Lemon Juice from Brazil and South Africa

Investigation Nos. 731-TA-1578-1579 (Preliminary)

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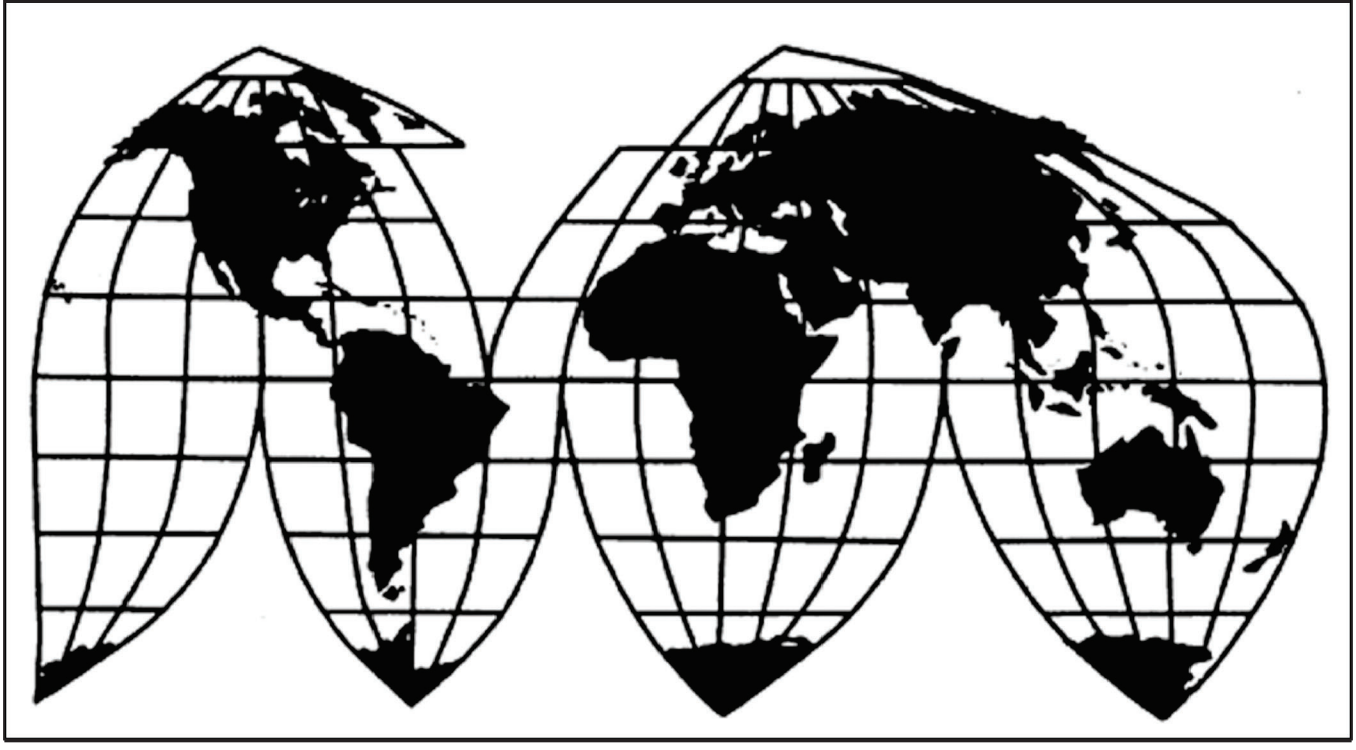
U.S. International Trade Commission



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CONTENTS

Page

Determinations **1**
Views of the Commission **3**

Part I: Introduction **I-1**
Background I-1
Statutory criteria I-1
Organization of report I-3
Market summary I-3
Summary data and data sources I-4
Previous and related investigations I-4
Nature and extent of alleged sales at LTFV I-6
Alleged sales at LTFV I-6
The subject merchandise I-6
Commerce's scope I-6
Tariff treatment I-7
The product I-9
Description and applications I-9
Manufacturing processes I-12
Domestic like product issues I-16
Part II: Conditions of competition in the U.S. market **II-1**
U.S. market characteristics II-1
Channels of distribution II-2
Geographic distribution II-3
Supply and demand considerations II-4
U.S. supply II-4
U.S. demand II-8
Substitutability issues II-10
Factors affecting purchasing decisions II-11
Comparison of U.S.-produced and imported lemon juice II-13

CONTENTS

Page

Part III: U.S. producers' production, shipments, and employment III-1
U.S. producers III-1
U.S. production, capacity, and capacity utilization III-3
Alternative products III-5
U.S. producers' U.S. shipments and exports III-6
U.S. producers' inventories III-10
U.S. producers' imports and purchases III-11
U.S. employment, wages, and productivity III-14
Part IV: U.S. imports, apparent U.S. consumption, and market shares IV-1
U.S. importers IV-1
U.S. imports IV-3
Negligibility IV-8
Cumulation considerations IV-9
Fungibility IV-9
Geographical markets IV-16
Presence in the market IV-18
Apparent U.S. consumption and market shares IV-22
Part V: Pricing data V-1
Factors affecting prices V-1
Raw material costs V-1
Transportation costs to the U.S. market V-1
U.S. inland transportation costs V-1
Pricing practices V-2
Pricing methods V-2
Sales terms and discounts V-3
Packaging V-3
Price data V-3
Price trends V-11

CONTENTS

Page

Part V: Pricing data ..... Continued
Price comparisons V-15
Lost sales and lost revenue V-16
Part VI: Financial experience of U.S. producers VI-1
Background VI-1
Operations on lemon juice VI-2
Net sales VI-11
Cost of goods sold and gross profit or loss VI-11
SG&A expenses and operating income or loss VI-14
All other expenses and net income or loss VI-15
Variance analysis VI-16
Capital expenditures and research and development expenses VI-18
Assets and return on assets VI-19
Capital and investment VI-20
Part VII: Threat considerations and information on nonsubject countries VII-1
The industry in Brazil VII-3
Changes in operations VII-4
Operations on lemon juice VII-4
Alternative products VII-7
The industry in South Africa VII-8
Changes in operations VII-9
Operations on lemon juice VII-10
Alternative products VII-12
Subject countries combined VII-14
U.S. inventories of imported merchandise VII-16
U.S. importers' outstanding orders VII-18
Third-country trade actions VII-19
Information on nonsubject countries VII-19

CONTENTS

Page

Appendixes

A. Federal Register notices A-1

B. List of staff conference witnesses B-1

C. Summary data C-1

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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-1578-1579 (Preliminary)

Lemon Juice from Brazil and South Africa

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of lemon juice from Brazil and South Africa, provided for in subheadings 2009.31.40, 2009.31.60, and 2009.39.60 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value ("LTFV").[2]

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules, upon notice from the U.S. Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under § 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under § 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

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

[2] 87 FR 3768 (January 25, 2022).

BACKGROUND

On December 30, 2021, Ventura Coastal LLC, Ventura, California filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured by reason of LTFV imports of lemon juice from Brazil and South Africa. Accordingly, effective December 30, 2021, the Commission instituted antidumping duty investigation Nos. 731-TA-1578-1579 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of January 7, 2022 (87 FR 992). The Commission conducted its conference on January 20, 2022. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we find that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of lemon juice from Brazil and South Africa that are allegedly sold in the United States at less than fair value ("LTFV").

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[1] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[2]

II. Background

These investigations resulted from petitions filed on December 30, 2021, alleging that an industry in the United States is materially injured and threatened with material injury by reason of LTFV imports of lemon juice from Brazil and South Africa. The Petitioner is Ventura Coastal LLC ("Petitioner" or "Ventura Coastal"), a domestic producer of lemon juice. Representatives from Petitioner appeared at the staff conference accompanied by counsel.[3] Petitioner also submitted a postconference brief.

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[1] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

[2] *American Lamb Co*., 785 F.2d at 1001; *see also Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

[3] In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its staff conference by videoconference and written witness testimony as set forth in procedures provided to the parties.

Four parties opposed to the petition participated in the preliminary phase of these investigations by appearing at the conference accompanied by counsel and submitting postconference briefs:

- The Coca-Cola Company ("Coca-Cola"), a U.S. purchaser of subject merchandise from Brazil;
- Global Natural Foods Inc. ("GNF"), a U.S. importer of subject merchandise from Brazil;
- Greenwood Associates Inc. ("Greenwood"), a U.S. importer of subject merchandise from South Africa; and
- The South African Fruit Juice Association ("SAFJA"), a trade association whose members are producers/exporters of subject merchandise from South Africa.[4]

In addition, Louis Drefyus Company Sucos S.A., a producer and exporter of subject merchandise from Brazil, and Louis Dreyfus Company Juices NA LLC, a U.S. importer of subject merchandise from Brazil (collectively, "Louis Dreyfus"), submitted a postconference brief.

U.S. industry data are based on the questionnaire responses of two firms, accounting for the vast majority of U.S. production of lemon juice during 2020.[5] U.S. import data are based on official import statistics.[6] Foreign industry data and related information are based on the questionnaire responses from: two producers/exporters of lemon juice in Brazil accounting for approximately *** percent of lemon juice production in Brazil in 2020 and the vast majority of U.S. imports of subject merchandise from Brazil in 2020;[7] and five producers/exporters of lemon juice in South Africa accounting for approximately *** percent of lemon juice production

[4] SAFJA filed a joint postconference brief on behalf of the following five member firms: (1) Venco Fruit Processor (Pty) Ltd.; (2) Onderberg Verwerkingskoöperasie Ltd.; (3) Granor Passi (Pty) Ltd.; (4) Cape Fruit Processors (Pty) Ltd.; and (5) Magliesberg Citrus Company (Pty) Ltd. SAFJA is an interested party by virtue of being an association, a majority of the members of which are producers/exporters of subject merchandise. *See* 19 U.S.C. § 1677(9)(A).

[5] Confidential Report INV-UU-010 (Feb. 7, 2022) ("CR") at I-4; Public Report, *Lemon Juice from Brazil and South Africa*, Inv. Nos. 731-TA-1578-1579 (Preliminary), USITC Pub. 5284 (Feb. 2022) ("PR") at I-4.

[6] CR/PR at I-4, IV-1, Table IV-2, and Figure IV-1. The Commission received usable questionnaire responses from 15 importers of lemon juice, representing more than 85 percent of U.S. imports from Brazil and more than 80 percent of U.S. imports from South Africa, respectively, in 2020 under HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040. CR/PR at IV-1. The importer questionnaire coverage is based on value. CR/PR at IV-1 n.2.

[7] CR/PR at VII-3.

in South Africa in 2020 and all known U.S. imports of subject merchandise from South Africa in 2020.[8]

III. Domestic Like Product

A. Legal Standard

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[9] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[10] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[11]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by the U.S. Department of Commerce ("Commerce").[12] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[13] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[14] The decision regarding the appropriate domestic like product(s) in an investigation

[8] CR/PR at VII-7.

[9] 19 U.S.C. § 1677(4)(A).

[10] 19 U.S.C. § 1677(4)(A).

[11] 19 U.S.C. § 1677(10).

[12] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

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

[14] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's

(*continued*...)

is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[15] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[16] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[17] It may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.[18]

B. Scope Definition

In its notice of initiation, Commerce defined the imported merchandise within the scope of the investigations as:

> . . . certain lemon juice. Lemon juice is covered: (1) With or without addition of preservatives, sugar, or other sweeteners; (2) regardless of the GPL (grams per liter of citric acid) level of concentration, brix level,

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(…*continued*)

{like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs.,* 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-52 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[15] *See, e.g., Cleo*, 501 F.3d at 1299; *NEC Corp. v. Dep't of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

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

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

[18] *See*, *e.g.*, *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington,* 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

brix/acid ratio, pulp content, clarity; (3) regardless of the grade, horticulture method (e.g., organic or not), processed form (e.g., frozen or not-from-concentrate), the size of the container in which packed, or the method of packing; and (4) regardless of the U.S. Department of Agriculture Food and Drug Administration (FDA) standard of identity (as defined under 19 CFR 146.114 et seq.) (i.e., whether or not the lemon juice meets an FDA standard of identity).

Excluded from the scope are: (1) Lemon juice at any level of concentration packed in retail-sized containers ready for sale to consumers; and (2) beverage products, such as lemonade, that contain 20 percent or less lemon juice as an ingredient by actual volume. "Retail-sized containers" are defined as lemon juice products sold in ready-for-sale packaging (e.g., clearly visible branding, nutritional facts listed, etc.) containing up to 128 ounces of lemon juice by actual volume.

The scope also includes certain lemon juice that is blended with certain lemon juice from sources not subject to these investigations. Only the subject lemon juice component of such blended merchandise is covered by the scope of these investigations. Blended lemon juice is defined as certain lemon juice with two distinct component parts of differing country(s) of origin mixed together to form certain lemon juice where the component parts are no longer individually distinguishable.

The product subject to these investigations is currently classifiable under subheadings 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.[19]

[19] *Lemon Juice from Brazil and South Africa: Initiation of Less-Than-Fair-Value Investigations*, 86 Fed. Reg. 3768, 3772 (Jan. 25, 2022).

In the United States, lemons are generally grown primarily for the fresh market.[20] Those with imperfections or that fail to meet size or grade standards are shipped for processing into various products including lemon juice.[21] Lemon juice is sold to be used as an ingredient by food and beverage processing companies as well as producers of non-food products, such as household cleaners.[22]

Lemons are processed into juice with varying concentrations, acidity, and sugar content.[23] Frozen concentrated lemon juice ("FCLJ") and not-from-concentrate lemon juice ("NFCLJ") are the two main types of domestically produced lemon juice within the scope.[24] It can be marketed as cloudy, containing up to 12 percent pulp, or clear or clarified, with no visible pulp.[25] The level of concentration is principally measured by acidity, as grams per liter of anhydrous citric acid ("GPL").[26] FCLJ is more economically transported and stored than NFCLJ since removing the water reduces bulk and weight.[27] In addition, concentrated lemon juice is less susceptible to microorganisms and also may be stored refrigerated rather than frozen, which reduces energy costs.[28]

C. Parties' Arguments

Petitioner's Arguments. Petitioner argues that the Commission should define a single domestic like product consisting of all lemon juice, coextensive with Commerce's scope in the preliminary phase of these investigations.[29] It contends that both in-scope domestically produced FCLJ and NFCLJ have similar physical characteristics and uses, the same channels of distribution, common manufacturing facilities, production processes, and employees, are perceived by market participants to be a single product category, are generally interchangeable, and are sold within a reasonable range of similar prices.[30] Moreover,

[20] CR/PR at I-9.
[21] CR/PR at I-9.
[22] CR/PR at I-10.
[23] CR/PR at I-11.
[24] CR/PR at I-11.
[25] CR/PR at I-11
[26] CR/PR at I-11. The typical GPL levels for FCLJ are acidity levels of 400 GPL and 500 GPL, but concentration levels can be customized to customer specifications. *Id*.
[27] CR/PR at I-11.
[28] CR/PR at I-11.
[29] Petitioner's Postconf. Br. at 5.
[30] Petitioner's Postconf. Br. at 10-14.

Petitioner argues the Commission should include both conventional and organic forms of FCLJ and NFCLJ in the single like product, coextensive with Commerce's scope.[31]

Respondents' Arguments. All respondent parties indicated at the conference that they do not object to Petitioner's proposed domestic like product definition for purposes of these preliminary determinations.[32]

D. Analysis

For the reasons discussed below, we define a single domestic like product consisting of all lemon juice, coextensive with the scope of these investigations.

Physical Characteristics and Uses. All domestically produced FCLJ and NFCLJ within the scope are produced from fresh lemons.[33] Because the predominant ingredient for in-scope domestically produced FCLJ and NFCLJ is the same (*i.e.*, fresh lemons), all domestically produced FCLJ and NFCLJ within the scope bear significant similarities in terms of physical characteristics notwithstanding some differences in color and flavor between the products.[34] In-scope domestically produced FCLJ is generally seven to 10 times more concentrated than in-scope domestically produced NFCLJ.[35] Despite differences in terms of concentration levels, both FCLJ and NFCLJ share the same predominant end-use as ingredients in lemonade and other lemon-flavored beverages as well as other ends uses.[36]

There is only limited information in the current record concerning domestically produced organic FCLJ and organic NFCLJ, which accounted for less than *** percent of U.S. producers' U.S. shipments of lemon juice in 2020.[37] In terms of physical characteristics, both domestically produced conventional and organic FCLJ and NFC are produced from lemons not

[31] Petitioner's Postconf. Br. at 11-14.

[32] Conf. Tr. at 120-21 (Noonan). No respondents addressed domestic like product in their postconference brief or responses to staff questions.

[33] According to Petitioner, there are no particular varieties of lemons used, or preferred, for processing into lemon juice. *See, e.g.,* Petitioner's Postconf. Br. at 11.

[34] CR/PR at I-15. At the conference, an industry witness testifying on behalf of Petitioner stated that in-scope domestically produced NFCLJ has a "much more lemony and much fresher flavor" than in-scope domestically produced FCLJ. Conf. Tr. at 36 (Borgers). The same witness also stated that in-scope domestically produced FCLJ experiences more "color degradation" than in-scope domestically produced NFCLJ due to the greater amount of heat treatment that FCLJ is subjected to during the manufacturing process compared with NFCLJ. Conf. Tr. at 35-36 (Borgers).

[35] *See, e.g.*, EDIS Doc. Nos. 762181 & 762183 (Ventura Coastal and Greenwood product specifications).

[36] CR/PR at I-11; Petitioner's Postconf. Br. at 11.

[37] CR/PR at Table IV-7 & Figure IV-4.

dedicated to the fresh market and producers and importers generally did not report any significant differences between conventional and organic FCLJ and NFCLJ in terms of their physical characteristics.[38] All domestically produced lemon juice, including organic FCLJ and NFCLJ, have the same predominant use insofar as they are bottled as lemon juice or used as ingredients in lemonade and other beverages.[39]

Manufacturing Facilities, Production Processes, and Employees. All domestically produced FCLJ and NFCLJ within the scope are manufactured using the same two general production processes, *i.e.*, the JBT and Brown methods.[40] Although in-scope domestically produced FCLJ and NFCLJ are generally produced using the same production processes, FCLJ goes through an evaporation process to be concentrated, whereas NFCLJ is never concentrated and goes through a pasteurization process.[41] Ventura Coastal, the largest domestic producer of lemon juice throughout the period of investigation ("POI"), produces both FCLJ and NFCLJ on the same production lines at the same facilities using the same employees.[42]

According to Petitioner, all in-scope domestically produced organic FCLJ and NFCLJ and conventional FCLJ and NFCLJ are produced at the same facilities by the same employees using the same basic production processes on the same equipment, which is subject to certain cleaning protocols prior to production runs for the organic lemon juice products.[43]

Channels of Distribution. During the POI, all domestically produced lemon juice within the scope was sold predominantly to distributors, ranging from *** percent to *** percent of the domestic industry's U.S. shipments, with the remainder sold to food or beverage manufacturers (ranging from *** percent to *** percent).[44] At the conference, an industry witness testifying on behalf of Petitioner stated that both domestically produced FCLJ and NFCLJ within the scope are sold to similar customers, including beverage manufacturers.[45]

Petitioner contends that domestically produced organic FCLJ and NFCLJ and domestically produced conventional FCLJ and NFCLJ are sold in overlapping channels of distribution.[46]

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[38] CR/PR at II-10; *see generally* U.S. Importers' Questionnaires.
[39] CR/PR at I-11; Petitioner's Postconf. Br. at 11.
[40] *See generally* CR/PR at I-12-16; Petitioner's Postconf. Br. at 13.
[41] CR/PR at I-11 & I-14.
[42] Conf. Tr. at 38 (Borgers).
[43] Petitioner's Postconf. Br. at 13; Conf. Tr. at 40-41 (Borgers).
[44] CR/PR at Table II-1.
[45] Conf. Tr. at 38 (Borgers).
[46] Petitioner's Postconf. Br. at 12; CR/PR at Table II-1.

Interchangeability. In-scope domestically produced FCLJ and NFCLJ (including organic and conventional) are generally interchangeable in that they are used to produce the same products, including lemonade and bottled lemon juice.[47] However, in some circumstances, the interchangeability between the products may be one-way (*e.g.*, FCLJ cannot be unconcentrated to produce NFCLJ).[48]

Producer and Customer Perceptions. According to Petitioner, customers and producers generally perceive all domestically produced FCLJ and NFCLJ (including organic and conventional) within the scope as comprising a single product category.[49] At the conference, an industry witness testifying on behalf of Petitioner stated that domestic producers of lemon juice perceive conventional NFCLJ as superior in terms of flavor and more suited for use in premium products than conventional FCLJ.[50]

Price. Petitioner maintains that all domestically produced FCLJ and NFCLJ within the scope are sold within the same general price range.[51] One industry witness testified that in-scope domestically produced NFCLJ has a price premium of approximately 30 percent compared with in-scope domestically produced FCLJ.[52] The Commission collected pricing data for two FCLJ products (Products 1 and 2) and one NFCLJ product (Product 3) in the preliminary phase of these investigations.[53] The pricing data indicate that there were appreciable variations in quarterly prices among the various pricing products for lemon juice during the POI, with the NFCLJ pricing product priced both comparably in some cases and somewhat higher than the FCLJ pricing products in others.[54] With respect to organic FCLJ and organic NFCLJ, the Commission did not collect pricing product data in the preliminary phase of these investigations. An industry witness testifying at the conference stated that in-scope domestically produced organic FCLJ and NFCLJ carries a significant price premium compared to in-scope domestically produced conventional FCLJ and NFCLJ.[55]

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[47] Petitioner's Postconf. Br. at 11-12; Conf. Tr. at 37 (Borgers).

[48] Petitioner's Postconf. Br. at 12.

[49] Petitioner's Postconf. Br. at 12; Petition at 26. Petitioner asserts that, to the extent that certain customers perceive organic FCLJ and NFCLJ as healthier than conventional FCLJ and NFCLJ, these perceptions apply to out-of-scope retail products. Petitioner's Postconf. Br. at 12.

[50] Conf. Tr. at 39 (Borgers).

[51] Petitioner's Postconf. Br. at 13.

[52] Conf. Tr. at 39 (Borgers).

[53] CR/PR at Tables V-3 to V-5.

[54] CR/PR at Tables V-3 to V-5.

[55] CR/PR at Tables V-3-5; Conf. Tr. at 41 (Borgers).

Conclusion. All domestically produced FCLJ and NFCLJ within the scope have similar physical characteristics as both are produced from fresh lemons, although FCLJ is generally seven to 10 times more concentrated than NFCLJ. As discussed above, in-scope domestically produced FCLJ and NFCLJ have the same end-uses, the same channels of distribution, and are generally interchangeable with some limitations. Although in-scope domestically produced FCLJ and NFCLJ are generally produced using the same production processes and some of the same equipment, FCLJ goes through an evaporation process to be concentrated, whereas NFCLJ is never concentrated and goes through a pasteurization process. The limited information in the current record indicates that producers and consumers generally perceive in-scope domestically produced FCLJ and NFCLJ as a single product category. While an industry witness testifying on behalf of Petitioner stated at the conference that in-scope domestically produced NFCLJ is approximately 30 percent higher-priced than in-scope domestically produced FCLJ, the pricing data in the current record indicates that in-scope domestically produced NFCLJ is sometimes comparably priced and sometimes higher-priced than in-scope domestically produced FCLJ.[56]

Despite some differences between the products, there does not appear to be a clear dividing line between in-scope domestically produced FCLJ and NFCLJ. As discussed above, there are similarities in physical characteristics, end uses, and customer perceptions, and there are apparent overlaps in manufacturing facilities, processes, employees, and channels of distribution. Moreover, the limited information in the preliminary phase does not demonstrate a clear dividing line between the conventional and organic products. Consequently, for purposes of these preliminary determinations, we define a single domestic like product that includes both conventional FCLJ and NFCLJ and organic FCLJ and NFCLJ, coextensive with the scope of the investigations.[57] [58]

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[56] We intend to further examine the pricing differences between domestically produced FCLJ and NFCLJ in any final phase investigation. The parties are invited to submit comments on the Commission's draft U.S. producer questionnaire in any final phase investigation. 19 C.F.R. § 207.20(b).

[57] We note that the Commission reached a similar conclusion and included both conventional and organic FCLJ and NFCLJ as part of a single domestic like product in the 2006 preliminary determinations in *Lemon Juice from Argentina and Mexico*, Inv. Nos. 731-TA-1105-1106 (Preliminary), USITC Pub. 3891 at 5-7 (Nov. 2006). Moreover, Commerce's scope language in the 2006 preliminary investigations in *Lemon Juice from Argentina and Mexico* is virtually identical to the scope in these preliminary investigations. *See* Petitioner's Postconf. Br. at 9.

[58] Petitioner argues and respondents do not disagree that the domestic like product should not be defined more broadly than the scope of the investigations to include lemon oil for purposes of these preliminary determinations. The Commission similarly did not expand the domestic like product to

(*continued*...)

IV. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[59] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

These investigations raise only one domestic industry issue, *i.e.*, whether the domestic industry includes lemon growers in addition to processors.[60] [61]

(…*continued*)

include out-of-scope lemon oil in the 2006 preliminary determinations in *Lemon Juice from Argentina and Mexico*, Inv. Nos. 731-TA-1105-1106 (Preliminary), USITC Pub. 3891 at 7 (Nov. 2006).

[59] 19 U.S.C. § 1677(4)(A).

[60] Petitioner and respondents agree that appropriate circumstances do not exist to exclude either of the two domestic producers (Ventura or Sun Orchard) from the domestic industry pursuant to the related parties provision of the statute. Petitioner's Postconf. Br. at 7; Conf. Tr. at 122 (Noonan).

