

Canned Pineapple Fruit From Thailand

Investigation No. 731-TA-706 (Second Review)

Publication 3911

March 2007

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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COMPANY GLOSSARY

Great Oriental Food Products Co., Ltd.	GOF
Kuiburi Fruit Canning Co. Ltd.	KFC
Malee Sampran Public Company Ltd.	Malee
Maui Land and Pineapple Company, Inc	MLP
Maui Pineapple Co., Ltd.	Maui
Pranburi Hotei Co., Ltd.	PHC
The Siam Agro Industry Pineapple and Others Public Company Limited	SAICO
Siam Food Products Public Company Ltd.	SFP
Siam Fruit Canning Co., Ltd.	SIAM
Thai Food Producers' Association-Pineapple Processors' Group	TFPA
Thai Pineapple Canning Industry Co., Ltd.	TPC
Thai Pineapple Products and Other Fruits Co., Ltd.	THAICO
The Prachuab Fruit Canning Company, Ltd.	PRAFT
The Thai Pineapple Public Company, Ltd.	TPPC
The TIPCO Foods (Thailand) Pcl	TIPCO
Tropical Foods Industries Co., Ltd.	TROFCO

Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-706 (Second Review)

Canned Pineapple Fruit From Thailand

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty order on canned pineapple fruit from Thailand would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted this review on April 3, 2006 (71 F.R. 16585) and determined on July 7, 2006 that it would conduct a full review (71 F.R. 47523, August 17, 2006). Notice of the scheduling of the Commission's review 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 August 8, 2006 (71 F.R. 45073). The hearing was held in Washington, DC, on January 18, 2007, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

² Commissioners Irving A. Williamson and Dean A. Pinkert did not participate.

VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order on canned pineapple fruit from Thailand would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. BACKGROUND

In July 1995, the Commission found that an industry in the United States was materially injured by reason of imports of canned pineapple fruit (“CPF”) from Thailand sold at less than fair value (“LTFV”).² The Department of Commerce (“Commerce”) published the antidumping duty order on imports from Thailand on July 18, 1995.³

On June 5, 2000, the Commission instituted the first five-year review of the antidumping duty order pursuant to section 751(c) of the Act.⁴ On September 1, 2000, the Commission determined that it should proceed to a full review of the order. In so doing, the Commission determined that the domestic and respondent interested group responses were adequate. On May 17, 2001, the Commission determined that recurrence or continuation of material injury would be likely within a reasonably foreseeable time if the order were revoked.⁵

The Commission instituted the present five-year review of the order on April 3, 2006.⁶ The Commission received two responses to its notice of institution. The Commission received a response from domestic producer Maui Pineapple Co., Ltd. (“Maui”), the sole domestic producer of CPF. The Commission also received a joint response filed on behalf of Thai Pineapple Canning Industry Corp., (“TPC”); Great Oriental Food Products Co., Ltd. (“Great Oriental”); Malee Sampran Public Co., Ltd (“Malee”); The Siam Agro Industry Pineapple and Others Public Co., Ltd. (“SAICO”); Pranburi Hotei Co., Ltd., (“PHC”); Siam Fruit Canning (1988) Co., Ltd. (“SIFCO”); the Thai Pineapple Products and Other Fruits Co., Ltd. (“THAICO”); and the Thai Food Processors Association (collectively, “Thai Respondents”). The Commission found the domestic interested party group response to the notice of institution to be adequate and found the respondent interested party group response to be adequate. It therefore determined to conduct a full review of the order pursuant to section 751(c)(3) of the Act.^{7 8}

¹ Commissioner Irving A. Williamson and Commissioner Dean A. Pinkert did not participate in this determination.

² Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Final), USITC Pub. 2907 (June 1995) (“Original Determination”) at 1.

³ 60 Fed. Reg. 36755 (July 18, 1995).

⁴ Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review), USITC Pub. 3417 (May 2001) (“First Review Determination”) at 1.

⁵ First Review Determination at 1.

⁶ 71 Fed. Reg. 16585 (Apr. 3, 2006)

⁷ 19 U.S.C. § 1675(c)(3).

⁸ See Explanation of Determination on Adequacy, Confidential Staff Report (“CR”) and Public Staff Report (“PR”) at Appendix A.

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”⁹ The Act defines the “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹⁰ The Commission’s practice in five-year reviews is to look to the like product definition from the original determination and any previous reviews and consider whether the record indicates any reason to revisit that definition.¹¹

Commerce defined the subject merchandise in this review as follows:

Pineapple processed and/or prepared into various product forms, including rings, pieces, chunks, tidbits, and crushed pineapple, that is packed and cooked in metal cans with either pineapple juice or sugar syrup added. CPF is currently classifiable under subheadings 2008.20.0010 and 2008.20.0090.¹²

CPF is a shelf-stable food sealed in airtight cans prepared from mature fresh, or previously canned, pineapple from which the peel and core have been removed. The principal forms of CPF sold in the U.S. market include slices, spears, tidbits, chunks, and crushed. CPF is packed either in pineapple juice or with added sweeteners (often referred to as heavy syrup). CPF is used as a dessert or side dish, but is also used as an ingredient in other dishes or as a garnish.¹³

In the original investigation¹⁴ and first five-year review,¹⁵ the Commission defined a single like product, CPF, coextensive with Commerce’s scope. Both the domestic producer and Thai Respondents have indicated that they agree with the Commission’s prior definition of the domestic like product. There is no new information obtained during this second review that would suggest any reason for revisiting the Commission’s like product definition in the original investigation and the first five-year review. We, therefore, again define the domestic like product as CPF coextensive with Commerce’s scope.

⁹ 19 U.S.C. § 1677(4)(A).

¹⁰ 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

¹¹ See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan and the United Kingdom, Inv. Nos. 701-TA-380-382 and 731-TA-797-804 (Review), USITC Pub. 3788 (July 2005) at 6; Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 (July 2003) at 4; Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (Feb. 2003) at 4.

¹² 71 Fed. Reg. 62995 (Oct. 27, 2006).

¹³ CR at I-16-I-18; PR at I-13-I-14.

¹⁴ In the original investigation, the Commission declined to include fresh pineapple in the domestic like product. In so doing, the Commission noted that the interchangeability between fresh pineapple and CPF was limited given that fresh whole pineapples are more perishable than CPF; the fresh forms of pineapple contain the enzyme bromelain which restricts their use in many applications for which CPF is suited; and greater effort is needed to prepare the fresh forms of pineapple for consumption. In addition, the Commission found that the production processes differed as the production process for fresh pineapple ends with the pineapple harvest, whereas CPF undergoes substantial processing, including heating. Finally, the Commission found that there were substantial price differences between CPF and the fresh forms of pineapple. Original Determination at I-6-I-7.

¹⁵ First Review Determination at 5.

B. Domestic Industry

Section 771(4)(A) of the 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.”¹⁶

In the original investigation, the Commission defined the domestic industry as all U.S. producers of CPF. In so doing, the Commission declined to include pineapple growers in the domestic industry on the basis that CPF is not produced from whole pineapple through a single continuous line of production and that whole pineapple is not substantially or completely devoted to the production of CPF.¹⁷ In the first five-year review, the Commission again defined the domestic industry as all domestic producers of CPF. It noted that no party argued to include pineapple growers and the data collected in the first review did not support including the growers as members of the domestic industry.

In this second five-year review, no party has raised any issue with respect to the definition of domestic industry, and there is no new information that calls into question the Commission’s previous finding with respect to the non-inclusion of growers in the industry. Given our definition of the domestic like product, we define the domestic industry as all domestic producers of CPF.

III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDER IS REVOKED

A. Legal Standard in a Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”¹⁸ The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”¹⁹ Thus, the likelihood standard is prospective in nature.²⁰ The U.S. Court of International Trade has found that “likely,” as used in the five-year review

¹⁶ 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int’l Trade 1994), aff’d, 96 F.3d 1352 (Fed. Cir. 1996).

¹⁷ Original Determination at I-8.

¹⁸ 19 U.S.C. § 1675a(a).

¹⁹ SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

²⁰ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{21 22 23}

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”²⁴ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”²⁵

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”²⁶ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).²⁷

²¹ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d without opinion, 05-1019 (Fed. Cir. August 3, 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

²² For a complete statement of Commissioner Okun’s interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review) (Remand), USITC Pub. 3754 (Feb. 2005).

²³ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” but she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue.

²⁴ 19 U.S.C. § 1675a(a)(5).

²⁵ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

²⁶ 19 U.S.C. § 1675a(a)(1).

²⁷ 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the order under review. The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”²⁸ The following conditions of competition are relevant to our determination.

CPF is produced from fresh pineapple from which the peel and core have been removed. CPF is a shelf-stable food used principally as a dessert or side dish. There are four possible grades of CPF sold in the United States: U.S. Grade A (fancy), U.S. Grade B (choice), U.S. Grade C (standard) and Substandard. The grading criteria for CPF includes color, uniformity of size and shape, defects, character, flavor, and tartness. CPF is typically sold in 20-ounce, 15-15.5-ounce, and 8-ounce cans at the retail level and 1-gallon (number 10) cans at the food service level.²⁹

The record in this review indicates that the domestic like product and the subject product are considered generally substitutable. The record also indicates that domestic and subject CPF are considered to be interchangeable within grade.³⁰ In the original investigation and first five-year review, domestic CPF was perceived by some purchasers as being of higher quality than imports sold as private labels and regional brands. In this second review, one *** purchaser reported that it considered domestic CPF to be of higher quality and one retail purchaser reported that domestic CPF is superior in having its product meet industry standards when compared to subject CPF.³¹

CPF processing is a mature industry in terms of machinery and method. Although Maui is considering constructing a new canning operation, its current canning facility is 85 years old.³² All responding Thai producers reported that there have been no changes in the production technology used for CPF since the first review. According to the Thai respondents, this lack of change is due to the mature nature of the CPF product.³³

The U.S. market is supplied by the domestic producer, Thai subject and non-subject producers, and nonsubject producers in other countries. During the period examined in this review, Maui’s U.S. market share increased from *** percent in 2000 to *** in 2001. Since 2001, however, the domestic industry’s market share decreased steadily.³⁴ Although Maui’s market share has been historically ***, its market share fell to *** in the last two years of the period of review. In 2005, the domestic industry held only a *** percent share of the U.S. market.³⁵ In the interim period 2006, the domestic industry’s market share was *** percent compared to *** percent in interim 2005.³⁶ From 2000 through 2003, subject imports’ market share remained fairly steady, at *** percent in 2000, *** percent in 2001, *** percent in 2002, and *** percent in 2003. However, following the revocation of the order with respect to four subject producers, subject imports’ market share declined. In 2004, subject imports’ market share fell to *** percent. In 2005, subject imports’ market share fell further to *** percent.³⁷ Subject imports’ market

²⁸ 19 U.S.C. § 1675a(a)(4).

²⁹ CR at I-16-I-17; PR at I-13-I-14.

³⁰ CR at II-27; PR at II-20.

³¹ CR at II-25; PR at II-18.

³² Hearing Transcript at 21.

³³ CR at I-20; PR at I-16.

³⁴ CR/PR at Table I-1.

³⁵ CR/PR at Table I-1.

³⁶ CR/PR at Table I-1.

³⁷ CR/PR at Table I-6.

share was *** percent in interim 2006 compared to *** percent in interim 2005.³⁸ Nonsubject imports' share of the market increased from *** percent in 2000 to *** percent in 2005.³⁹ In interim 2006, nonsubject imports' market share was *** percent compared to a *** market share in interim 2005.⁴⁰ Roughly *** of the increase in nonsubject imports' market share followed the revocation of the order on imports from four Thai producers who continued to ship to the U.S. market following the revocation.⁴¹ In addition to Thailand, other major sources of nonsubject imports of CPF include the Philippines, China, and Indonesia.⁴²

Maui has both fresh pineapple and CPF operations, making it a horizontally and vertically integrated business.⁴³ Pineapple grown by Maui is sold as fresh or fresh cut, or processed into CPF or juice.⁴⁴ Since 1995, Maui's capacity to produce CPF has remained constant at *** cases.⁴⁵ While its CPF production capacity has remained constant, Maui generally has reduced the acreage planted for pineapple production during the second period of review. According to Maui, this general trend has been to reduce planting in order to reduce downside exposure to losses from unfairly priced Thai imports. It indicates that its "current strategy is to expand its presence in the fresh pineapple market, while selectively reducing its reliance on the processed pineapple market."⁴⁶ As a result of this strategy, Maui decreased the tonnage of pineapple going to its cannery during the second review period and, in 2004, began to commensurately reduce the number of purchasers and channels of distribution it serves.⁴⁷

As the Commission found in both the original investigation and first-five year review, pineapple production occurs in two and four year cycles. Once planted, a crop will yield its first harvest in 18 to 22 months and a second harvest 12 months thereafter. After the first harvest, the size of the fruit typically decreases. If the field is in good condition, a third crop, called the second ratoon, may be produced. After the last harvest, the field is left fallow for nine months. Pineapples may be grown differently depending on the principal end use (fresh or processed) intended for the crop.⁴⁸ Once the crop has been planted, a producer's ability to respond to changes in demand for CPF is limited.⁴⁹

Thailand is the world's largest producer of pineapple, most of which is processed into CPF and then exported. Most Thai CPF producers do not grow pineapples, but purchase pineapple fruit from local growers. The Thai pineapple industry consists of thousands of small farms and is largely unintegrated. Individual growers respond to the price of fresh pineapple and inputs, such as fertilizer, in determining the acreage of pineapple to be harvested. These factors contribute to significant volatility in Thai production.⁵⁰ Additionally, the Thai industry generally is subject to cyclical production based on the crop cycle for fresh pineapple described above. Thai pineapple production is subject to a four-year growing

³⁸ CR/PR at Table I-6.

³⁹ CR/PR at Table I-6.

⁴⁰ CR/PR at Table I-6.

⁴¹ CR/PR at Table I-6.

⁴² The bulk of the increase in nonsubject Thai imports were to the first tier or national brand label channel, where Maui's shipments do not directly compete. CR/PR at Table IV-11.

⁴³ CR at I-19, II-1; PR at I-15, II-1.

⁴⁴ CR at II-1; PR at II-1.

⁴⁵ CR/PR at Table I-1.

⁴⁶ CR at III-5; PR at III-3.

⁴⁷ CR at III-6; PR at III-3.

⁴⁸ CR at I-18; PR at I-15.

⁴⁹ CR at II-7; PR at II-2.

⁵⁰ CR at II-8-II-10; PR at II-4; Maui's Prehearing Brief at 20-22.

cycle, although the cycle can shift somewhat as a result of certain weather conditions, such as El Nino.⁵¹ The record indicates that Thai production of fresh pineapple reached a peak in 1999 and increased in 2003 and 2004.⁵² Consistent with this cycle, the Thai industry is entering the high end of the cycle.

Thai respondents note that approximately 50 percent of the Thai pineapple crop is fit only for standard grade CPF.⁵³ A significant portion of the remaining Thai crop is therefore of choice or fancy grade quality pineapple.

In this second review period, apparent U.S. consumption increased overall by *** percent. Apparent U.S. consumption was *** cases in 2000, *** cases in 2001, *** cases in 2002, *** cases in 2003, and *** cases in 2004. In 2005, apparent U.S. consumption was *** cases, slightly less than the 1992 level.⁵⁴ In comparing the interim periods, apparent U.S. consumption was *** cases in January-September 2006 compared to *** cases in January-September 2005.⁵⁵ According to a majority of responding producers, importers, and purchasers, no significant changes in demand are anticipated for the foreseeable future.⁵⁶ However, the record indicates that there has been a slight shift away from CPF to processed pineapple in alternative containers (such as plastic containers) during the second period of review.⁵⁷

The U.S. market structure is relatively unchanged since the time of the original investigation and first review. CPF continues to be sold in the retail, food service, and industrial channels of distribution. CPF is sold on the basis of a three-tiered pricing system. The first tier consists of national brands, such as Dole and Del Monte, which are the most expensive. The second tier is the middle-priced private label tier and consists of grocery retailer brands or food service wholesalers. The second tier is further subdivided into first and second private labels. First private labels are meant to offer an alternative to national brands by being comparable in quality. Second private labels compete primarily on the basis of price. The third tier consists of regional brands. Regional brands typically pay fees to have their products carried by retail grocery chains, are responsible for their own promotion, and are often replaced if sales decline.⁵⁸ As noted in the original and first review determinations, prices in one tier can impact prices and sales in the other tiers.⁵⁹

At the time of the original investigation, *** domestic CPF sales in the retail and food service channels were to the *** while Thai subject imports *** were sold into the regional brand, or third tier.⁶⁰ During the first review, most of Maui's sales were to the private label or second tier of the market. Subject imports were sold primarily to the first tier of the market with the remainder of the sales ***.⁶¹ In this second review, Maui indicated that *** in 2005.⁶² In 2004 and 2005, *** percent, respectively, of sales of subject imports were to the first private brand labels.⁶³ While there were some sales of the subject

⁵¹ CR at II-9; PR at II-4-II-5.

⁵² CR at II-9; PR at II-4-II-5.

⁵³ Thai Respondents Prehearing Brief at 11.

⁵⁴ CR/PR at Table I-1.

⁵⁵ CR/PR at Table I-1.

⁵⁶ CR at II-18; PR at II-12.

⁵⁷ CR at II-20-II-21; PR at II-12.

⁵⁸ CR at II-1-II-2; PR at II-1-II-2.

⁵⁹ Original Determination at I-14; First Review Determination at 10; CR at II-4; PR at 11-1.

⁶⁰ Original Determination at I-13.

⁶¹ First Review Determination at 10-11.

⁶² CR at II-4; PR at II-1.

⁶³ CR at II-4; PR at II-1.

product to regional brands, there were very few or no sales of subject imports to national brands.⁶⁴ Consequently, there is a significant amount of overlap in the tiers in which the domestic like product and subject imports are sold. The degree of overlap has increased since the original investigation and first review.

In the original investigation and first five-year review, the Commission found that a portion of Maui's sales were to the U.S. government and subject to "Buy America" requirements for which only Maui was qualified. Because these sales were required to be at market prices, the Commission concluded that Maui's sales to the U.S. government under the Buy America provisions did not shield it from the impact of low-priced subject imports.⁶⁵ According to the record in this review, Maui's shipments to U.S. government/Buy America purchasers increased overall by *** percent from 2000 to 2005.⁶⁶ These sales to the U.S. government (the largest share of which was to the USDA) accounted for between *** percent and *** percent of Maui's annual sales on a quantity basis for the same period.⁶⁷ While Maui's sales to the U.S. government have increased over the second period of review, Maui indicates that it does not have a long term contract with the USDA. Additionally, Maui's sales to the USDA are made through a bidding process that the USDA conducts for its commodity purchase recipients such as ***.⁶⁸ Because widely available, open market pricing data for CPF is generally limited, in determining whether Maui's bid will be accepted the USDA relies on ***.⁶⁹ If the quoted prices are higher than ***.⁷⁰

Based on the record evidence, we find that these conditions of competition in the domestic CPF market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we have taken these conditions of competition into account in assessing the likely effects of revocation of the antidumping duty order within the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the antidumping duty order were revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁷¹ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁷²

In the original determination, the Commission found that the volume of subject imports was significant despite decreases in both quantity and market share over the period of investigation. It noted that imports of Thai CPF declined from roughly 12.8 million cases in 1992 to 11.3 million in 1994.

⁶⁴ This decrease of sales of subject imports to the national brand tier followed the revocation of the order on Dole's CPF imports from Thailand in 2004. CR at II-4; PR at II-2.

⁶⁵ Original Determination at I-10; First Review at 9-10.

⁶⁶ CR at III-10; PR at III-5.

⁶⁷ CR at III-10; PR at III-5.

⁶⁸ CR at III-11-12; PR at III-5-6.

⁶⁹ CR at III-12; PR at III-6.

⁷⁰ CR at III-12-13; PR at III-6.

⁷¹ 19 U.S.C. § 1675a(a)(2).

⁷² 19 U.S.C. § 1675a(a)(2)(A-D).

Subject imports' market share also decreased throughout the period. However, the Commission found that for each year of the period of investigation, subject imports' market share was three times greater than Maui's share and subject imports represented the largest single source of CPF in the U.S. market.⁷³

In the first five-year review, the Commission found that the volume of subject imports likely would be significant if the order were revoked. In reaching this determination, the Commission noted the sizeable presence retained by subject imports in the U.S. market, notwithstanding the order and despite declines in both market share and volume; the ability of subject producers to increase their U.S. market share; the increased volume of subject imports in the latter part of the period; the existence of Thailand's very large capacity to produce CPF; the dramatic increase of subject producers' inventories; the demonstrated export orientation of the Thai industry; and the attractiveness of the U.S. market.⁷⁴

In this second five-year review, the volume of subject imports declined from 6.0 million cases in 2000 to 5.6 million cases in 2001, then increased to *** cases in 2002, and to *** cases in 2003. The volume of subject imports declined to 5.1 million cases in 2004 and 1.0 million cases in 2005. This decline in the volume of subject imports in the latter portion of the second period of review was in part due to the revocation of the order on four subject producers from 2002 to 2004. In interim January-September 2006, the volume of subject imports increased to 882,000 cases compared 794,000 cases in January-September 2005.⁷⁵

The record indicates that Thailand continues to be the world's largest producer of fresh pineapple and CPF. The Commission received questionnaire responses from subject Thai producers who account for approximately 43.8 percent of subject Thai CPF production.⁷⁶ The reported production capacity of subject Thai producers is substantial and increased slightly over the period of review.⁷⁷ In 2005, reported subject producer capacity was 12.3 million case equivalents, which was roughly equal to *** of apparent U.S. consumption and equal to more than *** times domestic production of CPF for the same year. Responding subject Thai producers project a further increase in production capacity to 12.5 million case equivalents in 2006 and 2007.⁷⁸

The record indicates that responding subject producers have considerable unused capacity that could be utilized to increase their exports to the United States if the order were revoked. During the second period of review, subject producers' reported capacity utilization rates fell from a high of 86.9 percent to 65.7 percent in 2002, increased to 77.8 percent in 2003, and then fell to 75.2 percent in 2004.⁷⁹ In 2005, responding subject producers' unused capacity was 3.2 million case equivalents, which is more than *** domestic production for the same year.^{80 81}

As noted in the conditions of competition discussion above, Thai pineapple and CPF production are subject to a boom or bust cycle. Production of fresh pineapple peaked in 1990, 1994, and 1999 (delayed one year because of the weather conditions). In 2002, fresh pineapple production in Thailand

⁷³ Original Determination at I-13.

⁷⁴ First Review Determination at 11-12.

⁷⁵ CR/PR at Table I-6.

⁷⁶ CR at IV-19; PR at IV-12.

⁷⁷ Subject Thai production capacity increased irregularly from 12.2 million case equivalents in 2000 to 12.3 million case equivalents in 2005. CR/PR at Table IV-11.

⁷⁸ CR/PR at Table IV-11.

⁷⁹ CR/PR at Table IV-11.

⁸⁰ Calculated from CR at Tables I-1 and IV-11.

⁸¹ In interim 2005 and interim 2006, subject producers reported capacity utilization rates of 53.7 percent and 73.2 percent. CR/PR at Table IV-11. Thus, in interim 2006, responding subject producers had unused capacity of 2.5 million case equivalents, which is more than *** U.S. production for the same period. Calculated from CR/PR Tables IV-11 and I-6.

fell to its lowest level since 1990, but increased in both 2003 and 2004. According to foreign producer questionnaire data, subject Thai production decreased by 25.7 percent between 2000 and 2002, then rose by 17.6 percent from 2002 to 2004, commensurate with the fall and rise in fresh pineapple production. Following the four-year cycle, fresh pineapple production in Thailand will likely reach its peak between 2006 and 2008. Indeed, Thai subject producers project an increase in both production and capacity utilization in 2006 and 2007, signaling that fresh pineapple production will peak at that time.⁸²

The record also shows that Thai subject producers continue to be export oriented. In 2005, exports accounted for 96.6 percent of reported total subject shipments of CPF.⁸³ Exports of CPF by responding subject producers to third-country markets ranged from a high of 8.3 million cases in 2000 to a low of 6.6 million cases in 2002, with the largest share of exports going to the European Union (“EU”), followed by Japan and Russia.⁸⁴ In addition, subject producers have demonstrated an ability to shift with relative ease among export markets.⁸⁵ For example, exports to the EU and Japan declined from 56.6 and 11.7 percent of total shipments in 2000 to 46.8 and 9.9 percent of total shipments in 2005, respectively. Shipments to Canada, Russia, and all other markets increased from a cumulative 15.0 percent of total shipments in 2000 to 39.2 percent of total shipments in 2005.

The attractiveness of the U.S. market would provide subject producers an incentive to shift exports to the United States. The United States is the second-largest market and largest single market for the CPF in the world and historically has been the largest destination for the Thai CPF industry as a whole.⁸⁶ Although the EU is slightly larger, the U.S. market is four times the size of the next largest markets, Japan and Russia, and is the largest market for choice grade CPF.⁸⁷

Thai respondents argue that they are unlikely to shift their exports to the U.S. market because their shipments to the EU and Russian markets are predominantly of standard grade CPF and the U.S. market prefers choice grade.⁸⁸ However, while their sales may be predominately of standard grade, the remainder of subject producers’ sales consist of choice or fancy grade CPF. Indeed, the record shows that the EU purchases both choice and standard grade CPF.⁸⁹ Given the generally higher prices for CPF in the U.S. market, the Thai subject producers have an economic incentive to shift their exports of these products from the EU or Russian markets to the U.S. market if the order were revoked. Finally, we note that roughly one-half of subject producers’ CPF production consists of choice and fancy grade CPF.⁹⁰ As Thai respondents themselves have indicated, the demand for choice/fancy grade is limited in both the EU and Russian markets. Given the U.S. market’s size and high prices relative to subject producers’ sales in other markets as well as subject producers’ export orientation, the U.S. market would likely be an attractive outlet for subject producers’ CPF exports of choice and fancy grade CPF.

Thai respondents argue that they would be unlikely to shift their exports of fancy grade CPF away from the Japanese market, which, since 2003, is the highest-priced market in the world. Although Japan commands higher prices for CPF, Thai exports to Japan are subject to a tariff rate quota, which limits Thai exports to that market. Indeed, throughout the second period of review, subject producer

⁸² ***, *** Importer Questionnaire at 22.

⁸³ CR at IV-21; PR at IV-14.

⁸⁴ Calculated from CR/PR at Table IV-11.

⁸⁵ CR/PR at Tables IV-11

⁸⁶ CR/PR at Table IV-16.

⁸⁷ CR/PR at Table IV-20.

⁸⁸ Thai Respondents’ Prehearing Brief at 11.

⁸⁹ Maui’s Posthearing Brief at 14; Thai Respondents Prehearing Brief at 20. Indeed, Thai Respondents have indicated that they sell choice grade to several country members of the EU. Thai Respondents Posthearing Brief at 3.

⁹⁰ Thai Respondents’ Prehearing Brief at 11.

exports to Japan declined.^{91 92} Therefore, the Japanese market is not a viable outlet for a significant percentage of subject Thai production.

The volume of subject imports would be significant even in a market where there is a large volume of non-subject imports from Thailand. The non-subject imports from Thailand are largely concentrated in the first tier, or national brand, channel of the market where they do not directly compete with the domestic like product. During the original investigation, approximately *** of subject imports were to the food service channel.⁹³ However, since the imposition of the order only *** of subject imports have been to the food service channel.⁹⁴ Thus, the behavior of subject imports during the original investigation indicates that upon revocation of the order the volume of subject imports that compete directly against the domestic like product would increase significantly.

In sum, subject producers' substantial production capacity and unused capacity, subject producers' export orientation and their demonstrated ability to shift between markets, the projected increase in Thai CPF production, as well as the attractiveness of U.S. market indicate that subject producers are likely to increase exports to the United States significantly if the antidumping duty order were revoked. Accordingly, we find that the likely volume of subject imports relative to consumption and production in the United States, would be significant, absent the restraining effect of the order.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the order under review were revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁹⁵

In the original determination, the Commission found that subject imports significantly undersold the domestic product. It determined that first private labels were consistently priced 10 to 15 percent below national brands, and that second private labels were consistently priced below first private labels and regional brands. The Commission found that 20 percent of Thai CPF was sold as private brand labels, and that Thai CPF sold in different tiers impacted sales of the domestic product through inter-tier price competition. The Commission also determined that neither perceived quality differences nor brand preference was sufficient to insulate Maui from the effects of competition from subject imports.⁹⁶

In the first five-year review, the Commission determined that subject imports would likely have significant adverse effects on domestic prices if the order were revoked. In reaching this determination, the Commission found that the three-tiered pricing system increased the domestic industry's vulnerability to dumped imports given that there was "significant price competition" between domestic CPF and

⁹¹ CR at IV-40; PR at IV-25.

⁹² Australia imposed an antidumping duty order on all CPF from Thailand. Since imposition of the order, Thai exports CPF to Australia have declined. CR at IV-40; PR at IV-25.

⁹³ CR/PR at Table II-1.

⁹⁴ CR/PR at Table II-1.

⁹⁵ 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

⁹⁶ Original Determination at I-15.

subject CPF “both in head to head competition and inter-tier competition.”⁹⁷ The Commission also observed that the “prices in any one segment of the market impact prices in the other two segments” and, as a result, “declining prices in the first tier of the market will cause price declines in both the second and third tiers.”⁹⁸ The Commission noted that subject imports of product 1 (20-oz. cans) sold to the first private label tier undersold the domestic product in 22 out of 23 price comparisons. The Commission pointed out that subject imports undersold the U.S. product in virtually all comparisons of product 2 (number 10 cans) and that product 2 was sold into the food service channel.⁹⁹

The record in this second five-year review reveals that price continues to be an important factor in purchasing decisions and that the domestic like product and the subject product are considered generally substitutable. Additionally, the domestic producer and a majority of importers reported that domestic and Thai CPF of the same grade can be used interchangeably. A majority of importers also indicated that there were not significant differences in product characteristics or sales conditions between the domestic product and subject CPF. The record also indicates that certain non-price advantages that Maui had in the original investigation and first review, such as superior quality and brand preference, have dissipated. In the original investigation and first five-year review, domestic CPF was perceived by some purchasers as being of higher quality than imports sold as private labels and regional brands. In this second review, only one *** purchaser reported that it considered domestic CPF to be of a higher quality, and only one *** purchaser reported that domestic CPF is superior in having its product meet industry standards when compared to subject CPF.¹⁰⁰

In the original investigation and first review, the domestic product and subject product were generally sold in different tiers, with Maui’s sales concentrated in the first private label tier and most of the subject imports concentrated in the national brand tier and the remaining subject product split among the private brand label tier and regional brand tier.¹⁰¹ However, in this second review, direct competition between the domestic product and subject imports has increased. In this second review, Maui indicated that ***.¹⁰² In 2004 and 2005, *** percent, respectively, of sales of subject imports were to the first private brand labels.¹⁰³

The record indicates that the subject product continued to undersell the domestic product during the period of review. Pricing data collected with regard to first-tier private label sales of product 1 (20 oz. cans sold into retail) show that subject imports undersold the domestic product in all 27 quarters where comparisons were possible. The margins of underselling averaged 53.2 percent and ranged between 41.6 percent and 61.4 percent.¹⁰⁴ Pricing data collected with respect to product 2 (10 oz. can for food service) to first private label brands undersold the domestic product in all 13 quarters where comparisons were

⁹⁷ First Review Determination at 12.

⁹⁸ First Review Determination at 12.

⁹⁹ First Review Determination at 12.

¹⁰⁰ CR at II-5; PR at II-18; Maui’s Prehearing Brief at 14-15.

¹⁰¹ Original Determination at I-13; First Review Determination at 9-10.

¹⁰² CR at II-4; PR at II-1.

¹⁰³ CR at II-4; PR at II-1.

¹⁰⁴ CR/PR at Table V-1.

possible. Margins of underselling for product 2 averaged 38.6 percent and were highest in the first three quarters of 2004 at *** percent.^{105 106}

We note that a *** portion of Maui's sales during the period of review were to the U.S. government, in particular, the USDA.¹⁰⁷ These sales are governed by Buy America or similar provisions, which generally require that the purchases are of a domestically produced product. Although Thai respondents argue otherwise, Maui's sales under these provisions do not shield it from price effects from subject imports. USDA purchases for entitlement or bonus program recipients are done through a bidding process. The USDA uses benchmarks to determine if Maui's quoted prices for CPF are at market prices. If the quoted prices are higher than ***,¹⁰⁸ Indeed the price data for Maui's sales to USDA indicate that difference in prices for Maui's shipments of product to the USDA and to non-USDA/Buy America customers were typically less than \$***.¹⁰⁹ For example, Maui's sales to *** are within *** percent of the prices for sales to USDA and, in some instances, prices for sales to *** the price of sales to USDA.¹¹⁰

As explained in the section discussing likely volume, there is an incentive for subject foreign producers to ship to the U.S. market. In light of the importance of price in the market, the substitutability of domestic and subject product, the negative price effects of low-priced imports found in the original investigation, subject imports' history of underselling and continued underselling during the review period, the increased direct competition between subject imports and the domestic product, and the incentive to obtain market share in the relatively high-priced, large, and stable U.S. market, we find that subject imports will likely have adverse effects on domestic prices. We determine that, if the order were revoked, significant volumes of subject imports would be likely to significantly undersell the domestic like product to gain market share and would be likely to have significant depressing or suppressing effects on the prices of the domestic like product within a reasonably foreseeable time.

E. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order were revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2)

¹⁰⁵ The pricing data also revealed that the price of subject Thai product 1 and 2 sold to first private labels was lower than the price of the same Thai product sold to second private brand labels and regional brands which traditionally have been priced lower than first private brands. CR/PR at Table V-1. Prices for subject Thai product shipments to the different channels also followed a similar trend. CR/PR at Table V-5.

¹⁰⁶ We note that the average prices for product 1 sold as national brands declined sharply after the ***. This would indicate that the price behavior of one of the *** of nonsubject Thai imports is different than the behavior of the remaining subject Thai imports.

¹⁰⁷ CR at II-21-II-22; PR at II-14-II-15.

¹⁰⁸ CR at III-12-III-13; PR at III-6.

¹⁰⁹ CR/PR at Table III-14.

¹¹⁰ CR at V-14; PR at V-6-V-7. Thai respondents allege in their posthearing brief that Maui's sales to USDA are made through an intermediary company that apparently benefits from a large markup in the price USDA pays for domestic product compared with the price Maui receives for sales of its domestic product into the commercial market. Thai Respondents' Posthearing Brief at 7-11. Maui makes its USDA sales through an unrelated intermediary, Kent Corp. d.b.a. Harvest Pride. Harvest Pride *** during these transactions between Maui and USDA. Maui ***. Maui ***. CR at III-12 and n. 35; PR at III-6 and n. 35; Staff Pricing Verification Report at 4. The alleged pricing difference between Maui's commercial sales and government sales is explained by the fact that ***. Following conversion and revision adjustments by Commission staff to ensure consistency in comparison, USDA's data were no longer inconsistent with or significantly different from data provided by Maui.

likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.¹¹¹ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.¹¹² As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order were revoked.¹¹³

In the original determination, the Commission found that the large volume of subject imports coupled with price depression or suppression had a significant adverse impact on the domestic industry, “particularly through the decrease in net sales which contributed to substantial operating losses.”¹¹⁴ As a result, the Commission found that Maui’s financial condition deteriorated throughout the period.¹¹⁵

In the first five-year review, although the Commission determined that the domestic industry had improved following the imposition of the order, it found the domestic industry vulnerable to material injury if the order were revoked. In so doing, it observed that in 2000, the domestic industry incurred operating losses and experienced a decline in net sales volume from 1995 to 2000. In the latter part of the first period of review, the Commission found that the domestic industry’s production, capacity utilization, and market share declined.¹¹⁶

The Commission determined that a significant volume of subject imports combined with likely negative price effects would have a significant adverse impact on the domestic industry if the order were revoked. According to the Commission, as a result of the volume and price effects of the subject imports the domestic industry would likely lose market share. In turn, the domestic industry’s production, shipments, sales, and revenue levels would decline, thereby adversely impacting the domestic industry’s ability to raise capital and maintain necessary investments.¹¹⁷

In this second five-year review, we find that the domestic industry is currently vulnerable, as its trade and financial indicators have declined throughout the period of review. Although Maui’s capacity to produce CPF has remained constant from 2000 to 2005 and in the interim periods,¹¹⁸ Maui’s capacity

¹¹¹ 19 U.S.C. § 1675a(a)(4).

¹¹² 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. In its second five-year review, Commerce found that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at the following margins: 51.66 percent for SAICO; 41.74 percent for Malee; and for all others a margin of 24.64 percent. Commerce has not issued any duty absorption determinations with respect to the order.

¹¹³ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

¹¹⁴ Original Determination at I-17.

¹¹⁵ Original Determination at I-18.

¹¹⁶ First Review Determination at 13.

¹¹⁷ First Review Determination at 13.

¹¹⁸ Maui’s production capacity was reported to be ***cases from 2000 through 2005, and *** cases in both interim 2005 and 2006. CR/PR at Table III-1.

utilization rates declined over the period of review, from *** percent in 2000 to *** percent in 2005.¹¹⁹ In the interim 2005 and interim 2006 periods, Maui reported capacity utilization rates of *** percent and ***, respectively. In tandem with the decline in capacity utilization, domestic production fell by over *** percent, from *** cases in 2000 to *** cases in 2005.¹²⁰ Domestic production was *** cases in interim 2005 and *** cases in interim 2006. At the same time, Maui's commercial shipments in terms of quantity and value declined from 2000 to 2005 and were lower in interim 2006 than in interim 2005.¹²¹ Employment levels declined by *** percent overall from 2000 levels.¹²²

Maui's financial condition also worsened throughout the period of review. Total net sales declined in terms of quantity and value, resulting in a net decline in Maui's revenues.¹²³ Although its gross profit remained relatively stable throughout the second period of review, Maui ***in 2005.¹²⁴ Maui's ***.¹²⁵ At the same time, Maui's operating margins were *** and in interim 2005 and 2006, *** percent and *** percent, respectively.^{126 127}

These financial losses have forced Maui to postpone the construction of a new canning facility due to current conditions of competition in the U.S. market. Because Maui has deferred its plan to build a new canning facility, it has been forced to utilize its 85-year-old canning facility, which in turn has resulted in higher capital expenditures in the latter part of the period.^{128 129}

As a result of Maui's poor performance in the CPF market, Maui's current business strategy is to expand its presence in the fresh pineapple market, while selectively reducing its reliance on the processed pineapple market. We recognize that Maui is currently in transition and that Maui's ultimate goal with respect to CPF is to streamline its operations in order to be competitive in the U.S. market. However, Maui's strategy with respect to CPF has not been fully implemented. Although certain aspects of its plan,

¹¹⁹ CR/PR at Table III-3.

¹²⁰ CR/PR at Table III-3.

¹²¹ CR/PR at Table III-3. Maui's domestic commercial shipments in terms of quantity fell from *** cases in 2000 to *** cases in 2005. Maui's commercial shipments in terms of quantity were *** cases in interim 2005 and *** cases in interim 2006. Maui's domestic commercial shipments in terms of value declined from \$*** to \$***. Maui's commercial shipments in terms of value were \$*** in interim 2005 and \$*** in interim 2006. CR/PR at Table III-3.

