

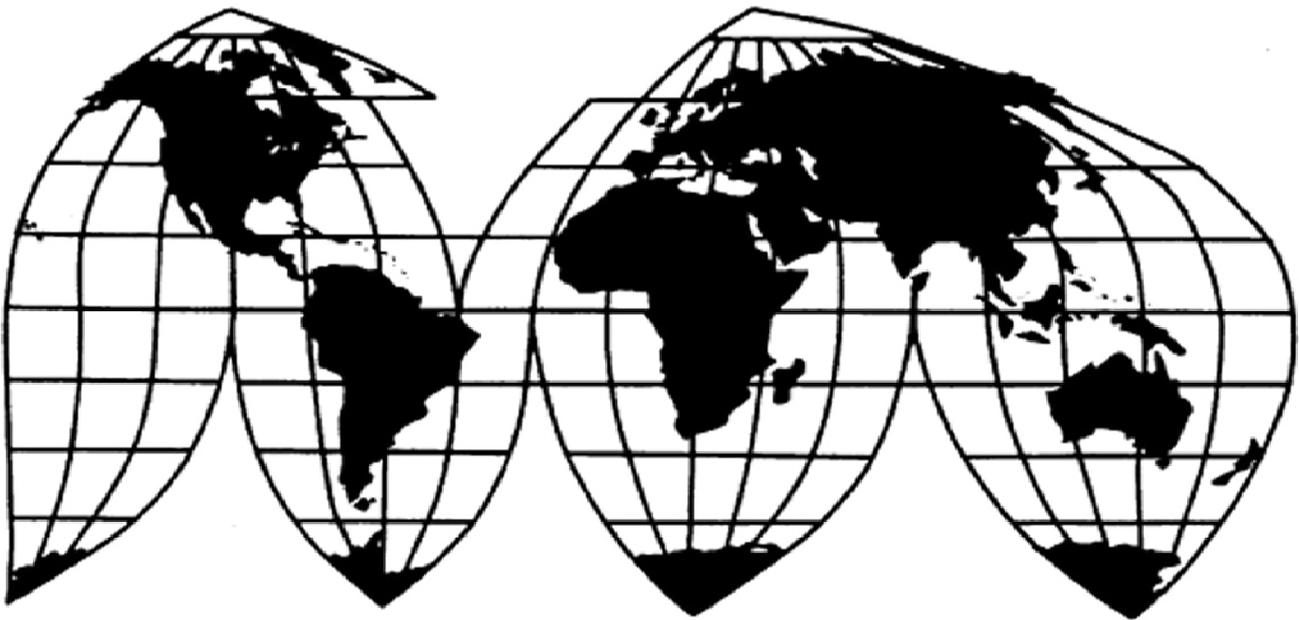
Honey From Argentina and China

Investigation Nos. 701-TA-402 and 731-TA-892 and 893 (Review)

Publication 3929

June 2007

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-402 and 731-TA-892 and 893 (Review)

HONEY FROM ARGENTINA AND CHINA

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, 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)), that revocation of the countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on November 1, 2006 (71 F.R. 64292) and determined on February 5, 2007 that it would conduct expedited reviews (72 F.R. 6745, February 13, 2007).

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

VIEWS OF THE COMMISSION

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

I. BACKGROUND

The original investigations on imports of honey from Argentina and China were instituted on September 29, 2000, based on a petition filed by the American Honey Producers Association (“AHPA”) and the Sioux Honey Association (“SHA”).^{1 2} In November 2001, the Commission found that an industry in the United States was materially injured by reason of imports of honey from Argentina that were found by Commerce to be subsidized by the Government of Argentina, and by reason of imports of honey from Argentina and China that were found by Commerce to be sold in the United States at less than fair value (“LTFV”).³ Commerce issued the countervailing and antidumping duty orders on December 10, 2001.^{4 5}

¹ Honey from Argentina and China, Inv. Nos. 701-TA-402 (Final) and 731-TA-892-893 (Final), USITC Pub. 3470 (Nov. 2001), at 1 (“Original Determinations”).

² We note that on October 3, 1994, the American Beekeeping Federation and the AHPA filed a petition alleging that an industry in the United States was materially injured and threatened with material injury by reason of less than fair value imports of honey from China. The Commission subsequently made an affirmative preliminary determination and the Department of Commerce (“Commerce”) issued a preliminary determination finding dumping margins ranging from 127.52 to 157.16 percent. On August 2, 1995, Commerce and representatives of the government of China concluded an agreement that suspended the investigations being conducted by the Commission and Commerce concerning honey from China. The suspension agreement obligated the government of China to restrict the volume of honey exports to the United States from all Chinese producers/exporters and established a pricing mechanism for Chinese exports. Specifically, Chinese honey exported to the United States could not be sold at a price less than a reference price, which the agreement defined to be “92 percent of the weighted-average of the honey unit import values from all other countries for the most recent six months of data available at the time the reference price is calculated.” The suspension agreement was in place until August 16, 2000. Confidential Report (“CR”) at I-12 - I-13, Public Report (“PR”) at I-10; 65 Fed. Reg. 46,426 (July 28, 2000).

³ Original Determinations at 1. With respect to subject imports from China for which Commerce made affirmative critical circumstances findings, Commissioners Bragg, Miller and Devaney made an affirmative critical circumstances finding and Chairman Koplan, Vice Chairman Okun and Commissioner Hillman made a negative critical circumstances finding.

⁴ 66 Fed. Reg. 63,673 (Dec. 10, 2001) (countervailing duty order regarding imports from Argentina), *id.* at 63,672 (antidumping duty order regarding imports from Argentina), *id.* at 63,670 (antidumping duty order regarding imports from China).

⁵ In January 2002, Chinese exporters and U.S. importers appealed the Commission’s determination to the Court of International Trade contesting various findings, primarily regarding the affirmative determination as to critical circumstances. Zhejiang Native Produce & Animal By-Products Import & Export Corp. v. United States, Ct. No. 02-00064. They also sought to amend the complaint later to add two counts challenging the legitimacy of then-Commissioner Devaney’s vote on critical circumstances. The Commission opposed this motion; however, it was granted by Judge Eaton. The case was then stayed pending the final disposition of Nippon Steel Corp. v. U.S. International Trade Commission, Ct. No. 01-00103, which involved issues relating to whether the participation of Commissioner Devaney was unlawful that were also pertinent to appeal of the original determinations. Judge Eaton determined that the appointment of Commissioner Devaney was valid and that his vote was lawful. Nippon Steel
(continued...)

The Commission instituted these reviews on November 1, 2006 pursuant to section 751(c) of the Act, to determine whether revocation of the countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.⁶ In response to its notice of institution of these reviews, the Commission received one response from the domestic industry, which was filed on behalf of the AHPA and the SHA.⁷ Consequently, the Commission found that the domestic interested party group response to the notice of institution for each review was adequate. The Commission received no responses from any respondent interested party regarding the orders on subject imports from Argentina or China. Thus, it unanimously determined on February 5, 2007, that the respondent interested party group response to the notice of institution was inadequate for each review. In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant a full review of any order, the Commission determined to conduct expedited reviews of all orders pursuant to section 751(c)(3) of the Act.^{8 9} Because we have expedited our reviews of these countervailing and antidumping duty orders, much of the information we have relied upon was either collected during the original investigations, provided by the domestic industry in its submissions in this proceeding or obtained from public sources.

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.”¹⁰ 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.”¹¹ In five-year reviews, the Commission looks to the domestic like product definition from the original determination and any previous reviews and considers whether the record indicates any reason to revisit that definition.¹²

⁵ (...continued)

Corp. v. U.S. Int’l Trade Comm’n, 239 F. Supp. 2d 1367, 1381 (Ct. Int’l Trade 2002).

⁶ CR/PR at App. A.

⁷ The Commission received one response from the domestic industry, which was filed on behalf of the AHPA and the SHA. The AHPA is a trade association whose 182 current members are engaged in the business of producing honey in the United States. The SHA, which is comprised of 318 current members, is a nonprofit cooperative marketing organization that collects, processes, packs, and markets honey produced by its members, as well as by independent beekeepers. The domestic interested parties indicated that they accounted for *** percent of U.S. honey production in 2005. CR/PR at I-1 n.4.

⁸ CR/PR at App. B.

⁹ 19 U.S.C. § 1675(c)(3).

¹⁰ 19 U.S.C. § 1677(4)(A).

¹¹ 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).

¹² See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom, Inv. Nos. 701-TA-380 to 382 and 731-TA-797 to 804 (Review), USITC Pub. 3788 at 6 (Jul. 2005); Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

In the final results of its expedited five-year review determination with respect to the antidumping duty orders, Commerce defined the subject merchandise as:

natural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural honey by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form.¹³

One of the most widely functional sweeteners, honey appears in a variety of products such as bread and other baked goods, cereal, condiments, candy, medicine, and shampoo. Honey also contains mild antiseptic properties when used on the skin.¹⁴

Natural honey is a sweet viscous fluid derived from the nectar of flowers and produced in the honey sac of bees. Most natural honey is marketed as cream honey (also called “creamed,” “whipped” or “spun”), which consists of pure honey in which dextrose crystallization has been encouraged; comb honey, which is honey marketed in the beeswax comb, both of which are edible; cut comb honey, which is liquid honey that has been packaged with chunks of honey comb; and dry honey (also known as “dried” or “powdered”), which is made by removing the water found in liquid honey by drum- or spray-drying.¹⁵

The term “artificial honey” applies to mixtures based on sucrose, glucose or invert sugar, generally flavored or colored and prepared to imitate natural honey. Artificial honey could include a variety of products such as honey mixed with refined sugar, high-fructose corn syrup and other sweeteners. Artificial honey mixed with more than 50 percent natural honey by weight is included in the scope of these reviews. Artificial honey exists in relatively small amounts in the U.S. market and is supplied by both foreign and domestic producers. The product is a direct substitute for natural honey.¹⁶

Preparations of natural honey include natural honey mixed with bees’ royal jelly. There is no official definition of flavored honey, which is most likely sold as a specialty product for retail consumption and not for industrial use, but the unofficial guideline is that it must contain 99 percent or more honey by weight. Imports of flavored honey are not significant relative to overall imports of natural honey.¹⁷

The definition of the scope of the reviews as set out above is unchanged from Commerce’s definition in the original investigations.¹⁸ In the Commission’s original investigations, it defined a single domestic like product as all honey, consistent with the scope of the investigations.¹⁹

¹³ 72 Fed. Reg. 10,150, 10,151 (Mar. 7, 2007). Commerce’s scope with respect to the countervailing duty order on imports of honey from Argentina is virtually the same. 72 Fed. Reg. 32,078 (June 11, 2007). Because Commerce received adequate substantive responses from both domestic and respondent interested parties, it determined to conduct a full review of the Argentine countervailing duty order. The net countervailable subsidy likely to prevail if the order were revoked is 5.85 percent. *Id.*

¹⁴ CR at I-21, PR at I-15.

¹⁵ CR at I-20 - I-21, PR at I-14 - I-15.

¹⁶ CR at I-21, PR at I-15.

¹⁷ CR at I-21 - I-22, PR at I-15 - I-16.

¹⁸ 66 Fed. Reg. 63,670, 63,672 and 63,673.

¹⁹ Original Determinations at 5. In the original investigations, the Commission considered whether raw (or bulk) honey should be defined as a separate domestic like product from bottled honey, but determined that there was a single like product based on substantial similarities in physical characteristics and uses, some interchangeability and overlapping channels of distribution. *Id.*

In these reviews, AHPA and SHA agree with the Commission’s definition of the domestic like product as set forth in the original investigations.²⁰ The Commission has not obtained any new information during these reviews that indicates a need to revisit that definition. Accordingly, we continue to define the domestic like product as all honey, consistent with the scope of the reviews.

B. Domestic Industry and Related Parties

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.”²¹

In the original determinations, the Commission defined the domestic industry as consisting of all domestic producers of honey, both raw and processed.²² The Commission considered whether to include honey packers in the domestic industry. In 2000, there were over 100,000 beekeepers, 350 beekeeper-packers and 110 independent packers in the United States. Upon receipt of extracted honey, packers blended different types of honey, both domestic and foreign. Heat could then be used to pack a finished product, as heating aided the flow of honey through the processing facility and could retard granulation and spoilage.²³ The Commission found that all packers engaged in sufficient production-related activities to be included in the domestic industry.²⁴

The record does not indicate that packer operations have changed since the time of the original investigations.²⁵ In light of our domestic like product determination and because there is no new information obtained during these reviews that would suggest otherwise, we again define the domestic industry as the domestic producers of honey, both raw and processed.²⁶

²⁰ Domestic Industry’s Comments at 3.

²¹ 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission’s general practice has been to include in the industry 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).

²² Original Determinations at 11.

²³ Original Determinations at 6-7.

²⁴ Original Determinations at 7.

²⁵ CR at I-24 - I-26, PR at I-17 - I-18.

²⁶ In the original investigations, the Commission also examined whether appropriate circumstances existed to exclude as related parties five importers of subject merchandise and 16 purchasers (packers) of imported honey (including four of the five importers of subject merchandise). Section 771(4)(B) of the Act allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise, or which are themselves importers. The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and
- (3) the position of the related producer vis-a-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry.

See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161 (Ct. Int’l Trade 1992), aff’d without opinion, 991 F.2d 809 (Fed. Cir. 1993).

The Commission has also concluded that a domestic producer that does not itself import subject merchandise, or does not share a corporate affiliation with an importer or foreign producer or exporter, may

(continued...)

In the original investigations, the Commission found that the record contained insufficient information regarding the importers from whom the packers purchased subject honey such that the Commission could not determine whether the packers controlled importers or exporters through their purchases. Consequently, it did not exclude these packers from the industry.²⁷ However, the Commission found that appropriate circumstances existed to exclude ***, ***, and *** from the domestic industry.²⁸

In these reviews, AHPA and SHA agree with the Commission's definition of the domestic industry and have not argued that the Commission should exclude any producers from the domestic industry.²⁹ As stated above, our information is limited in these expedited reviews. Because we lack current company-specific data with respect to individual honey producers, we are unable to resolve whether any domestic producers are related parties, let alone whether appropriate circumstances exist to exclude any from the domestic industry.³⁰

III. CUMULATION³¹

A. Overview

Section 752(a) of the Act provides that:
the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.³²

²⁶ (...continued)

nonetheless be deemed a related party if it controls large volumes of imports. The Commission has found such control to exist where the domestic producer was responsible for a predominant proportion of an importer's purchases and the importer's purchases were substantial. See, e.g., Foundry Coke from China, Inv. No. 731-TA-891 (Final), USITC Pub. 3449 (Sept. 2001), at 8-9.

²⁷ Original Determinations at 9.

²⁸ Original Views (Confidential) at 16. The Commission excluded these domestic producers from the industry in the original investigations because they sourced a large portion of their honey from subject sources and had shielded themselves from the effects of unfairly traded imports. Id.

²⁹ Domestic Industry's Comments at 3.

³⁰ See, e.g., Pure Magnesium from China, Inv. No. 731-TA-895 (Review), USITC Pub. 3908 (Mar. 2007), at 15-16. We note that ***. CR at I-39, PR at I-28.

³¹ Chairman Pearson and Commissioner Okun note that while they consider the same issues discussed in this section in determining whether to exercise their discretion to cumulate the subject imports, their analytical framework begins with whether imports from the subject countries are likely to face similar conditions of competition. For those subject imports which are likely to compete under similar conditions of competition, they next proceed to consider whether those imports are likely to compete with each other and with the domestic like product. Finally, if based on that analysis they intend to exercise their discretion to cumulate one or more subject countries, they analyze whether they are precluded from cumulating such imports because the imports from one or more subject countries, assessed individually, are likely to have no discernible adverse impact on the domestic industry. See Stainless Steel Bar from Brazil, India, Japan, and Spain, Invs. Nos. 731-TA-678, 679, 681, and 682 (Second Review), USITC Pub. 3895 (Dec. 2006) (Additional and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun).

³² 19 U.S.C. § 1675a(a)(7).

Cumulation is therefore discretionary in five-year reviews, unlike in the case of original investigations, which are governed by section 771(7)(G)(I) of the Act.³³ Because of the prospective nature of five-year reviews and the Commission's discretion with respect to cumulation, we consider significant conditions of competition that are likely to prevail with respect to each subject country if the orders under review are terminated.³⁴

The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.³⁵ Only a "reasonable overlap" of competition is required.³⁶ In five-year reviews, the relevant inquiry is whether there likely would be competition after revocation of the orders, even if none currently exists.

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.³⁷ We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.³⁸ With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.

In the original investigations, the Commission cumulated subject imports from Argentina and China. In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as all the reviews were initiated on November 1, 2006.³⁹

³³ 19 U.S.C. § 1677(7)(G)(I).

³⁴ See, e.g., Allegheny Ludlum Corp. v. United States, Slip Op. 06-188 at 17 (Ct. Int'l Trade Dec. 22, 2006) (recognizing the wide latitude the Commission has in selecting the type of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews).

³⁵ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographic markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), aff'd, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988); Mukand Ltd. v. United States, 937 F. Supp. 910, 915 (Ct. Int'l Trade 1996).

³⁶ See Mukand, 937 F. Supp. at 916; Wieland Werke, AG v. United States, 718 F. Supp. 50, 52 (Ct. Int'l Trade 1989) ("Completely overlapping markets are not required."); United States Steel Group, 873 F. Supp. at 685. We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Invs. Nos. 701-TA-386 (Prelim.) and 731-TA-812-813 (Prelim.), USITC Pub. 3155 at 15 (Feb. 1999), aff'd, Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Invs. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

³⁷ 19 U.S.C. § 1675a(a)(7).

³⁸ SAA, H.R. Rep. No. 103-316, vol. I (1994).

³⁹ CR/PR at I-2.

B. Likelihood of No Discernible Adverse Impact

We do not find that subject imports of honey from Argentina and China would likely have no discernible adverse impact on the domestic industry if the countervailing duty and antidumping duty orders were revoked.

Argentina. During the original investigations, subject imports from Argentina accounted for 19.7 to 23.7 percent of apparent U.S. consumption from 1998-2000.⁴⁰ In 2000, production of subject honey in Argentina totaled 198.4 million pounds, 97.3 percent of which was exported.⁴¹ In these expedited review investigations, subject imports from Argentina have been in the U.S. market in substantial volumes throughout the period of review. They have risen, albeit irregularly, from 45.1 million pounds in 2001 to 49.9 million pounds in 2005; their share of the U.S. market varied between 2.2 and 13.7 percent during the period of review.⁴² The Argentine industry's total exports to all markets rose irregularly from 161.0 million pounds to 237.4 million pounds during that period.⁴³

China. During the original investigations, subject imports from China accounted for 8.6 to 14.0 percent of apparent U.S. consumption from 1998-2000.⁴⁴ In 2000, production of subject honey in China totaled 438.6 million pounds, 51.4 percent of which was exported.⁴⁵ In these expedited review investigations, subject imports from China have been in the U.S. market in substantial volumes throughout the period of review. They have increased from 39.3 million pounds in 2001 to 64.7 million pounds in 2005; their share of the U.S. market varied between 4.5 and 16.4 percent.⁴⁶ China continues to export a large volume of honey, although total exports to all markets fell from 235.2 million pounds to 194.8 million pounds during that period.⁴⁷

Based on these factors, we do not find that subject imports from Argentina or China would likely have no discernible adverse impact on the domestic industry if the orders were revoked.

C. Likely Reasonable Overlap of Competition

With regard to likely overlap of competition, the relevant inquiry is whether there would likely be competition after revocation of the orders, even if there are no current imports from a subject country.⁴⁸ Only a "reasonable overlap" of competition is required.⁴⁹ In the original investigations, the Commission cumulated subject imports from both subject countries based on a reasonable overlap of competition.⁵⁰

In these expedited reviews, the record does not show any current or likely changes in the reasonably foreseeable future with respect to geographic markets or simultaneous presence from those

⁴⁰ CR/PR at Table I-17.

⁴¹ CR/PR at Table I-19.

⁴² CR/PR at Table I-17.

⁴³ CR/PR at Table I-19.

⁴⁴ CR/PR at Table I-17.

⁴⁵ CR/PR at Table I-20.

⁴⁶ CR/PR at Table I-17.

⁴⁷ CR/PR at Table I-20.

⁴⁸ See generally Cheflene Corp. v. United States, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

⁴⁹ See Mukand, 937 F. Supp. at 917.

⁵⁰ Original Determinations at 14-15.

found in the original investigations.⁵¹ Regarding fungibility and channels of distribution, there is likewise no evidence in the record that this situation has changed from the original investigations.⁵² Accordingly, we again find a reasonable overlap of competition in these five-year reviews.

D. Other Considerations

Based on the record in these expedited five-year reviews, we find that subject imports of honey from Argentina and China would likely compete in the U.S. market under similar conditions of competition.⁵³

Subject imports from both countries have maintained a steady presence in the U.S. market throughout the period of review. In fact, subject honey imports from both countries increased, albeit irregularly, during that period despite the fact that the countervailing duty and antidumping duty orders were in place. Subject imports from Argentina increased from 45.1 million pounds in 2001 to 49.9 million pounds in 2005, while subject imports from China increased from 39.3 million pounds in 2001 to 64.7 million pounds in 2005.⁵⁴ In 2005, 29.5 percent of Argentina's production was exported to the United States,⁵⁵ while 9.5 percent of China's production was exported to the United States in that year.⁵⁶ Argentina's share of apparent U.S. consumption, as measured by quantity, was 13.7 percent in 2001 and fell slightly to 12.3 percent in 2005. China's share of apparent U.S. consumption, as measured by quantity, was similar in size to that of Argentina. It was 11.9 percent in 2001 and rose to 15.9 percent in 2005.⁵⁷

There is no evidence in the record of these expedited reviews that would indicate that, upon revocation of the countervailing duty and antidumping duty orders, subject honey imports from Argentina and China would likely compete in the U.S. market under different conditions of competition. Both countries have large honey industries and both export large amounts of honey. In particular, both countries export large quantities of honey to the United States. We acknowledge that some differences exist with respect to the industries in the subject countries; however, based on the similarities noted above that are evident from the limited record in these expedited reviews we find that subject imports from each country are likely to compete in the U.S. market under similar conditions of competition if the orders are revoked. Therefore, we determine to exercise our discretion to cumulate subject imports from these countries.

⁵¹ See CR at I-51, PR at I-38, CR/PR at Table I-15 (geographic markets); CR at I-51, PR at I-38, CR/PR at Table I-16 (simultaneous presence).

⁵² The domestic industry argues that there is general interchangeability between subject imports and between the subject imports and the domestic like product. In addition, both domestic honey and subject imports continue to be sold in all three channels of distribution: retail, food service and industrial/ingredient. Domestic Industry's Comments at 5-6.

⁵³ Commissioners Pinkert and Lane do not join in this analysis of other considerations. Where, in a five-year review, they do not find that the subject imports are likely to have no discernible adverse impact on the domestic industry and find that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, they intend to cumulate such imports unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted. Here, they find there is no such condition or propensity and that the industries in China and Argentina have been and are significantly oriented toward exports to the United States. Therefore, they determine to exercise their discretion to cumulate the subject imports.

⁵⁴ CR/PR at Table I-17.

⁵⁵ CR/PR at Table I-19.

⁵⁶ CR/PR at Table I-20.

⁵⁷ CR/PR at Table I-17.

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE COUNTERVAILING DUTY AND/OR ANTIDUMPING DUTY ORDERS ARE REVOKED

For the reasons stated below, we determine that revocation of the countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China would be likely to lead to continuation or recurrence of material injury to the domestic industry producing honey within a reasonably foreseeable time.