[61] Both Ventura and Sun Orchard reported that they purchased subject imports from Brazil during the POI. CR/PR at Tables III-12 and III-13. The Commission has concluded that a domestic producer that does not itself import subject merchandise or does not share a corporate affiliation with an importer or exporter may nonetheless be deemed a related party if it controls large volumes of imports. *See, e.g., Iron Construction Castings from Brazil, Canada, and China*, Inv. Nos. 701-TA-248, 731-TA-262-263, 265 (Fourth Review), USITC Pub. 4655 at 11 (Dec. 2016). The Commission has found such control to exist where, for example, the domestic producer's purchases was responsible for a predominant proportion of an importer's sales and the importer's imports were substantial. *See, e.g.*, *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Argentina, Brazil, Germany, and Italy*, Inv. Nos. 701-TA-362 and 731-TA-707-710 (Review), USITC Pub. 3429 at 8-9 (June 2001).

Sun Orchard purchased *** gallons of subject imports from Brazil in 2018, *** gallons in 2019, *** gallons in 2020, *** gallons in January-September ("interim") 2020, and *** gallons in interim 2021. CR/PR at Table III-12. Sun Orchard identified two importers from which it purchased subject imports from Brazil during the POI, *** and ***. CR/PR at Table III-12. Sun Orchard accounted for approximately *** percent of all *** sales of lemon juice in 2020 and approximately *** of all *** sales of lemon juice in 2020; these sales, however, are not limited to subject imports. *See* *** U.S. Importers' Questionnaire at III-23 & *** U.S. Importers' Questionnaire at III-23. Moreover, *** accounted for *** percent of total subject imports from Brazil in 2020, while *** did not account for any subject imports from Brazil in 2020 and thus Sun Orchard's purchases from *** in 2020 were not of subject imports. CR/PR at Table IV-1. Furthermore, Sun Orchard's purchases of subject import from Brazil accounted for only *** percent of total subject imports from Brazil in 2018, *** percent in 2019, *** percent in 2020,

(*continued*...)

In cases involving processed agricultural products, section 771(4)(E) of the Tariff Act authorizes the Commission to include growers of a raw agricultural input within the domestic industry producing the processed agricultural product if:

(a) the processed agricultural product is produced from the raw product through a single continuous line of production,[62] and

(b) there is a substantial coincidence of economic interest between the growers and producers of the processed product based upon the relevant economic factors.[63]

Petitioner argues that neither prong of the grower/processer provision is satisfied and that the Commission therefore should define the domestic industry to

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(…*continued*)

*** percent in interim 2020, and *** percent in interim 2021; thus, Sun Orchard has not controlled large volumes of subject imports. *Derived from* CR/PR at Tables III-12 & C-1.

Ventura Coastal purchased *** gallons of subject imports from Brazil in 2018. CR/PR at Table III-13. It did not identify the source for its purchases and none of the five U.S. importers, accounting for approximately *** percent of total subject imports from Brazil in 2020 (CR/PR at Table IV-1), reported Ventura as a top ten customer for lemon juice since 2018. *See* CR/PR at Table III-13; *** U.S. Importers' Questionnaire at III-23; *** U.S. Importers' Questionnaire at III-23; *** U.S. Importers' Questionnaire at III-23; *** U.S. Importers' Questionnaire at III-23; *** U.S. Importers' Questionnaire at III-23. Even assuming that Ventura Coastal's purchases of subject imports from Brazil in 2018 accounted for the predominant proportion of an importer's sales, Ventura Coastal's purchases of subject imports from Brazil accounted for only *** percent of total subject imports from Brazil in 2018; thus, Ventura Coastal did not control large volumes of subject imports in 2018, which was the only year that it purchased subject imports during the POI. *Derived from* Tables III-13 & C-1.

[62] The statute provides that the processed product shall be considered to be processed from the raw product in a single, continuous line of production if:

(a) the raw agricultural product is substantially or completely devoted to the production of the processed agricultural product; and

(b) the processed agricultural product is produced substantially or completely from the raw product.

19 U.S.C. § 1677(4)(E)(ii).

[63] In addressing coincidence of economic interest under the second prong of the test, the Commission may, in its discretion, consider price, added market value, or other economic interrelationships. Further:

(a) if price is taken into account, the Commission shall consider the degree of correlation between the price of the raw agricultural product and the price of the processed agricultural product; and

(b) if added market value is taken into account, the Commission shall consider whether the value of the raw agricultural product constitutes a significant percentage of the value of the processed agricultural product.

19 U.S.C. § 1677(4)(E)(iii).

include only processors of lemon juice, but not lemon growers.[64] Respondents do not object to Petitioner's proposed domestic industry definition for purposes of these preliminary determinations.[65]

The first prong of the grower/processor provision is not satisfied because fresh lemons are not substantially or completely devoted to the production of lemon juice. Petitioner, relying upon information published by the USDA, estimates that the percentage of domestically grown fresh lemons that was processed into lemon juice ranged from 19.68 percent to 33.12 percent on an annual basis during the POI.[66] We find that the minority share of lemons processed into lemon juice does not satisfy the "substantially or completely devoted" requirement in the statute.[67] Accordingly, we find that the continuous line of production requirement for including growers in the domestic industry is not satisfied and need not reach the second prong of the test.[68] Therefore, we do not include growers in the domestic industry producing lemon juice.

Accordingly, we define the domestic industry to include all domestic producers of lemon juice for purposes of the preliminary phase of these investigations.

[64] Petitioner's Postconf. Br. at 4-8.

[65] Conf. Tr. at 121 (Noonan).

[66] Petitioner's Postconf. Br. at 6; Petition at 13.

[67] *See, e.g., Dried Tart Cherries from Turkey*, Inv. Nos. 701-TA-622 and 731-TA-1448 (Preliminary), USITC Pub. 4902 at 9 (2019) (first prong not met where 25 to 35 percent of the raw product was used to produce the domestic like product); *Lemon Juice from Argentina and Mexico*, Inv. Nos. 731-TA-1105-1106 (Review), USITC Pub. 4418 (Aug. 2013); *Lemon Juice from Argentina and Mexico*, Inv. Nos. 731-TA-1105-1106 (Preliminary), USITC Pub. 3891 at 9-11 (Nov. 2006); C*ertain Processed Hazelnuts from Turkey*, Inv. No. 731-TA-1057 (Preliminary), USITC Pub. 3656 at 10 (Dec. 2003) (first prong not met where 35 percent of the raw product was used to produce the domestic like product); and *Tart Cherry Juice and Tart Cherry Juice Concentrate from Germany and Yugoslavia*, Inv. Nos. 731-TA-512 and 513 (Preliminary), USITC Pub. 2378 at 14-15 (May 1991) (first prong not met where most of the crops grown were used for processing goods other than the domestic like product).

[68] Although we do not include lemon growers in the domestic industry, we have considered the role of the raw agricultural product, lemons, as a condition of competition for the lemon juice industry.

V. Cumulation[69]

For purposes of evaluating the volume and effects for a determination of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

(1) the degree of fungibility between subject imports from different countries and between subject 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 subject imports from different countries and the domestic like product;

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[70]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[71] Only a "reasonable overlap" of competition is required.[72]

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[69] Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product shall be deemed negligible if they account for less than three percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition. *See* 19 U.S.C. §§ 1673b(a), 1677(24)(A)(i). Based on official import statistics, imports from Brazil and South Africa accounted for 18.2 percent and 12.6 percent of total imports of subject merchandise, respectively, during the twelve months preceding the filing of the petitions, December 2020 through November 2021. CR/PR at Table IV-4. Because these percentages exceed the applicable statutory threshold, we find that subject imports from Brazil and South Africa are not negligible.

[70] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. 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), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

[71] *See*, *e.g.*, *Wieland Werke, AG v. United State*s, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[72] The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that "the new section will not affect current Commission practice under which the

(*continued*...)

A. Arguments of the Parties

Petitioner's Arguments. Petitioner argues that the Commission should cumulatively assess imports from all subject countries. It contends that the petitions for both subject countries were filed on the same day and that a reasonable overlap in competition exists between lemon juice produced in the subject countries and among lemon juice from both subject countries and the domestic like product.[73] According to Petitioner, subject imports from Brazil and South Africa are fungible with the domestic like product and each other, are sold in the same geographic markets, share common channels of distribution, and were both present in the U.S. market in every month during the POI.[74]

Respondents' Arguments. No respondents addressed cumulation for purposes of present material injury.

B. Analysis and Conclusion

The initial statutory requirement is satisfied because the Petitioner filed the antidumping duty petitions with respect to Brazil and South Africa on the same day, December 30, 2021.[75] As discussed below, we find that there is a reasonable overlap of competition between subject imports from both of the subject countries and between subject imports from each source and the domestic like product.

Fungibility. Both responding U.S. producers reported that the domestic like product and subject imports from Brazil and South Africa were at least sometimes interchangeable in all comparisons between sources.[76] Importers' responses were mixed.[77] In comparisons between the domestic like product and subject imports from Brazil, the majority of responding importers (6 of 10 importers) reported that they were always or frequently interchangeable while the

(…*continued*)

statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy, S.A. v. United States*, 678 F. Supp. at 902; *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[73] Petitioner's Postconf. Br. at 14-17.

[74] Petitioner's Postconf. Br. at 16-17.

[75] CR/PR at I-1.

[76] CR/PR at Table II-6.

[77] CR/PR at Table II-7.

remaining importers (4 of 10 importers) reported that they were at least sometimes interchangeable.[78] In comparisons between the domestic like product and subject imports from South Africa and comparisons between subject imports from Brazil and South Africa, the majority of responding importers (5 of 8 responding importers) reported that they were at least sometimes interchangeable while the remaining importers (3 of 8 importers) reported that they were always or frequently interchangeable.[79] Factors reported by producers and importers that limited interchangeability include labeling and blending requirements by country of origin, concentration, flavor, and freight costs.[80]

Moreover, there is substantial overlap in in the types of lemon juice being sold in the U.S. market by all sources. In 2020, domestically produced lemon juice and subject imports from Brazil and South Africa were all sold almost exclusively as nonorganic product, with only very small quantities sold as organic product,[81] and nearly all shipments of lemon juice from these three sources also contained pulp, with limited to no shipments of product with no visible pulp.[82] In addition, the *** of importers' shipments of lemon juice from Brazil and South Africa in 2020 consisted of concentrated lemon juice, while *** of domestic producers' shipments were also in concentrated form.[83]

In response to questions concerning the prevalence of non-price differences, the only responding domestic producer reported that there were "sometimes" non-price differences between the domestic like product and subject imports from South Africa, and between subject imports from both subject countries.[84] In comparisons between the domestic like product and

[78] CR/PR at Table II-7.

[79] CR/PR at Table II-7.

[80] CR/PR at II-13.

[81] CR/PR at Table IV-7. In 2020, *** percent of U.S. producers' U.S. shipments were non-organic lemon juice while only *** percent were organic product. *Id*. In 2020, more than *** percent of U.S. importers' U.S. shipments of subject merchandise from Brazil and South Africa were non-organic lemon juice while less than *** percent were organic product. *Id*.

[82] CR/PR at Table IV-6. In 2020, *** percent of U.S. producers' U.S. shipments contained pulp while only *** percent contained no visible pulp. *Id*. In 2020, *** percent of U.S. importers' U.S. shipments of subject merchandise from Brazil contained pulp and *** percent had no visible pulp, and *** of the shipments from South Africa contained pulp, with *** shipments of lemon juice without visible pulp. *Id*.

[83] CR/PR at Table IV-5. In 2020, *** percent of U.S. producers' U.S. shipments were concentrated lemon juice and *** percent were NFCLJ. Importers' shipments of subject merchandise were more focused in concentrated lemon juice, with *** percent of shipments from Brazil and *** percent of shipments from South Africa in this form and the remaining *** percent of shipments from Brazil and *** percent of shipments from South Africa sold as NFCLJ. *Id*.

[84] CR/PR at Table II-8.

subject imports from Brazil, one of two responding domestic producers reported that there were always non-price differences and the other responding producer reported that there were only sometimes non-price differences.[85] U.S. importers' responses were mixed, but in only one comparison ("United States vs. Other" (*i.e.*, nonsubject imports)) were non-price differences considered "always" important.[86]

Channels of Distribution. During the POI, the domestic like product was sold predominantly to distributors with the remaining quantities sold to food or beverage manufacturers.[87] Subject imports from Brazil were sold overwhelmingly to food or beverage manufacturers with very small quantities sold to distributors.[88] In contrast, subject imports from South Africa were sold exclusively to food or beverage manufacturers.[89]

Geographic Overlap. Domestic producers reported shipping the domestic like product to all six regions of the contiguous United States.[90] Importers reported shipping imports from each subject country to all six regions as well.[91] The vast majority of imports from each subject country entered through ports located in the East and South.[92]

Simultaneous Presence in Market. Subject imports from Brazil and South Africa and were present in the United States in every month of the POI (*i.e.,* from January 2018 to September 2021) with the exception of subject imports from South Africa in one month (*i.e.*,

[85] CR/PR at Table II-8.

[86] CR/PR at Table II-9. In comparisons between the domestic like product and subject imports from Brazil, a majority of importers (6 of 9 importers) reported that there were "always" or "frequently" non-price differences. *Id.* In comparisons between the domestic like product and subject imports from South Africa, four of six responding importers reported that there were "sometimes" non-price differences while the other two responding importers reported that there were "frequently" non-price differences. *Id*. In comparisons between subject imports from Brazil and South Africa, four of five responding importers reported that there were "sometimes" non-price differences while the other responding importer reported that there were "frequently" non-price differences. *Id*.

[87] CR/PR at Table II-1. During the POI, *** of U.S. producers' U.S. commercial shipments were sold to distributors while *** were sold to food or beverage manufacturers. *Id*.

[88] CR/PR at Table II-1. During the POI, *** of U.S. importers' U.S. commercial shipments of subject merchandise from Brazil were sold to food or beverage manufacturers while less than *** were sold to distributors. *Id*.

[89] CR/PR at Table II-1.

[90] CR/PR at Table II-2.

[91] CR/PR at Table II-2.

[92] *See* CR/PR at Table IV-8.

April 2019).[93] Pricing data also show the domestic like product and subject imports from both countries being sold in the U.S. market throughout the POI.[94]

Conclusion. The record demonstrates that imports of lemon juice from each subject country are reasonably fungible with the domestic like product and each other, and imports from each of the subject countries and the domestic like product are sold in overlapping channels of distribution, in similar geographic markets, and have been simultaneously present in the U.S. market. In light of the foregoing, we find that there is a reasonable overlap of competition between the domestic like product and imports from each subject country and among imports from each subject country. Therefore, we cumulatively assess the volume and effects of subject imports from Brazil and South Africa for purposes of analyzing present material injury in the preliminary phase of these investigations.

VI. Reasonable Indication of Material Injury By Reason of Subject Imports

A. Legal Standards

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[95] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[96] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[97] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[98] No single factor

[93] CR/PR at Table IV-9.

[94] CR/PR at Tables V-3-5.

[95] 19 U.S.C. §§ 1671b(a), 1673b(a).

[96] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[97] 19 U.S.C. § 1677(7)(A).

[98] 19 U.S.C. § 1677(7)(C)(iii).

is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[99]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[100] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[101] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[102]

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

[99] 19 U.S.C. § 1677(7)(C)(iii).

[100] 19 U.S.C. §§ 1671b(a), 1673b(a).

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

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

injury threshold.[103] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[104] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[105] It is clear that the existence of injury caused by other factors does not compel a negative determination.[106]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject

[103] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

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

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

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

imports."[107] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [108] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[109]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[110] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[111]

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury or threat of material injury by reason of subject imports.

1. Demand Conditions

Lemon juice covered by these investigations is used as an ingredient in beverages, particularly lemonade and soft drinks, and foods such as salad dressings and sauces.[112] U.S.

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

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

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

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

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

[112] CR/PR at I-3.

demand for lemon juice is, therefore, primarily driven by consumer demand for the beverage and food products in which it is used.[113] In the U.S. market, demand for concentrated lemon juice at the processors' level historically has been for product concentrated at 400 GPL, although there is information in the record indicating increased demand at the processors' level for 500 GPL product during the POI.[114]

Both responding domestic producers reported that U.S. demand for lemon juice fluctuated since January 1, 2018.[115] The majority of responding U.S. importers (9 of 13 importers) reported that U.S. demand for lemon juice increased or did not change since 2018.[116]

Apparent U.S. consumption declined overall by *** percent between 2018 and 2020, declining from *** gallons in 2018 to *** gallons in 2019, but then increasing to *** gallons in 2020.[117] Apparent U.S. consumption was *** percent higher in January-September ("interim") 2021, at *** gallons, than in interim 2020, at *** gallons.[118]

2. Supply Conditions

The domestic industry was the second largest supplier of lemon juice to the U.S. market throughout the POI.[119] It consisted of two firms: one large producer, Ventura Coastal, accounting for approximately *** percent of reported domestic production of lemon juice in 2020, and one smaller producer, Sun Orchard, accounting for *** percent of reported domestic production of lemon juice in 2020.[120] The domestic industry's share of apparent U.S. consumption increased from *** percent in 2018 to *** percent in 2019, but then declined to *** percent in 2020; its share of apparent U.S. consumption was *** percent in interim 2020 and *** percent in interim 2021.[121] The domestic industry reported annual production capacity of *** for every year from 2018 to 2020; its reported capacity was *** percent higher in interim 2021, at *** gallons, than in interim 2020, at *** gallons.[122] Its capacity utilization

[113] CR/PR at II-9.
[114] CR/PR at I-11 n.37; Conf. Tr. at 62-65 (Borgers) & 136-39 (Maxfield, Berman, and Lewis).
[115] CR/PR at Table II-4
[116] CR/PR at Table II-4.
[117] CR/PR at Tables IV-10 & C-1. Quantity is reported on a concentrated basis at 400 GPL. *Id*.
[118] CR/PR at Tables IV-10 & C-1.
[119] CR/PR at Tables IV-10 & C-1.
[120] CR/PR at Table III-1.
[121] CR/PR at Tables IV-10 & C-1.
[122] CR/PR at Tables IV-10 & C-1.

was *** percent in 2018, *** percent in 2019, and *** percent in 2020; its capacity utilization was *** percent in interim 2020 and *** percent in interim 2021.[123]

The domestic industry's supply of lemon juice is a function of the crop size of fresh lemons available for processing into lemon juice as well as the availability of inventories of lemon juice, which may be crucial in the event that there is a downturn in the crop size of fresh lemons in any given year.[124] Both responding domestic producers reported that they did not experience supply constraints since January 1, 2018.[125] Eight of 12 responding U.S. importers of lemon juice reported that they did not experience supply constraints during the POI while four of 12 responding importers reported that they did.[126] Respondents argue that domestic industry was unable to supply the U.S. market during the POI due to supply constraints related to weather and other environmental factors (*e.g.*, drought, disease, etc.) adversely affecting the size of the lemon crop, the domestic industry's lack of adequate inventories of lemon juice, and the fact that lemons generally are grown for the more profitable market for fresh lemons rather than for processed lemon juice.[127] In any final phase of these investigations, we intend to examine further the issue of domestic industry supply constraints.

Cumulated subject imports were the third-largest supplier of lemon juice to the U.S. market throughout the POI. Their share of apparent U.S. consumption declined from *** percent in 2018 to *** percent in 2019, but then increased to *** percent in 2020.[128] Cumulated subject imports' share of apparent U.S. consumption was higher in interim 2021, at *** percent, than in interim 2020, at *** percent.[129]

Nonsubject imports were the largest supplier of lemon juice to the U.S. market throughout the POI. Their share of apparent U.S. consumption declined from *** percent in 2018 to *** percent in 2019 and *** percent in 2020.[130] Nonsubject imports' share of apparent

[123] CR/PR at Tables IV-10 & C-1.

[124] CR/PR at II-4. Disposal of fresh lemons is difficult due to government regulations. CR/PR at I-15 & VII-19. U.S. producers freeze lemon juice to store it for up to two years to provide a constant supply of lemon juice to the U.S. market. CR/PR at II-4. The size of the fresh lemon crop can vary from year to year based on a variety of factors including crop damaging conditions such as freezes, storms, or droughts. *Id*. In order to provide a stable supply of lemon juice in years of lower crop yield, U.S. producers usually carry over 25 percent of production from one season to the next as inventory. *Id.*

[125] CR/PR at II-8.

[126] CR/PR at II-8.

[127] Coca-Cola Postconf. Br. at 5-6; SAFJA Postconf. Br. at 3; Greenwood Postconf. Br. at 2-3.

[128] CR/PR at Tables IV-10 & C-1.

[129] CR/PR at Tables IV-10 & C-1.

[130] CR/PR at Tables IV-10 & C-1.

U.S. consumption was lower in interim 2021, at *** percent, than in interim 2020, at *** percent.[131] In 2020, the largest sources of nonsubject imports were Argentina and Mexico.[132] Nonsubject imports of lemon juice from Argentina are currently subject to a suspension agreement; the Commission currently is conducting its second five-year review of the suspension agreement for Argentina.[133]

3. Substitutability and Other Conditions

We find that there is at least a moderate degree of substitutability between domestically produced lemon juice and lemon juice imported from subject countries for purposes of the preliminary phase of these investigations.[134] Both responding U.S. producers reported that the domestic like product and subject imports from Brazil and South Africa were at least sometimes interchangeable in all comparisons between sources.[135] U.S. importers' responses were mixed, with the majority of responding importers reporting that the domestic like product and subject imports from Brazil were always or frequently interchangeable and the majority of responding importers reporting that the domestic like product and subject imports from South Africa were at least sometimes interchangeable.[136] Factors reported by market participants as limiting interchangeability include differences in labeling and blending requirements by country of origin, differences in flavor profiles by country of origin, and freight costs.[137] In any final phase of these investigations, we intend to examine further the degree of substitutability between the domestic like product and subject imports from Brazil and South Africa.

The record also indicates that price is an important factor in purchasing decisions for lemon juice. In response to the Commission's lost sales/lost revenue survey, all four responding purchasers identified price among the top three factors considered in purchasing decisions, although purchasers also cited non-price factors including quality and

[131] CR/PR at Tables IV-10 & C-1.
[132] CR/PR at II-8.
[133] CR/PR at I-4-6; 86 Fed. Reg. 71916 (Dec. 20, 2021).
[134] CR/PR at II-11.
[135] CR/PR at Table II-6.
[136] CR/PR at Table II-7.
[137] CR/PR at II-11 & II-13. The degree of substitution between the domestic like product and cumulated subject imports depends upon factors such as relative prices (discounts/rebates), quality differences (*e.g.*, grade standards, defect rates, *etc.*), and differences in sales conditions (*e.g.*, lead times between order and delivery dates, reliability of supply, product services, *etc.*). CR/PR at II-11 n.16.

availability/supply.[138] Price and quality were the most often cited factors that firms consider in their purchasing decisions for lemon juice (4 firms each).[139] Both U.S. producers reported that differences other than price between sources were only "sometimes" significant in their sales of lemon juice.[140] Although U.S. importers' responses were mixed, the majority of responding importers reported that there were only "sometimes" non-price differences for most country comparisons, including comparisons between "United States vs. South Africa" and "Brazil vs. South Africa."[141]

Both responding U.S. producers and the majority of responding U.S. importers (8 of 13 importers) reported that the U.S. market for lemon juice was subject to distinct business cycles.[142] One producer and several importers reported that sales for lemon juice typically increase or peak in the summer along with sales for lemonade and other beverage products.[143]

During the POI, the domestic like product was sold predominantly to distributors, but was also sold to food or beverage manufacturers.[144] Subject imports from Brazil were sold overwhelmingly to food or beverage manufacturers with very small amounts sold to distributors.[145] Subject imports from South Africa were sold exclusively to food or beverage manufacturers.[146]

During the POI, U.S. producers primarily sold lemon juice using short-term contracts, with lesser but substantial quantities sold through spot sales.[147] Importers sold subject merchandise using almost equal amounts of short-term and annual contracts, with lesser but appreciable amounts sold through spot sales.[148]

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[138] CR/PR at II-11, V-16, and Table II-5.

[139] CR/PR at Table II-5. Availability/supply was the next most often cited top factor (3 firms). *Id*. Quality was the most frequently cited first-most important factor (cited by 3 firms), followed by availability/supply (1 firm); price was the most frequently reported second-most important factor (2 firms); and price was the most frequently reported third-most important factor (2 firms). *Id*.

[140] CR/PR at Table II-8.

[141] CR/PR at Table II-9. The majority of responding importers reported that there were "always" or "frequently" non-price differences for comparisons between "United States vs. Brazil" and "United States vs. Other" (*i.e.*, nonsubject imports). *Id*.

[142] CR/PR at II-9.

[143] CR/PR at II-9.

[144] CR/PR at Table II-1.

[145] CR/PR at Table II-1.

[146] CR/PR at Table II-1.

[147] CR/PR at Table V-2.

[148] CR/PR at Table V-2.

During the POI, domestically produced lemon juice was sold exclusively from inventory.[149] Cumulated subject imports were sold *** as produced-to-order, with *** quantities sold from inventory.[150] U.S. importers generally reported longer lead times than U.S. producers for sales of lemon juice.[151]

Raw materials accounted for *** percent of the cost of goods sold ("COGS") for lemon juice in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021.[152] The main raw material input for lemon juice is fresh lemons.[153] As discussed above, lemons typically are used for processing into lemon juice after they are deemed unsuitable for the fresh lemon market because of defects or fail to meet the size or grade standards for sale as fresh lemons.[154] Ventura Coastal, which accounted for approximately *** percent of lemon juice production in 2020, reported ***.[155] Sun Orchard, which accounted for approximately *** percent of lemon juice production in 2020, reported ***.[156]

Information available in the current record indicates the transportation costs for lemon juice shipped from the subject countries to the United States averaged 6.1 percent of total landed duty paid value for subject imports from Brazil and 6.9 percent for subject imports from South Africa during 2020.[157] According to Petitioner, there are substantial transportation costs (including freight costs) associated with shipping lemon juice from the subject countries to the United States.[158] Respondent Louis Dreyfus argues, however, that it has made substantial investments in order to reduce its freight costs for subject merchandise during the POI.[159] Moreover, a major purchaser (Coca-Cola) reported that having lemon juice delivered by truck

[149] CR/PR at II-12.

