days from February 6, 2026, the effective date of Commerce's preliminary affirmative countervailing duty determination. Table 4.9 and figure 4.2 present the relevant data.

[6] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

[7] 91 FR 54300, August 21, 2026, referenced in app. A. When petitioners file timely allegations of critical circumstances, Commerce examines whether there is a reasonable basis to believe or suspect that (1) either there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at LTFV and that there was likely to be material injury by reason of such sales; and (2) there have been massive imports of the subject merchandise over a relatively short period.

[8] 91 FR 54302, August 21, 2026.

Table 4.10 Oleoresin paprika: U.S. imports subject to Commerce's affirmative final critical circumstances determination (CVD)

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
January 2025	Before	***
February 2025	Before	***
March 2025	Before	***
April 2025	Before	***
May 2025	Before	***
June 2025	Before	***
July 2025	After	***
August 2025	After	***
September 2025	After	***
October 2025	After	***
November 2025	After	***
December 2025	After	***

Table continued.

Table 4.10 (Continued) Oleoresin paprika: U.S. imports subject to Commerce's affirmative final critical circumstances determination (CVD)

Quantity in 1,000 pounds

Comparison pre-post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***
6 months	***	***	***

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

Figure 4.2 Oleoresin paprika: U.S. imports from India potentially subject to Commerce's final critical circumstances determination (CVD), January 2025 through December 2025

* * * * * * *

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

Table 4.10 display importers' inventories from June 2025 to December 2025 with June 30, 2025, as the index. Inventory quantities were below the June index for all but two months.

Table 4.11 Oleoresin paprika: U.S. importers' U.S. inventories of imports from India for analysis in relation to affirmative Commerce critical circumstances determinations in the CVD investigation, by date

Quantity in 1,000 pounds; Index in percent where December 2024 = 100.0 percent

Date	Quantity	Index
June 30, 2025	***	100.0
July 31, 2025	***	***
August 31, 2025	***	***
September 30, 2025	***	***
October 31, 2025	***	***
November 30, 2025	***	***
December 31, 2025	***	***

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

Note: Imports from Synthite from India in the CVD investigations are subject to the affirmative final Commerce critical circumstances determinations.

Apparent U.S. consumption and market shares

Quantity

Table 4.11 and figure 4.3 present data on apparent U.S. consumption and U.S. market shares by quantity for oleoresin paprika. Apparent U.S. consumption, by quantity, increased by *** percent from 2023 to 2025 and was *** percent higher in interim 2026 than in interim 2025. The share of apparent U.S. consumption for which U.S. producer Rezolex accounted decreased by *** percentage points from 2025 to 2023, while the share for which imports from India accounted increased by *** percentage points during the same period. U.S. imports from nonsubject sources increased from a small base and as a share of apparent U.S. consumption *** from 2023 to 2025, with additional higher levels in interim 2026.

Table 4.12 Oleoresin paprika: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in 1,000 pounds; shares in percent; interim is January through March

Source	Measure	2023	2024	2025	Interim 2025	Interim 2026
U.S. producer	Quantity	***	***	***	***	***
India	Quantity	2,685	3,037	2,926	843	985
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
All sources	Quantity	***	***	***	***	***
U.S. producer	Share	***	***	***	***	***
India	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

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

Figure 4.3 Oleoresin paprika: Apparent U.S. consumption based on quantity, by source and period

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires

Value

Table 4.12 and figure 4.4 present data on apparent U.S. consumption and U.S. market shares by value for oleoresin paprika. Apparent U.S. consumption, by value, increased by *** percent from 2023 to 2025 and was *** percent higher in interim 2026 compared to interim 2025. The share of apparent U.S. consumption for which U.S. producer Rezolex accounted increased by *** percentage points from 2025 to 2023, while the share for which imports from India accounted declined by *** percentage points and share for which imports from nonsubject sources increased by *** percentage points. The share of apparent U.S. consumption for which U.S. producer Rezolex accounted in interim 2026 was *** percentage points lower than the share in interim 2025.

Table 4.13 Oleoresin paprika: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; shares in percent; interim is January through March

Source	Measure	2023	2024	2025	Interim 2025	Interim 2026
U.S. producer	Value	***	***	***	***	***
India	Value	31,628	35,504	30,603	10,107	10,386
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
All sources	Value	***	***	***	***	***
U.S. producer	Share	***	***	***	***	***
India	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

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

Figure 4.4 Oleoresin paprika: Apparent U.S. consumption based on value, by source and period

* * * * * * *

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

Part 5: Pricing data

Factors affecting prices

Raw material costs

As seen in figure 5.1 and table 5.1, average unit values for red peppers, the principal input into oleoresin paprika, increased irregularly to a peak in August 2024, before declining sharply in 2025 and early 2026 (based on the price of imported red peppers) (table 5.1 and figure 5.1). Raw materials accounted for the largest share of the U.S. producer's cost of goods sold (COGS).

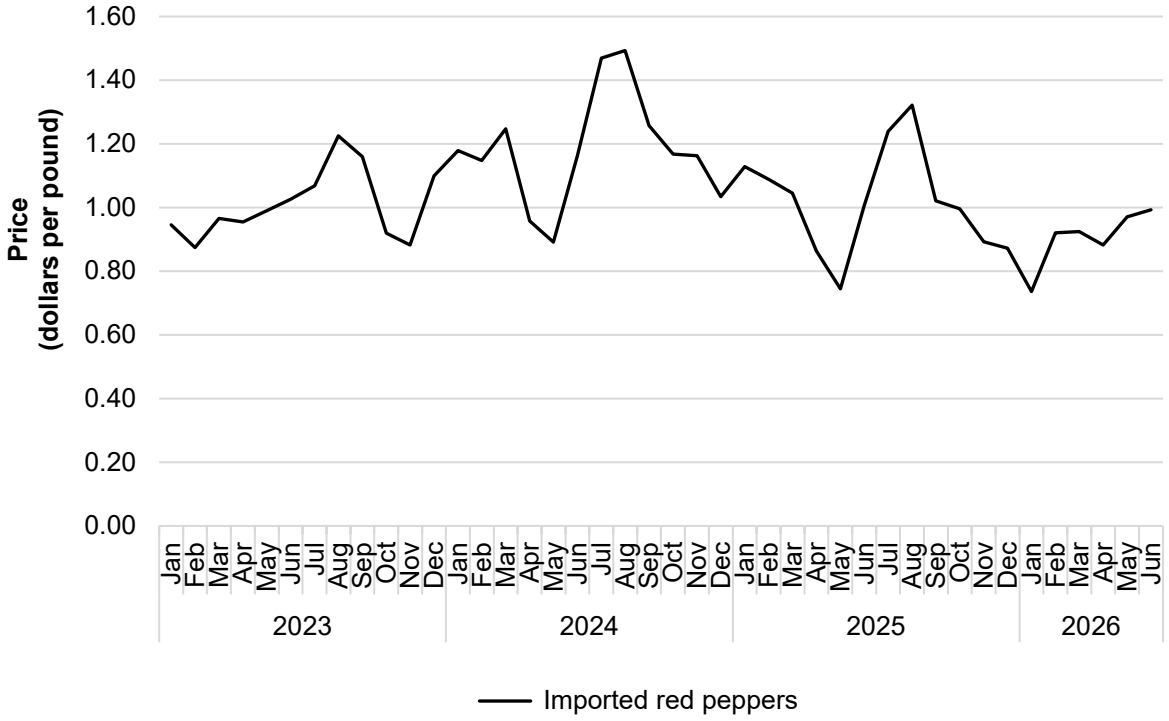


Table 5.1 Oleoresin paprika: Raw material average unit values for imported red peppers, by month

Prices in dollars per pound

Month	2023	2024	2025	2026
January	0.95	1.18	1.13	0.74
February	0.87	1.15	1.09	0.92
March	0.97	1.25	1.04	0.92
April	0.95	0.96	0.86	0.88
May	0.99	0.89	0.75	0.97
June	1.03	1.16	1.00	0.99
July	1.07	1.47	1.24	NA
August	1.23	1.49	1.32	NA
September	1.16	1.26	1.02	NA
October	0.92	1.17	1.00	NA
November	0.88	1.16	0.89	NA
December	1.10	1.03	0.87	NA

Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 0709.60.4007, 0709.60.4022, 0709.60.4063, and 0709.60.4081, accessed July 8, 2026.

Transportation costs to the U.S. market

Transportation costs for oleoresin paprika shipped from India to the United States averaged 2.7 percent during 2025. These estimates were derived from official import data and represent the transportation and other charges on imports.[1]

U.S. inland transportation costs

U.S. producer Rezolex reported that *** typically arrange transportation; eight importers reported that they typically arrange transportation. Importers reported U.S. inland transportation costs between 0.5 and 10 percent with five importers reporting U.S. inland transportation costs of 1.0 percent.

Pricing practices

Pricing methods

U.S. producer Rezolex bases its pricing on color value, such that color values are proportionately distributed. For example, the price for 40,000 CUs would be 40 percent of

[1] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2025 and then dividing by the customs value based on the HTS statistical reporting number 3203.00.8000.

100,000 CUs, plus the cost of vegetable oil, packaging, blending, labor, and any additional ingredients.[2]

U.S. producer Rezolex stated that it sets prices using contracts,[3] while importers mainly reported setting prices using transaction-by-transaction negotiations and contracts, but reported all contract types (table 5.2). U.S. producer Rezolex stated that it approaches its buyers every December/January before the planting season for estimates of required volumes.[4]

Importers were asked to report the time of year when they typically enter into contracts. Specifically, importer *** reported entering into contracts mostly in November/December, importer *** reported entering into contracts between October and December, and importer *** reported entering into contracts between November and January of the following year. Importers *** and *** reported entering into contracts between December and March of the following year; importers *** and *** reported entering into contracts between January and March; importer *** reported entering into contracts mainly between January and April; importer/purchaser *** reported entering into contracts in April/May at the time of harvest and peak arrivals to the market, and that it entered into long-term contracts in isolated incidents; and importer *** reported entering into contract during March through June. Other importers reported that they either have no set contracting period, did not enter into recurring contracts, or set prices on an ongoing basis.

[2] Conference transcript, p. 57 (Biad).
[3] Hearing transcript, p. 25 (Biad).
[4] Conference transcript, p. 58 (Biad).