A. Legal Standard In a Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing duty order or 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 countervailing duty order or the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁵⁸ The Uruguay Round Agreements Act (“URAA”), Statement of Administrative Action (“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.”⁵⁹ Thus, the likelihood standard is prospective in nature.⁶⁰ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{61 62 63}

⁵⁸ 19 U.S.C. § 1675a(a).

⁵⁹ The 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.

⁶⁰ 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.

⁶¹ 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, 140 Fed. Appx. 268 (Fed. Cir. 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’”).

⁶² 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).

⁶³ 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
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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.”⁶⁴ 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.”⁶⁵

Although the standard in a five-year review is not the same as the standard applied in an original countervailing duty or 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.”⁶⁶ 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).⁶⁷

No respondent interested party has participated in these reviews. The record, therefore, contains limited information with respect to the honey industries in Argentina and China. Accordingly, we rely on available information when appropriate, which consists primarily of information from the original investigations and information collected in these five-year reviews, including that submitted by AHPA and SHA.^{68 69}

⁶³ (...continued)

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.

⁶⁴ 19 U.S.C. § 1675a(a)(5).

⁶⁵ 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.*

⁶⁶ 19 U.S.C. § 1675a(a)(1).

⁶⁷ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption determinations with respect to the orders under review. CR/PR at I-3 n.16. 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.

⁶⁸ 19 U.S.C. § 1677e(a) authorizes the Commission to “use the facts otherwise available” in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(i) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782(i) are applicable only to Commerce. 19 U.S.C. § 1677m(i). See *Titanium Metals Corp.*, 155 F. Supp. 2d at 765 (“[T]he ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of a Commission investigation.”).

⁶⁹ Commissioner Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all

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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.”⁷⁰ The following conditions of competition are relevant to our determination.

Demand. In the original investigations, the Commission found that demand for honey increased over the period examined. As measured by apparent U.S. consumption, demand rose from 352.7 million pounds in 1998 to 419.2 million pounds in 2000.⁷¹ The Commission also found that the honey market comprised three sets of customers: the industrial/ingredient sector, the retail sector and the food service sector. Each of these used imports from both Argentina and China.⁷²

Since the original investigations, the demand for honey, as measured by apparent U.S. consumption, has declined, although it increased from the beginning of the period of review to the end. Apparent U.S. consumption increased from 330.4 million pounds in 2001 to 407.3 million pounds in 2005.⁷³ There is no evidence in the record of these reviews that there have been changes in the structure of the market.

Supply. In the original investigations, the Commission found that nonsubject imports exhibited a relatively stable presence in the U.S. market during most of the period examined.⁷⁴ The Commission also found that pollination services had become increasingly important to beekeepers as a means of augmenting their income. Beekeepers received agricultural program payments in 1999 and 2000 as well as Commodity Credit Corporation loans that were considered income at the time of the loan.⁷⁵

In these reviews, the structure of the domestic industry has not changed significantly since 2000.⁷⁶ In 2000, at the end of the original investigations, cumulated subject import volume totaled 157.9 million pounds and accounted for 37.7 percent of apparent U.S. consumption. In 2005, at the end of the review period, despite the orders cumulated subject imports maintained a substantial share of the U.S. market, at 28.1 percent of apparent U.S. consumption.⁷⁷ Nonsubject import volume increased from 40.2 million pounds in 2000 to 118.0 million pounds in 2005. As measured by quantity, nonsubject imports accounted for 9.6 percent of apparent U.S. consumption in 2000, and 29.0 percent in 2005.⁷⁸

⁶⁹ (...continued)

evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.

⁷⁰ 19 U.S.C. § 1675a(a)(4).

⁷¹ Original Determinations at 15-16.

⁷² Original Determinations at 16.

⁷³ CR/PR at Table I-17.

⁷⁴ Original Determinations at 17.

⁷⁵ Original Determinations at 16-17.

⁷⁶ See CR at I-37 - I-39, PR at I-27 - I-28.

⁷⁷ CR/PR at Table I-17.

⁷⁸ CR/PR at Table I-17.

Bee populations in the United States have declined over the past 50 years by an estimated 40 to 50 percent.⁷⁹ The major cause of this decline has been disease and the use of pesticides. Varroa mites (also known as “vampire mites”) are the greatest known long-term threat to domestic honeybees. They feed on the honeybees’ blood, often leaving the bees with deformed wings and/or abdomens and a reduced life span. The mites are also carriers for many honeybee diseases, especially viral diseases, that have also contributed to the population decline. In addition, honeybee populations have experienced more dramatic temporary declines in population due to reasons largely not understood by scientists.⁸⁰

Substitutability. In the original investigations, the Commission found that price is an important factor in purchasing decisions for both independent packers and purchasers, such that honey is highly substitutable within the same grades. Most responding independent packers indicated that quality is the most important factor, and most responding purchasers ranked it as one of the top three factors in their purchasing decisions.⁸¹ The Commission also stated that 14 of 22 responding independent packers indicated that they blend honey from different country sources, including the United States, Argentina and China.⁸²

There is no evidence in the record of these reviews that honey imported from the subject countries is viewed as less substitutable than it was in the original investigations. Indeed, the domestic industry argues that the price-based nature of competition for sales of honey in the U.S. market remains as true today as during the original investigations such that, upon revocation of the orders, Argentina and China have the ability to reenter the U.S. market rapidly and in large volumes by selling at low prices.⁸³

Based on the evidence in the record of these expedited reviews, we find that conditions of competition in the honey market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we find that current conditions in the market provide us with a reasonable basis on which to assess the likely effects of revocation of the orders in the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the antidumping and countervailing duty orders are 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.⁸⁴ 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.⁸⁵

In the original investigations, the Commission found that cumulated subject import volume increased over the entire period of investigation, including between interim periods (Jan.-June 2000 and Jan.-June 2001). Domestic market share decreased over the period and subject import market share

⁷⁹ CR at I-40, PR at I-28 - I-29.

⁸⁰ CR at I-40, PR at I-29.

⁸¹ Original Determinations at 16.

⁸² Original Determinations at 16.

⁸³ See Domestic Industry’s Comments at 4.

⁸⁴ 19 U.S.C. § 1675a(a)(2).

⁸⁵ 19 U.S.C. § 1675a(a)(2)(A)-(D).

steadily and substantially increased. The record also indicated that the volume of domestic beekeepers' end-of-period stocks and the ratio of those stocks to production increased during the period of investigation. The Commission found that the increased volumes of subject imports, both in absolute terms and relative to consumption in the United States, were significant.⁸⁶

In these reviews, we note again that the honey industries in Argentina and China are large. China remains by far the world's largest producer of honey. Since the original investigations, honey production in China has continued to grow; it grew from 438.6 million pounds in 2000 to 657.0 million pounds in 2005.⁸⁷ Argentina was ranked as the second largest honey producer in 2005⁸⁸ and the largest honey exporter in the world. Honey production in Argentina has decreased since the time of the original investigations, but remains quite substantial; it was 198.4 million pounds in 2000 and 176.4 million pounds in 2005.⁸⁹

As stated above, both countries export large amounts of honey. Argentina's exports relative to production totaled 134.6 percent in 2005,⁹⁰ and the United States is one of its two most important export markets.⁹¹ While honey exports to the United States fell sharply upon imposition of the antidumping duty and countervailing duty orders, they have recently risen substantially. In 2004, the United States accounted for approximately 6.6 percent of Argentina's honey exports, but by 2005, it accounted for 21.9 percent.⁹² Notwithstanding the restraining effect of the orders, imports of subject honey from Argentina accounted for 12.3 percent of apparent U.S. consumption by quantity in 2005, rising from 5.1 percent in 2002.⁹³

China exported 29.7 percent of its honey production in 2005,⁹⁴ and the United States is its second most important export market.⁹⁵ In 2005, China's honey exports to the United States represented 9.5 percent of its production. As is the case with Argentina, China's exports to the United States declined sharply upon imposition of the antidumping duty order, but then began to rise substantially. In 2002, Chinese honey exports to the United States, relative to production, were less than three percent, but rose to almost 10 percent in 2005.⁹⁶ Imports of subject honey from China accounted for 15.9 percent of apparent U.S. consumption by quantity in 2005, rising from 4.5 percent in 2002, notwithstanding the restraining effects of the order.⁹⁷

The attractiveness of the U.S. market to Chinese exporters is further indicated by the numerous "new shipper" reviews instituted by Chinese exporters during the period of review. Evidence in the record of these expedited reviews indicates that a substantial part of the increase in subject imports from China was due to the ability of exporters undergoing "new shipper" reviews to satisfy the duty deposit requirement on any entry with a bond as opposed to cash. This had the effect of allowing a large volume

⁸⁶ Original Determinations at 17-18.

⁸⁷ CR at I-64, PR at I-49, CR/PR at Table I-20.

⁸⁸ See CR/PR at Table I-18.

⁸⁹ CR/PR at Table I-19.

⁹⁰ CR/PR at Table I-19. These exports exceed 100 percent due to the compilation of the data from various public sources. See id. Data from the original investigations indicate that Argentina historically exported nearly 100 percent of its production. CR/PR at Table I-19.

⁹¹ CR at I-62, PR at I-47.

⁹² CR at I-62, PR at I-47.

⁹³ CR/PR at Table I-17.

⁹⁴ CR/PR at Table I-20.

⁹⁵ CR at I-64, PR at I-49.

⁹⁶ CR/PR at Table I-20.

⁹⁷ CR/PR at Table I-17.

of imports from “new shipper” exporters in China to enter the United States. Honey imports from China nearly quadrupled from 16.7 million pounds in 2002 to 64.7 million pounds in 2005, with the bulk of this increase from “new shipper” Chinese exporters.⁹⁸

Based on the substantial volumes of subject imports into the United States and gains in market share during the original investigations, the importance of the U.S. market to both Argentine and Chinese producers and the fact that there have been substantial volumes of subject imports in the U.S. market throughout the period of review notwithstanding the restraining effects of the orders, as well as the size and export orientation of both foreign industries, we find that these producers would have an incentive to ship significant volumes of additional exports to the United States if the orders were revoked. We therefore find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the orders were revoked.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the countervailing duty or antidumping orders are 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.⁹⁹

In the original investigations, the Commission found that price was an important factor in purchasing decisions. In 72 percent of the instances in which price comparisons were possible, subject import prices were below those of domestically produced honey. The margins of underselling ranged from 0.4 percent to 20.8 percent. The Commission found the margins of underselling to be significant, especially in view of large and increasing volumes of subject imports that represented a substantial portion of the market.¹⁰⁰ Both domestic and subject prices for honey fell by 17 to 26 percent over the period examined for all pricing products with available data. Prices rebounded somewhat in the first half of 2001, but remained at levels well below those of the first quarter of 1998.¹⁰¹ In addition, there were confirmed allegations of lost sales and revenues.¹⁰² The Commission found that, in view of the significant underselling by subject imports and depressed domestic prices, together with subject imports’ increased volumes and market share, the subject imports had depressed domestic prices to a significant degree during the period.¹⁰³

As stated above in our discussion of conditions of competition, price is an important factor in purchasing decisions. We have no new product-specific pricing information on the record in these expedited reviews. However, the publicly available data show that the subject imports continue to

⁹⁸ Domestic Industry’s Response to the Notice of Institution at 5, 18-23; Domestic Industry’s Comments at 8; CR/PR at Table I-14. Congress suspended the new shipper bonding option in August 2006 for a three-year period. Domestic Industry’s Comments at 8.

⁹⁹ 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.

¹⁰⁰ Original Determinations at 18.

¹⁰¹ Original Determinations at 18.

¹⁰² Original Determinations at 19.

¹⁰³ Original Determinations at 19.

undersell the domestic like product, often by substantial margins.¹⁰⁴ The annual average price of retail sales of honey by domestic producers and sales of honey to private processors and cooperatives in the United States, as reported by the U.S. Department of Agriculture National Agricultural Statistics Service, fell from a historical high of 138.7 cents per pound in 2003 to 90.4 cents per pound in 2005.¹⁰⁵ The domestic industry argues that an increase in low-priced subject imports coincided with the downturn in honey prices after 2003.¹⁰⁶ Indeed, the volume of subject imports rose by 90.8 percent from 2003 to 2005, and their cumulated market share rose from 15.7 percent to 28.1 percent.¹⁰⁷ We note that the more recent declines in prices occurred coincident with the increase in imports from China via the “new shipper” reviews.¹⁰⁸

Based on the information available in these reviews, including the information from the original investigations, we find that the market for subject honey is price competitive. We have found that likely subject import volumes would be significant in the foreseeable future if the orders were revoked. Subject imports would likely gain market share by underselling the domestic like product. The volume of subject imports at relatively low prices, in turn, would be likely to have significant depressing or suppressing effects on prices of the domestic like product.

Therefore, we conclude that, if the orders were revoked, subject imports from Argentina and China likely would undersell the domestic like product and those imports would have a significant depressing or suppressing effect on prices for the domestic like product.

E. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the countervailing duty or antidumping duty orders are 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) 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.¹⁰⁹ 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.¹¹⁰ As instructed by the statute, we have considered the extent to which any improvement in the

¹⁰⁴ CR/PR at Figures I-1, I-2 (Bee Culture magazine monthly pricing data).

¹⁰⁵ CR at I-34 - I-35, PR at I-24.

¹⁰⁶ Domestic Industry’s Response to the Notice of Institution at 8; see CR/PR at Tables I-12, I-14.

¹⁰⁷ CR/PR at Table I-17.

¹⁰⁸ Compare CR/PR at Table I-12 with CR/PR at Table I-17.

¹⁰⁹ 19 U.S.C. § 1675a(a)(4).

¹¹⁰ 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. Commerce expedited its antidumping duty determinations in its reviews of honey from Argentina and China and found that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. For Argentina, Commerce found a margin of 37.44 percent for Asociacion de Cooperativas Argentinas, 32.56 percent for Radix S.R.L., 60.67 percent for ConAgra Argentina, and 35.76 percent for all others. For China, Commerce found a margin of 57.13 percent for Inner Mongolia Autonomous Region Native Produce and Animal

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state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order is revoked.

In the original investigations, the Commission found that while domestic consumption increased steadily and significantly between 1998 and 2000, the domestic producers' market share decreased steadily and significantly while domestic inventories and the ratio of inventories to production grew.¹¹¹ Key trade and financial trends for domestic producers, including the packers, declined over the period.¹¹² To the extent that the loan program permitted beekeepers to receive greater revenues than the market prices reflected by the Commission's questionnaire data, these revenues were reflected in an increased burden on the government's loan program. Beekeepers indicated that one of the actual negative effects of subject unfairly traded imports was the difficulty in repaying agricultural program loans.¹¹³ In sum, the record indicated that the overall condition of the industry declined during the period examined and that the cumulated subject imports had a significant adverse impact on the domestic industry.¹¹⁴

As explained in our discussion of the conditions of competition above, apparent consumption has decreased since the original investigations. Domestic production has declined as well. Beekeepers' production was 221.0 million pounds in 2000, falling to 174.6 million pounds in 2005.¹¹⁵ The number of production and related workers has increased, however. Beekeepers employed *** workers in 2000, and employed 1,515 workers in 2005.¹¹⁶ Their wages paid increased from \$*** in 2000 to \$40.3 million in 2005.¹¹⁷

There is no current information in the record of these expedited reviews pertaining to many of the other indicators that we customarily consider in assessing whether the domestic industry is in a weakened condition, as contemplated by the statute. The limited evidence in these expedited reviews is insufficient for us to make a finding on whether the domestic industry producing honey is vulnerable to the

¹¹⁰ (...continued)

By-Products Import and Export Corporation, 49.60 percent for Kunshan Foreign Trading Co., 25.88 percent for Zhejiang Native Produce and Animal By-Products Import and Export Corp., 45.46 percent for High Hope International Group Jiangsu Foodstuffs Import and Export Corp., 45.46 percent for Shanghai Eswell Enterprise Co., Ltd., 45.46 percent for Anhui Native Produce Import and Export Corporation, 45.46 percent for Henan Native Produce Import and Export Corporation, and a China-wide rate of 183.80 percent. 72 Fed. Reg. at 10,151.

Commerce conducted a full review with respect to its countervailing duty determinations in the review of honey from Argentina. Commerce found the net countervailable subsidy to be 5.85 percent. 72 Fed. Reg. at 32,078. The statute requires that we "consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement." 19 U.S.C. § 1675a(6). The domestic industry argues that Argentina has at least three subsidy programs benefitting subject honey producers that meet the definition of a subsidy as described in article 3 or 6.1 of the Subsidies Agreement. Domestic Industry's Response to the Notice of Institution at 28-29; Domestic Industry's Comments at 14. Commerce identified three programs as described under Article 3.1 of the Subsidies Agreement. It identified four more that could fall under Article 6.1 of the Subsidies Agreement if certain requirements are met. Issues and Decision Memorandum from Stephen J. Claeys to David M. Spooner (Feb. 28, 2007).

¹¹¹ Original Determinations at 20.

¹¹² Original Determinations at 20.

¹¹³ Original Determinations at 21.

¹¹⁴ Original Determinations at 21-22.

¹¹⁵ CR/PR at Table I-13. Independent packers packed *** pounds of honey in 2000, and the amount packed in 2005 is unknown. CR/PR at Table I-13.

¹¹⁶ CR/PR at Table I-13. Independent packers employed *** workers in 2000, and the number employed in 2005 is unknown. CR/PR at Table I-13.

¹¹⁷ CR/PR at Table I-13. Wages paid to workers employed by the independent packers were \$*** in 2000, and the sum paid in 2005 is unknown. CR/PR at Table I-13.

continuation or recurrence of material injury in the event of revocation of the countervailing duty and antidumping duty orders. It is also unclear to what extent the current condition of the domestic industry has been affected by the imposition of the orders.

We find that the likely volume of subject imports would be significant if the orders were revoked and that subject imports would likely undersell the domestic like product to a significant degree and significantly suppress or depress U.S. prices. We find that the significant likely volume of low-priced subject honey and the likely adverse price effects of those imports would likely have a significant adverse impact on the production, shipments, sales, and revenue levels of the domestic industry. This reduction in the industry's production, shipments, sales, and revenue levels likely would have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments.

Accordingly, we conclude that, if the countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China were revoked, subject imports from Argentina and China would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time. Thus, we determine that revocation of the orders on honey from Argentina and China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

CONCLUSION

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

INFORMATION OBTAINED IN THE REVIEWS

INTRODUCTION

On November 1, 2006, in accordance with section 751(c) of the Tariff Act of 1930 (“the Act”), as amended,¹ the U.S. International Trade Commission (“Commission” or “USITC”) gave notice that it had instituted reviews to determine whether revocation of the antidumping duty orders on honey from Argentina and China and the countervailing duty order on honey from Argentina would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.^{2 3} On February 5, 2007, the Commission determined that the domestic interested party response to its notice of institution was adequate;⁴ the Commission also determined that the respondent interested party response was inadequate.⁵ The Commission found no other circumstances that would warrant conducting full reviews.⁶ Accordingly, the Commission unanimously determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.^{7 8} The Commission voted on these reviews on June 14, 2007, and notified Commerce of its determinations on June 29, 2007. Selected information relating to the schedule of these current five-year reviews is presented below:⁹

¹ 19 U.S.C. 1675(c).

² 71 FR 64292, November 1, 2006. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission’s notice of institution is presented in app. A.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders concurrently with the Commission’s notice of institution. 71 FR 64242, November 1, 2006.

⁴ The Commission received one submission in response to its notice of institution for the subject reviews. It was filed on behalf of the American Honey Producers Association (“AHPA”) and the Sioux Honey Association (“SHA”) (collectively referred to herein as “domestic interested parties”). The AHPA is a trade association whose 182 current members are engaged in the business of producing honey in the United States. The SHA, which is comprised of 318 current members, is a non-profit cooperative marketing organization that collects, processes, packs, and markets honey produced by its members, as well as by independent beekeepers. The domestic interested parties are represented by the law firm of Kelley Drye Collier Shannon and indicated in their response that they accounted for *** percent of U.S. honey production in 2005. *Response* of AHPS and SHA, December 21, 2006, p. 12.

⁵ The Commission did not receive any responses to its notice of institution from respondent interested parties.

⁶ The Commission’s statement on adequacy is presented in app. B.

⁷ 19 U.S.C. § 1675(c)(3).

⁸ 72 FR 6745, February 13, 2007. The Commission’s notice of expedited reviews appears in app. A.

⁹ Cited *Federal Register* notices beginning with the Commission’s institution of five-year sunset reviews are presented in app. A.

Effective date	Action	Federal Register citation
November 1, 2006	Commission's institution of five-year reviews	71 FR 64292 November 1, 2006
November 1, 2006	Commerce's initiation of five-year reviews	71 FR 64242 November 1, 2006
February 5, 2007	Commission's determinations to conduct expedited five-year reviews	72 FR 6745 February 13, 2007
February 28, 2007	Commerce's preliminary results of full five-year review concerning the countervailing duty order	72 FR 8970 February 28, 2007
March 7, 2007	Commerce's final results of expedited five-year reviews concerning the antidumping duty orders	72 FR 10150 March 7, 2007
June 14, 2007	Commission's vote	Not applicable
June 29, 2007	Commission's determinations transmitted to Commerce	Not applicable
June 29, 2007	Scheduled date for Commerce's final results of full five-year review concerning the countervailing duty order	Not applicable

The Original Investigations

On September 29, 2000, a petition was filed with Commerce and the Commission by the AHPA, Bruce, South Dakota, and the SHA, Sioux City, Iowa, alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of honey from Argentina and China and by reason of subsidized imports of honey from Argentina.¹⁰ On October 4, 2001, Commerce made final affirmative LTFV determinations regarding honey from Argentina and China and a final affirmative subsidy determination regarding honey from Argentina.¹¹ The Commission completed its original investigations concerning honey from Argentina and China on November 19, 2001, determining that an industry in the United States was materially injured by reason of imports of honey from Argentina that were found by Commerce to be subsidized by the Government of Argentina and by reason of imports of honey from Argentina and China that were found by Commerce to be sold in the United States at LTFV.¹² After receipt of the Commission's final determinations,

¹⁰ *Staff Report*, October 24, 2001 (INV-Y-220), p. I-1.

¹¹ 66 FR 50608, 50611, and 50613, October 4, 2001. Commerce published a notice of amended final determination of sales at LTFV concerning honey from Argentina on November 21, 2001 (66 FR 58434). Commerce published a notice of amended final determination of sales at LTFV concerning honey from China on December 10, 2001 (66 FR 63670).