[150] CR/PR at II-12.

[151] CR/PR at II-12.

[152] CR/PR at Table VI-1.

[153] CR/PR at V-1. Information available from USDA public source data indicates that prices for fresh lemons fluctuated but increased overall between January 2018 and June 2021. *See* EDIS Doc. No. 762595.

[154] CR/PR at V-1; Conf. Tr. at 15 (Borgers).

[155] CR/PR at Table VI-5; Ventura Coastal U.S. Producers' Questionnaire at III-9c; Conf. Tr. at 53-54 (Borgers).

[156] CR/PR at Table VI-5; Sun Orchard U.S. Producers' Questionnaire at III-9c.

[157] CR/PR at V-1.

[158] Petitioner's Postconf. Br. at 41-42.

[159] Louis Dreyfus Postconf. Br. at 5.

from the West Coast of the United States is not as efficient as having lemon juice delivered by ocean freight.[160]

Finally, imports of lemon juice from South Africa are eligible for duty-free treatment under the African Growth and Opportunity Act ("AGOA"), while imports of lemon juice from Brazil are subject to duty rates ranging from 3.4 to 7.9 cents per liter.[161]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[162]

The volume of cumulated subject imports declined from 1.6 million gallons in 2018 to 1.2 million gallons in 2019, and then increased to 1.4 million gallons in 2020, for an overall decrease of 14.3 percent from 2018 to 2020.[163] This volume was 790,000 gallons in interim 2020 and 80.4 percent larger in interim 2021, at 1.4 million gallons.[164]

The market share of cumulated subject imports declined from *** percent of apparent U.S. consumption in 2018 to *** percent in 2019, and then increased to *** percent in 2020, for an overall decrease of *** percentage points.[165] Their share was *** percent in interim 2020 and *** percentage points higher in interim 2021, at *** percent.[166]

Accordingly, we find that the volume of cumulated subject imports is significant in absolute terms and relative to consumption in the United States.

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[160] CR/PR at II-11.

[161] CR/PR at I-7-8; *see also* Greenwood Postconf. Br. at 9-11. While lemon juice produced in South Africa are eligible for duty-free treatment under AGOA, this benefit is not applied automatically. Importers must apply for and submit appropriate documentation to U.S. Customs and Border Protection ("Customs") to receive duty-free treatment under AGOA. The vast majority of imports classified under HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040 during January 2019 through November 2021 were identified as having been imported under the AGOA program. Of total lemon juice imports from South Africa, 2.6 percent by value and 2.2 percent by volume entered without claiming AGOA benefits. CR/PR at I-8, n.25. These imports from South Africa that did not claim AGOA benefits would be subject to the same duty rates as imports of lemon juice from Brazil.

[162] 19 U.S.C. § 1677(7)(C)(i).

[163] CR/PR at Tables IV-10 & C-1.

[164] CR/PR at Tables IV-10 & C-1.

[165] CR/PR at Tables IV-10 & C-1.

[166] CR/PR at Tables IV-10 & C-1.

D. Price Effects of the Subject Imports

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

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[167]

As previously discussed, the record in the preliminary phase of these investigations indicates that there is at least a moderate degree of substitutability between subject imports and the domestic like product and that price is an important factor in purchasing decisions.

The Commission collected quarterly pricing data from U.S. processors and U.S. importers concerning the quantity and value of three lemon juice products shipped to unrelated customers.[168] Both U.S. processors and six importers provided usable pricing data.[169] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' lemon juice production, *** percent of subject imports from Brazil, and *** percent of subject imports from South Africa in 2020.[170]

The pricing data in the preliminary phase of these investigations show a mix of instances of underselling and overselling. Prices for cumulated subject imports were below those for the domestically produced lemon juice in *** of *** (or *** percent of quarterly comparisons), while prices for cumulated subject imports were above those for domestically produced lemon juice in *** of *** (or *** percent of quarterly comparisons).[171] There were *** gallons of cumulated subject imports in quarterly comparisons in which cumulated subject imports

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[167] 19 U.S.C. § 1677(7)(C)(ii).

[168] CR/PR at V-3-4. The pricing products were as follows: Product 1 – Cloudy frozen concentrated lemon juice, non-organic, for further manufacture; Product 2 – Clarified frozen concentrated lemon juice, non-organic, for further manufacture; Product 3 – Cloudy not from concentrate lemon juice (NFCLJ), non-organic, for further manufacture. CR/PR at V-4.

[169] CR/PR at V-4. Not all firms reported pricing for all pricing products for all quarters of the POI. *Id*.

[170] CR/PR at V-4.

[171] Confidential Report INV-UU-012 (Feb. 10, 2022) at Tables V-9 & V-10 ("CR at Revised Tables V-9 & V-10); Public Report, *Lemon Juice from Brazil and South Africa*, Inv. Nos. 731-TA-1578-1579 (Preliminary), USITC Pub. 5284 (Feb. 2022) ("PR") at Tables V-9-10.

undersold the domestic like product (*** percent of the total) and *** gallons of cumulated subject imports in quarterly comparisons in which cumulated subject imports oversold the domestic like product (*** percent of the total).[172] The margins of underselling ranged from *** to *** percent, and averaged *** percent during the POI, while the margins of overselling ranged from *** to *** percent, and averaged *** percent.[173] We note that Product 1 accounted for approximately *** percent of U.S. importers' shipments of cumulated subject imports as reflected in the pricing data.[174] For Product 1, cumulated subject imports undersold the domestic like product in *** of *** (or *** percent) available quarterly price comparisons, with *** gallons of cumulated subject imports in the underselling quarters and *** gallons in the overselling quarters.[175] Moreover, Product 1 accounted for approximately *** percent of the total volume of underselling by cumulated subject imports during the POI.[176] However, we also note that the data of record in these preliminary phase investigations do not demonstrate an apparent shift in U.S. market share from the domestic industry to subject imports.[177]

We intend to further examine in any final phase of these investigations how differences in concentration levels (*e.g.*, 400 GPL FCLJ versus 500 GPL FCLJ) or differences in packaging may affect price comparisons between domestically produced lemon juice and subject merchandise from Brazil and South Africa.[178]

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[172] CR/PR at Revised Tables V-9 & V-10.

[173] CR/PR at Revised Tables V-9 & V-10.

[174] *Derived from* CR/PR at Table V-6.

[175] CR/PR at Revised Table V-9.

[176] *Derived from* CR/PR at Revised Table V-9. For Product 1, we note that the underselling by cumulated subject imports continued in interim 2021, and intensified for subject imports from Brazil during the same period. CR/PR at Table V-3.

[177] CR/PR at Table IV-10. Between 2018 and 2020, subject imports' share of apparent U.S. consumption ***, from *** percent to *** percent, while the domestic industry's share *** from *** to *** percent. *Id*. Cumulated subject imports' share of apparent U.S. consumption was higher in interim 2021, at *** percent, than in interim 2020, at *** percent; the domestic industry's share of apparent U.S. consumption also was higher in interim 2021, at *** percent, than in interim 2020, at *** percent. *Id*.

[178] U.S. importer Louis Dreyfus asserts that the Commission's questionnaires in the preliminary phase of these investigations obscure the impact of imports because the questionnaires required that importers and foreign producers restate all data at 400GPL concentration, which could have a "dramatic impact" on unit pricing data. Louis Dreyfus Company Postconf. Br. at 3. In any final phase of these investigations, the parties are encouraged in their comments on the draft questionnaires to propose pricing product definitions and/or alternative price data that may provide for apples-to-apples price comparisons among sources. 19 C.F.R. § 207.20(b).

We have also considered purchaser lost sales/lost revenue responses. One of four purchasers that responded to the Commission's lost sales/lost revenue survey reported that, since 2018, it had purchased subject imports instead of the domestic like product.[179] This purchaser, ***, reported that subject import prices were lower than the domestically produced product, and that price was the primary reason for purchasing subject imports.[180] The volume of these purchases of subject imports by *** totaled *** gallons.[181]

The record shows that there were some fluctuations in domestic prices during the POI but prices for each of the three domestically produced pricing products generally declined over the POI.[182] Between the first quarter of 2018 and the third quarter of 2021, domestic price decreases ranged from *** percent to *** percent,[183] with the largest decrease for Product 1, which accounted for a substantial portion of the domestic industry's U.S. shipments during the POI.[184] As noted above, Product 1 also represented the largest volume of cumulated subject imports, and cumulated subject imports predominantly undersold the domestic industry's prices for this product, with Product 1 accounting for *** of the subject import underselling.[185] Prices of cumulated subject imports also declined overall during the POI and declined more than domestic prices for the only two pricing products for which pricing data were reported for subject imports (Products 1 and 3).[186]

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[179] CR/PR at Table V-12.

[180] CR/PR at Table V-12.

[181] CR/PR at Table V-12.

[182] CR/PR at Tables V-3-6.

[183] Over the course of the POI, domestic prices declined by *** percent for Product 1, *** percent for Product 2, and *** percent for Product 3. CR/PR at Table V-6.

[184] CR/PR at Tables V-3-6. Product 1 accounted for approximately *** percent of the domestic industry's U.S. shipments during the POI. *Derived from* CR/PR at Table V-6.

[185] CR/PR at Tables V-3-6. As discussed below, although the volume and market share of nonsubject imports declined overall during the POI, nonsubject imports were the largest supplier of lemon juice to the U.S. market throughout the POI. Petitioner argues based on AUV data that cumulated subject imports have been consistently priced below the reference price floor established by the 2016 suspension agreement to eliminate the injurious effect of imports of lemon juice from Argentina. Petitioner's Postconf. Br. at 32-33. In any final phase of these investigations, we intend to collect pricing data for nonsubject imports in order to evaluate the impact these imports may be having on the domestic industry's prices.

[186] CR/PR at Table V-6. Over the POI, the price of subject imports from Brazil declined by *** percent for Product 1 while the price of subject imports from South Africa declined by *** percent for Product 1 and *** percent for Product 3. *Id*. For Product 2, no importers reported price data for subject imports from Brazil or South Africa. *Id*. For Product 3, no importers reported price data for subject imports from Brazil. *Id*.

The domestic industry's price movements do not appear to track movements in apparent U.S. consumption, as apparent U.S. consumption increased between 2019 and 2020 and was higher in interim 2021 than in interim 2020 yet domestic prices for lemon juice (including for Product 1) generally declined during the same period.[187] In any final phase of these investigations, we intend to further examine how prices for lemon juice products, including cumulated subject imports, are transmitted in the U.S. market and how this may affect price negotiations.

Based on the forgoing, we cannot conclude that cumulated subject imports did not have significant price depressing effects.

We also consider whether the industry's prices were suppressed during the POI. The domestic industry's ratio of COGS to net sales fluctuated but was virtually unchanged overall between 2018 and 2020, increasing from *** percent in 2018 to *** percent in 2019, but then declining to *** percent in 2020.[188] The industry's ratio of COGS to net sales was higher in interim 2021, at *** percent, than in interim 2020, at *** percent.[189] Information available in the current record indicates that the largest domestic producer, Ventura Coastal, has a unique cost structure whereby its raw material costs are affected by its sales price for lemon juice.[190] In any final phase of these investigations, we intend to further assess the role of the domestic industry's overall cost structure in connection with domestic prices for lemon juice and the domestic industry's ability to pass along rising costs.

In sum, there is at least a moderate degree of substitutability between the domestic like product and cumulated subject imports, price is an important factor in purchasing decisions for lemon juice, and there is a mix of underselling and overselling by cumulated subject imports, with a more pronounced price decline for the domestic industry in the pricing product where this underselling is concentrated. Given these factors, for purposes of these preliminary determinations, we cannot conclude that the cumulated subject imports did not have significant effects on prices for the domestic like product.

[187] CR/PR at Tables IV-10, C-1, and V-3-5.

[188] CR/PR at Tables VI-1 & C-1.

[189] CR/PR at Tables VI-1 & C-1.

[190] CR/PR at VI-13 & Table VI-5; Ventura Coastal U.S. Producers' Questionnaire at III-9c. Ventura Coastal reports that *** CR/PR at Table VI-5.

E. Impact of the Subject Imports[191]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[192]

Most of the domestic industry's output indicia increased overall from 2018 to 2020, but were lower in interim 2021 than in interim 2020. The domestic industry's capacity was constant every year during 2018-2020; its capacity was only *** percent higher in interim 2021 than in interim 2020.[193] The domestic industry's production increased by *** percent from 2018 to 2020, but was *** percent lower in interim 2021 than in interim 2020.[194] The domestic industry's capacity utilization increased by *** percentage points from 2018 to 2020, but was *** percentage points lower in interim 2021 than in interim 2020.[195]

The domestic industry's U.S. shipments increased by *** percent from 2018 to 2019 and *** percent from 2019 to 2020,[196] for an increase of *** percent from 2018 to 2020; they were

[191] Commerce initiated its antidumping duty investigations based on estimated dumping margins of 222.16 percent for subject imports from Brazil and 97.15 percent for subject imports from South Africa. *Lemon Juice from Brazil and South Africa: Initiation of Less-Than-Fair-Value Investigations*, 87 Fed. Reg. 3768, 3771 (Jan. 25, 2022); CR/PR at I-6.

[192] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act ("TPEA") of 2015, Pub. L. 114-27.

[193] CR/PR at Tables III-4 & C-1. The domestic industry's capacity was *** gallons in 2018, 2019, and 2020. *Id*. Its capacity was *** gallons in interim 2020 and *** gallons in interim 2021. *Id*.

[194] CR/PR at Tables III-4 & C-1. The domestic industry's production increased from *** gallons in 2018 to *** gallons in 2019 and *** gallons in 2020. *Id*. Its production was *** gallons in interim 2020 and *** gallons in interim 2021. *Id*.

[195] CR/PR at Tables III-4 & C-1. The domestic industry's capacity utilization increased from *** percent in 2018 to *** percent in 2019 and *** percent in 2020. *Id*. Its capacity utilization was *** percent in interim 2020 and *** percent in interim 2021. *Id*.

[196] Apparent U.S. consumption, however, was *** percent higher in interim 2021 than in interim 2020. CR/PR at Tables IV-10 & C-1.

*** percent higher in interim 2021 than in interim 2020.[197] The domestic industry's market share increased from *** percent in 2018 to *** percent in 2019, but then declined to *** percent in 2020, for an overall increase of *** percentage points from 2018 to 2020; its market share was *** percentage points higher in interim 2021, at *** percent, than in interim 2020, at *** percent.[198] End-of-period inventories increased by *** percent from 2018 to 2020, but were *** percent lower in interim 2021 than in interim 2020.[199]

The domestic industry's employment indicia were mixed. Its number of production and related workers ("PRWs"), total hours worked, wages paid, and productivity were all higher in 2020 than in 2018.[200] PRWs and wages paid were both higher in interim 2021 than in interim 2020, although hours worked and productivity were lower in interim 2021 than in interim 2020.[201] Hourly wages were lower in 2020 than in 2018, but were higher in interim 2021 than in interim 2020.[202]

The domestic industry's financial performance indica also were mixed. The industry's net sales by value declined by *** percent from 2018 to 2020, and were *** percent higher in

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[197] CR/PR at Tables III-7 & C-1. The domestic industry's U.S. shipments increased from *** gallons in 2018 and 2019 to *** gallons in 2020; they were *** gallons in interim 2020 and *** gallons in interim 2021. *Id*.

As discussed above, while the domestic industry's U.S. shipments increased by *** percent from 2019 to 2020, this increase did not keep pace with apparent U.S. consumption, which increased by *** percent from 2019 to 2020. *Id*.

[198] CR/PR at Tables IV-10 & C-1.

[199] CR/PR at Tables III-9 & C-1. The domestic industry's end-of-period inventories increased from *** gallons in 2018 to *** gallons in 2019 and *** gallons in 2020. *Id*. Its end-of-period inventories were *** gallons in interim 2020 and *** gallons in interim 2021. *Id.* As a ratio to total shipments, the domestic industry's end-of-period inventories increased by *** percentage points from 2018 to 2020, increasing from *** percent in 2018 to *** percent in 2019 and *** percent in 2020; the ratio, however, was *** percentage points lower in interim 2021, at *** percent, than in interim 2020, at *** percent. *Id*.

[200] The domestic industry's number of PRWs totaled *** in 2018, *** in 2019, and *** in 2020. Total hours worked were *** in 2018, *** in 2019, and *** in 2020. Wages paid were $*** in 2018, $*** in 2019, and $*** in 2020. Productivity was *** gallons per hour in 2018, *** gallons per hour in 2019, and *** per hour in 2020. CR/PR at Tables III-15 & C-1.

[201] PRWs were *** in interim 2020 and *** in interim 2021. Wages paid were $*** in interim 2020 and $*** in interim 2021. Total hours worked were *** in interim 2020 and *** in interim 2021. Productivity was *** gallons per hour in interim 2020 and *** gallons per hour in interim 2021. CR/PR at Tables III-15 & C-1.

[202] Hourly wages were $*** per hour in 2018, $*** per hour in 2019, $*** per hour in 2020, $*** per hour in interim 2020, and $*** per hour in interim 2021. CR/PR at Tables III-15 & C-1.

interim 2021 than in interim 2020.[203] Gross profit declined by *** percent from 2018 to 2020, and was *** percent lower in interim 2021 than in interim 2020.[204] Operating income increased by *** percent from 2018 to 2020, but was *** percent lower in interim 2021 than in interim 2020.[205] Further, operating income as a share of net sales increased by *** percentage points from 2018 to 2020, but was *** percentage points lower in interim 2021 than in interim 2020.[206] Net income increased by *** percent from 2018 to 2020, but was *** percent lower in interim 2021 than in interim 2020.[207] Net income as a share of net sales increased by *** percentage points from 2018 to 2020, but was *** percentage points lower in interim 2021 than in interim 2020.[208]

The domestic industry's capital expenditures fluctuated but increased overall by *** percent from 2018 to 2020; they were *** percent lower in interim 2021 than in interim 2020.[209] No domestic producers reported negative effects on investment or growth and development that they attributed to cumulated subject imports.[210]

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[203] The domestic industry's net sales by value increased from $*** in 2018 to $*** in 2019, but then declined to $*** in 2020. Its net sales by value were higher in interim 2021, at $***, than in interim 2020, at $***. CR/PR at Tables VI-1 & C-1.

[204] The domestic industry's gross profit declined from $*** in 2018 to $*** in 2019, but then increased to $*** in 2020. Its gross profit was lower in interim 2021, at $***, than in interim 2020, at $*** in interim 2021. CR/PR at Tables VI-1 & C-1.

[205] The domestic industry's operating income declined from $*** in 2018 to $*** in 2019, but then increased to $*** in 2020. Its operating income was lower in interim 2021, at $***, than in interim 2020, at $***. CR/PR at Tables VI-1 & C-1.

[206] The domestic industry's operating income as a share of net sales declined from *** percent in 2018 to *** percent in 2019, but then increased to *** percent in 2020. Its operating income as a share of net sales was lower in interim 2021, at *** percent, than in interim 2020, at *** percent. CR/PR at Tables VI-1 & C-1.

[207] The domestic industry's net income declined from $*** in 2018 to *** in 2019, but then increased to net income of $*** in 2020. Its net income was lower in interim 2021, at $***, than in interim 2020, at $***. CR/PR at Tables VI-1 & C-1.

[208] The domestic industry's net income as a share of net sales declined from *** percent in 2018 to *** percent in 2019, but then increased to *** percent in 2020. Its net income as a share of net sales was lower in interim 2021, at *** percent, than in interim 2020, at *** percent. CR/PR at Tables VI-1 & C-1.

[209] The domestic industry's capital expenditures declined from $*** in 2018 to $*** in 2019, but then increased to $*** million in 2020; they were lower in interim 2021, at $***, than in interim 2020, at $***. CR/PR at Tables VI-8 & C-1. The industry reported research and development ("R&D") expenses of $*** in 2018, but did not report R&D expenses for the remainder of the POI. CR/PR at Tables VI-10 & C-1.

[210] CR/PR at Table VI-15.

During the POI, there were significant volumes of cumulated subject imports that were at least moderately substitutable with the domestic like product. Information available in the current record shows predominant underselling by cumulated subject imports for the pricing product (*i.e.*, Product 1) accounting for both the largest volume of cumulated subject imports and a substantial portion of the domestic industry's sales of lemon juice during the POI, and the domestic industry experienced a larger price decline for this product than for its other products. Accordingly, we cannot conclude that cumulated subject imports did not have significant effects on prices for the domestic like product for the reasons discussed above. Given these considerations, and in light of the general declines in the domestic industry's performance indicia in interim 2021, we cannot conclude based on the record of the preliminary phase of these investigations that cumulated subject imports did not have a significant impact on the domestic industry.[211]

In our analysis of the impact of cumulated subject imports on the domestic industry, we have also considered whether there are other factors that may have had an adverse impact on the industry during the POI. As noted above, apparent U.S. consumption increased in 2020 and interim 2021, so any declines in the domestic industry's condition, particularly in the interim period, do not appear to be explained by declines in demand.[212] In addition, as discussed above, nonsubject imports were the largest source of lemon juice in the U.S. market throughout the POI.[213] However, the volume and market share of nonsubject imports declined from 2018 to 2020, and were lower in interim 2021 than in interim 2020.[214] Additionally, available data indicate that AUVs for nonsubject imports were higher than AUVs for subject imports from Brazil and South Africa throughout the POI.[215] Moreover, Petitioner maintains that, over the course of the POI, the AUVs for cumulated subject imports were consistently lower than the price floor established by the 2016 suspension agreement for nonsubject

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[211] *See American Lamb Co.*, 785 F.2d at 1001.

[212] CR/PR at Tables IV-10 & C-1. Apparent U.S. consumption declined overall by *** percent between 2018 and 2020, declining from *** gallons in 2018 to *** gallons in 2019, but then increasing by *** percent to *** gallons in 2020. *Id*. Apparent U.S. consumption was *** percent higher in interim 2021, at *** gallons, than in interim 2020, at *** gallons. *Id*.

[213] CR/PR at Tables IV-10 & C-1.

[214] CR/PR at Tables IV-10 & C-1. As a share of apparent U.S. consumption, nonsubject imports declined from *** percent in 2018 to *** percent in 2019 and *** percent in 2020, for an overall decline of *** percentage points between 2018 and 2020. *Id*. Nonsubject imports' share of apparent U.S. consumption was *** percentage points lower in interim 2021, at *** percent, than in interim 2020, at *** percent. *Id*.

[215] CR/PR at Table C-1.

imports of lemon juice from Argentina.[216] We therefore find, for purposes of these preliminary determinations, that nonsubject imports do not explain any declines in the domestic industry's performance during the POI.[217]

VI. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of lemon juice from Brazil and South Africa that are allegedly sold in the United States at less than fair value.

[216] *See, e.g.*, Petitioner's Postconf. Br. at 32-33.

[217] Respondents argue that the U.S. lemon juice market is highly segmented into the NFCLJ and FCLJ sectors and that there is attenuated competition between domestically produced lemon juice and subject imports from Brazil and South Africa. *See, e.g.*, Coca-Cola Postconf. Br. at 7-10; Louis Dreyfus Postconf. Br. at 4-5; Greenwood Postconf. Br. at 5-6. According to respondents, the largest domestic producer of lemon juice, Ventura Coastal, focuses on the NFCLJ sector of the market where cumulated subject imports purportedly do not compete since they are concentrated instead in the FCLJ sector of the market. *See, e.g.*, Coca-Cola Postconf. Br. at 8; Louis Dreyfus Br. at 4-5. Respondents also argue that there is attenuated competition because Ventura Coastal is focused on FCLJ 400 GPL product and has just recently been able to produce FCLJ 500 GPL product demanded by large customers including Coca-Cola, which is supplied by subject imports. *See, e.g.*, Coca-Cola Postconf. Br. at 9-10; Louis Dreyfus Postconf. Br. at 2-3. We intend to examine these issues further in any final phase of these investigations.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by Ventura Coastal LLC ("Ventura Coastal"), Ventura, California, on December 30, 2021, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of lemon juice[1] from Brazil and South Africa. Table I-1 presents information relating to the background of these investigations.[2] [3]

Table I-1
Lemon juice: Information relating to the background and schedule of this proceeding

Effective date	Action
December 30, 2021	Petitions filed with Commerce and the Commission; institution of Commission investigations (87 FR 992, January 7, 2022)
January 19, 2022	Commerce's notice of initiation (87 FR 3768, January 25, 2022)
January 20, 2022	Commission's conference
February 11, 2022	Commission's vote
February 14, 2022	Commission's determinations
February 22, 2022	Commission's views

Statutory criteria

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

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

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

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

[3] A list of witnesses appearing at the conference is presented in appendix B of this report.

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

> *In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.*
>
> *In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—*[5]
>
> *(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.*

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

Organization of report

Part I of this report presents information on the subject merchandise, alleged dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Lemon juice in all forms is bottled as lemon juice or used as an ingredient in various beverages (lemonade and soft drinks), foods (salad dressings, sauces, and baked goods), or non-food products (household cleaners).[6] The leading U.S. producer of lemon juice is ***, while leading producers of lemon juice outside the United States include *** and *** of Brazil and *** and *** of South Africa. The leading U.S. importers of lemon juice from Brazil are *** and ***, while the leading importer of lemon juice from South Africa is ***. Leading importers of product from nonsubject countries (primarily Argentina and Mexico) include ***. U.S. purchasers of lemon juice are firms that manufacture beverages or citrus juice products; the leading U.S. purchaser is ***.