Table 5.2 Oleoresin paprika: Count of U.S. producer's and importers' reported price setting methods

Method	U.S. producer Rezolex	Importers
Transaction-by-transaction	***	11
Contract	***	11
Set price list	***	5
Other	***	4
Responding firms	1	18

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

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

U.S. producer Rezolex reported *** selling its oleoresin paprika under annual contracts, while importers reported selling most of their oleoresin paprika under annual contracts, with additional volumes sold on the basis of shorter time periods, including spot (table 5.3).

Table 5.3 Oleoresin paprika: U.S. producer's and importers' shares of commercial U.S. shipments by type of sale, 2025

Share in percent

Type of sale	U.S. producers	Subject importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
Total	100.0	100.0

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

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

U.S. producer Rezolex reported ***. Most U.S. importers reported that typical contract provisions did not apply to them; a plurality reported renegotiating price and not indexing to raw materials for short-term contracts, fixing to both price and quantity for short-term and annual contracts, and not renegotiating price or indexing to raw materials for annual contracts.

Ten purchasers reported that they purchase product monthly, three purchase quarterly, two each purchase annually or weekly, and five reported another purchasing frequency. Sixteen of 22 responding purchasers reported that their purchasing frequency had not changed since 2023. Purchasers generally reported contacting between one to three suppliers before making a purchase, though purchasers reported contacting up to eight suppliers.

Sales terms and discounts

U.S. producer Rezolex typically quotes prices on *** and importers typically quote prices on an f.o.b. basis. Producer Rezolex offers ***, while most importers offer no formal discount policy.

Price leadership

Purchaser *** reported that Plant Lipids and Synthite were price leaders by offering the lowest price, while purchaser *** reported that Synthite was a price leader by being generally acknowledged as the top Indian exporter into the United States. Purchaser *** reported that McCormick was the largest supplier within this space and has the most control over where the market can lean. Similarly, purchaser *** reported that Kalsec is a price leader by being a long-standing, known industrial supplier of oleoresin paprika. Purchaser *** reported that Givaudan was a price leader that led by being a major buyer/user of oleoresin paprika. Purchaser *** reported that Akay USA LLC was a price leader by pricing competitively, which allowed the purchaser to attract customers. Conversely, importer/purchaser *** reported that Rezolex was a price leader by having the highest cost in the market since January 2023.

Price and purchase cost data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following oleoresin paprika products shipped to unrelated U.S. customers during January 2023 to March 2026.[5] Firms that imported these products from India for own use were requested to provide import purchase cost data.

Product 1. Oleoresin paprika, food grade, 140,000 CU ± 3,500 CU.

Product 2. Oleoresin paprika, food grade, 100,000 CU ± 2,500 CU.

Product 3. Oleoresin paprika, food grade, 80,000 CU ± 2,000 CU.

Product 4. Oleoresin paprika, food grade, 40,000 CU ± 1,000 CU.

[5] No party recommended alternative pricing product definitions to the ones proposed by the Commission in its draft questionnaires.

Price data

U.S. producer Rezolex and 10 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[6] Pricing data reported by these firms accounted for approximately *** percent of the U.S. producer's commercial U.S. shipments of oleoresin paprika and *** percent of imports from India in 2025.[7] Price data for products 1 through 4 are presented in tables 5.4 to 5.7 and figures 5.2 to 5.5.

Import purchase cost data

Eight importers reported useable import purchase cost data for products 1 through 4.[8] Purchase cost data reported by these firms accounted for *** percent of imports from India in 2025. Importers *** reported the greatest quantities of purchase cost data of oleoresin paprika between 2023 and 2025. Landed duty-paid purchase cost data for imports from India are presented in tables 5.8 to 5.11 and figures 5.6 to 5.9 along with U.S. producer Rezolex's sales prices.[9]

Importers reporting import purchase cost data were asked to provide additional information regarding the costs and benefits of importing oleoresin paprika themselves. Five of nine importers reported that they incurred additional costs beyond landed duty-paid costs by importing oleoresin paprika themselves rather than purchasing from a U.S. producer or U.S. importer.[10] Of these, one importer estimated the total additional cost incurred at 3 percent compared to the landed duty-paid value.

Firms were also asked to describe how these additional costs incurred by importing oleoresin paprika themselves compare with additional costs incurred when purchasing from a U.S. producer or U.S. importer. Importer *** reported that

[6] The pricing product descriptions did not differ between the preliminary and final phase of the investigations. Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[7] Pricing coverage is based on imports reported in questionnaires.

[8] Staff did not incorporate a questionnaire response importer *** due to deficiencies in the reported data, which included a small quantity of pricing data.

[9] LDP import value does not include any potential additional costs that a purchaser may incur by importing rather than purchasing from another importer or U.S. producer. Price-cost differences are based on LDP import values whereas margins of underselling/overselling are based on importer sales prices.

[10] Two importers reported additional costs which they identified as tariffs or import duties.

the cost of purchasing from a U.S. producer was 75 percent higher, and that the cost of purchasing from a U.S. importer was 10 percent higher than directly importing oleoresin paprika. *** reported that freight incurred from purchasing from a U.S. producer is higher due to its port's location.

Four importers reported that they compare costs of importing to the cost of purchasing from a U.S. producer in determining whether to import oleoresin paprika, four importers compare costs to purchasing from a U.S. importer, and five importers do not compare costs of purchasing from either U.S. producers or importers.

Seven importers identified benefits from importing oleoresin paprika themselves instead of purchasing from U.S. producers or importers, including being able to bundle products, cheaper pricing, consistent availability, consistent meeting of product specifications and performance standards, price stability, sourcing from affiliated companies, quality assurances, quantity of available inventory, and traceability.

Firms were also asked whether the import cost (both excluding and including additional costs) of oleoresin paprika they imported are lower than the price of purchasing oleoresin paprika from a U.S. producer or importer. Three of seven firms reported that it was lower than the price of purchasing from a U.S. producer or importer excluding additional costs, and five of nine reported that this lower price was including additional costs.

Two importers estimated that they saved *** percent of the purchase price by importing oleoresin paprika rather than purchasing from U.S. producer Rezolex, one estimated saving *** percent, and one estimated saving *** percent. Two importers reported that they saved *** percent compared to purchasing the product from a U.S. importer, and one reported saving *** percent both larger savings than average transportation costs to the U.S. market from India from official import data.[11]

[11] Four firms reported that they based their estimates on previous company transactions, five reported basing their estimates on market research, and two reported other bases for their estimates, including ***, and the other importer reported that it cannot determine cost differentials across all its deliveries.

Table 5.4 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	India price	India quantity	India margin
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***
2025 Q2	***	***	***	***	***
2025 Q3	***	***	***	***	***
2025 Q4	***	***	***	***	***
2026 Q1	***	***	***	***	***

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

Note: Product 1: Oleoresin paprika, food grade, 140,000 CU ± 3,500 CU. Counsel for Rezolex stated that ***. Emails to USITC staff, July 17, 2025 and July 7, 2026. Staff excluded approximately *** pounds of pricing data reported by importer *** for Product 1 from the dataset because the description it provided was inconsistent with the specified pricing product. Importer *** represented most of these data, and not for all quarters. A representative for *** stated that the quantity reported for Product 1 was a carryover from prior production runs for this product and that, upon completion of the sale in the first quarter of 2023, its company was not awarded the contract again until 2025. Email to USITC staff from ***.

.

Figure 5.2 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter

Price of product 1

* * * * * * *

Volume of product 1

* * * * * * *

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

Note: Product 1: Oleoresin paprika, food grade, 140,000 CU ± 3,500 CU.

Table 5.5 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	India price	India quantity	India margin
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***
2025 Q2	***	***	***	***	***
2025 Q3	***	***	***	***	***
2025 Q4	***	***	***	***	***
2026 Q1	***	***	***	***	***

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

Note: Product 2: Oleoresin paprika, food grade, 100,000 CU ± 2,500 CU.

Figure 5.3 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter

Price of product 2

* * * * * * *

Volume of product 2

* * * * * * *

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

Note: Product 2: Oleoresin paprika, food grade, 100,000 CU ± 2,500 CU.

Table 5.6 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	India price	India quantity	India margin
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***
2025 Q2	***	***	***	***	***
2025 Q3	***	***	***	***	***
2025 Q4	***	***	***	***	***
2026 Q1	***	***	***	***	***

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

Note: Product 3: Oleoresin paprika, food grade, 80,000 CU ± 2,000 CU.

Figure 5.4 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter

Price of product 3

* * * * * * *

Volume of product 3

* * * * * * *

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

Note: Product 3: Oleoresin paprika, food grade, 80,000 CU ± 2,000 CU.

Table 5.7 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	India price	India quantity	India margin
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***
2025 Q2	***	***	***	***	***
2025 Q3	***	***	***	***	***
2025 Q4	***	***	***	***	***
2026 Q1	***	***	***	***	***

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

Note: Product 4: Oleoresin paprika, food grade, 40,000 CU ± 1,000 CU.

Figure 5.5 Oleoresin paprika: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by source and quarter

Price of product 4

* * * * * * *

Volume of product 4

* * * * * * *

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

Note: Product 4: Oleoresin paprika, food grade, 40,000 CU ± 1,000 CU.

Table 5.8 Oleoresin paprika: Import landed duty-paid purchase costs and domestic prices, quantities of product 1, and price-cost differentials, by quarter

Price and LDP value in dollars per pound, quantity in pounds, price-cost differential in percent.

Period	U.S. price	U.S. quantity	India LDP unit cost	India quantity	India Price-cost differential
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***
2025 Q2	***	***	***	***	***
2025 Q3	***	***	***	***	***
2025 Q4	***	***	***	***	***
2026 Q1	***	***	***	***	***

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

Note: Product 1: Oleoresin paprika, food grade, 140,000 CU ± 3,500 CU.

Note: U.S. producer price data is the same as that presented in table 5.4. Staff removed approximately *** pounds of purchase cost data reported by importer *** for Product 1 because the description it provided was inconsistent with the specified pricing product.

Figure 5.6 Oleoresin paprika: U.S. producer prices and import purchase costs, and quantities, of product 1, by quarter

U.S. price and import purchase cost of product 1

* * * * * * *

Volume of product 1

* * * * * * *

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

Note: Product 1: Oleoresin paprika, food grade, 140,000 CU ± 3,500 CU.

Table 5.9 Oleoresin paprika: Import landed duty-paid purchase costs and domestic prices, quantities of product 2, and price-cost differentials, by quarter

Price and LDP value in dollars per pound, quantity in pounds, price-cost differential in percent.