¹²² Calculated from CR/PR at Table III-9.

¹²³ CR/PR at Table III-10.

¹²⁴ CR/PR at Table III-10.

¹²⁵ CR/PR at Table III-10.

¹²⁶ CR/PR at Table III-10.

¹²⁷ Thai Respondents contend that Maui's financial data on CPF are misleading. They maintain that Maui has included non-recurring items that make its financial data look worse than they would be on a going-forward basis. Moreover, they insist that Maui's allocation of SG&A expenses across all business segments *** has skewed Maui's financials downward. Thai Respondents' Posthearing Brief at 15-16. However, as noted in the final staff report, the SG&A actually allocated to Maui's CPF operations included two components -- one specific to Maui's operations and another component which represented Maui's share of allocated corporate SG&A. In contrast with the assertion of Thai respondents, SG&A specific to other business segments was not allocated to CPF. CR at III-27 n. 62. Additionally, the staff report presents pro forma financial results eliminating the effect of non-recurring SG&A items. CR at III-27 n. 65; PR at III-12 n. 65. While the magnitude of Maui's pro forma losses were lower, Maui continues to experience losses and the underlying trend of continued poor performance remains the same.

¹²⁸ CR at III-6, III-29; PR at III-4, III-13.

¹²⁹ Maui's capital expenditures decreased from \$*** in 2000 to \$*** in 2003, but increased to \$*** in 2004 due to the need to upgrade equipment. In interim 2005, Maui's capital expenditures totaled \$*** and in interim 2006 totaled \$***. Maui's research and development expenses also *** from \$*** in 2000 to \$*** in 2005. In interim 2005, Maui's research and development expenses totaled \$***; and in interim 2006, they totaled \$***.

such as a reduction of net sales to lower-margin channels (with the accompanying loss of revenue) have taken place, others have not. Part of Maui's business plan has been to decrease the amount of fruit destined for processing into CPF but to increase its fresh fruit production. In an effort to do so, Maui has shifted to another variety of pineapple in 2004, thereby increasing the percentage of fields growing pineapple. This shift, while ultimately allowing Maui to decrease fruit destined for canning, will likely increase that amount in the next few years.¹³⁰ As such, until Maui's business strategy to remain competitive in the CPF market is fully realized, its recent efforts to reposition itself in the market may have increased Maui's susceptibility to likely material injury. Based on the decline in Maui's trade and financial indicators, as well as its transitory state, we find Maui to be currently vulnerable.

Thai Respondents argue that any likely adverse impact on the domestic industry would likely be the result of the substantial volumes of nonsubject Thai imports rather than an increase in subject imports if the order were revoked. However, as noted in our analysis of the likely volume and price effects of subject imports above, the presence of nonsubject Thai imports in the U.S. market does not preclude the finding of the likely recurrence or continuation of material injury to the domestic industry if the order were revoked. As the record indicates, the behavior of subject imports and the of behavior nonsubject Thai imports have been markedly different. Although the volume of nonsubject Thai imports in the U.S. market during the second review is substantial and would likely remain so if the order were revoked, nonsubject Thai imports largely compete in the national brand label channels, a channel in which Maui has not and does not compete. Additionally, in contrast to subject imports, which have undersold their own product in other tiers of the market even under the discipline of the order, nonsubject Thai imports (before and after the revocation of the order with respect to certain subject producers) have generally conformed to the three-tier pricing system.

We find that if the order were revoked, subject imports would be likely to adversely affect the domestic industry.¹³¹ As discussed above, revocation of the antidumping duty order likely would lead to significant increases in the volume of subject imports at prices that would likely undersell the domestic like product and significantly suppress or depress U.S. prices. In addition, the likely volume and price effects of the subject imports likely would cause the domestic industry to lose market share, with a significant adverse impact on the domestic industry's production, shipments, sales, and revenue levels. This reduction in the industry's production, shipments, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the order will result in commensurate employment declines for the domestic industry.

Accordingly, based on the record in this review, we conclude that, if the antidumping duty order were revoked, subject imports from Thailand would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order on canned pineapple fruit from Thailand would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

¹³⁰ CR at III-6; PR at III-3-4.

¹³¹ Thai respondents also argue that the likely impact of subject imports on the domestic industry is likely to be minimal based on their economic analysis which relied on the COMPAS model. As the staff report notes, several of the underlying assumptions of the Thai respondents' COMPAS model are flawed, and we, therefore, decline to place significant weight on their economic analysis. CR at II-29 n.47; PR at II-21 n.47.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On April 3, 2006, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (“the Act”), that it had instituted a review to determine whether revocation of the antidumping duty order on canned pineapple fruit (“CPF”)¹ from Thailand would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective July 7, 2006, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act.² Information relating to the background and schedule of the review is provided in the following tabulation.³

Effective date	Action
July 18, 1995	Commerce’s antidumping duty order (60 FR 36775)
May 30, 2001	Commerce’s continuation of the antidumping duty order after first five-year review (66 FR 29285)
April 3, 2006	Commerce’s initiation and Commission’s institution of a second five-year review (71 FR 16551, 71 FR 16585)
July 7, 2006	Commission’s decision to conduct a full five-year review (71 FR 47523, August 17, 2006)
August 2, 2006	Commission’s scheduling of the full review (71 FR 45073, August 8, 2006)
January 18, 2007	Commission’s hearing ¹
March 6, 2007	Commerce’s final results of full review (72 FR 9921)
March 15, 2007	Commission’s vote
March 29, 2007	Commission’s determination transmitted to Commerce

¹ App. B contains a list of witnesses appearing at the Commission’s hearing.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

¹ A complete description of the imported product subject to this review is presented in the “Subject Product” section of this part of the report.

² The Commission received an adequate response from the single domestic producer of canned pineapple fruit and therefore determined that the domestic interested party group response was adequate. The Commission received adequate responses from seven Thai producers of the subject product and one Thai foreign producers’ association and therefore determined that the Thai respondent interested party group response was adequate. *See Explanation of Commission Determinations on Adequacy*, app. A.

³ The Commission’s notice of institution, notice to conduct a full review, scheduling notice, and statement on adequacy appear in app. A and may also be found at the Commission’s web site (internet address www.usitc.gov). Commissioners’ votes on whether to conduct an expedited or full review may also be found at the web site.

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . . , (Commerce's findings) regarding duty absorption . . .

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) 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.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

- (A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,*
(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and
(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.”

SUMMARY DATA

Information obtained during the course of the review that relates to the above factors is presented throughout this report. A summary of data collected in the review is presented in appendix C. U.S. industry data are based on the questionnaire response of the sole domestic producer, Maui Pineapple Co., Ltd. (“Maui”) that accounted for all U.S. production of canned pineapple fruit during 2005. U.S. import data are based on official Commerce statistics.⁴ Responses by Maui, importers, and purchasers of CPF, and producers of CPF in Thailand to a series of questions concerning the significance of the existing antidumping duty order and the likely effects of revocation are presented in appendix D. Table I-1 presents a summary of data from the original investigation, first five-year review, and the current review; figure I-1 shows U.S. imports of CPF from Thailand since 1992.

⁴ Official Commerce statistics are used for imports because the HTS subheadings cover all of the subject merchandise. Information gathered from U.S. importers during this five-year review indicates that U.S. imports of pineapple fruit in non-metal containers accounted for less than *** percent of imports from Thailand. See the section entitled “Imports from Thailand in Non-Metal Packaging” in Part IV of this report for a detailed discussion of this issue. Products not subject to the Commission’s review that are classified under the applicable CPF subheadings are estimated to be minimal. E-mail from ***, December 8, 2006. Importers’ questionnaire responses accounted for 91 percent of total imports from Thailand in 2005.

Table I-1

CPF: Summary data from the original investigation, first five-year review, and the current review, 1992-94, 1995-99, and 2000-05

(Quantity=1,000 case equivalents; Value=1,000 dollars; unit values, unit labor costs, and unit financial data are per case equivalent)

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. consumption quantity: Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importer's share: Thailand ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other countries ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value: Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importer's share: Thailand ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other countries ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from-- Thailand:														
Quantity	12,792	12,641	11,328	7,310	5,734	5,562	3,634	8,555	6,042	5,625	6,113	7,363	8,001	9,253
Value	137,035	121,210	96,338	64,143	63,060	58,289	41,004	96,371	57,423	53,360	63,549	82,275	96,090	113,100
Unit value	\$10.71	\$9.59	\$8.50	\$8.77	\$11.00	\$10.48	\$11.28	\$11.26	\$9.50	\$9.49	\$10.40	\$11.17	\$12.01	\$12.22

Table continued on next page.

Table I-1--Continued

CPF: Summary data from the original investigation, first five-year review, and the current review, 1992-94, 1995-99, and 2000-05

(Quantity=1,000 case equivalents; Value=1,000 dollars; unit values, unit labor costs, and unit financial data are per case equivalent)

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
All other countries:														
Quantity	11,759	11,534	12,276	14,405	16,117	16,340	14,487	16,594	17,242	15,955	16,652	17,321	16,154	17,038
Value	123,703	121,534	113,149	126,368	169,370	187,971	167,737	195,387	176,469	149,613	162,036	174,401	168,083	181,236
Unit value	\$10.52	\$10.54	\$9.22	\$8.77	\$10.51	\$11.50	\$11.58	\$11.77	\$10.23	\$9.38	\$9.73	\$10.07	\$10.41	\$10.64
All countries:														
Quantity	24,552	24,174	23,604	21,715	21,851	21,901	18,121	25,149	23,284	21,580	22,765	24,685	24,154	26,290
Value	260,738	242,745	209,487	190,511	232,430	246,260	208,740	291,758	233,891	202,973	225,585	256,676	264,173	294,336
Unit value	\$10.62	\$10.04	\$8.88	\$8.77	\$10.64	\$11.24	\$11.52	\$11.60	\$10.04	\$9.41	\$9.91	\$10.40	\$10.94	\$11.20
U.S. producers'-- Capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments: Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory qty.	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
PRWs	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000 hours)	***	***	***	***	***	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table I-1--Continued

CPF: Summary data from the original investigation, first five-year review, and the current review, 1992-94, 1995-99, and 2000-05

(Quantity=1,000 case equivalents; Value=1,000 dollars; unit values, unit labor costs, and unit financial data are per case equivalent)

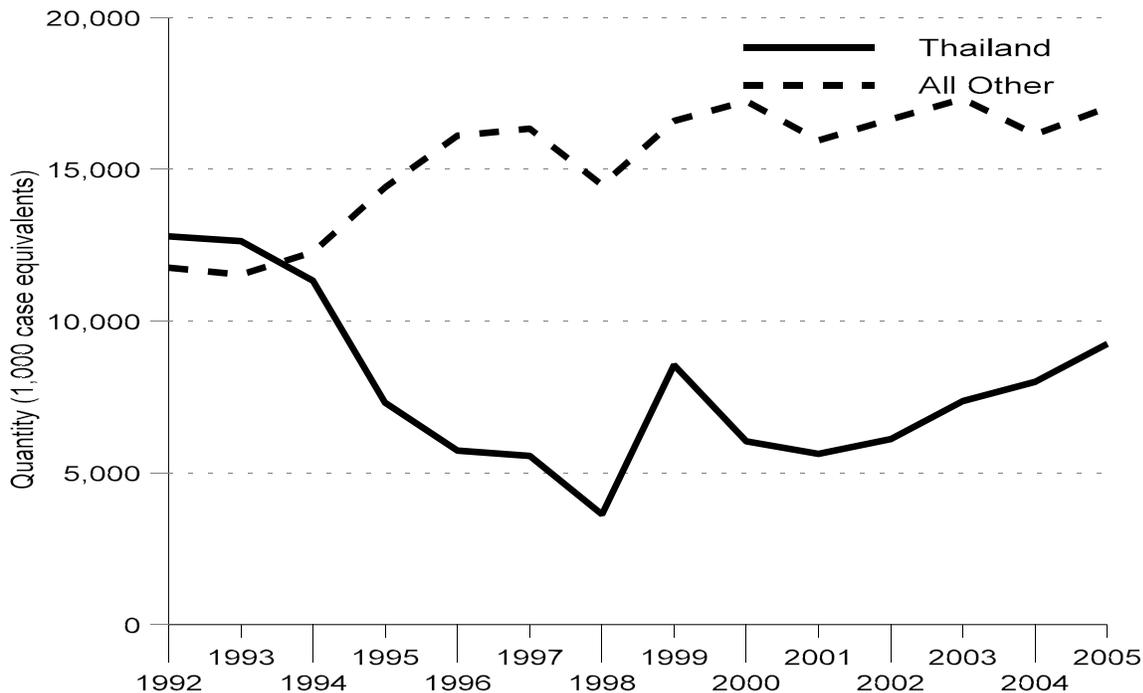
Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. producers'-- <i>Continued</i>														
Wages paid (1,000 dollars)	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (case equivalents per hour)	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales: Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit cost of goods sold	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold/sales ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses/sales ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales ¹	***	***	***	***	***	***	***	***	***	***	***	***	***	***

¹ In percent.

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

Source: Data for the period of the original investigation (1992-94) and the first five-year review (1995-99) were taken from *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)* - confidential staff report, INV-Y-066, April 9, 2001, Table I-1. Data for the period of the current review, 2000-05, were compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Figure I-1
CPF: U.S. imports from Thailand and all other sources, 1992–2005



Source: Table I-1.

THE ORIGINAL INVESTIGATION AND COMMERCE’S RESULTS OF THE FIRST AND SECOND FIVE-YEAR REVIEWS

On June 8, 1994, a petition was filed with the U.S. Department of Commerce (“Commerce”) and the Commission alleging that an industry in the United States was materially injured by reason of dumped imports of CPF from Thailand.⁵ Following affirmative determinations by the Commission and Commerce, Commerce issued an antidumping duty order on July 18, 1995.⁶

On June 5, 2000, the Commission instituted a five-year review pursuant to section 751(c) of the Act, to determine whether revocation of the antidumping duty order on imports of CPF from Thailand would likely lead to a continuation or recurrence of material injury.⁷ For its part, Commerce found that revocation of the order would be likely to lead to continuation or recurrence of dumping. On May 17,

⁵ The petition was filed by Maui (Kahului, HI) and the International Longshoremen’s and Warehousemen’s Union.

⁶ *Canned Pineapple Fruit From Thailand: Determination*, 60 FR 37073, July 19, 1995. *Notice of Antidumping Duty Order and Amended Final Determination: Canned Pineapple Fruit from Thailand*, 60 FR 36775, July 18, 1995.

⁷ *Institution of a Five-year Review Concerning the Antidumping Duty Order on Canned Pineapple Fruit from Thailand*, 65 FR 35666, June 5, 2000.

2001, following a full review, the Commission determined that revocation of the antidumping duty order on CPF from Thailand would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.⁸ Accordingly, effective May 30, 2001, Commerce issued a continuation of the antidumping duty order on imports of CPF from Thailand.⁹

In this second five-year review, on March 6, 2007, Commerce found that revocation of the antidumping duty order on CPF from Thailand would likely lead to continuation or recurrence of dumping. A summary of Commerce's results follows:

Manufacturer/ producer/exporter	Weighted-average margin (<i>percent ad valorem</i>)		
	Amended final determination (July 18, 1995) ¹	First five-year review final results (February 2, 2001) ²	Second five-year review final results (March 6, 2007) ³
Dole	1.73	1.73	Revoked
TIPCO	38.68	38.68	Revoked
SFP	--	--	Revoked
SAICO	51.16	51.16	51.16
Malee	41.74	41.74	41.74
All others	24.64	24.64	24.64

¹Notice of Antidumping Duty Order and Amended Final Determination: Canned Pineapple Fruit from Thailand, 60 FR 36775, July 18, 1995.
²Canned Pineapple Fruit from Thailand; Final Results of Full Sunset Review of Antidumping Duty Order, 66 FR 8777, February 2, 2001.
³Canned Pineapple Fruit from Thailand; Final Results of the Full Sunset Review of the Antidumping Duty Order, 72 FR 9921, March 6, 2007.

COMMERCE'S CHANGED CIRCUMSTANCES REVIEW

In response to a letter from The Thai Pineapple Public Co., Ltd. ("TPPC") notifying Commerce that its corporate name had changed to Tipco Foods (Thailand) Public Co., Ltd. ("TIPCO"), Commerce initiated a changed circumstances review of the antidumping duty order on canned pineapple fruit from Thailand in 2004.¹⁰ Commerce determined that TIPCO is the successor-in-interest to TPPC, and as such, entries of its subject merchandise are entitled to TPPC's cash-deposit rate.¹¹

⁸ Canned Pineapple Fruit From Thailand: Determination, 66 FR 27534, May 17, 2001.

⁹ Continuation of Antidumping Duty Order: Canned Pineapple Fruit From Thailand, 66 FR 29285, May 30, 2001.

¹⁰ Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Canned Pineapple Fruit From Thailand, 69 FR 30878, June 1, 2004.

¹¹ Final Results of Antidumping Duty Changed Circumstances Review: Canned Pineapple Fruit From Thailand, 69 FR 36058, June 28, 2004.

COMMERCE'S ADMINISTRATIVE REVIEWS

Commerce has conducted ten administrative reviews of the antidumping duty order on CPF from Thailand as shown in table I-2. As a result of those reviews, the antidumping duty order has been revoked with respect to the following manufacturers/exporters of CPF from Thailand:

Firm	Revocation date
SFP	December 31, 2002
Dole	August 13, 2004
KFC	August 13, 2004
TIPCO	August 13, 2004

**Table I-2
CPF: Commerce's antidumping duty margins from administrative reviews for Thailand**

Date of action	Federal Register citation	Period of review	Antidumping duty margin	
			Firm specific	
			<i>Percent ad valorem</i>	
02/13/1998	63 FR 7392	01/11/95-06/30/96	SFP	12.85
			TIPCAN	21.54
			TIPCO	27.85
08/14/1998	63 FR 43661	07/01/96-06/30/97	Malee	0.30
			PRAFT	11.87
			SFP	0.59
			SIAM	5.41
			TIPCAN	4.37
			TIPCO	5.24
Vita	51.16			
12/13/1999	64 FR 69481	07/01/97-06/30/98	KFC	3.57
			SFP	3.25
			SIAM	3.32
			TIPCO	9.87
			Vita	17.53

Table continued on next page.

Table I-2--Continued

CPF: Commerce's antidumping duty margins from administrative reviews for Thailand

Date of action	Federal Register citation	Period of review	Antidumping duty margin	
			Firm specific	
			Percent ad valorem	
12/13/2000	65 FR 77851	07/01/98-06/30/99	KFC	1.63
			Malee	1.04
			PRAFT	2.16
			SFP	0.37
			SIAM	1.31
			TPPC	1.95
			TPC	3.42
			TROFCO	4.02
			Vita	5.19
10/17/2001	66 FR 52744	07/01/98-06/30/99 ²	Dole	0.49 ¹
			KFC	1.15
			Malee	10.45
			SIAM	2.76
			SFP	0.18
			TIPCO	4.74
			TPC	2.33
			Vita	2.77
12/13/2002	67 FR 76718	07/01/00-06/30/01 ⁴	Dole	0.27
			KFC	0.39
			Malee	0.74
			SFP	0.09 ³
			SIAM	0.64
			TIPCO	0.44
			TPC	2.43
			Vita	1.94
11/19/2003	68 FR 65247	07/01/02-06/30/03 ⁵	Dole	0.49
			KFC	0.46
			Malee	7.61
			SIAM	8.39
			TIPCO	0.22
			TPC	51.16
			Vita	1.93 ⁶
08/13/2004	69 FR 50164	07/01/02-06/30/03	Dole	0.20 ⁷
			KFC	0.31 ⁷
			TIPCO	0.12 ⁷
			Vita	0.96
10/24/2005	70 FR 61432	07/01/03-06/30/04 ⁸	TPC	51.16
			Vita	9.12
12/07/2006	71 FR 70948	07/01/04-06/30/05 ⁹	TROFCO	51.16
			Vita	16.14

Footnotes on next page.

Table I-2--Continued

CPF: Commerce's antidumping duty margins from administrative reviews for Thailand

¹ The antidumping duty margin for Dole was amended after a final court decision was issued by the Court of International Trade in *Maui Pineapple Company, Ltd. v. United States*. The revised margin for Dole for the period of review was 0.98 percent, 68 FR 71062, December 22, 2003.

² This review was partially rescinded with respect to PRAFT and SAICO because they were found to have made no shipments to the United States of the subject merchandise during the period of review. 66 FR 52744, October 17, 2001.

³ This review resulted in the revocation of the antidumping duty order with respect to SFP, based on three consecutive review periods of sales at not less than normal value. 67 FR 76718, December 13, 2002.

⁴ This review was partially rescinded with respect to PRAFT because it was found to have made no shipments to the United States of the subject merchandise during the period of review. 67 FR 76718, December 13, 2002.

⁵ This review was partially rescinded with respect to four companies for which the requests for an administrative review had been withdrawn: Malee, PRAFT, SIAM, and TPC. 68 FR 60081, October 21, 2003.

⁶ The antidumping duty margin for Vita was amended after Commerce corrected a ministerial error. The revised margin for Vita for the period of review is 1.77 percent. 68 FR 75486, December 31, 2003.

⁷ The antidumping duty order was revoked with respect to Dole, KFC, and TIPCO because they demonstrated three consecutive years of sales at not less than normal value and their respective aggregate sales to the United States had been made in commercial quantities during the period.

⁸ The review was partially rescinded with respect to PRAFT because it was found to have made no shipments to the United States of the subject merchandise during the period of review. 70 FR 61432, October 24, 2005.

⁹ This review was partially rescinded with respect to PRAFT because it was found to have made no shipments to the United States of the subject merchandise during the period of review. 71 FR 44256, August 4, 2006.

Source: Compiled from various *Federal Register* notices.

DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS TO AFFECTED DOMESTIC PRODUCERS

Since 2001, qualified U.S. producers of CPF have been eligible to receive disbursements from the U.S. Customs and Border Protection ("Customs") under the Continued Dumping and Subsidy Offset Act of 2000 ("CDSOA"), also known as the Byrd Amendment.¹² Table I-3 presents CDSOA disbursements for Maui in Federal fiscal years 2001-06.

Table I-3

CPF: Distribution of Continued Dumping and Subsidy Offset Act funds¹ to affected domestic producers, Federal fiscal years 2001-06

Firm	U.S. dollars (<i>actual</i>)					
	2001	2002	2003	2004	2005	2006
Maui	1,792,483	530,693	5,394,993	1,658,694	25,945	(²)

¹ Qualifying expenditures incurred by domestic producers since the issuance of an order, as presented in Section 1 of the *CDSOA Annual Reports*.

² Preliminary CDSOA amounts available as of April 30, 2006 for distribution to qualifying domestic producers of CPF totaled \$1,296,465.

Source: Compiled from Customs' *CDSOA Annual Reports*, found at http://www.cbp.gov/xp/cgov/import/add_cvd/cont_dump, retrieved October 5, 2006.

¹² 19 CFR 159.64(g).

THE SUBJECT PRODUCT

Commerce has defined the imports covered by the antidumping duty order as follows:¹³

Pineapple processed and/or prepared into various product forms, including rings, pieces, chunks, tidbits, and crushed pineapple, that is packed and cooked in metal cans with either pineapple juice or sugar syrup added.

Subject CPF is currently covered by statistical reporting numbers 2008.20.0010 and 2008.20.0090 of the Harmonized Tariff Schedule of the United States (“HTS”). HTS number 2008.20.0010 covers CPF containing cane and/or beet sugar; HTS number 2008.20.0090 covers CPF packed without added sugar (i.e., juice-packed).¹⁴ CPF enters the United States at a column 1-general duty rate of 0.35¢ per kilogram, and is eligible to enter free of duty under special tariff treatment programs, including certain designated beneficiaries of the Generalized System of Preferences (“GSP”) but not Thailand,¹⁵ or at a column-2 rate of 4.4¢ per kilogram.¹⁶

The subject product, pineapple in metal cans, does not include other forms of packaging such as plastic bottles, pouches, and boxes. There is no domestic production of canned pineapple in alternative packaging; Maui packages pineapple in metal cans only.¹⁷ However, foreign producers, including those in Thailand, do package pineapple in alternative packaging.¹⁸ The shelf life of pineapple packed in plastic jars and cups is approximately half as long as the shelf life of pineapple packed in metal cans; one year versus two to three.¹⁹

DOMESTIC LIKE PRODUCT AND DOMESTIC INDUSTRY

In its original determination, the Commission found the appropriate domestic like product to be “pineapple prepared into various product forms, including rings, pieces, chunks, tidbits, and crushed pineapple, that is packed and cooked in metal cans with either pineapple juice or sugar (heavy) syrup added.”²⁰ In response to a question soliciting comments regarding the appropriate domestic like product in the Commission’s notice of institution of the first five-year review, no parties argued against the

¹³ *Canned Pineapple Fruit from Thailand: Final Results of The Full Sunset Review of The Antidumping Duty Order*, 72 FR 9921, March 6, 2007.

¹⁴ The HTS numbers are provided for convenience and customs purposes. The written description of the merchandise covered by the order is dispositive.

¹⁵ Eligible imports under the following special tariff treatment programs can enter free of duty: imports from least developed beneficiary countries under the GSP; and imports under free trade agreements from Australia, Bahrain, Canada, Chile, Israel, Jordan, Morocco, Mexico, and Singapore. Duty-free entry also applies to eligible imports from countries eligible for preferential treatment pursuant to the Andean Trade Preference Act, the Caribbean Basin Economic Recovery Act, the Dominican Republic-Central America Free Trade Agreement Implementation Act, and the African Growth and Opportunity Act.

¹⁶ Applies to imports from a small number of countries that do not enjoy normal trade relations duty status, namely Cuba and North Korea.

¹⁷ Hearing transcript, pp. 47-48 (Nishida), and ***.

¹⁸ *** foreign producer/exporter questionnaire response, section II-5 and hearing transcript, p. 211 (Tantipatpong) describing production by Dole and other Thai producers of pineapple in plastic cups and jars.

¹⁹ Hearing transcript, p. 208 (Shiraiwa).

²⁰ *Canned Pineapple Fruit from Thailand, Inv. No. 713-TA-706 (Final)*, USITC Publication 2907, July 1995, p. I-3.

Commission's definition of the like product.²¹ In response to the same question in the Commission's notice of institution of this second five-year review, the domestic interested party responded that it agrees with the Commission's prior definition of the domestic like product.²² According to the domestic interested party, the similarities in production processes between CPF and pineapple in alternative packaging are outweighed by differences in pricing and consumer perceptions.²³ Respondent interested parties did not address this issue in their comments and have not requested that the Commission revisit its previous like product definition.²⁴

In the original investigation, the Commission defined the domestic industry as all U.S. producers of CPF. The Commission also found that pineapple growers were not members of the domestic industry because the record indicated that CPF is not produced from whole pineapple through a single continuous line of production and that whole pineapple is not substantially or completely devoted to the production of CPF. During the original investigation, no party argued for the inclusion of pineapple growers in the Commission's definition of the domestic industry.²⁵ In the first five-year review, no party argued against the domestic industry definition decided upon in the original investigation. In response to a question soliciting comments regarding the appropriate domestic industry definition in the Commission's notice of institution of this second five-year review, the domestic interested party responded that it agrees with the Commission's definition of the domestic industry as made in the original investigation.²⁶ The respondent interested parties did not address this issue in their comments and testified at the hearing that there have not been changes since the last review that would warrant the Commission revisiting the definition of domestic industry.²⁷

Description and Uses²⁸

CPF is the shelf-stable²⁹ food sealed in airtight cans prepared from mature fresh, or previously canned, pineapple from which the peel and core have been removed. The principal styles sold in the U.S. market include slices, spears, tidbits, chunks, and crushed. CPF is packed either in pineapple juice or with added sweeteners, the latter often referred to as heavy syrup. There are four possible grade standards (7 CFR 52.1719) for CPF sold in the United States: U.S. Grade A (fancy), U.S. Grade B (choice), U.S. Grade C (standard), and Substandard. The grading criteria include color, uniformity of size and shape, defects, character, flavor, and tartness. The grade of pineapple will not necessarily be included on a can's label and even where it does appear, it may be inaccurate.³⁰ For example, Maui sells fancy grade

²¹ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, pp. 4-5.

²² Maui's response to the notice of institution, May 23, 2006, p. 10.

²³ Hearing transcript, pp. 139-140 (Rosenthal).

²⁴ Hearing transcript, p. 178 (Lafave).

²⁵ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, pp. 5-6.

²⁶ Maui's response to the notice of institution, May 23, 2006, p. 10.

²⁷ Hearing transcript, p. 179 (Lafave).

²⁸ The content of this section is largely drawn from the report issued in the first five-year review. *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, pp. I-8-I-10.

²⁹ CPF has a three-year shelf life.

³⁰ Hearing transcript, pp. 189-190 (Tantipipatpong). Maui's president testified that Maui sells fancy grade CPF as a choice product because of market demand. Hearing transcript, pp. 45, 83-84 (Nishida).

pineapple as a choice product.³¹ CPF is typically sold in 20-ounce, 15- to 15.5-ounce, and 8-ounce cans at the retail level and in 1-gallon (number 10) cans at the food service level.

In addition to sales as CPF, pineapple is sold in its fresh state with minimal processing.³² Fresh pineapple is usually shipped whole, inclusive of the shell and crown, and must be consumed within two to four weeks of harvesting. In contrast to CPF, fresh pineapple fruit has separate grading standards (7 CFR 51.1485) based mainly on the outward physical appearance of the shell and crown.³³ A small share of fresh pineapple is processed into fresh-chilled pineapple. Fresh-chilled pineapple is defined as fresh pineapple that is peeled, cored, and packaged in either plastic or vacuum packs.

The cultivated, commercial pineapple (*Ananas Comosus*) is a member of the Bromeliaceae family; members of this family are native to tropical and subtropical South America, with one exception that is native to the west coast of Africa. Because pineapples grow and yield best in areas with warm and relatively uniform climate year round, current production remains restricted to the tropical regions of the world.³⁴ Pineapple is actually a fruit composed of from 100 to 200 individual berry-like fruitlets. Each “eye” of the pineapple is a separate fruitlet, having been derived from an individual flower and surrounding parts, and fused on a central core that is a continuation of the plant stem. As a relative of the cactus, the pineapple fruit’s leaves are designed to maximize water supply by funneling water toward the fruit.³⁵ The average mature pineapple measures about 20.5 centimeters long and 14.5 centimeters in mid-diameter and weighs about 2.2 kilograms.³⁶

Pineapple fruit is commonly consumed alone as a dessert or a side dish, but is also used as an ingredient in fruit salads, fruit cocktails, other types of salads, on pizzas, and in sauces. In addition, CPF is used as a garnish for various drinks, meats, and baked entrees, or it can be used in the preparation of cakes, breads, and various other desserts.

Production Process

Pineapples in the United States are grown commercially from crowns or shoots gathered at harvest from the top of the fruit. A pineapple plant requires approximately 18 to 22 months (depending on location and planting material) from planting to produce its first fruit, often referred to as the plant crop. The flowering of the pineapple plant may be “forced” or regulated using an ethylating gas or agent, which will concentrate the maturation of the fruit suitable for harvesting in a particular field. This procedure allows the grower to plan for continuous harvesting throughout the year, thus eliminating the seasonal element inherent in raw fruit production. About a year after the plant crop is harvested, the plant will produce a second crop, called the first ratoon. However, after the first harvest the size of the fruit typically decreases. If the field is in good condition, a third crop, called the second ratoon, may be produced. After the final harvest, the field is “knocked down,” with the remaining vegetative material being either cleared or plowed under the surface. The field then “rests” in a fallow state for nine months before a new crop of pineapples is planted.

³¹ Hearing transcript, pp. 84 (Nishida), and 100 (Rosenthal).

³² Pineapples destined for the fresh market are harvested, cleaned, and coated with a thin waxy coating, sized and sorted, tagged, and packed for shipment. ***.

³³ United States Standards for Grades of Pineapples, USDA Agricultural Marketing Service, Fruit and Vegetable Division, Fresh Products Branch, Effective July 5, 1990, reprinted January 1997.

³⁴ *Fruit and Tree Nuts Outlook*, Commodity Highlight, FTS-307, November 21, 2003, USDA Economic Research Service, found at www.ers.usda.gov/Briefing/FruitAndTreeNuts/fruitnutpdf/Pineapple, retrieved September 12, 2006.

³⁵ Staff field trip report, Maui, October 10, 2006.

³⁶ *Ibid.*

Pineapples may be grown differently depending on the principal end use intended for the crop. Growers of pineapples intended mostly for processing attempt to maximize the total amount of fruit, while a grower interested mainly in fresh-market sales tries to maximize the total amount of fruit that matures in a 3- to 4-pound weight-range and is of a proper shape. Furthermore, if the fresh grower has no juicing facilities, the grower is more likely to harvest only the plant crop and the first ratoon, as the second ratoon will have a higher percentage of pineapples that are not suitable for the fresh market. Maui is unique in the pineapple industry because it has both fresh and canned pineapple operations, making it a horizontally and vertically integrated business. Maui's business model is based on the mutual support of its canned pineapple processing, to its overall (including fresh) pineapple business.³⁷

Domestic growers employ a harvesting method for processing pineapples which uses approximately 14 people to simultaneously hand harvest several rows of pineapples while walking behind a boom that conveys the picked pineapples into the hold of a large truck. The shoots of the pineapples are removed at this stage for use in future planting. As pineapples in a field do not all ripen at the same time, several rounds of harvesting are made through each field. Once harvested, the fruit is transported to the processing plant as soon as possible.

U.S. growers use different dedicated machinery for the purpose of harvesting fresh-market pineapple. The harvester for fresh-market pineapple is smaller and may involve workers on the truck end of the boom hand placing the pineapples into trays to prevent damage to the fruit. In addition, fresh fruit operations in Hawaii have permanent harvesting crews that are trained to select the proper fruit color and size, which depend on market orders; the fruit is then immediately transported to a packing facility dedicated solely to the handling of fresh-market fruit. There the pineapples are treated to meet phytosanitary requirements, sorted by weight and color, and packed in cartons for shipment. Choosing pineapples for the fresh market versus canning is called culling. Maui claims to cull at a rate that is two times the industry standard.³⁸

At the canning operation, each pineapple is washed and graded for size to determine where the fruit will be sent. The pineapple is then sent through a ginaca machine to remove the shell, the ends of the pineapple, and the fibrous core before sending the prime fruit cylinder to the CPF production area. The rest of the pineapple is sent to be crushed into juice and/or processed into livestock feed. Meanwhile, the fruit cylinder is inspected and hand trimmed to remove any defects or eyes. The fruit is then cut into slices, chunks, tidbits, or crushed pieces or is pressed into juice depending on its processing line destination. After being cut, the fruit is packed into cans with either sugar or pineapple juice saved from the coring and slicing process based upon a specific formula. The cans are then sealed and cooked at 211 degrees Fahrenheit for 11 minutes in a pasteurization process, which imparts the two-to-three year shelf life of CPF. The cans are then cooled and put into inventory to await labeling when an order is placed.

The raw materials used in CPF production (in addition to pineapples) include energy, steel cans, and labels. According to Maui, steel is a fundamental raw material in the production of CPF.³⁹ Maui uses tin cans for its pineapple packaging. Because of pineapple's high acidity, tin is needed to prevent corrosion and explosion of the cans. Maui's supplier has an exclusion from the antidumping duty order on tin plate from Japan. Maui purchases tin from Japan ***.⁴⁰

All responding foreign producers reported that there have been no significant changes in the production technology used for CPF in Thailand since January 1, 2000.⁴¹ According to the Thai

³⁷ Hearing transcript, pp. 21, 49, and 55 (Nishida).

³⁸ Hearing transcript, pp. 54-55 (Nishida).

³⁹ Hearing transcript, p. 50 (Nishida).

⁴⁰ Staff field trip report, Maui, October 10, 2006.

⁴¹ All foreign producer/exporter questionnaire responses, section II-5.

respondents, this lack of change is due to the mature nature of the CPF product.⁴² The major production inputs listed were: pineapple fruit, steel cans and ends, sugars, labels and cartons, and fuel for energy.⁴³ The Thai producers also use ginaca peelers and automatic cookers. According to ***, the CPF industry is labor-intensive and requires generally uncomplicated technology. Skilled labor is normally restricted to maintenance trades. The product quality hinges chiefly on the quality of the raw material, fresh pineapples, and efficient quality control.⁴⁴ Only *** reported a change in production technology. During the period of review, it began to pack its pineapple fruit in pouch bags.⁴⁵

U.S. MARKET PARTICIPANTS

U.S. Producer

Maui is a wholly owned subsidiary of the Maui Land and Pineapple Company, Inc. (“ML&P”) a land holding and operating company.⁴⁶ Maui, with headquarters in Kahului, HI, accounted for all CPF production in the United States during the period of review.⁴⁷

Maui opposes revocation of the subject order.⁴⁸ Maui ***. In addition, Maui ***.⁴⁹

U.S. Importers

The first five-year review investigation identified 22 firms that imported CPF between January 1995 and September 2000.⁵⁰ In this second five-year review, the Commission sent questionnaires to 73 firms that were believed to import CPF. Of the 38 responses, 27 supplied usable data and 11 indicated that they had not imported the product since 2000. Reporting U.S. importers of CPF are concentrated on the East and West coasts. There are 10 importers in the New York/New Jersey area and 12 between California and Washington. The 5 remaining responding importers are located throughout the United States and Canada. The largest importers of CPF from Thailand in 2005 were, in order of size: ***, ***, ***, and ***. Table I-4 presents a summary of information regarding U.S. importers of CPF.

⁴² *** foreign producer/exporter questionnaire responses, section II-5.

⁴³ At the hearing held in connection with this review, Counsel for the domestic interested party, Maui, testified that the Department of Commerce found that Thai CPF producers were buying steel for cans from the same supplier in Japan that Maui sources from. Hearing testimony, p. 140 (Smith).

⁴⁴ ***’s foreign producer/exporter questionnaire response, section II-5.

⁴⁵ ***’s foreign producer/exporter questionnaire response, section II-5.

⁴⁶ ML&P owns two principal subsidiaries, Maui Pineapple Co., Ltd., which operates its pineapple and other agricultural activities, and Kapalua Land Company, Ltd., which operates the Kapalua resort community. Maui Land & Pineapple Company, Inc., *Who We Are*, found at www.mauiand.com, retrieved August 9, 2006.

⁴⁷ Maui reported that it is the only U.S. producer of CPF. Maui’s response to the notice of institution, May 23, 2006, p. 2.

⁴⁸ Maui’s producer questionnaire response, section I-3.

⁴⁹ Maui’s producer questionnaire response, sections I-5-I-7. ***. Maui’s producer questionnaire response, section II-12.

⁵⁰ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, p. I-11.