Apparent U.S. consumption of lemon juice totaled approximately *** gallons concentrated basis @ 400 GPL ("gallons @ 400 GPL") ($***) in 2020. Currently, four firms are known to produce lemon juice in the United States.[7] U.S. producers' U.S. shipments of lemon juice totaled *** gallons @ 400 GPL ($***) in 2020, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from subject sources totaled 1.4 million gallons @ 400 GPL ($23.7 million) in 2020 and

[6] Petition, pp. 1, 9.
[7] Petition, pp. 2-3.

accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled 5.9 million gallons @ 400 GPL ($134.8 million) in 2020 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of two firms that accounted for the vast majority of U.S. production of lemon juice during 2020. U.S. imports are based on Commerce's official import statistics under HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040.

Previous and related investigations

Lemon juice has been the subject of prior antidumping duty investigations in the United States concerning Argentina and Mexico. Those investigations resulted from petitions filed on September 21, 2006, with Commerce and the Commission by Sunkist, Sherman Oaks, California, alleging that an industry in the United States was materially injured and threatened with material injury by reason of LTFV imports of lemon juice from Argentina and Mexico.[8] On September 10, 2007, before the Commission reached determinations in the final phase of the original investigations, Commerce suspended the antidumping duty investigation involving lemon juice from Argentina. Commerce entered into a suspension agreement with San Miguel and Citrusvil to revise their prices to eliminate completely sales of lemon juice to the United States at less than fair value.[9] On September 10, 2007, Commerce also suspended the antidumping duty investigation involving lemon juice from Mexico. Commerce entered into a suspension agreement with Coca-Cola and The Coca-Cola Export Corporation, Mexico Branch to revise their prices to eliminate completely sales of lemon juice to the United States at LTFV.[10]

On November 5, 2012, the Commission determined that it would conduct full reviews to determine whether termination of the suspended investigations on lemon juice from Argentina and Mexico would be likely to lead to continuation or recurrence of material injury within a

[8] Lemon Juice from Argentina and Mexico, Investigation Nos. 731-TA-1105-1106 (Preliminary), USITC Publication 3891, November 2006, p. I-1.

[9] 72 FR 53991, September 21, 2007. On September 17, 2009, Citromax SACI acceded to the 2007 suspension agreement. On July 11, 2014, La Moraleja and COTA acceded to the 2007 suspension agreement. 81 FR 74395, October 26, 2016.

[10] 72 FR 53995, September 21, 2007.

reasonable foreseeable time.[11] On December 7, 2012, following an expedited five-year review on the suspended investigation on lemon juice from Argentina, Commerce determined termination of that suspended antidumping duty investigation would be likely to lead to continuation or recurrence of dumping.[12] On June 28, 2013, following a full five-year review on the suspended investigation on lemon juice from Mexico, Commerce determined that termination of that suspended antidumping duty investigation would be likely to lead to continuation or recurrence of dumping.[13] On July 26, 2013, following full five-year reviews, the Commission determined that termination of the suspended antidumping duty investigation on lemon juice from Argentina would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[14] The Commission also determined on July 26, 2013 that termination of the suspended antidumping duty investigation on lemon juice from Mexico would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[15] As a result of the determinations by Commerce and the Commission, effective August 7, 2013, Commerce issued a continuation of the suspended antidumping duty investigation on lemon juice from Argentina.[16] On October 20, 2016, Commerce issued another continuation of the suspended antidumping duty investigation on lemon juice from Argentina and signed a new suspension agreement with substantially all growers/exporters of lemon juice from Argentina, replacing the 2007 suspension agreement. The 2016 suspension agreement is between Commerce and signatory producers/exporters accounting for substantially all imports of lemon juice from Argentina, wherein each signatory producer/exporter agreed to revise its prices to eliminate completely the injurious effects of exports of the subject merchandise to the United States.[17]

On December 6, 2021, the Commission determined that it would conduct a full review to determine whether termination of the suspended antidumping duty investigation on lemon juice from Argentina would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.[18] On January 4, 2022, following an expedited five-year

[11] 77 FR 67833, November 14, 2012.
[12] 77 FR 73021, December 7, 2012.
[13] 78 FR 38944, June 28, 2013.
[14] 78 FR 46610, August 1, 2013. Commissioner Daniel R. Pearson made a negative determination with respect to the suspended investigation on lemon juice from Argentina.
[15] 78 FR 46610, August 1, 2013.
[16] 78 FR 48145, August 7, 2013.
[17] 81 FR 74395, October 26, 2016.
[18] 86 FR 71916, December 20, 2021.

review on the suspended investigation on lemon juice from Argentina, Commerce determined that termination of the suspended antidumping duty investigation would be likely to lead to continuation or recurrence of dumping.[19] The scheduling of the Commission's full review on the suspended antidumping duty investigation on lemon juice from Argentina is currently pending.

Nature and extent of alleged sales at LTFV

Alleged sales at LTFV

On January 25, 2022, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigations on lemon juice from Brazil and South Africa.[20] Commerce has initiated antidumping duty investigations based on estimated dumping margins of 222.16 percent for lemon juice from Brazil and 97.15 percent for lemon juice from South Africa.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[21]

> *The product covered by these investigations is certain lemon juice. Lemon juice is covered: (1) With or without addition of preservatives, sugar, or other sweeteners; (2) regardless of the GPL (grams per liter of citric acid) level of concentration, brix level, brix/acid ratio, pulp content, clarity; (3) regardless of the grade, horticulture method (e.g., organic or not), processed form (e.g., frozen or not-from-concentrate), the size of the container in which packed, or the method of packing; and (4) regardless of the U.S. Department of Agriculture Food and Drug Administration (FDA) standard of identity (as defined under 19 CFR 146.114 et seq.) (i.e., whether or not the lemon juice meets an FDA standard of identity).*
>
> *Excluded from the scope are: (1) Lemon juice at any level of concentration packed in retail-sized containers ready for sale to consumers; and (2) beverage products, such as lemonade, that contain 20 percent or less lemon juice as an ingredient by actual volume. "Retail-sized containers" are defined as lemon juice products sold in ready-for-sale packaging (e.g.,*

[19] 87 FR 215, January 4, 2022.
[20] 87 FR 3768, January 25, 2022.
[21] 87 FR 3768, January 25, 2022.

clearly visible branding, nutritional facts listed, etc.) containing up to 128 ounces of lemon juice by actual volume.

The scope also includes certain lemon juice that is blended with certain lemon juice from sources not subject to these investigations. Only the subject lemon juice component of such blended merchandise is covered by the scope of these investigations. Blended lemon juice is defined as certain lemon juice with two distinct component parts of differing country(s) of origin mixed together to form certain lemon juice where the component parts are no longer individually distinguishable.

Tariff treatment

Lemon juice is currently provided for in HTS subheadings 2009.31.40, 2009.31.60, and 2009.39.60 and is imported under HTS statistical reporting numbers 2009.31.4000 (Other, not concentrated juice), 2009.31.6020 (Concentrated lemon juice, frozen), 2009.31.6040 (Concentrated lemon juice, other), 2009.39.6020 (Other lemon juice, frozen), and 2009.39.6040 (Other lemon juice, other). Unconcentrated lemon juice of a Brix value not exceeding 20 (HTS 2009.31.4000) from Brazil and South Africa is subject to a column 1-general duty rate of 3.4 cents per liter.[22] Concentrated lemon juice of a Brix value not exceeding 20, whether frozen or not (2009.31.6020 and 2009.31.6040) from Brazil and South Africa is subject to a column 1-general duty rate of 7.9 cents per liter.[23] Finally, Lemon juice of a Brix value of greater the 20, whether frozen or not (2009.39.6020 and 2009.39.6040) from Brazil and South Africa is subject to a column 1-general duty rate of 7.9 cents per liter.[24] In addition, imports classified under 2009.31.40, 2009.31.60, and 2009.39.60 are eligible for special duty treatment under the

[22] The Brix value measures how much dissolved sugar is in a liquid solution; one degree of brix means that 100 grams of liquid solution contains 1 gram of sugar. With respect to lemon juice in subheading 2009.41 of these investigations, the expression "Brix value" means the direct reading of degrees Brix obtained from a Brix hydrometer or of refractive index expressed in terms of percentage sucrose content obtained from a refractometer, at a temperature of 20 degrees centigrade or corrected for 20 degrees centigrade if the reading is made at a different temperature. Wikipedia, "Brix," https://en.wikipedia.org/wiki/Brix, accessed February 2, 2022; USTIC, *Harmonized Tariff Schedule of the United States (Basic Edition 2022),* Subheading Note 3, IV, 20-1.

[23] The Brix level of unconcentrated lemon juice in the trade and commerce of the United States is 8.9 with a citric acid content generally ranging from about 45 to 60 grams per liter of anhydrous citric acid ("GPL"). Thus, at standard lemon juice concentration rates of 400 GPL and 500 GPL, Brix levels would generally exceed 20. 19 CFR § 151.91, https://www.ecfr.gov/current/title-19/chapter-I/part-151/subpart-G/section-151.91, accessed January 24, 2022; Greenwood Associates, "Products," https://www.greenwoodassociates.com/products, accessed January 24, 2022; Ventura Coastal, "Products, Lemon," https://venturacoastal.com/lemon-products, accessed January 24, 2022.

[24] USITC, *Harmonized Tariff Schedule of the United States (2022 Basic Edition),* IV, 20-28.

African Growth and Opportunity Act (AGOA). The Republic of South Africa is a designated beneficiary for purposes of AGOA, therefore, lemon juice produced in South Africa and classified under 2009.31.40, 2009.31.60, and 2009.39.60 is eligible for duty-free treatment under column 1-special rates of duty.[25]

Duties on concentrated lemon juice and lemon juice of a Brix value exceeding 20 as imported under statistical subheadings 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040 are also subject to the provisions of Additional U.S. Note One to Chapter 20 ("U.S. Note One").[26] This note states that with respect to HTS heading 2009, the term "liter" for the purposes of rates of duty is applicable to fruit juices in their natural unconcentrated or reconstituted form.[27] Furthermore, reconstituted means product which can be obtained by mixing imported concentrate with water in such a proportion that the product will have a Brix value equal to that found by the Secretary of the Treasury from time to time to be the average Brix value of like natural unconcentrated juice in the trade and commerce of the United States.[28] The Brix value of unconcentrated natural lemon juice in the trade and commerce of the United States for purposes of this note is 8.9.[29] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

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[25] While lemon juice produced in South Africa are eligible for duty-free treatment under AGOA, this benefit is not applied automatically. Importers must apply for and submit appropriate documentation to U.S. Customs and Border Protection to receive duty-free treatment under AGOA. The vast majority of imports classified under HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040 during January 2019 through November 2021 were identified as having been imported under the AGOA program. Of total lemon juice imports from South Africa, 2.6 percent by value and 2.2 percent by volume entered without claiming AGOA benefits. USITC, *Harmonized Tariff Schedule of the United States (2022 Basic Edition)*, General Note 16, GN pp. 164–165; USITC, DataWeb database, accessed January 18, 2022.

[26] HTS 2009.31.4000 includes "not concentrated" fruit juices and, therefore, "liters" of lemon juice imported under this statistical subheading already comply with the provisions of Additional U.S. Note One to Chapter 20. The acid content on various specification sheets for not from concentrate lemon juice mostly range from about 4.5 percent to about 6.0 percent or GPL levels of about 45 to 60. The Brix level of various 400 GPL lemon juice concentrate specification sheets generally ranges from 46 to 60 Brix. Greenwood Associates, "Products," https://www.greenwoodassociates.com/products, accessed January 24, 2022; Ventura Coastal, "Products, Lemon," https://venturacoastal.com/lemon-products, accessed January 24, 2022.

[27] USITC, *Harmonized Tariff Schedule of the United States (Basic Edition 2022),* IV, 20-1–20-2.

[28] USITC, *Harmonized Tariff Schedule of the United States (Basic Edition 2022),* IV, 20-1–20-2.

[29] 19 CFR § 151.91, https://www.ecfr.gov/current/title-19/chapter-I/part-151/subpart-G/section-151.91, accessed January 24, 2022.

The product

Description and applications[30]

Lemon juice is extracted from fresh lemons (*citrus limon*). U.S. commercial production of fresh lemons is currently concentrated in California (50,000 bearing acres) and Arizona (7,300 bearing acres).[31] There are three regions in California and Arizona that supply lemons at different times of the year to assure a year-round supply.[32] Lemons in California and Arizona are grown primarily for the fresh market; those with imperfections or that fail to meet size or grade standards are culled from the fresh market and shipped for processing into various products including lemon juice.[33] Historically, when the quantity of fresh lemons meeting fresh

[30] Unless otherwise noted, this information is based on Lemon Juice from Argentina, Investigation No. 731-TA-1105 (Second Review), Staff Report, November 23, 2021 ("Adequacy Report INV-TT-132"), pp. I-7–I-9.

[31] Lemon acreage and lemon juice production in Florida is apparently increasing as lemon trees are less suspectable to citrus greening disease (Candidatus Liberibacter asiaticus; aka as Huanglongbing (HLB) or yellow dragon disease) which has reduced other citrus acreage (primarily orange and grapefruit) reducing citrus processing capacity utilization and making citrus processing capacity available for processing lemons. Florida Citrus Budwood Program reports show that lemon tree propagation increased rapidly from 37,987 propagations during 2014-15 peaking at 397,858 propagations during 2017-18 and averaged 198,881 propagations in the three following years. USDA Commercial Citrus Inventory reports show that other citrus acres, which includes lemons, average about 140 trees per acre. During 2020-21, other citrus bearing acreage was 2,118 acres and non-bearing acreage was 3,419 acres. Non-bearing acres set or planted during 2018, 2019, and 2020 were 1,990 acres, 782 acres, and 647 acres, respectively. USDA non-bearing planted acre data are consistent with annual propagation data from the Citrus Budwood Program, based on average trees per acre, and assuming some propagations are for non-commercial sales, as well as replacements. USDA, NASS, Quick Stats database, https://quickstats.nass.usda.gov/, accessed January 14, 2022; USDA, NASS, Commercial Citrus Inventory Report, September 8, 2021, https://www.nass.usda.gov/Statistics_by_State/Florida/Publications/Citrus/Commercial_Citrus_Inventory/index.php, accessed January 26, 2022; Florida Department of Agriculture and Consumer Services, Citrus Budwood Program, Citrus Budwood Annual Reports, various issues, https://www.fdacs.gov/Agriculture-Industry/Pests-and-Diseases/Plant-Pests-and-Diseases/Citrus-Health-Response-Program/Citrus-Budwood-Program, accessed January 26, 2022.

[32] Desert areas supply fresh lemons in the fall and winter, the central valley of California supplies fresh lemons during March through May, and coastal areas of California supply fresh lemons from late April through October. Conference transcript, p. 31 (Borgers).

[33] Other processed lemon products include lemon oil and its fractions, lemon peel, and pectin. Over 400 specialty products can be made from lemons, but a much smaller number have established commercial markets. Pectin, derived from lemon peel, is widely used in the food industry as a thickening agent, and pectin pomace is used as a source of dietary fiber that, when pelletized, can be fed to cattle. Pulp wash is used in the beverage industry to add fruit solids and a cloudy appearance to juice drinks, (continued...)

market standards exceeded the quantity of fresh lemons demanded, additional lemons would be diverted to processing; this practice, however, may have diminished as growth in demand for fresh lemons and limes has exceeded growth in U.S. domestic production.[34] Nonetheless, the COVID-19 pandemic sufficiently impacted demand during 2020 to affect the diversion of fresh lemons to processing. During most of 2020, reduction in demand from the food-service industry related to COVID-19 restrictions affected the ratio of fresh lemons used for processing as not all lemons ordinarily delivered to the food-service channel—50 to 65 percent of fresh lemon demand is ordinarily from foodservice—were able to be redirected to the consumer retail channel for fresh distribution.[35] This shift from food service demand to retail demand—in addition to other supplying chain issues created by the COVID-19 pandemic—was not unique to the fresh lemon market.[36]

Lemon juice has a particularly high acid content compared to other citrus juices, typically above 4.5 percent by weight; thus, it is not typically consumed alone at full strength like orange juice. Lemon juice is primarily used as an ingredient in beverages, particularly lemonade and soft drinks, and other foods such as salad dressings, sauces, and baked goods. Lemon juice is sold to be used as an ingredient by food and beverage manufacturing companies but is also sold to producers of non-food products such as household cleaners. Lemon juice is

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while vitamin C, folic acid, carotenoids, flavonoids, naringin, and hesperidin can be extracted from lemon peel to be used in the health food and vitamin industries.

[34] Fresh lemon and lime production averaged nearly 839,000 MT from marketing year 2012/13 to MY2020/21, ranging from 748,000 MT in MY2013/14 to 983,000 MT in MY2019/20. Meanwhile, fresh domestic consumption averaged nearly 1.2 million MT over the same period, ranging from 926,000 MT in MY 2012/13 to more than 1.4 million MT in MY2019/20. Thus, the shortfall between domestic supply to the domestic fresh market and domestic fresh lemon and lime consumption has increased from 99,000 MT in MY2012/13 to 618,000 MT in MY 2020/21, thus making it less likely that fresh lemons are diverted to processing for lack of demand. The U.S. marketing year for fresh lemons and limes is August through July. USDA, FAS, "Production, Supply, and Demand database," https://apps.fas.usda.gov/psdonline/app/index.html#/app/home, accessed January 14, 2022.

[35] Wilcox, Len, "Lemons Hit Hard by COVID-19 Losses," Citrus Industry, AgNet Media, May 14, 2020, https://citrusindustry.net/2020/05/14/lemons-hit-hard-by-covid-19-losses/, accessed January 14, 2022; Burfield, Tom, "Lemons: Foodservice Sales Plummet," The Packer, April 29, 2020, https://www.thepacker.com/news/retail/foodservice-lemon-sales-plummet-amid-covid-19, accessed January 14, 2022; Hecteman, Kevin, "Lemon Farmers Hopeful for Rebound Despite Drought," AgAlert, California Farm Bureau, August 4, 2021, https://www.agalert.com/story/?id=15194, accessed January 14, 2022; Conference transcript, p. 60, (Borgers).

[36] Karst, Tom, "2021 Year in Review — Supply Chain Troubles," The Packer, December 23, 2021; OECD, "Food Supply Chains and COVID-19: Impacts and Policy Lessons," June 2, 2020, https://www.oecd.org/coronavirus/policy-responses/food-supply-chains-and-covid-19-impacts-and-policy-lessons-71b57aea/, accessed January 25, 2022.

also sold at retail grocers to be used as an ingredient for in-home food and beverage preparation.

Fresh lemons are processed into juice with varying concentration levels, acidity, and sugar content. Concentrated lemon juice and not-from-concentrate ("NFC") lemon juice are the two main types produced. Concentrated lemon juice has water removed to reduce bulk and weight. In addition, highly concentrated lemon juice is less susceptible to growth of microorganisms and may be stored refrigerated rather than frozen. These characteristics of concentrated lemon juice reduce costs related to shipping and storage. Concentrated lemon juice can be marketed as cloudy—containing up to 12 percent pulp—or clear or clarified, which has no visible pulp. Grams per liter of anhydrous citric acid ("GPL") is the primary measure of concentration. The typical GPL levels for concentrated lemon juice are acidity levels of 400 GPL and 500 GPL, but concentration level can be customized to customer specifications.[37] Concentrated juice is typically used as an ingredient in lemonades or other lemon-flavored beverages or reconstituted to single strength for packaging and sale.

Not-from-concentrate juice is marketed as a premium product, higher priced, alternative to frozen concentrated or reconstituted juices as it has no water removed and does not require reconstitution. After extraction and pasteurization, NFC lemon juice is packaged for sale or stored aseptically (oxygen-purged environment). The market for NFC lemon juice is growing as lemon juice becomes a leading ingredient and flavor of choice in premium lemonades and juice blends demanded by consumers.[38]

Organic lemon juice is also sold commercially.[39] The lemons used for juice labeled as organic must be grown and processed based on USDA's National Organic Program (NOP) provisions. These provisions specify cultivation methods in the lemon orchard that prohibit the use of various pesticides or chemical fertilizers and require segregation of lemons at the processing plant. Moreover, manufacturing equipment that has been exposed to non-organic

[37] Historically 400 GPL was the U.S. domestic industry standard concentration level and continues to be the standard concentration level for petitioner's production and petitioner's customers. Conference transcript, pp. 62–65 (Borgers). In contrast, respondent purchasers indicated that their purchases shifted from 400 GPL product to 500 GPL product between 2006 and 2019. Conference transcript, pp. 136–139. (Maxfield, Berman, and Lewis).

[38] Conference transcript, p. 39, (Borgers). Calder, Caroline, "A Star Is Born. Lemon Juice Gets the Red-Carpet Treatment," Fruit Juice Focus, January 18, 2018, http://www.fruitjuicefocus.com/a-star-is-born-lemon-juice-gets-the-red-carpet-treatment/, accessed January 25, 2022.

[39] Ventura Coastal and Greenwood Associates product lists include organic lemon juice products. Greenwood Associates, "Products," https://www.greenwoodassociates.com/products, accessed January 24, 2022; Ventura Coastal, "Products, Lemon," https://venturacoastal.com/lemon-products, accessed January 24, 2022.

juice must be thoroughly cleaned before being used to process organic juice. Organic lemon juice generally sells for a higher price than non-organic juice, reflecting a higher cost of growing organic lemons, which typically have lower yields and efficiencies in growing and harvesting than conventionally grown lemons. Organic lemon juice accounts for a small percentage of annual sales in the United States.

Lemon juice and lemon oil are considered co-products in that production of one generally necessitates production of the other, though the pricing of the two products is generally independent of each other.[40] Lemon juice and lemon oil have different chemical profiles. Lemon juice is extracted from the lemon's pulp while oil is extracted from the lemon's peel. Lemon oil is generally used as a flavor enhancer in beverages, foods, and household cleaning supplies. While both can be used in beverages; lemon oil is used to impart flavor, while lemon juice is used to impart acidic tartness.

Manufacturing processes[41]

Unlike other citrus fruits, such as limes and juice oranges that are typically grown in humid tropical climates, lemons tend to grow in arid, subtropical regions such as those in California and Arizona in the United States. Lemons are grown in orchards, harvested, and transported to a packing house for grading and sorting. Generally, the packing house is where fresh-market lemons are distinguished from lemons for processing. Lemons for processing are usually culled from fresh-market lemons based on imperfections in appearance or failure to meet size or grade standards.[42] The demand and supply for a particular size of fresh lemon may

[40] In general, citrus fruit processing is designed for the collection of juice, with the peel oil being a by-product, as is the case with lemons, oranges, grapefruit, and Persian limes. The growth of lemon juice production in Argentina has, historically, been driven by increased global demand for lemon oil, a key ingredient in cola soft drinks. Approximately 50 percent of Argentina's essential lemon oil production is marketed with a leading soft drink company under a long-term agreed price scheme that is not subject to market supply and demand. Performing oil extraction without juicing is not generally considered commercially viable, since without the additional revenue from juice, the cost of extracting the lemon oil would be prohibitive. Futch and Singerman, "Citrus Production in Argentina," September 29, 2017; Calvo, Daniel, "Lemon Juice… to buy, or not to buy, that is the question," Fruit Juice Focus, July/August 2020.

[41] Unless otherwise noted, this information is based on Lemon Juice from Argentina, Investigation No. 731-TA-1105 (Second Review), Staff Report, November 23, 2021 ("Adequacy Report INV-TT-132"), pp. I-10–I-13.

[42] Lemons for the fresh market are often sorted to meet exact size requirements over a large range of sizes. For example, many of the largest lemons produced in the United States are exported to Japan for use as gifts, whereas small lemons are often sold to bars and restaurants for use as condiments for drinks and garnish for food.

vary from year to year based on market and growing conditions. For example, COVID-19 restrictions on bars, restaurants, schools, cruise lines, and other commercial food-service operations that were subject to closures and limited capacities almost eliminated the demand for an entire class and size of fresh lemons.[43] If there are too many fresh lemons of a particular class or size, they may be culled into the processing market, thus expanding the supply of lemon juice.

Commercial processing plants that produce lemon juice may also process other citrus fruits such as oranges, grapefruit, and limes.[44] After grading and sorting at the packing shed, lemons designated for processing are shipped via truck to processing plants. Fruit is unloaded from the trucks, brush-washed, and is again graded and sized before entering the juice/oil extractors. Several lemon extraction systems are used globally; the most widely used in the United States is the FMC (now JBT) system but Brown extraction systems are also used in the United States.[45] The per gallon cost of processing lemons with the JBT or Brown system are roughly equivalent.[46]

JBT produces four different extractor models designed to extract juice and oil from citrus fruit of specific sizes, ranging from one inch in diameter to 5.5 inches in diameter,

[43] By some estimates, 50–65 percent of lemons sold in the United States go to the foodservice sector, where demand was 30–35 percent of normal during 2020. Wilcox, Len, "Lemons Hit Hard by COVID-19 Losses," Citrus Industry, AgNet Media, May 14, 2020, https://citrusindustry.net/2020/05/14/lemons-hit-hard-by-covid-19-losses/, accessed January 14, 2022; Burfield, Tom, "Lemons: Foodservice Sales Plummet," The Packer, April 29, 2020, https://www.thepacker.com/news/retail/foodservice-lemon-sales-plummet-amid-covid-19, accessed January 14, 2022; Hecteman, Kevin, "Lemon Farmers Hopeful for Rebound Despite Drought," AgAlert, California Farm Bureau, August 4, 2021, https://www.agalert.com/story/?id=15194, accessed January 14, 2022.