Period	U.S. price	U.S. quantity	India LDP unit cost	India quantity	India Price-cost differential
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***
2025 Q2	***	***	***	***	***
2025 Q3	***	***	***	***	***
2025 Q4	***	***	***	***	***
2026 Q1	***	***	***	***	***

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

Note: Product 2: Oleoresin paprika, food grade, 100,000 CU ± 2,500 CU.

Note: U.S. producer price data is the same as that presented in table 5.5. Staff removed approximately *** pounds of purchase cost data reported by importer *** because it duplicated its pricing and purchase cost data and confirmed that it does not internally consume oleoresin paprika.

Figure 5.7 Oleoresin paprika: U.S. producer prices and import purchase costs, and quantities, of product 2, by quarter

U.S. price and import purchase cost of product 2

* * * * * * *

Volume of product 2

* * * * * * *

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

Note: Product 2: Oleoresin paprika, food grade, 100,000 CU ± 2,500 CU.

Table 5.10 Oleoresin paprika: Import landed duty-paid purchase costs and domestic prices, quantities of product 3, and price-cost differentials, by quarter

Price and LDP value in dollars per pound, quantity in pounds, price-cost differential in percent.

Period	U.S. price	U.S. quantity	India LDP unit cost	India quantity	India Price-cost differential
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***
2025 Q2	***	***	***	***	***
2025 Q3	***	***	***	***	***
2025 Q4	***	***	***	***	***
2026 Q1	***	***	***	***	***

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

Note: Product 3: Oleoresin paprika, food grade, 80,000 CU ± 2,000 CU.

Note: U.S. producer price data is the same as that presented in table 5.6.

Figure 5.8 Oleoresin paprika: U.S. producer prices and import purchase costs, and quantities, of product 3, by quarter

U.S. price and import purchase cost of product 3

* * * * * * *

Volume of product 3

* * * * * * *

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

Note: Product 3: Oleoresin paprika, food grade, 80,000 CU ± 2,000 CU.

Table 5.11 Oleoresin paprika: Import landed duty-paid purchase costs and domestic prices, quantities of product 4, and price-cost differentials, by quarter

Price and LDP value in dollars per pound, quantity in pounds, price-cost differential in percent.

Period	U.S. price	U.S. quantity	India LDP unit cost	India quantity	India Price-cost differential
2023 Q1	***	***	***	***	***
2023 Q2	***	***	***	***	***
2023 Q3	***	***	***	***	***
2023 Q4	***	***	***	***	***
2024 Q1	***	***	***	***	***
2024 Q2	***	***	***	***	***
2024 Q3	***	***	***	***	***
2024 Q4	***	***	***	***	***
2025 Q1	***	***	***	***	***
2025 Q2	***	***	***	***	***
2025 Q3	***	***	***	***	***
2025 Q4	***	***	***	***	***
2026 Q1	***	***	***	***	***

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

Note: Product 4: Oleoresin paprika, food grade, 40,000 CU ± 1,000 CU.

Note: U.S. producer price data is the same as that presented in table 5.7.

Figure 5.9 Oleoresin paprika: U.S. producer prices and import purchase costs, and quantities, of product 4, by quarter

U.S. price and import purchase cost of product 4

* * * * * * *

Volume of product 4

* * * * * * *

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

Note: Product 4: Oleoresin paprika, food grade, 40,000 CU ± 1,000 CU.

Price and purchase cost trends

In general, prices for domestic product generally increased and prices for imported product generally decreased during January 2023 to March 2026. Table 5.12 summarizes the price trends, by country and by product.[12] As shown in the table, domestic price increases ranged from *** to *** percent during January 2023 to March 2026, while import price decreases ranged from *** to *** percent and landed duty-paid cost increases ranged from *** to *** percent.

Table 5.12 Oleoresin paprika: Summary of price and cost data, by product and source

Volume in pounds, price and cost in dollars per pound

Product	Source	Number of quarters	Volume of shipments	Low price/ cost	High price/ cost	First quarter price/ cost	Last quarter price/ cost	Percent change in price/cost over period
Product 1	United States	13	***	***	***	***	***	***
Product 1	India price	13	***	***	***	***	***	***
Product 1	India LDP cost	13	***	***	***	***	***	***
Product 2	United States	13	***	***	***	***	***	***
Product 2	India price	13	***	***	***	***	***	***
Product 2	India LDP cost	13	***	***	***	***	***	***
Product 3	United States	13	***	***	***	***	***	***
Product 3	India price	13	***	***	***	***	***	***
Product 3	India LDP cost	13	***	***	***	***	***	***
Product 4	United States	13	***	***	***	***	***	***
Product 4	India price	13	***	***	***	***	***	***
Product 4	India LDP cost	13	***	***	***	***	***	***

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

Note: Percentage change from the first quarter in which data were available in 2023 to the last quarter in which data were available in 2025.

As shown in table 5.13 and figure 5.10, U.S. prices for Product 1 showed the greatest increase, increasing by *** percent year-over-year between January to March 2023 and 2024, and remained elevated until the last quarter of 2025, while prices for Product 4

[12] LDP import value does not include any potential additional costs that a purchaser may incur by importing rather than purchasing from another importer or U.S. producer. Price-cost differences are based on LDP import values whereas margins of underselling/overselling are based on importer sales prices.

irregularly increased until December 2023. U.S. prices for Products 2 and 3 fluctuated slightly but ended higher than their levels during the first quarter of 2023.

As shown in table 5.14 and figure 5.11, import prices for Product 1 increased until the fourth quarter of 2023, after which they irregularly decreased, while prices for Product 3 irregularly decreased until the fourth quarter of 2025, and import prices for Product 4 fluctuated upwards.

As shown in table 5.15 and figure 5.12, import purchase costs for Products 1, 2, and 4 decreased irregularly throughout the period but spiked in the first quarter of 2026.

Table 5.13 Oleoresin paprika: Indexed U.S. producer prices, by quarter

Index in percent, 2023 Q1= 100.0 percent

Period	Product 1	Product 2	Product 3	Product 4
2023 Q1	100.0	100.0	100.0	100.0
2023 Q2	***	***	***	***
2023 Q3	***	***	***	***
2023 Q4	***	***	***	***
2024 Q1	***	***	***	***
2024 Q2	***	***	***	***
2024 Q3	***	***	***	***
2024 Q4	***	***	***	***
2025 Q1	***	***	***	***
2025 Q2	***	***	***	***
2025 Q3	***	***	***	***
2025 Q4	***	***	***	***
2026 Q1	***	***	***	***

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

Note: Counsel for Rezolex stated that ***. Emails to USITC staff, July 17, 2025 and July 7, 2026.

Figure 5.10 Oleoresin paprika: Indexed U.S. producer prices, by quarter

* * * * * * *

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

Table 5.14 Oleoresin paprika: Indexed subject U.S. importer prices, by quarter

Index in percent, 2023 Q1= 100.0 percent

Period	Product 1	Product 2	Product 3	Product 4
2023 Q1	100.0	100.0	100.0	100.0
2023 Q2	***	***	***	***
2023 Q3	***	***	***	***
2023 Q4	***	***	***	***
2024 Q1	***	***	***	***
2024 Q2	***	***	***	***
2024 Q3	***	***	***	***
2024 Q4	***	***	***	***
2025 Q1	***	***	***	***
2025 Q2	***	***	***	***
2025 Q3	***	***	***	***
2025 Q4	***	***	***	***
2026 Q1	***	***	***	***

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

Figure 5.11 Oleoresin paprika: Indexed subject U.S. importer prices, by quarter

* * * * * * *

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

Table 5.15 Oleoresin paprika: Indexed subject U.S. importer purchase costs, by quarter

Index in percent, 2023 Q1= 100.0 percent

Period	Product 1	Product 2	Product 3	Product 4
2023 Q1	100.0	100.0	100.0	100.0
2023 Q2	***	***	***	***
2023 Q3	***	***	***	***
2023 Q4	***	***	***	***
2024 Q1	***	***	***	***
2024 Q2	***	***	***	***
2024 Q3	***	***	***	***
2024 Q4	***	***	***	***
2025 Q1	***	***	***	***
2025 Q2	***	***	***	***
2025 Q3	***	***	***	***
2025 Q4	***	***	***	***
2026 Q1	***	***	***	***

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

Figure 5.12 Oleoresin paprika: Indexed subject U.S. importer purchase costs, by quarter

* * * * * * *

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

Price and purchase cost comparisons

Price comparisons

As shown in tables 5.16 and 5.17, prices for product imported from India were below those for U.S.-produced product in 47 of 52 instances (*** pounds); margins of underselling ranged from *** to *** percent. In the remaining 5 instances (*** pounds), prices for product from India were between *** and *** percent above prices for the domestic product.

Table 5.16 Oleoresin paprika: Instances of underselling and overselling and the range and average of margins, by product

Quantity in pounds; margin in percent

Product	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	8	***	***	***	***
Product 2	Underselling	13	***	***	***	***
Product 3	Underselling	13	***	***	***	***
Product 4	Underselling	13	***	***	***	***
Total	Underselling	47	***	***	***	***
Product 1	Overselling	5	***	***	***	***
Product 2	Overselling	—	—	—	—	—
Product 3	Overselling	—	—	—	—	—
Product 4	Overselling	—	—	—	—	—
Total	Overselling	5	***	***	***	***

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table 5.17 Oleoresin paprika: Instances of underselling and overselling and the range and average of margins, by year

Quantity in pounds; margin in percent

Year	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
2023	Underselling	12	***	***	***	***
2024	Underselling	15	***	***	***	***
2025	Underselling	16	***	***	***	***
January – March 2026	Underselling	4	***	***	***	***
Total, all years	Underselling	47	***	***	***	***
2023	Overselling	4	***	***	***	***
2024	Overselling	1	***	***	***	***
2025	Overselling	—	—	—	—	—
January – March 2026	Overselling	—	—	—	—	—
Total, all years	Overselling	5	***	***	***	***

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Price-cost comparisons

As shown in tables 5.18 and 5.19, landed duty-paid costs for oleoresin paprika imported from India were below the sales price for U.S.-produced product in all 52 instances (*** pounds); price-cost differentials ranged from *** to *** percent.