¹² 66 FR 59026, November 26, 2001; *Honey from Argentina and China: Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. 1. The Commission determined that critical circumstances existed with respect to subject imports from China for which Commerce made affirmative critical circumstances findings. Commissioners Bragg, Miller, and Devaney made an affirmative critical circumstances finding and Chairman Koplman, Vice Chairman Okun, and Commissioner Hillman made a negative critical circumstances finding with respect to those imports. *Ibid.*

Commerce issued antidumping duty orders on imports of honey from Argentina¹³ and China¹⁴ and a countervailing duty order on imports of honey from Argentina.¹⁵

Commerce's Determinations¹⁶

Commerce's Five-Year Reviews

On November 1, 2006, Commerce initiated reviews of the countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China.¹⁷ On December 20, 2006, Commerce notified the Commission that it was conducting expedited reviews with respect to the antidumping duty orders on honey from Argentina and China based on an adequate substantive response filed on behalf of domestic interested parties and an inadequate response from respondent interested parties. Commerce also notified the Commission that it received an adequate response to its notice of initiation from respondent interested parties in the review concerning the countervailing duty order on honey from Argentina and was, therefore, conducting a full review in that case.¹⁸

Commerce published the preliminary results of its full review concerning the countervailing duty order on imports of honey from Argentina on February 28, 2007.¹⁹ As a result of its analysis in the review of the countervailing duty order, Commerce preliminarily found that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy on the subject merchandise from Argentina. In determining whether revocation of a countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy, Commerce considered the net countervailable subsidy determined in the investigation and subsequent reviews, and whether any changes in the programs which gave rise to the net countervailable subsidy have occurred that are likely to affect that net countervailable subsidy. In its original investigation, Commerce found that six programs conferred countervailable subsidies: (1) the Argentine Internal Tax Reimbursement/Rebate Program ("Reintegro"); (2) the Regional Productive Revitalization Program; (3) the BNA Pre-Financing of Exports Regime for the Agricultural Sector; (4) the Province of San Luis Honey Development Program; (5) the Province of Chaco Line of Credit Earmarked for the Honey Sector; and (6) the Province of Buenos Aires Honey Program. In the first administrative review of this order, Commerce found two more programs to be countervailable, the Convergence Factor and the BNA Financing of Argentine Origin. In this five-year review, Commerce considered the status of all programs found countervailable over the history of the order and it preliminarily determined that six of the eight programs were still ongoing.²⁰ Therefore, Commerce found that subsidization was likely to

¹³ 66 FR 63672, December 10, 2001.

¹⁴ 66 FR 63670, December 10, 2001.

¹⁵ 66 FR 63673, December 10, 2001.

¹⁶ No duty absorption findings, changed circumstance reviews, or scope rulings were made for either subject country.

¹⁷ 71 FR 64242, November 1, 2006.

¹⁸ *Letter from Jim Doyle, Director, AD/CVD Operations, Office 9, Import Administration, U.S. Department of Commerce, December 20, 2006.*

¹⁹ 72 FR 8970, February 28, 2007. Commerce indicated that it plans to issue a notice of final results concerning the countervailing duty order on honey from Argentina not later than June 29, 2007.

²⁰ Commerce preliminarily determined that the Regional Productive Revitalization Program was no longer operational but continued to provide residual benefits. Commerce also preliminarily determined that the Convergence Factor Program had been terminated with no residual benefits or replacement program. *Issues and Decision Memorandum for Preliminary Results of Full Sunset Review of the Countervailing Duty Order on Honey*

continue or recur and that the countervailable subsidy likely to prevail is 5.85 percent *ad valorem* for all producers or exporters of honey from Argentina.²¹

Commerce published its final results of the expedited reviews concerning the antidumping duty orders on imports of honey from Argentina and China based on the facts available on March 7, 2007.²² As a result of its final sunset reviews of the antidumping duty orders, Commerce found that revocation of the orders would be likely to lead to continuation or recurrence of dumping.

In its final results, Commerce explained that it “normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of an order and import volumes for the subject merchandise declined significantly.”²³ Commerce found that the average volume of imports from Argentina during the period 2002-06 was significantly less than the pre-order volume, and dumping margins continued to be above *de minimis* for imports of honey from Argentina. With regard to China, Commerce found that although the volume of imports of honey from China increased, the dumping margins remained above *de minimis*.²⁴ Therefore, Commerce determined that the revocation of the antidumping duty orders on honey from Argentina and China would be likely to lead to continuation or recurrence of dumping.

Commerce’s Original and Five-Year Review Margins

Tables I-1 and I-2 present the margins calculated by Commerce in its original investigations and first five-year reviews.

Commerce’s Administrative and New Shipper Review Determinations²⁵

Two administrative reviews of the countervailing duty order on imports of honey from Argentina have been completed by Commerce since the issuance of the order in December 2001. The results of the administrative reviews are shown in table I-3. No new shipper reviews have been conducted by Commerce with respect to the countervailing duty order on imports of honey from Argentina.

Four administrative reviews of the antidumping duty order concerning U.S. imports of honey from Argentina have been completed by Commerce since the issuance of the order in December 2001. The results of the administrative reviews are shown in table I-4. One new shipper review has been conducted by Commerce with respect to the antidumping duty order on imports of honey from Argentina.

from Argentina, International Trade Administration, Department of Commerce, February 28, 2007, pp. 2, 10, 13-14.

²¹ Commerce explained that it normally provides to the Commission the net countervailable subsidy that was determined in the original investigation because that is the only calculated rate that reflects the behavior of exporters and foreign governments without the discipline of an order in place. It added that it may make adjustments to the investigation rate where, for example, it has found in subsequent reviews that a program has been terminated, there has been a program-wide change, or an additional program was found to be countervailable. *Ibid.*

²² 72 FR 10150, March 7, 2007.

²³ *Issues and Decision Memorandum for the Final Results of the Expedited Five-Year (“Sunset”) Reviews of the Antidumping Duty Orders on Honey from Argentina and the People’s Republic of China*, International Trade Administration, Department of Commerce, March 7, 2007, p. 8.

²⁴ *Ibid.*, p. 9.

²⁵ For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

Table I-1

Honey: Commerce's original and preliminary five-year review countervailing duty margins for producers/exporters in Argentina

Producer/exporter	Original margin (percent)	Preliminary five-year review margin (percent) ¹
Argentina²		
Country-wide rate	4.53 ³	5.85
<p>¹ Commerce will issue its final results not later than June 29, 2007. ² Countervailing duty order, 66 FR 63673, December 10, 2001; preliminary results of first full sunset review, 72 FR 8970, February 28, 2007. ³ Due to a program-wide change, Commerce established a cash deposit rate of 5.85 percent <i>ad valorem</i>.</p>		
Source: Cited <i>Federal Register</i> notices.		

Table I-2

Honey: Commerce's original and five-year review antidumping duty margins for producers/exporters, by subject country

Producer/exporter	Original margin (percent)	Five-year review margin (percent)
Argentina¹		
ACA	31.92	37.44
Radix	27.04	32.56
ConAgra Argentina	55.15	60.67
All others	30.24	35.76
China²		
Inner Mongolia	57.13	57.13
Kunshan	49.60 ³	49.60
Zhejiang	25.88 ³	25.88
High Hope	45.46 ³	45.46
Shanghai Eswell	45.46	45.46
Anhui	45.46	45.46
Henan	45.46	45.46
All others	183.80 ³	183.80
<p>¹ Antidumping duty order, 66 FR 63672, December 10, 2001; final results of first expedited sunset review, 72 FR 10150, March 7, 2007. ² Antidumping duty order, 66 FR 63670, December 10, 2001; final results of first expedited sunset review, 72 FR 10150, March 7, 2007. ³ Affirmative critical circumstances determinations were made with respect to U.S. imports of honey from these firms.</p>		
Source: Cited <i>Federal Register</i> notices.		

Table I-3

Honey: Administrative reviews of the countervailing duty order on imports of honey from Argentina

Date results published	Period of review	Producer/exporter	Margin (percent)
May 24, 2004 (69 FR 29518)	1/1/2001 - 12/31/2001	Country-wide rate	5.774
	1/1/2002 - 12/31/2002	Country-wide rate	0.571
June 24, 2005 (70 FR 36563)	1/1/2003 - 12/31/2003	Country-wide rate	0.083 ^{1 2}
<p>¹ This rate is comprised of the Regional Productive Revitalization Program at 0.01 percent, the BNA Financing for the Acquisition of Goods of Argentine Origin at 0.005 percent, the Province of San Luis Honey Development Program at 0.015 percent, the Province of Chaco Line of Credit Earmarked for the Honey Sector at 0.015 percent, and the Buenos Aires Honey Program at 0.038 percent.</p> <p>² <i>De minimis</i> margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.</p> <p>Source: Cited <i>Federal Register</i> notices and <i>Issues and Decision Memorandum for Preliminary Results of Full Sunset Review of the Countervailing Duty Order on Honey from Argentina</i>, International Trade Administration, Department of Commerce, February 28, 2007, p. 2.</p>			

Table I-4

Honey: Administrative reviews of the antidumping duty order on imports of honey from Argentina

Date results published	Period of review	Producer/exporter	Margin (percent)
May 27, 2004 (69 FR 30283)	5/11/2001 - 11/30/2002	ACA	0.00
		HoneyMax	0.00
		Nexco	0.87
		Seylinco	0.60
		TransHoney	0.00
		All others	30.24 ¹
April 15, 2005 (70 FR 19926)	12/1/2002 - 11/30/2003	ACA	0.00
		CAA/Mielar/El Chelibo	0.00
		HoneyMax	0.00
		Nexco	0.38 ²
		Nutrin	55.15
		Seylinco	0.00
		TransHoney	0.00
All others	30.24		
May 4, 2006 (71 FR 26333)	12/1/2003 - 11/30/2004	ACA	2.95
		Seylinco	0.00
		All others	30.24
April 17, 2007 (72 FR 19177) ³	12/1/2004 - 12/31/2005	Patagonik	0.00
		Colmenares Santa Rosa	0.00
		All others	30.24
May 4, 2007 (72 FR 25245)	12/1/2004 - 11/30/2005	Seylinco	0.00
		El Mana, S.A.	0.00
		Mielar/CAA	0.00
		All others	30.24
<p>¹ Amended results. 69 FR 59187, October 4, 2004.</p> <p>² <i>De minimis</i> margin (i.e., margin is less than 0.5 percent), therefore no cash deposit was required to be paid to Customs.</p> <p>³ New shipper review.</p> <p>Note.—The “all others” rate applies to all other exporters and/or manufacturers of subject merchandise in Argentina which have not been found to be entitled to a separate rate by Commerce.</p> <p>Source: Cited <i>Federal Register</i> notices.</p>			

Commerce completed three administrative reviews²⁶ and five new shipper reviews of the antidumping duty order with regard to subject imports of honey from China since the issuance of the order in December 2001. The results of the reviews are shown in table I-5.

Distribution of Continued Dumping and Subsidy Offset Act Funds

The Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”) (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such orders.²⁷ During the review period, qualified U.S. producers of honey were eligible to receive disbursements from U.S. Customs and Border Protection (“Customs”) under CDSOA relating to two antidumping duty orders and one countervailing duty order on the subject product beginning in Federal fiscal year 2001.²⁸ Tables I-6 and I-7 present CDSOA disbursements and claims for Federal fiscal years (October 1-September 30) 2001-06, by source and by firm, respectively.

Total CDSOA disbursements increased from \$29,000 in 2003 to \$4.4 million in 2005. Such disbursements then declined in 2006. Under the Argentine antidumping and countervailing duty orders, uncollected duties of \$8,962 (as of September 30, 2004), \$12,020 (as of September 30, 2005), and \$1,290 (as of September 30, 2006) were subtracted by Customs from the liquidated duties reported. Also excluded from the reported disbursements were the uncollected duties of \$4.5 million (as of September 30, 2003), \$616,336 (as of September 30, 2004), \$9.5 million (as of September 30, 2005), and \$2.0 million (as of September 2006) under the antidumping duty order concerning China. Customs explained that the amounts of the uncollected duties were subtracted from the liquidated duties since funds not yet collected cannot be disbursed. Collections are disbursed by Customs in the year in which they are received.

Previous and Related Commission Investigations

In 1976, the Commission conducted an investigation concerning honey under section 201 of the Trade Act of 1974.²⁹ At that time, the Commission determined that honey was being imported into the United States in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic industry producing articles like or directly competitive with the imported article. The Commission found that a tariff-rate quota system was necessary to prevent the threatened injury. On August 28, 1976, President Ford advised Congress that “import relief for the U.S. industry engaged in the commercial production and extraction of honey is not in the national economic interest.”³⁰

²⁶ Commerce is currently conducting a fourth administrative review. On April 2, 2007, Commerce published its expedited partial results in response to a request by the AHPA and the SHA. Commerce expedited the final results of the fourth administrative review for Chengdu, an uncooperative respondent, because of its extraordinary surge of exports and the significant difference between Chengdu’s current cash deposit rate of 22.03 percent and Chengdu’s preliminary cash deposit rate of 212.39 percent (based on facts available and adverse inference). 72 FR 15655, April 2, 2007.

²⁷ Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)).

²⁸ 19 CFR 159.64 (g).

²⁹ *Honey, Report to the President on Investigation No. TA-201-14 Under Section 201 of the Trade Act of 1974*, USITC Publication 781, June 1976.

³⁰ *U.S. Honey Industry*, Communication from the President of the United States to Congress, August 28, 1976, p. 1 (41 FR 36787).

Table I-5

Honey: Administrative and new shipper reviews of the antidumping duty order on imports of honey from China

Date results published	Period of review	Producer/exporter	Margin (percent)
October 31, 2003 (68 FR 62053) ¹	12/1/2001 - 5/31/2002	Wuhan Bee Healthy	32.63 ²
		All others	183.80
May 3, 2004 (69 FR 24128) ¹	2/10/2001 - 11/30/2002	Dubao	21.61
		Shanghi Xiuwei	183.80
		All others	183.80
		Henan	183.80
May 5, 2004 (69 FR 25060)	2/10/2001 - 11/30/2002	High Hope	183.80
		Kunshan	183.80
		Zhejiang	67.70 ³
		All others	183.80
		Chengdu	22.03
November 3, 2004 (69 FR 64029) ¹	12/1/2002 - 5/31/2003	Jinfu PRC	183.80
		All others	183.80
		Anhui Honghui	25.72
February 25, 2005 (70 FR 9271) ¹	12/1/2002 - 11/30/2003	Eurasia	50.35
		Inner Mongolia Youth	51.71
		Jiangsu Kanghong	46.92
		All others	183.80
		Eswell	38.60
July 6, 2005 (70 FR 38873)	12/1/2002 - 11/30/2003	Jinfu	72.02
		Wuhan Bee	101.51
		Zhejiang	45.54
		All others ⁴	183.80
		Anhui Honghui	212.39
June 16, 2006 (71 FR 34893)	12/1/2003 - 11/30/2004	Jiangsu Kanghong	210.53
		Jinfu	168.88
		Eswell	168.30
		Zhejiang	169.11
		All others ⁵	212.39
October 4, 2006 (71 FR 58579) ¹	12/1/2004 - 5/31/2005	Shanghai Taiside	39.63
		All others	212.39
April 2, 2007 ⁶ (72 FR 15655)	12/1/2004 - 11/30/2005	Chengdu	212.39
		All others	212.39

¹ New shipper review.

² Amended result. 71 FR 4894, January 30, 2006.

³ Amended result. 69 FR 32494, June 10, 2004.

⁴ Includes Dubao, Shanghai Xiuwei, Shanghai Shinomiell, Kunshan, and Inner Mongolia.

⁵ Includes Dubao and Eurasia.

⁶ Expedited partial final results of antidumping duty administrative review. Review was expedited for Chengdu because of its extraordinary surge of exports and the significant difference between its previous cash deposit rate of 22.03 and its deposit rate of 212.39 from the preliminary results of the antidumping duty administrative review. The non-expedited final results for Anhui Honghui, Jiangsu, Kunshan Xin'an, and Shino-Food are due by May 3, 2007.

Note.—The "all others" rate applies to all other Chinese exporters of subject merchandise which have not been found to be entitled to a separate rate by Commerce.

Source: Cited *Federal Register* notices.

Table I-6

Honey: CDSOA disbursements, by source, Federal fiscal years 2001-06

Item	Federal fiscal year					
	2001	2002	2003	2004	2005	2006 ²
Disbursements (1,000 dollars)						
Argentina	0	0	0	691	3,292	139
China	0	0	29	797	1,128 ¹	810 ¹
Total	0	0	29	1,488	4,420	949
¹ Uncollected duties of \$9.5 million (as of September 30, 2005) and \$2.0 million (as of September 2006) under the China antidumping duty order were subtracted from the liquidated duties reported. Customs explained that collections are disbursed in the year in which they are received. Source: U.S. Customs and Border Protection's CDSOA <i>Annual Reports</i> . Retrieved from www.cbp.gov/xp/cgov/import/add_cvd .						

Table I-7

Honey: CDSOA disbursements, by top ten firms, and total claims, Federal fiscal years 2001-06

Item	Federal fiscal year					
	2001	2002	2003	2004	2005	2006
Disbursements (1,000 dollars)						
A. H. Meyer & Sons	0	0	(¹)	13	37	9
Adee Honey Farms	0	0	1	78	252	62
Bailey Enterprises	0	0	(¹)	17	23	10
Danzig Honey	0	0	(¹)	13	44	10
Hamilton Honey	0	0	(¹)	14	43	0
Harvest Honey	0	0	(¹)	7	60	0
Horace Bell Honey	0	0	1	36	87	15
Sioux Honey	0	0	11	1,068	2,856	575
Steve E. Park Apiaries	0	0	1	10	90	21
Strachan Apiaries	0	0	(¹)	11	35	8
All others	0	0	15	221	893	239
Total	0	0	29	1,488	4,420	949 ²
Claims (1,000 dollars)						
Total	0	8,206	533,697	885,850	1,233,440	1,535,900
¹ Less than \$500. ² \$16,954 in additional claims are being held due to pending litigation. Note.—Because up to 212 companies filed claims in some years, only the companies who received the most CDSOA disbursements over the period are shown in the table. These ten companies received between 55 percent and 85 percent of disbursements each year. Source: U.S. Customs and Border Protection's CDSOA <i>Annual Reports</i> . Retrieved from www.cbp.gov/xp/cgov/import/add_cvd .						

On October 6, 1993, following a request from the U.S. Trade Representative, the Commission instituted an investigation under the provisions of section 406(a) of the Trade Act of 1974. As a result of the investigation, the Commission determined that imports of honey from China were increasing rapidly so as to be a significant cause of market disruption to a domestic industry in the United States. On January 7, 1994, the Commission reported its determinations and recommendations to the President.³¹ On April 21, 1994, President Clinton determined that import relief for honey was not in the national interest of the United States and directed the U.S. Trade Representative to develop a plan to monitor imports of honey from China.³²

On October 3, 1994, the American Beekeeping Federation (“ABF”) and the AHPA filed a petition alleging that an industry in the United States was materially injured and threatened with material injury by reason of LTFV imports of honey from China. The Commission subsequently made an affirmative preliminary determination³³ and Commerce issued a preliminary determination finding dumping margins ranging from 127.52 to 157.16 percent *ad valorem*.³⁴

On August 2, 1995, Commerce and the representatives of the government of China concluded an agreement that suspended the investigations being conducted by the Commission and Commerce concerning honey from China. The suspension agreement obligated the government of China to restrict the volume of honey exports to the United States from all Chinese producers/exporters³⁵ and established a pricing mechanism for Chinese exports.³⁶ Specifically, Chinese honey exported to the United States could not be sold at a price less than a reference price, which the agreement defined to be “92 percent of the weighted-average of the honey unit import values from all other countries for the most recent six months of data available at the time the reference price is calculated.”³⁷

On July 3, 2000, the Commission and Commerce instituted five-year reviews concerning the suspended investigation on honey from China.³⁸ The U.S. industry elected not to participate in the sunset review of the suspended investigation because it believed that the reference price mechanism of the suspension agreement was unsuccessful in establishing price stability. Based on the fact that no domestic interested party expressed a willingness to participate in the five-year sunset review, Commerce published a notice on July 28, 2000, terminating the suspended investigation concerning honey from China.³⁹

³¹ *Honey from China*, Inv. No. TA-406-13, USITC Publication 2715, January 1994.

³² *Presidential Documents, Import Relief Determination Under Section 406 of the Trade Act of 1974 on Honey from the People’s Republic of China*, 59 FR 19627, April 25, 1994.

³³ *Honey from the People’s Republic of China*, Inv. No. 731-TA-722 (Preliminary), USITC Publication 2832, November 1994.

³⁴ *Notice of Preliminary Determination of Sales at Less Than Fair Value: Honey from the People’s Republic of China*, 60 FR 14725, March 20, 1995.

³⁵ The export limit was set at 43.925 million pounds plus or minus a maximum of 6 percent per year based on changes in the U.S. market for honey. *Agreement Suspending the Antidumping Investigation from the People’s Republic of China*, 60 FR 42522, August 16, 1995.

³⁶ *Honey from the People’s Republic of China; Suspension of Investigation*, 60 FR 42521, August 16, 1995.

³⁷ Following consultation and negotiation between China and the United States, an agreement was reached to change the period for the calculation of the reference price. Beginning on July 1, 1998, the reference price was based on the most recent three months of data available. *People’s Republic of China, Honey Annual 1999*, FAS GAIN Report, USDA, August 25, 1999.

³⁸ 65 FR 41053 and 41085, July 3, 2000.

³⁹ *Termination of Suspended Antidumping Duty Investigation on Honey from the People’s Republic of China*, 65 FR 46426, July 28, 2000.

THE PRODUCT

Scope

The imported product subject to countervailing duties from Argentina and antidumping duties from Argentina and China has been defined by Commerce as follows:

natural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural honey by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form.⁴⁰

U.S. Tariff Treatment

The merchandise under review is currently classifiable under Harmonized Tariff Schedule (“HTS”) subheadings 0409.00.00 (“natural honey”), 1702.90.90 (“other sugars, other,” including artificial honey), and 2106.90.99 (“other food preps,” including preparations of natural honey and flavored honey). Goods currently entering the United States under HTS subheading 0409.00.00 are dutiable at a normal trade relations rate (applicable to China) of 1.9 cents per kilogram. Goods currently entering the United States under HTS subheadings 1702.90.90 and 2106.90.99 are dutiable at normal trade relations rates of 5.1 percent and 6.4 percent *ad valorem*, respectively. HTS subheadings 1702.90.90 and 2106.90.99 are “basket” categories that contain both subject and nonsubject merchandise. Consistent with past Commission practice regarding honey, the import data that are presented in this report are derived from only HTS subheading 0409.00.00.

U.S. Government Programs and Regulations Affecting the U.S. Honey Industry⁴¹

Food and Drug Administration

Currently, there is no official definition for “honey” or legal standards for honey composition provided by the Food and Drug Administration (“FDA”). However, the general regulations on labeling and adulteration of foods under the Food, Drug, and Cosmetic Act of 1938 Act do apply. The FDA is authorized to make factory inspections and randomly check imports upon entry into the United States.

U.S. Department of Agriculture

Standards for grades of honey

The USDA issues voluntary U.S. grade standards for extracted honey under the authority of the Agricultural Marketing Act of 1946, which calls for the development of official U.S. grades for use in designating different levels of quality. These grades provide uniform standards that producers, suppliers, buyers, and consumers can all apply to extracted honey for their specific purposes. The grade standards, while voluntary, serve as a basis for inspection and grading by the USDA’s Federal inspection service.

⁴⁰ 66 FR 63670, 63672, and 63673, December 10, 2001.

⁴¹ Unless indicated otherwise, the discussion in this section is based on information from the following sources: *Staff Report*, October 24, 2001 (INV-Y-220), app. D; and *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, app. D.

Grades are based on a minimum soluble solids requirement and on three quality factors: absence of defects; flavor and aroma; and clarity. Absence of defects is defined as the degree of freedom from particles of comb, propolis (a brownish resinous material of waxy consistency collected by bees from the buds of trees), or other defects which may be in suspension or deposited as sediment in the honey. Flavor and aroma are defined as the degree of taste excellence and aroma for the predominant floral source. Clarity means, with respect to filtered honey only, the transparency or clearness of honey to the eye and to the degree of freedom from air bubbles, pollen grains, or other fine particles suspended in the product.