Table I-4

CPF: U.S. importers, source of imports, headquarters, parent company, and share of 2005 imports

* * * * *

There are several business affiliations between U.S. importers and foreign companies. Importer ***, by virtue of its position as a ***, is related to several foreign producers and exporters of CPF. *** is *** owned by parent company, ***, produces CPF in ***, and exports its production from Thailand to the United States. Producer and exporter *** is *** percent owned by ***. *** also owns *** percent of CPF producer ***.⁵¹ Importer *** is wholly owned by *** of Thailand.⁵²

In addition to affiliations with the subject country, several importers reported having business ties to nonsubject country companies. *** is owned by *** of Japan.⁵³ *** is owned by *** of Singapore.⁵⁴ *** is *** percent owned by the *** of Japan. Through this parent, ***, is related to ***, because *** is *** owned by parent company, ***.⁵⁵ *** is *** percent owned by *** of Japan.⁵⁶

Importer *** completed the importer questionnaire on behalf of its sister companies that are also importers: *** of *** and *** of ***.⁵⁷ Importers *** and ***, both of ***, have the same owners. However, *** was liquidated at the end of 2004.⁵⁸

U.S. Purchasers

The Commission sent questionnaires to 72 firms that were believed to have purchased CPF since 2000. The Commission received 29 responses from purchasers of CPF: 4 industrial users, 5 in the food service sector, 5 wholesalers, 14 in the retail sector, and 1 cooperative purchasing group. In addition, 4 purchasers replied that they had not purchased CPF since 2000. No affiliations with U.S. or foreign producers/exporters of CPF were reported.

APPARENT U.S. CONSUMPTION, MARKET SHARES, AND RATIO OF IMPORTS TO U.S. PRODUCTION

Table I-5 presents apparent U.S. consumption, and table I-6 and figure I-2 present U.S. market shares of CPF for the review period. Imports from Thailand classified as “subject” exclude those from firms with respect to which the order was partially revoked, after the applicable dates of revocation.⁵⁹ Between 2000 and 2005, apparent U.S. consumption of CPF increased by *** percent, on the basis of quantity. Over the same period, the value of apparent U.S. CPF consumption increased by a greater *** percent. The overall decrease in the share of consumption accounted for by U.S. producer’s shipments,

⁵¹ *** importer questionnaire response, sections I-3 through I-6.

⁵² *** importer questionnaire response, section I-3.

⁵³ *** importer questionnaire response, section I-3.

⁵⁴ *** importer questionnaire response, section I-3.

⁵⁵ *** importer questionnaire response, sections I-3, I-4, and I-6.

⁵⁶ *** importer questionnaire response, section I-3.

⁵⁷ *** importer questionnaire response, sections I-2, and I-5.

⁵⁸ *** importer questionnaire response, sections I-4, and II-5.

⁵⁹ Specifically, “subject” Thai imports include: (1) CPF imports from all firms currently subject to the order, and (2) imports from exempted firms prior to the applicable dates of partial revocation of the order (i.e, SFP as of December 13, 2002, and Dole, KFC, and TIPCO as of August 13, 2004).

which decreased by *** percentage points, and subject Thai imports, which decreased by *** percentage points, was offset by a *** percentage-point increase in the share of nonsubject Thai imports over the same period. This increase began when Siam Food Products Public Co., Ltd. (“SFP”) became a nonsubject producer in December 2002 followed by the same designation being given to Dole, Kuiburi Fruit Canning Co., Ltd. (“KFC”), and TIPCO in August 2004.

Thai respondent interested parties assert that classifying the four Thai firms that have been excluded from the order as “subject” when they are under the order and “nonsubject” otherwise, has the “potential to create ‘apples to oranges’ inferences” and is distortive.⁶⁰ The respondent interested parties argue that in order for the Commission to assess the impact on the domestic industry of revocation of the order, it must examine historical trends limited to those imports from Thai firms that are currently subject to the antidumping duty order.⁶¹ Table I-6A and figure I-2A present apparent U.S. consumption and U.S. market shares of CPF, with imports classified as “subject” for the entire review period limited to product from firms currently subject to the order.⁶²

⁶⁰ Respondent interested parties’ prehearing brief, exh 2, p. 5 (fn. 11).

⁶¹ Respondent interested parties’ comments on the draft questionnaires, p. 4; respondent interested parties’ prehearing brief, pp. 3-4 and exh 2, p. 2 (fn. 4); and hearing transcript, p. 176 (Lafave).

⁶² Conversely, companies currently exempt from the order are classified as “nonsubject” for the entire period of review, irrespective of their exemption date.

Table I-5
CPF: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 2000-05, January-September 2005, and January-September 2006

Item	Calendar year						January-September	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (1,000 case equivalents)¹								
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from--								
Thailand (subject)	6,042	5,625	***	***	5,121	1,073	794	882
Thailand (nonsubject)	0	0	***	***	2,880	8,179	6,464	7,661
Indonesia	4,877	4,069	4,511	3,914	3,772	4,307	3,208	3,125
Philippines	10,204	9,899	9,582	10,143	9,555	9,401	6,923	6,158
All other sources	2,161	1,986	2,559	3,264	2,826	3,329	2,664	2,572
Subtotal (nonsubject)	17,242	15,955	***	***	19,034	25,217	19,260	19,515
Total imports	23,284	21,580	22,765	24,684	24,154	26,290	20,054	20,397
Apparent consumption	***	***	***	***	***	***	***	***
Value (1,000 dollars)								
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from--								
Thailand (subject)	57,423	53,360	***	***	60,079	15,380	10,629	14,243
Thailand (nonsubject)	0	0	***	***	36,011	97,720	77,477	89,539
Indonesia	41,018	32,585	39,187	38,095	38,701	43,178	31,766	31,481
Philippines	117,168	101,504	101,063	105,786	103,269	105,729	76,969	74,689
All other sources	18,283	15,524	21,785	30,520	26,113	32,330	25,790	25,343
Subtotal (nonsubject)	176,469	149,613	***	***	204,094	278,957	212,003	221,052
Total imports	233,891	202,973	225,585	256,676	264,173	294,336	222,632	235,295
Apparent consumption	***	***	***	***	***	***	***	***
¹ One case equivalent contains approximately 30 pounds of fruit, net weight, exclusive of packaging. Source: Compiled from data submitted in response to Commission questionnaires, proprietary Customs data (nonsubject Thailand), and official Commerce statistics.								

Table I-6
CPF: U.S. market shares, 2000-05, January-September 2005, and January-September 2006

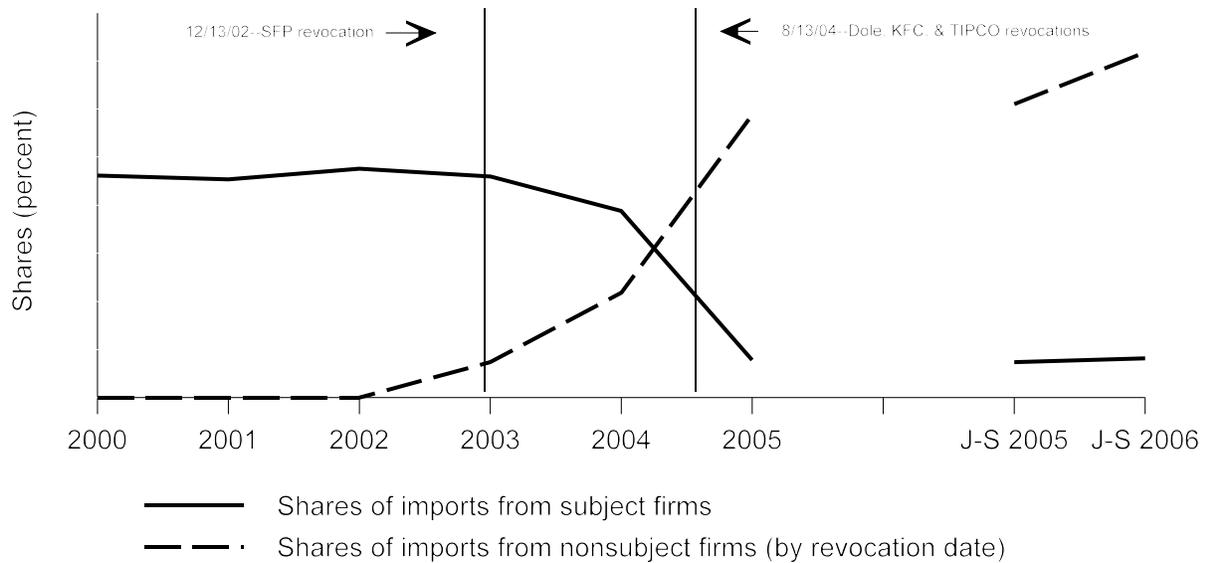
* * * * *

Table I-6A

CPF: U.S. shipments of domestic product, U.S. imports (based on current status of Thai imports), apparent U.S. consumption, and market shares, 2000-05, January-September 2005, and January-September 2006

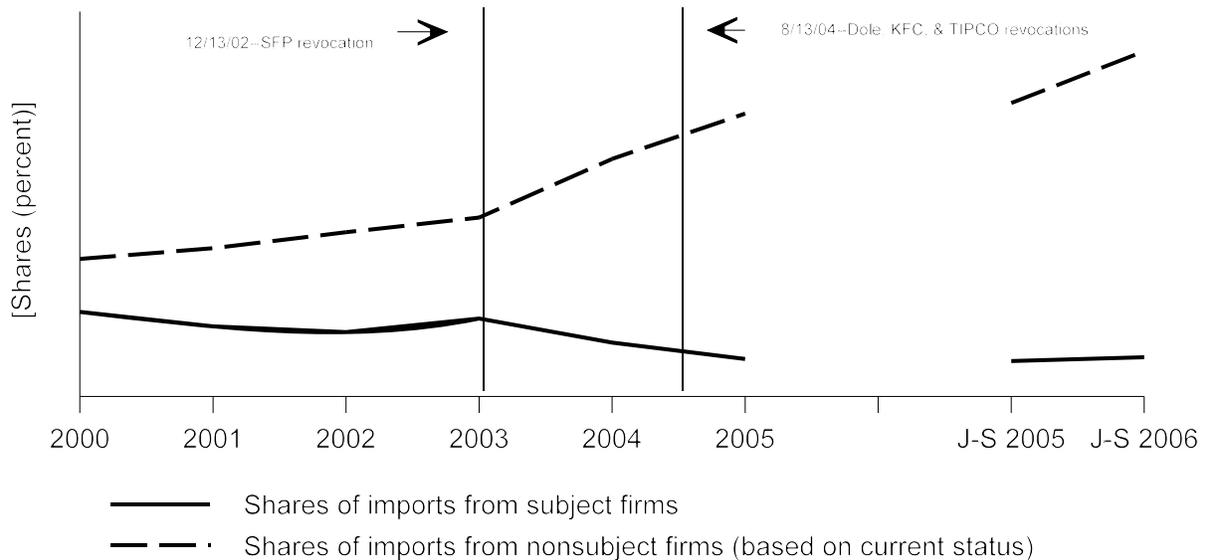
Item	Calendar year						Jan-Sept.	
	2000	2001	2002	2003	2004	2005	2005	2006
	Quantity (1,000 case equivalents)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from--								
Thailand (subject)	2,300	1,805	1,725	2,234	1,490	1,073	794	882
Thailand (nonsubject)	3,742	3,820	4,388	5,129	6,511	8,179	6,464	7,661
All other sources	17,242	15,955	16,652	17,321	16,154	17,038	12,796	11,854
Total imports	23,285	21,580	22,765	24,685	24,155	26,291	20,054	20,397
Apparent consumption	***	***	***	***	***	***	***	***
	Value (1,000 dollars)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from--								
Thailand (subject)	23,217	18,011	17,698	25,033	17,700	15,380	10,629	14,243
Thailand (nonsubject)	34,205	35,349	45,852	57,242	78,389	97,720	77,477	89,539
All other sources	176,469	149,613	162,036	174,401	168,083	181,236	134,526	131,512
Total imports	233,891	202,973	225,585	256,676	264,173	294,336	222,632	235,295
Apparent consumption	***	***	***	***	***	***	***	***
	Share of quantity (percent)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from--								
Thailand (subject)	***	***	***	***	***	***	***	***
Thailand (nonsubject)	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***
	Share of value (percent)							
U.S. producers' U.S. shipments	***	***	***	***	***	***	***	***
U.S. imports from--								
Thailand (subject)	***	***	***	***	***	***	***	***
Thailand (nonsubject)	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires, proprietary Customs data (nonsubject Thailand), and official Commerce statistics.								

Figure I-2
CPF: Shares of apparent U.S. consumption held by U.S. imports from Thailand (based on revocation date), 2000-05, January-September 2005, and January-September 2006



Source: Table I-6.

Figure I-2A
CPF: Shares of apparent U.S. consumption held by U.S. imports from Thailand (based on current status), 2000-05, January-September 2005, and January-September 2006



Source: Table I-6A.

Table I-7 presents U.S. production and the ratio of imports of CPF to production for the review period.

Table I-7

CPF: U.S. production and ratio of imports to U.S. production, 2000-05, January-September 2005, and January-September 2006

* * * * *

U.S. Per Capita Consumption of All Pineapple

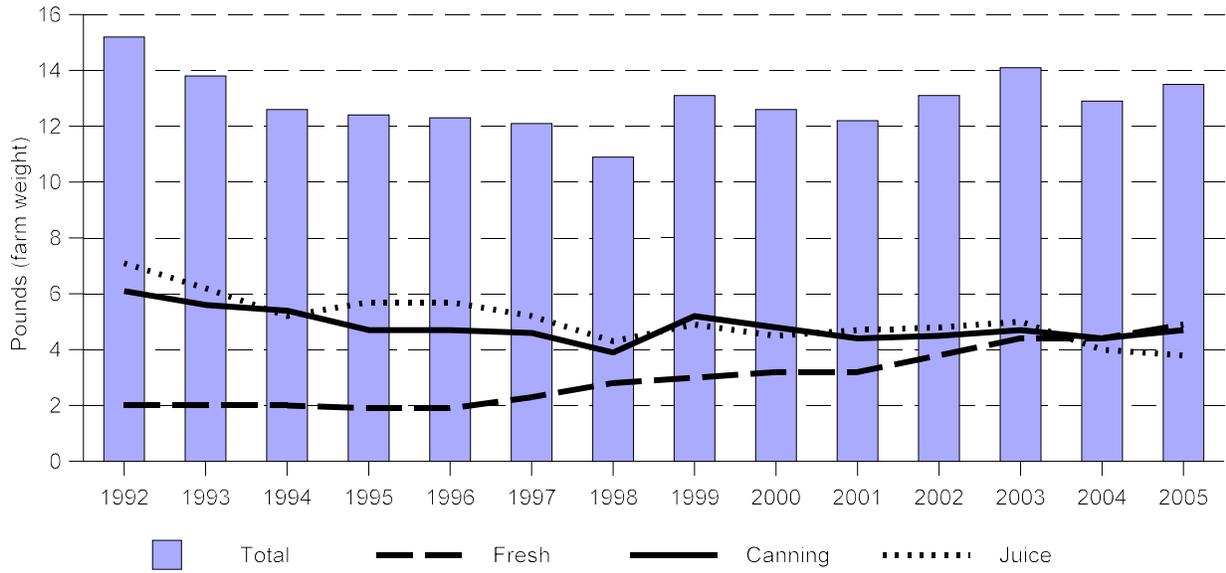
Information regarding U.S. per capita consumption of fresh and processed pineapple (fresh, canned, and juice) from 1992 to 2005, is presented in table I-8 and figure I-3. Since there are no stock/inventory data for canned fruit, USDA's Economic Research Service ("ERS") analyzes consumption data on a 2-year basis.⁶³ Based on the 2-year average, there was an overall increase of 6.5 percent in per capita consumption of all pineapple from 2000-01 to 2004-05, to 13.2 pounds. While per capita consumption of CPF from 2000-01 to 2004-05 remained steady at an average 4.6 pounds, juice consumption declined by 15.2 percent, and per capita consumption of fresh pineapple grew by 45.3 percent over the period.

⁶³ *Fruit and Tree Nuts Situation and Outlook Yearbook, 2006*, Economic Research Service, USDA, November, 2006, p. 5.

Table I-8
Pineapple: U.S. per capita use of commercially produced fresh and processed fruit, 1992-2005

Period	Fresh	Canning	Juice	Total
	<i>Pounds (farm weight)</i>			
1992	2.0	6.1	7.1	15.2
1993	2.0	5.6	6.2	13.8
1994	2.0	5.4	5.2	12.6
1995	1.9	4.7	5.7	12.4
1996	1.9	4.7	5.7	12.3
1997	2.3	4.6	5.2	12.1
1998	2.8	3.9	4.3	10.9
1999	3.0	5.2	4.9	13.1
2000	3.2	4.8	4.5	12.6
2001	3.2	4.4	4.7	12.2
2002	3.8	4.5	4.8	13.1
2003	4.4	4.7	5.0	14.1
2004	4.4	4.4	4.0	12.9
2005	4.9	4.7	3.8	13.5
Avg. 2000-01	3.2	4.6	4.6	12.4
Avg. 2002-03	4.1	4.6	4.9	13.6
Avg. 2004-05	4.7	4.6	3.9	13.2
	Percent change			
Avg. 2000-01 to Avg. 2004-05	45.3	-1.1	-15.2	6.5
Source: <i>Fruit and Tree Nuts Situation and Outlook Yearbook, 2006</i> , Economic Research Service, USDA, November, 2006, table A-1.				

Figure I-3
Pineapple: Per capita use, 1992-2005



Source: Table I-8.

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

U.S. MARKET SEGMENTS, CHANNELS OF DISTRIBUTION, AND MARKET STRUCTURE

Almost all domestically produced CPF is grown and canned in Hawaii by Maui. Maui is a vertically integrated firm which both grows and processes pineapple fruit. This is in contrast to major producers of CPF in Thailand, which purchase pineapple fruit from local growers, but do not themselves grow pineapple. Pineapple fruit grown by Maui is sold as fresh or fresh cut, or processed into CPF and juice.

Sales in the food service sector of the market accounted for the majority of sales of domestic CPF, while the majority of sales of subject imported CPF as in the retail market (*see* table II-1). In 2005, Maui's shipments into the food service, retail, and industrial sectors accounted for *** percent of sales, respectively. This is in contrast to shipments in 1999, wherein Maui shipped the majority (*** percent) of its CPF to the retail sector and only *** percent to the food service sector, as was the case in the original investigation. Shipments of subject Thai CPF in 2005 were *** percent to the retail sector and *** percent to the food service sector.¹ According to Maui, selling in the food service sector requires higher reliability, longer lead times, and more relationships with the purchasers, whereas the retail sector is typically more price-competitive.² Selling into the food service sector is easier, allowing Maui to sell full truckloads and work with the industry to develop and predict a stocking cycle.³

Table II-1

CPF: U.S. shipments by market segment, tier, and supplier, 1994, 1999, and 2005

* * * * *

In the retail and food-service market segments, CPF is sold via a three-tier market structure consisting of national brands, private labels, and regional brands. National brands such as Dole and Del Monte are generally priced above private label store brands and regional brands. Private labels are typically the brands of grocery retailers or food service wholesalers. Private label brands are subdivided into first and second private labels. First private labels are meant to offer an alternative to national brands that are comparable in quality. Second private labels compete primarily on the basis of lower price. Regional brands typically pay fees to have their products carried by retail grocery chains, are responsible for their own promotion, and are replaced often if sales decline.

Domestic producers and importers of subject CPF largely focus on different tiers, although there is evidence that prices in one tier can influence sales in other tiers, as was noted in the first five-year review.⁴ In 2005, Maui reported that ***. Responding subject importers reported that sales in 2004 and 2005 were *** to the first private label sector.⁵ In 1999, national brands accounted for *** percent of

¹ There were no reported sales of subject Thai imports to the industrial sector.

² Hearing transcript, p. 49 (Nishida).

³ Hearing transcript, p. 52 (Nishida).

⁴ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, p. II-1. Only one purchaser (***) noted that companies such as Dole and Del Monte influence the market price.

⁵ Second private label shipments accounted for *** percent, national brand shipments accounted for *** percent, and regional brand shipments accounted for *** percent of shipments of subject Thai CPF in 2004. In 2005, second private label shipments accounted for *** percent, national brand shipments accounted for *** percent, and regional brand shipments accounted for *** percent of shipments.

shipments and the rest were ***. Since the original investigation, the share of subject imports accounted for by national brands has declined ***.⁶

In the original investigation, it was determined that first private labels were consistently priced 10 to 15 percent below national brands, and that second private labels were consistently priced below first private labels and regional brands.⁷ The Commission found that a significant portion of Thai CPF was sold as private label brands, and that Thai CPF sold in different tiers impacted sales of domestic product through inter-tier price competition. Products in all three tiers were often displayed together on the same store shelves. The Commission also determined that neither perceived quality differences nor brand preference as sufficient to insulate Maui from the effects of competition from subject imports.⁸ In the first review, the Commission decided this condition of competition was likely to continue.⁹

As noted in the 1995 investigation and 2001 review, domestic CPF is perceived by some purchasers as being of higher quality than imports sold as private label brands and regional brands. In this five-year review, however, only *** purchaser *** reported that domestic CPF is perceived to be of superior quality, while *** reported domestic CPF is of inferior quality. Retail purchaser *** reported that domestic CPF is superior in terms of having product that meets industry standards, when compared to subject CPF imported from Thailand.

Though domestic and subject CPF are largely sold in different tiers, Maui reportedly is not insulated from price competition by subject imports. Eleven responding purchasers in both the retail and food service segments report that price changes in one channel of distribution influence the volume of sales in other channels, whereas five noted that there is no correlation. Fewer purchasers, however, reported that the price of CPF in one tier affects the price of CPF sold in another tier. Only 4 of 24 responding importers noted that one company displays price leadership, with three attributing it to *** and one noting *** influence. Maui, however, has been unable to pass on fuel surcharges and has tried to meet competitive pricing situations from its retail purchasers.¹⁰

U.S. SUPPLY

Domestic Supply

Pineapple fruit for canning has a two- to four-year growing cycle. Domestic producer Maui both grows and cans pineapple fruit. Thus, Maui has some ability to respond to changes in price with changes in the overall quantity of fresh pineapple produced, as well as some ability to respond to changes in price with changes in the share of pineapple sold in the fresh and fresh-cut market segments. However, the farm prices received for pineapple fruit for the fresh market are much higher than farm prices for pineapple fruit for the processed market (3.7 to 5.1 times as high since 1994, according to USDA figures).¹¹ Even a large change in the price of CPF would likely have little impact on the share of pineapple allocated to fresh pineapple sales.

⁶ Since Dole was excluded from the order, *** of the imports of subject Thai CPF sold to national brands have ***.

⁷ *Canned Pineapple from Thailand, Inv. No. 731-TA-706 (Final)*, USITC Publication 2907, July 1995, pp. I-13 and II-9, 10.

⁸ *Ibid.*, p. I-14.

⁹ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, pp. 10-11.

¹⁰ Maui's posthearing brief, exh. 5, and hearing transcript, pp. 50-51 (Nishida).

¹¹ *Fruit and Tree Nuts Situation and Outlook Yearbook*, ERS, USDA, 2006, Table B-29.

In addition to Maui, both Dole and Del Monte grew pineapples in the United States during the period of review, but all those pineapples were grown for the fresh market, not for canning. With respect to Del Monte, though, it recently shut down its 5,000 acres of fresh pineapple operations on the island of Oahu in November 2006.¹²

Beginning in 2004, Maui started bringing into cultivation a new “Gold” variety of pineapple that is sweeter and has a lower acidity level than its previous “Champaka” variety. Currently, about *** percent of Maui’s fields still have residual “Champaka” pineapples growing.¹³ It has also begun to focus more on the fresh market than it had previously. The number of acres of pineapple planted for the fresh and canned markets decreased from 20,700 acres in 2000 to 13,000 acres in 2004, then increased to 14,000 acres in 2005 (table III-2). Though some of the decrease in acreage led to decreased production for the fresh market (from 122,000 short tons in 2000 to 104,000 short tons in 2004, and 106,000 short tons in 2005), most of the decline was in the processed portion of the crop.

On a fresh-weight basis, pineapples for processing decreased from 232,000 short tons in 2000 to 106,000 short tons in 2005.¹⁴ Maui stated that in 2006, approximately *** percent of the tonnage of its pineapple crop went to the fresh market, and in 2007 it is expected to send *** percent to the fresh market.¹⁵ This figure should increase to *** percent ***.¹⁶ Based on available information including the price difference between fresh and canned pineapple, the length of time between planting and harvest, and limited alternatives, domestic producers of CPF have little ability to alter shipments to the U.S. market in response to price changes.

Capacity

U.S. producers’ reported capacity to produce CPF remained steady since 2000. Since that time, however, capacity utilization has been declining, from *** percent in 2000 to *** percent in 2005, and from *** percent in interim 2005 to *** percent in interim 2006.

Inventories

Maui’s ratio of inventories of CPF to U.S. shipments declined irregularly from 2000 to 2005. In 2000, inventories were *** percent of U.S. shipments; in 2005, this had declined to *** percent. Inventories between the interim periods increased, however, from *** percent on an annualized basis in interim 2005 to *** percent on an annualized basis in interim 2006.

Exports

Exports account for a very small share of Maui’s sales of CPF. Exports accounted for *** percent of Maui’s shipments in 2000 on a quantity basis, decreased to *** percent in 2003, but recovered to *** percent in 2005, both because of increasing exports and decreasing U.S. shipments. Maui has little ability to shift sales from the U.S. market to export markets.

¹² Maui’s prehearing brief, exh. 9.

¹³ Staff field trip report, Maui, October 10, 2006, p. 6.

¹⁴ *Fruit and Tree Nuts Situation and Outlook Yearbook*, ERS, USDA, 2006, Table B-29.

¹⁵ Maui’s posthearing brief, p. 43.

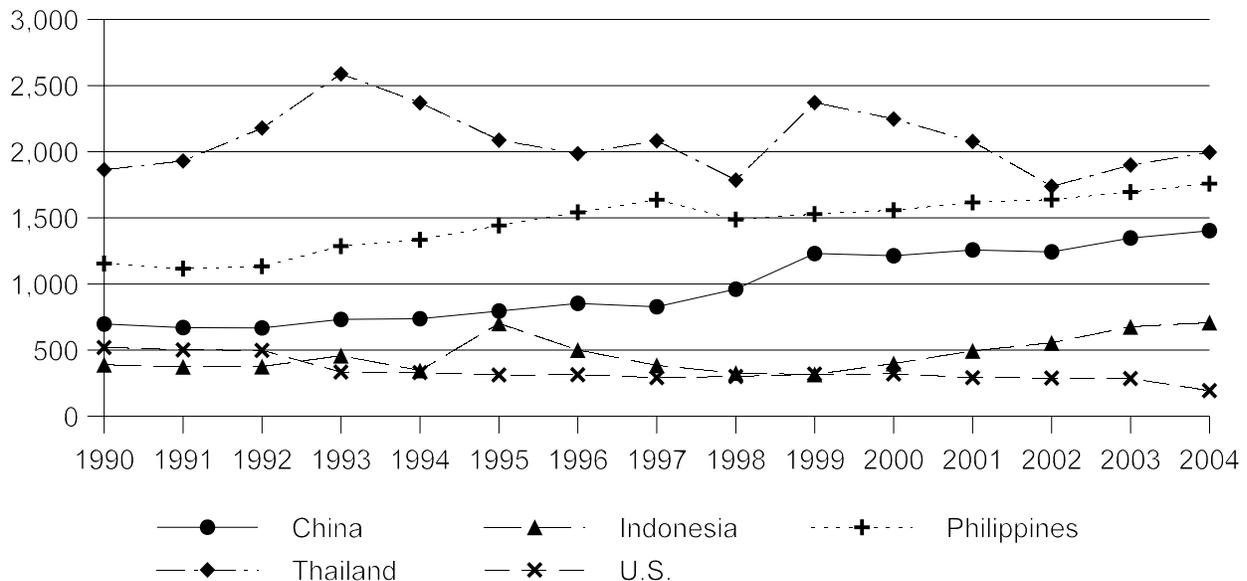
¹⁶ Hearing transcript, closed session, pp. 313-14 (Nishida).

Foreign Supply to the U.S. Market

Subject Supply

Thailand is the world's largest producer of fresh pineapple and CPF.¹⁷ Unlike Maui, Thai CPF producers generally do not grow pineapples, but purchase pineapple fruit from local growers.¹⁸ Thus, Thai producers of CPF cannot shift production to or from fresh or fresh-cut pineapple in response to a change in price. However, they do produce several alternate products such as pineapple juice, dehydrated pineapple, and tropical fruit salad, indicating some ability to alter product mix in response to changes in price. Fresh pineapple is grown in Thailand on approximately 88,000 hectares (221,000 acres), as of 2004. The industry is largely unintegrated. Individual growers respond to the price of fresh pineapple and inputs, such as fertilizer, in determining the acreage of pineapple to be planted and harvested. These factors have led to a "boom and bust" cycle in Thai pineapple production (figure II-1). At the hearing, a representative of the Thai Food Processors' Association testified that there is presently a labor shortage for the farming and processing of pineapple from other industries in Thailand.¹⁹

Figure II-1
Fresh pineapple production in China, Indonesia, Philippines, Thailand, and the United States, in metric tons, 1990-2004



Source: Food and Agriculture Organization FAOSTAT database.

In the first five-year review, the Thai Food Processors' Association reported that production of fresh pineapple follows a cycle with peak years in 1990, 1994, and with the anticipated 1998 peak

¹⁷ U.N. Food and Agriculture Organization, FAOSTAT database.

¹⁸ Hearing transcript, p. 92 (Smith).

¹⁹ Hearing transcript, pp. 156, 159, 175-76, 182 (Tantipatpong). See also domestic interested parties prehearing brief, exh. 3.

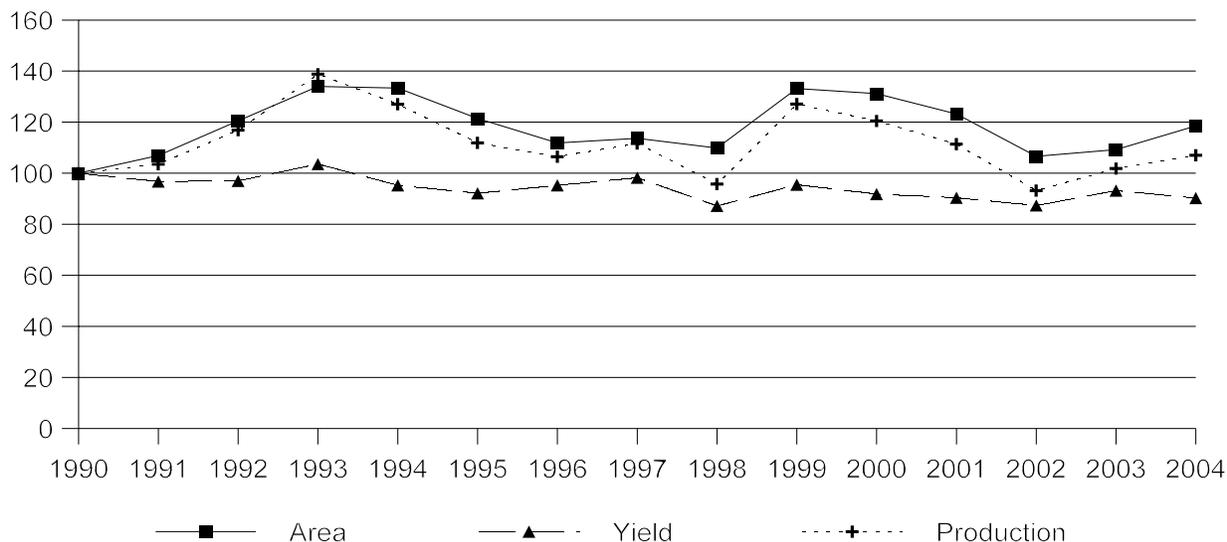
delayed until 1999 because of weather.²⁰ There was a trough in Thai production in 1998 and 2002, but increases in 2003 and 2004. Responding purchasers reported that the supply of CPF is dependent on weather in the main growing regions, and reacts to weather phenomena such as El Niño.

Respondents in the first review reported that the pineapple cycle is typically about four years in duration. Respondents also noted that pineapple prices in Thailand were extremely low throughout 2000 and early 2001, resulting in decreased planting of fresh pineapple.²¹ The Thai government introduced a succession of programs aimed at curbing the periodic oversupply of fresh Thai pineapple.²² Two foreign producers reported that the Thai government is promoting the production of ethanol as an alternative to oil due to increasing oil prices. Foreign producers noted that pineapple farmers have alternatives that include rubber, palm, sugar cane, cassava, or tapioca.

Exports to the U.S. market by the 10 responding Thai producers/exporters accounted for approximately *** percent of all U.S. imports of CPF from Thailand in 2005, according to official Commerce statistics. Exports of subject CPF to the United States accounted for *** percent of all exports of CPF from Thailand in 2005.

The UN collects data on area harvested, yield, and production of fresh pineapple. Production of fresh pineapple in Thailand reached a peak in 1993 and again in 1999. Thailand in 2002 produced the least amount of pineapple since 1990, but production increased in both 2003 and 2004. Area harvested, yield per hectare, and total production were all higher in 1993 than in any other year since 1990. See figure II-2.

Figure II-2
Indices of pineapple production in Thailand: Area harvested, yield per hectare, and total production of fresh pineapple, 1990-2004



Source: Food and Agricultural Organization FAOSTAT database.

²⁰ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, p. II-1.

²¹ *Ibid.*, p. II-8.

²² *Ibid.*

According to foreign producer questionnaire data, subject Thai production decreased by *** percent between 2000 and 2002, then rose by *** percent from 2002 to 2004, commensurate with the fall and rise in fresh pineapple production. Though subject Thai CPF production decreased by *** percent between 2004 and 2005, it increased *** percent between interim 2005 and interim 2006.

One foreign producer estimated that raw materials account for 30 percent of the selling price of the canned pineapple fruit.²³ However, three foreign producers noted that the price of raw materials does not affect the selling price, though two noted that there is a correlation between the two.

Subject Capacity

Capacity to produce CPF reported by responding subject Thai producers increased slightly between 2000 and 2005, from *** case equivalents to *** case equivalents. Capacity utilization spanned a range of *** percent in 2002 to *** percent in 2000, and was 73.7 percent in 2005. Capacity utilization increased between interim periods, from *** percent in interim 2005 to *** percent in interim 2006.

Home Market

Foreign producers noted that most people in Thailand prefer fresh to canned pineapple, and that canned pineapple is mostly for sales to the “upcountry area” of Thailand and to the food-service sector for use as a pizza topping or in sweets. A small volume of pineapple is consumed or exported as fresh fruit in Thailand.²⁴ Much of the remaining crop that is not consumed fresh is processed into CPF, and most of this is exported.²⁵ Respondent interested parties noted in the first review there was an almost perfect correlation between the quantity of fresh pineapple available for processing, and production of CPF.²⁶

Alternative Markets

Producers of subject CPF in Thailand have some ability to shift sales to or from alternate markets in response to a change in price despite reported import duties on CPF exported to Japan and the EU (*see* tables IV-11 and IV-12).²⁷ Table IV-11 displays exports from subject producers in Thailand. Once the three firms that export became nonsubject in 2004, there was a steep decline in the amount of subject exports to the United States (*** percent between 2003 and 2005), despite the increase in total Thai CPF exports to the United States. In 2005, the United States was the destination for only *** percent of subject CPF from Thailand. The EU, especially the Netherlands and Germany, continues to be the largest market for subject Thai CPF exports despite a decrease of *** percent between 2000 and 2005. Subject Thai exports to Russia increased *** percent from 2000 to 2005, but still not enough to make up for the lost volume in the EU. Four of ten foreign producers, however, noted that exports to the EU, like sales to their home market, are of standard grade and therefore would not be acceptable to ship to the U.S. Five

²³ *** foreign producer questionnaire, section III.

²⁴ In the first review, the Thai Food Processors’ Association estimated that consumption of fresh pineapple fruit had accounted for between 4.9 percent and 8.6 percent of annual fresh pineapple production from 1992 onward (*Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, p. II-9). FAOSTAT data from 2000 indicate that 0.2 percent of Thai pineapple production is exported as fresh pineapple.

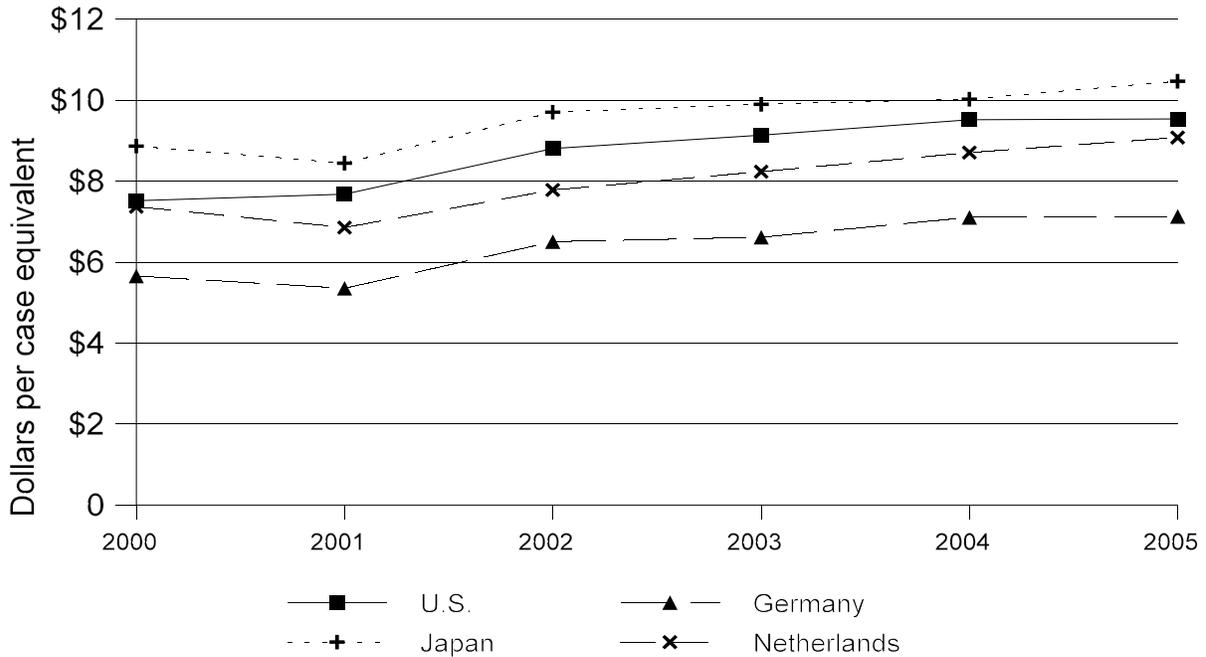
²⁵ See tables IV-11 and IV-12 for Thailand’s home market consumption of CPF.

²⁶ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, p. II-9.