[44] In most countries, lemon processing takes place only during several months of the year immediately following harvest and, therefore, citrus juicing plants process other fruits on the off-season from lemons. U.S. lemons, however, are harvested throughout most of the year due to variations in growing conditions in three primary locations in California and Arizona. Nonetheless, U.S. plants also process other citrus in addition to lemons.

[45] JBT was spun-off from FMC Technologies into a separate publicly traded company in 2008. JBT's Liquid Foods Division designs, manufactures, tests, and services systems for processing fruit and vegetable juices and has operations in 15 countries. JBT Citrus Systems claims its extractors are used to produce 75 percent of the world's juice production in 35 countries. JBT Liquid Foods, "An Overview: Fruit and Vegetable Processing, Preservation Solutions, Dairy Solutions, High Pressure Processing (HPP)," https://www.jbtc.com/foodtech/markets/juices-and-beverages/, accessed November 2, 2021; JBT Food Tech, "Citrus Juice Extractor," https://www.jbtc.com/foodtech/products-and-solutions/products/juicers-finishers-and-extractors/citrus-juice-extractor/, accessed November 2, 2021; conference transcript, pp. 15–17, (Borgers).

[46] Conference transcript, pp. 16–17, (Borgers).

including limes, lemons, oranges, and grapefruit.[47] The JBT extraction method is the only method that does not involve first cutting the fruit into halves.[48] The fruit is first inserted into a two-part fingered cup that supports and squeezes the exterior of the fruit throughout the squeeze cycle. Plugs are cut into the top and bottom of the fruit to allow separation of the internal components from the peel. Pressure from the cups forces the juice and pulp into a strainer tube inserted into the bottom plug. While pulp and juice are forced into the strainer tube, the peel is cut into strips and sprayed with a fine water mist to extract the oil and create an emulsion that flows away from the peel. Juice never contacts the peel during this process. Fruit is separated into four streams, juice, peels, cores (pulp, rag, and seeds), and oil emulsion.[49]

The Brown Oil Extractor (BOE) is another extraction method used in the United States and South America. The BOE method differs from the JBT method in that juice and oil are extracted in sequential steps rather than simultaneously. The BOE method extracts oil first by gently puncturing the peel of the whole fruit with thousands of stainless-steel needle points, rupturing the oil sacks, and releasing the oil, which is emulsified in a water spray. Juice is extracted by then cutting the fruit in half, positioning the halves in cups, and then extracting juice and pulp with serrated reamers.[50]

A third extraction method, used primarily in Europe, is called the Pelatrice method. This method does not require a preliminary size calibration of the fruit and is also sequential rather than simultaneous. Oil is recovered by passing the fruit through a stainless-steel grating system under a water spray creating an oil emulsion. The de-oiled fruit is then cut in half and pressed against a fixed sieve by counter-rotating steel cylinders. Juice quality and yield is lower than with the JBT and Brown systems.[51]

After extraction, lemon juice is further processed in a centrifuge to remove any remaining bits of seed, peel, and excess pulp. At this point, juice may be pasteurized (175 to 185 degrees for 10 to 15 seconds)[52] resulting in NFC lemon juice, or it can be evaporated to remove water to produce lemon juice concentrate of a specified GPL and then pasteurized.[53]

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[47] JBT Food Tech, "Citrus Juice Extractor," https://www.jbtc.com/foodtech/products-and-solutions/products/juicers-finishers-and-extractors/citrus-juice-extractor/, accessed November 2, 2021.

[48] Citrech, "Citrus Juices Processing Technology," accessed November 2, 2021.

[49] Rag is the stringy central portion and membranous walls of a citrus fruit. Citrech, "Citrus Juices Processing Technology," accessed November 2, 2021.

[50] Citrech, "Citrus Juices Processing Technology," accessed November 2, 2021.

[51] Citrech, "Citrus Juices Processing Technology," accessed November 2, 2021.

[52] Conference transcript, pp. 17, 35 (Borgers).

[53] Conference transcript, p. 18, (Borgers).

Clarified lemon juice is ultrafiltered before pasteurization to eliminate all pulp content, and then concentrated through evaporation and pasteurization. Concentrated and NFC lemon juice are stored in silos, bins, or steel drums, under frozen or aseptically chilled conditions.

The difference in the amount of heat applied to juices, including lemon juice, affects various characteristics including flavor and color.[54] Thus, one of the primary differences between NFC and concentrated lemon juice is the amount of heat applied creating different flavor profiles for NFC and concentrated lemon juice.[55] Concentration via evaporation uses more drastic time-temperature conditions than pasteurization, creating considerable changes in flavor and sensory profiles of concentrated juices.[56]

The extraction of additional lemon derivatives or oil fractions requires further specialized equipment. This equipment must generally have been incorporated into a plant's design to produce these specialized products. Lemon processing plant design must also be careful to plan for economical disposal of the peel and other solid wastes from the lemons, usually in compliance with local and national environmental requirements. Lemons cannot be disposed of in landfills because of their high moisture content but may be composted. Lemon juice disposal is regulated in the United States at the Federal, State, and local levels and must be pretreated prior to disposal due to its high sugar and acid content.

Lemon processing generally takes place at juice/oil extraction plants near growing areas which are concentrated in California and Arizona in the United States. Since 2013 an average of about 247,000 tons of lemons have been processed representing 36.5 percent of total U.S. lemon production. While total production of lemons and the quantity used in the fresh market have generally increased, by 22.1 and 18.9 percent, respectively, since 2013, processing quantities and share have varied. Though the quantity of lemons that were processed recently peaked in 2020 at 332,000 tons (30.6 percent), the share of lemons that were processed was greater in both 2013 and 2015, exceeding 32.0 percent. The quantity of lemons processed, and the share processed were both the lowest in 2017 when 181,000 tons (20.5 percent) were

[54] Conference transcript, pp. 35-36, (Borgers).

[55] Conference transcript, p. 18 (Borgers).

[56] Facundo et. al. identified several sources that supported this conclusion including Spoto et. al (1997), Varming et. al. (2004), Elss et. al. (2005), Clary et.al. (2006, and Steinhaus et. al. (2006). Facundo, HelioFabia Virginia de Vasconcelos et. al., "Changes in Flavor Quality of Pineapple Juice During Processing," *Journal of Food Processing & Preservation,* June 2010, Vol. 34, No. 3, pp. 508–519, https://eds.s.ebscohost.com/eds/Citations/FullTextLinkClick?sid=f4aabe6a-1bbe-4e46-8c72-600c7290cab6@redis&vid=0&id=pdfFullText.

processed.[57] From 2011–2013, 30.2 percent of U.S. lemons were processed; however, up to 46 percent were processed in the ten years preceding this period.

Traditional citrus juice sales—primarily orange juice—have been in decline for several years because of changing consumer habits such as reduced breakfast consumption opportunities.[58] Lemon juice, however, is benefiting from increased demand for new and unique flavors, including lemon, in the food and beverage industries.[59] Lemon juice demand has typically been greatest during the summer months when more lemonade is consumed. U.S. per capita availability of lemon juice is low relative to orange juice, averaging 0.19 gallons per capita for lemon juice compared with 2.73 gallons per capita for orange juice since 2013.[60] While per capita availability varied between 0.14 to 0.21 gallons per person since 2007, it has generally increased at an average annual rate of 0.06 gallons per capita.

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations. Petitioner proposes that the Commission find there is a single domestic like product coextensive with the scope, which it contends is substantively identical to the scope adopted by Commerce in the previous proceedings concerning imports of lemon juice from Argentina and Mexico.[61] Respondents did not raise any objections to a single domestic like product coextensive with the scope for the purpose of the preliminary phase of these investigations.[62]

[57] USDA, NASS, "Quick Stats database," accessed November 2, 2021.

[58] Fruit Juice Focus, "USA Juice Market Update," March/April 2020, http://www.fruitjuicefocus.com/, accessed November 2 ,2021.

[59] Calder, "A Star Is Born. Lemon Juice Gets the Red-Carpet Treatment," January 18, 2018; Fruit Juice Focus, "Citrus Pectin Market," November/December 2019, http://www.fruitjuicefocus.com/, accessed November 2, 2021.

[60] USDA, ERS, "Food Availability (Per Capita) Data System, Fruit Juices," https://www.ers.usda.gov/data-products/food-availability-per-capita-data-system/, accessed November 7, 2021.

[61] Petitioner postconference brief, pp. 9-10.

[62] Conference transcript, pp. 120-121 (Noonan).

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

U.S. market characteristics

Lemon juice is sold in two forms: lemon juice concentrate and not from concentrate lemon juice (NFCLJ). These forms may be either clarified or cloudy, as identified by the pulp content. Lemon juice is used as an ingredient in beverages, particularly lemonade and soft drinks, and other foods, such as salad dressings, sauces, and baked goods. Lemon juice is sold to food and beverage processing companies, for use as an ingredient, as well as to producers of non-food products, such as household cleaners. Repackaged, reconstituted lemon juice is also sold at retail grocers to be used as an ingredient in home food and beverage preparation.[1]

Apparent U.S. consumption of lemon juice has decreased in terms of both quantity and value since 2018. Overall apparent U.S. consumption in terms of quantity in 2020 was *** percent lower than in 2018 and it was *** percent lower in terms of value. Apparent U.S. consumption in the first three quarters of 2021 was *** percent higher in terms of quantity and *** percent higher in terms of value compared to the first three quarters of 2020.

[1] Lemon Juice from Argentina and Mexico, 731-TA-1105-1106 (Review), USITC Publication 4418, June 24, 2013, p. II-1.

Channels of distribution

U.S. producers sold mainly to distributors while importers sold mainly to food or beverage manufacturers, as shown in table II-1.

Table II-1
Lemon juice: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

* * * * * * *

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

Geographic distribution

U.S. producers and importers reported selling lemon juice to all regions in the contiguous United States (table II-2). Only one importer, ***, reported selling lemon juice (from Brazil) to other regions of the United States. For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-2
Lemon juice: Count of U.S. producers' and U.S. importers' geographic markets

Count in number of firms reporting

Region	U.S. producers	Brazil	South Africa	Subject sources
Northeast	***	6	2	7
Midwest	***	4	2	5
Southeast	***	5	1	6
Central Southwest	***	1	1	2
Mountain	***	1	1	2
Pacific Coast	***	5	2	6
Other	***	1	0	1
All regions (except Other)	***	0	1	1
Reporting firms	***	8	2	9

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

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

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding lemon juice from U.S. producers and from subject countries.

Lemon juice production depends on the amount of lemons grown and the share of those lemons that go to processing. Lemons typically go to processing because they are unsuitable for the fresh lemon market because of defects or failure to meet the size or grade standards for sale as fresh lemons.[2] As lemons are perishable, lemon juice processors have to have sufficient capacity to process the volumes of lemons that growers deliver during peak harvest seasons.[3] Approximately 65 to 70 percent of lemons are processed within 24 to 48 hours of harvesting, with the remaining 30 to 35 percent processed within 2 to 4 weeks.[4] U.S. lemon juice producers idle processing capacity at periods during the harvest when the volumes of lemons delivered are lower and there are lower volumes of lemons to process.[5] This leads to spikes in the capacity utilization and periods of under-utilization based on agricultural production schedules. An annual capacity utilization rate of 15 to 25 percent is considered normal and 35 to 40 percent would be considered high.[6]

Lemon juice producers freeze lemon juice to store it for up to two years[7] to provide a constant supply of lemon juice to the U.S. market. Fresh lemon crop size can vary from year to year based on a variety of factors including crop damaging conditions such as freezes, storms, or droughts.[8] In order to provide a stable supply of lemon juice in years of lower crop yield, U.S. producers usually carry over 25 percent of production from one season to the next as inventory.[9]

[2] Conference transcript, p. 15 (Borgers).
[3] Conference transcript, p. 51 (Mcdermott).
[4] Conference transcript, p. 15 (Borgers).
[5] Conference transcript, p. 50 (Borgers).
[6] Conference transcript, p. 49 (Arkan) and p. 51 (Mcdermott).
[7] Conference transcript, p. 47 (Borgers).
[8] Conference transcript, p. 88 (Maxfield).
[9] Conference transcript, p. 48 (Borgers).

Table II-3
Lemon juice: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in 1,000 gallons concentrated basis @400 GPL; ratio in percent

* * * * * * *

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

Note: Responding U.S. producers accounted for more than *** percent of U.S. production of lemon juice in 2020. Responding foreign producer/exporter firms accounted for more than *** percent of U.S. imports of lemon juice from subject countries during 2020. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, “Summary Data and Data Sources.”

Note: Due to different agricultural production cycles, end-of-year inventories may not be comparable between countries in different hemispheres.

Domestic production

Based on available information, U.S. producers of lemon juice have the ability to respond to changes in demand with small-to-moderate changes in the quantity of shipments of lemon juice to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of some unused capacity and moderate-to-high inventory levels. The very limited ability to divert shipments from other markets and the limited quantities of lemons available for processing mitigate the responsiveness of supply.

U.S. producers reported constant levels of production capacity and increased production, leading to increased capacity utilization from 2018 to 2020. U.S. producers stated that they could continue to increase capacity utilization if more lemons were available for processing.[10] U.S. lemon juice production is constrained by the availability of lemons as the domestic industry stated that they used all lemons available for lemon juice production.[11] U.S. producers' inventories relative to total shipments increased from 2018 to 2020. It is unlikely that U.S. producers would reduce inventories below a certain level regardless of price due to the seasonal nature of lemon juice production and the business necessity of providing a steady supply of lemon juice to the U.S. market. Exports of U.S. produced lemon juice remained below *** percent of total shipments throughout the period. *** reported that they were able to process other citrus varieties (such as oranges and grapefruit) on the same equipment used to process lemons. However, U.S. producers reported that due to different agricultural production cycles, citrus varieties do not displace each other as they are not available for processing at the same time of year.[12] Therefore, the ability to switch production to or from other products to lemon juice does not impact U.S. producers' ability to respond to changes in demand.

Subject imports from Brazil

Based on available information, producers of lemon juice from Brazil have the ability to respond to changes in demand with moderate changes in the quantity of shipments of lemon juice to the U.S. market. The main contributing factors to this degree of responsiveness of supply are availability of some unused capacity, moderate inventory levels, and the ability to shift shipments from alternate markets. Limited quantities of lemons available for processing mitigates the responsiveness of supply.

[10] Conference transcript, p. 52 (Borgers).
[11] Conference transcript, p. 52 (Borgers).
[12] Conference transcript, p. 15 (Arkan).

Brazilian producers reported no change to production capacity and decreased production, leading to decreased capacity utilization from 2018 to 2020. Brazilian producers' inventories relative to total shipments increased from 2018 to 2020. Brazilian producers reported selling just under *** of total shipments in their home market, just over *** to markets other than the United States, and just over *** to the U.S. market, in 2020. *** responding Brazilian producers reported that they were able to process other citrus varieties (such as oranges) on the same equipment used to process lemons. However, due to different agricultural production cycles, citrus varieties do not displace each other as they are not available for processing at the same time of year.[13] Therefore, the ability to switch to or from other products to lemon juice does not impact Brazilian producers' ability to respond to changes in demand.

Subject imports from South Africa

Based on available information, producers of lemon juice from South Africa have the ability to respond to changes in demand with moderate changes in the quantity of shipments of lemon juice to the U.S. market. The main contributing factors to this degree of responsiveness of supply are availability of some unused capacity, high inventory levels, and the ability to shift shipments from alternate markets. Limited quantities of lemons available for processing mitigates the responsiveness of supply.

South African producers reported increased capacity, production, and capacity utilization from 2018 to 2020. South African producers' inventories relative to total shipments increased from 2018 to 2020. Responding South African producers reported selling just over *** of total shipments in their home market, just under *** to markets other than the United States, and just over *** to the U.S. market, in 2020. *** responding South African producers (***) reported that they were able to process other citrus varieties (such as oranges or grapefruit) on the same equipment used to process lemons. However, due to different agricultural production cycles, citrus varieties do not displace each other as they are not available for processing at the same time. Therefore, the ability to switch to or from other products to lemon juice does not impact South African producers' ability to respond to changes in demand.

[13] Conference transcript, p. 15 (Arkan).

Imports from nonsubject sources

Nonsubject imports accounted for 80.7 percent of total U.S. imports in 2020. The largest sources of nonsubject imports in 2020 were Argentina and Mexico. Combined, these countries accounted for 63.1 percent of nonsubject imports in 2020.

Supply constraints

*** and 8 of 12 importers reported that they had not experienced supply constraints since January 1, 2018. Three importers (***) reported that supply chain or logistical issues had caused supply constraints. Importer *** reported that, due to the COVID-19 pandemic, its supplier was not always able to process sufficient lemons to meet the quantity of juice it requested.

Effects of demand for fresh lemons and lemon oil on lemon juice supply

*** reported that the demand for fresh lemons and lemon oil had an impact on the supply of raw materials used to produce lemon juice. U.S. producer *** reported that increases in demand for fresh lemons reduce the quantities of lemons available for processing. U.S. producer *** reported that California lemon growers produce lemons for the fresh market and if the quality of the crop is good and demand is strong than there are fewer lemons available for processing.

The majority of importers (7 of 13) reported that the demand for fresh lemons and lemon oil did not have an impact on the supply of raw materials used to produce lemon juice. However, importer *** reported that if the market demand for fresh lemons is strong then there are fewer lemons available for processing. Importer *** reported that the size of the lemon crop has an impact on the availability of lemons for processing.

U.S. demand

Based on available information, the overall demand for lemon juice is likely to experience small changes in response to changes in price. The main contributing factors to the low responsiveness of demand to price are the limited range of substitute products and the difficulty of using substitutes in food products (which would require changing labels and might affect the flavor or other characteristics of the food or drink).[14]

[14] Lemon Juice from Argentina and Mexico, 731-TA-1105-1106 (Review), USITC Publication 4418, June 24, 2013, p. II-13.

End uses and cost share

U.S. demand for lemon juice depends on the demand for U.S.-produced downstream products. Reported end uses include beverages, sauces, and dressings.

Lemon juice accounts for a varying cost of the end-use products in which it is used, depending on the amount of lemon juice used in the end-use product. Firms generally reported cost shares in beverages (including lemonade) of 5 to 20 percent, although one firm reported a cost share of 91 percent. Some firms reported that the cost share in lemon juice concentrate was 100 percent. One importer reporter that lemon juice accounted for 5 percent of the cost of sauces.

Business cycles

*** and 8 of 13 importers indicated that the market was subject to business cycles or distinct conditions of competition. Specifically, U.S. producer *** reported the staggered and varied crop seasons and yields from Spain, the United States, and Mexico and that the COVID-19 pandemic had increased freight prices for imported lemon juice. U.S. producer *** reported that lemon juice has a fairly stable baseline of sales as an ingredient, which accounts for the majority of sales, but that there is an increase in demand in the summer when there is a higher demand for lemonade.

Eight importers reported that the lemon juice market was subject to business cycles. Importer *** reported that the lemon juice market was subject to growing seasons. Importers ***, ***, and *** reported that demand for lemon juice is higher in summer when lemonade or beverage sales are at their peak. Four importers reported that the lemon juice market was subject to distinct conditions of competition. Six responding importers reported that business cycles or conditions of competitions have changed since 2018. Importers ***, ***, *** and *** reported that there are an increased number of lemon trees which has increased the supply of raw materials. Importer *** reported that the COVID-19 pandemic led to supply chain disruptions and that potential shortages caused firms to increase inventory levels and contract volumes.

Demand trends

Both responding U.S. producers reported that U.S. demand for lemon juice had *** since January 1, 2018. A plurality of importers reported that U.S. demand for lemon juice had increased over the same period.

One responding U.S. producer reported that foreign demand for lemon juice *** while the other reported that *** since January 1, 2018. An equal number of importers reported that foreign demand had increased, fluctuated, or remained constant over the same period (table II-4).

Table II-4
Lemon juice: Count of firms' responses regarding overall domestic and foreign demand

Count in number of firms reporting

Market	Firm type	Increase	No change	Decrease	Fluctuate
Domestic demand	U.S. producers	***	***	***	***
Domestic demand	Importers	6	3	1	3
Foreign demand	U.S. producers	***	***	***	***
Foreign demand	Importers	4	4	0	4

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

Organic vs. non-organic lemon juice

U.S. producers and importers were asked to discuss the difference between organic and non-organic lemon juice. U.S. producer *** reported that there was no difference between organic and non-organic lemon juice.[15] Importer *** reported that there was no discernable difference in the physical characteristics of organic and non-organic lemon juice but that differences in marketing and consumer preferences allow organic lemon juice to command a price premium. Importer *** reported there is no difference in quality other than agricultural residues, but organic lemon juice is 30 percent more expensive. Importer *** reported that the only difference between organic and non-organic lemon juice is the certified absence of agrochemical residues.

Substitute products

*** and the majority of importers (8 of 10) reported that there were no substitutes for lemon juice. Two importers (*** and ***) reported that citric acid, lime juice, and vinegar could be substituted for lemon juice in some end uses.

Substitutability issues

This section assesses the degree to which U.S.-produced lemon juice and imports of lemon juice from subject countries can be substituted for one another by examining the

[15] U.S. producer *** reported that it did not produce or import organic lemon juice.

importance of certain purchasing factors and the comparability of lemon juice from domestic and imported sources based on those factors. Based on available data, staff believes that there is a moderate degree of substitutability between domestically produced lemon juice and lemon juice imported from subject sources.[16] Factors contributing to this level of substitutability include similar quality and physical properties. Factors reducing substitutability are differences in the flavor profile of lemon juice from each country, different lead times from domestic and subject sources, and differences in the cost of freight from domestic and subject producers to purchasers.

Factors affecting purchasing decisions

Most important purchase factors

Purchasers responding to lost sales lost revenue allegations[17] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for lemon juice. The major purchasing factors identified by firms include price, quality, and availability. The most often cited top three factors firms consider in their purchasing decisions for lemon juice were price and quality (4 firms each) and availability/supply (3 firms), shown in table II-5. Quality was the most frequently cited first-most important factor (cited by 3 firms), followed by availability/supply (1 firm); price was the most frequently reported second-most important factor (2 firms); and price was the most frequently reported third-most important factor (2 firms). Purchaser *** reported that the majority of its beverage production is on the East Coast of the United States and having lemon juice delivered by truck from the West Coast of the United States is not as efficient as having lemon juice delivered by ocean freight. Purchaser *** reported that viscosity and stability of 400 GPL lemon juice was a major purchasing factor.

[16] The degree of substitution between domestic and imported lemon juice depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced lemon juice to the lemon juice imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

[17] This information is compiled from responses by purchasers identified by Petitioners as major purchasers. See Part V for additional information.

Table II-5
Lemon juice: Count of ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Count in number of firms reporting

Factor	First	Second	Third	Total
Price / Cost	0	2	2	4
Quality	3	1	0	4
Availability / Supply	1	1	1	3
All other factors	0	0	1	NA

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

Note: Other factors include diversity of supply.

Lead times

Lemon juice produced in the United States is sold from inventory while lemon juice from Brazil and South Africa is mostly produced-to-order. U.S. producers reported that *** percent of their commercial shipments came from inventories, with orders being filled on demand with little or no lead time. Importers reported that *** percent of lemon juice from Brazil and South Africa were produced-to-order with lead times averaging *** days. The remaining *** percent came from U.S. inventories with lead times of *** days.

Comparison of U.S.-produced and imported lemon juice

In order to determine whether U.S.-produced lemon juice can generally be used in the same applications as imports from Brazil and South Africa, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-6 and II-7, Both responding U.S. producers reported that lemon juice from the United States, subject countries, and nonsubject countries are *** interchangeable, with one exception. One U.S. producer reported that lemon juice from the United States and nonsubject countries is *** interchangeable and the other reported it is *** interchangeable. U.S. producer *** reported that interchangeability depends on a country's labeling and blending requirements and that some countries allow a blend of lemon juice from two different countries to be sold under the label of the country it was blended in and that this practice limits interchangeability.

Importer responses on the interchangeability from the United States, subject countries, and nonsubject countries were mixed. At least half of importers reported that lemon juice from the United States, Brazil, and nonsubject countries were always or frequently interchangeable. The majority of responding importers reported that lemon juice from South Africa was sometimes interchangeable with lemon juice from the United States, Brazil, and nonsubject countries. Importer *** reported that brix-acidity ratios limit the interchangeability of lemon juice from different countries. Importer *** reported that customers can prefer the flavor of lemon juice from one country over another. Importer *** reported that U.S. producers offer a narrower range of standard specification ranges than South African producers which means that South African lemon juice often requires more processing after importation and prior to sale than U.S.-produced lemon juice. Importer *** reported that its customers generally formulate products based on the flavor and technical specification that it certifies with each producer and that this certification process can be time consuming and expensive. Importers *** reported that the cost of freight has become an added cost that limits the interchangeability of U.S. produced and subject lemon juice.

Table II-6
Lemon juice: Count of U.S. producers reporting the interchangeability between lemon juice produced in the United States and in other countries, by country pair

Count in number of firms reporting

* * * * * * *

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

Table II-7
Lemon juice: Count of importers reporting the interchangeability between lemon juice produced in the United States and in other countries, by country pair

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Brazil	2	4	4	0
United States vs. South Africa	1	2	5	0
Brazil vs. South Africa	1	2	5	0
United States vs. Other	2	5	4	0
Brazil vs. Other	2	3	5	0
South Africa vs. Other	1	2	5	0

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

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of lemon juice from the United States, subject, or nonsubject countries. As seen in tables II-8 and II-9, *** reported that there is *** a difference other than price between lemon juice produced in the United States, Brazil, South Africa and nonsubject countries. *** also reported that there is *** a difference other than price between lemon juice from Brazil and the United States. U.S. producers reported that there are *** differences other than price between lemon juice produced in nonsubject countries and the United States and Brazil. U.S. producer *** reported that Brazil offered good quality lemon juice at a competitive price but transportation could be a barrier to establishing a consistent supply; Mexico offered a good quality product that entered the market at a different time of year than U.S.-produced lemon juice due to the different harvest schedule; and Spain offered good quality product in a variety of shipping methods (drums frozen, drums aseptic, and bins aseptic).