The three aforementioned factors are examined, classified, and then scored. The specific grade of the honey is then determined based upon the total score received. The grades are: (1) U.S. Grade A or "U.S. Fancy;" (2) U.S. Grade B or "U.S. Choice;" (3) U.S. Grade C or "U.S. Standard;" and (4) Substandard.

Color designation is not considered a factor of quality for the purpose of the grade standards, but the USDA does issue approved color standards. Color is generally related to flavor in that the lighter honeys are milder in flavor and the darker honeys are more pronounced in taste.⁴² USDA color standard designations are based upon the color range as measured by the Pfund scale,⁴³ and optical density. Honey is graded by color from water white to dark amber.⁴⁴

The honey program

Honey was first supported by the U.S. Government via a price support program included in the Agriculture Act of 1949. After 1951, the program evolved into two parts—a loan program and a purchase program. In 1986, the purchase feature of the loan rate program was eliminated, and the program became solely a loan program under which beekeepers were required to repay the loan upon maturity (i.e., a recourse loan program).⁴⁵ However, the 1996 Farm Bill eliminated the recourse loan rate program for honey.

Recourse loan rate program, 1998-2000.--In 1998, the Honey Recourse Loan Program was re-established to provide loans to honey producers to help them to "market their crop in an orderly manner during a time of low prices."⁴⁶ The program authorized the Commodity Credit Corp. ("CCC") to make available to producers 9-month recourse loans for their honey. The program provided a national average loan rate of 59 cents per pound. Upon (or before) maturity, the producer was required to repay the loan, plus any charges and interest. If the producer failed to settle the loan, a claim for the loan amount plus charges and interest was made by the CCC, and foreclosure could occur. The CCC could remove the honey from storage and sell it. Any difference between the amount received from sale and the value of the loan plus interest was still required to be paid by the producer.

Non-recourse loan rate program.--A change was made to the honey loan rate program with the passage of the Agriculture Appropriations Act for fiscal year 2001. This legislation included a non-recourse loan provision that provided for a loan deficiency payment program ("LDP") for the 2000 crop. The loan rate was increased by 10 percent, from 59 cents per pound to 65 cents per pound, and served as a minimum price (i.e., a price floor) for honey. If the market price dropped below the loan rate, the

⁴² *The Hive and the Honey Bee*, Dadant & Sons, Inc., Hamilton, IL, 1992, p. 886.

⁴³ The Pfund grader is a color grading device used by the honey industry, and is generally the color grader used in international trade.

⁴⁴ Honey darkens when it is heated or stored (*The Hive and the Honey Bee*, Dadant & Sons, Inc., Hamilton, IL, 1992, p. 886).

⁴⁵ Hoff, F. and J.K. Phillips, *Honey: Background for 1990 Farm Legislation*, ERS, USDA, April 1989, p. 26.

⁴⁶ USDA Press Release No. 0495.99, December 21, 1999, p. 1.

beekeeper could forfeit the honey to the CCC and collect 65 cents per pound. Outstanding recourse loans were converted to the non-recourse loans and beekeepers that had already sold their 2000 crop of honey were eligible for the deficiency payment.

Under the non-recourse loan rate program, if a beekeeper placed honey under loan, the beekeeper had the option of repaying the CCC at the lower of the loan rate plus interest or the prevailing market price as established by the USDA. If the beekeeper chose not to take a loan on his or her honey, then the beekeeper received a deficiency payment in the amount of the difference between the loan rate and the prevailing market price. Deficiency payment limitations of 15 cents per pound and overall payment limitations of \$150,000 per beekeeper remain in effect.⁴⁷

No support was approved by Congress for the 2001 honey crop, but the 2002 Farm Bill provided for non-recourse marketing assistance loans and loan deficiency payments for crop years 2002-07 at a loan rate of 60 cents per pound. Annual net outlays for the program ranged from \$1 million to \$8 million for fiscal years 2002 through 2006.⁴⁸

The National Honey Board

The National Honey Board (“NHB”) was created in 1986 to establish a program for generic honey research, advertising, and promotion under the Honey, Research, Promotion, and Consumer Information Act. The NHB consists of 13 members appointed by the Agriculture Secretary, based upon nominations from representatives of state beekeeping associations. Included on the NHB are domestic producers, packers, importers/exporters, and a representative from the general public.

The NHB is funded by an assessment of 1 cent per pound on all honey entering the market from domestic and foreign sources.⁴⁹ The NHB assessments collected are used for advertising, public relations campaigns, and commissioned research, as well as providing industry service and support.⁵⁰ During the original investigations, the Commission reported that the total amount of assessments collected by the NHB increased by *** percent between 1995 and 2000, from \$*** to \$3.6 million. Assessments on imported honey increased nearly *** percent from 1995 to 2000, while assessments on domestic honey fell by just over *** percent. From 2000 to 2006, the total amount of assessments collected increased by 12 percent, from \$3.6 million to \$4.0 million. Assessments collected on imported honey increased by over 42 percent from 2000 to 2006, while assessments collected on domestic honey fell by almost 24 percent.⁵¹

⁴⁷ Federal Agriculture Improvement Act of 1996, Title I (Agricultural Market Transition Act), 7 USC 7201.

⁴⁸ Canada, Carol and Jasper Womach, *Farm Commodity Programs: Honey*, CRS Report for Congress, Congressional Research Service, The Library of Congress, October 4, 2006, p. CRS-4.

⁴⁹ A beekeeper, packer, or importer who produces or imports less than 6,000 pounds of honey annually, or who consumes the honey at home or donates the honey to a non-profit organization, is exempt from the assessment.

⁵⁰ National Honey Board, *2006 Strategic Plan*, <http://www.honey.com/about/SP2006.pdf>.

⁵¹ National Honey Board, *National Honey Board Industry Statistics Report*, Domestic vs. Import Assessments Received, by Calendar Year 1997-2006, <http://www.honey.com/honeyindustry/stats/DomvsImp97-06.htm>.

The Market Access Program

Minimal export assistance is provided by the U.S. government to promote exports of U.S. honey through the Market Access Program (“MAP”), which is administered by the Foreign Agricultural Service of the USDA. The MAP program, in existence since 1996, uses funds from the CCC to assist in the creation, expansion, and maintenance of foreign markets for U.S. agricultural products. In order to receive MAP funds, trade associations and private firms must develop and submit proposals outlining their plans for marketing and promotion of their product in foreign markets. In 2000, the NHB received \$116,674 in MAP funds. The NHB has been initially allocated \$72,030 in MAP funds for fiscal year 2007.

DOMESTIC LIKE PRODUCT AND DOMESTIC INDUSTRY

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. 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 production of the product. The Commission’s decision regarding the appropriate domestic products that are “like” the subject imported products is based on a number of factors, including (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and, where appropriate, (6) price.

In its original investigations, the Commission determined that there was a single domestic like product consisting of all honey, consistent with the description in Commerce’s scope definition.⁵² It also found the relevant domestic industry to consist of U.S. producers of both raw and processed honey, including beekeepers that produce raw honey and packers that process and pack the honey. In the final phase of the original investigations, the Commission excluded two domestic packers (***) and one domestic beekeeper/packer (***) from the domestic industry pursuant to the related parties provisions.⁵³ No comments regarding the Commission’s definitions of domestic like product and domestic industry were provided by the domestic interested parties in their response to the Commission’s notice of institution in these reviews.

Physical Characteristics and Uses⁵⁴

Natural Honey

Honey is a sweet viscous fluid derived from the nectar of flowers and produced in the honey sac of bees. Honey is an invert sugar, composed approximately 70 percent of simple sugars (i.e., fructose and glucose) and approximately 17 percent of water.⁵⁵

⁵² *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. I-5.

⁵³ *Ibid.*, p. I-11.

⁵⁴ Unless indicated otherwise, the discussion in this section is based on information from the following sources: *Staff Report*, October 24, 2001 (INV-Y-220), pp. I-7 through I-10; and *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, pp. I-5 through I-7.

⁵⁵ The remaining components of honey are maltose, sucrose, and other complex carbohydrates.

Honey is classified by its individual characteristics (e.g., floral source, color, season, physical state, and means of preparation).⁵⁶ There are over 300 unique varieties of honey that are produced in the United States,⁵⁷ differing in flavor and color. Honey may be classified as monofloral (i.e., the nectar is extracted from a specific blossom type) or polyfloral (i.e., the nectar is extracted from multiple botanical sources, with no single predominant floral source).⁵⁸ The floral source gives honey its distinctive flavor (e.g., star thistle, orange blossom, sage, and clover) and color (e.g., dark amber). Generally, lighter-colored honeys (e.g., clover honey) possess a more mild flavor, while darker-colored honeys (e.g., buckwheat honey) possess a stronger flavor. Honey is valued on the basis of floral source and color, and in most countries the light-colored and milder-tasting honeys are considered to be more valuable. While many varieties of honey exist on the market, most honey is blended to achieve a desired color and flavor,⁵⁹ as well as to provide a uniform product throughout a given market and/or lower costs.

Most natural honey produced in the United States is marketed in liquid form, which is honey that is extracted from the comb by centrifugal force, gravity, or straining. Natural honey is also marketed as cream honey (also called “creamed,” “whipped,” or “spun”), which consists of pure honey in which dextrose crystallization has been encouraged; comb honey, which is honey marketed in the beeswax comb, both of which are edible; cut comb honey, which is liquid honey that has been packaged with chunks of honey comb; and dry honey (also known as “dried” or “powdered”), which is made by removing the water found in liquid honey by drum- or spray-drying.⁶⁰

One of the most widely functional sweeteners, honey appears in a variety of products such as bread and other baked goods, cereal, condiments, candy, medicine, and shampoo. Honey also contains mild antiseptic properties when used on the skin.

Artificial Honey Mixed with Natural Honey

The term “artificial honey,” as defined in the explanatory notes to the HTS, applies to mixtures based on sucrose, glucose, or invert sugar, generally flavored or colored and prepared to imitate natural honey. Artificial honey could include a variety of products such as honey mixed with refined sugar, high-fructose corn syrup, and other sweeteners. Artificial honey mixed with more than 50 percent natural honey by weight is included in the scope of the reviews. Artificial honey exists in relatively small amounts in the U.S. market and is supplied by both foreign and domestic producers. The product acts as a direct substitute for natural honey.

Preparations of Natural Honey and Flavored Honey

Preparations of natural honey are not explicitly defined in the HTS or in the explanatory notes to the HTS; however, in the explanatory notes it is indicated that the 6-digit HTS subheading 2106.90 includes “natural honey mixed with bees’ royal jelly.”⁶¹ The notes do not indicate the percentage of

⁵⁶ *The Hive and the Honey Bee*, Dadant & Sons, Inc., Hamilton, IL, 1992, p. 869.

⁵⁷ National Honey Board, *America’s Honey Suppliers*, 1999, p. v.

⁵⁸ Examples of monofloral classifications include “blueberry honey” and “clover honey.” Examples of polyfloral classifications include “autumn honey” and “mountain honey,” referring to the time of year or general area in which the honey was produced.

⁵⁹ National Honey Board, *America’s Honey Suppliers*, 1999, p. v.

⁶⁰ *Ibid.*, p. iv.

⁶¹ Royal jelly is food, rich in gland products and sugars, which is produced and fed by the bees to potential queens. The main markets for royal jelly in North America are the cosmetics industry and the health food market. *The Hive and the Honey Bee*, op. cit., pp. 81 and 971-972.

honey content required for classification under this subheading; however, in the scope language, such preparations must contain more than 50 percent by natural weight of honey.⁶² It is not clear whether importation of the product exists, but it is likely that any such imports comprise a small portion of imports entering under the HTS subheading. Also, it is not clear whether there is substantial production of the product in the United States; the product, as defined in the scope language, would most likely be marketed as a specialty product in specialty stores and health food stores.

Flavored honey was not explicitly defined by the petitioners in the original investigations. In fact, Customs reported that, although no official definition exists, the unofficial guideline is that a product entering under statistical reporting number 2106.90.9988 (“flavored honey”) must contain 99 percent or more honey by weight.⁶³ Imports of flavored honey are not significant relative to overall imports of natural honey. Flavored honey is most likely sold as a specialty product for retail consumption and not for industrial use.

Production Process⁶⁴

Honey is produced in a beehive by a colony of honeybees. A typical colony of commercial honeybees in the United States contains one queen, 500 to 1,000 drones (male bees without stingers whose single purpose is to mate with the queen), and approximately 40,000 to 60,000 workers (female bees that perform the work of the colony including cleaning the nursery, caring for larvae, collecting nectar, making wax, and guarding and cooling the hive). The beehive is a series of combs composed of hexagonal cells that are made from wax produced in the stomach of the worker bees. The wax cells are used for storage. The worker bees naturally construct a core nest where the brood⁶⁵ are stored and then create a layer of insulation above the nest consisting of pollen and honey.

The production of honey begins with the bees gathering nectar from various plants. Bees may forage for several miles from their hive to find nectar. Each bee may make several trips for nectar per day, weather permitting. Upon returning to the hive, the bee regurgitates the nectar into the mouth of a specialized “house” bee. The house bee adds enzymes and places the unripe honey into the hexagonal cells of the comb. The unripe honey is often spread among several cells to help in moisture evaporation, which the house bees promote by fanning their wings. Cells are then capped with a thin layer of wax, and the honey is allowed to ripen.

U.S. Beekeeper Operations

Beekeepers maintain bee colonies and extract honey from them. Beekeepers are often migratory, moving their hives as needed to areas in need of bees’ pollination services or areas rich in certain flora to promote production of a distinct type of honey. In the United States, it has been estimated that approximately 69 percent of all colonies are on the road each year to pollinate crops and to produce honey

⁶² 65 FR 65831, November 2, 2000.

⁶³ Staff conversation with Stan Hopard, National Import Specialist, U.S. Customs Service, October 20, 2000.

⁶⁴ Unless indicated otherwise, the discussion in this section is based on information from the following sources: *Staff Report*, October 24, 2001 (INV-Y-220), pp. I-10 through I-14; and *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, pp. I-7 through I-9.

⁶⁵ The young honeybees are collectively called brood.

and beeswax.⁶⁶ The migration is generally from north in the summer to south in the winter, as well as to California during almond season and several other states for pollination of crops such as melons.⁶⁷

Beekeepers in the United States keep their bees in constructed wooden hives that are relatively easy to transport. Hives are often placed on wooden pallets for ease of handling by forklifts.

Bees live in the core nest of beekeepers' artificially constructed hives, and store the honey, intended to serve as food for the colony, in wooden frames known as "supers." To prevent the queen from laying brood in the supers containing the honey, beekeepers place an "excluder" between the lower core nest and the supers above. Worker bees produce more honey than required for use by the colony, so the excess honey can be harvested without harming the colony.

Honey is harvested by driving the bees out of the super down into the core nest via smoke, chemicals, or low-pressure air. Then the wooden frames contained in the super are removed from the hive. The frames are removed when the honeycomb cells are fully capped with wax, which ensures that the honey is fully ripened and free of excess water. After removal of the frames, almost all honey is extracted from the combs, although some remains in the form of "comb" or "chunk" honey. The liquid honey is exposed by "uncapping" the combs—removing the wax capping that covers the honeycomb frames. Combs are uncapped using either hot knives or power uncappers. The wax from caps is used for the production of beeswax foundation and the sale of beeswax for candles and other uses. Any remaining honey left in the caps is separated via centrifugal force by a wax spinner or mechanically squeezed out by a cap compressing system. Separation of honey from the uncapped cells is done by an "extractor" (a centrifuge). The uncapped frames are placed in the extractor where the honey is spun out of the comb. As honey flows from the extractor, it contains particles of wax, bees, and other hive matter. The honey may run through a simple netting (usually nylon) or a more complicated high-pressure filter before it is drained into a storage tank (sump).

At this point, the honey is still considered "raw" or "unprocessed." It is then either placed in large drums and transported to an independent packer for further processing; further processed by beekeeper-packers and bottled for local sale; or left in its raw form and bottled by the beekeeper for local sale.

U.S. Packer Operations

Virtually all U.S. packers of honey are either beekeeper-packers, which are keepers of bee colonies that extract honey from those colonies and then process or pack the honey, or independent packers that purchase honey and then process or pack that honey. A few packers are both beekeeper-packers and independent packers, but even these firms are predominantly one or the other. In addition, SHA is operated on a cooperative basis to process, pack, and market honey for its beekeeper members.

Upon receipt of extracted honey, packers may blend different types of honey from both domestic and foreign sources.⁶⁸ The honey, usually in 55-gallon drums⁶⁹ from the beekeepers, is labeled by the

⁶⁶ Morse, R.A. and N.W. Calderone, "The Value of Honey Bees as Pollinators of U.S. Crops in 2000," *Bee Culture* magazine, March 2000, p. 1.

⁶⁷ "America's Beekeepers: Hives for Hire," *National Geographic*, May 1993, p. 76.

⁶⁸ Honey may also be stored for years under proper storage conditions (i.e., in a dry place at approximately 70° F, or alternatively at freezing temperatures). According to the USDA, honey stored for years at freezer temperatures, 0° to -10° F, cannot be distinguished from fresh, newly-extracted honey in color, flavor, or aroma. *Honey: Background for 1995 Farm Legislation*, ERS, USDA, April 1989, p. 12.

⁶⁹ One gallon of honey equals 11.84 pounds (*Weights, Measures, and Conversion Factors for Agricultural Commodities and Their Products*, USDA, ERS, Agricultural Handbook Number 697, p. 13.)

packers according to color and floral source, making blending selections or production of a monofloral honey possible.⁷⁰

Honey is normally heated to aid the flow of honey through the processing facility and retard granulation and spoilage, largely through the destruction of yeasts naturally present in honey.⁷¹ Honey that has been heated is acceptable to most users in the United States, although in some other areas of the world, honey that has been heated is perceived to have lost some of its health and nutritional benefits. Some countries require certain levels of diastase and hydroxymethylfurfural (“HMF”) in imported honey, both of which are affected by heating.⁷² “Flash heating,” whereby the honey is rapidly heated to 120 degrees or above and then quickly cooled, can produce honey with acceptable HMF and diastase levels for export to many countries, while maintaining its favorable processing characteristics.

Heated honey next flows through filtering mechanisms (filtering paper sheets in commercial processing plants), usually under high pressure, and into a “settling tank” in a warm area for several hours or even days, with any remaining foreign material floating to the top, where it can be skimmed.⁷³ Honey then can be poured directly into containers and sold to consumers or industrial users.

Creamed honey is another honey product that the packer may also process. This is honey in which the natural granulation has been encouraged and controlled for a smooth consistency similar to butter.⁷⁴ The honey is heated and filtered first, but once it cools, a “starter” seed consisting of creamed honey that has been finely ground to create extremely fine glucose crystals is blended into the honey to assure uniform crystallization. After blending, the mixture of seed and honey is allowed to set for a period of time during which air bubbles rise to the surface and are skimmed.⁷⁵

Packers rarely pack products other than honey on the same equipment and machinery or using the same production and related workers employed to pack honey. However, four packers that responded to the Commission’s questionnaire during the original investigations indicated that relatively small quantities of molasses and/or barbecue sauce were processed on the same machinery and/or with the same workforce.

Interchangeability and Customer and Producer Perceptions⁷⁶

The degree of substitution between domestic and imported honey depends upon such factors as relative prices, quality (i.e., grade standards and defect rates), and conditions of sale (i.e., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, and reliability of supply). Based on the record in the original investigations, the Commission concluded that there appeared to be at least a moderate level of substitutability between domestic and imported honey and between subject imports. Subject honey was often blended with domestic honey to obtain a uniform

⁷⁰ A 55-gallon steel drum with an FDA-approved food liner and an open head with a lid is the common container for U.S.-produced bulk raw honey. Imports of honey from Argentina and China are packed in 55-gallon closed-head steel drums. The steel drums, both foreign and domestic, are often reusable, and so are returned to U.S. beekeepers for refilling with newly extracted honey.

⁷¹ A large portion of U.S. honey must be heated due to the honey arriving in a crystallized state from the beekeeper.

⁷² Diastase is an enzyme that destroys starch and HMF is a by-product of the decomposition of sugars in acid.

⁷³ Some operations reverse the process, and place honey in settling tanks before filtration.

⁷⁴ Although nearly all honey can be creamed, those honeys higher in glucose generally granulate the fastest.

⁷⁵ *The Hive and the Honey Bee*, Dadant & Sons, Inc., Hamilton, IL, 1992, p. 702.

⁷⁶ Unless indicated otherwise, the discussion in this section is based on information from the following sources: *Staff Report*, October 24, 2001 (INV-Y-220), pp. II-8 through II-15; and *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, pp. 12-13.

product. In addition, purchasers indicated that they did not differentiate between honey from different countries because they had limited knowledge about the country of origin of their honey. While beekeepers believed that domestic and imported honey were highly substitutable, independent packers and importers indicated that there were some limits to the substitutability between domestic and imported honey.

In the original investigations, most responding beekeepers (88.5 percent) indicated that domestic honey was “always” interchangeable with Argentine honey. Fifty-seven percent of the responding packers indicated that domestic honey was “always” or “frequently” interchangeable with Argentine honey and 31 percent of the responding importers indicated the same. Six importers (46.2 percent) reported that domestic and Argentine honey are “sometimes” interchangeable.

Most (84.8 percent) of the responding beekeepers indicated that domestic honey was “always” interchangeable with Chinese honey. One of the 13 responding importers indicated the same. Seventy-five percent of the responding packers reported that the products were at least sometimes interchangeable and 62 percent of the responding importers reported the same.

Most of the responding beekeepers (88.7 percent) indicated that honey produced in Argentina was “always” interchangeable with Chinese honey. Sixty percent of the responding independent packers indicated that subject imports were frequently or sometimes interchangeable. Six of the 10 responding importers (60 percent) indicated that they were at least “sometimes” interchangeable.

The Commission noted that there were some quality differences between the Argentine and Chinese honey. Color and flavor are important factors and were frequently cited by independent packers and purchasers as characteristics that are considered when determining the quality of a supplier’s honey. Twelve of 20 independent packers sometimes, frequently, or always ordered honey from a particular country for reasons which include quality. One of these packers preferred Chinese honey, one preferred Argentine honey, and four preferred domestic honey, whereas others preferred honey from a combination of countries. Purchasers, however, had limited knowledge about the country of origin of their honey and no purchaser indicated that Argentine and Chinese honey were used for different applications. Moreover, honey from both countries was often blended to ensure consistent color and taste, as well as for other reasons. Based on the record as a whole, the Commission found there was general interchangeability between subject imports and between subject imports and the domestic like product.

Channels of Distribution⁷⁷

In the original investigations, the Commission found that there is at least a moderate level of overlap in channels of distribution between domestic and imported honey and between subject imports. Beekeepers and beekeeper-packers often market their product unconventionally—from home, on the Internet, door-to-door, at roadside stands, and at farmer’s markets. In some instances, beekeepers and beekeeper-packers may rely on brokers or dealers to sell their honey. Beekeepers may also be members of cooperatives that process, pack, and market honey. Cooperatives pool individual members’ honey and then process, pack, and market the honey under the cooperative label and private labels in both bulk and retail containers. SHA is the only large-scale cooperative operating in the United States. Independent packers process, pack, and market both domestic and imported honey, including honey imported from Argentina and China, in both bulk and retail containers. At the retail level, independent packers often market consumer-recognized brands of honey and provide services such as private packing and labeling

⁷⁷ Unless indicated otherwise, the discussion in this section is based on information from the following sources: *Staff Report*, October 24, 2001 (INV-Y-220), pp. I-14 through I-16; and *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, pp. 13 and I-9 through I-12.

for retail outfits. Brokers buy and sell honey from domestic and international sources and serve as agents for independent packers.