²⁷ U.N. data on Thai exports of CPF differ from the Commission’s foreign producer questionnaire responses, in particular shipments to export markets other than the United States.

noted that exports sold to Japan could be sold to the United States. Japan has higher prices for CPF than the United States, as noted by ***. At the hearing, Mr. Nishida of Maui noted that, though there is a predominance of a certain grade of CPF in all countries, typically there are sales of all grades in all markets.²⁸ Figure II-3 shows Average unit values (“AUVs”) for the four largest markets for Thai exports. Thai subject CPF export AUVs can be found in figure II-4. *** reported that there are quotas in Japan for CPF, so there is a limit as to how much could be diverted to Japan, and *** stated that it ships fancy grade to Japan and choice grade to the United States, both of which may help explain why Japan has higher pricing than in the United States.

Figure II-3
CPF: AUVs of total Thai exports to the United States, Germany, Japan, and the Netherlands, 2000-05



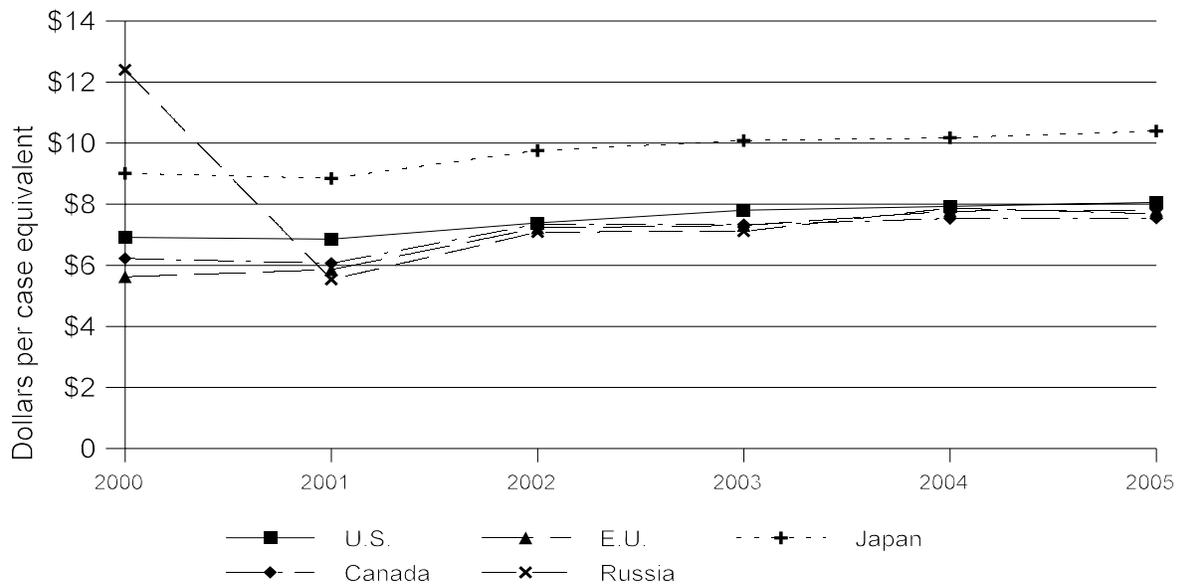
Source: Global Trade Atlas.

On September 28, 2006, the Australian government found that antidumping duties on exports of canned pineapple fruit from Thailand should continue past their intended expiration date of October 17, 2006, due to the likelihood of continuation or recurrence of dumping on the Australian market.²⁹

²⁸ Hearing transcript, p. 115 (Nishida).

²⁹ Maui’s prehearing brief, exh. 14.

Figure II-4
CPF: AUVs of subject Thai CPF exports to the United States, EU, Japan, Canada, and Russia, 2000-05



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

Nonsubject Imports

The largest sources of nonsubject imports of CPF to the United States are the Philippines, Indonesia, Thailand (excluded producers), and China. Following the imposition of antidumping duties, imports of Thai CPF declined substantially, before increasing in 1999 and 2001 to 2005. Subject Thai imports decreased by *** percent between 2003 and 2004 after three companies were excluded on August 13, 2004, and decreased a further *** percent in 2005.³⁰ Subject Thai imports have been more than replaced by increased imports from nonsubject Thai imports: a decrease of *** million case equivalents of subject Thai CPF compared to an increase of *** million case equivalents of nonsubject Thai CPF between 2003 and 2005. Nonsubject imports accounted for *** percent of the U.S. market for CPF in 2005 and *** percent in interim 2006, compared with *** percent in 2000, on a quantity basis. Roughly *** of the increase in nonsubject market share between 2000 and 2005 came from a decrease in subject Thai market share, and *** from a decrease in domestic shipments and nonsubject imports of CPF. In 2005, imports from subject Thai sources accounted for *** percent of all imports of CPF. Nonsubject Thai sources accounted for *** percent, the Philippines 35.8 percent, Indonesia 16.3 percent, and all other countries (including China) 12.7 percent.

Imports from all major sources of CPF except Thailand CPF were lower in the first 3 quarters of 2006 than the comparable period in 2005. Subject Thai CPF increased by *** percent, while nonsubject Thai CPF increased by *** percent. Altogether, in the first three quarters of 2006, imports from both subject and nonsubject Thai sources accounted for *** percent of all imports of CPF. The Philippines

³⁰ These data from official Commerce statistics differ from export data submitted by foreign producers/exporters. Using the foreign producer/exporter data, there was a *** percent drop in shipments to the United States between 2003 and 2004, and a further decline of *** percent the following year.

accounted for 30.2 percent, Indonesia 15.3 percent, and China 8.9 percent of all imports in the first three quarters of 2006.³¹

Producers and exporters in major nonsubject producing countries other than the Philippines have substantial alternate export markets for CPF. Tables II-2 and II-3 present UN data on exports from Indonesia and the Philippines.³² Exports to the United States accounted for less than two-fifths of all exports by producers in Indonesia in each year from 2000 to 2005. In contrast, the United States was the largest export market for CPF from the Philippines in each year from 2000 to 2005, and accounted for more than three-fifths of all exports in each year. Based on available data, nonsubject producers in Indonesia have the ability to shift sales of CPF between alternate export markets in response to price changes, and producers in the Philippines have less ability to do so.

Table II-2
CPF: Exports from Indonesia by country of destination, 2000-05

Destination	2000		2001		2002		2003		2004		2005	
	1,000 cases	1,000 dollars										
U.S.	3,548	21,402	3,037	19,793	3,732	26,235	3,196	24,588	2,892	23,028	3,149	24,887
Germany	1,517	8,028	1,684	9,630	2,390	15,412	1,302	8,506	1,614	10,070	2,353	12,518
Netherlands	781	5,396	708	4,854	1,120	7,385	1,018	6,825	1,119	7,805	1,835	12,099
Japan	663	4,799	595	4,766	651	5,872	593	5,197	467	4,458	553	5,522
Spain	190	1,336	225	1,559	432	3,711	509	4,121	875	7,891	1,611	14,147
All others	2,976	19,323	3,728	22,141	2,682	20,738	2,381	19,125	3,209	23,754	5,048	35,248
Total	9,675	60,284	9,977	62,742	11,008	79,352	8,999	68,363	10,175	77,005	14,549	104,422

Note.--Quantity data converted to 1,000 case equivalents to be comparable with questionnaire data.

Source: Global Trade Atlas.

³¹ See table IV-1 for further detail.

³² U.N. data on exports to the United States differ from official Commerce statistics.

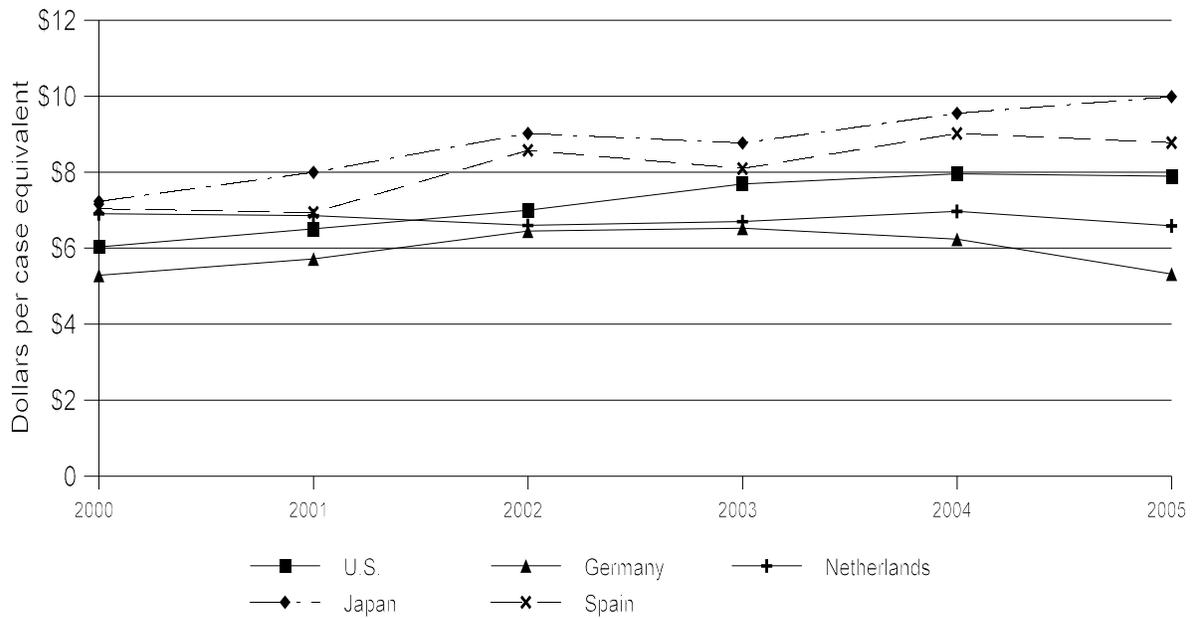
Table II-3
CPF: Exports from the Philippines by country of destination, 2000-05

Destination	2000		2001		2002		2003		2004		2005	
	1,000 cases	1,000 dollars										
U.S.	12,165	60,071	12,125	58,560	11,011	54,548	10,889	53,106	11,831	56,748	11,500	67,123
Japan	1,134	5,712	1,024	5,039	810	3,949	751	3,465	845	4,086	743	3,906
S. Korea	557	2,511	673	2,742	760	3,176	677	3,097	768	3,671	822	5,249
Spain	549	2,348	486	2,139	572	2,721	543	2,412	1,078	3,497	1,105	5,945
Belgium	709	3,299	555	2,618	514	2,448	573	2,679	734	3,627	499	3,624
All others	3,364	16,761	3,816	19,745	3,056	15,138	2,925	13,326	3,450	17,100	4,062	23,677
Total	18,476	90,702	18,679	90,843	16,723	81,979	16,358	78,086	18,705	88,730	18,730	109,525
Note.--Quantity data converted to 1,000 case equivalents to be comparable with questionnaire data.												
Source: Global Trade Atlas.												

Additionally, table IV-12 presents Commission questionnaire data on exports from nonsubject Thai exporters/producers. The United States was the second-largest destination for CPF from nonsubject Thai producers in every year except 2005, the first full year after the exclusion of three sources of Thai CPF. Because the EU is a large destination, though, the United States never accounted for more than one-third of nonsubject Thai exports.

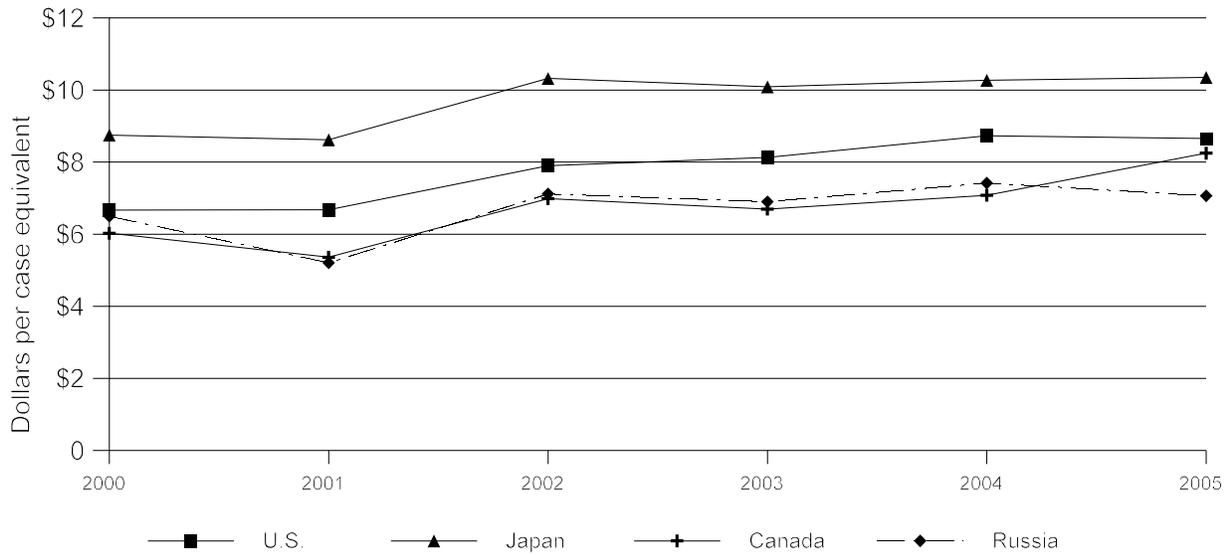
The AUVs of CPF exports from Indonesia, the Philippines, and nonsubject Thai producers to the United States are presented in figures II-5 through II-7. The AUVs of Philippine CPF exports are mostly below the AUVs of exports from Indonesia and nonsubject Thai exporters. Philippine CPF export AUVs increased for each country in 2005, in contrast to Indonesian AUVs which declined for four of the five destination countries. The AUVs for nonsubject Thai CPF exports increased irregularly between 2000 and 2005, though, as with subject CPF export AUVs, Japan was always the highest-priced, with the United States next highest.

Figure II-5
CPF: AUVs of Indonesian exports to the United States, Germany, the Netherlands, Japan, and Spain, 2000-05



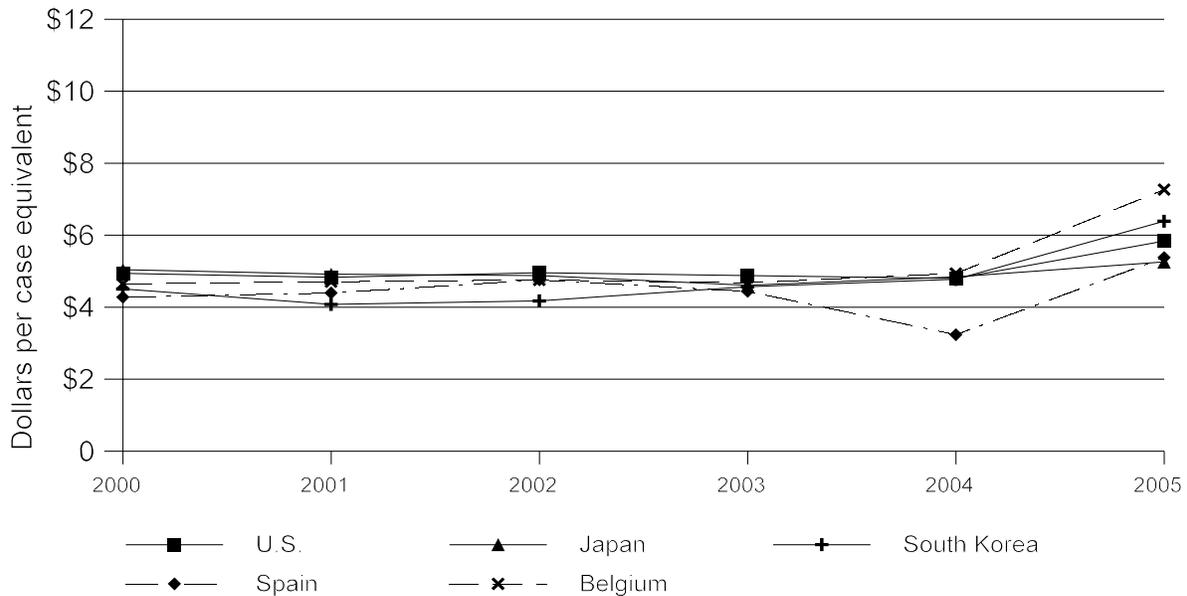
Source: Global Trade Atlas.

Figure II-6
CPF: AUVs of Philippine exports to the United States, Japan, South Korea, Spain, and Belgium, 2000-05



Source: Global Trade Atlas.

Figure II-7
CPF: AUVs of nonsubject Thai exports to the United States, Japan, Canada, and Russia, 2000-05



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

U.S. DEMAND

Demand Characteristics

A majority of responding producers, importers, and purchasers report that demand has been flat or stable since 2000, and anticipate no large changes in demand. Apparent U.S. consumption was 6.4 percent higher in 2005 than 2000 on a quantity basis. Because the average unit value increased over the same period, the value of U.S. apparent consumption was 14.9 percent higher in 2005 than 2000. USDA statistics reveal that per capita consumption of canned pineapples has decreased slightly from 2.80 pounds per capita in 2000 to 2.77 pounds per capita in 2005. Overall, though, consumption has increased from 791.1 million pounds to 822.8 million pounds during the same time period (table II-4).³³

³³ *Fruit and Tree Nuts Situation and Outlook Yearbook*, ERS, USDA, October 2006, table F-26.

Table II-4
CPF: U.S. total and per capita fresh and canned consumption, 1990-2005

Year	Canned pineapple fruit consumption	Canned pineapple fruit per capita consumption	Fresh pineapple per capita consumption
	(millions of pounds)	(pounds) ¹	(pounds)
1990	761.2	3.05	2.05
1991	785.4	3.10	1.91
1992	914.7	3.56	1.99
1993	845.7	3.25	2.04
1994	825.9	3.14	2.02
1995	734.5	2.76	1.91
1996	744.6	2.76	1.90
1997	740.8	2.72	2.34
1998	626.0	2.27	2.75
1999	843.4	3.02	3.03
2000	791.1	2.80	3.22
2001	728.2	2.55	3.16
2002	761.0	2.64	3.82
2003	806.3	2.77	4.39
2004	762.9	2.60	4.42
2005	822.8	2.77	4.90

¹ Data provided on a product-weight basis. Product weight is equal to fresh weight divided by 1.709.

Source: *Fruit and Tree Nuts Situation and Outlook Yearbook*, ERS, USDA, October 2006, Tables F-35 and F-36.

Seasonality

Purchasers reported seasonal variation in demand. Retail demand for CPF increases around Easter, and is highest during the Thanksgiving/Christmas holiday season, as noted by 12 purchasers. Six purchasers described demand as being “consistent” throughout the year. Two purchasers in the food service market segment reported that demand is driven largely by school purchases, and declines in the summer months.

Cost Share

CPF is usually a final consumer good, and, as such, accounts for all of the cost of a finished good. One importer, ***, reported that CPF accounts for three percent of the final cost of its ***.

Substitute Products

Responses to Commission questionnaires indicate that there are few close substitutes for CPF in its end uses. Fresh and fresh-chilled pineapple have a limited shelf life and contain the enzyme bromelain, which precludes their use in certain applications. This enzyme is deactivated by heating during the canning process.³⁴ If pineapple is not heated sufficiently during the canning process, the enzyme will cause the can to explode within a few days.³⁵ Eleven of 23 responding purchasers and six of 25 responding importers reported that fresh and fresh-cut pineapple are at least sometimes substitutable for CPF, with most of the purchasers being retailers. No industrial user reported any type of substitutability between fresh and canned pineapple.

Since 2000, there has been an increasing number of different ways to package cut pineapple - mainly single-serving plastic cups, plastic jars, and glass jars for the retail market, and aseptic bags for the food service market. Fourteen of 25 responding purchasers (most of which are in the retail sector) and 11 of 25 responding importers reported that cut pineapple in other containers would be a substitute for CPF. According to AC Nielsen reports for the New England area, pineapple packed in jars, bottles, and cups accounted for *** percent of canned/bottled pineapple sales in the year ending September 10, 2006, an increase from *** percent in the year ending June 15, 2003.³⁶

CPF is used in products such as fruit cocktail, in bakery products such as pies and cakes, and as a pizza topping. CPF is also an ingredient in salad and fruit buffet bars. Other canned fruit products were mentioned by some purchasers as substitutes for CPF. The Commission found in the original investigation that CPF's "unique taste, texture, and coloration do not allow for direct replacement by another canned fruit product."³⁷

SUBSTITUTABILITY ISSUES

There were notable differences in the shares of domestic and subject import sales by sales tier. The majority of Maui's U.S. shipments in all market segments were as first private label brands. Maui had no sales to national brands in any market segment in 2004 and 2005, and extremely limited sales as second private labels in 2004. In 2005, shipments of national brands accounted for *** percent of U.S. shipments of Thai CPF by importers able to report separately by tier. Sales of regional brands accounted for *** percent and sales of second private label brands accounted for *** percent of shipments.

Government Procurement/Buy America

Respondent interested parties noted that a significant share of Maui's sales of CPF are sales to government agencies and are thus sheltered from competition with imports by "Buy America" and similar provisions since all fruit commodities purchased must be of domestic origin. Furthermore, they note that, according to ***,³⁸ Maui's sales to federal government agencies accounted for between *** percent and *** percent of annual sales on a quantity basis from 2000 through 2005. The largest share of these sales were to the USDA. Maui's share of sales to federal government agencies has increased since 2003, somewhat due to ***, but mostly due to ***. On a quantity basis, USDA purchases of Maui's CPF

³⁴ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Final)*, USITC Publication 2907, July 1995, pp. I-6-7.

³⁵ Staff field trip report, Maui, October 10, 2006, p. 4.

³⁶ Respondent interested parties' posthearing brief, p. 19 and exh. 7.

³⁷ *Ibid.*, p. II-6.

³⁸ Respondent interested parties' prehearing brief, pp. 6-7.

varied between *** and *** during the period of review. Though these sales account for ***, Maui’s sales through other channels of distribution are not affected by the quantity of CPF that is purchased by USDA because Maui has sufficient capacity, acreage, equipment, manpower, and seed to expand its sales.³⁹ For information about the USDA buying process and more detailed data regarding sales to USDA, *see* table III-4, figure III-2, and the associated discussion in Part III of this report.

Availability

A number of purchasers reported that it is becoming increasingly difficult to source pineapple domestically. In fact, one purchaser replied that it believed CPF from the United States was no longer available because Maui went out of business. Another purchaser detailed a very difficult process of trying to find any foreign supplier that could replace the fancy grade CPF that Maui refused to pack for them.⁴⁰ In fact, ***.

There were reported differences in the shares of shipments of domestic CPF and subject imports by grade. CPF is classified as fancy, choice, and standard. Fancy grade is considered the highest quality, followed by choice and standard grades. Reported AUVs were higher for higher quality CPF in both 1999 and 2005, though the gap has narrowed. Shipments of fancy, choice, and standard grades accounted for *** percent of Maui’s U.S. shipments, respectively, on a quantity basis, in 2005. This is in contrast to the *** percent of Maui’s U.S. shipments, respectively, in 1999 during the first five-year review. U.S. shipments of subject imports in 2005 were *** percent fancy, *** percent choice, and *** percent standard grade, on a quantity basis, as shown in table II-5.

Table II-5
CPF: Quantity and unit value of domestic and subject CPF shipments, by grade, 1999 and 2005

Grade	Maui				Subject CPF			
	1999		2005		1999		2005	
	1,000 cases	Unit value						
Fancy	***	\$***	***	\$***	***	\$***	***	\$***
Choice	***	***	***	***	2,244	12.95	***	***
Standard	***	***	***	***	385	12.46	***	***

Source: Compiled from data submitted in response to Commission questionnaires (for 2005), and *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)* – confidential staff report, INV-Y-066, April 9, 2001, p. II-19 (for 1999).

Factors Affecting Purchasing Decisions

In the original investigation, the Commission found that there were perceived differences in the quality of the domestic product and that of subject and nonsubject imports. In this review, as in the first review, several responding purchasers reported differences in quality and reliability of delivery between domestic and imported CPF. However, other purchasers reported that country of origin plays little or no role in sourcing CPF. ***, a retail grocer, reported that although “**** became one private label source

³⁹ Hearing transcript, pp. 126-27 (Nishida).

⁴⁰ Staff telephone interview with ***, October 23, 2006.

and they pack in the Philippines both private label and *** label which we carried; we do not control where *** or *** source.” Retailer *** reported that it purchases based on quality, consistency, and price, not specific country of origin.

Responding purchasers reported that quality, price, and availability are the factors most important in deciding from whom to purchase CPF for any one order (*see* table II-6). When asked to rate the importance of a broad range of factors in the purchase decision, availability, product consistency, reliability of supply, and quality were the factors reported as being very important by the greatest number of purchasers (*see* table II-7).

Table II-6
CPF: Purchase factors, by order of importance and number of responses

Factor	Most important	Second most important	Third most important
Quality of product	13	8	2
Price	6	10	9
Availability/service	4	2	5
Supplier reliability	0	8	2
Other	5	1	8

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

Table II-7
CPF: Importance of factors in making a purchase decision, by number of responses

Factor	Very important	Somewhat important	Not important
Availability	25	0	0
Delivery terms	11	14	0
Delivery time	15	10	0
Discounts	6	12	7
Extension of credit	3	15	8
Lowest price	13	12	1
Minimum quantity requirements	8	6	12
Packaging	10	14	2
Product consistency	25	1	0
Quality	23	2	0
Product range	8	14	4
Reliability of supply	23	2	1
Technical support	2	17	5
Transportation network	6	17	2
Transportation costs	4	14	6

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

A majority of responding purchasers rated domestic canned pineapple as comparable to subject imports in fifteen out of the seventeen comparison factors. With respect to discounts, two out of the six responding purchasers found the Thai CPF superior, two found them comparable, and two found them inferior. Four of the six responding purchasers found Thai CPF to be better priced (*see* table II-8). With respect to availability, when domestic CPF is compared to CPF from Thailand, Indonesia, the Philippines, and other countries, domestic availability was found to be superior twice, comparable eight times, and inferior eight times.

On the whole, purchasers found Indonesian CPF to be comparable or inferior to domestic CPF with respect to most comparison factors, and Philippine CPF to be a slight bit more comparable to domestic CPF than Indonesian CPF. When comparing Thai CPF with CPF from other countries, the responding purchasers found the Thai CPF comparable with both Indonesian and Philippine CPF for the majority of the comparison factors, but slightly inferior to Philippine CPF's quality and consistency.

Table II-8
CPF: Comparisons of domestic, subject, and nonsubject products, by purchase factors

Factor	U.S. vs Thailand			U.S. vs Indonesia			U.S. vs Philippines		
	S	C	I	S	C	I	S	C	I
Availability	1	3	2	0	2	3	0	2	1
Delivery terms	0	5	1	0	3	2	0	2	1
Delivery time	1	5	0	1	3	1	0	2	1
Discounts	2	2	2	0	3	2	0	3	0
Extension of credit	0	3	2	0	3	1	0	3	0
Lowest price	1	1	4	0	0	5	0	2	1
Minimum quantity requirements	0	5	1	0	3	2	0	2	1
Packaging	1	5	0	1	4	0	0	3	0
Product consistency	1	5	0	0	4	1	0	2	1
Quality meets industry standards	1	5	0	0	5	0	0	3	0
Quality exceeds industry standards	2	4	0	1	4	0	0	3	0
Product quality	2	4	0	1	4	0	0	3	0
Product range	0	5	1	0	4	1	0	3	0
Reliability of supply	1	4	1	0	3	2	1	1	1
Technical support	1	4	0	0	4	0	0	3	0
Transportation network	1	5	0	1	3	1	0	2	1
Transportation costs	0	6	0	0	4	1	0	2	1

Table continued on next page.

Table II-8—Continued

CPF: Comparisons of domestic, subject, and nonsubject products, by purchase factors

Factor	U.S. vs Other ¹			Thailand vs Indonesia			Thailand vs Philippines		
	S	C	I	S	C	I	S	C	I
Availability	1	1	2	0	5	1	0	4	1
Delivery terms	1	3	0	0	6	0	0	4	1
Delivery time	2	2	0	0	5	1	0	5	0
Discounts	3	1	0	0	4	1	0	4	1
Extension of credit	1	2	0	0	5	0	1	3	1
Lowest price	0	0	4	1	5	0	3	2	0
Minimum quantity requirements	0	3	1	0	5	0	0	5	0
Packaging	0	4	0	0	6	0	0	4	1
Product consistency	2	2	0	1	4	1	0	3	2
Quality meets industry standards	1	3	0	0	6	0	0	2	3
Quality exceeds industry standards	2	2	0	0	6	0	0	3	2
Product quality	3	1	0	1	4	1	0	2	3
Product range	1	3	0	0	6	0	0	3	2
Reliability of supply	0	3	1	0	4	2	0	4	1
Technical support	1	2	0	0	6	0	0	4	1
Transportation network	1	3	0	0	6	0	0	5	0
Transportation costs	1	3	0	0	6	0	0	5	0

¹ Includes Malaysia, China, and South Africa.

Note.--S = First country mentioned is superior, C = comparable, I = domestic producer inferior.

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

Interchangeability and Non-price Differences

A majority of domestic producers and importers reported that domestic and Thai CPF of the same grade can be used interchangeably. Similarly, a majority also reported that there were not significant differences in product characteristics or sales conditions between domestic and subject CPF, between domestic and nonsubject imported CPF, nor between subject product versus nonsubject sources (see table II-9). When asked if the relative levels of their firm's purchases of canned pineapple fruit from different country sources have changed since January 1, 2000, eight purchasers reported that Maui stopped supplying their firms because they switched to fresh pineapple production.

Table II-9
CPF: Interchangeability of the domestic and imported product

Item	Firms reporting "yes"	Firms reporting "no"
Is CPF of the same grade from different sources generally used interchangeably?		
U.S. vs subject Thai	18	4 ¹
U.S. vs nonsubject sources	20	4 ¹
Subject vs nonsubject sources	24	1
Do significant differences exist in product characteristics or sales conditions?		
U.S. vs subject Thai	5	16
U.S. vs nonsubject sources	6	15
Subject product vs nonsubject sources	5	19
¹ *** noted that the U.S. shipped mostly fancy grade product, compared with choice or standard grades for other countries. Note.--Responses are from all responding domestic producers and importers of CPF. Source: Compiled from data submitted in response to Commission questionnaires.		

Based on available information, subject CPF is moderately substitutable for the domestic product. National brands had largely shipped fancy grade CPF, as had domestic producer Maui. This, however has changed somewhat in 2005, as Maui has shipped more choice CPF than fancy CPF. Most of the CPF shipped to the U.S. is of choice quality.⁴¹ Though Maui's CPF may meet fancy grade requirements, it is still shipped as choice grade, as it contends that that is all the market will bear.⁴² One importer testified at the hearing that perceived quality and the price premium afforded to national brands are a function of brand marketing, not actual quality differences. In his estimation, his brand (Ace of Diamonds/Three Diamonds) is "almost equivalent" to the quality of Dole.⁴³

Based on the record in this review, it appears subject CPF competes directly with domestic CPF and nonsubject imports in sales to private label brands, in particular in the retail sector, as shipments by subject Thai producers to retailers as first private labels have increased by more than 90 percent from 1994 to 2005, while domestic shipments have decreased by more than 90 percent over the same period of time. Substitutability is moderated somewhat, though, by perceived quality differences and the customer appeal of the domestic product.

⁴¹ Hearing transcript, p. 163 (Shiraiwa).

⁴² Hearing transcript, pp. 45-6 (Nishida).

⁴³ Hearing transcript, p. 164 (Shiraiwa).

ELASTICITIES

U.S. Supply Elasticity⁴⁴

The domestic supply elasticity for canned pineapple fruit measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of CPF. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to and from production of other products, the existence of inventories, and the availability of alternative markets for U.S.-produced CPF.

Maui has some ability to respond quickly to changes in price with changes in the overall quantity of fresh pineapple produced due to its co-production of fresh pineapple at the same facility, and also has the land, labor, seed, and machinery to increase acreage in cultivation in response to long-term price trends.⁴⁵ However, the farm prices received for pineapple fruit for the fresh market are much higher than farm prices for pineapple fruit for the processed market (3.7 to 5.1 times as high since 1994, according to USDA figures).⁴⁶ Even a large change in the price of CPF in the short term would likely have little impact on the share of pineapple allocated to fresh pineapple sales. Instead, Maui would likely sell out of their large inventory relative to their present shipments. Based on available information, staff believes that Maui is likely to respond to changes in demand with small to moderate changes in shipments of domestic CPF to the U.S. market, until such time as inventories are relatively small. The share of sales Maui makes to the U.S. government is not likely to change much in response to small changes in price, which would moderate the percentage change in its shipments due to a change in price.⁴⁷

U.S. Demand Elasticity

The U.S. demand elasticity for CPF measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of CPF. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of CPF in the production of any downstream products. There are limited viable substitutes (other sweet and juicy fruits) for CPF with respect to many uses, and a large difference in price exists between fresh pineapple and CPF, which limit demand elasticity. However, newer packaging for cut pineapple (aseptic bags, plastic cups and jars, etc.) are becoming more available and bridging the pricing gap between fresh and canned pineapple. Also, CPF, when not sold for direct consumption, is typically a small portion of

⁴⁴ A supply function is not defined in the case of a non-competitive market.

⁴⁵ Hearing transcript, pp. 126-27 (Nishida).

⁴⁶ *Fruit and Tree Nuts Situation and Outlook Yearbook*, ERS, USDA, 2006, Table B-29.

⁴⁷ In their prehearing brief, respondent interested parties submitted a nonlinear COMPAS model to estimate the effects on the domestic industry of lifting the antidumping duties on subject Thai CPF (tables 7A through 7D). In this model, respondent interested parties assumed an elasticity of 100 to 200 for both domestic and nonsubject supply of CPF. Staff finds this estimate to be extremely high for this industry. Although nonsubject supply is large compared to the U.S. market, an increase of one percent in price, *ceteris paribus*, would not lead to an increase of 100-200 percent of quantity supplied by nonsubject producers. Respondent interested parties assumed a supply elasticity for subject imports of Thai CPF to be in the range of 5 to 8. The net effect of these assumptions is that, if duties are lifted, there would be a small decrease in price, but only on subject imports, which would lead to greater market share at the expense of nonsubject and domestic CPF in amounts proportionate to the relative shares of the market (***). These specific factors, combined with the choice of partial year 2006 data, during which domestic share (***), combined to yield the *** effect which respondent interested parties indicated.

the total cost of the finished product into which it is incorporated. Based on these factors, the aggregate demand elasticity for CPF is likely to be slightly elastic.⁴⁸

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.⁴⁹ Product differentiation, in turn, depends upon such factors as quality both perceived and actual, grade, and conditions of sale. Based on available information, the elasticity of substitution between domestic and subject CPF is likely to be relatively high due to the commodity-like nature of CPF and the increasing nature of CPF sold into the U.S. market being marketed as choice grade.⁵⁰

⁴⁸ Respondent interested parties used an aggregate demand elasticity of -1.0 to -1.5 in their COMPAS modeling exercise. Respondent interested parties' prehearing brief, tables 7A-7D.

⁴⁹ The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

⁵⁰ Respondent interested parties used a substitution elasticity of 4 to 6 in their COMPAS modeling exercise. Respondent interested parties' prehearing brief, tables 7A-7D.

PART III: CONDITION OF THE U.S. INDUSTRY

Information in this section is based on the questionnaire response of Maui, which is believed to account for virtually all U.S. production during the period of review.¹ At the time of the first five-year review, Maui reported that Campofresco of Puerto Rico was the only other U.S. producer of CPF.² In response to the Commission's producer questionnaire, Campofresco reported that it no longer processes any canned pineapple fruit.³

U.S. PRODUCER CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Maui's CPF capacity, production, and capacity utilization during 2000-05, January-September 2005, and January-September 2006 are shown in table III-1.

Table III-1

CPF: U.S. producer's capacity, production, and capacity utilization, 2000-05, January-September 2005, and January-September 2006

* * * * *

Maui's acreage planted for CPF production decreased overall from 2000 through 2005 by *** percent. At the same time, capacity to produce CPF remained constant while production decreased steadily in each period for an overall decrease of *** percent. By 2005, Maui's canning capacity utilization was close to 25 percent.⁴ Maui reported that the major constraint on its production capacity is ***. Allegedly, *** make ***. Maui reported that it has adequate land, seed, labor, and equipment available for pineapple fruit expansion on its plantations. At the cannery there is a great amount of additional processing capacity available. Despite the antidumping duty order under review, its cannery has been operating at less than a 25 percent capacity utilization rate for CPF in 2005. Maui claims that if pricing for CPF were higher it would operate at a higher utilization rate.⁵ As demonstrated above, Maui's capacity utilization rate decreased each year between 2000 and 2005 by *** percentage points overall. Maui *** a toll agreement regarding the production of CPF.⁶ Maui ***. It is located in Kahului, Maui, Hawaii.⁷

According to Maui, the state of Hawaii and the county of Maui have very strict zoning and land use requirements. All of the Company's pineapple farming operations take place on land that is zoned for

¹ Maui's response to the notice of institution, May 23, 2006, p. 2.

² *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, p. I-10. Today, Campofresco's business is reportedly focused on juices. The Company's pineapple production in recent years has been as follows: 18,800 tons in 2001, 18,200 tons in 2002, and 16,000 tons in 2003. *Caribbean Business: Privatization, Puerto Rico Herald*, Lorraine Blasor, February 19, 2004, found at www.puertorico-herald.org/issues/2004/vol8n08/CBPrivat-en.shtml, retrieved August 9, 2006 and Procesadora Campofresco Inc, *General Information*, found at www.campofresco.com/pages.dir/inpage.html, retrieved August 9, 2006.

³ Letter from ***, November 6, 2006.

⁴ Hearing transcript, p. 87 (Rosenthal).

⁵ Maui's producer questionnaire response, section II-6.

⁶ Maui's producer questionnaire response, section II-16.

⁷ Maui's producer questionnaire response, section II-17.

agriculture.⁸ At the time of the first five-year review, approximately *** acres owned by ML&P were dedicated to total pineapple production.⁹ Now, approximately *** acres of ML&P's land holdings are dedicated to total pineapple production.¹⁰ Maui described this decrease as a *** and attributed it to ***.¹¹ These figures of *** acres and *** acres represent acres in fallow, acres that are in production, and acres that are being harvested.¹² The following tabulation presents data for Maui's acres planted for all pineapples (both fresh and canned) during 2000-05, and the interim period, January-September 2006:

* * * * *

Table III-2 presents available information on the acreage planted for all pineapple production in the United States from 1990 through 2005. Figure III-1 graphically depicts total pineapple acreage utilization and product shares.