Table 5.18 Oleoresin paprika: Instances of lower and higher import purchase costs and the range and average of price-cost differentials, by product

Quantity in pounds; price-cost differential in percent

Product	Type	Number of quarters	Quantity	Average price-cost differential	Min price-cost differential	Max price-cost differential
Product 1	Lower than U.S. price	13	***	***	***	***
Product 2	Lower than U.S. price	13	***	***	***	***
Product 3	Lower than U.S. price	13	***	***	***	***
Product 4	Lower than U.S. price	13	***	***	***	***
Total	Lower than U.S. price	52	***	***	***	***
Product 1	Higher than U.S. price	—	—	—	—	—
Product 2	Higher than U.S. price	—	—	—	—	—
Product 3	Higher than U.S. price	—	—	—	—	—
Product 4	Higher than U.S. price	—	—	—	—	—
Total	Higher than U.S. price	—	—	—	—	—

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table 5.19 Oleoresin paprika: Instances of lower and higher import purchase costs and the range and average of price-cost differentials, by year

Quantity in pounds; price-cost differential in percent

Year	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
2023	Lower than U.S. price	16	***	***	***	***
2024	Lower than U.S. price	16	***	***	***	***
2025	Lower than U.S. price	16	***	***	***	***
January – March 2026	Lower than U.S. price	4	***	***	***	***
Total, all years	Lower than U.S. price	52	***	***	***	***
2023	Higher than U.S. price	—	***	***	***	***
2024	Higher than U.S. price	—	***	***	***	***
2025	Higher than U.S. price	—	***	***	***	***
January – March 2026	Higher than U.S. price	—	***	***	***	***
Total, all years	Higher than U.S. price	—	***	***	***	***

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Lost sales and lost revenue

In the preliminary phase of the investigation, the Commission requested that U.S. producers of oleoresin paprika report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of oleoresin paprika from India during January 2022 to March 2025. U.S. producer Rezolex submitted lost sales and lost revenue allegations, identifying five firms with which it lost sales or revenue, all consisting of both types of allegations. Allegations occurred during either the first quarter of 2023 or the first quarter of 2025.

In the final phase of the investigations, U.S. producer Rezolex reported that it had to reduce prices and had lost sales.

Staff contacted 81 purchasers and received responses from 22 purchasers.[13] Responding purchasers reported purchasing and importing 7.8 million pounds of oleoresin paprika during January 2023 to March 2026 (table 5.20). Eight of 22 responding purchasers reported both purchasing domestically produced and purchasing or importing imported oleoresin paprika between January 2023 and March 2026.

Of the 22 responding purchasers, 13 reported that, since 2023, they had purchased imported oleoresin paprika from India instead of U.S.-produced product. Ten of these purchasers reported that subject import prices were lower than U.S.-produced product, and seven of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Six purchasers estimated the quantity of oleoresin paprika from India purchased instead of domestic product; quantities ranged from *** pounds to *** pounds (table 5.21).[14] Purchasers identified existing vendor satisfaction, lack of domestic capacity to satisfy the full market, lack of a domestic CO_2 extracted option, lack of color stability from domestic product in customer applications, material qualification, performance, product specification, security of supply, and sustainability, as non-price reasons for purchasing imported rather than U.S.-produced product.

Of the 22 responding purchasers, one reported that the U.S. producer had reduced prices in order to compete with lower-priced imports from India, 10 reported that the U.S.

[13] One purchaser, ***, submitted a lost sales/lost revenue survey response in the preliminary phase, but did not submit a purchaser questionnaire response in the final phase.

[14] Twelve purchasers did not report purchases of U.S.-produced product. ***.

producer had not, while 11 reported that they did not know. The reported estimated price reduction was *** percent. In describing the price reductions, purchaser *** reported that ***.

Table 5.20 Oleoresin paprika: Purchasers' reported purchases and imports, by firm and source

Quantity in 1,000 pounds, share in percent

Purchaser	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject country share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

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

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

Table 5.21 Oleoresin paprika: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in 1,000 pounds.

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
All firms	Yes: 13; No: 9	Yes: 10; No: 3	Yes: 7; No: 5	***	

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

Part 6: Financial experience of U.S. producer

Background[1]

The sole U.S. producer, Rezolex, provided usable financial results on its oleoresin paprika operations. Rezolex's financial results were reported on a calendar-year basis.[2] The company reported that it uses a *** basis for its accounting framework. Staff verified the results of Rezolex with its company records, and all adjustments were incorporated into this report.[3]

Operations on oleoresin paprika

Table 6.1 presents the U.S. producer's results of operations in relation to oleoresin paprika, while table 6.2 presents the corresponding changes in AUVs. Net sales quantities were collected as 1,000 pounds on both an actual weight basis (i.e., actual weight of the shipped oleoresin paprika) and on a 100,000 CU equivalent weight basis.[4] Table 6.3 presents net sales by both measures, as well as the corresponding unit values of each.[5]

[1] The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

[2] Rezolex's U.S. producer questionnaire, section 3.2A.1. The company's internal books and records are primarily kept on the basis of ***. USITC staff notes from meeting with ***, July 28, 2025.

[3] Staff verification report, Rezolex, August 26, 2026. The company's U.S. producer questionnaire response included revisions to the following items in some or all periods: ***.

[4] Rezolex keeps its production and inventory records for oleoresin paprika on a ***. Email from ***, July 24, 2026.

[5] The analysis in this section of the report focuses on the 100,000 CU equivalent basis quantity unless noted.

Table 6.1 Oleoresin paprika: U.S. producer's results of operations, by item and period

Quantity in 1,000 pounds on a 100,000 CU equivalent basis; value in 1,000 dollars; ratio and share in percent; unit value in dollars per 100,000 CU equivalent pound; interim is January through March

Item	Measure	2023	2024	2025	Interim 2025	Interim 2026
Total net sales	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
COGS: Raw materials	Value	***	***	***	***	***
COGS: Direct labor	Value	***	***	***	***	***
COGS: Other factory	Value	***	***	***	***	***
COGS: Total	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Other expense/(income)	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***
Cash flow	Value	***	***	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***	***	***
COGS: Other factory	Ratio to NS	***	***	***	***	***
COGS: Total	Ratio to NS	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***
COGS: Raw materials	Share of COGS	***	***	***	***	***
COGS: Direct labor	Share of COGS	***	***	***	***	***
COGS: Other factory	Share of COGS	***	***	***	***	***
COGS: Total	Share of COGS	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
COGS: Raw materials	Unit value	***	***	***	***	***
COGS: Direct labor	Unit value	***	***	***	***	***
COGS: Other factory	Unit value	***	***	***	***	***
COGS: Total	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "—". Rezolex reported that ***. Email from ***, July 24, 2026.

Table 6.2 Oleoresin paprika: Changes in AUVs between comparison periods

Change in percent; interim is January through March

Item	2023–25	2023–24	2024–25	Interim 2025–26
Total net sales	▲***	▲***	▼***	▼***
COGS: Raw materials	▲***	▲***	▼***	▼***
COGS: Direct labor	▲***	▲***	▼***	▲***
COGS: Other factory	▼***	▼***	▼***	▼***
COGS: Total	▲***	▲***	▼***	▼***

Table continued.

Table 6.2 (Continued) Oleoresin paprika: Changes in AUVs between comparison periods

Change in dollars per 100,000 CU equivalent pound; interim is January through March

Item	2023–25	2023–24	2024–25	Interim 2025–26
Total net sales	▲***	▲***	▼***	▼***
COGS: Raw materials	▲***	▲***	▼***	▼***
COGS: Direct labor	▲***	▲***	▼***	▲***
COGS: Other factory	▼***	▼***	▼***	▼***
COGS: Total	▲***	▲***	▼***	▼***
Gross profit or (loss)	▲***	▲***	▲***	▼***
SG&A expense	▲***	▲***	▲***	▲***
Operating income or (loss)	▲***	▲***	▼***	▼***
Net income or (loss)	▼***	▲***	▼***	▼***

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

Note: Changes in average unit values shown as "0.00" or “(0.00)” represent nonzero values that are less than "0.005" or greater than “(0.005),” respectively. Zeroes, null values, and undefined calculations are suppressed and shown as “—”. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

Table 6.3 Oleoresin paprika: U.S. producer Rezolex's net sales by actual weight and 100,000 CU-equivalent weight, by item and period

Quantity in 1,000 pounds and as labeled; value in 1,000 dollars, unit values in dollars per pound; interim is January through March

Item	Measure	2023	2024	2025	Interim 2025	Interim 2026
Total net sales actual weight	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
Total net sales actual weight	Unit value	***	***	***	***	***
Total net sales 100,000 CU equivalent	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
Total net sales 100,000 CU equivalent	Unit value	***	***	***	***	***

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

Net sales

The net sales quantity of oleoresin paprika decreased from 2023 to 2025 and was lower in interim 2026 than in interim 2025. The net sales value increased from 2023 to 2024 but decreased in 2025, which resulted in an overall increase from 2023 to 2025; net sales value in interim 2026 was lower than interim 2025. The oleoresin paprika net sales AUVs increased irregularly from 2023 to 2025 but were lower in interim 2026 than in interim 2025.

While extracting oleoresin paprika, Rezolex also produces spent meal (a co-product) and paprika seed (a by-product).[6] Figure 6.1 and table 6.4 show the net sales revenue for each of these related products and each product's share of aggregate revenue. Oleoresin paprika revenue accounted for the majority of aggregate revenue throughout the period for which data were collected. Paprika seed represented a relatively small share of the aggregate revenue, whereas spent meal revenue represented a larger, albeit decreasing, share. To provide financial results that were specific to oleoresin paprika, the company identified and segregated product-specific costs and expenses.[7]

[6] Conference transcript, pp. 59 to 61 (Biad).

[7] Rezolex's U.S. producer questionnaire response, section 3.9e.

Figure 6.1 Oleoresin paprika and related products: U.S. producer Rezeolex's sales value of oleoresin paprika and related products, by type and period

* * * * * * *

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

Table 6.4 Oleoresin paprika and other products: U.S. producer Rezolex's oleoresin paprika and related product revenue, by item and period

Value in $1,000; share of value in percent

Item	Measure	2023	2024	2025	Interim 2025	Interim 2026
Oleoresin paprika revenue	Value	***	***	***	***	***
Spent meal revenue	Value	***	***	***	***	***
Paprika seed revenue	Value	***	***	***	***	***
Combined revenue	Value	***	***	***	***	***
Oleoresin paprika	Share	***	***	***	***	***
Spent meal	Share	***	***	***	***	***
Paprika seed	Share	***	***	***	***	***
Combined revenue	Share	100.0	100.0	100.0	100.0	100.0

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

Cost of goods sold and gross profit or loss

Raw material costs accounted for the majority of oleoresin paprika COGS during the period for which data were collected. On a per-pound basis, raw material costs increased from 2023 to 2024 then decreased by a smaller amount from 2024 to 2025, resulting in an overall increase from 2023 to 2025; raw material costs on a per-pound basis were lower in interim 2026 than in interim 2025. As a ratio to net sales, raw material costs decreased each year from 2023 to 2025 and were lower in interim 2026 than in interim 2025.