Importers' responses on the differences other than price between lemon juice from the United States, subject countries and nonsubject countries were mixed. The majority of importers reported that there were always or frequently differences other than price between lemon juice produced in the United States and Brazil. The majority of importers reported that there were sometimes differences other than price between lemon juice produced in the United States and South Africa. The majority of importers reported that there are sometimes differences other than price between lemon juice produced in Brazil, South Africa, and nonsubject countries. The majority of importers reported that there are always or frequently differences other than price between lemon juice produced in the United States and nonsubject countries. Importer *** reported that there is more flexibility in the quality or product specification from foreign producers than domestic producers. Importer *** reported that it is unable to purchase U.S.-produced lemon juice because U.S. producers lack sufficient inventory. Importer *** reported that its clients prefer the flavor of U.S.-produced lemon juice and its concentrate clients prefer the color of Argentine lemon juice. Importer *** reported that domestic producers have been unable to consistently supply its needs while Brazilian producers offer exceptional technical support across a range of products.

Table II-8
Lemon juice: Count of U.S. producers reporting the significance of differences other than price between lemon juice produced in the United States and in other countries, by country pair

Count in number of firms reporting

* * * * * * *

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

Table II-9
Lemon juice: Count of importers reporting the significance of differences between lemon juice produced in the United States and in other countries, by country pair

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. Brazil	3	3	3	0
United States vs. South Africa	0	2	4	0
Brazil vs. South Africa	0	1	4	0
United States vs. Other	1	4	3	1
Brazil vs. Other	1	1	5	0
South Africa vs. Other	0	1	5	0

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

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of two firms that accounted for the vast majority of U.S. production of lemon juice during 2020.

U.S. producers

The Commission issued a U.S. producer questionnaire to four firms based on information contained in the petition: Perricone Juices Co, Sun Orchard LLC ("Sun Orchard"), Ventura Coastal, and Vita-Pakt Citrus Products Co. Sun Orchard and Ventura Coastal provided usable data on their operations. Staff believes that these responses represent the majority of U.S. production of lemon juice.

Table III-1 lists U.S. producers of lemon juice, their production locations, positions on the petition, and shares of total production.

Table III-1
Lemon juice: U.S. producers, their positions on the petition, production locations, and shares of reported production, 2020

Firm	Position on petition	Production location(s)	Share of production
Sun Orchard	***	Haines City, FL Tempe, AZ	***
Ventura Coastal	Petitioner	Visalia, CA Tipton, CA	***
All firms	Various	Various	100.0

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

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms. In addition, as discussed in greater detail below, *** directly imports and purchases imports of the subject merchandise from U.S. importers and *** subject merchandise from U.S. importers.

Table III-2
Lemon juice: U.S. producers' ownership, related and/or affiliated firms

Reporting firm	Relationship type and related firm	Details of relationship
***	***	***
***	***	***

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

Table III-3 presents U.S. producers' reported changes in operations since January 1, 2018. *** reported an expansion and a revised labor agreement. Additionally, with Florida orange growers being impacted by greening disease and an increase in the demand for lemon juice and lemon oil, citrus farms in Florida are planting lemon trees with the likelihood of new lemon juice processors entering the market.[1]

Table III-3
Lemon juice: U.S. producers' reported changes in operations, since January 1, 2018

Item	Firm name and narrative response on changes in operations
Expansions	***
Revised labor agreements	***

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

Note: Ventura Coastal ***. Email from ***, January 20, 2022.

[1] Conference transcript, p. 78 (Borgers); conference transcript, p. 129 (Maxfield); and "As Florida continues to reel from citrus greening, growers, processors and researchers explore another option — lemons, Business Observer", May 10, 2019, https://www.businessobserverfl.com/article/lemons-florida-citrus-greening-fran-becker-anna-jameson-fred-gmitter-janet-mixon-benjamin-rosson.

U.S. production, capacity, and capacity utilization

Table III-4 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. During 2018-20, U.S. producers' production capacity ***. U.S. producers' production capacity was *** percent higher in interim 2021 compared to interim 2020. During 2018-20, U.S. producers' combined production increased by *** percent and was *** lower in interim 2021 compared to interim 2020. ***. ***. As the largest U.S. producer, Ventura Coastal's ***.

U.S. producers' capacity utilization increased by *** percentage points during 2018-20. U.S. producers' capacity utilization was *** percentage points lower in interim 2021 compared to interim 2020. *** reported constraints affecting its production of lemon juice including ***.[2]

Table III-4
Lemon juice: Firm-by-firm capacity, by period

Capacity in 1,000 gallons concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table III-4 Continued
Lemon juice: Firm-by-firm production, by period

Production in 1,000 gallons concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

[2] *** U.S. producer questionnaire response, section II-3b.

Table III-4 Continued
Lemon juice: Firm-by-firm capacity utilization, by period

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Note: Capacity utilization ratio represents the ratio of the U.S. producer's production to its production capacity.

Table continued.

Table III-4 Continued
Lemon juice: Firm-by-firm share of production, by period

Shares in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	100.0	100.0	100.0	100.0	100.0

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

Figure III-1
Lemon juice: U.S. producers' production, capacity, and capacity utilization, by period

* * * * * * *

Alternative products

Table III-5 and table III-6 present U.S. producers' descriptions of products produced on the same machinery used to produce lemon juice and their ability to switch production.

Table III-5
Lemon juice: U.S. producers' production using same machinery narrative, by firm

Firm	Narrative response
***	***
***	***

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

Table III-6
Lemon juice: U.S. producers' responses to factors impacting the ability to switch production, by firm

Firm	Narrative response
***	***
***	***

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

U.S. producers' U.S. shipments and exports

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. shipments accounted for over *** percent of shipments in each period by responding U.S. producers during 2018-20, interim 2020, and interim 2021.[3] During 2018-20, U.S. producers' U.S. shipments, in terms of quantity, increased by *** percent and were *** percent higher in interim 2021 compared to interim 2020. The value of U.S. producers' U.S. shipments fluctuated throughout the period for which data were collected. During 2018-19, U.S. producers' U.S. shipments, in terms of value, increased by *** percent then, decreased by *** percent between 2019 and 2020. Overall during 2018-20, U.S. producers' U.S. shipments, in terms of value, decreased by *** percent and were *** percent higher in interim 2021 compared to interim 2020.

The unit value of responding U.S. producers' U.S. shipments increased from 2018 to 2019 by *** percent ($*** per gallon @400 GPL) then decreased by *** percent ($*** per gallon @400 GPL) from 2019 to 2020. Overall during 2018-20, the unit value of U.S. producers' U.S. shipments decreased by *** percent ($*** per gallon @400 GPL). The unit value of responding U.S. producers' U.S. shipments decreased from $*** per gallon @400 GPL in 2018 to $*** per gallon @400 GPL in 2020. The unit value of U.S. producers' U.S. shipments was *** percent lower in interim 2021 compared to interim 2020 ($*** per gallon @400 GPL).

[3] ***. *** U.S. producer questionnaire response, section II-7.

Table III-7
Lemon juice: U.S. producers' total shipments, by destination and period

Quantity in 1,000 gallons concentrated basis @400 GPL; value in 1,000 dollars; unit values in dollars per gallon concentrated basis @400 GPL; shares in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. shipments	Quantity	***	***	***	***	***
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

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

Note: ***. In 2018, *** purchased *** gallons @400 GPL of lemon juice imported from Brazil and *** gallons @400 GPL of lemon juice imported from nonsubject sources. In 2019 and 2020, *** purchased *** gallons and *** gallons @400 GPL of lemon juice imported from nonsubject sources, respectively. In interim 2020 and interim 2021, *** purchased of *** gallons @400 GPL and *** gallons @400 GPL of lemon juice imported from nonsubject sources, respectively. All reported purchases of lemon juice were used in the production of lemon juice. Email from ***, January 26, 2022.

Note: All of ***. ***. Emails from ***, January 20, 2022 and January 28, 2022.

Table III-8 presents U.S. producers' U.S. shipments by shipment type. Commercial U.S. shipments, in terms of quantity, accounted for the majority of U.S. producers' U.S. shipments during 2018-20 and during the interim periods (*** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in interim 2020, and *** percent in interim 2021). Overall, during 2018-20, U.S. producers' commercial U.S. shipments increased, in terms of quantity, by *** percent and were *** percent higher in interim 2021 compared to interim 2020. The unit value of U.S. producers' commercial U.S. shipments increased from $*** per gallon @400 GPL in 2018 to $*** per gallon @400 GPL in 2019 then decreased to $*** per gallon @400 GPL in 2020.

*** and account for the remainder of collective responding U.S. producers' U.S. shipments during the period for which data were collected.[4] Overall during 2018-20, U.S. producers' internal consumption, in terms of quantity and in terms of value decreased by *** percent and by *** percent, respectively. U.S. producers' internal consumption, in terms of quantity, was *** percent in interim 2021 compared to interim 2020 (*** percent, in terms of value). The unit value of U.S. producers' internal consumption increased from $*** per gallon @400 GPL in 2018 to $*** per gallon @400 GPL in 2019 then decreased to $*** per gallon @400 GPL in 2020. No U.S. producer reported transfers to related firms during the period for which data were collected

[4] ***. Emails from ***, January 20, 2022 and January 28, 2022.

Table III-8
Lemon juice: U.S. producers' U.S. shipments, by type and period

Quantity in 1,000 gallons concentrated basis @400 GPL; value in 1,000 dollars; unit values in dollars per gallon concentrated basis @400 GPL; shares in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Commercial U.S. shipments	Quantity	***	***	***	***	***
Internal consumption	Quantity	***	***	***	***	***
Transfers to related firms	Quantity	***	***	***	***	***
U.S. shipments	Quantity	***	***	***	***	***
Commercial U.S. shipments	Value	***	***	***	***	***
Internal consumption	Value	***	***	***	***	***
Transfers to related firms	Value	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***
Commercial U.S. shipments	Unit value	***	***	***	***	***
Internal consumption	Unit value	***	***	***	***	***
Transfers to related firms	Unit value	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***
Commercial U.S. shipments	Share of quantity	***	***	***	***	***
Internal consumption	Share of quantity	***	***	***	***	***
Transfers to related firms	Share of quantity	***	***	***	***	***
U.S. shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
Commercial U.S. shipments	Share of value	***	***	***	***	***
Internal consumption	Share of value	***	***	***	***	***
Transfers to related firms	Share of value	***	***	***	***	***
U.S. shipments	Share of value	100.0	100.0	100.0	100.0	100.0

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

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

U.S. producers' inventories

Table III-9 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** U.S. producers' end-of-period inventories increased by *** percent during 2018-20 and were *** percent lower in interim 2021 compared to interim 2020. During 2018-20, U.S. producers' end-of-period inventories as a ratio to U.S. production, U.S. shipments, and total shipments increased by *** percentage points, *** percentage points, and *** percentage points, respectively. U.S. producers' end-of-period inventories as a ratio to U.S. production, U.S. shipments, and total shipments were all lower in interim 2021 compared to interim 2020.

Table III-9
Lemon juice: U.S. producers' inventories and their ratio to select items, by period

Quantity in 1,000 gallons concentrated basis @400 GPL; inventory ratios in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
End-of-period inventory quantity	***	***	***	***	***
Inventory ratio to U.S. production	***	***	***	***	***
Inventory ratio to U.S. shipments	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***

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

U.S. producers' imports and purchases

U.S. producers' imports of lemon juice are presented in table III-10 and reasons for such imports in table III-11. One U.S. producer, *** reported imports of lemon juice from (***) in 2020, interim 2020, and interim 2021.

Table III-10
Lemon juice: *'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in 1,000 gallons concentrated basis @400 GPL; ratio in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. production	Quantity	***	***	***	***	***
Imports from nonsubject sources (***)	Quantity	***	***	***	***	***
Imports from nonsubject sources to U.S. production	Ratio	***	***	***	***	***

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

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

Table III-11
Lemon juice: U.S. producers' reasons for importing

Item	Narrative response on reasons for importing
***'s reason for importing	***

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

U.S. producers' purchases of lemon juice from subject sources are presented in table III-12 and table III-13 and reasons for such purchases in table III-14. *** reported purchases of lemon juice during the period for which data were collected.

Table III-12
Lemon juice: *'s U.S. production, U.S. purchases of imports of subject merchandise, by period**

Quantity in 1,000 gallons concentrated basis @400 GPL; ratios in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. production	Quantity	***	***	***	***	***
U.S. purchases of imports from Brazil (imported by ***)	Quantity	***	***	***	***	***
U.S. importers *** U.S. imports from Brazil	Quantity	***	***	***	***	***
Producer's purchases to importers' imports (***)	Ratio	***	***	***	***	***
U.S. importers' *** U.S. imports to U.S. production	Ratio	***	***	***	***	***

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

Note: ***. *** U.S. processor questionnaire response, section II-12.

Table III-13
Lemon juice: *'s U.S. production, U.S. purchases of imports of subject merchandise, by period**

Quantity in 1,000 gallons concentrated basis @400 GPL; ratio in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. production	Quantity	***	***	***	***	***
U.S. purchases of imports from Brazil (***)	Quantity	***	***	***	***	***
Overall U.S. imports from Brazil	Quantity	1,196	917	786	331	730
Producer's purchases to overall imports (***)	Ratio	***	***	***	***	***

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

Note: ***. *** U.S. processor questionnaire response, section II-12; and email from ***, February 7, 2022.

Table III-14
Lemon juice: U.S. producers' reasons for purchasing imports, by firm

Item	Narrative response on reasons for importing
***'s reason for purchasing	***
***'s reason for purchasing	***

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

U.S. employment, wages, and productivity

Table III-15 shows U.S. producers' employment-related data. During 2018-20, the number of production related workers ("PRWs") increased by *** percent (*** PRWs). During 2018-20, total hours worked, hours worked per PRW, aggregate wages, and productivity increased by *** percent, by *** percent, and by *** percent, respectively.[5] Overall, during 2018-20, hourly wages and unit labor costs decreased by *** percent and by *** percent, respectively. Number of PRWs, aggregate wages, hourly wages, and unit labor costs were greater in interim 2021 compared to interim 2020.[6] Meanwhile, total hours worked, hours worked per PRW, and productivity were lower in interim 2021 compared to interim 2020.

Table III-15
Lemon juice: U.S. producers' employment related information, by period

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (gallons per hour)	***	***	***	***	***
Unit labor costs (dollars per gallons)	***	***	***	***	***

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

Note: Number of PRWs, total hours worked, and wages are overstated. ***. *** U.S. processor questionnaire response, section II-10.

[5] In 2020, ***. Email from *** January 20, 2022.

[6] In 2021, *** *** U.S. processor questionnaire response, section II-10.

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

U.S. importers

The Commission issued importer questionnaires to 32 firms believed to be importers of subject lemon juice, as well as to all U.S. producers of lemon juice.[1] Usable questionnaire responses were received from 15 companies, representing over 80 percent of U.S. imports from Brazil and over 80 percent of U.S. imports from South Africa in 2020 under HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, respectively.[2] Table IV-1 lists all responding U.S. importers of lemon juice from Brazil and South Africa and other sources, their locations, and their shares of U.S. imports, in 2020.

[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data from third-party sources, may have accounted for more than one percent of total imports under HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040 in 2020.

[2] Coverage figures provided based on value of imports.

Table IV-1
Lemon juice: U.S. importers, their headquarters, and share of imports within each source, 2020

Shares in percent

Firm	Headquarters	Brazil	South Africa	Subject sources	Nonsubject sources	All import sources
Cascade	Seattle, WA	***	***	***	***	***
Citromax	Carlstadt, NJ	***	***	***	***	***
Citrus Team	Austin, TX	***	***	***	***	***
FGF Trapani	Tafí Viejo - Tucumán, Argentina	***	***	***	***	***
Food Partners	Winter Haven, FL	***	***	***	***	***
Global Natural	Livingston Manor, NY	***	***	***	***	***
Greenwood	Niles, IL	***	***	***	***	***
La Moraleja	Salta, Argentina	***	***	***	***	***
LDC	Orlando, FL	***	***	***	***	***
Prodalim	Winter Garden, FL	***	***	***	***	***
Purkel	Markham, ON	***	***	***	***	***
Rahal	Oakbrook Terrace, IL	***	***	***	***	***
San Miguel	Munro, Buenos Aires, Argentina	***	***	***	***	***
Tradin Organics	Scotts Valley, CA	***	***	***	***	***
Ventura Coastal	Ventura, CA	***	***	***	***	***
All firms	Various	100.0	100.0	100.0	100.0	100.0

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

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of lemon juice from Brazil, South Africa, and all other sources. During 2018-20, U.S. imports of lemon juice from Brazil decreased, in terms of quantity and in terms of value, by 34.2 percent and by 40.3 percent, respectively. U.S. imports of lemon juice from Brazil, in terms of quantity, were 120.4 percent greater in interim 2021 compared to interim 2020. U.S. imports of lemon juice from Brazil, in terms of value, were 133.3 percent greater in interim 2021 compared to interim 2020. U.S. imports of lemon juice from Brazil, during 2018-20, accounted for a decreasing share of total imports of lemon juice, decreasing from 14.3 percent in 2018 to 10.7 percent in 2020, in terms of quantity.

Meanwhile, during 2018-20, U.S. imports of lemon juice from South Africa increased, in terms of quantity and in terms of value, by 38.4 percent and by 16.5 percent, respectively. U.S. imports of lemon juice from South Africa, in terms of quantity, were 51.5 percent greater in interim 2021 compared to interim 2020. U.S. imports of lemon juice from South Africa, in terms of value, were 16.5 percent greater in interim 2021 compared to interim 2020. U.S. imports of lemon juice from South Africa during 2018-20 accounted for an increasing share of total imports of lemon juice, increasing from 5.4 percent in 2018 to 8.5 percent in 2020, in terms of quantity.

Overall, during 2018-20, U.S. imports of lemon juice from nonsubject sources decreased, in terms of quantity and in terms of value, by 11.6 percent and by 17.9 percent, respectively. U.S. imports of lemon juice from nonsubject sources, in terms of quantity, were 12.0 percent lower in interim 2021 compared to interim 2020. U.S. imports of lemon juice from nonsubject sources, in terms of value, were 9.7 percent lower in interim 2021 compared to interim 2020. U.S. imports from nonsubject sources, in terms of quantity and in terms of value, accounted for the largest share of total imports during 2018-20. During 2018-20, U.S. imports from nonsubject sources as a share of total imports, in terms of quantity, fluctuated during the period but overall increased 0.5 percentage points (80.3 percent in 2018 and 80.7 percent in 2020). During 2018-20, as share of total imports, in terms of value, U.S. imports from nonsubject sources increased by 1.4 percentage points over this period (83.7 percent in 2018 and 85.0 percent in 2020).

Table IV-2
Lemon juice: U.S. imports by source and period

Quantity in 1,000 gallons concentrated basis @400 GPL; value in 1,000 dollars; unit values in dollars per gallon concentrated basis @400 GPL

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Brazil	Quantity	1,196	917	786	331	730
South Africa	Quantity	453	250	627	459	695
Subject sources	Quantity	1,648	1,167	1,413	790	1,425
Nonsubject sources	Quantity	6,701	5,455	5,926	4,139	3,643
All import sources	Quantity	8,349	6,622	7,338	4,929	5,068
Brazil	Value	23,973	19,922	14,302	5,298	12,360
South Africa	Value	8,109	4,340	9,444	7,264	8,469
Subject sources	Value	32,082	24,262	23,746	12,562	20,829
Nonsubject sources	Value	164,260	127,563	134,800	96,035	86,722
All import sources	Value	196,342	151,825	158,547	108,597	107,551
Brazil	Unit value	20.05	21.72	18.19	15.99	16.92
South Africa	Unit value	17.90	17.37	15.07	15.84	12.19
Subject sources	Unit value	19.46	20.79	16.81	15.90	14.62
Nonsubject sources	Unit value	24.51	23.39	22.75	23.20	23.81
All import sources	Unit value	23.52	22.93	21.60	22.03	21.22

Table continued.

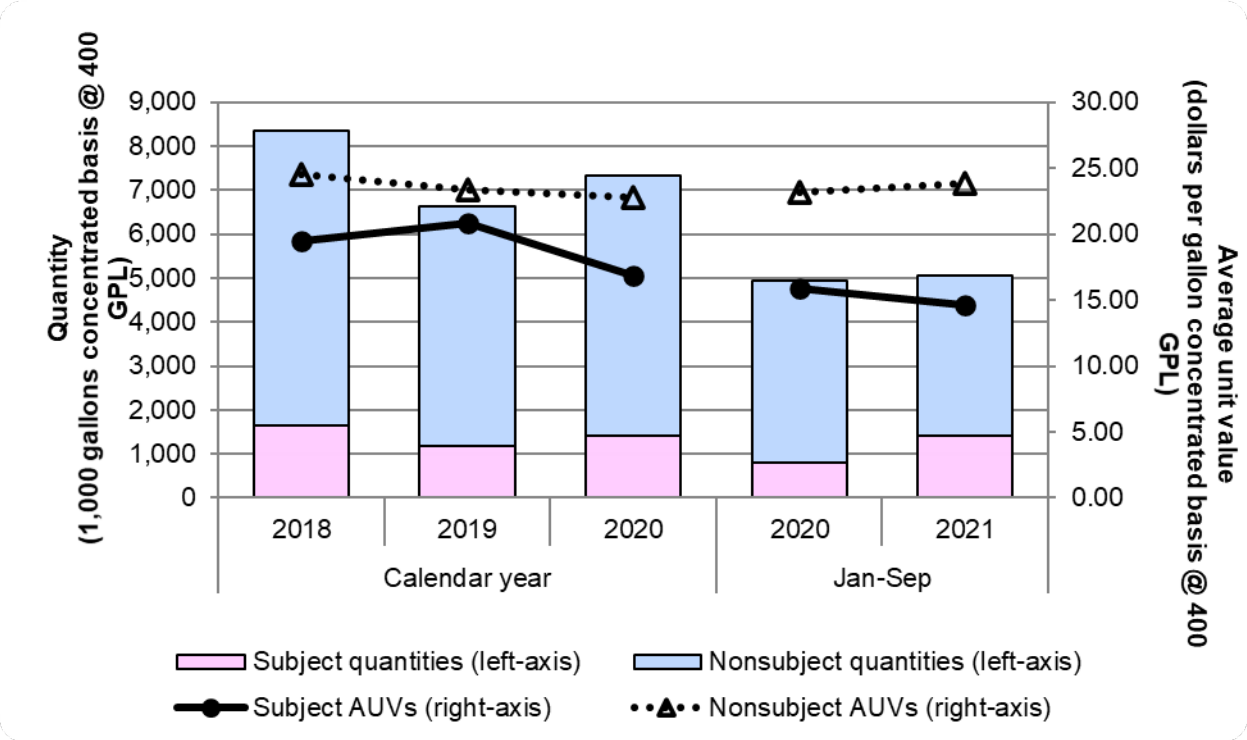
Table IV-2 Continued
Lemon juice: Share of U.S. imports by source and period

Share and ratio in percent; ratios represent the ratio to U.S. production

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Brazil	Share of quantity	14.3	13.8	10.7	6.7	14.4
South Africa	Share of quantity	5.4	3.8	8.5	9.3	13.7
Subject sources	Share of quantity	19.7	17.6	19.3	16.0	28.1
Nonsubject sources	Share of quantity	80.3	82.4	80.7	84.0	71.9
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
Brazil	Share of value	12.2	13.1	9.0	4.9	11.5
South Africa	Share of value	4.1	2.9	6.0	6.7	7.9
Subject sources	Share of value	16.3	16.0	15.0	11.6	19.4
Nonsubject sources	Share of value	83.7	84.0	85.0	88.4	80.6
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
Brazil	Ratio	***	***	***	***	***
South Africa	Ratio	***	***	***	***	***
Subject sources	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values. A conversion factor of 0.03359 was used to convert liters to gallons.

Figure IV-1
Lemon juice: U.S. import quantities and average unit values, by source and period



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

During 2018-20, the unit value of U.S. imports of lemon juice from Brazil, South Africa, and nonsubject sources all decreased by 9.3 percent, by 15.8 percent, and by 7.2 percent, respectively. The unit value of U.S. imports of lemon juice from Brazil and nonsubject sources were higher in interim 2021 compared to interim 2020 while the unit value of U.S. imports of lemon juice from South Africa was lower in interim 2021 compared to interim 2020.

Overall during 2018-20, as a ratio to U.S. production, U.S. imports of lemon juice from Brazil, South Africa, and nonsubject sources decreased by *** percentage points, by *** percentage points, and by *** percentage points, respectively. U.S. imports from Brazil, South Africa, and nonsubject sources were all higher in interim 2021 compared to interim 2021.

Table IV-3 presents data for U.S. imports of lemon juice from nonsubject countries. During 2018-20, interim 2020, and interim 2021, Argentina was the largest source of nonsubject imports followed by Mexico.