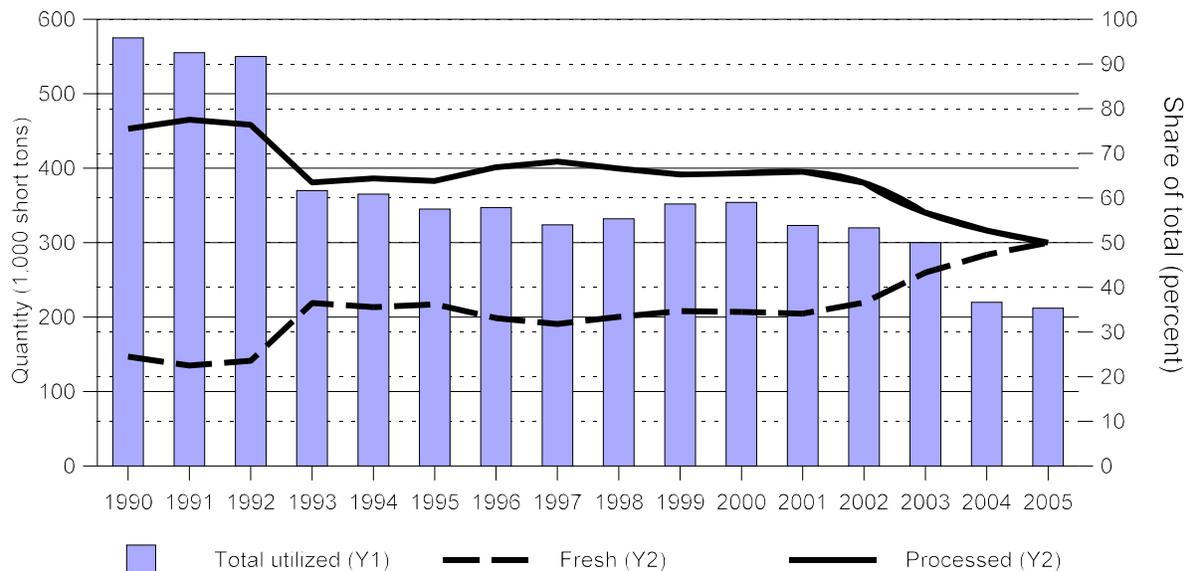
Table III-2
Pineapples: Acreage in production in the United States, quantity sold as fresh, quantity processed, and total quantity utilized, 1990-2005

Year	Acreage	Tons sold as fresh	Tons processed	Total tons utilized
	1,000 acres	1,000 short tons		
1990	30.9	141	434	575
1991	28.4	125	430	555
1992	26.2	130	420	550
1993	22.0	135	235	370
1994	22.3	130	235	365
1995	19.9	125	220	345
1996	20.0	115	232	347
1997	19.9	103	221	324
1998	21.0	111	221	332
1999	21.0	122	230	352
2000	20.7	122	232	354
2001	20.1	110	213	323
2002	19.1	117	203	320
2003	16.0	130	170	300
2004	13.0	104	116	220
2005	14.0	106	106	212

Source: *Fruit and Tree Nuts Situation and Outlook Yearbook*, ERS, USDA, 2006, Table B-29.

⁸ Maui's producer questionnaire response, section II-13.
⁹ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, confidential staff report, INV-Y-066, April 9, 2001, p. III-1.
¹⁰ Staff field trip report, Maui, October 10, 2006.
¹¹ Maui's producer questionnaire response, section II-2.
¹² Hearing transcript, pp. 122-123 (Jio).

Figure III-1
Pineapple: Total utilization and product shares, 1990-2005
 Source: Table III-2.



Changes in Operations

According to Maui, its general trend has been to *** in order to *** from Thai sales below fair value. This strategy has required Maui to *** during the 2000-06 time period. The *** reflects the ***.¹³ According to Company statements, Maui’s “current strategy is to expand its presence in the fresh pineapple market, while selectively reducing its reliance on the processed pineapple market. Therefore, over recent years, the Company has decreased the tonnage of fruit going to the cannery and, in 2004, began to commensurately reduce the number of markets for processed pineapple that it serves.”¹⁴

Maui reported that it has experienced significant changes in operations since January 1, 2000 in the areas of ***. As described above, Maui has reduced the acreage planted for pineapple production since 2000. In 2004, Maui began ***. For example, in 2004 Maui spent ***. Much of this was spent on ***. Maui has also made research investments in organic pineapple crops but the required packing conversion changes may be prohibitively expensive.¹⁵ Between 2004 and 2006, *** and ***. Between 2005 and 2006, ***. The *** is an ongoing investment. The current cannery is 85 years old.¹⁶ At the time of the first five-year review, Maui was considering ***. Instead, Maui is considering ***. Some of the ***. As part of ***. However, ***.¹⁷ According to Maui, ***. At the time of the hearing held in connection with this review, Maui’s president stated that the investment in a streamlined cannery cannot

¹³ Maui’s producer questionnaire response, section II-12.

¹⁴ ML&P 2005 10-K, p. 2.

¹⁵ Hearing transcript, p. 47 (Nishida).

¹⁶ Hearing transcript, p. 21 (Nishida).

¹⁷ Staff field trip report, Maui, October 10, 2006.

be made unless market conditions improve.¹⁸ Finally, the number of employees tied to CPF production has ***,¹⁹

Since January 1, 2000, Maui has produced other products on the same equipment and machinery, and with the same production and related workers, used in the production of CPF. From 2000 through 2003, Maui produced *** on this common equipment, and, from 2000 through 2005, Maui produced *** on this same equipment. As part of its processing operations Maui also produces a variety of pineapple juice products and a limited amount of frozen pineapple.²⁰

Maui reported that it *** production between CPF and other products in response to a relative change in the price of CPF vis-à-vis the price of other products, using the same equipment and labor. This is because Maui's ***.

U.S. PRODUCER'S DOMESTIC SHIPMENTS, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Maui's shipments during 2000-05, January-September 2005, and January-September 2006 are shown in table III-3. *** were reported. Between 2000 and 2005, U.S. shipments and exports both declined overall by *** percent. Reported data for interim 2006 show a further decrease in both U.S. shipments and exports, compared with interim 2005. Principal export markets identified were ***. Exports accounted for *** percent of Maui's shipments in 2005.

Table III-3

CPF: U.S. producer's shipments, by type, 2000-05, January-September 2005, and January-September 2006

* * * * *

Maui's U.S. shipments by type of purchaser during 2000-05, January-September 2005, and January-September 2006 are shown in table III-4. Trends in Maui's U.S. shipments by type of purchaser are presented in figure III-2. Maui reported ***.²¹

Table III-4

CPF: Maui's U.S. shipments by type of purchaser, 2000-05, January-September 2005, and January-September 2006

* * * * *

Figure III-2

CPF: Maui's U.S. shipments by type of purchaser, 2000-05, January-September 2005, and January-September 2006

* * * * *

From 2000 through 2005, shipments to non-Government/non-Buy American purchasers decreased overall by *** percent. Over the same period, shipments to U.S. Government/Buy American

¹⁸ Hearing transcript, p. 20 (Nishida).

¹⁹ See the section on U.S. producer's employment, wages, and productivity in this part of the report.

²⁰ Hearing transcript, pp. 94-95 (Nishida).

²¹ Maui's producer questionnaire response, section II-9a. While Maui reported ***. Hearing transcript, closed session, pp. 313-319 (Jio).

purchasers increased overall by *** percent. The proportion of U.S. shipments accounted for by U.S. Government/Buy American sales, increased from *** percent in 2000 to *** percent in 2005.^{22 23} The Company does not have a long-term contract to supply CPF to the Government and cannot predict whether the U.S. Government will continue to represent such a significant portion of its CPF sales in the future.²⁴ Maui's SEC filings describe the Company's strategy of sharply reducing supply to selected market segments while partially offsetting that reduction with increased sales to the U.S. Government.²⁵

The USDA Commodity (CPF) Purchase Program

USDA guidelines state that all fruit commodities provided for USDA purchase must be of 100 percent domestic origin.²⁶ Maui participates in the USDA's Domestic Origin Verification Audit Program and is listed as an approved supplier for Government purchases of canned pineapple and canned pineapple juice through October 13, 2007.²⁷

The USDA administers two principal commodity purchase programs, "entitlement purchases" and "bonus buys."²⁸ Entitlement purchases are made to meet federally mandated levels of food assistance as part of national nutrition programs.²⁹ Each program recipient (e.g., a school district or food bank) can receive up to a specific dollar amount in commodities; this entitlement refers to the amount of money per meal that participants may claim.³⁰ ***. Bonus buys serve a different purpose: they provide market relief when producers of a particular product face poor market conditions and additional outlets are

²² Reported shares of sales to the U.S. Government in Maui's 2005 10-K report to the Securities and Exchange Commission ("SEC") (i.e., 20, 35, and 40 percent of processed pineapple sales case volume in 2003, 2004, and 2005, respectively (ML&P's 2005 10-K, p.2)) differ from the shares reported in table III-4 "because the percentages in the 10-K represent the percentage of total government sales volume, which includes both CPF and canned juice, to total canned pineapple sales (CPF, juice, and concentrate)." Maui's posthearing brief, exh. 1, p. 42.

²³ Reportedly, the increase in the percentage of processed pineapple sales to the U.S. Government is a result of lower overall CPF sales and an increase in Maui's participation in Government programs that purchase pineapple for school lunches, needy families, and other Government programs. ML&P's 2006 10-Q, p. 16.

²⁴ ML&P's 2005 10-K, p. 12. According to the USDA, the fact that ***. The USDA stated that ***. Fax from ***, USDA, February 8, 2007, p. 4.

²⁵ ML&P's 2005 10-K, p. 25.

²⁶ *Domestic Origin Verification Program*, USDA AMS, Fruit and Vegetable Programs, found at www.ams.usda.gov/fv/docs.htm, retrieved October 26, 2006.

²⁷ *Approved Domestic Origin Verification (DOV) Audit Program Participants*, found at www.ams.usda.gov/fv/ppbweb/DOVS/DOVParticipants_10_4_06.pdf, retrieved October 26, 2006.

²⁸ Maui's posthearing brief, exh.1, p. 20.

²⁹ These programs include the National School Lunch Program, the Child and Adult Care Food Program, the Summer Food Service Program, the Nutrition Services Incentive Program, the Emergency Food Assistance Program, the Commodity Supplemental Food Program, and the Food Distribution Program on Indian reservations. The National School Lunch Program is by far the largest recipient of USDA purchases. Commodity Procurement, Program Information, USDA, found at www.ams.usda.gov/fv/pdf/pubs/cbp.pdf, retrieved February 9, 2007. Fax from ***, USDA, February 8, 2007, p. 2.

³⁰ Commodity Procurement, Program Information, USDA, found at <http://www.ams.usda.gov/fv/pdf/pubs/cbp.pdf>, retrieved February 9, 2007.

needed to ease a surplus situation.³¹ Unlike entitlement buys, with bonus buys ***. In addition to nutrition program participants, *** can obtain goods from bonus buys.³²

According to the USDA, its buying process, for both programs, begins with a survey of recipient needs conducted by ***.³³ Based on survey results the USDA's Commodity Procurement Branch drafts invitations for bidding.³⁴ For purposes of CPF, Maui then transmits its bid to the USDA ***.³⁵ The USDA reviews canned food bids by ***.³⁶ The USDA's Agricultural Marketing Service gathers competitive bids from vendors and awards contracts to the lowest responsible bidders.³⁷ However, because pricing data for CPF is generally limited, the USDA relies on ***. According to the USDA, if the quoted prices are ***.³⁸ For those offers accepted by USDA, the agency then creates a PCIMS-Destination Contract Abstract, that includes the volume, price, delivery period, and destination for CPF shipments awarded.³⁹

Table III-5 shows Maui's 2004 and 2005 domestic shipments by grade, package size, and region. Maui reported that there have ***. The majority of CPF shipped by Maui is choice grade. However, Maui explained that it has not reduced its canning of fancy grade pineapple but rather that it sells fancy grade as a choice product to its customers that demand the lower prices associated with choice products.⁴⁰ Maui ***. Maui's shipments are predominantly of ***. However, sales of all package sizes were ***. Given Maui's location in Hawaii, most of Maui's sales are to the western United States.⁴¹

Table III-5
CPF: U.S. producer's domestic shipments, by grade, package size, and region, 2004-05

* * * * *

Table III-6 presents Maui's 2004 and 2005 domestic shipments by channels of distribution. At the retail level, Maui made *** in 2004 and 2005. First private labels ***. As shown in the tabulation, most of Maui's shipments were made to ***. Within *** of Maui's 2004 and 2005 shipments were of *** CPF. In 2004 and 2005, Maui's *** channel of distribution was the industrial segment.

³¹ ***. Fax from ***, USDA, February 8, 2007, p. 2. Commodity Procurement, Program Information, USDA, found at <http://www.ams.usda.gov/fv/pdf/pubs/cbp.pdf>, retrieved February 9, 2007.

³² Fax from ***, USDA, February 8, 2007, p. 2.

³³ Commodity Procurement, Program Information, USDA, found at <http://www.ams.usda.gov/fv/pdf/pubs/cbp.pdf>, retrieved February 9, 2007.

³⁴ Fax from ***, USDA, February 8, 2007, pp. 2-3. Hearing transcript, closed session, p. 275 (Nishida). Announcement FV-300, USDA Fruit and Vegetable Programs, Purchase of Canned Fruit for Distribution to Eligible Outlets, April 2004, p. 4, found at <http://www.ams.usda.gov/fvcp/fruit/announcement/FV-300Announcement.pdf>, retrieved January 24, 2007.

³⁵ Kent Corp. doing business as Harvest Pride ***. Maui's posthearing brief, exh. 1, p. 26.

³⁶ ***. Fax from ***, USDA, February 8, 2007, p. 3.

³⁷ Commodity Procurement, Program Information, USDA, found at <http://www.ams.usda.gov/fv/pdf/pubs/cbp.pdf>, retrieved February 9, 2007.

³⁸ Fax from ***, USDA, February 8, 2007, p. 3.

³⁹ Maui's posthearing brief, exh. 1, p. 22.

⁴⁰ According to Maui, the retail segment demands a fancy grade CPF product but because Maui's sales to this segment have declined, its sales of fancy grade CPF have appeared to decline. However, the company packages fancy grade pineapple and sells it as a choice grade product to other market segments. Hearing transcript, pp. 45, 83-84 (Nishida), p. 100 (Rosenthal).

⁴¹ Maui's producer questionnaire response, section II-14a.

Table III-6

CPF: U.S. producer’s domestic shipments, by channel of distribution, 2004-05

* * * * *

U.S. PRODUCER’S INVENTORIES

Data collected in this review investigation on the domestic producer’s end-of-period inventories of CPF are presented in table III-7. CPF inventories decreased overall between 2000 and 2005 by *** percent. Relative to production, the domestic industry’s inventories of CPF were the highest in 2002 before decreasing in each subsequent year. The ratio of inventories to production was lowest in 2005.

Table III-7

CPF: U.S. producer’s end-of-period inventories, 2000-05, January-September 2005, and January-September 2006

* * * * *

U.S. PRODUCER’S PURCHASES

Maui’s purchases of CPF were ***.⁴² Maui’s CPF purchases were made from *** and were sourced from ***. The majority of these purchases were made by ***.⁴³ The reason given for these purchases was that Maui purchased ***.⁴⁴ CPF purchases made by Maui during 2000-05, January-September 2005, and January-September 2006 are shown in table III-8.

Table III-8

CPF: U.S. producer’s purchases, by sources, 2000-05, January-September 2005, and January-September 2006

* * * * *

U.S. PRODUCER’S EMPLOYMENT, WAGES, AND PRODUCTIVITY

From 2000 to 2005, the average number of production related workers (“PRWs”), hours worked, and wages paid decreased. Productivity ***, while unit labor costs increased by *** percent over the period, as shown in table III-9. In 2004, Maui’s overall agricultural operations employed approximately 370 full-time and approximately 365 seasonal or intermittent employees.⁴⁵ CPF specific employment figures are presented below.

Table III-9

CPF: Average number of PRWs, hours worked, wages paid, hourly wages, productivity, and unit labor costs, 2000-05, January-September 2005, and January-September 2006

* * * * *

⁴² Maui’s producer questionnaire response, section II-19.

⁴³ Maui’s producer questionnaire response, section II-19.

⁴⁴ Maui’s producer questionnaire response, section II-19.

⁴⁵ Maui’s producer questionnaire response, section II-2.

Maui reported that since 2000, its total workforce has been reduced by *** percent, with nearly *** percent of those workers coming from the CPF segment of its business.⁴⁶ As a consequence, the number of PRWs, their hours worked, and their wages paid all declined steadily between 2000 and 2005. During that time, the number of PRWs alone declined by *** percent.

Maui's employees are members of the International Longshoreman's and Warehouseman's Union and were joint filers of the petition in the original investigation. In 2005, approximately 25 percent of the agricultural operations employees were covered by collective bargaining agreements.⁴⁷ ***.⁴⁸

During the summer months ***. However, the company is moving toward ***. In addition to local labor, *** because of the difficulty in attracting workers to field labor.⁴⁹

FINANCIAL EXPERIENCE OF THE U.S. PRODUCER

Background

Maui reported its financial results on the basis of U.S. generally accepted accounting principles ("GAAP") for calendar year periods.⁵⁰ The majority of CPF revenue represents commercial sales to unrelated U.S. customers.⁵¹ ⁵² A *** share of Maui's CPF volume, ***, represented export sales.

Staff verified the U.S. producer response of Maui on February 6 and 7, 2007. Changes pursuant to verification are reflected in this and other affected sections of the staff report.⁵³

⁴⁶ Ibid.

⁴⁷ ML&P's 2005 10-K, p. 7.

⁴⁸ Staff field trip report, Maui, October 10, 2006.

⁴⁹ Ibid.

⁵⁰ According to notes to ML&P's public financial statements, since the 1950s Maui has used the "annual accrual method." Under this method revenue and non-pineapple production costs are determined on an accrual basis, while pineapple production costs (e.g., land preparation and planting, cultivation, irrigation, crop development, harvesting and shipment to cannery) are charged to the cost of crops harvested during that period. The company notes that the "annual accrual method" deviates from the American Institute of Certified Public Accountants Statement of Position ("AICPA SOP") No. 85-3 (Accounting by Agriculture Producers and Agricultural Cooperatives) because it does not accumulate and assign direct and indirect costs to unharvested (growing) crops. ML&P asserts that the annual accrual method is more appropriate because of the relatively long pineapple crop cycle (18 to 48 months) and uncertainties regarding fruit quality and number of crops to be harvested from each planting. ML&P 2006 2nd Quarter 10-Q, p. 7. As indicated in footnotes 57 and 59, a number of factors can affect average CPF costs. Variability in the level of production costs incurred and the fact that unharvested crops are not assigned a portion of these production costs under the annual accrual method is an additional factor which affects comparability of average period-to-period CPF COGS. The use of this method in ML&P's audited financial statements, which received unqualified audit opinions throughout the period, generally indicates that ML&P's external auditors accepted this method as a reasonable deviation from U.S. GAAP.

⁵¹ As noted previously, the U.S. government accounted for an increasing relative share of Maui's total sales volume during the period examined.

⁵² Maui represents ML&P's Agriculture business segment which "... primarily includes growing, packing, processing, and marketing of processed and fresh pineapple." ML&P 2005 10-K, p. 1. In addition to Maui's U.S. pineapple operations, the Agriculture segment included fresh pineapple plantations in Costa Rica, which were sold in 2003, and a joint venture which sells Malaysian canned pineapples in the United States. Ibid. Prior to 2005, ML&P's Agriculture segment was called the Pineapple segment. ML&P's other two segments are Resort and Community Development.

⁵³ February 23, 2007, verification report.

Operations on Canned Pineapple Fruit

Table III-10 presents the financial results of Maui’s operations on CPF. Table III-11 presents a variance analysis of the CPF financial results.

Table III-10

CPF: Results of operations of Maui production, 2000-05, January-September 2005, and January-September 2006

* * * * *

Table III-11

CPF: Variance analysis of Maui’s results of production operations, 2000-05, January-September 2005, and January-September 2006

* * * * *

As shown in the sales section of the variance analysis, the net decline in Maui’s CPF revenue between 2000 and 2005 was primarily due to negative sales volume variances; i.e., with the exception of the 2000-01 period, CPF price variances were positive. As discussed in a previous section, the reduction in CPF volume, at least in part, reflects Maui’s decision to shift more of its operations to the production of fresh pineapple and reduce the relative importance of CPF.^{54 55 56}

Throughout most of the period, increases in Maui’s average CPF revenue offset smaller increases in average cost of goods sold (“COGS”). Notwithstanding fluctuations in the absolute level of gross profit, this resulted in a pattern of relatively stable CPF gross profit as a percent of sales. In interim 2006, this

⁵⁴ ML&P management discussion and analysis information described fresh pineapple as a higher margin product which is less susceptible to cyclical oversupply. ML&P 2000 10-K, p. 63. According to ML&P, “{f}urther market penetration and sales volume of non-canned products are key to the Company’s future success.” Ibid. ***. February 23, 2007, verification report, p. 7.

⁵⁵ In its 1999 10-K, ML&P described prospectively that in 2000, while still seeking to achieve the highest returns on sales of CPF, “{s}ignificant capital resources will be directed toward fresh and fresh cut products where customer demand is growing.” ML&P 1999 10-K, p. 122. ML&P’s 1999 10-K also noted that its strategic goal was to reduce acreage planted in pineapple and to increase the amount of acreage devoted to the fresh fruit business. ML&P 1999 10-K, p. 115. Subsequent ML&P SEC filings contained similar narrative statements. ML&P 2000 10-K, p. 74; ML&P 2002 10-K, pp. 37-39; ML&P 2003 10-K, p. 5; ML&P 2004 10-K, p. 12; ML&P 2005 10-K, p. 2; and ML&P 2006 2nd Quarter 10-Q, p. 23. In 2000, CPF represented approximately *** percent of the Agriculture segment’s total net sales. By interim 2006 this value was *** percent. Note: These percentages are based on questionnaire data and information submitted by Maui in response to supplemental staff questions.

⁵⁶ In its 2001 10-K, ML&P reported an 8 percent increase in canned pineapple volume compared to 2000. The company noted that this increase was due to better growing conditions and a large percentage of the overall harvest representing plant crop (first harvest) which generally yields the highest amount of fruit, as compared to subsequent ratoon and second ratoon crops. ML&P 2001 10-K, p. 65.

In its 2004 10-K, ML&P stated that “{t}he volume of canned pineapple sales decreased by 27% for 2004 as compared to 2003, in large part reflecting the Company’s strategy to sharply reduce supply to selected market segments. This market refinement has resulted in the average sales prices for the Company’s canned pineapple products to increase by approximately 9% in 2004 compared to 2003.” ML&P 2004 10-K, p. 13. In 2005, ML&P stated that “{t}he case volume of processed pineapple sales decreased by 27% for 2005 compared to 2004, primarily reflecting the Company’s strategy to sharply reduce supply to selected retail market segments. This market refinement has resulted in the average sales prices for the Company’s processed pineapple products to increase by approximately 7% for 2005 compared to 2004. The Company implemented price increases for its processed product lines in March, June and August of 2004, and in August 2005.” ML&P 2005 10-K, p. 20.

relative stability ended as a result of increases in all components of COGS which offset a small positive price variance. Maui's COGS-to-sales ratio between 2000 and 2005 ranged from *** percent to *** percent. In contrast, the interim 2006 COGS to sales ratio was *** percent.⁵⁷ Assuming certain conditions, company officials indicated that Maui's CPF target COGS-to-sales ratio should range between *** percent and *** percent.⁵⁸

According to Maui, the transition from positive financial results (see table I-1) at the end of the last review period to the negative and worsening financial results of this review period are unrelated to the decision to diversify operations more towards the production of fresh pineapple. Instead, according to Maui, the stark contrast in financial results was due to strong CPF pricing conditions at the end of the first review period which did not continue into the current review period.⁵⁹

Although Maui reported consistent gross profit, its failure to generate operating income during the period examined is notable. In 2000 and 2001, Maui's CPF SG&A expense ratios were in the same range as the SG&A expense ratio reported at the end of the last sunset review.⁶⁰ In conjunction with higher SG&A expense ratios after 2001, Maui's subsequent operating losses grew substantially throughout the rest of the period.

Maui's higher CPF SG&A expenses (in absolute terms and as a ratio to CPF revenue) generally correspond with increases in ML&P's consolidated G&A expenses.⁶¹ As described in narrative information accompanying ML&P's public financial statements, the overall increases in G&A expenses

⁵⁷ ***. Letter from Kelley Drye, counsel to Maui, November 9, 2006. According to ML&P's 2nd quarter 2006 10-Q, "[t]he average per unit cost of sales for processed pineapple was higher in 2006 compared to 2005 because of reduced tonnage of fruit being processed . . ." and that ". . . heavy state-wide rains and cooler temperatures than normal during 2006 resulted in some delays in fruit maturity to the third quarter." ML&P 2nd quarter 2006 10-Q at p. 23. ***. February 23, 2007, verification report, p. 9.

LIFO liquidation, which refers to the recognition of an older and generally lower value layer of inventory in COGS because sales have exceeded production, occurred from 2003 through 2005. ML&P 2003 10-K, p. 13; ML&P 2004 10-K, p. 14; ML&P 2005 10-K, p. 45. ***.

***. February 23, 2007, verification report, pp. 8-9. ***. February 23, 2007, verification report, p. 9.

⁵⁸ "****". Letter from Kelley Drye, counsel to Maui, November 16, 2006.

⁵⁹ Maui's post hearing brief, pp. 36-37. While Maui's explanation regarding the divergence in financial results did not focus specifically on increases in average COGS, the increase in average CPF costs in 2000 is generally consistent with narrative information accompanying ML&P's public financial statements. This information indicates that a variety of factors drove average CPF costs higher in 2000; e.g., sustained drought conditions resulted in higher irrigation costs and reduced yield; harvested yield was lower due to higher percentage of harvest from ratoon crops; and direct production costs were higher due to increases in the cost of steel, fiber, fuel, and fertilizer. ML&P 2000 10-K, p. 77.

⁶⁰ As reported in the first sunset review, interim 2000 reflected an SG&A expense ratio of *** percent. *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)* - confidential staff report, INV-Y-066, April 9, 2001, Table III-10.

⁶¹ In order to report product-specific financial results, some degree of SG&A expense allocation is usually necessary. Narrative information in ML&P's public financial statements indicated that selling expenses are incurred at the segment level. Maui confirmed this and stated that ***. Letter from Kelley Drye, counsel to Maui, November 16, 2006. In contrast with selling expenses, narrative information in ML&P's public financial statements indicated that G&A expenses are incurred at both the segment and corporate level. As with selling expenses, Maui stated that the allocation of G&A expenses to CPF was based on the share of CPF revenue to total revenue. Ibid.

***. February 23, 2007, verification report, p. 10. ***. February 23, 2007, verification report, p. 4.

represented a number of recurring and nonrecurring items – some of which were specific to the Agriculture segment.⁶²

In order to determine the impact of non-recurring items on CPF financial results, Maui identified the following non-recurring expenses included in its reported G&A expenses: ***.⁶³ Eliminating these items from reported CPF SG&A expenses results in pro forma CPF SG&A expense ratios ranging from *** percent to *** percent for the 2001 through full-year 2005 period and an interim 2006 SG&A expense ratio of *** percent.⁶⁴ Maui's corresponding pro forma operating loss ratios for full-year 2001 through 2005 would range from *** percent to *** percent. The interim 2006 pro forma operating loss ratio would be *** percent.⁶⁵

While the absolute magnitude of CPF operating losses is affected by expense classification and allocation, the pattern of Maui's CPF operating losses, as presented in table III-10, is generally consistent with ML&P's public Agriculture segment financial results.⁶⁶

⁶² Note: The following description is of changes in ML&P's G&A expenses, as reported in ML&P's public SEC filings, as opposed to Maui's SG&A expenses.

ML&P's consolidated G&A expenses increased \$4.5 million (23 percent) in 2002 primarily due to consulting expenses related to lawsuits involving its pineapple operations, as well as higher depreciation, medical, and insurance expenses. ML&P 2002 10-K, p. 63. In 2003, ML&P's consolidated G&A expenses increased by \$7.9 million (35 percent). The primary components of this increase were as follows: employee severance expenses related to management changes and reductions in force primarily in the Agriculture segment, asset writeoffs and accelerated/higher depreciation expense attributable mainly to the Agriculture segment, and generally higher pension and insurance expenses. ML&P 2003 10-K, p. 12. In 2004, ML&P's consolidated G&A expenses declined marginally by \$1.2 million (4 percent). According to ML&P, while expenses for professional services declined with the termination of the above-referenced lawsuits, this reduction was offset partially by increased consulting costs related to the company's restructuring efforts and new business initiatives; e.g., staff and consultants were hired to design a new multi-client processing center to replace Maui's pineapple cannery and fresh packing plant. 2004 G&A expenses also included, among other items, employee severance expense and asset write-offs primarily related to the Agriculture segment. ML&P 2004 10-K, pp. 10-11. In 2005, ML&P's consolidated G&A expenses increased by \$9.1 million (31 percent). This increase was attributed to several components including increased salaries and wages related to the Community Development segment, additional asset write offs/accelerated depreciation related specifically to the Agriculture segment, and general items such as the company's accounting and payroll system. The large increase in professional and outside services in 2005 was attributed to Sarbanes-Oxley financial reporting requirements, modification of the company's new accounting system, and staff retraining due to staff turnover primarily in the Agriculture segment. ML&P 2005 10-K, pp. 18-19. For the first half 2006, ML&P's G&A expenses increased by \$2.3 million (14 percent) compared to first half 2005. The primary component of this increase was salaries and wages for Agriculture segment personnel taken out of operations and retrained for other work. ML&P 2nd quarter 2006 10-Q, p. 22. In September 2006, a \$1.6 million severance expense, attributed to efficiencies at the Agriculture segment's new packing facility, was recognized. ML&P 3rd quarter 2006 10-Q, p. 20.

***. February 23, 2007, verification report, p. 10.

⁶³ Letter from Kelley Drye, counsel to Maui, November 16, 2006. ***. February 23, 2007, verification report, p. 10.

⁶⁴ According to Maui, ***. Letter from Kelley Drye, counsel to Maui, November 9, 2006.

⁶⁵ ***.

⁶⁶ The Agriculture segment (i.e., Maui's combined U.S.-produced and non-U.S. produced CPF and fresh pineapple operations) generated consistent operating losses from 2000 through the third quarter 2006. Its last full-year profit was reported in 1999. As shown in the summary table I-1, this is generally consistent with the first sunset review when Maui's CPF operations generated operating income in 1999 followed by a *** decline in interim 2000 operating income. In contrast with the consistent operating losses reported by the Agriculture segment, ML&P's consolidated operations generated operating profit for most of the period – 2002 being the only year when a consolidated operating loss was reported. ML&P 2000 10-K, p. 116; ML&P 2001 10-K, p. 113; ML&P 2002 10-K,

(continued...)

Pursuant to verification, several items were added to the other income and expenses section of Maui's CPF income statement (table III-10). These items are ***.⁶⁷

Capital Expenditures, Research and Development Expenses, Assets, and Return on Investment

Data on capital expenditures, research and development ("R&D") expenses, total assets, and return on investment are shown in table III-12.

Table III-12

CPF: Capital expenditures, R&D expenses, assets, and return on investment of Maui's production operations, 2000-05, January-September 2005, and January-September 2006

* * * * *

According to narrative information accompanying ML&P's public financial statements, "{t}he Company's Agriculture segment engages in continuous research to develop techniques to reduce costs through crop production and processing innovations and to develop and perfect new products."⁶⁸ As shown in table III-12, Maui reported R&D expenses throughout the period. In its posthearing brief, Maui stated that the CPF R&D was an allocation of cost center R&D – primarily reflected in COGS but some in SG&A – which was related specifically to Maui's pineapple operations. According to the company, the majority of the R&D reported in the 10-K went to support activity unrelated to CPF.

With respect to capital expenditures, Maui stated that ***.⁶⁹

As discussed in the trade section, in early 2005 Maui approved construction of a \$17.2 million processing facility that would replace its existing cannery, can plant, and fresh fruit packing facility. According to narrative included in ML&P's public financial statements, "{t}he new facility was expected to reduce the overall cost structure by integrating the fresh fruit and canning processes and by upgrading much of the current equipment."⁷⁰ This project was subsequently modified to start first with the fresh packing phase which came on line at the end of June 2006. The processing component of the project was deferred until 2007.⁷¹ Efficiency gains from the new fresh packing facility resulted in a reduction in force and the recognition of an associated severance expense at the end of the third quarter 2006.⁷²

⁶⁶ (...continued)

p. 82; ML&P 2003 10-K, p. 41; ML&P 2004 10-K, p. 55; ML&P 2005 10-K, p. 60; and ML&P 2006 3rd Quarter 10-Q, p. 7.

⁶⁷ ***. February 23, 2007, verification report, p. 11.

⁶⁸ ML&P 2005 10-K, p. 7. The same language was used to describe the Agriculture segment's R&D activity in previous periods.

⁶⁹ Letter from Kelley Drye, counsel to Maui, November 9, 2006.

⁷⁰ ML&P 2004 10-K, p. 15, and ML&P 2005 10-K, p. 3.

⁷¹ ML&P 2005 10-K, p. 2.

⁷² ML&P 3rd quarter 2006 10-Q, p. 19. ***. February 23, 2007, verification report, p. 10.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRY

U.S. IMPORTS

The Commission sent questionnaires to 73 firms believed to have imported CPF between January 2000 and September 2005, and received usable data from 27 firms.¹ Based on official Commerce statistics for imports of CPF, firms responding to the Commission's questionnaire accounted for 79 percent of subject imports from Thailand in 2005. Import data in this report are derived from official Commerce statistics for CPF.²

Data regarding U.S. imports of CPF during the period of review are presented in table IV-1 and figure IV-1. Imports from Thailand classified as "subject" exclude those from firms with respect to which the order was revoked, after the applicable dates of revocation.³ Pursuant to arguments from respondent interested parties,⁴ an alternative set of import data, with imports classified as "subject" for the entire review period for firms currently subject to the order,⁵ is presented in table IV-1A and figure IV-1A.

In table IV-1 (import data based on revocation date), total U.S. import quantity of CPF increased by 12.9 percent from 2000 to 2005. During that same time, the quantity of subject Thai imports decreased by 82.2 percent, while the quantity of nonsubject Thai imports increased, beginning in 2002, by *** percent during 2003-04, and by 184.0 percent during 2004-05. This occurred as four previously subject Thai producers became nonsubject producers, the first beginning in December 2002, the remaining three in August 2004. In total, the quantity of all nonsubject CPF imports increased by 46.2 percent during 2000-05. The unit value of CPF imports from nearly every source increased, with the exception of the Philippines and Malaysia.

In table IV-1A (import data based on current status), the quantity of subject Thai imports decreased by 53.3 percent, while the quantity of nonsubject Thai imports increased by 118.6 percent during 2000-05. This increasing trend in nonsubject Thai imports is also demonstrated in the interim period data where such imports were greater in January-September 2006 than in January-September 2005. In total, the quantity of all nonsubject CPF imports increased by 20.2 percent during 2000-05. Beginning in 2000, the share of quantity accounted for by nonsubject Thai imports was nearly two times that of subject imports. This ratio grew over the period, and by 2005 the share of quantity accounted for by nonsubject Thai imports was nearly eight times that of subject imports.

¹ One firm provided incomplete data, 11 firms reported that they did not import CPF during the period for which data were collected, and 34 firms did not respond to the Commission's questionnaires.

² No importers reported entering or withdrawing CPF from foreign trade zones or bonded warehouses. In addition, no importers reported imports of CPF under the temporary importation under bond program. All importer questionnaire responses, sections I-9 and I-10.

³ Specifically, "subject" Thai imports include: (1) CPF imports from all firms currently subject to the order, and (2) imports from exempted firms prior to the applicable dates of partial revocation of the order (i.e., SFP as of December 13, 2002, and Dole, KFC, and TIPCO as of August 13, 2004).

⁴ See discussion in the "Apparent Consumption" section of Part I of this report.

⁵ Conversely, companies currently exempt from the order are classified as "nonsubject" for the entire period of review, irrespective of their exemption date.

Table IV-1
CPF: U.S. imports (based on revocation date), by sources, 2000-05, January-September 2005, and
January-September 2006

Item	Calendar year						Jan-Sept.	
	2000	2001	2002	2003	2004	2005	2005	2006
	Quantity (1,000 case equivalents)¹							
Thailand (subject) ²	6,042	5,625	***	***	5,121	1,073	794	882
Thailand (nonsubject) ³	0	0	***	***	2,880	8,179	6,464	7,661
Indonesia	4,877	4,069	4,511	3,914	3,772	4,307	3,208	3,125
Philippines	10,204	9,899	9,582	10,143	9,555	9,401	6,923	6,158
China	570	597	1,049	1,805	1,945	2,504	2,010	1,811
Malaysia	319	333	377	596	549	535	422	468
Singapore	194	264	173	184	85	103	70	98
Vietnam	67	101	119	119	77	98	85	50
South Africa	917	573	693	423	89	5	1	0
All other sources	95	118	148	138	82	86	76	145
Subtotal, nonsubject	17,242	15,955	***	***	19,034	25,217	19,260	19,515
Total imports	23,285	21,580	22,765	24,684	24,155	26,291	20,054	20,397
	Landed, duty-paid value (1,000 dollars)							
Thailand (subject) ²	57,423	53,360	***	***	60,079	15,380	10,629	14,243
Thailand (nonsubject) ³	0	0	***	***	36,011	97,720	77,477	89,539
Indonesia	41,018	32,585	39,187	38,095	38,701	43,178	31,766	31,481
Philippines	117,168	101,504	101,063	105,786	103,269	105,729	76,969	74,689
China	4,588	4,270	8,481	15,848	17,015	22,897	18,362	16,726
Malaysia	3,193	2,453	2,908	5,474	4,911	4,947	3,903	4,056
Singapore	1,585	2,079	1,511	1,765	946	1,268	795	1,152
Vietnam	637	837	935	1,005	699	972	847	503
South Africa	6,451	4,037	5,629	3,868	913	49	12	0
All other sources	1,829	1,849	2,321	2,559	1,629	2,197	1,870	2,905
Subtotal, nonsubject	176,469	149,613	***	***	204,094	278,957	212,003	221,052
Total imports	233,892	202,973	225,585	256,676	264,173	294,336	222,632	235,295
	Unit value							
Thailand (subject) ²	\$9.50	\$9.49	\$***	\$***	\$11.73	\$14.33	\$13.39	\$16.14
Thailand (nonsubject) ³	(⁴)	(⁴)	***	***	12.50	11.95	11.99	11.69
Indonesia	8.41	8.01	8.69	9.73	10.26	10.02	9.90	10.08
Philippines	11.48	10.25	10.55	10.43	10.81	11.25	11.12	12.13
China	8.05	7.15	8.09	8.78	8.75	9.15	9.14	9.24
Malaysia	10.02	7.36	7.71	9.19	8.95	9.25	9.25	8.67
Singapore	8.17	7.87	8.74	9.57	11.07	12.33	11.30	11.78
Vietnam	9.55	8.25	7.83	8.48	9.09	9.93	9.94	10.08
South Africa	7.03	7.05	8.13	9.14	10.21	9.55	9.52	(⁴)
All other sources	19.28	15.61	15.65	18.59	19.94	25.62	24.76	19.99
Average, nonsubject	10.23	9.38	***	***	10.72	11.06	11.01	11.33
Average	10.04	9.41	9.91	10.40	10.94	11.20	11.10	11.54

Table continued on next page.