Table 6.5 presents raw materials, by type. The table shows that dried peppers accounted for the large majority of raw material costs. Rezolex purchases *** dried paprika peppers from Biad Chile, Ltd. Co ("Biad Chile").[8]

Table 6.5 Oleoresin paprika: U.S. producer's raw material costs in 2025

Value in 1,000 dollars; unit values in dollars per 100,000 CU equivalent pound; share of value in percent

Item	Value	Unit value	Share of value
Dried peppers	***	***	***
Natural solvents	***	***	***
Vegetable oil	***	***	***
Other material inputs	***	***	***
All raw materials	***	***	100.0

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

Direct labor cost for oleoresin paprika was the smallest component of COGS during the period for which data were collected. As both a ratio to net sales and on an average per-pound basis, direct labor costs increased from 2023 to 2024 but decreased from 2024 to 2025. However, direct labor as a ratio to net sales decreased overall from 2023 to 2025, whereas the direct labor AUVs increased overall; both measures were higher in interim 2026 than they were in interim 2025.

[8] Conference transcript, pp. 29 to 30 (Biad). Rezolex and Biad Chile are ***. Email from ***, July 23, 2025. The dried paprika peppers purchased from Biad Chile represented *** percent of Rezolex's total oleoresin paprika COGS in 2025. Rezolex's U.S. producer questionnaire, section 3.6. These purchases *** (i.e., ***). Email from ***, July 23, 2025; conference transcript, p. 29 (Biad).

Other factory cost was the second largest component of oleoresin paprika COGS in each period for which data were collected. As a ratio to net sales and on a per-pound basis, other factory cost decreased each year from 2023 to 2025 and was lower in interim 2026 than in interim 2025.

The company's COGS to net sales value ratio decreased each year from 2023 to 2025 and was lower in interim 2026 than in interim 2025. Per-pound COGS increased overall from 2023 to 2025, largely reflecting the increase in per-pound raw material costs. The COGS AUVs were lower in interim 2026 than in interim 2025, which was primarily the result of lower raw material costs per pound. The U.S. producer's gross profit for oleoresin paprika increased from 2023 to 2025 but was lower in interim 2026 than in interim 2025.

SG&A expenses and operating income or loss

As shown in table 6.1, Rezolex's SG&A expenses increased each year from 2023 to 2025 on a dollar basis and increased irregularly as a ratio to net sales; in interim 2026 SG&A expenses were lower than in interim 2025 on a dollar basis, whereas the ratio to net sales value was higher. Operating income increased irregularly from 2023 to 2025 but was lower in interim 2026 than in interim 2025.

All other expenses and net income or loss

Classified below operating income are interest expense, other expense, and other income. In table 6.1, these items are combined and shown as "other expense/(income)." Rezolex reported interest expense and *** other expense. Interest expense increased by *** percent from 2023 to 2025. Interest expense in interim 2026 was lower than in interim 2025, however it still remained higher than the ***.[9]

As a result of the increase in these expenses (***), the annual trends in net income for oleoresin paprika differed somewhat from operating income. Net income decreased overall from 2023 to 2025 and was lower in interim 2026 than in interim 2025.[10]

[9] Rezolex has to purchase all of its dried pepper inputs for the year during the four-month harvest season and must pay its pepper suppliers ***. By contrast, Rezolex's customers take delivery of oleoresin paprika throughout the year, with payment terms set on a *** basis. As such, it can take 12-14 months for the company to receive full payment for the oleoresin paprika produced during a given production season. Rezolex reported that it does not generate sufficient cash flow to pay for all of its pepper inputs at the time payment is due, and it covers the gap by obtaining loans during each harvest season with the aim of repaying those loans ***. However, throughout the period, the company reported that it was ***. Petitioner's posthearing brief, Responses to Commission Questions, pp. 64-65 and exh. 20, p. 1.

[10] In its posthearing brief, Rezolex provided two examples of cost savings it achieved in 2024 and 2025. The company reported that it ***. Additionally, it saved ***. The company indicated that the combined savings in 2025 of *** represented *** percent of its cash flow that year, demonstrating how the industry's overall limited operations mean relatively small savings can have outsized impacts on financial results. Petitioner's posthearing brief, p. 11.

Variance analysis

A variance analysis for the operations of U.S. producers of oleoresin paprika is presented in table 6.6.[11] The information for this variance analysis is derived from table 6.1. The analysis shows that the overall increase in operating income from 2023 to 2025 was primarily attributable to a favorable price variance despite a smaller unfavorable cost/expense variance (i.e., per-pound net sales AUVs increased faster than per-pound costs/expenses). The lower operating income in interim 2026 compared with interim 2025 was the result of unfavorable price and volume variances, despite a smaller favorable cost/expense variance.

Table 6.6 Oleoresin paprika: Variance analysis on the operations of U.S. producers between comparison periods

Value in 1,000 dollars; interim is January through March

Item	2023-25	2023-24	2024-25	Interim 2025-26
Net sales price variance	▲***	▲***	▼***	▼***
Net sales volume variance	▼***	▼***	▼***	▼***
Net sales total variance	▲***	▲***	▼***	▼***
COGS cost variance	▼***	▼***	▲***	▲***
COGS volume variance	▲***	▲***	▲***	▲***
COGS total variance	▼***	▼***	▲***	▲***
Gross profit variance	▲***	▲***	▲***	▼***
SG&A cost variance	▼***	▼***	▼***	▼***
SG&A volume variance	▲***	▲***	▲***	▲***
SG&A total variance	▼***	▼***	▼***	▲***
Operating income price variance	▲***	▲***	▼***	▼***
Operating income cost variance	▼***	▼***	▲***	▲***
Operating income volume variance	▼***	▼***	▼***	▼***
Operating income total variance	▲***	▲***	▼***	▼***

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

Note: Unfavorable/negative variances are shown in parentheses; all others are favorable/positive.

[11] The Commission's variance analysis is calculated in three parts: Net sales variance, COGS variance, and SG&A expense variance. Each part consists of a price variance (in the case of the net sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variances are calculated as the change in unit price or per-unit cost/expense, respectively, times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the operating income price variance is from sales; the operating income cost/expense variance is the sum of the cost components in the COGS and SG&A expense variances, and the operating income volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances.

Capital expenditures, R&D expenses, total assets, and return on assets

Table 6.7 presents capital expenditures, R&D expenses, total assets, and operating return on assets.[12] Table 6.8 presents the firm's narrative explanations for these categories. Rezolex had ***. The company's total assets decreased from 2023 to 2025, whereas the operating ROA increased irregularly.

Table 6.7 Oleoresin paprika: U.S. producer's capital expenditures, R&D expenses, total assets, and operating ROA, by period

Value in $1,000; ratio in percent; interim is January through March

Item	Measure	2023	2024	2025	Interim 2025	Interim 2026
Capital expenditures	Value	***	***	***	***	***
R&D expenses	Value	***	***	***	***	***
Total assets	Value	***	***	***	***	***
ROA	Ratio	***	***	***	***	***

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

Table 6.8 Oleoresin paprika: U.S. producer's narrative descriptions of its capital expenditures, R&D expenses, and total assets

Item	Narrative on item
Capital expenditures	***
R&D expenses	***
Total assets	***

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

[12] The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value on a product-specific basis.

Capital and investment

The Commission requested that the U.S. producer of oleoresin paprika describe any actual or potential negative effects of imports of oleoresin paprika from India on their firm's growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table 6.9 presents the number of firms reporting an impact in each category and table 6.10 provides the U.S. producers' narrative responses.

Table 6.9 Oleoresin paprika: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2023, by effect

Count in number of firms reporting effect

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	***
Denial or rejection of investment proposal	Investment	***
Reduction in the size of capital investments	Investment	***
Return on specific investments negatively impacted	Investment	***
Other investment effects	Investment	***
Any negative effects on investment	Investment	***
Rejection of bank loans	Growth	***
Lowering of credit rating	Growth	***
Problem related to the issue of stocks or bonds	Growth	***
Ability to service debt	Growth	***
Other growth and development effects	Growth	***
Any negative effects on growth and development	Growth	***
Anticipated negative effects of imports	Future	***

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

Table 6.10 Oleoresin paprika: U.S. producer's narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2023, by effect

Item	Firm name and narrative on impact of imports
***	***
***	***
***	***

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

Note: Cold storage is necessary to prevent color loss in dried paprika peppers, which are the primary raw material input for oleoresin paprika. The peppers are purchased over the four-month harvest season and then must be stored until they are processed. At the hearing, Rezolex's managing partner explained that because the company's planned on-site cold storage facility was canceled, Rezolex must continue renting external cold storage space rather than storing the peppers in-house, losing the opportunity to reduce that expense. Hearing transcript, pp. 24 to 25 (Biad).

Part 7: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors[1]--
>
> (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,
>
> (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,
>
> (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,
>
> (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,
>
> (V) inventories of the subject merchandise,

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the nature of the subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in Parts 4 and 5; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part 6. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in India

The Commission issued foreign producers' or exporters' questionnaires to seven firms believed to produce and/or export oleoresin paprika from India.[3] Usable responses to the Commission's questionnaire were received from six firms: Akay Natural Ingredients Private Limited ("Akay"), Paprika Oleo's India Limited ("Paprika Oleo's India"), Plant Lipids Private Limited ("Plant Lipids"), Synthite Industries Private Limited ("Synthite"), and Mane Kancor Ingredients Private Limited ("Mane Kancor"). The *** of the Indian producers, Universal Oleoresins, provided data in the preliminary phase but not in the final phase. Staff used responses in the preliminary phase to estimate responses in final phase.[4]

Table 7.1 presents the number of producers/exporters in India that responded to the Commission's questionnaire, their exports to the United States as a share of U.S. imports by India in 2025, and their estimated share of total production of oleoresin paprika in India during 2025.