The users of honey are manufacturers of food products; bakers and confectioners; tobacco processors; and households that obtain the product from wholesale grocers, chain and retail stores, the Internet, and local outlets such as farmers' markets, roadside stands, and local restaurants.

According to the NHB, the U.S. honey market consists of three market sectors: retail, industrial (bulk or ingredient), and food service. Almost all food retail stores (e.g., chain stores and supermarkets) market honey. A survey of consumer uses and attitudes toward honey conducted for the NHB reported that 86 percent of all retail honey was purchased at grocery stores in 1997.⁷⁸ The same survey showed that retail consumers preferred lighter honeys. Data published by the NHB indicate that in 2005, 46 percent of U.S. packers' sales of honey were marketed in bulk form to the industrial sector, while the retail sector accounted for 40 percent of packers' sales and the food service sector accounted for 14 percent.⁷⁹ Presented in table I-8 are U.S. packers' honey sales by market sector for 2004 and 2005. These data were compiled from the *Packer Tracking Survey* conducted by the NHB. Data for 2001-03 are not available.

In the Commission's original investigations, beekeeper-packers and independent packers were requested to provide data on channels of distribution by color of honey. These data are presented in tables I-9 and I-10. Table I-11 shows similar data for imports of honey during 2000-05.

Table I-8
Honey: U.S. packers' sales by market sector, 2004-05

Sector	Calendar year	
	2004	2005
Share of sales (percent)		
Retail	44	40
Food service	15	14
Industrial/ingredient	41	46
Total	100	100

Source: NHB, *Packer Tracking Survey*, 2005. The *Packer Tracking Survey* is based upon actual sales reported by approximately 14 packers that accounted for 55 percent of the estimated honey market in 2005.

Table I-9
Honey: U.S. shipments of honey produced by reporting beekeeper-packers, by market sector and by color, 1998-2000

* * * * *

⁷⁸ *Consumer Uses and Attitudes Toward Honey*, report prepared for the NHB, 1997.

⁷⁹ National Honey Board, *Packer Tracking Survey*, 2005.

Table I-10
Honey: U.S. shipments of honey produced by reporting independent packers, by market sector
and by color, 1998-2000

Item	Calendar year		
	1998	1999	2000
Quantity (1,000 pounds)			
Retail:			
White	37,524	40,192	45,790
Extra light amber	17,743	18,743	17,975
Light amber	5,738	9,402	9,699
Amber or darker	4	98	105
Subtotal, retail	61,009	68,435	73,569
Food service:			
White	6,160	6,778	6,442
Extra light amber	15,682	16,260	15,312
Light amber	1,143	1,428	1,706
Amber or darker	0	0	0
Subtotal, food service	22,985	24,466	23,460
Industrial or ingredient:			
White	6,676	7,532	6,876
Extra light amber	15,278	17,225	17,797
Light amber	39,632	43,117	42,156
Amber or darker	1,939	2,149	2,074
Subtotal, industrial or ingredient	63,525	70,023	68,903
Total, all U.S. markets	147,519	162,924	165,932
Note.-- Data are from packers accounting for *** percent of reported packer shipments in 2000.			
Source: Compiled from data submitted in response to Commission questionnaires.			

Table I-11
Honey: U.S. imports of honey, by market sector and by color, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
Quantity (1,000 pounds)						
Argentina:						
Packaged for retail sale:	1,034	45	0	0	2	463
Other: ¹						
White	64,701	32,179	13,060	7,815	6,124	26,567
Extra light amber	15,778	8,685	1,937	1,287	825	10,323
Light amber	15,452	2,699	3,525	620	978	12,420
Amber or darker	2,262	1,524	640	32	51	145
Subtotal	98,193	45,088	19,162	9,755	7,978	49,455
Total, Argentina	99,227	45,133	19,162	9,755	7,980	49,918
China:						
Packaged for retail sale:	260	268	15	5	2,124	197
Other: ¹						
White	6,693	5,959	3,757	17,007	31,805	37,279
Extra light amber	9,456	9,386	2,611	9,923	9,826	13,569
Light amber	41,954	22,178	10,203	23,172	15,034	13,574
Amber or darker	353	1,506	130	217	549	121
Subtotal	58,455	39,029	16,702	50,320	57,215	64,543
Total, China	58,715	39,297	16,717	50,325	59,339	64,740
Nonsubject sources:²						
Packaged for retail sale:	3,699	5,032	6,487	11,388	13,172	15,522
Other: ¹						
White	26,433	24,687	49,707	39,116	33,707	34,759
Extra light amber	556	5,571	21,697	12,235	12,319	12,497
Light amber	6,931	21,118	77,226	67,595	48,700	49,883
Amber or darker	2,593	4,115	11,506	9,888	3,584	5,363
Subtotal	36,512	55,490	160,136	128,834	98,311	102,502
Total, nonsubject sources	40,212	60,522	166,623	140,223	111,483	118,024
¹ Consists of honey imported in bulk which will be processed/packed and ultimately sold to either the retail, food service, or industrial (ingredient) markets. ² The largest nonsubject sources of imported honey during 2001-06 were Vietnam, Canada, India, Brazil, and Mexico.						
Source: Compiled from official statistics of the Department of Commerce.						

Pricing⁸⁰

The Commission's questionnaire during the original investigations asked industry participants a number of questions regarding honey prices. Most responding independent packers and purchasers indicated that color and USDA grading affected the price of honey. Purchasers reported that there were price differences for color range from two cents per pound up to a 14-cent premium, and that there was a 14- to 20-percent premium for a higher USDA grade of honey. Independent packers indicated that lighter grades of honey received a 5- to 15-cent per pound premium. Pricing data collected by the Commission in the original investigations indicated that white, extra light amber, and light amber honey sold at average premiums of 20 percent, 14 percent, and 8 percent, respectively, compared to amber honey during 1998 through the first half of 2001.

Most beekeepers reported that prices were determined through transaction-by-transaction negotiations on a spot basis. Many beekeepers indicated that they were price takers and had to accept the price offered by the independent packers. Importers reported that most negotiations were on a contract basis. Most independent packers, however, indicated that their terms of purchase were negotiable.

During the final phase of the original investigations, the Commission requested quarterly quantity and value data from U.S. beekeeper-packers and independent packers concerning the U.S., Argentine, and Chinese honey they purchased in the U.S. market for the following four honey products: (1) white honey, (2) extra light or amber honey, (3) light amber honey, and (4) amber honey. The Commission reported that, for all four pricing products with available data, prices for U.S.-produced honey and imported honey from Argentina and China fell by 17 to 26 percent between the first quarter of 1998 and the second quarter of 2001.⁸¹ There were 97 instances where price data for domestic honey and subject imported honey were compared. Of these 97 comparisons, there were 70 instances where the imported subject product was priced below the domestic product (31 instances for the product from Argentina and 39 instances for the product from China). Margins of underselling ranged from 0.4 to 13.1 percent for the product from Argentina and from 0.6 to 20.8 percent for the product from China. In the remaining 27 instances, the imported product was priced above the comparable domestic product; margins of overselling ranged from less than 0.05 to 11.8 percent for the product from Argentina and from 0.1 to 42.5 percent for the product from China.

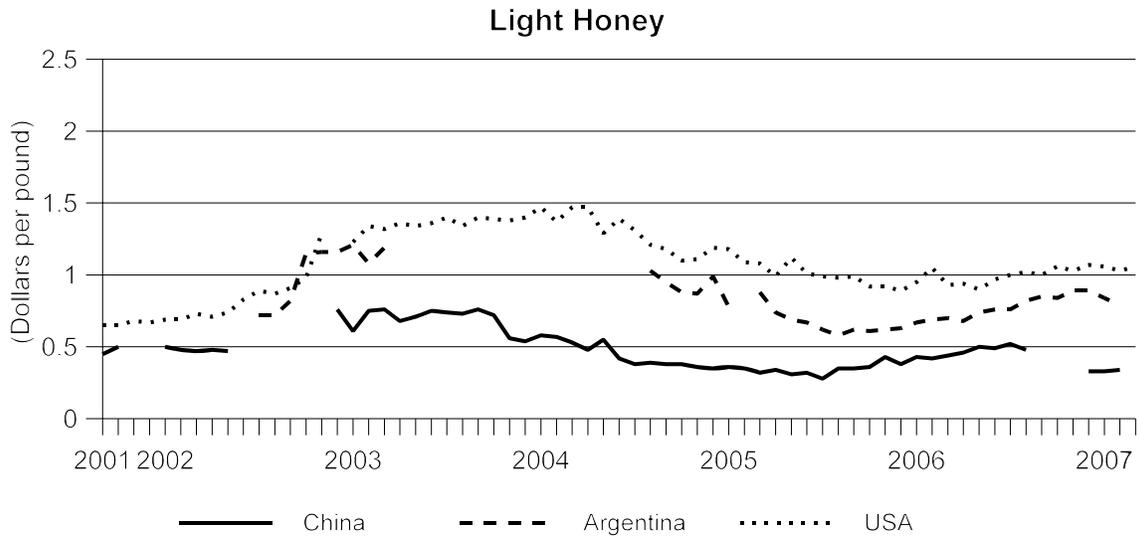
Bee Culture magazine publishes monthly prices for unprocessed light and amber honey purchased from U.S. beekeepers by independent packers. These monthly pricing data along with the unit values for comparable imported products from Argentina and China are shown in figures I-1 and I-2.

The USDA National Agricultural Statistics Service ("NASS") publishes yearly national average prices in the retail and co-op/private market sectors for four color classes of honey: (1) water white, extra white, white; (2) extra light amber; (3) light amber, amber, dark amber; and (4) all other, area specialties. Prices are based on retail sales by domestic producers and sales to private processors and cooperatives. These data for 2000-06 are presented in table I-12. During 2001 to 2006, the annual average price in the United States, as reported by the USDA, reached a historical high of 138.7 cents per pound in 2003, up 23 percent over 2001. However, by 2005, the price dropped to 90.4 cents per pound, up only 4 percent over 2001.

⁸⁰ Unless indicated otherwise, the discussion in this section is based on information from the following sources: *Staff Report*, October 24, 2001 (INV-Y-220), section V; and *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, section V.

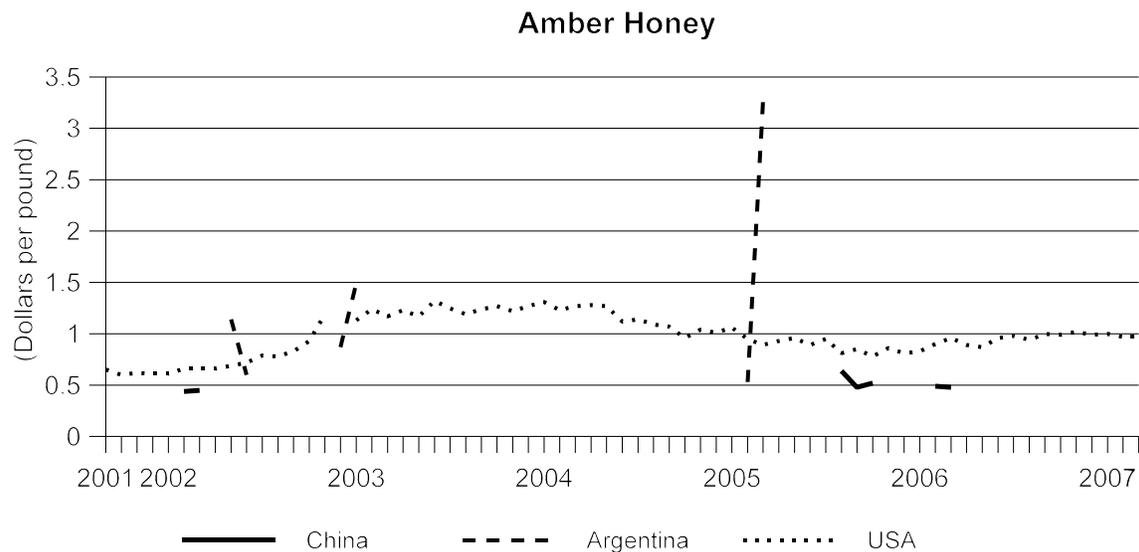
⁸¹ The prices from all sources decreased from 1998 to 1999, were generally more steady from 1999 to 2000, and rebounded somewhat in the first half of 2001 to levels well below those of the first quarter of 1998.

Figure I-1
Unprocessed light honey: Average U.S. prices per pound of extracted, unprocessed product sold to packers in 55-gallon drums and average landed, duty-paid unit values of imports from Argentina and China, by month, September 2001-February 2007



Source: Compiled from data published in *Bee Culture* magazine and the Department of Commerce.

Figure I-2
Unprocessed amber honey: Average U.S. prices per pound of extracted, unprocessed product sold to packers in 55-gallon drums and average landed, duty-paid unit values of imports from Argentina and China, by month, September 2001-February 2007



Source: Compiled from data published in *Bee Culture* magazine and the Department of Commerce.

Table I-12
Honey: U.S. prices by market sector and by color, 2000-05

Item	Calendar year					
	2000	2001	2002	2003	2004	2005
Price (cents per pound)						
Water white, extra white, white:						
Co-op and private	56.3	68.7	139.6	141.1	104.4	82.4
Retail	114.5	133.6	153.8	185.8	177.0	186.7
Total	58.2	70.6	140.2	143.5	107.5	86.2
Extra light amber:						
Co-op and private	56.0	66.9	127.2	132.6	95.9	79.4
Retail	121.7	132.0	142.0	180.8	150.6	178.0
Total	60.7	70.5	128.3	136.5	102.0	88.3
Light amber, amber, dark amber:						
Co-op and private	49.8	62.3	119.0	124.9	85.9	80.1
Retail	141.9	150.8	154.3	192.6	196.0	178.9
Total	60.1	69.5	122.8	131.8	105.1	99.1
All other honey, area specialties:						
Co-op and private	63.2	64.5	109.8	111.2	113.9	91.6
Retail	175.2	160.4	194.9	246.6	231.5	279.2
Total	92.9	80.9	121.9	133.5	161.5	108.4
All honey:						
Co-op and private	55.1	66.6	131.3	134.7	99.2	81.6
Retail	130.4	142.0	152.2	188.5	182.6	183.3
Total	59.7	70.4	132.7	138.7	106.9	90.4
Source: USDA, NASS, Agricultural Statistics Board, Honey, February 28, 2001-06.						

The domestic interested parties stated in their response to the Commission’s notice of institution in these reviews that an increase in low-priced subject imports coincided with the downturn in honey prices after 2003. They argued that imports from China have undersold the domestic product by evading the Chinese honey antidumping duty order through new shipper reviews.⁸² Additionally, they argued that the Argentine exporters were forced to “follow suit” as evidenced by the declining average unit values of honey imports from Argentina. The domestic honey producers added that if the price of honey remains at

⁸² The domestic interested parties noted that honey imports from China began to increase significantly in 2003, a time at which Commerce began initiating its first new shipper administrative reviews. They argued that, from August 2002 to August 2006, the new-shipper exporters in China “exploited an unfortunate loophole in the antidumping law that allowed the duty deposit requirement on any entry from an exporter that was undergoing a new shipper review to be satisfied with a bond as opposed to cash.” They further argued that “this had the effect of allowing a massive surge of honey shipments from ‘new shipper’ exporters to enter this country over the past four years as if the China honey antidumping duty order did not exist.” They reported that Congress suspended the new-shipper bonding option in August 2006 for a three-year period through July 2009. *Response of AHPA and SHA*, December 21, 2006, pp. 5-9 and 18-19.

the current low levels, they will be unable to cover their cost of production and the future of their businesses will be in “serious jeopardy.”⁸³

THE INDUSTRY IN THE UNITED STATES

U.S. Beekeepers

The USDA classifies beekeepers as hobbyists (fewer than 25 colonies), part-time beekeepers (25 to 299 colonies), and full-time or commercial producers of honey (300 colonies or more). Hobbyists generally consume most of the honey they produce, give it to friends and family, or distribute the honey through local outlets. Part-time beekeepers sell the majority of their honey, but beekeeping is not generally their major source of income. They market their honey either through direct sales to consumers or retail outlets, or through bulk sales to honey processors. Full-time beekeepers are those that rely on sales of honey as their primary source of income. According to the USDA, full-time beekeepers are responsible for about 60 percent of the extracted honey produced in the United States. Full-time beekeepers also provide pollination services to supplement their incomes and to gain access to other sources of nectar for honey production. In addition, some full-time beekeepers specialize in the production of queen bees and packaged bees and may even focus on the production of beeswax to further augment their income.⁸⁴ The Commission reported in the original investigations that most of the honey extracted in the United States is done by commercial beekeepers, even though the commercial beekeeper population comprised only about 1 percent of the total beekeeping population.⁸⁵ Hobbyists comprised about 90-95 percent of the beekeeping population, and part-time beekeepers the remainder.⁸⁶

As was the case in the original investigations, beekeepers operate in virtually every state in the United States, although the domestic beekeeping industry is heavily concentrated along the U.S. northern border from Washington to Michigan and in Florida, California, and Texas. Nearly one-half of all domestically produced honey is produced in the four leading honey-producing states of North Dakota, South Dakota, Florida, and California.⁸⁷

During 2005, the United States was ranked as the world’s third-largest producer of honey.⁸⁸ According to the U.S. Census of Agriculture, there were 12,029 beekeepers in the United States during 2002.⁸⁹ The USDA reported that, during 2005, there were 2.41 million commercial bee colonies in the United States.⁹⁰ The domestic interested parties identified over 650 current domestic producers of honey in their response to the Commission’s notice of institution in these reviews, many of which were characterized as small beekeepers or hobbyists.⁹¹

⁸³ Ibid., pp. 8-9.

⁸⁴ Canada, Carol and Jasper Womach, CRS Report for Congress, *Farm Commodity Programs: Honey*, October 4, 2006, p. CRS-3.

⁸⁵ Hoff, F., *Honey: Background for 1995 Farm Legislation*, ERS, USDA, April 1995, p. 2.

⁸⁶ Ibid.

⁸⁷ Canada, Carol and Jasper Womach, CRS Report for Congress, *Farm Commodity Programs: Honey*, October 4, 2006, p. CRS-1.

⁸⁸ FAOSTAT, <http://faostat.fao.org/default.aspx>.

⁸⁹ Canada, Carol and Jasper Womach, CRS Report for Congress, *Farm Commodity Programs: Honey*, October 4, 2006, p. CRS-1.

⁹⁰ NASS, USDA, Agriculture Statistics Board, “Honey,” February 2006.

⁹¹ *Response of AHPA and SHA*, December 21, 2006, p. 11 and exh. 5.

U.S. Packers

In the original investigations, 116 of the 119 beekeepers that responded to the Commission's questionnaire with usable data indicated that they supported the petition. Many of these beekeepers cited low honey prices of imports from China and Argentina driving down the price which they receive for their honey as the reason for their support.⁹² U.S. honey packers are either beekeeper-packers or independent packers. For purposes of this report, a beekeeper-packer is defined as a beekeeper that both extracts honey from its own colonies and packs the honey. An independent packer is defined as a firm engaged in the processing or packaging of purchased honey. Such honey may be purchased from domestic and/or foreign sources.

The Commission reported in the original investigations that, during 2000, there were approximately 350 beekeeper-packers and 110 independent packers in the United States. Based on assessments paid to the NHB during 1999, it was estimated that beekeeper-packers and other packers accounted for *** and *** percent of the U.S. packing of honey in 1999, respectively, with the largest 10 packers having accounted for about *** of all domestically packed honey. The SHA, a non-profit cooperative organization, accounted for *** percent of the U.S. packing of honey in 2000. It collectively produced approximately *** pounds of raw honey during 2000.

In the original investigations, *** of the reporting beekeeper-packers supported the petition; ***. Of the reporting independent packers, 5 firms accounting for 17 percent of reported packing in 2000 supported the petition, 10 firms accounting for 53 percent of reported packing opposed the petition, and 6 firms accounting for 4 percent of reported packing took no position on the petition. In addition, Sioux Honey, the largest U.S. packer in 2000, was a petitioner.⁹³

Related Parties

The Commission reported in the final phase of the original investigations that at least four firms that packed honey in the United States imported honey directly from Argentina and/or China and at least 16 firms that packed honey in the United States purchased Argentine and/or Chinese honey domestically. In its final determinations, the Commission excluded two domestic packers (***) and one domestic beekeeper/packer (***) from the domestic industry pursuant to the related parties provision.⁹⁴ The domestic interested parties in these current reviews stated in their response to the Commission's notice of institution that none of the individual members of the AHPA and the SHA are importers of the subject merchandise and none are related to a foreign producer, exporter, or to an importer of the subject merchandise.⁹⁵ ***.

U.S. Producers' Trade, Employment, and Financial Data

Domestic production of honey varies widely among regions and from year to year depending on rainfall, soil conditions, temperature, cropping patterns, management, and various other factors. Cold and

⁹² *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. III-2.

⁹³ *Ibid.*

⁹⁴ *Ibid.*, p. 11.

⁹⁵ *Supplemental Response of AHPA and SHA*, January 3, 2007, p. 1.

rainy weather can prevent bees from collecting nectar, which reduces honey production. Rain, drought, or freezing temperatures can also cut honey production by damaging nectar sources.⁹⁶

About one-third of the 119 U.S. beekeepers responding to the Commission's questionnaire in the original investigations reported that they had experienced negative changes in the character of their honey operations since 1998 owing to bee diseases, adverse weather conditions, low honey prices, and/or low-priced imports of Argentine and Chinese honey. In fact, bee populations in the United States have declined over the past 50 years by an estimated 40 to 50 percent. The major cause of this decline has been disease and the use of pesticides. *Varroa* mites (also known as "vampire mites") are the greatest known long-term threat to domestic honeybees. These mites feed on the honeybees' blood, often leaving the honeybees with deformed wings and/or abdomens and a reduced life span. The mites are also carriers for many honeybee diseases, especially viral diseases, that have also contributed to the population decline. In addition, honeybee populations have experienced more dramatic temporary declines in population due to reasons largely not understood by scientists.⁹⁷

Data concerning U.S. producers' trade, employment, and financial indicators for calendar years 1998-2005 are presented in table I-13. As the data illustrate, U.S. honey production in 2005 totaled 174.6 million pounds, a decline of 21 percent from the level reported during the final annual period for which data were collected in the original investigations (2000). The domestic interested parties in these current reviews indicated that this decline was due primarily to "unfavorable climatic conditions beyond the control of the domestic producers."⁹⁸ Despite the decline, however, information obtained by the domestic interested parties from U.S. beekeepers and packers indicated that there has been no shortage of domestic honey during the past five years. The domestic interested parties argued that the U.S. producers have "dramatically increased their carryover stocks in the face of the surge of imports from China's 'new shipper' exporters."⁹⁹ In fact, ending honey stocks fell from a period high of 86.2 million pounds in 2000 to a period low of 39.4 million pounds in 2002 before climbing to 62.4 million pounds in 2005. After the imposition of the orders, domestic yield per colony remained below levels reported in the original investigations.

The AHPA reported that, even with the orders in effect, the domestic honey producers have experienced declines in production, shipments, sales, and profitability during the past several years. The domestic industry stated further that it has experienced *** and has not seen significant investment or expansion in recent years. The honey producers projected that further erosion of sales and profitability would lead to a reduction of their employment base, and a number of producers indicated that they would be forced to exit the business completely if the orders against China and Argentina were revoked. The domestic interested parties also pointed out that the SHA showed significant declines in net sales, proceeds, and prices during recent years.¹⁰⁰ Price trends are discussed in the section entitled "Pricing" earlier in this report.