Table IV-1--Continued

CPF: U.S. imports (based on revocation date), by sources, 2000-05, January-September 2005, and January-September 2006

Item	Calendar year						Jan-Sept.	
	2000	2001	2002	2003	2004	2005	2005	2006
	Share of quantity (percent)							
Thailand (subject) ²	25.9	26.1	***	***	21.2	4.1	4.0	4.3
Thailand (nonsubject) ³	0.0	0.0	***	***	11.9	31.1	32.2	37.6
Indonesia	20.9	18.9	19.8	15.9	15.6	16.4	16.0	15.3
Philippines	43.8	45.9	42.1	41.1	39.6	35.8	34.5	30.2
China	2.4	3	4.6	7.3	8.1	9.5	10.0	8.9
Malaysia	1.4	2	1.7	2.4	2.3	2.0	2.1	2.3
Singapore	0.8	1	0.8	0.7	0.4	0.4	0.4	0.5
Vietnam	0.3	0	0.5	0.5	0.3	0.4	0.4	0.2
South Africa	3.9	3	3.0	1.7	0.4	0.0	0.0	0.0
All other sources	0.4	0.5	0.7	0.6	0.3	0.3	0.4	0.7
Subtotal, nonsubject	74.1	73.9	***	***	78.8	95.9	96.0	95.7
Total imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)							
Thailand (subject) ²	24.6	26.3	***	***	22.7	5.2	4.8	6.1
Thailand (nonsubject) ³	0.0	0.0	***	***	13.6	33.2	34.8	38.1
Indonesia	17.5	16.1	17.4	14.8	14.7	14.7	14.3	13.4
Philippines	50.1	50.0	44.8	41.2	39.1	35.9	34.6	31.7
China	2.0	2	3.8	6.2	6.4	7.8	8.2	7.1
Malaysia	1.4	1	1.3	2.1	1.9	1.7	1.8	1.7
Singapore	0.7	1	0.7	0.7	0.4	0.4	0.4	0.5
Vietnam	0.3	0	0.4	0.4	0.3	0.3	0.4	0.2
South Africa	2.8	2	2.5	1.5	0.3	0.0	0.0	0.0
All other sources	0.8	0.9	1.0	1.0	0.6	0.7	0.8	1.2
Subtotal, nonsubject	75.4	73.7	***	***	77.3	94.8	95.2	93.9
Total imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ One case contains approximately 30 pounds of fruit, net weight, exclusive of packaging.

² Includes imports from SFP for 2000-December 13, 2002; and imports from Dole, KFC, and TIPCO for 2000-August 12, 2004.

³ Includes imports from Dole, KFC, SFP, and TIPCO, after their revocation dates.

⁴ Not applicable.

Source: Compiled from official Commerce statistics and proprietary Customs data.

Table IV-1A

CPF: U.S. imports (based on current status), by sources, 2000-05, January-September 2005, and January-September 2006

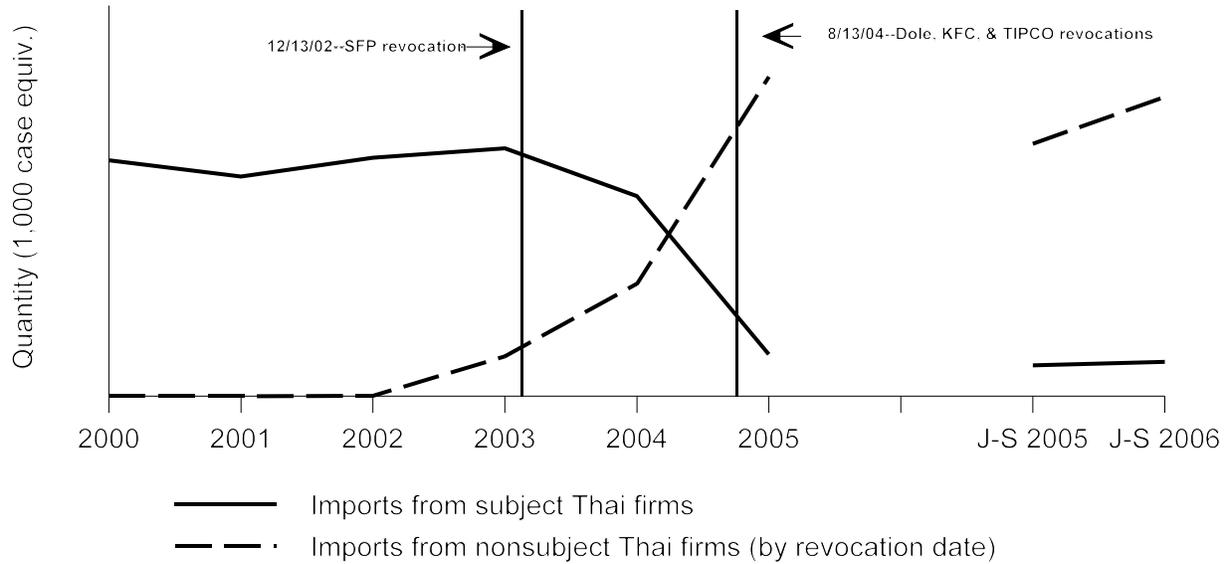
Item	Calendar year						Jan-Sept.	
	2000	2001	2002	2003	2004	2005	2005	2006
	Quantity (1,000 case equivalents)							
Thailand (subject) ¹	2,300	1,805	1,725	2,234	1,490	1,073	794	882
Thailand (nonsubject) ²	3,742	3,820	4,388	5,129	6,511	8,179	6,464	7,661
All other sources	17,242	15,955	16,652	17,321	16,154	17,038	12,796	11,854
Subtotal, nonsubject	20,985	19,775	21,040	22,451	22,665	25,217	19,260	19,515
Total imports	23,284	21,580	22,765	24,685	24,154	26,290	20,054	20,397
	Landed, duty-paid value (1,000 dollars)							
Thailand (subject) ¹	23,217	18,011	17,698	25,033	17,700	15,421	10,671	14,243
Thailand (nonsubject) ²	34,205	35,349	45,852	57,242	78,389	97,678	77,435	89,539
All other sources	176,469	149,613	162,036	174,401	168,083	181,236	134,526	131,512
Subtotal, nonsubject	210,674	184,962	207,887	231,643	246,473	278,914	211,961	221,052
Total imports	233,891	202,973	225,585	256,676	264,173	294,335	222,632	235,295
	Unit value							
Thailand (subject) ¹	\$10.09	\$9.98	\$10.26	\$11.21	\$11.88	\$14.33	\$13.39	\$16.14
Thailand (nonsubject) ²	9.14	9.25	10.45	11.16	12.04	11.95	11.99	11.69
All other sources	10.23	9.38	9.73	10.07	10.41	10.64	10.51	11.09
Average, nonsubject	10.04	9.35	9.88	10.32	10.87	11.06	11.01	11.33
Average	10.04	9.41	9.91	10.40	10.94	11.20	11.10	11.54
	Share of quantity (percent)							
Thailand (subject) ¹	9.9	8.4	7.6	9.0	6.2	4.1	4.0	4.3
Thailand (nonsubject) ²	16.1	17.7	19.3	20.8	26.9	31.1	32.2	37.6
All other sources	74.0	73.9	73.1	70.2	66.9	64.8	63.8	58.1
Subtotal, nonsubject	90.1	91.6	92.4	91.0	93.8	95.9	96.0	95.7
Total imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)							
Thailand (subject) ¹	9.9	8.9	7.8	9.8	6.7	5.2	4.8	6.0
Thailand (nonsubject) ²	14.6	17.4	20.3	22.3	29.7	33.2	34.8	38.1
All other sources	75.5	73.7	71.9	67.9	63.6	61.6	60.4	55.9
Subtotal, nonsubject	90.1	91.1	92.2	90.2	93.3	94.8	95.2	94.0
Total imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Includes imports from all manufacturers/exporters in Thailand currently subject to the order, for the entire review period of 2000-September 2006.

² Includes imports from Dole, KFC, SFP, and TIPCO, for the entire review period.

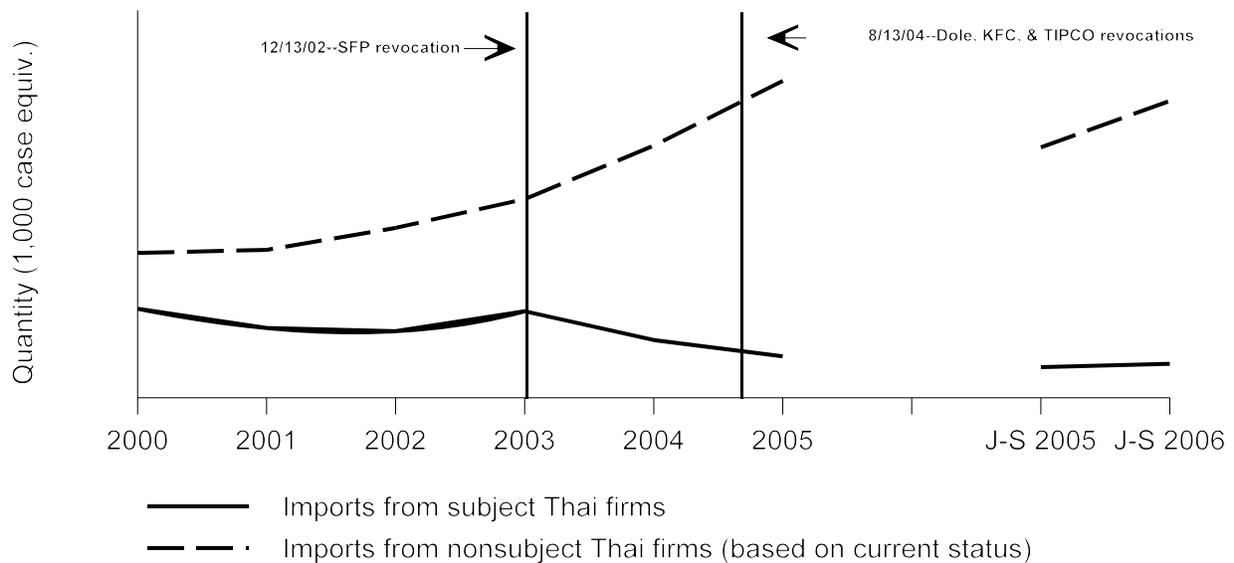
Source: Compiled from official Commerce statistics and proprietary Customs data.

Figure IV-1
CPF: U.S. imports from subject and nonsubject firms in Thailand (based on revocation date), 2000-05, January-September 2005, and January-September 2006



Source: Table IV-1.

Figure IV-1A
CPF: U.S. imports from subject and nonsubject firms in Thailand (based on current status), 2000-05, January-September 2005, and January-September 2006



Source: Table IV-1A.

Imports from Thailand in Non-Metal Packaging

Data for U.S. imports in this report are based on HTS statistical reporting numbers 2008.20.0010 and 2008.20.0090. As explained in part I of this report, CPF import statistics include imports of pineapple packed in non-metal cans, including pineapple packed in plastic or glass bottles, aseptic pouches, and boxes. The respondent interested parties assert that in recent years there has been a large increase in imports of pineapple fruit in plastic bottles, plastic cups, and glass jars.⁶ The director of marketing for Ace of Diamonds Brand/Chicken of the Sea International, a pineapple distributor, stated that he has witnessed a decline at the retail level of CPF in metal cans as more shelf space has been devoted to pineapple in cups and plastic jars.⁷

In response to requests for information regarding imports of pineapple fruit from Thailand in non-metal containers, importer *** reported importing pineapple in alternative, non-metal, packaging since the late 1980s. These imports were purchased from *** during 2002-04 and from *** and *** in 2005.⁸ ***'s data are presented in the tabulation below.⁹

* * * * *

In addition, importer *** reported that it imports *** containers of aseptic crushed pineapple in 51 pound bags every month and that this product is a “steady item in the U.S. market.” This year, *** also began to import pineapple in pouches with a shipment of less than a container load. Four major importers of CPF, *** reported that they have not imported pineapple in alternative packaging.¹⁰ Based on information received from U.S. importing firms, imports of pineapple fruit in non-metal containers accounted for less than *** percent of total imports of CPF from Thailand (as reported in official Commerce statistics).

According to ***, the limited shelf life of pineapple in pouches is “a big negative” because sunlight causes product discoloration in less than nine months.¹¹ According to ***, the market for pineapple in packaging other than metal cans is almost exclusively for industrial uses because manufacturers desire products in larger containers (thereby maximizing efficiency while minimizing the shipment of air and water) and find that non-metal containers are more convenient and safer to handle.¹² *** explained that the most successful alternative packaging has been aseptic crushed pineapple packed in 20 kg bags that are then boxed. According to the company, other cut styles such as tidbits and chunks have not been successfully packaged aseptically because the products need to “flow” in the aseptic process and even tidbits are too large a particulate and they clog the machines. *** explained that there

⁶ Respondent interested parties' posthearing brief, p. 19.

⁷ Hearing testimony, p. 185 (Shiraiwa). Mr. Shiraiwa also stated that the prices of pineapple in glass or plastic packaging are higher than the prices for CPF, and that there are no differences in methods of shipment between the types. Hearing testimony, pp. 208-209 (Shiraiwa).

⁸ E-mail from ***, February 3, 2007.

⁹ E-mail from ***, February 10, 2007.

¹⁰ E-mail from ***, January 26, 2007; e-mail from ***, January 25, 2007; e-mail from ***, February 8, 2007; and e-mail from ***, January 26, 2007.

¹¹ E-mail from ***, January 25, 2007. The hearing testimony of Kojiro Shiraiwa, Director of Marketing, Ace of Diamonds Brand/Chicken of the Sea International, was that the shelf life of pineapple in cups is generally about one year versus a two to three year shelf life for CPF. Hearing transcript, p. 208 (Shiraiwa).

¹² E-mail from ***, February 3, 2007.

is some tidbit production being developed in a flexible pouch, but that production is quite slow, and the commercialization of this product is still in its infancy.¹³

Appendix E of this report contains data on the quantity of pineapple product imports into the United States, by country.

Changes in Importers' Operations

In response to the Commission's question on changes in importer operations since January 1, 2000, three importers reported significant changes in their operations. *** reported that it acquired *** on *** to diversify its *** production of CPF and other products. Also, until *** was a ***. It is now a ***.¹⁴ Although, *** did not report any changes in its operations since 2000, the company ***.¹⁵

U.S. IMPORTERS' SHIPMENTS

U.S. importers' shipments by grade, package size, and region are shown in tables IV-2 (subject Thai imports), IV-3 (nonsubject Thai imports), and IV-4 (nonsubject non-Thai imports). As seen in the tables, the majority of shipments of subject Thai imports were of choice grade and were in package sizes between 16 and 100 ounces. Shipments of CPF from nonsubject Thai sources appear more evenly distributed between fancy and choice grades, but were also predominantly in the 16 to 100 ounce can size. No responding importers reported changes in the quantity and value of their U.S. shipments of CPF imported from subject sources in Thailand by cut of pineapple from 2004 to 2005.¹⁶ While the majority of shipments of subject Thai CPF was to the southern region, nonsubject Thai and non-Thai CPF were shipped more evenly to all regions of the United States.

¹³ Ibid.

¹⁴ ***'s importer questionnaire response, sections 1-2, and II-2.

¹⁵ ***'s importer questionnaire response, certification page.

¹⁶ All importer questionnaire responses, section II-9b.

Table IV-2

CPF: U.S. importers' shipments of CPF from subject Thai sources, by grade, package size, and region, 2004-05

(Quantity in 1,000 case equivalents,¹ Value in 1,000 dollars)

Item		2004				2005			
		Quantity	Value	Unit value	Share of quantity (percent)	Quantity	Value	Unit value	Share of quantity (percent)
Grade	Fancy	***	***	\$***	***	***	***	\$***	***
	Choice	***	***	\$***	***	***	***	\$***	***
	Standard	***	***	\$***	***	***	***	\$***	***
Package Size	≤ 15 oz. cans	***	***	\$***	***	***	***	\$***	***
	16 ≤ 100 oz. cans	1,070	9,857	\$9.22	***	672	5,946	\$8.85	***
	> 100 oz. cans	***	***	\$***	***	***	***	\$***	***
Region ²	Northeast Region	223	1,751	\$7.84	17.7	139	831	\$5.97	14.8
	Southern Region	665	5,993	\$9.01	52.8	513	3,967	\$7.73	54.7
	Midwest Region	210	1,910	\$9.09	16.7	136	1,029	\$7.56	14.5
	Western Region	161	1,388	\$8.60	12.7	149	1,249	\$8.37	16.0

¹ One case equivalent equals 30 pounds of fruit net weight, exclusive of packaging.

² Not applicable.

³ The Northeast region includes the states/territories of Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; the Southern region includes the states/territories of Alabama, Arkansas, D.C., Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia, and West Virginia; the Midwest region includes the states/territories of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; and the Western region includes the states/territories of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

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

Table IV-3

CPF: U.S. importers' shipments of CPF from nonsubject Thai sources, by grade, package size, and region, 2004-05

* * * * *

Table IV-4
CPF: U.S. importers' shipments of CPF from non-Thai sources, by grade, package size, and region, 2004-05

* * * * *

Table IV-5 presents U.S. importers' shipments of subject CPF by channels of distribution in 2004 and 2005. The majority of U.S. importers' shipments at the retail and food service levels were to first private label customers in 2005. In 2004, food service level shipments were primarily to regional label customers. There were minimal reported shipments at the industrial level.

Table IV-5
CPF: U.S. importers' shipments of subject CPF, by channel of distribution, 2004-05

* * * * *

Table IV-6 presents U.S. importers' shipments of nonsubject CPF from Thailand by channels of distribution in 2004 and 2005. The majority of U.S. importers' shipments at the retail level were to national brand customers in both years. At the food service level, regional labels predominated. There were minimal reported shipments at the industrial level.

Table IV-6
CPF: U.S. importers' shipments of nonsubject CPF from Thailand, by channel of distribution, 2004-05

* * * * *

Table IV-7 presents U.S. importers' shipments of nonsubject CPF from sources other than Thailand, sorted by channels of distribution in 2004 and 2005.¹⁷ At the retail level U.S. importers' shipments were highest to national brands. ***. At the food service level shipments were ***. There were *** and no shipments to ***.

Table IV-7
CPF: U.S. importers' shipments of nonsubject CPF from non-Thai sources, by channel of distribution, 2004-05

* * * * *

U.S. IMPORTERS' ORDERS FOR IMPORTATION

Table IV-8 presents reported U.S. importers' orders for importation of Thai CPF for delivery after September 30, 2006. Only companies that provided specific order quantities appear in the table.

¹⁷ Only one importer, ***, reported shipments of nonsubject Thai CPF by channels of distribution and only reported shipments for 2005.

Table IV-8
CPF: U.S. importer orders for importation from Thailand for delivery after September 30, 2006

Importer	Time of delivery	Quantity ordered
Import order for Thailand (subject):		
***	• October • November	•*** cases •*** cases
Total Thai (subject)		*** cases
Import orders for Thailand (nonsubject):		
***	• Continuous weekly orders	•*** cases
***	•November •December	•*** cases •*** cases
***	•October •November •December •January •February •March	•*** cases •*** cases •*** cases •*** cases •*** cases •*** cases
***	•October •November •December	•*** cases •*** cases •*** cases
***	•October •November •December	•*** cases
Total Thai (nonsubject)		767,624 cases
Source: Compiled from data submitted in response to Commission importer questionnaires.		

The Commission’s question on arrangements to import CPF from Thailand after September 30, 2006, elicited a number of responses. *** reported that it has arranged for the importation of CPF from nonsubject sources to be delivered through December 2006 but did not provide order quantities.¹⁸ *** indicated that it arranged for the importation of CPF from nonsubject sources in Thailand for delivery after September 30, 2006, but did not provide quantities or dates for those orders.¹⁹ Similarly, *** reported that it ordered *** of CPF from nonsubject sources to be delivered “over the next six months.”²⁰ *** reported that it has placed orders for CPF imports for shipments “all year round with each month’s volume equal to the monthly average quantity for the whole year.”²¹

U.S. IMPORTERS’ INVENTORIES

U.S. importers’ inventories of imports from Thailand during 2000-05, January-September 2005, and January-September 2006 are shown in table IV-9. No inventories of subject imports from Thailand were reported in 2005 or in the first nine months of 2006. At the same time, inventories of nonsubject

¹⁸ ***’s importer questionnaire response, section II-5.

¹⁹ ***’s importer questionnaire response, section II-5.

²⁰ ***’s importer questionnaire response, section II-5.

²¹ ***’s importer questionnaire response, section II-5.

imports from Thailand increased. Inventories of imports from all other sources fluctuated over the 2000-05 period, but decreased overall by 29.9 percent and were higher in interim 2006 than interim 2005.

Table IV-9

CPF: U.S. importers' end-of-period inventories of imports, 2000-05, January-September 2005, and January-September 2006

Item	Calendar year						January-September	
	2000	2001	2002	2003	2004	2005	2005	2006
Quantity (1,000 case equivalents)								
Imports from Thailand (subject):								
Inventories	***	***	***	***	***	***	***	***
Ratio to imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Imports from Thailand (nonsubject):								
Inventories	***	***	***	***	***	***	***	***
Ratio to imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Imports from all other sources:								
Inventories	***	***	***	***	***	***	***	***
Ratio to imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Imports from nonsubject sources:								
Inventories	***	***	***	***	***	***	***	***
Ratio to imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments of imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Imports from all sources:								
Inventories	2,321	1,681	1,499	1,091	2,066	2,891	3,582	4,673
Ratio to imports (<i>percent</i>)	18.8	14.9	12.0	8.7	14.6	19.4	23.2	30.0
Ratio to U.S. shipments of imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Source: Compiled from data submitted in response to Commission importer questionnaires.								

THE INDUSTRY IN THAILAND

Subject Country Capacity, Production, Capacity Utilization, Domestic Shipments, Export Shipments, and Inventories

In its response to the Commission's notice of institution in the current five-year review, the domestic interested party identified 53 firms believed to currently produce CPF in Thailand.²² The Commission issued questionnaires to each of these companies. Counsel on behalf of 10 Thai respondent interested parties provided data.^{23 24}

Data relating to Thai exports to the United States, total pineapple production, and shares by subject and nonsubject Thai producers in 2005, are presented in table IV-10.²⁵ As indicated by the data, subject Thai producers that responded to the Commission's questionnaire are estimated to account for 5.8 percent of Thai exports to the United States from subject firms and an estimated 43.8 percent of Thai pineapple production by subject firms in 2005. Nonsubject Thai producers that responded to the Commission's questionnaire are estimated to account for 26.8 percent of Thai exports to the United States from nonsubject firms and an estimated 46.1 percent of Thai pineapple production by nonsubject firms in 2005. In total, Thai firms accounting for 75.6 percent of Thai exports to the United States, and 55.4 percent of Thai production, did not respond to the Commission's request for information.

Table IV-10

CPF and pineapple: Thai producers' exports of CPF to the United States, total production of pineapple, and shares of exports and production, 2005

* * * * *

²² A 1999 economic research report by Thai University, Chulalongkorn, reported that there were 26 canned pineapple fruit production factories in Thailand with a total production capacity of up to 60 million cases per year (813,600 tons). The University report estimated that CPF production volume would be approximately 30 million cases (400,000 tons) per year. "Industrial Case Study: Processed Food," Economic Research Center, Chulalongkorn University, Presented to the Department of Business Economics, Ministry of Commerce, July 1999, included in domestic interested party's posthearing brief, exh. 2, 2.2.1 Production.

²³ Great Oriental Food Products Co., Ltd. ("GOF"), Malee Sampran Public Co., Ltd. ("Malee"), Pranburi Hotei Co., Ltd. ("PHC"), Siam Food Products Public Co., Ltd. ("SFP"), Siam Fruit Canning Co., Ltd. ("Siam"), Thai Pineapple Canning Industry Corp., Ltd. ("TPC"), Thai Pineapple Products and Other Fruits Co., Ltd. ("THAICO"), The Siam Agro Industry Pineapple and Others Public Co. Ltd ("SAICO"), TIPCO Foods (Thailand) PCL. ("TIPCO"), and Tropical Food Industries Co. Limited ("TROFCO").

²⁴ One company responded that it has neither produced nor exported CPF since January 1, 2000. *** foreign producer questionnaire, certification. New industry entrant, THAICO, established in 2004, *** and advertises a yearly canned pineapple production capacity of 2,000 containers. Thai Pineapple Products and Other Fruits Co., Ltd., Company Profile, found at www.thaipinepro.com/companyprofile.html, as presented in the domestic interested party's prehearing brief, exh. 12. In 2005 C & A Products Co., Ltd. began production of CPF and in January 2007, requested a new shipper antidumping duty review at the Department of Commerce. This new shipper review was initiated by Commerce on March 1, 2007, *Canned Pineapple Fruit from Thailand: Initiation of New Shipper Antidumping Duty Review*, 72 FR 9305, March 1, 2007. Maui's posthearing brief, exhs. 3 and 4. C & A Products accounted for an estimated *** percent of total Thai pineapple production in 2005. Respondent interested parties' response to the notice of institution, May 23, 2006, calculated from data presented in exh. 4.

²⁵ Company-by-company data of responding Thai producers/exporters for exports to the United States, capacity, production, and capacity utilization for the period January 1992-September 2006 are presented in app. F.

Data on Thailand's CPF capacity, production, inventories, and shipments are presented in tables IV-11 and IV-12. Table IV-11 includes all responding producers that are subject to the antidumping duty order under review, while table IV-12 includes those that have gained exclusions from the order.

During the period for which data were collected in this review, the acreage planted for Thai subject CPF farming fluctuated within a broad range, by nearly *** acres.²⁶ Between 2000 and 2005, Thai subject CPF capacity increased irregularly by less than one percent, while production decreased irregularly by 14.3 percent. Capacity utilization decreased over the period by 13.2 percentage points. At the same time, internal consumption and home market shipments both decreased by 78.2 and 16.1 percent, respectively. Also during this period, total exports decreased by 12.7 percent. In 2005, exports accounted for 96.6 percent of reported total Thai CPF shipments. By comparison, during the first five-year review, export shipments accounted for 99.3 percent of all reported Thai CPF shipments in 1999.²⁷

²⁶ Three subject Thai CPF producers reported having their own dedicated pineapple acreage, ***.

²⁷ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, p. IV-1.

Table IV-11

CPF: Thailand's subject producer capacity, production, inventories, and shipments, 2000-05, January-September 2005, January-September 2006, projected 2006 and 2007¹

Item	2000	2001	2002	2003	2004	2005	January-September		Projected ²	
							2005	2006	2006	2007
<i>Quantity (1,000 case equivalents)³</i>										
Acreage planted (acres)	***	***	***	***	***	***	***	***	***	***
Capacity	12,195	11,931	11,996	11,868	12,316	12,316	10,361	10,361	12,496	12,496
Production	10,600	8,298	7,876	9,233	9,263	9,080	5,577	7,597	11,209	11,764
End-of-period inventories	3,313	1,768	1,354	1,402	2,355	2,841	2,085	2,421	1,826	1,480
Shipments:										
Internal consumption/transfers	248	109	60	31	43	54	48	71	84	80
Home market	286	160	172	110	200	240	185	400	357	392
Exports to:										
United States	1,135	1,037	1,231	1,158	267	63	59	31	31	199
European Union	5,689	5,191	3,869	4,995	4,582	4,022	3,074	4,527	6,016	6,098
Canada	262	487	552	501	416	535	406	380	502	565
Japan	1,177	999	871	825	888	847	627	649	1,197	1,323
Russia	92	341	189	231	455	908	669	513	665	783
All other markets	1,147	1,342	1,138	1,498	1,348	1,920	1,336	1,564	2,592	2,463
Total exports	9,508	9,398	7,850	9,208	7,955	8,295	6,170	7,664	11,004	11,430
Total shipments	10,043	9,666	8,082	9,349	8,198	8,590	6,403	8,135	11,445	11,902

Table continued on next page.

Table IV-11--Continued

CPF: Thailand's subject producer capacity, production, inventories, and shipments, 2000-05, January-September 2005, January-September 2006, projected 2006 and 2007¹

Item	2000	2001	2002	2003	2004	2005	January-September		Projected	
							2005	2006	2006	2007
Ratios and shares (percent)										
Capacity utilization	86.9	69.5	65.7	77.8	75.2	73.7	53.7	73.2	89.5	94.0
Inventories/production	31.3	21.3	17.2	15.2	25.4	31.3	28.0	23.9	16.3	12.6
Inventories/shipments	33.0	18.3	16.8	15.0	28.7	33.1	24.4	22.3	16.0	12.4
Share of total shipments:										
Internal consumption/transfers	2.5	1.1	0.7	0.3	0.5	0.6	0.7	0.9	0.7	0.7
Home market	2.9	1.7	2.1	1.2	2.4	2.8	2.9	4.9	3.1	3.3
Exports to:										
United States	11.3	10.7	15.2	12.4	3.3	0.7	0.9	0.4	0.3	1.7
European Union	56.6	53.7	47.9	53.4	55.9	46.8	48.0	55.6	52.6	51.2
Canada	2.6	5.0	6.8	5.4	5.1	6.2	6.3	4.7	4.4	4.7
Japan	11.7	10.3	10.8	8.8	10.8	9.9	9.8	8.0	10.5	11.1
Russia	0.9	3.5	2.3	2.5	5.6	10.6	10.5	6.3	5.8	6.6
All other markets	11.5	13.9	14.1	16.0	16.4	22.4	20.9	19.2	22.6	20.7
Total exports	94.7	97.2	97.1	98.5	97.0	96.6	96.4	94.2	96.1	96.0

Table continued on next page.

Table IV-11--Continued

CPF: Thailand's subject producer capacity, production, inventories, and shipments, 2000-05, January-September 2005, January-September 2006, projected 2006 and 2007¹

Item	2000	2001	2002	2003	2004	2005	January-September		Projected	
							2005	2006	2006	2007
Value (1,000 dollars)										
Commercial shipments:										
Home market	1,935	1,023	1,287	846	1,525	1,732	1,333	2,809	2,716	3,293
Exports to:										
United States	7,858	6,931	9,101	9,039	2,116	504	466	303	265	1,619
European Union	31,589	30,295	27,908	36,406	35,504	31,220	23,375	34,651	37,990	37,770
Canada	1,631	2,958	4,067	3,677	3,128	4,041	2,995	2,726	3,680	4,512
Japan	10,614	8,842	8,498	8,319	9,031	8,811	6,472	6,555	7,527	8,562
Russia	1,146	1,892	1,340	1,643	3,588	6,987	4,933	3,503	3,405	4,403
All other markets	8,527	8,804	9,305	12,069	11,906	15,695	11,035	12,329	21,879	22,202
Total exports	61,364	59,722	60,220	71,154	65,273	67,258	49,276	60,067	74,746	79,068
Total commercial shipments	63,299	60,744	61,507	72,001	66,798	68,990	50,608	62,875	77,462	82,362
Unit value (per case equivalent)										
Commercial shipments:										
Home market	\$6.76	\$6.40	\$7.47	\$7.70	\$7.63	\$7.22	\$7.21	\$7.02	\$7.60	\$8.40
Exports to:										
United States	6.92	6.68	7.39	7.81	7.93	8.06	7.90	9.71	8.43	8.15
European Union	5.63	5.86	7.23	7.31	7.78	7.80	7.60	7.65	7.99	8.06
Canada	6.23	6.07	7.36	7.34	7.53	7.55	7.38	7.17	7.33	7.99
Japan	9.02	8.85	9.76	10.09	10.18	10.40	10.33	10.10	9.31	9.63
Russia	12.41	5.54	7.09	7.12	7.88	7.69	7.37	6.83	7.23	7.77
All other markets	7.43	6.57	8.19	8.07	8.85	8.19	8.26	7.88	8.77	9.43
Total exports	6.51	6.37	7.68	7.74	8.23	8.13	7.99	7.84	8.25	8.54
Total commercial shipments	6.52	6.37	7.68	7.74	8.21	8.10	7.96	7.80	8.22	8.53

Table continued on next page.

Table IV-11--Continued

CPF: Thailand's subject producer capacity, production, inventories, and shipments, 2000-05, January-September 2005, January-September 2006, projected 2006 and 2007¹

¹ Nonsubject trade data are understated due to the exclusion of data for two respondent Thai producers, SFP and TIPCO. As of December 13, 2002, SFP, and, as of August 13, 2004, TIPCO, are exempt from the antidumping duty order under review. In order to isolate nonsubject CPF production and shipments, their data are presented separately in table IV-12.

² *** did not provide projected data for 2006 and 2007. Estimated projections for *** were calculated using reported data for responding producers.

³ One case equivalent equals 30 pounds of fruit net weight, exclusive of packaging.

Note.--Because of rounding, figures may not add to the totals shown. Ratios and shares are calculated from unrounded figures.

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

Table IV-12 presents data on the CPF capacity, production, inventories, and shipments of two CPF producers in Thailand who responded to the Commission's questionnaire but are no longer subject to the antidumping duty order. As of December 13, 2002, SFP,²⁸ and, as of August 13, 2004, TIPCO,²⁹ are exempt from the antidumping duty order under review. In order to isolate nonsubject CPF production and shipments, their data are presented separately. However, for the years prior to their respective exemptions, their data should be considered subject production and subject shipments.

Table IV-12

CPF: SFP and TIPCO's capacity, production, inventories, and shipments, 2000-05, January-September 2005, January-September 2006, projected 2006 and 2007

* * * * *

During the period for which data were collected in this review, the CPF acreage planted by these two producers decreased irregularly by *** acres. Between 2000 and 2005, nonsubject CPF capacity and production decreased irregularly by *** and *** percent, respectively. Capacity utilization fluctuated broadly during the period but by 2005 had reached nearly the same level as 2000, about *** percent. At the same time home market shipments increased by well over *** percent but still only represented *** percent of 2005 shipments. Also by 2005 total exports were *** percent larger than in 2000. In 2005, exports accounted for *** percent of reported total CPF shipments. By comparison, during the first five-year review, export shipments accounted for 99.3 percent of all reported Thai CPF shipments in 1999.³⁰

Table IV-13 presents data on exports to the United States made by Thai producers that are not currently subject to the antidumping duty order under review, Dole, KFC, SFP, and TIPCO, for the period of the original investigation, the first five-year review, and the current five-year review. Figure IV-2 presents this export information graphically.

²⁸ *Notice of Final Results of Antidumping Duty Administrative Review, Rescission of Administrative Review in Part, and Final Determination to Revoke Order in Part: Canned Pineapple Fruit from Thailand*, 67 FR 76718, December 13, 2002.

²⁹ *Notice of Final Results of Antidumping Duty Administrative Review and Final Determination to Revoke Order in Part: Canned Pineapple Fruit from Thailand*, 69 FR 50164, August 13, 2004.

³⁰ *Canned Pineapple Fruit from Thailand, Inv. No. 731-TA-706 (Review)*, USITC Publication 3417, May 2001, p. IV-1.

Table IV-13

CPF: Exports to the United States and shares of total imports by nonsubject Thai producers (based on current status), 1992-2005, January-September 2005, and January-September 2006

Period	Thai exports to the United States¹ (Quantity in 1,000 case equivalents)	Period changes (percent)	Total U.S. imports from Thailand (Quantity in 1,000 case equivalents)	Ratio of exports to imports (percent)
1992 ²	5,325		12,792	41.6
1993 ²	5,311	-0.3	12,641	42.0
1994 ²	4,616	-13.1	11,328	40.7
1995	3,156	-31.6	7,310	43.2
1996	3,893	23.3	5,734	67.9
1997	4,120	5.8	5,562	74.1
1998	3,542	-14.0	3,634	97.5
1999	5,938	67.7	8,555	69.4
2000 ³	3,742	-37.0	6,042	61.9
2001 ³	3,820	2.1	5,625	67.9
2002 ³	4,388	14.9	6,113	71.8
2003 ³	5,129	16.9	7,364	69.7
2004 ³	6,511	26.9	8,001	81.4
2005 ³	8,179	25.6	9,253	88.4
Jan.-Sept. 2005	6,464	-21.0	7,258	89.1
Jan.-Sept. 2006	7,661	18.5	8,543	89.7
1992-94	15,252	-13.3	36,761	41.6
1995-99	20,649	88.1	30,795	67.1
2000-05	31,770	118.6	42,398	74.9

¹ Includes exports from Dole, KFC, SFP, and TIPCO.

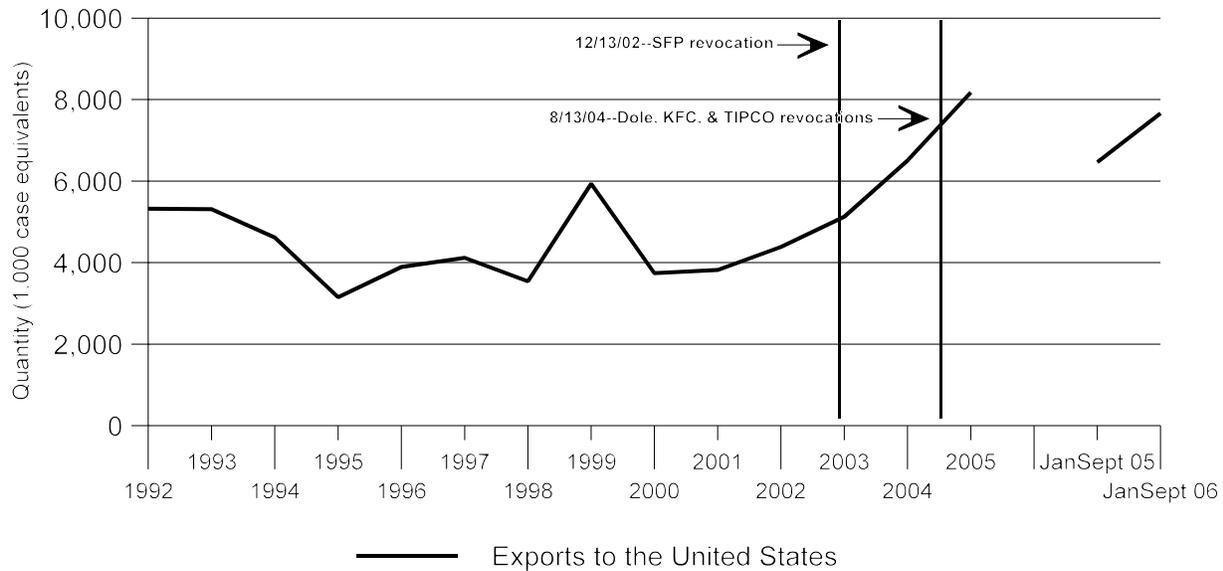
² Does not include data for KFC as the firm began production/exports during 1995.

³ Because Dole and KFC did not respond to the Commission's questionnaire during the current review, proprietary Customs import data were used for the two firms.

Source: Compiled from responses to Commission questionnaires and proprietary Customs data.

Figure IV-2

CPF: Exports to the United States by nonsubject Thai producers (based on current status), 1992-2005, January-September 2005, and January-September 2006



Source: Table IV-13.