Table 7.1 Oleoresin paprika: Number of producers/exporters, approximate share of production, and exports to the United States as a share of U.S. imports from India, 2025

Country	Number of firms	Approximate share of production (percent)	Exports as a share of U.S. imports from subject country (percent)
India	7	92.6	55.4

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

Note: "Approximate share of production" reflects the responding firms' estimates of their production as a share of total India production of oleoresin paprika in 2025. Since not all firms have perfect knowledge of the industry in their home market, different firms might use different denominators in estimating their firm's share of the total requested.

Note: "Exports as a share of U.S. imports" reflects a comparison of export data reported by firms in response to the Commission's foreign producer/exporter questionnaire with U.S. import data reported by firms in response to the Commission's U.S. importer questionnaire. This percentage may change in the post hearing report, as staff are looking into some discrepancies between 2025 U.S. imports reported by U.S. importers and 2025 exports to the U.S. reported by foreign producers/exporters.

[3] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

[4] Staff incorporated the firm's response from the preliminary phase with necessary estimates and extrapolations to create a consistent dataset.

Table 7.2 presents information on the oleoresin paprika operations of the responding producers and exporters in India.

Table 7.2 Oleoresin paprika: Summary data for producers in India in 2025

Quantity in 1,000 pounds; share in percent

Subject foreign industry and producer name	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Akay	***	***	***	***	***	***
AVT	***	***	***	***	***	***
Mane Kancor	***	***	***	***	***	***
Paprika Oleo's India	***	***	***	***	***	***
Plant Lipids	***	***	***	***	***	***
Synthite	***	***	***	***	***	***
Universal Oleoresins	***	***	***	***	***	***
All individual producers	9,460	100.0	1,968	100.0	9,644	20.4

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "—".

Table 7.3 presents events in the industry in India since January 2023. Indian producers reported opening two plants to meet growing demand in the Indian home market and third country markets.[5] Weather conditions reportedly impacted the availability of raw material in 2025, limiting production and leading to higher prices in 2026.

[5] McCormick and Indian producers' prehearing brief, p. 61.

Table 7.3 Oleoresin paprika: Important industry events in India since January 2023

Item		Event
Plant openings	Mane Kancor	On May 20, 2023, Mane Kancor launched a 150,000 square foot facility in Byadagi, Karnataka. The new facility, which contains a supercritical fluid extraction plant, will reportedly quadruple production and boost employment by 50 percent. The company reported that future expansion at the site is likely.
Plant openings	Akay Natural Ingredients	In February 2025, Danish natural foods company, Oterra, inaugurated a color blending and application center in Kerala. The center is housed on the site of Oterra's Akay Natural Ingredients subsidiary and will primarily serve the Indian market for natural food colorants.
Weather-related events	—	Irregular rainfall in Andhra Pradesh, a primary chili producing region, led to significant fluctuations in chili yields in 2025, limiting raw material availability and driving up oleoresin paprika spot prices by 10 to 15 percent the following year.

Source: Mane Kancor website, Mane Kancor launches its largest manufacturing facility in India, accessed July 2, 2026, https://www.mane.com/media/mane-kancor-launches-its-largest-manufacturing-facility-in-india; Oterra website, New color blending center supports growth of natural alternatives in India, Asia Pacific and Middle East, accessed July 2, 2026, https://news.cision.com/oterra/r/new-color-blending-center-supports-growth-of-natural-alternatives-in-india--asia-pacific-and-middle-,c4100835; Research and Markets, Oleoresin Paprika Market Analysis: Trends, Natural Color Substitution, and Strategic Forecast 2026-2031, April 2026, https://www.researchandmarkets.com/reports/6235548/oleoresin-paprika-market-analysis-trends?srsltid=AfmBOoqqHW2V0dpBe_Zu6PKXyyZ-GLxFkZIx9Un_ZXmwnIuvVkNllagd.

Changes in operations

Producers in India were asked to report any change in the character of their operations or organization relating to the production of oleoresin paprika since 2023. Three of seven producers indicated in their questionnaires that they had experienced such changes. Table 7.4 presents the changes identified by these producers.

Table 7.4 Oleoresin paprika: Reported changes in operations in India since January 1, 2023, by firm

Item	India
Plant openings	0
Plant closings	0
Prolonged shutdowns	0
Production curtailments	1
Relocations	0
Expansions	1
Acquisitions	0
Consolidations	0
Weather-related or force majeure events	0
Other	1
Any change	3

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

Table 7.5 presents anticipated changes in operations identified by producers in India.

Table 7.5 Oleoresin paprika: Reported anticipated changes in operations in India since January 1, 2023, by firm

Item	Subject foreign industry, firm name, and accompanying narrative response regarding changes in operations
Production curtailments	***
Expansions	***
Other	***
Anticipated changes in operations	***

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

Installed and practical overall capacity

Table 7.6 presents data on producers' installed capacity, practical overall capacity, and practical oleoresin paprika capacity and production on the same equipment in India. During 2023 to 2025, installed overall and practical overall capacity increased by 8.9 percent and 10.9 percent, respectively, and practical oleoresin paprika capacity increased by 24.8 percent. All capacities were similar during the interim periods. Overall production and oleoresin paprika production increased by 4.7 percent and 32.3 percent from 2023 to 2025, respectively. While the broader measures of capacity utilization declined during the period for which data were collected, capacity utilization for oleoresin paprika increased irregularly.

Table 7.6 Oleoresin paprika: Producers' installed and practical capacity and production on the same equipment as in-scope production in India, by period

Capacity and production quantity in 1,000 pounds; utilization in percent; Interim period is January through March

Item	Measure	2023	2024	2025	Interim 2025	Interim 2026
Installed overall	Capacity	43,518	46,105	47,399	11,860	11,860
Installed overall	Production	19,741	23,126	20,674	5,230	5,342
Installed overall	Utilization	45.4	50.2	43.6	44.1	45.0
Practical overall	Capacity	32,046	34,375	35,539	8,894	8,894
Practical overall	Production	19,741	23,126	20,674	5,230	5,342
Practical overall	Utilization	61.6	67.3	58.2	58.8	60.1
Practical oleoresin paprika	Capacity	14,152	16,293	17,662	4,493	4,326
Practical oleoresin paprika	Production	7,149	9,638	9,460	2,613	2,620
Practical oleoresin paprika	Utilization	50.5	59.2	53.6	58.2	60.6

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

Constraints on capacity

Table 7.7 and 7.8 presents producers' reported capacity constraints in India since January 1, 2023. Five of seven Indian producers reported such constraints.

Table 7.7 Oleoresin paprika: Count of reported production constraints, by subject foreign industry and type of constraint since January 1, 2023

Type of constraint	India
Production bottlenecks	3
Existing labor force	3
Supply of material inputs	3
Fuel or energy	0
Storage capacity	3
Logistics/transportation	0
Other constraints	5

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

Table 7.8 Oleoresin paprika: Producers in subject foreign industries reported constraints to practical overall capacity since January 1, 2023 by type of subject foreign industry, firm, and type of constraint

Type of constraint	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Supply of material inputs	***
Storage capacity	***
Storage capacity	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

Operations on oleoresin paprika

Table 7.9 presents information on the oleoresin paprika operations of the responding producers and exporters in India. Indian producers' combined capacity increased by 24.8 percent during 2023 to 2025. Producers in India are not projected to increase capacity in 2026 and 2027. In interim 2026, capacity was slightly lower compared to interim 2025. The capacity utilization rate increased by 3.1 percentage points from 2023 to 2025 and it was higher in interim 2026 compared to interim 2025.

Home market shipments increased irregularly from 2023 to 2025, ending 15.7 percent higher in 2025 compared with 2023. Despite the increase in home market shipments, the share decreased by 2.4 percentage points from 2023 to 2025. Export shipments accounted for approximately two-thirds of total shipments during 2023 to 2025 and the 2026 and 2027 projections. Export shipments to the United States as a share of total shipments increased by 4.8 percentage points between 2023 and 2025.

Producers in India experienced a decrease to end-of-period inventories between 2023 and 2025. The ratio of inventory to total shipments decreased by 8.0 percentage points from 2023 to 2025. Projections for 2026 and 2027 suggest a gradual increase from 2025 levels.

Table 7.9 Oleoresin paprika: Data for the industry in India, by period

Quantity in 1,000 pounds; Interim period is January through March

Item	2023	2024	2025	Interim 2025	Interim 2026	Projection 2026	Projection 2027
Capacity	14,152	16,293	17,662	4,493	4,326	17,662	17,662
Production	7,149	9,638	9,460	2,613	2,620	10,095	10,662
End-of-period inventories	954	537	425	547	400	452	504
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	2,302	3,135	2,664	687	894	3,082	3,264
Exports to the United States	1,195	1,628	1,968	595	362	1,590	1,599
Exports to all other markets	4,177	5,274	5,012	1,321	1,389	5,322	5,733
Export shipments	5,372	6,902	6,980	1,916	1,751	6,912	7,332
Total shipments	7,674	10,037	9,644	2,603	2,645	9,994	10,596

Table continued

Table 7.9 (Continued) Oleoresin paprika: Data for the industry in India, by period
Shares and ratios in percent; Interim period is January through March

Item	2023	2024	2025	Interim 2025	Interim 2026	Projection 2026	Projection 2027
Capacity utilization ratio	50.5	59.2	53.6	58.2	60.6	57.2	60.4
Inventory ratio to production	13.3	5.6	4.5	5.2	3.8	4.5	4.7
Inventory ratio to total shipments	12.4	5.4	4.4	5.3	3.8	4.5	4.8
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	30.0	31.2	27.6	26.4	33.8	30.8	30.8
Exports to the United States share	15.6	16.2	20.4	22.9	13.7	15.9	15.1
Exports to all other markets share	54.4	52.5	52.0	50.7	52.5	53.3	54.1
Export shipments share	70.0	68.8	72.4	73.6	66.2	69.2	69.2
Total shipments share	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Alternative products

As shown in table 7.10, responding firms in India produced other products on the same equipment and machinery used to produce oleoresin paprika. Five of seven responding subject producers reported producing oleoresin capsicum on the same equipment and machinery used to produce oleoresin paprika. Oleoresin paprika accounted for less than one-half of production using the same equipment in all full years during the data collection period. Other reported production on the same equipment included oleoresin capsicum, which is obtained from the longer, moderately pungent capsicum and is sold as a flavoring agent or as an ingredient in pepper spray,[6] and ***.

[6] Petition, pp. 23 to 24.