Table IV-3
Lemon juice: Nonsubject U.S. imports, by source and period

Quantity in 1,000 gallons concentrated basis @400 GPL; shares in percent

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Argentina	Quantity	4,190	3,193	3,498	2,592	2,173
Italy	Quantity	338	248	294	220	215
Mexico	Quantity	872	1,193	1,129	600	386
Peru	Quantity	365	373	415	292	247
Spain	Quantity	788	363	420	383	420
Uruguay	Quantity	13	14	107	9	109
All other nonsubject sources	Quantity	134	70	63	43	93
All nonsubject sources	Quantity	6,701	5,455	5,926	4,139	3,643
Argentina	Share	50.2	48.2	47.7	52.6	42.9
Italy	Share	4.1	3.7	4.0	4.5	4.2
Mexico	Share	10.4	18.0	15.4	12.2	7.6
Peru	Share	4.4	5.6	5.7	5.9	4.9
Spain	Share	9.4	5.5	5.7	7.8	8.3
Uruguay	Share	0.2	0.2	1.5	0.2	2.2
All other nonsubject sources	Share	1.6	1.1	0.9	0.9	1.8
All nonsubject sources	Share	80.3	82.4	80.7	84.0	71.9

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". A conversion factor of 0.03359 was used to convert liters to gallons.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[3] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[4] Imports from Brazil and South Africa accounted for 18.2 percent and 12.6 percent of total imports of lemon juice by quantity during 2020, respectively.

Table IV-4
Lemon juice: U.S. imports in the twelve-month period preceding the filing of the petition, December 2020 through November 2021

Quantity in 1,000 gallons concentrated basis @400 GPL; shares in percent

Source of imports	Quantity	Share
Brazil	1,433	18.2
South Africa	993	12.6
Subject sources	2,427	30.9
Nonsubject sources	5,428	69.1
All import sources	7,855	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series. A conversion factor of 0.03359 was used to convert liters to gallons. A conversion factor of 0.03359 was used to convert liters to gallons.

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

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

Cumulation considerations

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

Fungibility

Table IV-5 and figure IV-2 present data on U.S. producers' and importers' U.S. shipments of concentrated lemon juice and non-concentrated lemon juice. U.S. producers' U.S. shipments of lemon juice were about evenly split between concentrated lemon juice and non-concentrated lemon juice. Meanwhile, over 70 percent of importers' U.S. shipments of lemon juice were concentrated lemon juice.

Table IV-5
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and concentration status

Quantity in 1,000 gallons concentrated basis @400 GPL

Source	Concentrated	Non-concentrated	All concentration statuses
U.S. producers	***	***	***
Brazil	***	***	***
South Africa	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	4,941	1,897	6,838

Table continued.

Table IV-5 Continued
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and concentration status

Shares across in percent

Source	Concentrated	Non-concentrated	All concentration statuses
U.S. producers	***	***	100.0
Brazil	***	***	100.0
South Africa	***	***	100.0
Subject sources	***	***	100.0
Nonsubject sources	***	***	100.0
All import sources	***	***	100.0
All sources	72.3	27.7	100.0

Table continued.

Table IV-5 Continued
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and concentration status

Shares down in percent

Source	Concentrated	Non-concentrated	All concentration statuses
U.S. producers	***	***	***
Brazil	***	***	***
South Africa	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	100.0	100.0	100.0

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

Figure IV-2
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and concentration status

* * * * * * *

Table IV-6 and figure IV-3 present data on U.S. producers' and importers' U.S. shipments of lemon juice with no visible pulp and with pulp. Over *** percent of U.S. producers' and importers' U.S. shipments of lemon juice were with pulp.

Table IV-6
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and level of pulp

Quantity in 1,000 gallons concentrated basis @400 GPL

Source	No visible pulp	With pulp	All levels of pulp
U.S. producers	***	***	***
Brazil	***	***	***
South Africa	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	6,838

Table continued.

Table IV-6 Continued
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and level of pulp

Shares across in percent

Source	No visible pulp	With pulp	All levels of pulp
U.S. producers	***	***	100.0
Brazil	***	***	100.0
South Africa	***	***	100.0
Subject sources	***	***	100.0
Nonsubject sources	***	***	100.0
All import sources	***	***	100.0
All sources	***	***	100.0

Table continued.

Table IV-6 Continued
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and level of pulp

Shares down in percent

Source	No visible pulp	With pulp	All levels of pulp
U.S. producers	***	***	***
Brazil	***	***	***
South Africa	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	100.0	100.0	100.0

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

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

Figure IV-3
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and level of pulp.

* * * * * * *

Table IV-7 and figure IV-4 present data on U.S. producers' and importers' U.S. shipments of organic lemon juice and non-organic lemon juice. Over *** percent of U.S. producers' and importers' U.S. shipments of lemon juice were non-organic lemon juice.

Table IV-7
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and certification status

Quantity in 1,000 gallons concentrated basis @400 GPL

Source	Organic	Non-organic	All certification statuses
U.S. producers	***	***	***
Brazil	***	***	***
South Africa	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

Table IV-7 Continued
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and certification status

Shares across in percent

Source	Organic	Non-organic	All certification statuses
U.S. producers	***	***	100.0
Brazil	***	***	100.0
South Africa	***	***	100.0
Subject sources	***	***	100.0
Nonsubject sources	***	***	100.0
All import sources	***	***	100.0
All sources	***	***	100.0

Table continued.

Table IV-7 Continued
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and certification status

Shares down in percent

Source	Organic	Non-organic	All certification statuses
U.S. producers	***	***	***
Brazil	***	***	***
South Africa	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	100.0	100.0	100.0

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

Figure IV-4
Lemon juice: U.S. producers' and U.S. importers' U.S. shipments in 2020, by source and certification status

* * * * * * *

Geographical markets

Table IV-8 presents U.S. imports of lemon juice in 2020 by border of entry based on official import statistics. The majority of imports lemon juice from Brazil (51.4 percent), South Africa (82.7 percent), and nonsubject sources (49.6 percent) entered the United States through ports located in the east.

Table IV-8
Lemon juice: U.S. imports by source and border of entry, 2020

Quantity in 1,000 gallons concentrated basis @400 GPL

Source	East	North	South	West	All borders
Brazil	404	1	364	17	786
South Africa	518	---	75	34	627
Subject sources	922	1	439	51	1,413
Nonsubject sources	2,942	48	2,310	625	5,926
All import sources	3,864	49	2,750	676	7,338

Table continued.

Table IV-8 Continued
Lemon juice: U.S. imports by source and border of entry, 2020

Shares across in percent

Source	East	North	South	West	All borders
Brazil	51.4	0.1	46.3	2.2	100.0
South Africa	82.7	---	12.0	5.4	100.0
Subject sources	65.3	0.1	31.1	3.6	100.0
Nonsubject sources	49.6	0.8	39.0	10.6	100.0
All import sources	52.6	0.7	37.5	9.2	100.0

Table continued.

Table IV-8 Continued
Lemon juice: U.S. imports by source and border of entry, 2020

Shares down in percent

Source	East	North	South	West	All borders
Brazil	10.5	2.3	13.2	2.5	10.7
South Africa	13.4	---	2.7	5.0	8.5
Subject sources	23.9	2.3	16.0	7.5	19.3
Nonsubject sources	76.1	97.7	84.0	92.5	80.7
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“. A conversion factor of 0.03359 was used to convert liters to gallons.

Presence in the market

Table IV-9, figure IV-5, and figure IV-6 present monthly official U.S. import statistics for subject and nonsubject sources. Imports of lemon juice from subject and nonsubject sources were present every month during January 2018 through November 2021 with the expectation of imports of lemon juice from South Africa in April 2019.

Table IV-9
Lemon juice: Quantity of U.S. imports, by source and month

Quantity in 1,000 gallons concentrated basis @400 GPL

Year	Month	Brazil	South Africa	Subject sources	Nonsubject sources	All import sources
2018	January	30	40	70	523	593
2018	February	39	30	68	347	415
2018	March	93	18	111	317	428
2018	April	191	7	198	402	600
2018	May	156	13	169	601	770
2018	June	93	37	130	677	807
2018	July	79	71	150	566	716
2018	August	96	42	138	689	827
2018	September	101	63	164	652	816
2018	October	282	56	337	740	1,077
2018	November	29	70	98	650	748
2018	December	8	6	14	537	551
2019	January	41	35	77	578	655
2019	February	57	1	58	311	370
2019	March	54	9	63	324	387
2019	April	115	---	115	299	415
2019	May	93	25	119	366	484
2019	June	70	5	75	376	451
2019	July	93	33	125	434	559
2019	August	343	26	369	415	784
2019	September	23	49	72	544	616
2019	October	8	26	34	570	604
2019	November	10	14	24	578	602
2019	December	10	26	36	660	695

Table continued.

Table IV-9 Continued
Lemon juice: Quantity of U.S. imports, by source and month

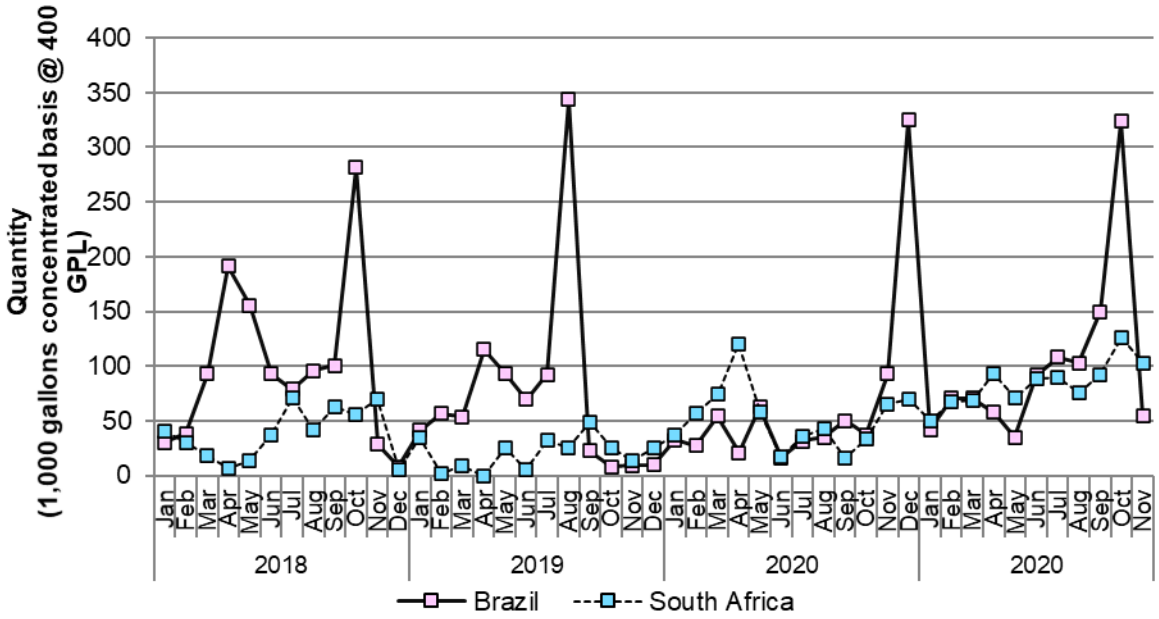
Quantity in 1,000 gallons concentrated basis @400 GPL

Year	Month	Brazil	South Africa	Subject sources	Nonsubject sources	All import sources
2020	January	32	37	69	624	693
2020	February	28	57	85	340	425
2020	March	54	74	128	439	567
2020	April	21	120	141	374	515
2020	May	62	59	121	441	562
2020	June	17	17	33	405	439
2020	July	32	36	68	387	454
2020	August	35	44	79	481	559
2020	September	50	16	66	649	715
2020	October	37	34	71	805	875
2020	November	93	65	158	610	768
2020	December	325	70	394	371	766
2021	January	42	50	92	317	409
2021	February	71	67	138	292	430
2021	March	71	68	139	322	461
2021	April	58	93	151	306	457
2021	May	35	71	107	372	479
2021	June	92	88	180	368	548
2021	July	108	89	198	512	710
2021	August	103	75	178	614	793
2021	September	150	92	242	539	781
2021	October	324	126	449	634	1,084
2021	November	55	103	158	780	938

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series.

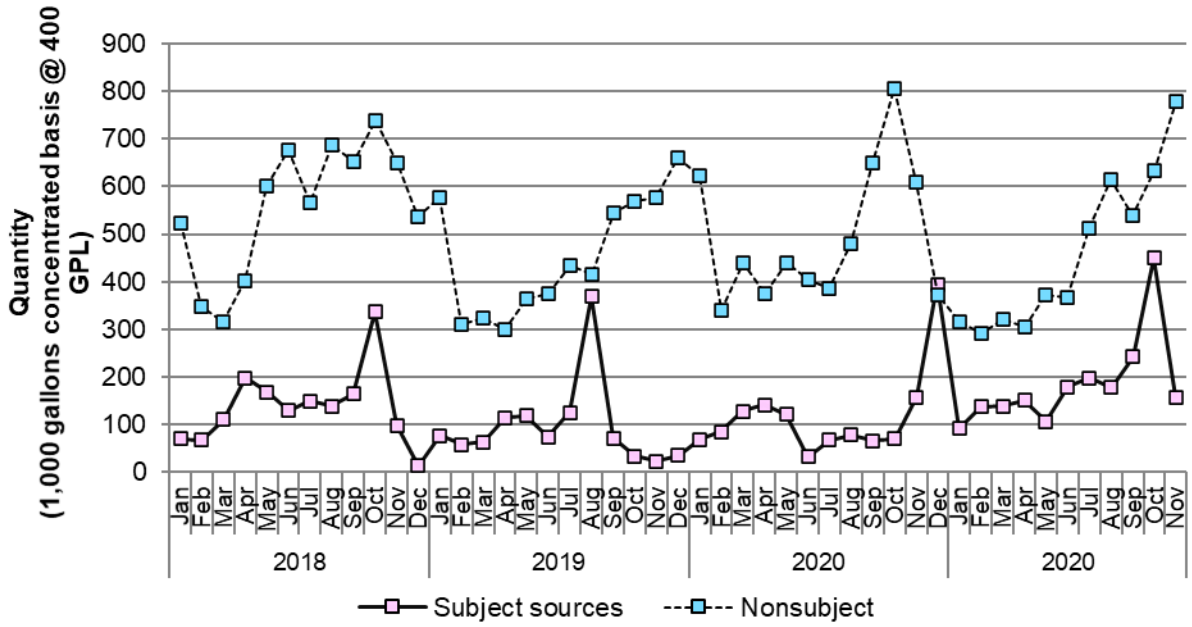
Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---". A conversion factor of 0.03359 was used to convert liters to gallons.

Figure IV-5
Lemon juice: U.S. imports from individual subject sources, by source and by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series.

Figure IV-6
Lemon juice: U.S. imports from aggregated subject and nonsubject sources, by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series.

Apparent U.S. consumption and market shares

Table IV-10 and figure IV-7 present data on apparent U.S. consumption and U.S. market shares for lemon juice in terms of quantity. Meanwhile, table IV-11 and figure IV-8 present data on apparent U.S. consumption and U.S. market shares for lemon juice in terms of value. During 2018-20, apparent U.S. consumption decreased, in terms of quantity, by *** percent (*** percent by value). Apparent U.S. consumption, in terms of quantity, was *** percent greater in interim 2021 compared to interim 2020 (*** percent by value).

U.S. producers' market share, in terms of quantity, increased by *** percentage points from 2018 to 2019 then decreased by *** percentage points from 2019 to 2020, ending *** percentage points higher in 2020 than in 2018. U.S. producers' market share, in terms of quantity, was *** percentage points higher in interim 2021 compared to interim 2020. The market share of subject imports, in terms of quantity, decreased by *** percentage points from 2018 to 2019 then increased by *** percentage points from 2019 to 2020, ending *** percentage points lower in 2020 than in 2018. The market share of subject imports, in terms of quantity, was *** percentage points higher in interim 2021 compared to interim 2020. The market share of nonsubject imports, in terms of quantity, decreased by *** percentage points during 2018-20. The market share of nonsubject imports, in terms of quantity, was *** percentage points lower in interim 2021 compared to interim 2020.

Table IV-10
Lemon juice: Apparent U.S. consumption and market share based on quantity, by source and period

Quantity in 1,000 gallons concentrated basis @400 GPL; shares in percent

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. producers	Quantity	***	***	***	***	***
Brazil	Quantity	1,196	917	786	331	730
South Africa	Quantity	453	250	627	459	695
Subject sources	Quantity	1,648	1,167	1,413	790	1,425
Nonsubject sources	Quantity	6,701	5,455	5,926	4,139	3,643
All import sources	Quantity	8,349	6,622	7,338	4,929	5,068
All sources	Quantity	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Brazil	Share	***	***	***	***	***
South Africa	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series.

Figure IV-7
Lemon juice: Apparent U.S. consumption and market share based on quantity, by source and period

* * * * * * *

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Table IV-11
Lemon juice: Apparent U.S. consumption and market share based on value, by source and period

Value in 1,000 dollars; share in percent

Source	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
U.S. producers	Value	***	***	***	***	***
Brazil	Value	23,973	19,922	14,302	5,298	12,360
South Africa	Value	8,109	4,340	9,444	7,264	8,469
Subject sources	Value	32,082	24,262	23,746	12,562	20,829
Nonsubject sources	Value	164,260	127,563	134,800	96,035	86,722
All import sources	Value	196,342	151,825	158,547	108,597	107,551
All sources	Value	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Brazil	Share	***	***	***	***	***
South Africa	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series. Value data for import sources represent landed, duty-paid values.

Figure IV-8
Lemon juice: Apparent U.S. consumption and market share based on value, by source and period

* * * * * * *

Part V: Pricing data

Factors affecting prices

Raw material costs

The principal raw material used in the production of lemon juice is lemons. Lemons typically go to processing when they are unsuitable for the fresh lemon market because of defects or fail to meet the size or grade standards for sale as fresh lemons.[1] U.S. lemon juice producers do not purchase these lemons as a raw material but allocate a portion of their profits to lemon growers in exchange for their discarded lemons.[2] According to petitioner, there is no correlation between the price of fresh lemons and the lemons used to produce lemon juice.[3] Other input costs are equipment, labor, and energy.[4]

Transportation costs to the U.S. market

Transportation costs for lemon juice shipped from subject countries to the United States averaged 6.1 percent for Brazil and 6.9 percent for South Africa during 2020. These estimates were derived from official import data and represent the transportation and other charges on imports.[5]

U.S. inland transportation costs

Seven importers reported that they typically arrange transportation for their customers, while *** and five importers reported that the purchaser typically arranges transportation. U.S. producers reported that their U.S. inland transportation costs ranged from *** to *** percent while most importers reported costs of 2.0 to 7.0 percent.

[1] Conference transcript, p. 15 (Borgers).

[2] Conference transcript, p. 54 (Borgers).

[3] Conference transcript, p. 53 (Borgers).

[4] Lemon Juice from Argentina and Mexico, 731-TA-1105-1106 (Review), USITC Publication 4418, June 24, 2013, p. V-1.

[5] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2020 and then dividing by the customs value based on the HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040.

Pricing practices

Pricing methods

U.S. producers reported setting prices using ***. Importers reported setting prices using transaction-by-transaction negotiations, contracts, and other methods (table V-1). Importer *** reported that it used the floor price set in the Suspension Agreement with Argentina to set prices.

Table V-1
Lemon juice: U.S. producers' and importers' reported price setting methods, count

Count in number of firms reporting

Method	U.S. producers	Importers
Transaction-by-transaction	***	10
Contract	***	9
Set price list	***	0
Other	***	2
Responding firms	***	13

Source: Compiled from data submitted in response to Commission questionnaires.
Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

U.S. producers reported selling the majority of lemon juice *** and the remainder ***. Importers reported selling the vast majority of lemon juice under short-term and annual contracts (table V-2).

Table V-2
Lemon juice: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2020

Share in percent

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

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Because of rounding, figures may not add to the totals shown.

*** reported using short-term contracts to sell lemon juice and these contracts typically lasted between *** days. *** reported that these contracts fix price and quantity, that they do not renegotiate price or quantity during a short-term contract, and that prices are not indexed to raw materials.

Eight importers reported using short-term contracts to sell lemon juice and that these contracts typically last between 180 to 365 days. The majority of importers reported that these contracts fix price and quantity, that they do not renegotiate price or quantity during a short-term contract, and that prices are not indexed to raw materials.

Four importers reported using annual contracts to sell lemon juice. The majority reported that they do not renegotiate prices or quantities during the contracts and prices are not indexed to raw materials.

Sales terms and discounts

*** and the majority of importers (7 of 10) typically quote prices on an f.o.b. basis. U.S. producer *** reported that it typically uses *** to quote f.o.b. prices. Importers ***, ***, ***, and *** reported that they typically use their U.S. warehouse or U.S. storage facility to quote f.o.b. prices. *** and all responding importers reported that they do not offer discounts.

Packaging

Packaging influences the price of lemon juice to where lemon juice shipped in 50 gallons drums will have a notably different cost than lemon juice shipped in a tanker.[6] Sales of smaller volumes of lemon juice can command a higher average unit price than bulk sales of lemon juice.[7] Further differentiation of prices is shipping costs, where higher liquid content add to the shipping costs of lemon juice as higher concentration requires shipping less volume.[8] *** reported that it has invested in its own freight vessel designed to transport refrigerated not from concentrate lemon juice to reduce shipping costs.[9]

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following lemon juice products shipped to unrelated U.S. customers during January 2018 to September 2021.

[6] Conference transcript, p. 56 (McDermott).
[7] Staff phone call with *** of *** on February 1, 2022.
[8] Conference transcript, p. 137 (Lewis).
[9] Post conference brief of ***, p. 5.

Product 1.-- Cloudy frozen concentrated lemon juice, non-organic, for further manufacture.

Product 2.-- Clarified frozen concentrated lemon juice, non-organic, for further manufacture.

Product 3.-- Cloudy not from concentrate lemon juice (NFCLJ), non-organic, for further manufacture.

Both U.S. producers and nine importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[10] Pricing data reported by these firms accounted for *** percent of U.S. producers' lemon juice production, *** percent of subject imports from Brazil, and *** of subject imports from South Africa in 2020.[11] [12] No importers reported price data for product 2 imported from South Africa.

Price data for products 1-3 are presented in tables V-3 to V-5 and figures V-1 to V-3.

[10] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[11] Pricing coverage is based on U.S. shipments reported in questionnaires.

[12] The pricing product definitions provided by the Petitioner and used in this proceeding did not define packaging size.

Table V-3
Lemon juice: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarter

Quantity in gallons concentrated basis @400 GPL; Prices in dollars per gallons concentrated basis @400 GPL; Margins in percent

* * * * * * *

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

Note: Product 1: Cloudy frozen concentrated lemon juice, non-organic, for further manufacture.

Figure V-1
Lemon juice: Weighted-average prices and quantities of domestic and imported product 1, by quarter

Price of product 1

* * * * * * *

Volume of product 1

* * * * * * *

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

Note: Product 1: Cloudy frozen concentrated lemon juice, non-organic, for further manufacture.

Table V-4
Lemon juice: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarter

Quantity in gallons concentrated basis @400 GPL; Prices in dollars per gallons concentrated basis @400 GPL; Margins in percent

* * * * * * *

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

Note: Product 2: Clarified frozen concentrated lemon juice, non-organic, for further manufacture.

Figure V-2
Lemon juice: Weighted-average prices and quantities of domestic and imported product 2, by quarter

Price of product 2

* * * * * * *

Volume of product 2

* * * * * * *

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

Note: Product 2: Clarified frozen concentrated lemon juice, non-organic, for further manufacture.

Table V-5
Lemon juice: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarter

Quantity in gallons concentrated basis @400 GPL; Prices in dollars per gallons concentrated basis @400 GPL; Margins in percent

* * * * * * *

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

Note: Product 3: Cloudy not from concentrate lemon juice (NFCLJ), non-organic, for further manufacture.

Note: Only one importer (***) reported product 3 price data for product imported from South Africa. It stated that it sells lemon juice imported from South Africa to firms that ***.

Note: Importer ***.[13]

[13] Staff phone call with *** of *** on February 3, 2022.

Figure V-3
Lemon juice: Weighted-average prices and quantities of domestic and imported product 3, by quarter

Price of product 3

* * * * * * *

Volume of product 3

* * * * * * *

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

Note: Product 3: Cloudy not from concentrate lemon juice (NFCLJ), non-organic, for further manufacture.

Price trends

In general, prices decreased during January 2018 to September 2021. Table V-6 summarizes the price trends, by country and by product. As shown in the table, domestic price decreases ranged from *** to *** percent. Prices of imported product 1 from Brazil declined *** percent and price declines for lemon juice imported from South Africa were *** percent for product 1 and *** percent for product 3. For pricing products for which data were reported in the first quarter of 2018, indexed domestic and imported prices are presented in figures V-4 and V-5 and tables V-7 and V-8.