In response to the Commission's question on changes in capacity, seven respondents reported no changes in capacity since January 1, 2000. *** reported that it shuts down its factory yearly between August and September due to low raw material supplies and for annual maintenance.³¹ Similarly, *** reported that it shuts down its factory yearly between July and September because of a shortage of raw materials.³² Foreign producer *** reported that in *** production was interrupted for four weeks due to flooding. Also, in December 2005 *** acquired producer ***.³³ None of the Thai producers reported having plans to increase capacity. Also, the responding Thai producers were unanimous in stating that they have no plans to produce CPF in the United States. Of the 10 responding producers, eight do not have plans to import CPF into the United States, while *** does plan to export CPF and other fruits to the United States in 2007.³⁴ Also, *** identified *** as an affiliated firm that imports or has plans to import CPF into the United States.³⁵

In response to the Commission's question on the constraints that limit Thai producer capacity, seven producers indicated that the supply of raw materials, specifically pineapple fruit, is a major constraint on capacity.³⁶ The President of TPC testified that there is a lack of farm labor to care for the plantations and harvesting of the fruit which in turn leads to fruit that is below fancy and choice

³¹ ***'s foreign producer/exporter questionnaire response, section II-1.

³² ***'s foreign producer/exporter questionnaire response, section II-1.

³³ ***'s foreign producer/exporter questionnaire response, section II-1.

³⁴ ***'s foreign producer/exporter questionnaire response, section I-5.

³⁵ ***'s foreign producer/exporter questionnaire response, section I-5.

³⁶ ***'s foreign producer/exporter questionnaire responses, section II-8.

standards.³⁷ Five producers each listed labor and equipment capacity as production constraints.³⁸ Three producers identified weather generally, and the El Niño phenomenon specifically, as production constraints.³⁹ The President of TPC explained that weather patterns have historically altered pineapple harvests in a four-to-five year cycle, producing a “serious shortage” in 1998 followed by a slight increase in 2000 and then another shortage in 2002.⁴⁰ One producer identified capital as a production constraint.⁴¹ *** explained that in the future the increased use of sugar cane and tapioca for ethanol may limit the availability of pineapple fruit.⁴²

In response to the Commission’s question on anticipated changes in the character of Thai producers’ operations or organization relating to the production of CPF in the future, 8 of the 10 respondents indicated that they do not anticipate any such changes.⁴³ *** responded that in 2006 its production volume will be *** of fruit processed, and its production and sales of CPF will be *** cartons of 24 x 20 ounce equivalent. In 2007 the production volume will be increased to *** of fruit processed, and the production and sales of CPF will be *** cartons of 24 x 20 ounce equivalent.⁴⁴ *** answered in the affirmative but did not describe its anticipated changes.⁴⁵

In response to the Commission’s question on Thai producers’ plans to add, expand, curtail, or shut down production capacity and/or production of CPF in the future, all but one company responded that they do not have any such plans.⁴⁶ *** reported that it has “plans to shut down every year.”⁴⁷

The technology used in the production of CPF has reportedly not changed significantly since January 1, 2000, according to the responding Thai producers, because CPF is a mature product.⁴⁸ The major production inputs listed were: pineapple fruit, steel cans and ends, sugars, labels, cartons, and fuel. The Thai producers use ginaca peelers and automatic cookers. According to ***, the CPF industry is labor-intensive and requires generally uncomplicated technology. Skilled labor is normally restricted to maintenance trades. The product quality hinges chiefly on the quality of the raw material (fresh pineapples) and efficient quality control.⁴⁹ Only *** reported a change in production technology to the use of pouch bags in lieu of steel cans.⁵⁰

In response to the Commission’s question on producer ability to switch production, four foreign producers responded that they have not, since January 1, 2000, produced, nor do they anticipate producing in the future, other products on the same equipment and machinery used in the production of CPF.⁵¹ *** has produced several other products including baby corn, sweet corn, lychees, bamboo shoots, pineapple, fruit cocktail, and tomatoes on the same equipment and machinery used in the

³⁷ Hearing transcript, p. 144 (Tantipatpong).

³⁸ ***’s foreign producer/exporter questionnaire responses, section II-8.

³⁹ ***’s foreign producer/exporter questionnaire responses, section II-8.

⁴⁰ Hearing transcript, p. 183 (Tantipatpong).

⁴¹ ***’s foreign producer/exporter questionnaire response, section II-8.

⁴² ***’s foreign producer/exporter questionnaire response, section II-8.

⁴³ ***’s foreign producer/exporter questionnaire responses, section II-2.

⁴⁴ ***’s foreign producer/exporter questionnaire response, section II-2.

⁴⁵ ***’s foreign producer/exporter questionnaire response, section II-2.

⁴⁶ ***’s foreign producer/exporter questionnaire responses, section II-4.

⁴⁷ ***’s foreign producer/exporter questionnaire response, section II-4.

⁴⁸ ***’s foreign producer/exporter questionnaire responses, section II-5.

⁴⁹ ***’s foreign producer/exporter questionnaire response, section II-5.

⁵⁰ ***’s foreign producer/exporter questionnaire response, section II-5.

⁵¹ ***’s foreign producer/exporter questionnaire responses, section II-6.

production of CPF.⁵² *** has produced tropical fruit cocktail from 2000 through the present and this production represents *** percent of allocated capacity.⁵³ *** has produced pineapple in pouches since 2001, and tropical fruit salad during 2002-03.⁵⁴ *** has produced other products using its CPF equipment and machinery but did not identify those products. Since 2000, *** has produced three products using the same equipment (i.e. boilers, cooling towers, and sterilizers): canned tropical fruit, canned aloe vera, and aseptic packed pineapple.⁵⁵ Finally, *** CPF production shares equipment and machinery, from the sterilization stage through the labeling line, with two other product groups: tropical fruits (allocated *** percent of capacity) and other fruits (allocated *** percent of capacity).⁵⁶

In response to the Commission's question on producers' ability to produce other products using the same production and related workers ("PRWs") used to produce CPF, three Thai producers responded that they cannot produce other products using CPF workers.⁵⁷ *** has produced several other products including baby corn, sweet corn, lychees, bamboo shoots, pineapple, fruit cocktail, and tomatoes using the same PRWs from January 1, 2000 through the present.⁵⁸ *** has produced tropical fruit cocktail using the same PRWs from January 1, 2000 through the present.⁵⁹ *** has produced pineapple in pouches since 2001 and tropical fruit salad during 2002-03 using the same PRWs.⁶⁰ *** has produced other products using the same PRWs but did not list those other products. Since 2000, *** has produced year round, three other products using the same PRWs: canned tropical fruit, canned aloe vera, and aseptic packed pineapple.⁶¹ In 2003, *** added the production of sauces to which a number of CPF workers were shifted.⁶² *** also uses its CPF employees to process tropical fruit, from January to December, and other fruits, from June through September.⁶³

In response to the Commission's question on Thai producer ability to switch production between CPF and other products in response to a relative price change in the price of CPF vis-à-vis the price of other products using the same equipment and labor, five Thai producers responded that they cannot switch production between CPF and other products in response to a relative price change.⁶⁴ It takes two days for *** to switch from production of CPF to the production of tropical fruit cocktail, and this switch is made in response to a 10 to 20 percent price change.⁶⁵ *** switched production from CPF to pineapple in pouches.⁶⁶ *** can switch production but did not explain how.⁶⁷ If there is a 20 percent minimum margin advantage, *** can switch immediately to different products such

⁵² ***'s foreign producer/exporter questionnaire response, section II-6.

⁵³ ***'s foreign producer/exporter questionnaire response, section II-6.

⁵⁴ ***'s foreign producer/exporter questionnaire response, section II-6.

⁵⁵ ***'s foreign producer/exporter questionnaire response, section II-6.

⁵⁶ ***'s foreign producer/exporter questionnaire response, section II-6.

⁵⁷ ***'s foreign producer/exporter questionnaire responses, section II-7.

⁵⁸ ***'s foreign producer/exporter questionnaire response, section II-7.

⁵⁹ ***'s foreign producer/exporter questionnaire response, section II-7.

⁶⁰ ***'s foreign producer/exporter questionnaire response, section II-7.

⁶¹ ***'s foreign producer/exporter questionnaire response, section II-7.

⁶² ***'s foreign producer/exporter questionnaire response, section II-7.

⁶³ ***'s foreign producer/exporter questionnaire response, section II-7.

⁶⁴ *** foreign producer questionnaire responses, section II-10.

⁶⁵ ***'s foreign producer/exporter questionnaire response, section II-10.

⁶⁶ ***'s foreign producer/exporter questionnaire response, section II-10.

⁶⁷ ***'s foreign producer/exporter questionnaire response, section II-10.

as canned tropical fruit, pineapple juice concentrate, and aseptic packed pineapple.⁶⁸ *** reported that the company can switch production between CPF and pineapple juice concentrate in response to a price change.⁶⁹ *** explained that its production constraints are mostly fruit availability and fruit cost and that price changes do not directly trigger a switch in production between CPF and other products, especially when most parts of the equipment and labor are not shared with other products. According to ***, it compares the fruit cost, which is the major input that varies throughout the year, to the sale price, to make a decision on production quantity each period. If the cost of fruit has a profit margin over the changed sale price, there is no reason to switch production to other fruit products, which may also have similar changes in fruit cost or sale price.⁷⁰

Sales of CPF accounted for between 4 and 80 percent of total sales by responding Thai producers. In the most recent fiscal year, *** and *** had the highest percentage of CPF sales with *** percent each, followed by *** with *** percent, and *** with *** percent.⁷¹

In response to the Commission's question regarding barriers to importation of CPF in Thailand, six responding Thai producers reported that in 2000 the Thai Government set a 30 percent import tax on CPF.⁷² One producer, ***, explained that this import duty will remain in place at least until 2008.⁷³

Export Markets

Responding Thai producers were asked to identify their principal export markets. In the European Union, Germany was listed seven times, the UK was listed five times, and France, Spain, and the Scandinavian countries were each listed three times. Other EU countries identified included the following: Belgium, Italy, the Netherlands, Poland, and Portugal.⁷⁴ Export data presented in table IV-11 show that exports to the EU by subject Thai producers were larger than exports to the United States in every period. In identifying other markets, five respondents listed Japan and five listed countries in the Middle East.⁷⁵ Reported Thai exports to Japan were larger than exports to Canada and Russia in each year during the period for which data were collected. Australia and Canada each received two mentions while other countries identified by a Thai producer as principal CPF export markets included the following: Chile, Hong Kong, Mexico, New Zealand, Russia, South Africa, and Taiwan.⁷⁶ In commenting on worldwide demand for CPF, *** indicated that Scandinavia, which has historically had a high level of CPF consumption, is starting to import fresh pineapple. Also, *** mentioned that there has been major growth in sales of CPF to Russia and Eastern Europe. *** speculates that the infrastructure

⁶⁸ ***'s foreign producer/exporter questionnaire response, section II-10.

⁶⁹ ***'s foreign producer/exporter questionnaire response, section II-10.

⁷⁰ ***'s foreign producer/exporter questionnaire response, section II-10.

⁷¹ *** foreign producer/exporter questionnaire responses, section II-9.

⁷² *** foreign producer/exporter questionnaire responses, section II-13.

⁷³ ***'s foreign producer/exporter questionnaire response, section II-13.

⁷⁴ ***'s foreign producer/exporter questionnaire responses, section II-17a.

⁷⁵ Japan is a large market for high quality fruits including pineapple. Prospects for fruit trade with Japan vary significantly by fruit category. Overall, consumption is unlikely to increase and may decrease; Japan's population growth has slowed to near zero, and the government projects that a population decline will begin before 2010. Import penetration for processed and simply preserved fruits is already high and may not grow in the future. The trade in fresh fruits is the most likely to grow. *Global Trade Patterns in Fruits and Vegetables, Chapter 7, Japan's Fruit and Vegetable Market*, Economic Research Service/USDA, John H. Dyck and Kenzo Ito, pp. 64-76, found at www.ers.usda.gov/publications/wrs0406/wrs04061.pdf, retrieved November 1, 2006.

⁷⁶ ***'s foreign producer/exporter questionnaire responses, section II-17a.

and weather in those regions may not be suitable to the distribution of fresh pineapple, and, therefore, sales of CPF have grown. The data presented in table IV-11 demonstrate an increase in Thai exports to Russia of 887 percent between 2000 and 2005. Regarding U.S. imports of CPF, *** further speculates that the increase in overall imports into the United States may partially be the result of an increase in demand for processed pineapple in plastic jars and bottles.⁷⁷

Thailand engages in a variety of export promotion activities for canned fruits, including pineapple. The extent of the Thai government's involvement in its pineapple industry is a matter of debate. The domestic interested party emphasizes that the Thai government constantly intervenes in the pineapple industry and that the industry is strongly encouraged to export through a variety of direct and indirect measures.⁷⁸ The respondent interested parties counter that Thai government's intervention is limited and that the government is now constrained by its commitments to the WTO.⁷⁹

According to the United States Trade Representative ("USTR"), Thailand maintains programs to support trade in processed agricultural products, which may constitute export subsidies, including tax benefits, import duty reductions, and preferential financing for exporters.⁸⁰ The USDA reports that most Thai government promotions are aimed at Thailand's ASEAN neighbors. The Ministry of Commerce, through its Department of Export Promotion, coordinates trade shows and missions that showcase processed foods like canned fruits. Thai exporters are provided assistance with booth fees and shipping samples for some trade shows. In addition, the Thai Government cooperates with other Southeast Asian countries in promoting 15 agricultural products, including pineapple from Thailand, under the ASEAN Cooperation in Agriculture and Forest Products Promotion Plan. The plan focuses on expanding agriculture and building economic ties between ASEAN member countries.⁸¹ The USTR's National Trade Estimate Report on Foreign Trade Barriers of 2005 noted that "the Thai government terminated its packing credit program in compliance with WTO commitments but received an extension of its WTO exemption period for the Industrial Estate Authority of Thailand and Board of Investment until December 2005. Low interest loans provided under the Export Market Diversification Promotion Program for exporters targeting new markets ended in 2003."⁸²

In response to the Commission's question as to whether the Thai producer export markets have developed or increased as a result of the antidumping duty order on CPF from Thailand, only one producer, ***, responded yes. *** reported that it has developed exports to Australia as a result of the U.S. order.⁸³ Seven respondents replied that their export markets have not developed or increased because of the antidumping duty order.⁸⁴ *** has increased exports to alternative markets but explained that these increases were not the direct result of the U.S. antidumping duty order. *** has not exported

⁷⁷ ***'s foreign producer/exporter questionnaire response, section III-26.

⁷⁸ Domestic interested parties prehearing brief, pp. 1-2. Hearing transcript, pp. 133-134 (Rosenthal).

⁷⁹ Respondent interested parties posthearing brief, pp. 12-14.

⁸⁰ United States Trade Representative's National Trade Estimate Report on Foreign Trade Barriers, 2005, p. 610, found at http://www.ustr.gov/assets/Document_Library/Reports_Publications/2005/2005_NTE_Report/asset_upload_file472_7502.pdf and United States Trade Representative's National Trade Estimate Report on Foreign Trade Barriers, 2006, p. 644, found at http://www.ustr.gov/assets/Document_Library/Reports_Publications/2006/2006_NTE_Report/asset_upload_file446_9212.pdf, retrieved February 7, 2007.

⁸¹ Expenditures and Activities of Cairns Group Countries: Thailand, USDA FASonline, last modified August 2005, found at www.usda.gov/cmp/com-study/1998/comp98-th.html, retrieved October 27, 2006.

⁸² United States Trade Representative's National Trade Estimate Report on Foreign Trade Barriers, 2005, p. 610, found at http://www.ustr.gov/assets/Document_Library/Reports_Publications/2005/2005_NTE_Report/asset_upload_file472_7502.pdf, retrieved February 7, 2007.

⁸³ ***'s foreign producer/exporter questionnaire response, section II-14.

⁸⁴ ***'s foreign producer/exporter questionnaire responses, section II-14.

CPF to the United States since 1994 because of the dumping margins imposed that year. *** reportedly has no plans to enter the United States for the subject merchandise but will instead focus on other existing and new markets.⁸⁵ *** attributes its increased CPF exports to the EU, Russia, and Eastern Europe to increased consumption of CPF in these countries, not as a result of the antidumping duty order. According to ***, the export of Thai CPF to the United States since 2001 continues to increase despite the existence of the antidumping duty order.⁸⁶ *** reported that its export quantity and value did not increase as a result of the antidumping duty order on CPF from Thailand. The antidumping duty margin for *** has remained *** percent since December 2000. According to ***, it experienced a *** percent increase in 2002 and 2003, but argued that the increase was due to market factors other than the antidumping duty order, given that *** sales decreased in 2004 and 2005, at the same duty rate of *** percent.⁸⁷

In response to the Commission’s question on whether the Thai producers have experienced any changes in the quantity and value of their CPF exports to the United States by cut of pineapple between 2004 and 2005 (i.e., in slices, chunks, cubes, tidbits, pieces, or crushed), seven producers responded no.⁸⁸ *** explained that the quantity and value of its exports to the U.S. market decreased from 2004 but did not elaborate on the specific changes by cut of pineapple.⁸⁹ *** experienced a decrease in its sales of CPF by all cuts (slices, chunks, tidbits, and crushed) in 2004 and 2005. The largest decrease occurred for crushed pineapple, for which sales decreased by over 87 percent. Sales of the other three reported styles of CPF decreased by 72 percent or more between 2004 and 2005.⁹⁰

Thailand’s subject (table IV-14) and nonsubject (table IV-15) exports to the United States by grade and package size in 2004 and 2005 are presented below. Both subject and nonsubject exports were predominantly of choice grade and in greater than 100 ounce cans. There were minimal shipments of CPF in smaller than 15 ounce cans in both categories. No responding Thai producer reported having maintained any inventories of CPF in the United States since January 1, 2000.⁹¹

Table IV-14

CPF: Thailand’s subject exports to the United States, by grade and package size, 2004-05

* * * * *

Table IV-15

CPF: Thailand’s nonsubject exports to the United States, by grade and package size, 2004-05

* * * * *

Table IV-16 presents data on Thailand’s CPF exports to major world markets, and average unit values in those markets, for the years 2000 through 2005. Overall, Thailand’s CPF exports to the world decreased between 2000 and 2002. From 2002 on, however, total exports increased by 33.8 percent overall. The largest single export market for CPF from Thailand remained the United States every year. The strongest export growth to other markets occurred in Poland, Russia, and Yemen. At the same time, Thai CPF exports to several EU member countries declined, as did exports to the two countries that have barriers to the importation of Thai CPF: Australia and Japan.

⁸⁵ ***’s foreign producer/exporter questionnaire response, section II-14.

⁸⁶ ***’s foreign producer/exporter questionnaire response, section II-14.

⁸⁷ ***’s foreign producer/exporter questionnaire response, section II-14.

⁸⁸ ***’s foreign producer/exporter questionnaire responses, section II-18.

⁸⁹ ***’s foreign producer/exporter questionnaire response, section II-18.

⁹⁰ ***’s foreign producer/exporter questionnaire response, section II-18.

⁹¹ *** foreign producer/exporter questionnaire responses, section II-11.

Table IV-16

CPF: Thailand's top export markets and average unit values, 2000-05

Source	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (1,000 case equivalents)						
United States	6,264	6,001	6,194	7,599	8,595	9,971
Russia	68	649	626	742	1,319	2,745
Netherlands	2,466	1,962	1,469	2,037	2,756	2,630
Germany	4,380	4,314	3,477	3,955	3,379	2,493
Japan	2,363	2,477	2,116	1,911	2,169	2,318
Canada	1,391	1,564	1,606	1,646	1,652	1,711
United Kingdom	1,286	1,134	1,027	1,154	1,352	1,236
Poland	228	587	610	965	946	989
France	1,252	1,228	1,044	1,169	1,081	917
Saudi Arabia	451	711	561	647	629	884
Italy	879	573	545	840	877	733
Spain	901	771	698	909	860	688
Australia	769	649	347	384	370	659
Yemen	238	346	378	510	461	607
Taiwan	565	466	484	444	519	578
All other	7,965	7,340	7,101	10,014	8,166	8,693
Total	31,466	30,771	28,282	34,926	35,133	37,852
Unit value (per case)						
United States	\$7.52	\$7.68	\$8.80	\$9.14	\$9.52	\$9.54
Russia	5.91	5.17	7.00	7.37	8.40	7.58
Netherlands	7.37	6.85	7.79	8.24	8.70	9.07
Germany	5.66	5.36	6.51	6.62	7.10	7.13
Japan	8.87	8.45	9.71	9.90	10.02	10.46
Canada	6.35	6.34	7.57	7.26	7.65	7.60
United Kingdom	8.62	8.28	9.67	8.95	9.07	9.69
Poland	5.97	5.71	7.20	7.12	7.59	7.43
France	6.52	6.67	8.14	8.60	9.33	9.24
Saudi Arabia	5.72	5.40	6.79	6.92	7.63	7.94
Italy	6.38	6.15	7.89	7.80	8.05	7.96
Spain	6.79	6.24	7.59	7.94	8.17	8.56
Australia	6.38	5.94	6.88	7.54	7.77	8.06
Yemen	5.38	4.74	5.80	6.03	6.20	6.22
Taiwan	9.88	9.23	9.81	9.75	9.45	9.47
All other	5.78	6.37	7.47	7.64	8.30	8.31
World average	6.77	6.71	7.93	8.05	8.60	8.67
Note.—Quantities reported at the 6-digit level for HTS subheading 2008.20, all of which is included in the product scope.						
Source: Global Trade Atlas.						

The average unit values in Thailand's top export markets increased overall between 2000 and 2005, but the trend in the countries with the highest and lowest prices changed relatively little. Between 2000 and 2002, Taiwan had the highest average unit values per case of CPF, Japan had the second highest, the United Kingdom the third highest, and the United States the fourth highest. This order shifted slightly in 2003 and remained static until the end of the period. In 2003 Japan became the export market with the highest average unit values, followed in second or third place by the United States.

Table IV-17 presents Thailand's net CPF export position for the period 2000-05. As shown below, Thailand remained a net exporter throughout the period of review, and overall exports increased, while imports decreased.

Table IV-17
CPF: Thailand's net export position, 2000-05

Source	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (1,000 case equivalents)						
Exports	31,466	30,771	28,282	34,926	35,133	37,852
Imports	5	3	4	14	8	2
Net exports	31,461	30,768	28,278	34,911	35,124	37,850
Note.— Quantities reported at the 6-digit level for HTS subheading 2208.20.						
Source: Global Trade Atlas.						

CPF products exported from Thailand are subject to an antidumping duty order in Australia that was imposed in October 2001. At the same time, Australia also imposed an antidumping duty order on pineapple juice concentrate. In 2005 Australia reviewed the orders and, based on industry participation, determined to continue the order on CPF but to allow the order on pineapple juice to expire on October 17, 2006.⁹² In addition, Australia imposed a special safeguard on CPF from Thailand, classified under HTS subheading 2008.20.00 (statistical codes 26 and 27) such that instead of being free of duty, all CPF imported from Thailand will be assessed at the general rate of duty of five percent from January 9, 2006 until December 31, 2006. The safeguards will cease to apply to goods imported on or after January 1, 2007, but may be re-imposed if the limit of 6,706,725 liters is reached in 2007.⁹³ In addition to CPF from Thailand, Australia imposed antidumping duty orders on CPF from China and the Philippines in August 2006.⁹⁴

⁹² Australian Customs Dumping Notice No. 2006/45, Pineapple juice concentrate exported from Thailand, Expiry of anti-dumping measures, October 17, 2006, found at: www.customs.gov.au/webdata/resources/notices, retrieved November 1, 2006.

⁹³ Australian Customs Notice No. 2006/41, Special Safeguards on Canned Pineapple from Thailand, August 31, 2006, found at: www.customs.gov.au/webdata/resources/notices, retrieved November 1, 2006.

⁹⁴ Australian Customs Dumping Notice No. 2006/44, Pineapple prepared or preserved in containers exported from the People's Republic of China and the Philippines, Finding in relation to a dumping investigation, found at www.customs.gov.au/webdata/resources/notices, retrieved November 1, 2006.

Japan has a tariff rate quota for all imports of CPF (including those with and without added sugar) from Thailand that was reportedly imposed in 1990.⁹⁵ As part of free trade area negotiations between the two nations in August 2005, Japan refused to open its market to Thai canned pineapple.⁹⁶

GLOBAL MARKET

Table IV-18 presents data on leaders in global production of all pineapple for the years 2001 to 2005. As shown in the table, all major pineapple producers have experienced small fluctuations in their production over the last several years. For the three largest producers, Thailand, the Philippines, and China, production increased each year in 2003, 2004, and 2005. Although Thailand enjoyed the largest share of world pineapple production during the period, its share decreased as the shares of the Philippines and China increased.

Table IV-18
Pineapples: Production in leading countries and the world, 2001-05

Source	Calendar year				
	2001	2002	2003	2004	2005
Quantity (1,000 short tons)					
Thailand	2,291	1,917	2,094	2,201	2,260
Philippines	1,783	1,807	1,872	1,939	1,984
China	1,386	1,371	1,400	1,547	1,609
Brazil	1,576	1,580	1,587	1,583	1,564
India	1,345	1,301	1,444	1,433	1,433
All other	8,113	8,672	8,758	8,602	8,662
World	16,495	16,647	17,155	17,305	17,512
Share (percent)					
Thailand	13.9	11.5	12.2	12.7	12.9
Philippines	10.8	10.9	10.9	11.2	11.3
China	8.4	8.2	8.2	8.9	9.2
Brazil	9.6	9.5	9.3	9.1	8.9
India	8.2	7.8	8.4	8.3	8.2
All other	49.2	52.1	51.1	49.7	49.5
World	100.0	100.0	100.0	100.0	100.0

Source: *Fruit and Tree Nuts Situation and Outlook Yearbook/FTS-2006/October*, ERS, USDA, table A-17.

⁹⁵ ****'s foreign producer/exporter questionnaire responses, section II-12. Also, *Japanese Customs Duties on Agricultural Commodities*, Food Market Exchange, found at, www.foodmarketexchange.com/datacenter/laws/dc_lr_tariff_03.htm, retrieved November 1, 2006.

⁹⁶ *Thai-Japan FTA: Basic pact agreed on with Tokyo*, Topic Innovation News, August 3, 2005, found at www.nrct.net/eng/print.php?sid=1266, retrieved November 1, 2006. However, the President of The Thai Food Processors' Association- Pineapple Processor's Group, testified that the tariff rate quota in Japan is designed to insure that all CPF production in Japan is sold but that domestic production only accounts for approximately two percent of the domestic market. Hearing transcript, p.148 (Tantipatpong).

Table IV-19 presents data on the top CPF exporting countries during the period of review, 2000-05. Among the largest global pineapple producers, Thailand, the Philippines, and China are well represented, but Brazil and India are not counted among the largest exporters of CPF. In fact, Indonesia, Singapore, Malaysia, and South Africa were larger exporters of CPF from 2000 through 2005. The shares of all individual countries listed, with the exception of South Africa, increased over the period at the expense of all other sources.

Table IV-19
CPF: Top exporting countries, 2000-05

Source	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (1,000 case equivalents)						
Thailand	31,466	30,771	28,282	34,926	35,133	37,852
Philippines	18,476	18,679	16,723	16,315	18,705	18,730
Indonesia	9,678	9,980	11,011	9,002	10,178	14,553
China	1,644	1,941	2,943	4,065	5,667	5,299
Singapore	1,742	2,077	1,553	1,405	1,624	2,206
Malaysia	1,085	1,160	1,451	2,142	1,604	1,405
South Africa	2,529	1,824	2,411	1,831	1,768	1,108
United States	230	180	169	218	240	321
All other	28,923	22,409	27,613	21,471	5,412	928
Total	95,773	89,022	92,155	91,375	80,332	82,402
Share (percent)						
Thailand	32.9	34.6	30.7	38.2	43.7	45.9
Philippines	19.3	21.0	18.1	17.9	23.3	22.7
Indonesia	10.1	11.2	11.9	9.9	12.7	17.7
China	1.7	2.2	3.2	4.4	7.1	6.4
Singapore	1.8	2.3	1.7	1.5	2.0	2.7
Malaysia	1.1	1.3	1.6	2.3	2.0	1.7
South Africa	2.6	2.0	2.6	2.0	2.2	1.3
United States	0.2	0.2	0.2	0.2	0.3	0.4
All other	30.2	25.2	30.0	23.5	6.7	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0
Note.--Quantities reported are for HTS subheading 2008.20.						
Source: Global Trade Atlas.						

Table IV-20 presents data on the top CPF importing countries and regions of the world for the period of review. According to Global Trade Atlas statistics, the European Union imported the greatest quantity of CPF during 2000-05, followed closely in quantity by the United States. Between 2000 and 2005, Russia experienced the greatest absolute growth in imports of CPF, with imports increasing over 500 percent. Even with Russia's growth, however, its 2005 imports represented just 6.8 percent of global CPF imports, in contrast with the United States, which represented 34.3 percent of global CPF imports in 2005.

Table IV-20
CPF: Top importing countries and regions, 2000-05

Source	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (1,000 case equivalents)						
EU25 (External Trade)	27,432	25,998	26,051	27,676	28,944	28,831
United States	23,356	21,510	22,765	24,751	24,110	26,295
Russia	828	1,472	2,284	2,885	4,190	5,199
Japan	4,204	4,381	3,748	3,503	3,845	3,786
Singapore	218	221	257	1,531	1,747	2,157
Canada	2,167	2,239	2,146	2,151	2,141	2,118
South Korea	679	763	864	921	1,125	1,149
All other	9,766	8,432	6,086	8,028	6,791	7,139
Total	68,651	65,016	64,201	71,446	72,894	76,673
Share (percent)						
EU25 (External Trade)	40.0	40.0	40.6	38.7	39.7	37.6
United States	34.0	33.1	35.5	34.6	33.1	34.3
Russia	1.2	2.3	3.6	4.0	5.7	6.8
Japan	6.1	6.7	5.8	4.9	5.3	4.9
Singapore	0.3	0.3	0.4	2.1	2.4	2.8
Canada	3.2	3.4	3.3	3.0	2.9	2.8
South Korea	1.0	1.2	1.3	1.3	1.5	1.5
All other	14.2	13.0	9.5	11.2	9.3	9.3
Total	100.0	100.0	100.0	100.0	100.0	100.0
Note. Quantities reported are for HTS subheading 2008.20.						
Source: Global Trade Atlas.						

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICING

Raw Materials and Labor

Most of the pineapple the domestic producer uses in canning, it grows in its own fields. The pineapples for the domestic canning operation are harvested ***.¹ Maui reported its raw material and direct labor costs accounted for *** and *** percent, respectively, of its cost of goods sold in 2005. This is an increase from *** percent and a decrease from *** percent in 2000. Maui noted increases in costs of *** in its response to the Commission's producer's questionnaire.

As the majority of Thai producers do not grow their own pineapple, fresh pineapple is a raw material input that must be purchased to produce CPF. Two foreign producers noted that the price of pineapples varies based on supply and demand, with increasing competition from other uses for the land - specifically, tapioca, cassava, and sugar cane, which can be used to make benzene, a substitute for oil. Three foreign producers noted that the price of raw materials does not affect the selling price, while two noted a correlation. Other factors noted by foreign producers in determining prices were the cost of packaging and oil. Tin plate, from which cans are manufactured, is another primary input.² One foreign producer estimated that raw materials account for 30 percent of the selling price of the canned pineapple fruit. Three foreign producers noted that farm labor is in short supply in Thailand, while another noted that labor availability has remained stable.

Transportation Costs to the United States

Freight and insurance account for a large share of the value of CPF imports from Thailand. In 2005, freight and insurance costs, calculated as the difference between the c.i.f. value and the customs value, were 19.9 percent of the customs value. In interim 2006, the share of costs accounted for by freight and insurance costs decreased to 18.1 percent of the customs value. Imports of CPF from Thailand are subject to a tariff of 0.35¢ per kilogram.

U.S. Inland Transportation

Transportation costs of canned pineapple fruit for delivery within the United States vary from firm to firm but tend to account for a small percentage of the total cost of the product. Maui noted these costs to be 5 percent.³ Of the 16 responding importers, 12 replied that these costs account for a share between 2 and 7 percent of the final price of the CPF, 2 noted that they account for 10 percent, and 2 noted that they account for a share between 20 and 25 percent, for a simple average of 7.8 percent. Maui arranges for transportation for *** percent of its shipments, while 17 of 23 responding importers arrange for transportation. Eight of 23 responding importers have customers that arrange transportation.⁴

¹ Staff field trip report, Maui, October 10, 2006, p. 4.

² As mentioned earlier in the report, Maui's imports of tin plate from Japan are exempted from antidumping duties.

³ In their posthearing brief, Maui reported that ***. Maui's posthearing brief, exh. 1, p. 25.

⁴ Two importers replied that it arranges transportation for some of its sales and lets the purchaser do so for others.

Maui sells on a nationwide basis; however, it “***”.⁵ Most responding importers (13 of 21) also sell nationwide, while 4 sell to the Midwest and Northeast, 2 to the West Coast and Southeast, and 1 to the “South Central.”

Producers and importers were also requested to provide information on average lead times and estimates of the percentages of their shipments that were made within specified distance ranges. Lead times for Maui range from ***. For shipments from ***, lead times range from ***. Importers of CPF were split regarding lead times, depending on whether they sell out of inventory or arrange for shipment from overseas. Thirteen importers noted lead times of between 2 and 4 months, whereas seven reported lead times of 1 to 10 days. One importer noted typical lead times of 1 month. Typically, longer lead times come from shipping containers overseas, whereas the shorter lead times are due to shipping from a domestic warehouse.

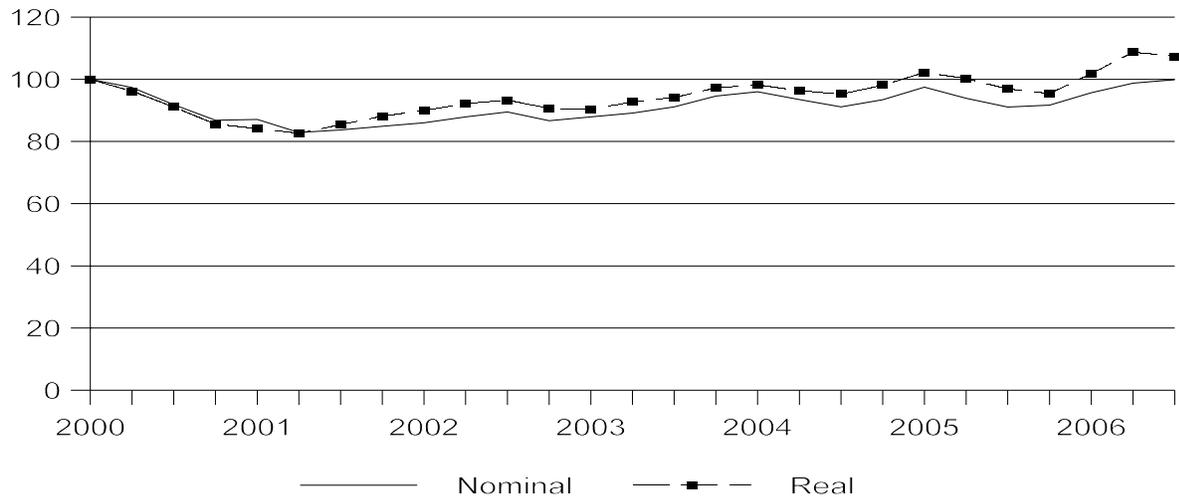
Maui reported that, regarding shipment distances, *** percent of shipments occurred within 100 miles; *** percent occurred within 101 to 1,000 miles; and *** percent occurred at distances over 1,000 miles. For the 19 importers that provided usable responses regarding shipment distances of CPF, an average of 48.7 percent of shipments occurred within 100 miles; 37.9 percent occurred within 101 to 1,000 miles; and 13.4 percent occurred at distances over 1,000 miles.

Exchange Rates

The nominal and real value of the Thai baht relative to the U.S. dollar generally decreased from the first quarter of 2000 through the second quarter of 2001. In the second quarter of 2001, the nominal and real values fell to just under 83 percent of the values in the first quarter of 2000. The nominal and real values of the Thai baht increased irregularly since that time. The nominal value of the Thai baht relative to the U.S. dollar in the third quarter of 2006 was nearly equal to that in the first quarter of 2000 whereas the real value was 7.4 percent higher. Since the second quarter of 2001, the real value of the baht relative to the U.S. dollar has generally been slightly higher than the nominal value (figure V-1).

⁵ Maui’s producer questionnaire, Section IV-B-7.

Figure V-1
Indices of the real and nominal values of the Thai baht relative to the U.S. dollar, by quarters,
January 2000-September 2006



Source: International Monetary Fund, *International Financial Statistics*.

PRICING PRACTICES

As in the previous sunset review, Maui reports that *** percent of sales of CPF are on a contract basis, and that a variety of discounts are routinely extended to purchasers. Contracts are on average ***, with most fixing ***, though contracts with ***. Discounts are extended for cash payment, direct shipment, customers providing their own labels and cases, and ***. Additional promotions are extended on a seasonal basis, or to secure an order. Six importers of subject CPF reported selling 100 percent of their subject imports on contract, with contract duration up to one year. Six importers, ***,⁶ *** reported sales under contract account for 16 to 80 percent of all sales. The remaining nine responding importers of the subject product report no sales under contract. Only one importer reported offering discounts on CPF.⁷

Maui reported that typical sales terms are ***. A majority of responding importers reported requiring payment within 30 days, with nine giving a two percent discount for payment within 10 days on at least some of their transactions. Prices for subject imports are generally negotiated on a transaction by transaction basis, with *** negotiating discounts off a list price, and then only for ***.

⁶ ***.

⁷ ***.

PRICE DATA

Official Commerce statistics indicate that the average unit value of CPF imported from Thailand increased irregularly from 2000 to 2005, and was 28.6 percent higher in 2005 than in 2000.⁸ Data from responding importers indicate that the average unit value of subject Thai imports of CPF was generally *** than the average unit value of domestic CPF.⁹ The average price of domestic CPF sold in the retail market segment in 2005 was *** per case, compared to *** for subject imports. The average unit value of domestic CPF sold in the food service market segment in 2005 was ***, compared to *** for subject imports.

In the original investigation, price and quantity data were collected on four separate pricing products. However, two of these products accounted for the vast majority of sales. For the first review and this review, price and quantity data were collected on U.S. sales of two products:

Product 1.—Canned pineapple; 20 oz. size; in chunks, sliced, crushed or tidbits; in juice, light syrup, heavy syrup, or extra heavy syrup

Product 2.—Canned pineapple; #10 size; for food service market; in chunks, sliced, crushed, or tidbits; in juice, light syrup, heavy syrup, or extra heavy syrup

Reported U.S. sales of these two products accounted for *** percent of Maui's reported U.S. shipments of CPF in 2005.¹⁰ Reported U.S. sales of these products included in the pricing data account for *** percent of imports of subject CPF from Thailand in 2005.

No sales of domestically produced CPF were reported as national or regional brands. It was noted in the original investigation and the first review that Maui's sales to first private label brands were consistently priced below national brand sales of Thai product. Sales to first private label brands accounted for *** of Maui's reported sales in 2005. In the first review, sales to national brands accounted for *** percent of reported U.S. shipments of Thai product 1 and *** percent of shipments of product 2.¹¹ In the current review, however, after Dole was excluded from the antidumping order, sales to national brands shrank by *** percent after August 13, 2004. As such, sales to first private label brands accounted for *** percent of reported sales of Thai product 1, whereas pricing data account for *** percent of reported sales of Thai product 2 by responding importers in 2005.