Table 7.10 Oleoresin paprika: Producers' overall production on the same equipment as in-scope production in India, by period

Quantity in 1,000 pounds; ratio and share in percent; Interim period is January through March

Product type	Measure	2023	2024	2025	Interim 2025	Interim 2026
Oleoresin paprika	Quantity	7,149	9,638	9,460	2,613	2,620
Oleoresin capsicum	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
Out-of-scope products	Quantity	12,592	13,488	11,214	2,617	2,722
All product types	Quantity	19,741	23,126	20,674	5,230	5,342
Oleoresin paprika	Share	36.2	41.7	45.8	50.0	49.0
Oleoresin capsicum	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
Out-of-scope products	Share	63.8	58.3	54.2	50.0	51.0
All product types	Share	100.0	100.0	100.0	100.0	100.0

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

Exports

According to GTA, the leading export markets for coloring matter of vegetable or animal origin from India are United Arab Emirates, Bangladesh, Italy, and France (table 7.11). During 2025, the United States was a small export market for coloring matter of vegetable or animal origin from India, representing 0.7 percent of total exports, but with average unit values substantially higher than non-U.S. destination markets.

Table 7.11 Coloring matter of vegetable or animal origin: Exports from India, by period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share in percent

Destination market	Measure	2023	2024	2025
United States	Quantity	116	124	104
United Arab Emirates	Quantity	5,084	5,833	6,610
Bangladesh	Quantity	2,660	1,725	2,001
Italy	Quantity	1,598	1,085	1,229
France	Quantity	397	697	1,002
China	Quantity	744	864	756
Russia	Quantity	436	561	705
Senegal	Quantity	657	513	655
Haiti	Quantity	119	159	179
All other destination markets	Quantity	2,080	1,510	1,594
Non-U.S. destination markets	Quantity	13,774	12,947	14,731
All destination markets	Quantity	13,890	13,071	14,835
United States	Value	690	1,041	1,553
United Arab Emirates	Value	2,212	3,517	2,682
Bangladesh	Value	710	310	373
Italy	Value	1,210	863	751
France	Value	1,064	1,692	984
China	Value	1,142	1,130	1,472
Russia	Value	555	546	692
Senegal	Value	3,296	2,510	3,112
Haiti	Value	605	788	857
All other destination markets	Value	14,836	16,968	18,594
Non-U.S. destination markets	Value	25,632	28,324	29,516
All destination markets	Value	26,321	29,365	31,068

Table continued.

Table 7.11 Continued Coloring matter of vegetable or animal origin: Exports from India, by period

Destination market	Measure	2023	2024	2025
United States	Unit value	5.94	8.39	14.94
United Arab Emirates	Unit value	0.44	0.60	0.41
Bangladesh	Unit value	0.27	0.18	0.19
Italy	Unit value	0.76	0.80	0.61
France	Unit value	2.68	2.43	0.98
China	Unit value	1.54	1.31	1.95
Russia	Unit value	1.27	0.97	0.98
Senegal	Unit value	5.02	4.90	4.75
Haiti	Unit value	5.08	4.97	4.80
All other destination markets	Unit value	7.13	11.24	11.66
Non-U.S. destination markets	Unit value	1.86	2.19	2.00
All destination markets	Unit value	1.90	2.25	2.09
United States	Share of quantity	0.8	0.9	0.7
United Arab Emirates	Share of quantity	36.6	44.6	44.6
Bangladesh	Share of quantity	19.1	13.2	13.5
Italy	Share of quantity	11.5	8.3	8.3
France	Share of quantity	2.9	5.3	6.8
China	Share of quantity	5.4	6.6	5.1
Russia	Share of quantity	3.1	4.3	4.8
Senegal	Share of quantity	4.7	3.9	4.4
Haiti	Share of quantity	0.9	1.2	1.2
All other destination markets	Share of quantity	15.0	11.6	10.7
Non-U.S. destination markets	Share of quantity	99.2	99.1	99.3
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official export statistics under HS subheadings 3203.00, as reported by India Ministry of Commerce in the Global Trade Atlas database, accessed May 13, 2026.

Note: United States is shown at the top. All remaining top export destinations are shown in descending order of 2025 data.

U.S. inventories of imported merchandise

Table 7.12 presents data on U.S. importers' reported inventories of oleoresin paprika. Fifteen of the 23 responding firms reported inventories of oleoresin paprika during 2023 to 2025. U.S. importers' inventories of imports from India increased by 37.8 percent during 2023 to 2025. In interim 2026, inventories were 70.0 percent higher than in interim 2025. U.S. importers' ratios of Indian oleoresin paprika relative to production, U.S. shipments, and total shipments were all higher in 2025 relative to 2023, and all higher in interim 2026 relative to interim 2025.

Table 7.12 Oleoresin paprika: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 pounds; ratio in percent; interim period is January through March

Measure	Source	2023	2024	2025	Interim 2025	Interim 2026
Inventories quantity	India	1,061	798	1,462	807	1,372
Ratio to imports	India	40.3	27.2	41.2	22.0	40.6
Ratio to U.S. shipments of imports	India	39.5	26.3	50.0	23.9	34.8
Ratio to total shipments of imports	India	***	***	***	***	***
Inventories quantity	Nonsubject sources	***	***	***	***	***
Ratio to imports	Nonsubject sources	***	***	***	***	***
Ratio to U.S. shipments of imports	Nonsubject sources	***	***	***	***	***
Ratio to total shipments of imports	Nonsubject sources	***	***	***	***	***
Inventories quantity	All import sources	***	***	***	***	***
Ratio to imports	All import sources	***	***	***	***	***
Ratio to U.S. shipments of imports	All import sources	***	***	***	***	***
Ratio to total shipments of imports	All import sources	***	***	***	***	***

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

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of oleoresin paprika from India after March 31, 2026. Their reported data are presented in table 7.13. Twelve of the twenty-three firms which provided data had arranged for imports from India while five firms had arranged for imports from nonsubject countries. Four firms, ***, accounted for more than three-quarters of arranged imports from India.

Table 7.13 Oleoresin paprika: U.S. importers' arranged imports, by source and period

Quantity in 1,000 pounds

Source	Q2 2026	Q3 2026	Q4 2026	Q1 2027	Total
India	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Third-country trade actions

Based on available information, oleoresin paprika from India has not been subject to other antidumping or countervailing duty investigations outside of the United States.

Information on nonsubject countries

Oleoresin paprika is provided for under HTS statistical reporting number 3203.00.8000, an import category that covers out-of-scope products. As a result, official product-specific data on imports of oleoresin paprika are not available.

Petitioner presented information on Spain and China as two of the largest nonsubject sources of oleoresin paprika imported into the U.S. market.[7] Petitioner also asserts that China has largely left the U.S. market since the United States imposed Section 301 tariffs on imports of Chinese origin in 2018.[8] Multiple U.S. importers reported shipments of oleoresin paprika from Spain or China since 2023.

Table 7.14 presents GTA data for global exports of coloring matter of vegetable or animal origin under HS subheading 3203.00 (an HS classification that includes oleoresin paprika and out-of-scope foods).[9] Based on GTA data, China was the dominant global exporter of these coloring matters in 2025, followed by the Netherlands, Spain, and Italy.

[7] Petition, p. 37.

[8] Petition, p. 36.

[9] The full article description for HS subheading 3203.00 is "Coloring matter of vegetable or animal origin (including dyeing extracts but excluding animal black), whether or not chemically defined; preparations as specified in note 3 to this chapter based on coloring matter of vegetable or animal origin." USITC, HTS (2026) Revision 10, Publication 5753, June 2026, p. 32.2.

Table 7.14 Coloring matter of vegetable or animal origin: Global exports by exporter and period

Quantity in 1,000 pounds; Value in 1,000 dollars

Exporting country	Measure	2023	2024	2025
United States	Quantity	7,458	7,401	8,900
India	Quantity	13,890	13,071	14,835
China	Quantity	24,400	24,146	32,464
Netherlands	Quantity	20,787	18,847	19,628
Spain	Quantity	19,760	15,683	18,746
Italy	Quantity	16,462	18,029	18,244
Germany	Quantity	14,239	14,707	14,041
France	Quantity	9,632	8,478	10,481
Denmark	Quantity	8,408	8,925	7,989
Peru	Quantity	5,301	4,918	7,459
New Zealand	Quantity	3,606	14,118	6,302
United Kingdom	Quantity	4,370	4,835	5,194
All other exporters	Quantity	35,473	32,404	29,117
All reporting exporters	Quantity	183,785	185,562	193,400
United States	Value	165,963	153,357	178,204
India	Value	26,321	29,365	31,068
China	Value	275,943	265,056	326,441
Netherlands	Value	224,958	215,496	242,361
Spain	Value	103,860	110,918	114,665
Italy	Value	89,286	86,025	90,740
Germany	Value	153,294	167,685	183,952
France	Value	77,956	69,404	76,203
Denmark	Value	133,815	119,944	118,546
Peru	Value	93,600	109,163	198,003
New Zealand	Value	9,086	31,366	17,871
United Kingdom	Value	41,161	45,840	47,984
All other exporters	Value	344,502	328,517	307,500
All reporting exporters	Value	1,739,744	1,732,135	1,933,538

Table continued.

Table 7.14 Continued Coloring matter of vegetable or animal origin: Global exports by exporter and period

Unit values in dollars per pound; Shares in percent

Exporting country	Measure	2023	2024	2025
United States	Unit value	22.25	20.72	20.02
India	Unit value	1.90	2.25	2.09
China	Unit value	11.31	10.98	10.06
Netherlands	Unit value	10.82	11.43	12.35
Spain	Unit value	5.26	7.07	6.12
Italy	Unit value	5.42	4.77	4.97
Germany	Unit value	10.77	11.40	13.10
France	Unit value	8.09	8.19	7.27
Denmark	Unit value	15.92	13.44	14.84
Peru	Unit value	17.66	22.20	26.55
New Zealand	Unit value	2.52	2.22	2.84
United Kingdom	Unit value	9.42	9.48	9.24
All other exporters	Unit value	9.71	10.14	10.56
All reporting exporters	Unit value	9.47	9.33	10.00
United States	Share of quantity	4.1	4.0	4.6
India	Share of quantity	7.6	7.0	7.7
China	Share of quantity	13.3	13.0	16.8
Netherlands	Share of quantity	11.3	10.2	10.1
Spain	Share of quantity	10.8	8.5	9.7
Italy	Share of quantity	9.0	9.7	9.4
Germany	Share of quantity	7.7	7.9	7.3
France	Share of quantity	5.2	4.6	5.4
Denmark	Share of quantity	4.6	4.8	4.1
Peru	Share of quantity	2.9	2.7	3.9
New Zealand	Share of quantity	2.0	7.6	3.3
United Kingdom	Share of quantity	2.4	2.6	2.7
All other exporters	Share of quantity	19.3	17.5	15.1
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official export statistics under HS subheading 3203.00, as reported by exporting country in the Global Trade Atlas database, accessed May 13, 2026.