⁹⁶ *The U.S. Beekeeping Industry*, ERS, USDA, May 1994, p. 3.

⁹⁷ Roach, Jim, "Bee Decline May Spell End of Some Fruits, Vegetables," *Pulse of the Planet, National Geographic*, October 5, 2004, http://news.nationalgeographic.com/news/2004/10/1005_041005_honeybees.html.

⁹⁸ *Response of AHPA and SHA*, December 21, 2006, p. 13.

⁹⁹ *Ibid.*, pp. 13-14.

¹⁰⁰ *Ibid.*, p. 10.

Table I-13**Honey: U.S. producers' trade, employment, and financial data, 1998-2000, January-June 2000, January-June 2001, and 2001-05¹**

Item	1998	1999	2000	Jan.-June		2001	2002	2003	2004	2005
				2000	2001					
U.S. beekeepers': Colonies (1,000)	2,633	2,688	2,634	(²)	(²)	2,506	2,574	2,599	2,556	2,410
Production: Quantity (1,000 pounds)	220,316	205,228	221,005	(²)	(²)	185,461	171,718	181,727	183,582	174,643
Value (\$1,000)	147,254	125,422	132,205	(²)	(²)	132,225	228,338	253,106	196,259	157,795
Unit value (\$/pound)	0.66	0.61	0.59	(²)	(²)	0.70	1.33	1.39	1.07	0.90
Yield per colony (pounds)	83.7	76.3	83.9	(²)	(²)	74.0	66.7	70.0	71.8	72.5
Ending stocks (1,000 pounds)	80,808	79,361	86,158	(²)	(²)	64,556	39,393	40,785	61,222	62,406
EOP ³ stocks/production (percent)	36.7	38.7	39.0	(²)	(²)	34.8	22.9	22.4	33.3	35.7
PRWs ⁴ (number) ⁵	***	***	***	(²)	(²)	1,418	1,321	1,489	1,535	1,515
Hours worked (1,000 hours)	***	***	***	(²)						
Wages paid (\$1,000) ⁵	***	***	***	(²)	(²)	30,281	31,201	35,579	38,002	40,257
Hourly wages ⁵	\$***	\$***	\$***	(²)	(²)	\$10.28	\$11.35	\$11.48	\$11.90	\$12.78
Productivity (pounds per hour)	***	***	***	(²)						
Unit labor costs (per pound) ⁵	\$***	\$***	\$***	(²)	(²)	\$0.16	\$0.18	\$0.20	\$0.21	\$0.23

Table continued on following page.

Table I-13--Continued

Honey: U.S. producers' trade, employment, and financial data, 1998-2000, January-June 2000, January-June 2001, and 2001-05¹

Item	1998	1999	2000	Jan.-June		2001	2002	2003	2004	2005
				2000	2001					
U.S. beekeepers':										
Net sales:										
Quantity (1,000 pounds)	***	***	***	(²)	*** ⁶					
Value (\$1,000)	***	***	***	(²)	*** ⁶					
Unit value (per pound)	\$***	\$***	\$***	(²)	\$*** ⁶					
Operating expenses (\$1,000)	***	***	***	(²)						
Net income before taxes (\$1,000)	***	***	***	(²)						
Capital expenditures (\$1,000)	***	***	***	(²)						
Unit operating expenses (per pound)	\$***	\$***	\$***	(²)						
Unit net income before taxes (per pound)	\$***	\$***	\$***	(²)						
Net income before taxes/total revenues (percent)	***	***	***	(²)						

Table continued on following page.

Table I-13--Continued

Honey: U.S. producers' trade, employment, and financial data, 1998-2000, January-June 2000, January-June 2001, and 2001-05¹

Item	1998	1999	2000	Jan.-June		2001	2002	2003	2004	2005
				2000	2001					
U.S. independent packers ^{2,7} Capacity quantity (1,000 pounds)	***	***	***	***	***	(²)				
Packing quantity (1,000 pounds)	***	***	***	***	***	(²)				
Capacity utilization (percent)	***	***	***	***	***	(²)				
U.S. shipments: Quantity (1,000 pounds)	***	***	***	***	***	(²)				
Value (\$1,000)	***	***	***	***	***	(²)				
Unit value (per pound)	***	***	***	***	***	(²)				
Export shipments: Quantity (1,000 pounds)	***	***	***	***	***	7,363	6,885	6,867	7,811	7,641
Value (\$1,000)	***	***	***	***	***	6,247	6,171	5,719	7,179	6,466
Unit value (per pound)	\$***	\$***	\$***	\$***	\$***	\$0.85	\$0.90	\$0.83	\$0.92	\$0.85
Ending stocks (1,000 pounds)	***	***	***	***	***	(²)				
EOP ³ stocks/total shipments (percent)	***	***	***	***	***	(²)				
PRWs ⁴ (number)	***	***	***	***	***	(²)				
Hours worked (1,000 hours)	***	***	***	***	***	(²)				
Wages paid (\$1,000)	***	***	***	***	***	(²)				
Hourly wages	\$***	\$***	\$***	\$***	\$***	(²)				
Productivity (pounds per hour)	***	***	***	***	***	(²)				
Unit labor costs (per pound)	\$***	\$***	\$***	\$***	\$***	(²)				

Table continued on following page.

Table I-13--Continued

Honey: U.S. producers' trade, employment, and financial data, 1998-2000, January-June 2000, January-June 2001, and 2001-05¹

Item	1998	1999	2000	Jan.-June		2001	2002	2003	2004	2005
				2000	2001					
U.S. independent packers' (excluding SHA): Net sales:										
Quantity (1,000 pounds)	***	***	***	***	***	(²)				
Value (\$1,000)	***	***	***	***	***	(²)				
COGS ⁸ (\$1,000)	***	***	***	***	***	(²)				
Gross profit (or loss)(\$1,000)	***	***	***	***	***	(²)				
SG&A expenses (\$1,000)	***	***	***	***	***	(²)				
Operating income (\$1,000)	***	***	***	***	***	(²)				
Capital expenditures (\$1,000)	***	***	***	***	***	(²)				
COGS ⁸ /sales (percent)	***	***	***	***	***	(²)				
Operating income (loss)/sales (percent)	***	***	***	***	***	(²)				

Table continued on following page.

Table I-13--Continued

Honey: U.S. producers' trade, employment, and financial data, 1998-2000, January-June 2000, January-June 2001, and 2001-05¹

Item	1998	1999	2000	Jan.-June		2001	2002	2003	2004	2005
				2000	2001					
SHA's:										
Net sales:										
Quantity (1,000 pounds)	***	***	***	***	***	(²)	(²)	(²)	(²)	*** ⁹
Value (\$1,000)	***	***	***	***	***	(²)	(²)	(²)	(²)	*** ⁹
COGS ⁸ (\$1,000)	***	***	***	***	***	(²)				
Net proceeds (\$1,000)	***	***	***	***	***	(²)				
Capital expenditures (\$1,000)	***	***	***	***	***	(²)				

¹ Questionnaire data presented for calendar years 1998-2000, January-June 2000, and January-June 2001 do not include data from ***. These domestic producers were excluded from the domestic industry under the related parties provision by the Commission in its original determinations.

² Not available.

³ End of period.

⁴ Production and related workers.

⁵ U.S. beekeeper employment data presented for 2001-05 were collected by the U.S. Census Bureau ("Industry NAICS 112920 Apiculture"). These data are for an industry comprised of establishments engaged in raising bees, collecting and gathering honey, and selling queen bees, packages of bees, royal jelly, beeswax, propolis, venom, and/or other bee products. Hourly wages for 2001-05 were calculated from average weekly wages based on a 40-hour work week.

⁶ Data presented are commercial shipment quantity and value data estimated for AHPA members. The Commission's report in its original investigations indicated that financial data presented were compiled from the questionnaire responses of 120 U.S. beekeepers. In its response in these current five-year reviews, beekeepers' commercial shipment data were provided by the AHPA, which is currently comprised of 182 beekeeping members.

⁷ SHA is included in these data. Reported data from beekeeper-packers are a small fraction of total U.S. packing operations and are not presented in this table.

⁸ Cost of goods sold.

⁹ SHA's commercial shipments of packed honey.

Source: *Staff Report*, October 24, 2001 (INV-Y-220), table C-2 (data for 1998-2000, January-June 2000, and January-June 2001); NASS, USDA, Agriculture Statistics Board, "Honey," February 2003-06 (data for 2001-05); *Response* of AHPA and SHA, December 21, 2006, p. 13 (commercial shipment data for 2005); U.S. Department of Labor, Bureau of Labor Statistics, *Bureau of Labor Statistics Data*, Quarterly Census of Employment and Wages, <http://data.bls.gov/cgi-bin/srgate> (U.S. beekeeper employment data for 2001-05); USDA Foreign Agricultural Service: Total U.S. Honey Exports to All Countries (Bulk and Retail Combined), www.honey.com/honeyindustry/stats/CY2005TotalRetailExports.pdf (U.S. independent packers' export shipments for 2001-05).

U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

U.S. Imports

In the Commission's original investigations, questionnaire responses with usable data were received from 18 U.S. importers of honey, whose subject imports accounted for about 76 percent of total imports of honey from Argentina, 84 percent of total imports of honey from China, and 26 percent of total imports of honey from other countries during 2000. *** was the largest known U.S. importer of honey *** in 2000.¹⁰¹ In their response to the Commission's notice of institution in these current reviews, the domestic interested parties identified over 100 U.S. importers of honey from Argentina and China.¹⁰²

Data concerning U.S. imports were compiled from official statistics of Commerce and are presented in figure I-3 and table I-14. The Commission's report in the original investigations noted that U.S. imports of honey from China from August 1995 to July 2000 were subject to the volume and price restrictions of the suspension agreement that resulted from the 1994-95 antidumping investigation on honey from China. The volume and price restrictions pursuant to the suspension agreement were terminated in July 2000, although at the time of the original investigations the Commission was informed that China continued to maintain a minimum price and export licensing system on honey.¹⁰³

The total quantity of U.S. imports of honey from Argentina and China increased throughout the period examined during the Commission's original investigations (1998-2000), as did U.S. imports of honey from all other countries combined. The unit values of U.S. imports of honey from all import sources declined throughout 1998-2000. By quantity, imports from China and from all other sources (other than Argentina) combined as a share of total imports were higher in 2000 than in 1998 but imports from Argentina were slightly lower.

The original petition filed in September 2000 and the imposition of the antidumping duty orders on honey from Argentina and China and the countervailing duty order on honey from Argentina in December 2001 had an immediate impact on the volume of the subject imports. The quantity of honey imported into the United States from Argentina and China combined fell by 46.5 percent from 157.9 million pounds in 2000 to 84.4 million pounds in 2001 and fell further to 35.9 million pounds in 2002. In 2003 and 2004, imports from Argentina continued to fall while U.S. imports from China rose and by 2004 were at a level higher than any reported during the original investigations.¹⁰⁴ From 2003 to 2005, total subject imports consistently increased to 114.7 million pounds in 2005, a level 27.4 percent lower than reported in the final year for which the Commission examined data in the original investigations (2000). Argentina and China were the top foreign suppliers of honey in the United States during 2005. The largest nonsubject sources of imported honey during 2005 were Vietnam, Canada, India, Uruguay, Brazil, and Taiwan.¹⁰⁵

¹⁰¹ *Staff Report*, October 24, 2001 (INV-Y-220), p. IV-1.

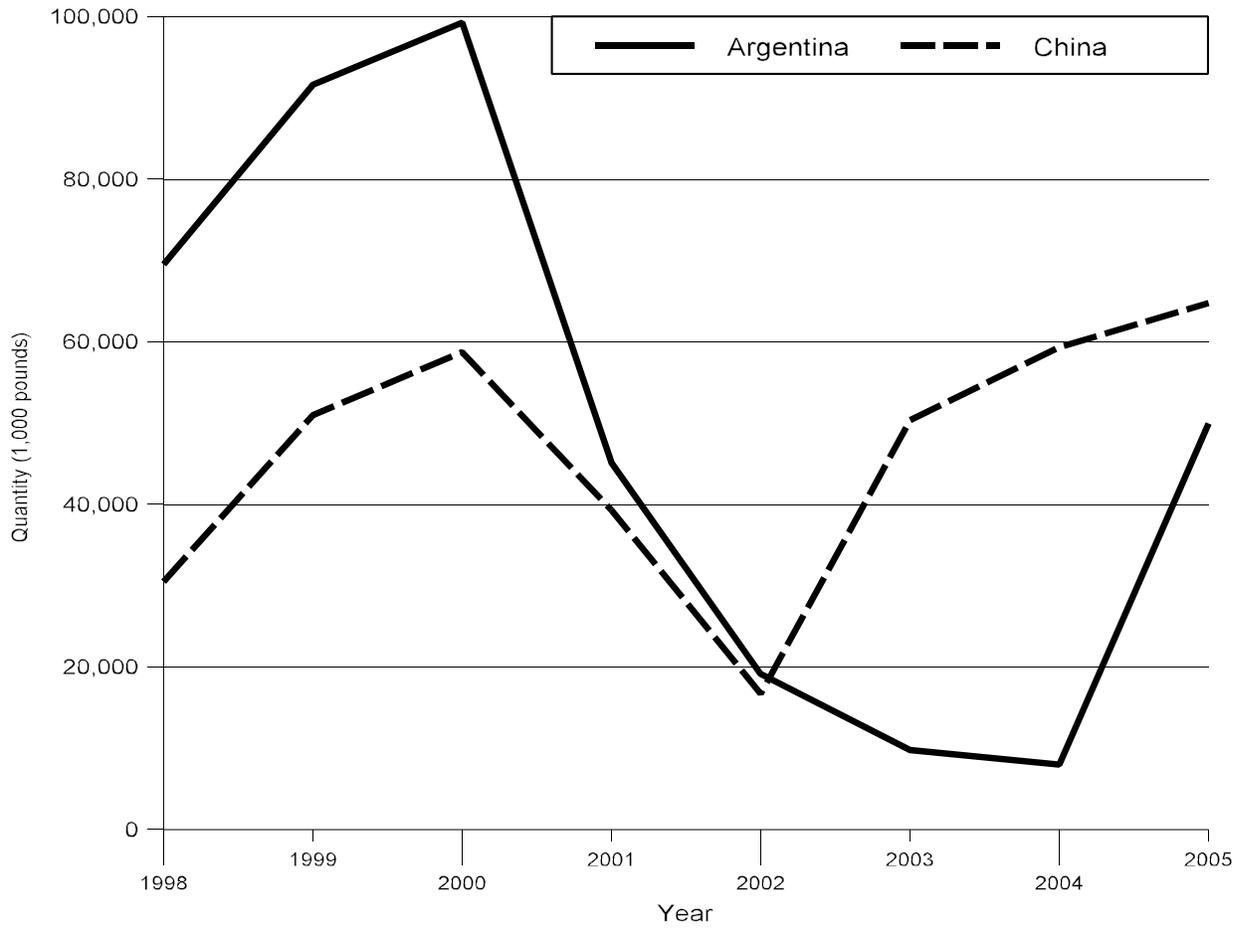
¹⁰² *Response of AHPA and SHA*, December 21, 2006, exh. 6.

¹⁰³ *Staff Report*, October 24, 2001 (INV-Y-220), p. IV-3.

¹⁰⁴ As previously discussed, the domestic interested parties in these reviews attributed this increase to the circumvention of the orders by Chinese exporters through new shipper reviews, which allowed the duty deposit requirement on any entry from an exporter that was undergoing a new shipper review to be satisfied with a bond as opposed to cash. Congress suspended the new-shipper bonding option in August 2006 for a three-year period, an action which immediately halted nearly all honey imports from China. *Response of AHPA and SHA*, December 21, 2006, pp. 5-9 and 18-19.

¹⁰⁵ Nonsubject imports of honey increased by 314 percent from 40 million pounds in 2000 to 167 million pounds in 2002 before falling by 33 percent from 2002 to 2004. Nonsubject honey imports increased by 5.9 percent from 111 million pounds in 2004 to 118 million pounds in 2005.

Figure I-3
Honey: U.S. imports from Argentina and China, by quantity, 1998-2005



Source: Official Commerce statistics, HTS subheading 0409.00.

Table I-14
Honey: U.S. imports,¹ by sources, 1998-2005

Source	Calendar year							
	1998	1999	2000	2001	2002	2003	2004	2005
Quantity (1,000 pounds)								
Argentina	69,500	91,588	99,229	45,133	19,162	9,755	7,980	49,918
China	30,485	50,990	58,716	39,297	16,717	50,325	59,339	64,740
Subtotal	99,985	142,578	157,945	84,430	35,879	60,080	67,319	114,659
Other sources	32,377	39,943	40,212	60,522	166,623	140,223	111,483	118,024
Total	132,362	182,521	198,158	144,952	202,501	200,302	178,803	232,683
Value (1,000 dollars)²								
Argentina	41,139	43,499	46,728	20,767	18,755	11,553	7,547	32,791
China	18,089	24,012	25,528	17,660	8,560	36,499	34,228	26,349
Subtotal	59,228	67,511	72,256	38,427	27,315	48,052	41,775	59,140
Other sources	22,917	25,589	25,251	39,161	146,053	170,300	109,236	81,167
Total	82,145	93,100	97,507	77,587	173,368	218,352	151,011	140,307
Unit value (per pound)²								
Argentina	\$0.59	\$0.47	\$0.47	\$0.46	\$0.98	\$1.18	\$0.95	\$0.66
China	0.59	0.47	0.43	0.45	0.51	0.73	0.58	0.41
Average	0.59	0.47	0.46	0.46	0.76	0.80	0.62	0.52
Other sources	0.71	0.64	0.63	0.65	0.88	1.21	0.98	0.69
Average	0.62	0.51	0.49	0.54	0.86	1.09	0.84	0.60
Share of quantity (percent)								
Argentina	52.5	50.2	50.1	31.1	9.5	4.9	4.5	21.5
China	23.0	27.9	29.6	27.1	8.3	25.1	33.2	27.8
Subtotal	75.5	78.1	79.7	58.2	17.7	30.0	37.7	49.3
Other sources	24.5	21.9	20.3	41.8	82.3	70.0	62.4	50.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)								
Argentina	50.1	46.7	47.9	26.8	10.8	5.3	5.0	23.4
China	22.0	25.8	26.2	22.8	4.9	16.7	22.7	18.8
Subtotal	72.1	72.5	74.1	49.5	15.8	22.0	27.7	42.2
Other sources	27.9	27.5	25.9	50.5	84.2	78.0	72.3	57.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<p>¹ The import data presented in this table are for natural honey imported under HTS subheading 0409.00.00, and consist of virtually all, if not all, U.S. imports of honey.</p> <p>² Landed, duty-paid.</p> <p>Note.—Because of rounding, figures may not add to the totals shown.</p> <p>Source: Compiled from official Commerce statistics.</p>								

The unit values of subject imports of honey have generally been higher during the annual periods following the imposition of the orders than during the final annual period examined in the original investigations. The unit value for honey imported from Argentina was lowest in 2001, prior to the imposition of the antidumping duty order in December of that same year. With one exception, the unit value for honey imported from China was lowest in 2000 prior to the order.

Cumulation Considerations

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographical markets; (3) common channels of distribution; and (4) simultaneous presence in the market. In the original investigations, the Commission found a reasonable overlap of competition and, for purposes of their present injury analysis, cumulated imports from the subject countries.¹⁰⁶

Available information concerning fungibility and channels of distribution is presented in the sections of this report entitled “Interchangeability and Customer and Producer Perceptions” and “Channels of Distribution,” respectively. Additional information concerning geographical markets and simultaneous presence in the market is presented below.

During the original investigations, the Commission noted that imports were present in the same geographical areas throughout the period examined.¹⁰⁷ According to official import statistics, by customs district, U.S. imports from Argentina and China entered the United States through many of the same customs districts during 2001-05 (table I-15). During 2005, major entry points for the honey from both Argentina and China were Baltimore, MD; Detroit, MI; Houston-Galveston, TX; Philadelphia, PA; and Tampa, FL. Other major entry points for Chinese honey were Chicago, IL; Columbia-Snake, OR; Los Angeles, CA; Minneapolis, MN; San Francisco, CA; and Savannah, GA.

A review of monthly import data for January 2001 through November 2006 indicates that imports of honey from both Argentina and China entered the United States in a majority of the months during that time period. There were two months in 2001 and 6 months in 2004 in which there were no imports of honey from Argentina and there was one month in 2001 and one month in 2002 in which there were no imports of honey from China (table I-16).

¹⁰⁶ *Honey From Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. 15.

¹⁰⁷ *Staff Report*, October 24, 2001 (INV-Y-220), p. IV-3.

Table I-15
Honey: U.S. imports from Argentina and China, by customs district, 2001-05

District	Source	Calendar year				
		2001	2002	2003	2004	2005
Quantity (1,000 pounds)						
Baltimore, MD	Argentina	367	666	178	547	4,521
	China	2,310	1,420	4,360	4,207	1,378
Buffalo, NY	Argentina	(¹)	0	0	0	0
	China	350	282	3,544	4,086	0
Charleston, SC	Argentina	42	0	0	0	0
Chicago, IL	Argentina	0	0	0	51	846
	China	2,786	1,667	11,210	8,034	10,208
Cleveland, OH	China	0	217	0	0	0
Columbia-Snake, OR	Argentina	168	0	0	0	330
	China	1,431	652	767	859	1,023
Detroit, MI	Argentina	0	251	752	1,425	2,343
	China	217	553	2,174	1,775	2,386
Honolulu, HI	China	0	0	43	0	0
Houston-Galveston, TX	Argentina	5,582	2,466	819	212	7,993
	China	3,515	1,438	1,563	4,305	7,158
Los Angeles, CA	Argentina	746	0	42	301	724
	China	15,973	4,580	14,370	16,829	16,141
Miami, FL	Argentina	342	45	6	181	432
	China	127	0	0	0	0
Minneapolis, MN	Argentina	0	0	0	421	524
	China	1,343	670	335	878	1,105
New Orleans, LA	Argentina	214	0	0	0	0
New York, NY	Argentina	342	1,472	278	0	468
	China	321	100	2,035	3,678	999
Norfolk, VA	Argentina	35	0	0	0	125
	China	0	0	286	2,234	0
Ogdensburg, NY	China	20	0	0	0	0
Philadelphia, PA	Argentina	35,934	12,969	7,409	4,674	29,779
	China	4,053	3,479	3,888	3,433	9,580
San Francisco, CA	Argentina	242	0	0	0	85
	China	1,001	746	3,368	4,494	2,256
Savannah, GA	China	217	0	79	739	2,046
Seattle, WA	Argentina	307	268	44	169	268
	China	4,319	870	865	1,817	491
St. Albans, VT	Argentina	0	0	4	0	0
	China	0	42	0	0	0
St. Louis, MO	China	0	0	87	0	0
Tampa, FL	Argentina	811	1,024	221	0	1,480
	China	1,312	0	1,350	1,969	9,971

¹ Less than 500 pounds.

Source: Compiled from official Commerce statistics.