Maui reported separately for some forms of CPF (slices, chunks, crushed).¹² Some importers reported separately for different forms of CPF, but most did not. Data for different forms of CPF were aggregated in order to be comparable.

Sales of product 1 (20 ounce cans) to first private label brands were reported by both Maui and five responding importers. Maui reported data in every quarter for which data were requested, as did one of the responding importers. Sales of product 2 (#10 cans for the food service sector) to first private labels were reported by Maui in every quarter, and two importers, ***, ***. Price and quantity data are presented in tables V-1 through V-4, and figures V-2 through V-5.

⁸ Calculated as the landed, duty-paid value of Thai imports per kilogram.

⁹ This is in contrast to the first review, when AUVs were generally *** than in the current review because of a greater share of Thai imports ***.

¹⁰ Maui's pricing data were verified by staff. Pricing verification report, February 8, 2007.

¹¹ Data for imported subject product 1 were provided by *** for national brands, *** for first private label brands, *** for second private label brands, and *** for regional brands. Data for imported subject product 2 were provided by *** for national brands, *** for first private label brands, *** for second private label brands, and *** for regional brands.

¹² ***.

Table V-1

CPF: Quantity and average U.S. price of product 1 sold by U.S. producers and importers from Thailand as first private label brands, and margins of under/(over) selling, by quarter, January 2000-September 2006

* * * * *

Table V-2

CPF: Quantity and average U.S. price of product 1 sold by importers from Thailand as national brands, regional brands, and second private label brands, by quarter, January 2000-September 2006

* * * * *

Table V-3

CPF: Quantity and average U.S. price of product 2 sold by U.S. producers and importers from Thailand as first private label brands, and margins of under/(over) selling, by quarter, January 2000-September 2006

* * * * *

Table V-4

CPF: Quantity and average U.S. price of product 2 sold by importers from Thailand as national, second private label brands, and regional brands, by quarter, January 2000-September 2006

* * * * *

Figure V-2

CPF: Price trends of domestic and subject Thai product 1 sold as first private label brands, January 2000-September 2006

* * * * *

Figure V-3

CPF: Price trends of Thai product 1 sold as national, first private label, second private label, and regional brands, January 2000-September 2006

* * * * *

Figure V-4

CPF: Price trends of domestic product 2 sold as first private label brands and Thai product 2 sold as first private label brands and national brands, January 2000-September 2006

* * * * *

Figure V-5

CPF: Price trends of Thai product 2 sold as national, first private label, second private label, and regional brands, January 2000-September 2006

* * * * *

Regarding sales of subject imports to other tiers, data were mostly available until the third quarter of 2004. On August 13, 2004, Dole, KFC, and TIPCO were excluded from antidumping duties. As such, three sources for import sales pricing went from being subject to nonsubject. Excluding *** had the effect of altering the pricing of subject Thai product 1 sold to ***. The quantity of sales reported dropped from *** cases to *** cases between the third quarter and the last quarter of 2004. There were no sales of product 2 after the third quarter of 2004 other than to first private label brands.

The price of domestic product 1 sold as first private label brands was relatively steady from 2000 to the first quarter in 2003, after which the price dipped in the second quarter, jumped in the third and fourth quarters, then settled back to a level similar to the original starting point in the first quarter of 2004. Since that quarter there has been a gradual upward trend in the price of product 1 (figure V-2). The subject Thai product 1 sold as first private label brands exhibited a general slight upward trend from the second quarter of 2001 until the third quarter of 2006. The highest prices were recorded for subject Thai product 1 sold to national brands, followed by regional brands. The price of subject Thai product 1 sold to first private labels was unexpectedly below the price of the same sold to second private labels (figure V-3).

The price of domestic product 2 sold as first private label brands generally trended upward, and exhibited slight increases in the second quarter of most years. Later in the period under review, the upticks in domestic pricing generally occurred during the third quarter, generally (figure V-4). Pricing for subject Thai imported product 2 sold to first private labels was lower than domestic pricing in every quarter, as well as the price of Thai product sold as national brands. Sales of subject Thai CPF made to the first private label tier were priced the same as regional brands in 2001, oversold regional subject Thai product in the first two quarters of 2003, and undersold them in the rest of 2003 and 2004. Thai first private label subject product undersold second private label subject Thai product in 2004 as well (figure V-5).

Subject product 1 (20 oz. cans) sold to first private label brands undersold comparable sales reported by Maui in all 27 quarters. Sales of subject Thai product 2 (#10 cans) to first private label brands undersold domestic CPF in all 13 quarters where comparisons were possible. Margins of underselling of subject Thai product 1 averaged 53.2 percent and ranged between 41.6 percent and 61.4 percent. Margins of underselling for product 2 averaged 38.6 percent and were the highest in the first through third quarters of 2004 (**% percent) and the lowest (**% percent) in the fourth quarter of 2003.

Buy-America Pricing

Pricing for sales to the U.S. government increased between 2000 and 2006. According to purchase data supplied by USDA, prices increased from *** per 30 pound case equivalent in fiscal 2000 to *** per 30 pound case equivalent in the first three quarters of 2006. USDA's purchases are either for entitlement programs or bonus programs, with the CPF donated to recipients that either request or accept them. USDA requests bids and uses benchmarks to determine if the CPF are at market prices.¹³

Comparing recent pricing data for sales to USDA with sales to ***, Maui notes that its ***. Specifically, ***.^{14 15}

¹³ Fax from ***, USDA, Feb. 8, 2007, p. 3.

¹⁴ Maui's posthearing brief, responses to Commission questions, exh. 1, pp. 21-2.

¹⁵ ***.

Nonsubject Pricing

Tables V-5 and V-6, along with figures V-6 and V-7 depict quantities and values of Thai CPF that was imported from the nonsubject companies (Dole, KFC, Siam, and TIPCO) after they were determined not to be dumping by Commerce.

Table V-5

CPF: Quantity and average U.S. price of nonsubject product 1 sold by importers from Thailand as national, first private label, second private label, and regional brands, by quarter, January 2000-September 2006

* * * * * * *

Table V-6

CPF: Quantity and average U.S. price of nonsubject product 2 sold by importers from Thailand as national, first private label, second private label, and regional brands, by quarter, January 2000-September 2006

* * * * * * *

Figure V-6

CPF: Price trends of nonsubject Thai product 1 sold as first private label, second private label, and regional brands, January 2000-September 2006

* * * * * * *

Figure V-7

CPF: Price trends of nonsubject Thai product 2 sold as first private label, second private label, and regional brands, January 2000-September 2006

* * * * * * *

APPENDIX A

FEDERAL REGISTER NOTICES AND ADEQUACY STATEMENT

**INTERNATIONAL TRADE
COMMISSION****[Investigation No. 731-TA-706 (Second
Review)]****Canned Pineapple Fruit From Thailand****AGENCY:** United States International
Trade Commission.**ACTION:** Institution of a five-year review
concerning the antidumping duty order
on canned pineapple fruit from
Thailand.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on canned pineapple fruit from Thailand would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is May 23, 2006. Comments on the adequacy of responses may be filed with the Commission by June 16, 2006. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: Effective Date: April 3, 2006.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 06-5-149, expiration date June 30, 2008. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background

On July 18, 1995, the Department of Commerce issued an antidumping duty order on imports of canned pineapple fruit from Thailand (60 FR 36775). Following five-year reviews by Commerce and the Commission, effective May 30, 2001, Commerce issued a continuation of the antidumping duty order on imports of canned pineapple fruit from Thailand (66 FR 29285). The Commission is now conducting a second review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission's determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions

The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is Thailand.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determination and its full five-year review determination, the Commission defined the *Domestic Like Product* as canned pineapple fruit, coextensive with Commerce's scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determination and its full five-year review determination, the Commission defined the *Domestic Industry* as producers of canned pineapple fruit, excluding pineapple growers.

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign

manufacturer or through its selling agent.

Participation in the review and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the review as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this review available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the review. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to § 207.3 of the Commission's rules, any person submitting information to the

Commission in connection with this review must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to § 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is May 23, 2006. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is June 16, 2006. All written submissions must conform with the provisions of § 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of § 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by § 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

Inability to provide requested information.—Pursuant to § 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a

complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information To Be Provided in Response to This Notice of Institution

As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and e-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 1999.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2005 (report quantity data in case equivalents and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in

which your workers are employed/ which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) the quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) the quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in case equivalents and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in case equivalents and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production; and

(b) the quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total

exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 1999, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country*, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: March 27, 2006.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6-4639 Filed 3-31-06; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION****[Investigation No. 731-TA-706 (Second
Review)]****Canned Pineapple Fruit From Thailand****AGENCY:** United States International
Trade Commission.**ACTION:** Notice of Commission
determination to conduct a full five-year
review concerning the antidumping
duty order on canned pineapple fruit
from Thailand.**SUMMARY:** The Commission hereby gives
notice that it will proceed with a full
review pursuant to section 751(c)(5) of
the Tariff Act of 1930 (19 U.S.C.
1675(c)(5)) to determine whether
revocation of the antidumping duty
order on canned pineapple fruit from
Thailand would be likely to lead to
continuation or recurrence of material
injury within a reasonably foreseeable
time. A schedule for the review will be
established and announced at a later
date. For further information concerning
the conduct of this review and rules of
general application, consult the
Commission's Rules of Practice and
Procedure, part 201, subparts A through
E (19 CFR part 201), and part 207,
subparts A, D, E, and F (19 CFR part
207).**EFFECTIVE DATE:** July 7, 2006.**FOR FURTHER INFORMATION CONTACT:**

Mary Messer (202-205-3193), Office of
Investigations, U.S. International Trade
Commission, 500 E Street, SW.,
Washington, DC 20436. Hearing-
impaired persons can obtain
information on this matter by contacting
the Commission's TDD terminal on 202-
205-1810. Persons with mobility
impairments who will need special
assistance in gaining access to the
Commission should contact the Office
of the Secretary at 202-205-2000.
General information concerning the
Commission may also be obtained by
accessing its internet server ([http://
www.usitc.gov](http://www.usitc.gov)). The public record for
this review may be viewed on the
Commission's electronic docket (EDIS)
at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On July 7,
2006, the Commission determined that
it should proceed to a full review in the
subject five-year review pursuant to
section 751(c)(5) of the Act. The
Commission found that both the
domestic and respondent interested
party group responses to its notice of
institution (71 FR 16585, April 3, 2006)
were adequate. A record of the
Commissioners' votes, the
Commission's statement on adequacy,

and any individual Commissioner's
statements will be available from the
Office of the Secretary and at the
Commission's Web site.

Authority: This review is being conducted
under authority of title VII of the Tariff Act
of 1930; this notice is published pursuant to
section 207.62 of the Commission's rules.

Issued: August 14, 2006.

By order of the Commission.

Marilyn R. Abbott,*Secretary to the Commission.*

[FR Doc. E6-13598 Filed 8-16-06; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigation No. 731-TA-706 (Second Review)]

Canned Pineapple Fruit From Thailand

AGENCY: United States International Trade Commission.

ACTION: Scheduling of a full five-year review concerning the antidumping duty order on canned pineapple fruit from Thailand.

SUMMARY: The Commission hereby gives notice of the scheduling of a full review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty on canned pineapple fruit from Thailand would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B). For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

DATES: *Effective Date:*
August 2, 2006.

FOR FURTHER INFORMATION CONTACT: Dana Lofgren (202-205-3185), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server ([http://](http://www.usitc.gov)

www.usitc.gov). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On July 7, 2006, the Commission determined that both the domestic interested party group response and the respondent group response to its notice of institution (71 FR 16585, April 3, 2006) of the subject five-year review were adequate. Accordingly, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's web site.

Participation in the review and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in this review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the review need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this review available to authorized applicants under the APO issued in the review, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the review. A party granted access to BPI following publication of the Commission's notice of institution of the review need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the review will be placed in the nonpublic record on December 14, 2006, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on January 18, 2007, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before January 8, 2007. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on January 11, 2007, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions.—Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is January 4, 2007. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is January 29, 2007; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before January 29, 2007. On March 6, 2007, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before March 8, 2007, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of

submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: August 2, 2006.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6-12868 Filed 8-7-06; 8:45 am]

BILLING CODE 7020-02-P

DEPARTMENT OF COMMERCE**International Trade Administration****[A-549-813]****Canned Pineapple Fruit from Thailand;
Final Results of the Full Sunset Review
of the Antidumping Duty Order****AGENCY:** Import Administration,
International Trade Administration,
Department of Commerce.**SUMMARY:** On October 27, 2006, the Department of Commerce (“the Department”) published a notice of preliminary results of the full sunset review of the antidumping duty order on canned pineapple fruit (“CPF”) from Thailand (71 FR62994) pursuant to section 751 (c) of the Tariff Act of 1930, as amended (“the Act”). We provided interested parties an opportunity to comment on our preliminary results. We received a case brief from respondent interested parties, Pineapple Processors’ Group, Thai Food Processors’ Association, Thai Pineapple Canning Industry Corp., Ltd., Malee Sampran Public Co., Ltd. (“Malee”), The Siam Agro Industry Pineapples and Others Public Co., Ltd. (“SAICO”), Great Oriental Food Products Co., Ltd., Thai Pineapple Products and Other Fruits Co. Ltd., The Tipco Foods (Thailand) PCL, Prانبuri Hotei Co. Ltd., and Siam Fruit Canning (1988) Co., Ltd. (collectively, “Respondents”). We received a rebuttal brief from the domestic interested party, Maui Pineapple Company (“Maui”). As a result of this sunset review, the Department finds that revocation of this order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the “*Final Results of Review*” section of this notice.**EFFECTIVE DATE:** March 6, 2007.**FOR FURTHER INFORMATION CONTACT:** Martha Douthit, Myrna Lobo, or Dana Mermelstein, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC, 20230; telephone: 202-482-5050, 202-482-2371, and 202-482-1391, respectively.**SUPPLEMENTARY INFORMATION:****Background**

On October 27, 2006, the Department of Commerce (the “Department”) published in the **Federal Register** a notice of preliminary results of the full sunset review of the antidumping duty order on CPF, pursuant to section 751(c) of the Act. *See Canned Pineapple Fruit from Thailand: Preliminary Results of the Full Sunset Review of the Antidumping Duty Order* (“*Preliminary Results*”). In our *Preliminary Results*, we determined that revocation of the order would likely result in continuation or recurrence of dumping with a margin of 51.16 percent for SAICO, 41.74 percent for Malee, and 24.64 percent for “all others.” We received a case brief on behalf of Respondents. We did not receive a case brief from Maui. Maui filed a timely rebuttal brief. No hearing was requested.

Scope of the Order

The product covered by this order is CPF, defined as pineapple processed and/or prepared into various product forms, including rings, pieces, chunks, tidbits, and crushed pineapple, that is packed and cooked in metal cans with either pineapple juice or sugar syrup added. CPF is currently classifiable under subheadings 2008.20.0010 and 2008.20.0090 of the Harmonized Tariff Schedule of the United States (“HTSUS”). HTSUS 2008.20.0010 covers CPF packed in a sugar-based syrup; HTSUS 2008.20.0090 covers CPF packed without added sugar (i.e., juice-packed). Although these HTSUS subheadings are provided for convenience and for customs purposes, the written description of the scope is dispositive. There have been no scope rulings for the subject order.

Analysis of Comments Received

All issues raised in this review are addressed in the “Issues and Decision Memorandum” for *Canned Pineapple Fruit from Thailand: Final Results of the Full Sunset Review of the Antidumping Duty Order*, from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated February 27, 2007 (*Final Decision Memorandum*), which is hereby adopted by this notice. Parties may find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit, room B-099, of the main Commerce building. In addition, a complete version of the *Final Decision Memorandum* can be accessed directly on the Web at <http://>

ia.ita.doc.gov/frn. The paper copy and electronic version of the *Final Decision Memorandum* are identical in content.

Final Results of Review

Pursuant to section 751(c) of the Act, we determine that revocation of the antidumping duty order on CPF from Thailand would be likely to lead to continuation or recurrence of dumping at the following weighted-average margins:

Manufacturers/Exporters/ Producers	Weighted Average Margin (percent)
Siam Agro Industry Pineapple and Others Co., Ltd. (SAICO)	51.16
Malee Sampran Factory Public Co., Ltd. (Malee)	41.74
The Thai Pineapple Public Co., Ltd.(TIPCO)	Revoked ¹
Dole Food Company, Inc., Dole Packaged Foods Company, and Dole Thailand, Ltd. (col- lectively, Dole)	Revoked ²
Siam Food Products, Ltd. (SFP)	Revoked ³
Kuibiri Fruit Canning Company, Ltd. (KFC)	Revoked ⁴
All Others	24.64

¹ *Notice of Final Results of Antidumping Duty Administrative Review and Final Determination To Revoke Order in Part: Canned Pineapple Fruit from Thailand*, 69 FR 50164 (August 13, 2004).

² *Id.*

³ *See Final Results of Antidumping Duty Administrative Review, Rescission of Administrative Review in Part, and Final Determination to Revoke Order in Part: Canned Pineapple Fruit from Thailand*, 67 FR 76719 (August 13, 2004).

⁴ *See Notice of Final Results of Antidumping Duty Administrative Review and Final Determination To Revoke Order in Part: Canned Pineapple Fruit from Thailand*, 69 FR 50164 (August 13, 2004).

This notice serves as the only reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/ destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the final results of this full sunset review in accordance with sections 751(c), 752, and 777(1)(i) of the Act.

Dated: February 27, 2007.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E7-3891 Filed 3-5-07; 8:45 am]

BILLING CODE 3510-DS-S

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY
in
Canned Pineapple Fruit from Thailand
Inv. No. 731-TA-706 (Second Review)

On July 7, 2006, the Commission determined¹ that it should proceed to full reviews in the subject five-year review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. §1675(c)(3)(B).

The Commission received an individually adequate response to the notice of institution from Maui Pineapple Co., Inc., which accounts for the majority of U.S. production of canned pineapple. The Commission therefore determined that the domestic interested party group response was adequate.

The Commission received adequate individual responses from Great Oriental, Malee, PHC, SAICO, SIFCO, TPC, and THAICO, all of which are producers and exporters of canned pineapple fruit in Thailand. The Commission also received an adequate response to the notice of institution from the Thai Food Processors Association (“TFPA”), Pineapple Processors Group, on behalf of its members, Great Oriental, Malee, PHC, SAICO, SIFCO, TPC, and THAICO. Because the Commission received an adequate response from foreign producers accounting for the majority of the production of the subject merchandise in Thailand, the Commission determined that the Thai respondent group response was adequate.

A record of the Commissioners’ votes is available from the Office of the Secretary and at the Commission's web site (www.usitc.gov).

APPENDIX B
LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

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

Subject: Canned Pineapple Fruit from Thailand

Inv. No.: 731-TA-706 (Second Review)

Date and Time: January 18, 2007 - 9:30 a.m.

Public and in-camera sessions were held in connection with this investigation in the Main Hearing Room, 500 E Street (room 101), SW, Washington, D.C.

OPENING REMARKS:

In Support of Continuation of Order (**Paul C. Rosenthal**,
Kelley Drye Collier Shannon)

In Opposition to Continuation of Order (**Arthur J. Lafave III**,
Lafave Associates)

**In Support of Continuation of
Antidumping Duty Order:**

Kelley Drye Collier Shannon
Washington, D.C.
on behalf of

The Domestic Industry

Brian C. Nishida, President and Chief Executive
Officer, Maui Pineapple Company, Ltd.

Stacey M. Jio, Assistant Treasurer, Maui Pineapple
Company, Ltd.

Patrick J. Magrath, Managing Director, Georgetown
Economic Services

Paul C. Rosenthal)
David C. Smith, Jr.) – OF COUNSEL
Grace W. Kim)

**In Opposition to Continuation of
Antidumping Duty Order:**

Lafave Associates
Washington, D.C.
on behalf of

The Thai Food Processors' Association-Pineapple Processors' Group
Thai Pineapple Canning Industry Corp., Ltd.
Malee Sampran Public Co., Ltd.
The Siam Agro Industry Pineapples and Others Public Co., Ltd.
Pranburi Hotei Co., Ltd.
Siam Fruit Canning (1988) Co., Ltd.
Great Oriental Food Products Co., Ltd.
Thai Pineapple Products and Other Fruits Co., Ltd.

Ghanyapad Tantipitpong, President, Thai Pineapple
Canning Industry Corp., Ltd.

Kojiro Shiraiwa, Director of Marketing/Ace of Diamonds
Brand, Chicken of the Sea International

Andrew Parsons, Vice President, Precision Economics

Arthur J. Lafave III) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Continuation of Order (**Paul C. Rosenthal**,
Kelley Drye Collier Shannon)

In Opposition to Continuation of Order (**Arthur J. Lafave III**,
Lafave Associates)

APPENDIX C
SUMMARY DATA

Table C-1
Canned pineapple fruit: Summary data concerning the U.S. market, 2000-05, January-September 2005, and January-September 2006

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

Item	Reported data							Period changes							
	2000	2001	2002	2003	2004	2005	January-September 2005	January-September 2006	2000-05	2000-01	2001-02	2002-03	2003-04	2004-05	Jan.-Sept. 2005-06
U.S. consumption quantity:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Thailand (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Thailand (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Non Thai nonsubject															
U.S. consumption value:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Thailand (subject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Thailand (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from:															
Thailand (subject):															
Quantity	6,042	5,625	***	***	5,121	1,073	794	882	-82.2	-6.9	***	***	***	-79.0	11.1
Value	57,423	53,360	***	***	60,079	15,380	10,629	14,243	-73.2	-7.1	***	***	***	-74.4	34.0
Unit value	\$9.50	\$9.49	***	***	\$11.73	\$14.33	\$13.39	\$16.14	50.8	-0.2	***	***	***	22.1	20.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Thailand (nonsubject):															
Quantity	0	0	***	***	2,880	8,179	6,464	7,661	(2)	(2)	***	***	***	184.0	18.5
Value	0	0	***	***	36,011	97,720	77,477	89,539	(2)	(2)	***	***	***	171.4	15.6
Unit value	(2)	(2)	***	***	\$12.50	\$11.95	\$11.99	\$11.69	(2)	(2)	***	***	***	-4.4	-2.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources (3):															
Quantity	17,242	15,955	16,652	17,321	16,154	17,038	12,796	11,854	-1.2	-7.5	4.4	4.0	-6.7	5.5	-7.4
Value	176,469	149,613	162,036	174,401	168,083	181,236	134,526	131,512	2.7	-15.2	8.3	7.6	-3.6	7.8	-2.2
Unit value	\$10.23	\$9.38	\$9.73	\$10.07	\$10.41	\$10.64	\$10.51	\$11.09	3.9	-8.4	3.8	3.5	3.3	2.2	5.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (nonsubject):															
Quantity	17,242	15,955	***	***	19,034	25,217	19,260	19,515	46.3	-7.5	***	***	***	32.5	1.3
Value	176,469	149,613	***	***	204,094	278,957	212,003	221,052	58.1	-15.2	***	***	***	36.7	4.3
Unit value	\$10.23	\$9.38	***	***	\$10.72	\$11.06	\$11.01	\$11.33	8.1	-8.4	***	***	***	3.2	2.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All sources:															
Quantity	23,285	21,580	22,765	24,685	24,155	26,291	20,054	20,397	12.9	-7.3	5.5	8.4	-2.1	8.8	1.7
Value	233,891	202,973	225,585	256,676	264,173	294,336	222,632	235,295	25.8	-13.2	11.1	13.8	2.9	11.4	5.7
Unit value	\$10.04	\$9.41	\$9.91	\$10.40	\$10.94	\$11.20	\$11.10	\$11.54	11.5	-6.4	5.4	4.9	5.2	2.4	3.9
Ending inventory quantity	2,321	1,681	1,499	1,091	2,066	2,891	3,582	4,673	24.5	-27.6	-10.8	-27.2	89.4	39.9	30.5
U.S. producers':															
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (case eqv. per hour)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***

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

(2) Not applicable.

(3) Includes Greece, Mexico, and Canada.

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

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

APPENDIX D

**COMMENTS BY U.S. PRODUCER, IMPORTERS, PURCHASERS, AND
FOREIGN PRODUCERS REGARDING THE EFFECTS OF THE ORDER AND
THE LIKELY EFFECTS OF REVOCATION**

**U.S. PRODUCER COMMENTS REGARDING THE EFFECTS OF THE ORDER
AND THE LIKELY EFFECTS OF REVOCATION**

**Anticipated Operational/Organizational Changes If The Order
Were To Be Revoked**

The Commission requested the U.S. producer to describe any anticipated changes in the character of its operations or organization relating to the production of canned pineapple fruit in the future if the antidumping duty order on canned pineapple fruit from Thailand were to be revoked. Its response is as follows:

“***.”

Significance of Existing Order In Terms of Trade and Related Data

The Commission requested the U.S. producer to describe the significance of the existing antidumping duty order covering imports of canned pineapple fruit from Thailand in terms of its effect on the firm’s production capacity, production, U.S. shipments, inventories, purchases, and employment. Its response is as follows:

“***.”

**Anticipated Changes in Trade and Related Data
If The Order Were To Be Revoked**

The Commission requested the U.S. producer to describe any anticipated changes in its production capacity, production, U.S. shipments, inventories, purchases, or employment relating to the production of canned pineapple fruit in the future if the antidumping duty order on canned pineapple fruit from Thailand were to be revoked. Its response is as follows:

“***.”

**U.S. IMPORTERS’ COMMENTS REGARDING THE EFFECTS OF THE ORDER AND THE
LIKELY EFFECTS OF REVOCATION**

Anticipated Operational/Organizational Changes If The Order Were To Be Revoked

The Commission requested importers to describe any anticipated changes in the character of their operations or organization relating to the importation of canned pineapple fruit in the future if the antidumping duty order on canned pineapple fruit from Thailand were to be revoked. Their responses are as follows:

“No.”

“No.”

“Yes. We would consider offers from Thai packers.”

“No.”

“Yes. If the antidumping duties on canned pineapple fruit from Thailand were to be revoked, it is highly likely that *** would not go forward with ***. It is more likely that *** would be forced to undertake ***. We see no way in which *** primary market.”

“Yes. We will resume import of canned pineapple from ***. We will probably increase its share up to *** percent of our supply, depending on competitiveness. The total volume of pineapple we handle may not change significantly.”

“No.”

“No.”

“No.”

“No.”

“No.”

“No.”

“We are ***.”

“No answer.”

“Yes. Revocation would allow for more competition between existing international suppliers which should correspond to better pricing for purchasers.”

“No.”

“No.”

“No.”

Significance of Existing Order In Terms of Trade and Related Data

The Commission requested U.S. importers to describe the significance of the existing antidumping duty order covering imports of canned pineapple fruit from Thailand in terms of its effect on their imports, U.S. shipments of imports, and inventories. Their responses are as follows:

“The only significance is it limits who we can buy from in Thailand, as we cannot buy from packers with high dumping duties.”

“No answer.”

“We were not affected.”

“No direct effect since pineapple sales are a very small part of our total business.”

“Not applicable.”

“None. We began imports of canned pineapple in ***, so there has been no effect.”

“Since *** imports canned pineapple fruit from Thailand *** from a nonsubject Thai producer ***, the existing antidumping duty order does not affect *** imports, U.S. sales or inventories.”

“None.”

“None.”

“Moved purchasing to other areas to be able to sell more competitively.”

“Cannot determine.”

“None.”

“The imposition of the antidumping duty order resulted in decreases of Thai imports. This ***. Recently however, Thai imports are increasing significantly and ***.”

“We have been importing canned pineapple from ***, before the antidumping duty order was imposed. After the imposition, we shifted our supply to Indonesia and nonsubject Thai packer, ***. Not much impact on our business due to this supply source shift.”

“Imports from other sources have increased.”

“No significant change.”

“Very little, as we only handle a few loads per year.”

“Since the dumping duties were imposed, imports from Thailand declined.”

“Once the antidumping duty order went into effect we stopped importing from subject sources. Our pineapple business suffered as a result.”

“We have seen no real effect because we did not import prior to the antidumping duty coming into effect.”

“We are no longer doing any business.”

“We will stop importing any canned pineapple fruit from Thailand if this item is charged higher duty rates because our costs are already very high.”

“Price is the driver for our purchases within our product specification. Thus, we use only nonsubject producers and producers in other countries, also nonsubject. As U.S. production cannot possibly keep up with demand, we support revocation of this duty, thus allowing for increased producer competition.”

“No effect.”

“None.”

“Since we are committed to supplying our customers a whole line of canned fruit items, the antidumping duty makes it extremely difficult for us to operate profitably. We are constrained to a small set of packers that can effectively supply the entire line. It has forced us to spend significant resources looking for alternatives, which are restricted to support their existing sales channels.”

Anticipated Changes in Trade and Related Data If Order Were To Be Revoked

The Commission requested importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of canned pineapple fruit in the future if the antidumping duty order on canned pineapple fruit from Thailand were to be revoked. Their responses are as follows:

“No.”

“No answer.”

“Yes. We would consider offers from Thai packers.”

“No.”

“Had the antidumping duties not been in place for the duration of 2000-2005, it is reasonable to assume that ***.”

“No.”

“No.”

“No.”

“No.”

“Yes, it would allow more packers to compete.”

“No.”

“No.”

“No answer.”

“We will stop importing any canned pineapple fruit from Thailand if this item is charged higher duty rates because our costs are already very high.”

“No.”

“No.”

“No.”

“Under the current antidumping duty order, the few packers in Thailand who are not subject to the antidumping duty order, are enjoying the business along with Indonesian and Philippino suppliers. If the antidumping duty order is to be rescinded, it may benefit the consumer in terms of lower prices. Besides, there are more and more products to come from China and Vietnam in the future to further increase competition in the market.”

**U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF THE ORDER AND THE
LIKELY EFFECTS OF REVOCATION**

Effects on Future Activities of the Firms and the U.S. Market as a Whole

The Commission requested purchasers to comment on the likely effects of revocation of the antidumping duty order for imports of canned pineapple fruit from Thailand on (1) the future activities of their firms and (2) the U.S. market as a whole. Their responses are as follows:

(1) The future activities of their firms:

“No change.”

“If revocation of the order leads to a decrease in the cost of product assuming equal or greater quality and consistency, promotional activities may increase, retail prices may be lower or consumption may increase.”

“Unchanged.”

“None.”

“Following duties, adjusted purchases to other reliable sources from non-subject countries. Increased availability to U.S. market may happen, but any price effect should extend to all sources of supply-no reason to change.”

“Potential decrease in cost of canned pineapple. Potential increase in units sold. Potential change in where brands purchase pineapple.”

“No known impact.”

“None.”

“Bring prices back down. The product would become more competitive in the market. Years 2007 and after.”

“The most likely trade off would be between quality and supply.”

“We plan to continue to source the appropriate quality at the competitive price.”

“Minimal effect. For *** we see no changes in regards to sales and marketing of canned pineapple. We will continue to distribute both domestic and imported pineapple based on market demand and availability.”

“If there is more product available I would assume we would be able to promote pineapple more often.”

“Not applicable.”

“Could reduce the cost of imported pineapple.”

“None.”

“No or little affect.”

“None.”

“None.”

“It will cause the market to increase in cost.”

“Probably none unless the price declines below other suppliers.”

“Little or no effect for the near future 2007 or 2008. We have been using Indonesian which is competitive and good quality.”

”No major changes.”

“If Thailand becomes a bigger player on the world market, prices will be very competitive from Indonesia and the Philippines - adding that to higher prices in the U.S. (canned fruits with peaches) - volume of pineapple should go up - reflect itself at *** and in the entire U.S. market.

“Product cost would be reduced by the amount of the revoked order; regular retail would not be impacted, more frequent and/or aggressive promotional activity over the subsequent 12 months could result.”

“That would depend on cost and quality. If the cost was lower than other available fruit and the quality was at least as good, we would probably source more from Thailand.”

“No impact (due to domestic packer exiting the solid processed pineapple business) on ***. We only purchase domestically produced pineapple. If additional pineapple is infused into the U.S. market (in any year), *** may need to make additional ***.”

(2) The U.S. market as a whole:

“No change.”

“If revocation of the order leads to a decrease in the cost of product (assuming equal or greater quality and consistency), promotional activities may increase, retail prices may be lower or consumption may increase.”

“Unchanged.”

“None.”

“After the anti-dumping case, non-subject country production previously destined for non-U.S. destination were re-directed to U.S. Likewise, Thai production previously destined for U.S. was re-directed to other markets. Over time, there may be some shifting back but probably slowly and incrementally.”

“Potential decrease in cost of canned pineapple. Potential increase in units sold. Potential change in where brands purchase pineapple.”

“Unknown.”

“No answer”

“Bring prices back down. The product would become more competitive in the market. Years 2007 and after.”

“No answer.”

“There may be more fruit from Thailand; its pricing is lower.”

“Supply or demand factors will continue to push the leading pineapple source countries to be the low cost producers for product consumed in the U.S. market.”

“Don't know.”

“Not applicable.”

“No answer.”

“No basis for comment.”

“Unable to determine.”

“None.”

“Unknown.”

“It will cause the market to increase in cost.”

“Probably none as I don't think consumption is affected by price unless price is significantly reduced.”

“No answer.”

“May see more fruit cups/bowls available at competitive prices.”

“No answer.”

“Unknown.”

“I would assume that would depend on cost and quality. If the cost was lower than other available fruit and the quality was at least as good, we would probably source more from Thailand.”

“***. If the influx of imported pineapple causes U.S. pineapple producers to stop the production of domestic pineapple products, *** pineapple products under ***.”

FOREIGN PRODUCERS’ COMMENTS REGARDING THE EFFECTS OF THE ORDER AND THE LIKELY EFFECTS OF REVOCATION

**Anticipated Changes in Trade and Related Data
If The Order Were To Be Revoked**

The Commission requested foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of canned pineapple fruit in the future if the antidumping duty order on canned pineapple fruit from Thailand were to be revoked. Their responses are as follows:

“No.”

“Yes. *** will maintain exports to the Japanese market and the EU market, too.”

“We will maintain our current production capacity for canned pineapple even if the antidumping duty order were revoked.”

“No change in production capacity is anticipated. The production volume will increase in line with the production target in II-2. The expected export to US is indicated below:

* * * * *

“No. If the antidumping duty order is revoked, *** may consider to re-enter the U.S. market with choice grade products though our primary strategy is to continue to focus on established and new developing markets as noted herein. In established markets the standard grade products are nearly all for Europe-wide and will not be available for U.S. market. Also, for choice grade market, the product is nearly all sold in Japan as it yields higher prices than is generally available in USA and so the amount available for USA market will be limited.”

“No.”

“No.”

Significance of the Order In Terms of Trade and Related Data

The Commission requested foreign producers to describe the significance of the existing antidumping duty order on canned pineapple fruit from Thailand, in terms of its effect on the firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. Their responses are as follows:

“*** has not shipped to the US since 2002- we have established our sales in some countries in the EU and Asia.”

“*** did not export canned pineapple to the U.S. market because of the high tax percent.”

“The U.S. antidumping duty order on canned pineapple exports from Thailand does not have any effect on our production capacity or inventory.”

“The existing antidumping duty order covering imports of canned pineapple fruit from Thailand has no impact on our production, exports to other markets and inventories. The production in 2003-04 was curtailed below the target as a result of a flood in October 2003 and poor weather in 2004. Export to EU and other markets increased from 2004 because of an increase in demand.”

“No significance of existing order as *** has not exported canned pineapple fruit due to high dumping margin to USA since 1994, when the antidumping duty order was imposed. *** has no plans to enter the USA for the subject merchandise but instead to focus on other existing and new markets.”

“No effect from the antidumping duty order.”

“*** production capacity, and production quantity, has not changed from 2000 CY. There was a decline in 2005 production quantity because of low fruit availability and very high fruit cost. *** home market shipments were in very low quantity. We cannot see significant change in this market. *** exports to the United States had increased significantly in 2002-04, then dropped again in 2005. We expected no change in this market in 2006. *** other markets, i.e. Japan declined in 2002-04 when U.S. sales consumed more canned pineapple fruit products. *** inventories since 2002 remain quite stable at about *** standard cases, and it is expected to maintain at this level as production quantity is performed in accordance with sale and production capacity. No increase in production capacity is planned in the near future.”

APPENDIX E

**DATA ON U.S. IMPORTS OF ASSORTED PINEAPPLE PRODUCTS,
BY SOURCES, 1995-2005**

Table E-1
U.S. imports of canned pineapple fruit, by source, 1995-2005

Quantity in 1,000 pounds

Source	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Philippines	274,709	276,574	277,709	247,345	274,053	306,735	296,357	287,462	304,298	286,954	282,038
Thailand	219,508	172,067	167,347	109,955	257,272	183,580	168,261	183,595	224,135	240,722	279,397
Indonesia	61,580	120,862	145,840	108,676	144,861	146,361	122,027	135,323	117,412	113,174	129,213
China	1,051	3,907	5,011	22,354	29,904	17,098	17,888	31,459	54,173	58,299	75,108
Malaysia	18,340	18,044	20,915	15,084	15,077	9,556	10,000	11,322	17,877	16,463	16,037
Others	79,790	68,387	44,383	44,985	37,258	41,046	33,604	35,297	26,845	10,108	8,739
World	654,977	659,840	661,204	548,399	758,425	704,376	648,137	684,458	744,740	725,720	790,533
Source: <i>Fruit and Tree Nuts Situation and Outlook Yearbook</i> , FTS 2006, October 2006, Economic Research Service, USDA, p. 183, Table G-1.											

Table E-2**U.S. imports of fresh and frozen pineapple fruit, by source, 1995-2005****Quantity in 1,000 pounds**

Source	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Costa Rica	172,995	192,305	344,342	446,029	504,019	574,664	581,531	765,120	888,957	873,560	978,509
Ecuador	3,241	8,939	9,281	5,268	11,785	14,341	18,788	40,405	65,713	76,817	83,291
Honduras	73,375	60,126	54,460	59,414	73,976	72,570	44,690	45,478	54,516	75,911	73,072
Guatemala	1,202	877	333	1,018	3,846	1,681	5,581	1,617	6,471	38,840	71,890
Mexico	13,599	17,849	35,423	41,009	33,530	38,505	54,180	39,799	33,421	60,102	61,238
Others	14,364	25,002	12,009	10,755	5,541	9,531	10,881	10,225	13,572	14,518	24,762
World	278,775	305,098	455,849	563,493	632,697	711,292	715,651	902,645	1,062,650	1,139,748	1,292,761

Source: *Fruit and Tree Nuts Situation and Outlook Yearbook*, FTS 2006, October 2006, Economic Research Service, USDA, p. 183, Table G-1.

APPENDIX F
ADDITIONAL FOREIGN PRODUCER DATA

Table F-1
Pineapple: Major processors in Thailand, 2001-05

* * * * *

Table F-2
CPF: Thai exports to the United States, by foreign producer, and shares, 1992-2005, January-September 2005, and January-September 2006

* * * * *

Table F-3
CPF: Thai production, capacity, and capacity utilization, by foreign producer, 1992-2005, January-September 2005, and January-September 2006

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