Note: United States is shown at the top followed by the country under investigation, all remaining top exporting countries in descending order of 2025 data.

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
90 FR 28767, July 1, 2025	Oleoresin Paprika From India; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations	https://www.govinfo.gov/content/pkg/FR-2025-07-01/pdf/2025-12283.pdf
90 FR 34419, July 22, 2025	Oleoresin Paprika From India: Initiation of Less-Than-Fair-Value Investigation	https://www.govinfo.gov/content/pkg/FR-2025-07-22/pdf/2025-13695.pdf
90 FR 34433, July 22, 2025	Oleoresin Paprika From India: Initiation of Countervailing Duty Investigation	https://www.govinfo.gov/content/pkg/FR-2025-07-22/pdf/2025-13696.pdf
90 FR 42564, September 3, 2025	Oleoresin Paprika From India: Postponement of Preliminary Determination in the Countervailing Duty Investigation	https://www.govinfo.gov/app/details/FR-2025-09-03/2025-16883
91 FR 3434, January 27, 2026	Oleoresin Paprika From India: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation	https://www.govinfo.gov/app/details/FR-2026-01-27/2026-01599
91 FR 5427 February 6, 2026	Oleoresin Paprika From India: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, In Part, and Alignment of Final Determination With Final Antidumping Duty Determination	https://www.govinfo.gov/app/details/FR-2026-02-06/2026-02345
91 FR 16636, April 2, 2026	Oleoresin Paprika From India: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Negative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures	https://www.govinfo.gov/app/details/FR-2026-04-02/2026-06450
91 FR 21016, April 20, 2026	Oleoresin Paprika From India; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations	https://www.govinfo.gov/app/details/FR-2026-04-20/2026-07611
91 FR 54300, April 21, 2026	Oleoresin Paprika From India: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, in Part	https://www.govinfo.gov/app/details/FR-2026-08-21/2026-17048

Citation	Title	Link
91 FR 54302, April 21, 2026	Oleoresin Paprika From India: Final Affirmative Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances	https://www.govinfo.gov/app/details/FR-2026-08-21/2026-17047

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below participated in the United States International Trade Commission's hearing via video conference:

Subject: Oleoresin Paprika from India

Inv. Nos.: 701-TA-771 and 731-TA-1755 (Final)

Date and Time: August 18, 2026 – 9:30 a.m.

OPENING REMARKS:

In Support of Imposition (**Whitney M. Rolig**, Picard Kentz & Rowe LLP)
In Opposition to Imposition **(Justin R. Becker**, Sidley Austin LLP)

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

Picard Kentz & Rowe LLP
Washington, DC
on behalf of

Rezolex, Ltd. Co. ("Rezolex")

Louis B. Biad, Managing Partner, Rezolex

Whitney M. Rolig)
) – OF COUNSEL
J. Daniel Stirk)

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

Sidley Austin LLP
Washington, DC
on behalf of

McCormick & Company Incorporated ("McCormick")

Alice Bayles, Procurement Category Manager, McCormick

Megan Ferris, Associate General Counsel, Americas Employment, McCormick

Ilia Kolk, Senior Director Enterprise Compliance, McCormick

Melissa D. Cipriano, Procurement Category Director, McCormick

Justin R. Becker)
) – OF COUNSEL
Lauren Shapiro)

Grunfeld Desiderio Lebowitz Silverman & Klestadt LLP
Washington, DC
on behalf of

Plant Lipids Pvt. Ltd.; Synthite Industries Ltd.;
Mane Kancor Ingredients Ltd.; and Akay Natural Ingredients Private Ltd.
(collectively "Indian Respondents")

Tim Truby, Vice President, Global Colors and Ingredients, Mane Inc.

Andrew Paul, Associate General Counsel, Mane Inc.

Jordan C. Kahn) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Whitney M. Rolig**, Picard Kentz & Rowe LLP)
In Opposition to Imposition **(Justin R. Becker**, Sidley Austin LLP)

APPENDIX C

SUMMARY DATA

Table C.1
Oleoresin paprika: Summary data concerning the U.S. market, by item and period
Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted; Interim period is January through March

	Reported data					Period change comparisons			
	Calendar year			Interim		Calendar year			Interim
Item	2023	2024	2025	2025	2026	2023–25	2023–24	2024–25	2025–26
U.S. consumption quantity:									
Amount	***	***	***	***	***	▲***	▲***	▼***	▲***
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▼***	▼***
Importers' share (fn1):									
India	***	***	***	***	***	▲***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▼***	▲***	▲***
All import sources	***	***	***	***	***	▲***	▲***	▲***	▲***
U.S. consumption value:									
Amount	***	***	***	***	***	▲***	▲***	▼***	▲***
Producers' share (fn1)	***	***	***	***	***	▲***	▲***	▲***	▼***
Importers' share (fn1):									
India	***	***	***	***	***	▼***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▼***	▲***	▲***
All import sources	***	***	***	***	***	▼***	▼***	▼***	▲***
U.S. importers' U.S shipments of imports from:									
India:									
Quantity	2,685	3,037	2,926	843	985	▲9.0	▲13.1	▼(3.7)	▲16.9
Value	31,628	35,504	30,603	10,107	10,386	▼(3.2)	▲12.3	▼(13.8)	▲2.8
Unit value	$11.78	$11.69	$10.46	$11.99	$10.54	▼(11.2)	▼(0.8)	▼(10.5)	▼(12.1)
Ending inventory quantity	1,061	798	1,462	807	1,372	▲37.8	▼(24.8)	▲83.2	▲70.0
Nonsubject sources:									
Quantity	***	***	***	***	***	▲***	▼***	▲***	▲***
Value	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit value	***	***	***	***	***	▼***	▼***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
All import sources:									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▲***
Value	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▼***	▼***	▼***	▼***
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▲***
U.S. producers':									
Practical capacity quantity	***	***	***	***	***	▲***	▲***	▼***	***
Production quantity	***	***	***	***	***	▲***	▲***	▼***	▲***
Capacity utilization (fn1)	***	***	***	***	***	▲***	▲***	▼***	▲***
U.S. shipments:									
Quantity	***	***	***	***	***	▼***	***	▼***	▼***
Value	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▼***	▲***
Inventories/total shipments (fn1)	***	***	***	***	***	▲***	▲***	▼***	▲***
Production workers	***	***	***	***	***	▲***	▲***	▲***	▼***
Hours worked (1,000s)	***	***	***	***	***	▼***	▼***	▼***	***
Wages paid ($1,000)	***	***	***	***	***	▲***	▲***	▼***	▲***
Hourly wages (dollars per hour)	***	***	***	***	***	▲***	▲***	▼***	▲***
Productivity (pounds per hour)	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit labor costs	***	***	***	***	***	▼***	▼***	▲***	▼***

Table continued.

Table C.1 Continued

Oleoresin paprika: Summary data concerning the U.S. market, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted; Interim period is January through March

Item	Reported data					Period change comparisons			
	Calendar year			Interim		Calendar year			Interim
	2023	2024	2025	2025	2026	2023–25	2023–24	2024–25	2025–26
U.S. producers': Continued									
Net sales:									
Quantity (fn2)	***	***	***	***	***	▼***	▼***	▼***	▼***
Value	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▼***
Cost of goods sold (COGS)	***	***	***	***	***	▲***	▲***	▼***	▼***
Gross profit or (loss) (fn3)	***	***	***	***	***	▲***	▲***	▲***	▼***
SG&A expenses	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss) (fn3)	***	***	***	***	***	▲***	▲***	▼***	▼***
Net income or (loss) (fn3)	***	***	***	***	***	▼***	▲***	▼***	▼***
Unit COGS	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit SG&A expenses	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit operating income or (loss) (fn3)	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit net income or (loss) (fn3)	***	***	***	***	***	▼***	▲***	▼***	▼***
COGS/sales (fn1)	***	***	***	***	***	▼***	▼***	▼***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▲***	▲***	▼***	▼***
Net income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▲***	▼***	▼***
Capital expenditures	***	***	***	***	***	▼***	▼***	***	***
Research and development expenses	***	***	***	***	***	***	***	***	***
Total assets	***	***	***	***	***	▼***	▼***	▼***	***

Source: Compiled from data submitted in response to Commission questionnaires. 508-compliant tables for these data are contained in parts 3, 4, 6, and 7 of this report.

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

fn2.--Financial quantity and unit value data are presented on a 100,000 CU equivalent basis.

fn3.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "—". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

APPENDIX D

SUPPLEMENTAL U.S. SHIPMENT AND IMPORT DATA

Figure D.1 presents data on U.S. producer Rezolex's U.S. shipments and U.S. importers' U.S. imports by month and source.

Figure D.1 Oleoresin paprika: U.S. producer U.S. shipments and U.S. importers' U.S. imports, by month and source

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

Note: Data for this figure are from tables 3.7 and 4.4 of this report.

Figure D.2 presents data on U.S. shipments of oleoresin paprika by color units (CU). U.S.-produced oleoresin paprika and U.S. imports of oleoresin paprika from India were shipped in each of the color ranges while U.S. imports of oleoresin paprika from nonsubject sources were shipped in 5 of 7 presented color ranges.

Figure D.2 Oleoresin paprika: U.S. producer's and U.S. importers' U.S. shipments in 2025, by product type

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

Note: Data for this figure are from tables 3.8, 4.5, and 4.6 of this report.

Figure D.3 presents data on U.S. shipments of oleoresin paprika by Scoville Heat Units (SHU). U.S. imports of oleoresin paprika from India and nonsubject were shipped in each of the SHU ranges while U.S.-produced of oleoresin paprika were shipped in a subset of SHU ranges.

Figure D.3 Oleoresin paprika: U.S. producer's and U.S. importers' U.S. shipments in 2025, by SHU range

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

Note: Data for this figure are from tables 3.9, 4.7, and 4.8 of this report. In its questionnaire response Rezolex noted that *** Rezolex LTD Co. Questionnaire II-18.