Table I-16
Honey: U.S. imports, by source and by month, January 2001-November 2006

Period	Argentina	China	Subtotal, subject countries	All other countries	Total, all countries
Quantity (1,000 pounds)					
2001: January	7,097	5,639	12,735	1,523	14,258
February	16,154	7,020	23,175	1,308	24,482
March	9,220	7,474	16,694	1,635	18,329
April	10,686	10,454	21,140	2,877	24,016
May	1,302	2,878	4,180	4,896	9,076
June	0	0	0	6,997	6,997
July	47	222	269	7,600	7,869
August	0	562	562	6,075	6,636
September	45	1,695	1,740	5,639	7,379
October	132	1,348	1,479	8,767	10,246
November	385	1,130	1,515	7,107	8,622
December	65	876	941	6,100	7,040
Total	45,133	39,298	84,430	60,524	144,950
2002: January	345	3,213	3,558	10,770	14,328
February	134	4,037	4,171	13,403	17,574
March	1,218	4,674	5,892	17,491	23,383
April	1,419	2,619	4,038	17,690	21,728
May	1,699	439	2,138	18,751	20,889
June	45	(¹)	45	15,204	15,249
July	225	0	225	11,397	11,622
August	370	130	500	10,272	10,772
September	179	99	278	10,324	10,602
October	5,736	45	5,781	16,961	22,741
November	4,569	22	4,591	14,449	19,040
December	3,225	1,437	4,662	9,911	14,573
Total	19,164	16,715	35,879	166,623	202,501

Table continued on following page.

Table I-16--Continued
Honey: U.S. imports, by source and by month, January 2001-November 2006

Period	Argentina	China	Subtotal, subject countries	All other countries	Total, all countries
Quantity (1,000 pounds)					
2003: January	1,024	389	1,413	8,270	9,683
February	519	1,918	2,437	9,575	12,012
March	1,333	2,762	4,095	15,368	19,464
April	2,388	4,612	7,000	18,264	25,264
May	2,071	2,253	4,324	17,731	22,055
June	903	2,788	3,691	10,925	14,617
July	1,125	2,868	3,993	12,757	16,750
August	86	4,380	4,466	10,223	14,690
September	127	6,840	6,967	12,304	19,272
October	91	10,383	10,474	10,550	21,023
November	45	5,005	5,049	7,493	12,543
December	42	6,128	6,169	6,762	12,932
Total	9,754	50,326	60,078	140,222	200,305
2004: January	0	5,868	5,868	10,847	16,715
February	0	4,974	4,974	10,723	15,697
March	0	5,280	5,280	7,748	13,028
April	2	1,851	1,854	8,284	10,138
May	0	1,291	1,291	6,565	7,856
June	0	4,444	4,444	9,036	13,480
July	0	5,413	5,413	6,927	12,340
August	835	3,097	3,932	10,062	13,995
September	804	5,315	6,119	10,965	17,084
October	1,517	8,479	9,996	11,530	21,526
November	2,746	8,873	11,619	11,615	23,235
December	2,075	4,454	6,529	7,180	13,709
Total	7,979	59,339	67,319	111,482	178,803

Table continued on following page.

Table I-16--Continued
Honey: U.S. imports, by source and by month, January 2001-November 2006

Period	Argentina	China	Subtotal, subject countries	All other countries	Total, all countries
Quantity (1,000 pounds)					
2005: January	1,679	6,475	8,154	6,361	14,516
February	887	5,193	6,080	6,695	12,775
March	2,735	2,637	5,373	7,797	13,170
April	5,073	2,355	7,427	10,156	17,584
May	4,157	4,073	8,230	16,474	24,704
June	4,224	6,407	10,631	16,821	27,452
July	5,029	3,579	8,608	10,615	19,223
August	5,521	8,264	13,786	11,660	25,445
September	5,670	4,340	10,010	8,228	18,238
October	5,949	8,037	13,986	9,873	23,859
November	4,373	7,116	11,489	5,399	16,888
December	4,620	6,264	10,885	7,944	18,828
Total	49,917	64,740	114,659	118,023	232,682
2006: January	3,298	8,016	11,314	7,264	18,578
February	2,685	8,695	11,380	10,769	22,149
March	4,925	3,704	8,629	9,514	18,143
April	7,117	4,847	11,964	12,254	24,217
May	6,515	10,229	16,744	16,990	33,734
June	6,482	10,981	17,463	16,534	33,997
July	6,130	8,211	14,341	13,936	28,277
August	4,264	3,740	8,004	9,543	17,547
September	6,574	205	6,779	10,263	17,042
October	5,697	3,846	9,543	12,541	22,084
November	7,166	3,696	10,862	12,165	23,027
Total (11 months)	60,853	66,170	127,023	131,773	258,795
(1) Less than 500 pounds.					
Source: Compiled from official Commerce statistics.					

Apparent U.S. Consumption and Market Shares

Demand for honey depends on the demand for downstream food products that use honey as an ingredient and the demand for honey in the retail and food service sectors. Honey has many end uses as an ingredient, such as for making cereals, drinks, candy, and bakery goods. During the original investigations, the Commission reported that, in 2000, 48 percent of U.S. packers' sales of honey were in bulk for use as an ingredient, 40 percent were to the retail market, and 12 percent were to the food service sector.

Normally, apparent U.S. consumption data presented in Commission reports consist of domestic producers' U.S. shipments as reported in responses to Commission questionnaires plus either imports or importers' shipments as reported in responses to Commission questionnaires or imports from official statistics. In the Commission's report in the original investigations and in this review report, apparent U.S. consumption consists of beekeepers' production plus U.S. imports, because no complete data on U.S. producers' shipments or U.S. importers' shipments are available either from questionnaire responses or from USDA or other official data. The use of production plus imports to calculate consumption is somewhat inexact because, for example, it does not take into account inventory fluctuations, but it is an adequate proxy for actual consumption and likely does not distort market share trends.¹⁰⁸

Apparent U.S. consumption and market shares of honey for 1998-2005 are presented in table I-17.¹⁰⁹ Apparent U.S. consumption of honey, in terms of quantity, increased from 1998 to 2000 but fell by 21.2 percent in 2001 to a level below that reported in 1998. Since 2001, apparent consumption has increased in all but one annual period, although the levels of apparent consumption since 2001 remain within the same range as those reported during the original investigations.

The share of apparent consumption held by subject imports increased during the period examined in the original investigations but fell by 28.1 percentage points from 2000 to 2002. The share held by imports from Argentina continued to fall into 2003 and 2004 before rising in 2005 almost to the level reported in 2001. The share held by imports from China increased subsequent to 2002, although it decreased slightly in 2005. The share of apparent consumption held by domestic beekeepers during 2002-05 remained at levels below those reported during the original investigations, while the share held by importers of honey from nonsubject countries combined was at a level well above those reported during the original investigations.

BARRIERS TO ENTRY IN THIRD-COUNTRY MARKETS

There are no outstanding antidumping and/or countervailing duty measures against honey produced in Argentina or China in countries other than the United States. However, the domestic interested parties in these current reviews point out that there are other barriers to entry in certain third-country markets for both Argentine and Chinese honey based on phytosanitary concerns. They explained in their response to the Commission's notice of institution that the European and Canadian markets in particular require that honey imports undergo much more rigorous laboratory testing for certain antibiotics and other undesirable chemicals, such as hydromethyl furfural ("HMF") and phenol, than are tested for in the United States, which has no (or lower) standards for these contaminants. Therefore, they argued that the European and Canadian markets are more restrictive and expensive for Argentine and Chinese honey exporters than is the U.S. market. In addition, the domestic interested parties pointed out that the European Union placed a ban on imports of honey from China beginning in 2002 through mid-

¹⁰⁸ Although the USDA discontinued the issuance of the annual honey updates, which contained published data on U.S. honey consumption, the domestic interested parties noted in their response to the Commission's notice of institution in these reviews that the trends in demand as calculated based on adding domestic production and imports generally track the *per capita* consumption trends as reported by the Center for Nutrition Policy and Promotion for honey and edible sugars. *Response of AHPA and SHA*, December 21, 2006, p. 14.

¹⁰⁹ Apparent U.S. consumption data for 2006 cannot be calculated as the domestic industry data compiled by the USDA were not available by the date the record closed in these reviews.

Table I-17

Honey: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, by quantity, 1998-05

Item	1998	1999	2000	2001	2002	2003	2004	2005
Quantity (1,000 pounds)								
U.S. beekeepers' production	220,316	205,228	221,005	185,461	171,718	181,727	183,582	174,643
U.S. imports:								
Argentina	69,500	91,588	99,229	45,133	19,162	9,755	7,980	49,918
China	30,485	50,990	58,716	39,297	16,717	50,325	59,339	64,740
Subtotal	99,985	142,578	157,945	84,430	35,879	60,080	67,319	114,659
Other sources	32,377	39,943	40,212	60,522	166,623	140,223	111,483	118,024
Total imports	132,362	182,521	198,158	144,952	202,501	200,302	178,803	232,683
Apparent U.S. consumption	352,678	387,749	419,161	330,413	374,219	382,029	362,385	407,326
Value (\$1,000)								
U.S. beekeepers' production	147,254	125,422	132,205	132,225	228,338	253,106	196,259	157,795
U.S. imports:								
Argentina	41,139	43,499	46,728	20,767	18,755	11,553	7,547	32,791
China	18,089	24,012	25,528	17,660	8,560	36,499	34,228	26,349
Subtotal	59,228	67,511	72,256	38,427	27,315	48,052	41,775	59,140
Other sources	22,917	25,589	25,251	39,161	146,053	170,300	109,236	81,167
Total imports	82,145	93,100	97,507	77,587	173,368	218,352	151,011	140,307
Apparent U.S. consumption	229,399	218,522	229,712	209,812	401,706	471,458	347,270	298,102
Share of consumption based on quantity (percent)								
U.S. beekeepers' production	62.5	52.9	52.7	56.1	45.9	47.6	50.7	42.9
U.S. imports:								
Argentina	19.7	23.6	23.7	13.7	5.1	2.6	2.2	12.3
China	8.6	13.2	14.0	11.9	4.5	13.2	16.4	15.9
Subtotal	28.4	36.8	37.7	25.6	9.6	15.7	18.6	28.1
Other sources	9.2	10.3	9.6	18.3	44.5	36.7	30.8	29.0
Total imports	37.5	47.1	47.3	43.9	54.1	52.4	49.3	57.1
Share of consumption based on value (percent)								
U.S. producer's U.S. shipments	64.2	57.4	57.6	63.0	56.8	53.7	56.5	52.9
U.S. imports:								
Argentina	17.9	19.9	20.3	9.9	4.7	2.5	2.2	11.0
China	7.9	11.0	11.1	8.4	2.1	7.7	9.9	8.8
Subtotal	25.8	30.9	31.5	18.3	6.8	10.2	12.0	19.8
Other sources	10.0	11.7	11.0	18.7	36.4	36.1	31.5	27.2
Total imports	35.8	42.6	42.4	37.0	43.2	46.3	43.5	47.1

Source: Compiled from official Commerce statistics and NASS, USDA, Agriculture Statistics Board, "Honey," February 2001-06.

2005 related to the finding of antibiotics and hormone growth promoters in Chinese honey, which is a continuing concern with regard to such honey produced in China.¹¹⁰

¹¹⁰ Response of AHPA and SHA, December 21, 2006, pp. 30-32.

THE WORLD MARKET

During 2005, China was ranked as the world's largest producer and consumer of honey. Argentina, the world's second-largest producer of honey, consumed domestically a relatively small amount of its annual honey production in 2005 (the most recent year for which data are available). The United States is the world's third-largest producer of honey and the second-largest consumer. Data on honey production, supply, and distribution for selected countries during 1998-2005 are presented in table I-18.

Table I-18
Honey: Production, supply, and distribution for selected countries, 1998-2005

Country	Year	Total colonies ¹ (1,000)	Yield/ colony (lbs.)	Honey production	Begin- ning stocks	Imports	Total supply/ distrib- ution	Exports	Domestic consum- ption	Ending stocks
				(1,000 pounds)						
Argentina	1998	2,100	78.7	165,347	0	46	165,347	152,119	12,566	0
	1999	2,700	80.0	216,053	0	44	216,053	199,959	16,093	0
	2000	2,800	66.9	198,416	0	44	198,416	193,125	5,291	0
	2001	2,800	63.0	176,368	0	44	187,435	161,729	13,161	0
	2002	(²)	(²)	182,982	(²)	4	(²)	177,294	13,999	(²)
	2003	(²)	(²)	165,345	(²)	144	(²)	155,931	14,881	(²)
	2004	(²)	(²)	176,368	(²)	91	(²)	138,449	15,829	(²)
	2005	(²)	(²)	176,368	(²)	235	(²)	236,024	15,168	(²)
Canada	1998	517	181.0	93,598	8,818	5,311	107,728	24,709	67,586	15,432
	1999	515	145.5	74,956	15,432	5,732	96,121	33,069	58,642	4,409
	2000	604	114.2	68,994	13,158	5,044	87,196	33,992	51,011	2,193
	2001	602	129.6	78,021	(²)	11,486	(²)	32,209	53,021	(²)
	2002	588	139.0	81,725	(²)	17,965	(²)	54,983	54,498	(²)
	2003	577	128.2	74,000	(²)	19,467	(²)	35,516	57,893	(²)
	2004	598	126.2	75,486	(²)	19,608	(²)	32,187	61,486	(²)
	2005	610	130.5	79,608	(²)	18,087	(²)	27,624	65,278	(²)
China	1998	6,300	54.2	341,713	110,230	1,089	453,032	173,454	230,198	49,380
	1999	6,300	80.1	504,390	49,380	1,864	555,634	191,203	241,520	122,911
	2000	6,300	69.6	438,600	122,911	816	562,327	225,633	253,597	83,097
	2001	(²)	(²)	560,762	(²)	537	(²)	237,017	350,796	(²)
	2002	(²)	(²)	590,458	(²)	1,804	(²)	170,768	372,159	(²)
	2003	(²)	(²)	649,740	(²)	1,330	(²)	193,277	394,645	(²)
	2004	(²)	(²)	656,749	(²)	2,047	(²)	190,544	418,323	(²)
	2005	(²)	(²)	656,971	(²)	797	(²)	206,527	443,323	(²)

Continued on following page.

Table I-18—Continued

Honey: Production, supply, and distribution for selected countries, 1998-2005

Country	Year	Total colonies ¹ (1,000)	Yield/ colony (lbs.)	Honey production	Begin- ning stocks	Imports	Total supply/ distrib- ution	Exports	Domestic consum- ption	Ending stocks
				(1,000 pounds)						
Germany	1998	917	39.2	35,948	0	206,223	242,171	29,910	205,647	6,614
	1999	910	31.5	28,660	6,614	191,800	227,074	26,455	200,619	0
	2000	896	36.7	32,895	0	199,124	232,019	39,474	192,545	0
	2001	(²)	(²)	57,209	(²)	206,957	(²)	45,745	205,336	(²)
	2002	(²)	(²)	32,231	(²)	100,317	(²)	50,419	204,609	(²)
	2003	(²)	(²)	52,227	(²)	206,326	(²)	48,678	203,771	(²)
	2004	(²)	(²)	56,394	(²)	195,636	(²)	50,816	202,867	(²)
	2005	(²)	(²)	46,804	(²)	210,861	(²)	54,277	201,919	(²)
Mexico	1998	2,100	58.9	123,592	0	0	123,592	58,029	65,563	6,614
	1999	2,000	63.5	126,765	0	0	126,765	63,933	62,831	0
	2000	1,800	69.3	124,659	0	79	124,738	48,246	76,492	0
	2001	2,000	65.1	130,226	0	320	130,543	50,926	70,150	0
	2002	1,800	72.1	129,829	0	474	130,303	76,015	69,593	0
	2003	2,000	62.9	125,772	0	220	136,771	55,159	67,659	0
	2004	(²)	(²)	125,243	(²)	19	(²)	51,544	68,806	(²)
	2005	(²)	(²)	111,619	(²)	5	(²)	42,284	71,032	(²)
United States	1998	2,633	83.7	220,316	70,695	132,362	423,373	10,444	352,678	80,808
	1999	2,688	76.4	205,250	80,808	182,521	468,579	11,073	387,749	79,375
	2000	2,620	84.1	220,339	79,375	198,156	497,870	9,168	419,161	85,328
	2001	2,506	74.0	185,461	85,328	144,952	415,741	7,363	361,907	64,556
	2002	2,574	66.7	171,718	64,556	202,501	438,775	6,885	357,498	39,393
	2003	2,599	70.0	181,727	39,393	200,302	421,422	6,867	357,145	40,785
	2004	2,556	71.8	183,582	40,785	178,803	403,170	7,811	359,592	61,222
	2005	2,410	72.5	174,643	61,222	232,683	468,548	7,641	360,893	62,406

¹ For the United States, only colonies with 5 or more hives are included.

² Not available.

Source: Data presented for 1998-2000 were obtained from *Honey From Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. VII-8, and were compiled from the following sources: *Sugar: World Markets and Trade*, Foreign Agricultural Service, USDA, November 1999, p. 46 (publication discontinued after 1999); *Honey*, NASS, USDA, February 2001; FAS, USDA, Gain Report Nos. CH1017 (April 2001), GM0030 (August 2000) CA0185 (November 2000), and AR1067 (October 2001); and official U.S. import and export statistics. Data presented for 2001-05 were compiled from the following sources: FAS, USDA, *Argentina Honey Update 2001*, Gain Report #AR1067, October 29, 2001; FAS, USDA, *Mexico Honey Annual 2003*, Gain Report #MX3148, October 30, 2003; FAS, USDA, *Canada Honey Production and Trade Update 2003-05*, Gain Report Nos. CA2140, CA3087, CA4090, and CA5083 (December 2002-05); FAOSTAT, <http://faostat.fao.org/default.aspx>; *Honey*, NASS, USDA, February 2002-06; *Global Trade Atlas*; and official U.S. import statistics.

THE SUBJECT FOREIGN INDUSTRIES

Argentina

At the time of the Commission's original investigations, Argentina was the world's second-largest exporter of honey (after China) and the third-largest producer of honey (after China and the United States). It was identified as the only major producing country in which the number of producing colonies was increasing. Argentina consumed domestically only a small amount of its annual honey production in 1999; it was, by far, a net exporter of honey, with a large portion of its honey exports handled by a few Argentine exporting firms. Traditionally, the most important markets for Argentina were identified as Germany and the United States. Other key export markets at that time included Spain, Italy, the United Kingdom, and Japan. In the Commission's original final investigations, foreign producer/exporter questionnaire responses were received from 13 represented Argentine exporters of honey, whose exports to the United States accounted for 81 percent of total U.S. imports of Argentine honey during 2000.

The domestic interested parties indicated in their response in these current reviews that Argentina's prominence as a honey producer and exporter has continued to grow since the Commission's original investigations.¹¹¹ According to UN data, Argentina was ranked as the third-largest producer of honey during 2005 and the largest exporter of honey in the world. As was the case in the original investigations, domestic honey consumption in Argentina is currently small and the Argentine honey industry remains export-oriented. Control of Argentina's honey exports remains in the hands of relatively few exporters and the United States remains an important export market to these exporters.¹¹² In their response, the domestic interested parties identified 86 firms in Argentina that produce and/or export honey;¹¹³ however, they indicated that there are currently about 25,000 honey producers in Argentina with around 2.5 million beehives. Citing the *World Bank Report*, they estimated that the number of beehives in Argentina could be expanded to 4.5 million without major changes.¹¹⁴

Data from public sources concerning Argentina's capacity, production, shipments, and inventories of honey are presented in table I-19. As reported in the Commission's original investigations, exports of honey from Argentina to the United States increased from almost 70 million pounds in 1998 to nearly 99 million pounds in 2000. Such exports subsequently fell to below 10 million pounds in 2003 and 2004, before rising to nearly 52 million pounds in 2005. In 2004, the United States accounted for only about 6.6 percent of Argentina's honey exports. By 2005, it accounted for 21.9 percent of Argentina's honey exports. Traditionally the most important markets for Argentina have been Germany and the United States. Other key export markets include Spain, Italy, and the United Kingdom.

China

During the Commission's original final phase investigations, China was described as the world's largest producer and the second-largest consumer of honey. The Commission received questionnaire responses during its investigations from 13 Chinese exporting firms concerning their shipments of honey produced in China. Seven of these exporting firms indicated in their questionnaire responses that they also owned honey production facilities in China and provided the Commission with data concerning their honey production and capacity. The 13 Chinese companies' exports of honey to the United States

¹¹¹ *Response of AHPA and SHA*, December 21, 2006, p. 24.

¹¹² *Ibid.*, pp. 24-25.

¹¹³ *Ibid.*, exh. 7.

¹¹⁴ *Ibid.*, p. 25.

Table I-19
Honey: Data on the industry in Argentina, 1998-2005

Item	1998	1999	2000	2001	2002	2003	2004	2005
Total colonies (<i>number</i>)	2,100	2,700	2,800	2,800	(¹)	(¹)	(¹)	(¹)
Yield/colony (<i>pounds</i>)	78.7	80.0	70.9	63.0	(¹)	(¹)	(¹)	(¹)
Quantity (1,000 pounds)								
Production	165,347	216,053	198,416	176,368	182,982	165,345	176,368	176,368
Ending stocks	0	0	0	0	(¹)	(¹)	(¹)	(¹)
Domestic consumption	12,599	16,093	5,291	13,161	13,999	14,881	15,829	15,168
Exports to-- The United States	69,500	91,588	98,706	41,029	20,145	8,914	9,180	51,985
All other markets	83,292	73,759	95,303	119,977	156,192	146,508	130,060	185,385
Total exports	152,119	199,959	193,125	161,006	176,337	155,422	139,240	237,370
Ratios (percent)								
Ending stocks to production	0.0	0.0	0.0	0.0	(¹)	(¹)	(¹)	(¹)
Ratios to production:								
Domestic consumption	7.6	7.4	2.7	7.5	7.7	9.0	9.0	8.6
Exports to the United States	42.0	42.4	49.7	23.3	11.0	5.4	5.2	29.5
Exports to all other markets	50.4	34.1	48.0	68.0	85.4	88.6	73.7	105.1
Total exports	92.4	92.6	97.3	91.3	96.4	94.0	78.9	134.6
¹ Not available.								
Source: Data presented for 1998-2000 were obtained from <i>Honey From Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)</i> , USITC Publication 3470, November 2001, p. VII-2, and were compiled from the following sources: USDA/FAS, Sugar: World Markets and Trade, November 1999; official Commerce statistics; USDA/FAS, World Trade Database, and USDA, FAS, Gain Report # AR1067, October 29, 2001. Data presented for 2001-05 were compiled from the following sources: FAS, USDA, <i>Argentina Honey Update 2001</i> , Gain Report #AR1067, October 29, 2001; FAOSTAT, http://faostat.fao.org/default.aspx ; and <i>Global Trade Atlas</i> .								

accounted for a substantial portion (68 percent) of total U.S. imports of Chinese honey during 2000. The seven Chinese firms which were also honey producers accounted for only 16 percent of honey produced in China during 2000.

Today, China remains by far the world's largest producer of honey. In their response, the domestic interested parties identified 95 producers and/or exporters of honey in China.¹¹⁵ Table I-20 presents trade data for the Chinese honey industry during 1998-2005. These data show that since the original investigation, honey production in China has continued to grow. From a production level of 438.6 million pounds in 2000, Chinese honey production has grown in each subsequent year, reaching 657.0 million pounds in 2005.

Chinese honey exports have historically accounted for a significant share of total Chinese honey production. In 2000, China exported over one-half its honey production and by 2005 Chinese honey exports accounted for slightly less than one-third. About 13 percent of total Chinese honey production was destined for the United States during 2000. After the imposition of the orders, the share of total Chinese production held by exports to the United States fell to below 3 percent in 2002 before rising

¹¹⁵ Response of AHPA and SHA, December 21, 2006, exh. 7.

Table I-20
Honey: Data on the industry in China, 1998-2005

Item	1998	1999	2000	2001	2002	2003	2004	2005
Total colonies (<i>number</i>)	6,300	6,300	6,300	(¹)				
Yield/colony (<i>pounds</i>)	54.2	80.1	69.6	(¹)				
Quantity (1,000 pounds)								
Production	341,713	504,390	438,600	560,762	590,458	649,740	656,749	656,971
Ending stocks	49,380	122,911	83,097	(¹)				
Domestic consumption	230,198	241,520	253,597	350,796	372,159	394,645	418,323	443,323
Exports to-- The United States	30,485	50,991	58,406	35,222	16,785	54,263	57,219	62,312
All other markets	142,969	140,212	167,227	199,934	151,756	131,139	121,467	132,495
Total exports	173,454	191,203	225,633	235,156	168,541	185,402	178,686	194,807
Ratios (percent)								
Ending stocks to production	14.5	24.4	18.9	(¹)				
Ratios to production:								
Domestic consumption	67.4	47.9	57.8	62.6	63.0	60.7	63.7	67.5
Exports to the United States	8.9	10.1	13.3	6.3	2.8	8.4	8.7	9.5
Exports to all other markets	41.8	27.8	38.1	35.7	25.7	20.2	18.5	20.2
Total exports	50.8	37.9	51.4	41.9	28.5	28.5	27.2	29.7
¹ Not available.								
Source: Data presented for 1998-2000 were obtained from <i>Honey From Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)</i> , USITC Publication 3470, November 2001, p. VII-2, and were compiled from the following sources: <i>Sugar: World Markets and Trade</i> , USDA, FAS, November 1999, p. 46; USDA, FAS, Gain Report No. CH1017, April 9, 2001; and official U.S. import statistics. Data presented for 2001-06 were compiled from the following sources: FAOSTAT, http://faostat.fao.org/default.aspx ; <i>Honey</i> , NASS, USDA, February 2002-06; and <i>Global Trade Atlas</i> .								

again to almost 10 percent in 2005. The United States is second only to Japan as the major export market for Chinese honey. The domestic interested parties pointed out that the Chinese Government has continued its policy of promoting exports of agricultural products, including honey. They stated that China's goal is to double its farm exports by 2013.¹¹⁶

The Industries in Argentina and China Combined

Combined data for the industries in Argentina and China are presented in table I-21. These data show that since 2001, production and domestic consumption of honey in Argentina and China steadily increased over the 5-year period, by 13.1 percent overall for production and by 26.0 percent overall for domestic consumption. Combined honey exports to the United States fell by 51.6 percent from 2001 to 2002. However, such exports steadily increased from 2002 to 2005 to a level more than three times the level reported in 2002. The two countries' combined honey exports to markets other than the United States fell in each annual period from 2001 to 2004, but increased in 2005.

¹¹⁶ Ibid., p. 17 and exh. 13.

Table I-21

Honey: Data on the combined industries in Argentina and China, 1998-2005

Item	1998	1999	2000	2001	2002	2003	2004	2005
Total colonies (<i>number</i>)	8,400	9,000	9,100	(¹)				
Yield/colony (<i>pounds</i>)	60.4	80.0	70.0	(¹)				
Quantity (1,000 pounds)								
Production	507,060	720,443	637,016	737,130	773,440	815,085	833,117	833,339
Ending stocks	49,380	122,911	83,097	(¹)				
Domestic consumption	242,764	257,613	258,888	363,957	386,158	409,526	434,152	458,491
Exports to-- The United States	99,985	142,579	157,112	76,251	36,930	63,177	66,399	114,297
All other markets	226,261	213,971	262,530	319,911	307,948	277,647	251,527	317,880
Total exports	325,573	391,162	418,758	396,162	344,878	340,824	317,926	432,177
Ratios (percent)								
Ending stocks to production	9.7	17.1	13.0	(¹)				
Ratios to production:								
Domestic consumption	47.9	35.8	40.6	49.4	49.9	50.2	52.1	55.0
Exports to the United States	19.7	19.8	24.7	10.3	4.8	7.8	8.0	13.7
Exports to all other markets	44.6	29.7	41.2	43.4	39.8	34.1	30.2	38.1
Total exports	64.2	54.3	65.7	53.7	44.6	41.8	38.2	51.9
¹ Not available.								
Source: Tables I-19 and I-20.								

APPENDIX A
***FEDERAL REGISTER* NOTICES**

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-402 and 731-TA-892 and 893 (Review)]

Honey From Argentina and China

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China.

SUMMARY: The Commission hereby gives notice that it has instituted reviews 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 countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China 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

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. 07-5-162, expiration date June 30, 2008. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments

consideration, the deadline for responses is December 21, 2006. Comments on the adequacy of responses may be filed with the Commission by January 16, 2007. For further information concerning the conduct of these reviews 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: November 1, 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 these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. On December 10, 2001, the Department of Commerce issued a countervailing duty order on imports of honey from Argentina (66 FR 63673) and antidumping duty orders on imports of honey from Argentina and China (66 FR 63672, 63670). The Commission is conducting reviews to determine whether revocation of the orders 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 full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions. The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

(2) The *Subject Countries* in these reviews are Argentina and China.

(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 determinations, the Commission found that there was one *Domestic Like Product* consisting of all honey, consistent 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 determinations, the Commission found a single *Domestic Industry* consisting of the U.S. producers of honey, both raw and processed. The Commission found that packers, who produce processed honey, as well as beekeepers, who produce raw honey, should be treated as U.S. producers. However, the Commission excluded two packers and one beekeeper/packer from the *Domestic Industry* pursuant to the related parties provision.

(5) The *Order Date* is the date that the countervailing duty and antidumping duty orders under review became effective. In these reviews, the *Order Date* is December 10, 2001.

(6) 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 reviews 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 reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 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 reviews.

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's

designated agency ethics official has advised that a 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 these reviews available to authorized applicants under the APO issued in the reviews, 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 reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification. Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews 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 section 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 December 21, 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 expedited or full reviews. The deadline for filing such comments is January 16, 2007. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 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 section 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 reviews must be served on all other parties to the reviews (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 reviews you do not need to serve your response).

Inability to provide requested information. Pursuant to section 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 determinations in the reviews.

Information to be Provided in Response to this Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. 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 these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing duty and antidumping duty orders 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 each Subject Country that currently export or have exported *Subject Merchandise* to the United States or other countries since the Order Date.

(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 pounds 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) Number of domestic honey-producing colonies, production and/or packing (quantity) and, if known, an estimate of the percentage of total U.S. production and/or packing of the *Domestic Like Product* accounted for by your firm's(s') production and/or packing;

(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(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in pounds 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 or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S.

commercial shipments of *Subject Merchandise* imported from the *Subject Country(ies)*; and

(c) the quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country(ies)*.

(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(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in pounds and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing 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 each *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 each *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

each *Subject Country* since the *Order Date*, 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 each *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: These reviews are 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: October 25, 2006.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E6-18309 Filed 10-31-06; 8:45 am]

BILLING CODE 7020-02-P

FOR FURTHER INFORMATION CONTACT: The Department official identified in the *Initiation of Review(s)* section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th & Constitution Ave., NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205-3193.

SUPPLEMENTARY INFORMATION:

Background

The Department's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3—*Policies Regarding the Conduct of Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

Initiation of Reviews

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping and countervailing duty orders:

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-Year ("Sunset") Reviews

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: In accordance with section 751(c) of the Tariff Act of 1930, as amended ("the Act"), the Department of Commerce ("the Department") is automatically initiating a five-year ("Sunset Review") of the antidumping and countervailing duty orders listed below. The International Trade Commission ("the Commission") is publishing concurrently with this notice its notice of *Institution of Five-Year Review* which covers these same order.

Effective Date: November 1, 2006.

DOC case No.	ITC case No.	Country	Product	Department contact
A-357-812	731-TA-892	Argentina	Honey	Dana Mermelstein, (202) 482-1391.
A-570-863	731-TA-893	PRC	Honey	Dana Mermelstein, (202) 482-1391.
A-588-857	731-TA-919	Japan	Welded Large Diameter Line Pipe	Dana Mermelstein, (202) 482-1391.
A-201-828	731-TA-920	Mexico	Welded Large Diameter Line Pipe	Dana Mermelstein, (202) 482-1391.

Countervailing Duty Proceedings

C-357-813	701-TA-402	Argentina	Honey	Dana Mermelstein, (202) 482-1391.
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Suspended Investigations

No suspended investigations are scheduled for initiation in November 2006.

Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the Department's regulations regarding Sunset Reviews (19 CFR 351.218) and *Sunset Policy Bulletin*, the Department's schedule of Sunset Reviews, case history information (*i.e.*, previous margins, duty absorption determinations, scope language, import volumes), and service lists available to

the public on the Department's sunset Internet Web site at the following address: "<http://ia.ita.doc.gov/sunset/>." All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, service, and certification of documents. These rules can be found at 19 CFR 351.303.

Pursuant to 19 CFR 351.103(c), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the

Notice of Initiation. Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of the notice of initiation of the sunset review. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304-306.

Information Required From Interested Parties

Domestic interested parties (defined in section 771(9)(C), (D), (E), (F), and (G)

of the Act and 19 CFR 351.102(b)) wishing to participate in these Sunset Reviews must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the orders without further review.

See 19 CFR 351.218(d)(1)(iii).

For sunset reviews of countervailing duty orders, parties wishing the Department to consider arguments that countervailable subsidy programs have been terminated must include with their substantive responses information and documentation addressing whether the changes to the program were (1) limited to an individual firm or firms and (2) effected by an official act of the government. Further, a party claiming program termination is expected to document that there are no residual benefits under the program and that substitute programs have not been introduced. *Cf.* 19 CFR 351.526(b) and (d). If a party maintains that any of the subsidies countervailed by the Department were not conferred pursuant to a subsidy program, that party should nevertheless address the applicability of the factors set forth in 19 CFR 351.526(b) and (d). Similarly, parties wishing the Department to consider whether a company's change in ownership has extinguished the benefit from prior non-recurring, allocable, subsidies must include with their substantive responses information and documentation supporting their claim that all or almost all of the company's shares or assets were sold in an arm's length transaction, at a price representing fair market value, as described in the *Notice of Final Modification of Agency Practice Under Section 123 of the Uruguay Round Agreements Act*, 68 FR 37125 (June 23, 2003) (*Modification Notice*). See *Modification Notice* for a discussion of the types of information and documentation the Department requires.

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The

required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information requirements. Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews.¹ Please consult the Department's regulations at 19 CFR Part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: October 26, 2006.

Thomas F. Futtner,

*Acting Office Director, AD/CVD Operations,
Office 4, Import Administration.*

[FR Doc. E6-18441 Filed 10-31-06; 8:45 am]

BILLING CODE 3510-DS-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigation Nos. 701-TA-402 and 731-TA-892 and 893 (Review)]

Honey From Argentina and China

AGENCY: United States International Trade Commission.

ACTION: Scheduling of expedited five-year reviews concerning the countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China.

SUMMARY: The Commission hereby gives notice of the scheduling of expedited reviews pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(3)) (the Act) to determine whether revocation of the countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews 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: February 5, 2007.

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 these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: *Background.* On February 5, 2007, the Commission determined that the domestic interested party group

response to its notice of institution (71 FR 64292, November 1, 2006) of the subject five-year reviews was adequate and that the respondent interested party group responses were inadequate. The Commission did not find any other circumstances that would warrant conducting full reviews.¹ Accordingly, the Commission determined that it would conduct expedited reviews pursuant to section 751(c)(3) of the Act.

Staff report. A staff report containing information concerning the subject matter of the reviews will be placed in the nonpublic record on May 15, 2007, and made available to persons on the Administrative Protective Order service list for these reviews. A public version will be issued thereafter, pursuant to § 207.62(d)(4) of the Commission's rules.

Written submissions. As provided in § 207.62(d) of the Commission's rules, interested parties that are parties to the reviews and that have provided individually adequate responses to the notice of institution,² and any party other than an interested party to the reviews may file written comments with the Secretary on what determinations the Commission should reach in the reviews. Comments are due on or before May 22, 2007, and may not contain new factual information. Any person that is neither a party to the five-year reviews nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the reviews by May 22, 2007. However, should the Department of Commerce extend the time limit for its completion of the final results of its reviews, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of §§ 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 § 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).

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the reviews must be served on all other parties to the reviews (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.

Determinations. 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).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

By order of the Commission.

Issued: February 7, 2007.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E7-2455 Filed 2-12-07; 8:45 am]

BILLING CODE 7020-02-P

¹ 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.

² The Commission has found the responses submitted by the American Honey Producers Association and the Sioux Honey Association to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

telephone: (202) 482-0197 or (202) 482-1391, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 1, 2006, the Department initiated the first sunset review of the CVD order on honey from Argentina, pursuant to section 751(c) of the Act. *See Initiation of Five-year ("Sunset") Reviews*, 71 FR 64242 (November 1, 2006). The Department received notices of intent to participate from the American Honey Producers Association (AHPA) and the Sioux Honey Association (SHA), the petitioners in the original investigation (collectively, "domestic interested parties"), within the deadline specified in 19 CFR 351.218(d)(1)(i). AHPA and SHA claimed interested party status as trade or business associations a majority of whose members manufacture, produce or wholesale a domestic like product for the United States under section 771(9)(E) of the Act; SHA also claimed interested party status under section 771(9)(C) of the Act, as domestic producers of processed and raw honey in the United States engaged in the manufacture, production, or wholesale of honey in the United States. The Department received substantive responses from the domestic interested parties and the following respondent interested parties: the Government of Argentina (GOA), Nexco, S.A (Nexco), HoneyMax, S.A (HoneyMax), and the Asociación de Cooperativas Argentinas (ACA).

On December 20, 2006, the Department determined that the participation of the respondent interested parties was adequate, and that it was appropriate to conduct a full sunset review. *See Memorandum to Stephen J. Claeys, Deputy Assistant Secretary, Import Administration, Re: Adequacy Determination: Sunset Review of the Countervailing Duty Order on Honey from Argentina* dated December 20, 2006, and on file in the Central Records Unit (CRU), Room B-099 of the main Commerce Building.

Scope Of The Order

The merchandise covered by this order is artificial honey containing more than 50 percent natural honeys by weight, preparations of natural honey containing more than 50 percent natural honeys by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, combs, cut comb, or chunk form, and whether packaged for retail or in bulk form. The merchandise subject to this order is currently classifiable under subheadings

0409.00.00, 1702.90, and 2106.90.99 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and U.S. Customs and Border Protection (CBP) purposes, the Department's written description of the merchandise covered by this order is dispositive.

Analysis Of Comments Received

All issues raised in this review are addressed in the *Preliminary Issues and Decision Memorandum* from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration (*Preliminary Decision Memorandum*), dated concurrently with this notice and which is hereby adopted by this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendation in this public memorandum which is on file in the CRU. In addition, a complete version of the *Preliminary Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the *Preliminary Decision Memorandum* are identical in content.

Preliminary Results Of Review

The Department preliminarily determines that revocation of the CVD order would likely lead to continuation or recurrence of a countervailable subsidy. The net countervailable subsidy likely to prevail if the order were revoked is 5.85 percent.

Interested parties may submit case briefs and hearing requests no later than 50 days after the date of publication of these preliminary results, in accordance with 19 CFR 351.309(c)(1)(i) and 19 CFR 351.310(c). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than five days from the filing of the case briefs, in accordance with 19 CFR 351.309(d). If a hearing is requested, parties will be notified of the date, time and location. The Department will issue a notice of final results of this sunset review, which will include the results of its analysis of issues raised in any such briefs, no later than June 29, 2007.

We are issuing and publishing these preliminary results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: February 20, 2007.

David M. Spooner,
Assistant Secretary for Import Administration.
[FR Doc. E7-3437 Filed 2-27-07; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

C-357-813

Preliminary Results of Full Sunset Review: Countervailing Duty Order on Honey from Argentina

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On November 1, 2006, the Department of Commerce (the Department) initiated a sunset review of the countervailing duty (CVD) order on honey from Argentina, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of a notice of intent to participate and an adequate substantive response filed on behalf of the domestic interested parties and adequate substantive responses from respondent interested parties, the Department determined to conduct a full sunset review of this CVD order pursuant to section 751(c) of the Act and 19 CFR 351.218(e)(2). As a result of our analysis, the Department preliminarily finds that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy at the level indicated in the "Preliminary Results of Review" section of this notice.

EFFECTIVE DATE: February 28, 2007.

FOR FURTHER INFORMATION CONTACT: Elfi Blum or Dana Mermelstein, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230;

established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (“Sparklers”), as amplified by the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994). Under the separate-rates criteria, the Department assigns separate rates in NME cases only if the respondent can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities.

By failing to allow the Department to verify the accuracy of their submissions, Leping Lotai, Nanjing Merry, and Shanghai Strong, have not demonstrated they are free of government control and are therefore not eligible to receive a separate rate. In the Notices of Initiation, the Department stated that an exporter unable to demonstrate the company's eligibility for a separate rate does not meet the requirements of 19 CFR 351.214(b)(2)(iii) and its new shipper review will be rescinded. See *May 5, 2006, Initiation Notice* at 26454; see also *May 31, 2006, Initiation Notice* at 30866. Therefore, the Department is preliminarily rescinding the new shipper reviews of Leping Lotai, Nanjing Merry, and Shanghai Strong. See, e.g., *Notice of Preliminary Results of Antidumping Duty New Shipper Review and Rescission of New Shipper Reviews: Freshwater Crawfish Tail Meat from the People's Republic of China*, 69 FR 53669 (September 2, 2004); see also *Brake Rotors From the People's Republic of China: Rescission of Second New Shipper Review and Final Results and Partial Rescission of First Antidumping Duty Administrative Review*, 64 FR 61581 (November 12, 1999).

Schedule for Final Results of Review

Unless otherwise notified by the Department, interested parties may submit case briefs within 30 days of the date of publication of this notice in accordance with section 351.309(c)(ii) of the Department's regulations. As part of the case brief, parties are encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Rebuttal briefs, which must be limited to issues raised in the case briefs, must be filed within five days after the case brief is filed.

Any interested party may request a hearing within 30 days of publication of this notice in accordance with section 351.310(c) of the Department's regulations. Any hearing would normally be held 37 days after the

publication of this notice, or the first workday thereafter, at the U.S. Department of Commerce, 14th Street and Constitution Avenue N.W., Washington, DC 20230. Individuals who wish to request a hearing must submit a written request within 30 days of the publication of this notice in the **Federal Register** to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Requests for a public hearing should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and, (3) to the extent practicable, an identification of the arguments to be raised at the hearing. If a hearing is held, an interested party must limit its presentation only to arguments raised in its briefs. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

The Department will issue the final results of this new shipper review, which will include the results of its analysis of issues raised in the briefs, within 90 days from the date of the preliminary results, unless the time limit is extended.

Notification

This notice serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO material or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanctions.

These new shipper reviews and this notice are published in accordance with sections 751(a)(2)(B) and 777(i)(1) of the Act.

Dated: February 22, 2007.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E7-4068 Filed 3-6-07; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

[A-357-812, A-570-863]

Honey From Argentina and the People's Republic of China; Final Results of the Expedited Five-Year (“Sunset”) Reviews of Antidumping Duty Orders

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: On November 1, 2006, the Department of Commerce (the Department) initiated sunset reviews of the antidumping duty orders on honey from Argentina and the People's Republic of China (PRC) pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). On the basis of notices of intent to participate and adequate substantive responses filed on behalf of domestic interested parties, and no response from respondent interested parties, the Department conducted expedited (120-day) sunset reviews of these antidumping duty orders. As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping at the levels identified below in the “Final Results of Review” section of this notice.

EFFECTIVE DATE: March 7, 2007.

FOR FURTHER INFORMATION: Deborah Scott, AD/CVD Operations, Office 7 (Argentina), Catherine Bertrand, AD/CVD Operations, Office 9 (PRC) or Dana Mermelstein, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-2657, (202) 482-3207 or (202) 482-1391, respectively.

SUPPLEMENTARY INFORMATION

Background

On November 1, 2006, the Department initiated sunset reviews of the antidumping duty orders on honey from Argentina and the PRC pursuant to section 751(c) of the Act. See *Initiation of Five-Year (“Sunset”) Reviews*, 71 FR 64242 (November 1, 2006). The Department received notices of intent to participate from two domestic interested parties, American Honey Producers Association and Sioux Honey Association (collectively, domestic interested parties), within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations. Domestic

interested parties claimed interested party status under section 771(9)(C) of the Act as U.S. producers of a domestic like product and under section 771(9)(E) as a trade association whose members produce the domestic like product in the United States. We received complete substantive responses from domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). However, we did not receive any responses from any respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted expedited sunset reviews of these orders.

Scope of the Orders

For purposes of these orders, the products covered are natural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural

honey by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form.

The merchandise covered by these orders is currently classifiable under subheadings 0409.00.00, 1702.90.90, and 2106.90.99 of the *Harmonized Tariff Schedule of the United States* (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise under this order is dispositive.

Analysis of Comments Received

All issues raised in these cases are addressed in the "Issues and Decision Memorandum" from Stephen Claeys, Deputy Assistant Secretary for AD/CVD Operations, Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated March 1, 2007 (Decision Memorandum), which

is hereby adopted by this notice. The issues discussed in the Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the orders were revoked. Parties can find a complete discussion of all issues raised in these sunset reviews and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Department building.

In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://ia.ita.doc.gov/frn/>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Sunset Reviews

We determine that revocation of the antidumping duty orders on honey from Argentina and the PRC would likely lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturers/exporters/producers	Weighted-average margin (percent)
<i>Argentina:</i>	
Asociacion de Cooperativas Argentinas (ACA)	37.44
Radix S.R.L. (Radix)	32.56
ConAgra Argentina	60.67
All Others	35.76
<i>PRC:</i>	
Inner Mongolia Autonomous Region Native Produce and Animal By-Products Import and Export Corporation	57.13
Kunshan Foreign Trading Co	49.60
Zhejiang Native Produce and Animal By-Products Import and Export Corp	25.88
High Hope International Group Jiangsu Foodstuffs Import and Export Corp	45.46
Shanghai Eswell Enterprise Co., Ltd	45.46
Anhui Native Produce Import and Export Corporation	45.46
Henan Native Produce Import and Export Corporation	45.46
PRC-Wide rate	183.80

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing these results and this notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: March 1, 2007.

David M. Spooner,
Assistant Secretary for Import Administration.

[FR Doc. E7-4052 Filed 3-6-07; 8:45 am]

BILLING CODE 3510-DS-P

APPENDIX B
STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

Honey from Argentina and China

Inv. Nos. 701-TA-402 and 731-TA-892 and 893 (Review)

On February 5, 2007, the Commission determined that it should proceed to expedited reviews in the subject five-year reviews 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 individually adequate responses from the American Honey Producers Association and the Sioux Honey Association in a joint response that indicated they collectively account for the majority of U.S. production of honey. The Commission therefore unanimously determined that the domestic interested party group response was adequate.

The Commission received no responses from any respondent interested party regarding the orders on subject imports from Argentina or China. Thus, it unanimously determined that the respondent interested party group responses to the notice of institution were inadequate. In the absence of an adequate respondent interested party group response, or any other circumstances that would warrant a full review of any order, the Commission determined to conduct expedited reviews of all orders.

A record of the Commissioners' votes is available from the Office of the Secretary and at the Commission's web site (www.usitc.gov).