Table V-6
Lemon juice: Number of quarters containing observations low price, high price, and change in price over period, by product and source, January 2018 through September 2021

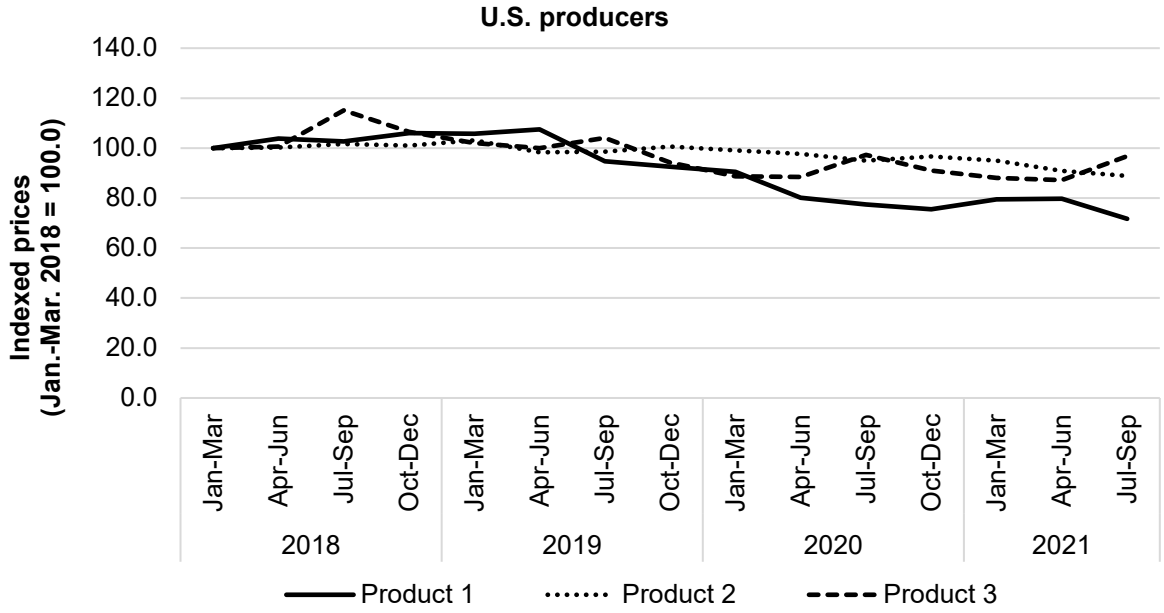
Prices and unit LDV values in dollars per gallons concentrated basis @400 GPL; Change in percent

* * * * * * *

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

Note: Percent change column is percentage change from the first quarter 2018 to the third quarter in 2021.

Figure V-4
Lemon juice: Indexed U.S. producer prices, by quarter



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

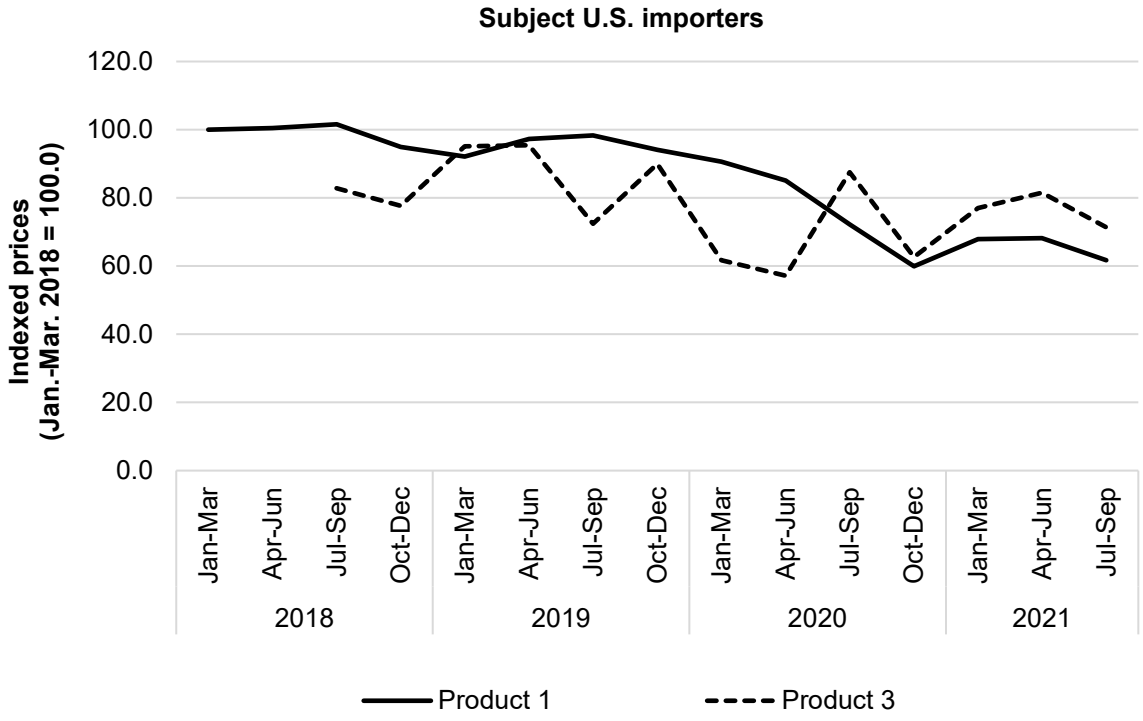
Table V-7
Lemon juice: Indexed U.S. producer prices, by quarter

Index in percent

* * * * * * *

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

Figure V-5
Lemon juice: Indexed U.S. importers prices, by quarter



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

Table V-8
Lemon juice: Indexed U.S. importer prices, by quarter

Index in percent

* * * * * * *

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

Price comparisons

As shown in tables V-9 and V-10, prices for products imported from subject countries were below those for U.S.-produced product in *** of *** instances (*** gallons); margins of underselling ranged from *** to *** percent. In the remaining *** instances (*** gallons), prices for product from subject countries were between *** and *** percent above prices for the domestic product.

Table V-9
Lemon juice: Instances of underselling and overselling and the range and average of margins, by product

Quantity in gallons concentrated basis @400 GPL; Margins and differentials in percent

* * * * * * *

Source**:** Compiled from data submitted in response to Commission questionnaires.
Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table V-10
Lemon juice: Instances of underselling and overselling and the range and average of margins, by product

Quantity in gallons concentrated basis @400 GPL; Margins and differentials in percent

* * * * * * *

Source**:** Compiled from data submitted in response to Commission questionnaires.
Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Lost sales and lost revenue

The Commission requested that U.S. producers of lemon juice report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of lemon juice from subject countries since January 1, 2018. Of the two responding U.S. producers, one firm (***) reported that it had to either reduce prices or roll back announced price increases, and one firm (***) reported that it had lost sales. Neither of the responding U.S. producers submitted lost sales and lost revenue allegations.

Staff contacted seven purchasers identified by the petitioners as large purchasers and received responses from four purchasers. Responding purchasers reported purchasing *** gallons of lemon juice during January 2018 to September 2021 (table V-11).

During 2020, responding purchasers purchased *** percent from U.S. producers, *** percent from subject sources, and *** percent from nonsubject countries. Purchasers were asked about changes in their purchasing patterns from different sources since 2018. Of the responding purchasers, one reported increasing purchases of U.S.-produced lemon juice, one reported no change in purchases of domestic lemon juice, and two reported fluctuating purchases of U.S.-produced lemon juice. One purchaser *** reported increased purchases from Brazil and one purchaser *** reported increased purchases from South Africa. All other responding purchasers reported that they did not purchase lemon juice from South Africa or Brazil. Two firms reported increased purchases from nonsubject countries, and two firms reported that purchases from nonsubject countries fluctuated.[14] Explanations for increasing purchases of domestic product included increased sales of the end use product.

Of the four responding purchasers, one reported that, since 2018, it had purchased imported lemon juice from South Africa instead of U.S.-produced product. This purchaser, *** reported that subject import prices were lower than U.S.-produced product and that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. *** estimated the quantity of lemon juice from South Africa purchased instead of domestic product was *** (table V-12). Purchaser *** reported that it purchased imported lemon juice in addition to domestically produced lemon juice to establish a diversified supply as U.S. producers had been unable to supply it with increased volumes on request and that Brazil was able to meet its quality standards and would ship in bulk containers.

[14] None of the purchasers indicated that they did not know the source of the lemon juice they purchased.

Of the four responding purchasers, two (*** reported that U.S. producers had not reduced prices in order to compete with lower-priced imports from subject countries and two reported that they did not know.

Table V-11
Lemon juice: U.S. purchasers' U.S. purchases and U.S. imports and changes in firm-level shares, by source

Quantity in gallons concentrated basis @400 GPL; Change in shares in percentage points

* * * * * * *

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

Note: All other includes all other sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

Table V-12
Lemon juice: Purchasers' responses to purchasing subject instead of domestic, by firm

Quantity in gallons

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes--1; No--3	Yes--1; No--0	Yes--1; No--1	***	

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

In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics. Purchaser *** reported that container and tanker freight cost play an important role in its decision-making process. Purchaser *** reported that lemon juice production is impacted by external factors such as weather or natural disasters and these factors do not allow the firm to supply more than 50 percent of its purchases from one region in order to obtain a reliable and steady supply. Purchaser *** reported that U.S. producers had been unable to supply enough lemon juice to meet its demand and it was forced to import lemon juice to support a year-round supply that matches consumer demand for its product.

Part VI: Financial experience of U.S. producers

Background[1]

Two U.S. producers, Ventura Coastal and Sun Orchard provided usable financial results on their lemon juice operations. Both firms reported financial data for a calendar year basis.[2] *** responding U.S. producers provided their financial data on the basis of GAAP. The net sales of lemon juice consisted of commercial sales (*** percent) and internal consumption (*** percent) during the reporting period.[3] Accordingly, the tables below present a combined revenue total.

Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2020.

[1] The following abbreviations may be used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

[2] ***.

[3] ***. Emails from ***, January 27 and 28, 2022.

Figure VI-1
Lemon juice: Share of net sales quantity in 2020, by firm

* * * * * * *

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

Operations on lemon juice

Table VI-1 presents aggregated data on U.S. producers' operations in relation to lemon juice, while table VI-2 presents corresponding changes in AUVs. Table VI-3 presents selected company-specific financial data.

Table VI-1
Lemon juice: Results of operations of U.S. producers, by item and period

Quantity in 1,000 gallons concentrated basis @400 GPL; value in 1,000 dollars; ratios in percent

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Total net sales	Quantity	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
COGS: Raw materials	Value	***	***	***	***	***
COGS: Direct labor	Value	***	***	***	***	***
COGS: Other factory costs	Value	***	***	***	***	***
COGS: Less: by-product revenue	Value	***	***	***	***	***
COGS: Total	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Other expense / (income), net	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***
Cash flow	Value	***	***	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***	***	***
COGS: Other factory costs	Ratio to NS	***	***	***	***	***
COGS: Less: by-product revenue	Ratio to NS	***	***	***	***	***
COGS: Total	Ratio to NS	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***

Table continued on next page.

Table VI-1 Continued
Lemon juice: Results of operations of U.S. producers, by item and period

Shares in percent; unit values in dollars per gallon concentrated basis @400 GPL; count in number of firms reporting

Item	Measure	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
COGS: Raw materials	Share	***	***	***	***	***
COGS: Direct labor	Share	***	***	***	***	***
COGS: Other factory costs	Share	***	***	***	***	***
COGS: Total	Share	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
COGS: Raw materials	Unit value	***	***	***	***	***
COGS: Direct labor	Unit value	***	***	***	***	***
COGS: Other factory costs	Unit value	***	***	***	***	***
COGS: Less: by-product revenue	Unit value	***	***	***	***	***
COGS: Total	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***
Operating losses	Count	***	***	***	***	***
Net losses	Count	***	***	***	***	***
Data	Count	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Shares represent the share of COGS before by-product offset.

Table VI-2
Lemon juice: Changes in AUVs between comparison periods

Changes in percent

Item	2018-20	2018-19	2019-20	Jan-Sep 2020-21
Total net sales	***	***	***	***
COGS: Raw materials	***	***	***	***
COGS: Direct labor	***	***	***	***
COGS: Other factory costs	***	***	***	***
COGS: Less: by-product revenue	***	***	***	***
COGS: Total	***	***	***	***

Table continued.

Table VI-2 Continued
Lemon juice: Changes in AUVs between comparison periods

Changes in dollars per gallon concentrated basis @400 GPL

Item	2018-20	2018-19	2019-20	Jan-Sep 2020-21
Total net sales	***	***	***	***
COGS: Raw materials	***	***	***	***
COGS: Direct labor	***	***	***	***
COGS: Other factory costs	***	***	***	***
COGS: Less: by-product revenue	***	***	***	***
COGS: Total	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expense	***	***	***	***
Operating income or (loss)	***	***	***	***
Net income or (loss)	***	***	***	***

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

Table VI-3
Lemon juice: Firm-by-firm total net sales quantity, by period

Net sales quantity

Quantity in 1,000 gallons concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm total net sales value, by period

Net sales value

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm cost of goods sold ("COGS"), by period

COGS

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm gross profit or (loss), by period

Gross profit or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm selling, general, and administrative ("SG&A") expenses, by period

SG&A expenses

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm operating income or (loss), by period

Operating income or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm net income or (loss), by period

Net income or (loss)

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm ratio of COGS to net sales value, by period

COGS to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm ratio of gross profit or (loss) to net sales value, by period

Gross profit or (loss) to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm ratio of SG&A expenses to net sales value, by period

SG&A expenses to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm ratio of operating income or (loss) to net sales value, by period

Operating income or (loss) to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm ratio of net income or (loss) to net sales value, by period

Net income or (loss) to net sales ratio

Ratios in percent

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm unit net sales value, by period

Unit net sales value

Unit values in dollars per gallon concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm unit raw material cost, by period

Unit raw material costs

Unit values in dollars per gallon concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm unit direct labor cost, by period

Unit direct labor costs

Unit values in dollars per gallon concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm unit other factory costs, by period

Unit other factory costs

Unit values in dollars per gallon concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm unit COGS, by period

Unit COGS

Unit values in dollars per gallon concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm unit gross profit or (loss), by period

Unit gross profit or (loss)

Unit values in dollars per gallon concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm unit SG&A expenses, by period

Unit SG&A expenses

Unit values in dollars per gallon concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm unit operating income or (loss), by period

Unit operating income or (loss)

Unit values in dollars per gallon concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-3 Continued
Lemon juice: Firm-by-firm unit net income or (loss), by period

Unit net income or (loss)

Unit values in dollars per gallon concentrated basis @400 GPL

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

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

Net sales

As shown in table VI-1, total net sales quantity increased irregularly from 2018 to 2020 while total net sales value declined irregularly from 2018 to 2020. Total net sales by quantity and value were higher in January-September 2021 ("interim 2021") than in January-September 2020 ("interim 2020"). As shown in table VI-3, ***. The net sales AUV of both firms together of lemon juice decreased irregularly from $*** per gallon in 2018 to $*** per gallon in 2020, an overall decrease of *** percent, and it was lower in interim 2021 (at $*** per gallon) than in interim 2020 (at $*** per gallon). With regard to the AUVs of net sales, ***.[4]

Cost of goods sold and gross profit or loss

Raw materials

Raw materials represented the largest component of total COGS, accounting for between *** percent (interim 2021) and *** percent (2019) of total COGS during the period examined. On a per-gallon basis, raw material costs decreased irregularly from 2018

[4] ***. Email from ***, January 27, 2022.

($***) to 2020 ($***) and were lower in interim 2021 (at $***) than in interim 2020 (at $***). As shown in table VI-3, ***.

Raw materials consist of lemons, ***, and other material inputs such as ***.[5] Table VI-4 presents raw materials, by type.

Table VI-4
Lemon juice: Raw material costs in 2020

Value in 1,000 dollars; unit values in dollars per gallon concentrated basis @400 GPL; share of value in percent

Item	Value	Share of value
Lemons/ ***	***	***
Other material inputs	***	***
Total, raw materials	***	***

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

[5] ***. U.S. processors' questionnaire response of ***, section II-12 and U.S. importers' questionnaire response of ***, section II-7a. ***. Email from ***, January 27, 2022.

Table VI-5 presents a description of the terms and conditions by which U.S. processors obtained lemons.

Table VI-5
Lemon juice: Descriptions of terms and conditions for obtaining lemons

Firm	Narrative response
Sun Orchard	***
Ventura Coastal	***

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

Direct labor and other factory costs

Direct labor, the smallest component of COGS, ranged from *** percent (2018) to *** percent (January-September 2021). On an average per gallon basis, direct labor costs increased from 2018 to 2019 then returned to the 2018 level in 2020, but were higher in interim 2021 than in interim 2020.

Other factory costs, the second largest component of COGS, ranged from *** percent (2019) of total COGS to *** percent (January-September 2021). On a per gallon basis, other factory costs decreased irregularly from 2018 to 2020, but were higher in interim 2021 than in interim 2020.[6] [7]

By-product revenue consisted of the sale of *** produced during the course of producing lemon juice and represented between *** percent and *** percent of total revenue (net sales value plus by-product revenue) during the reporting period. *** reported by-product revenue. Processors also produce lemon oil as a co-product of their lemon juice production. While firms were requested to deduct the revenues of

[6] ***. Email from ***, January 27, 2022.

[7] Value-added (calculated as the share of conversion costs of direct labor and other factory costs to total COGS) of U.S. processors ranged from a low of *** percent in 2019 to a high of *** percent in interim 2021 (based on data in table VI-1).

by-products in the Commission's questionnaire, firms were requested to allocate and not report revenues or joint production costs of co-products.[8]

COGS and gross profit or loss

The average COGS to net sales ratio declined irregularly from *** percent in 2018 to *** percent in 2020 and was higher in interim 2021 (*** percent) than in interim 2020 (*** percent). As seen in table VI-2, on a per-gallon basis, total COGS decreased by $*** between 2018 and 2020, while it was $*** higher in interim 2021 than in interim 2020.

As shown in table VI-1, the decline in net sales value from 2018 to 2020 exceeded the corresponding decline in COGS, thus the industry's gross profit declined irregularly from 2018 to 2020, and was lower in interim 2021 than in interim 2020 as COGS increased more than net sales value. The gross profit margin (gross profit as a ratio to net sales) increased irregularly from *** in 2018 to *** percent in 2020 and was lower in interim 2021 (*** percent) than in interim 2020 (*** percent). As seen in table VI-3, ***.

SG&A expenses and operating income or loss

As shown in table VI-1, the two firms' combined total SG&A expenses and SG&A expense ratio (total SG&A expenses divided by total sales value) declined from 2018 to 2020 but were higher in interim 2021 than in interim 2020. Table VI-3 shows that ***

[8] In accounting terms, by-products do not have costs as their costs are embodied in the cost of the main product; the production costs of a co-product are shared with the main product and must be allocated from the total to the co-product at a determined split off point. ***. U.S. processors' questionnaire responses of ***, section III-8 and email from ***, January 19, 2022.

***.

Operating income increased irregularly from $*** in 2018 to $*** in 2020 and was lower in interim 2021 ($***) than interim 2020 ($***). The operating income margin (operating income as a ratio to net sales) increased irregularly from *** in 2018 to *** percent in 2020 and was lower in interim 2021 (*** percent) than in interim 2020 (*** percent). On a company-specific basis, ***.

All other expenses and net income or loss

Classified below the operating income level are interest expense, other expense, and other income. ***, which in table VI-1, are aggregated and only the net amount is shown. The industry's net "all other expenses," increased irregularly from 2018 to 2020 and were higher in interim 2021 than in interim 2020.

Net income decreased from $*** in 2018 to *** in 2019, then increased to $*** in 2020, and was lower in interim 2021 ($***) than interim 2020 ($***). The net income margin (net income as a ratio to net sales) increased irregularly from *** percent in 2018 to *** percent in 2020 but was lower in interim 2021 (*** percent) than in interim 2020 (*** percent). On a company-specific basis, ***.

Table VI-6 presents the U.S. producers' narrative responses regarding the effects of COVID-19 pandemic on their financial performance.

Table VI-6
Lemon juice: Firms' narrative responses relating to COVID-19 pandemic effects on U.S. producers' financial performance

Firm	Narrative response
Sun Orchard	***
Ventura Coastal	***

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

Variance analysis

A variance analysis for the operations of U.S. producers of lemon juice is presented in table VI-7.[9] The information for this variance analysis is derived from table VI-1. The analysis shows that the increase in operating income from 2018 to 2020 is primarily attributable to ***. Between the comparable interim periods, the lower operating income in January-September 2021 was primarily attributable to ***.

[9] The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Table VI-7
Lemon juice: Variance analysis on the operations of U.S. producers between comparison periods

Value in 1,000 dollars

Item	2018-20	2018-19	2019-20	Jan-Sep 2020-21
Net sales price variance	***	***	***	***
Net sales volume variance	***	***	***	***
Net sales total variance	***	***	***	***
COGS cost variance	***	***	***	***
COGS volume variance	***	***	***	***
COGS total variance	***	***	***	***
Gross profit variance	***	***	***	***
SG&A cost variance	***	***	***	***
SG&A volume variance	***	***	***	***
SG&A total variance	***	***	***	***
Operating income price variance	***	***	***	***
Operating income cost variance	***	***	***	***
Operating income volume variance	***	***	***	***
Operating income total variance	***	***	***	***

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

Capital expenditures and research and development expenses

Table VI-8 presents capital expenditures, by firm, and table VI-10 presents R&D expenses, by firm. Tables VI-9 and VI-11 present the firms' narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively.

Table VI-8
Lemon juice: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

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

Table VI-9
Lemon juice: Narrative descriptions of U.S. producers' capital expenditures, by firm

Firm	Narrative on capital expenditures
Sun Orchard	***
Ventura Coastal	***

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

Table VI-10
Lemon juice: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Sun Orchard	***	***	***	***	***
Ventura Coastal	***	***	***	***	***
All firms	***	***	***	***	***

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

Table VI-11
Lemon juice: Narrative descriptions of U.S. producers' R&D expenses, by firm

Firm	Narrative on R&D expenses
Sun Orchard	***
Ventura Coastal	***

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

Assets and return on assets

Table VI-12 presents data on the U.S. producers' total assets while table VI-13 presents their operating ROA.[10] Table VI-14 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time.

Table VI-12
Lemon juice: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

Firm	2018	2019	2020
Sun Orchard	***	***	***
Ventura Coastal	***	***	***
All firms	***	***	***

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

Table VI-13
Lemon juice: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2018	2019	2020
Sun Orchard	***	***	***
Ventura Coastal	***	***	***
All firms	***	***	***

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

Table VI-14
Lemon juice: Narrative descriptions of U.S. producers' total net assets, by firm

Firm	Narrative on assets
Sun Orchard	***
Ventura Coastal	***

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

[10] The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value for lemon juice.

Capital and investment

The Commission requested U.S. producers of lemon juice to describe any actual or potential negative effects of imports of lemon juice from Brazil and South Africa on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-15 presents the number of firms reporting an impact in each category and table VI-16 provides the U.S. producers' narrative responses.

Table VI-15
Lemon juice: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2018, by effect

Count in number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	***
Denial or rejection of investment proposal	Investment	***
Reduction in the size of capital investments	Investment	***
Return on specific investments negatively impacted	Investment	***
Other investment effects	Investment	***
Any negative effects on investment	Investment	***
Rejection of bank loans	Growth	***
Lowering of credit rating	Growth	***
Problem related to the issue of stocks or bonds	Growth	***
Ability to service debt	Growth	***
Other growth and development effects	Growth	***
Any negative effects on growth and development	Growth	***
Anticipated negative effects of imports	Future	***

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

Table VI-16
Lemon juice: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2018

Item	Firm name and narrative on impact of imports
Anticipated effects of imports	***

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

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in Brazil

The Commission issued foreign producers' or exporters' questionnaires to two firms believed to produce and/or export lemon juice from Brazil.[3] Usable responses to the Commission's questionnaire were received from two firms: Citrus Juice and LDC Sucos. These firms' exports to the United States accounted for all known U.S. imports of lemon juice from Brazil in 2020. According to estimates requested of the responding producers in Brazil, the production of lemon juice in Brazil reported in questionnaires accounts for all known production of lemon juice in Brazil. Table VII-1 presents information on the lemon juice operations of the responding producers and exporters in Brazil.

Table VII-1
Lemon juice: Summary data for producers in Brazil, 2020

Firm	Production (1,000 gallons concentrated basis @400 GPL)	Share of reported production (percent)	Exports to the United States (1,000 gallons concentrated basis @400 GPL)	Share of reported exports to the United States (percent)	Total shipments (1,000 gallons concentrated basis @400 GPL)	Share of firm's total shipments exported to the United States (percent)
Citrus Juice	***	***	***	***	***	***
LDC Sucos	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

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

[3] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

Changes in operations

As presented in table VII-2, producers in Brazil reported an operational and organizational change since January 1, 2018.

Table VII-2
Lemon juice: Reported changes in operations in Brazil since January 1, 2018, by firm

Item	Firm name and accompanying narrative response
Plant closings	***

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

Operations on lemon juice

Table VII-3 presents information on the lemon juice operations of the responding producers and exporters in Brazil. During the period for which data were collected, Brazilian producers' capacity to produce lemon juice remained the same. Brazilian producers projected their capacity to remain at the same level in 2021 and 2022 as in 2020, approximately *** gallons @ 400 GPL.

Brazilian producers' production increased by *** percent from 2018 to 2019, then decreased by *** percent from 2019 to 2020. Overall, during 2018-20, Brazilian producers' production decreased by *** percent. Brazilian producers' production was *** during the interim periods.[4] During 2018-20, *** production decreased by *** percent due to ***.[5] During 2018-20, *** production increased by *** percent due to ***.[6] Brazilian producers projected production to *** from 2020 to 2022.

[4] ***. Email from ***, January 24, 2022.
[5] Email from ***, January 20, 2022.
[6] Email from ***, January 24, 2022.

Table VII-3
Lemon juice: Data on industry in Brazil, by period

Quantity in 1,000 gallons concentrated basis @400 GPL; ratios and shares in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-3 Continued
Lemon juice: Data on industry in Brazil, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Note: *** primary export markets other than the United States is *** and ***. Citrus Fruit's and LDC Sucos foreign producer questionnaire responses, section II-8.

Brazilian producers' capacity utilization decreased by *** percentage points from 2018 to 2020 and was *** percentage points lower in interim 2021 compared to interim 2020. Brazilian producers projected their capacity utilization to remain *** during 2021-2022.[7]

Brazilian producers' commercial home market shipments fluctuated during 2018-20, but overall decreased by *** percent. Brazilian producers' commercial home market shipments were *** percent lower in interim 2021 compared to interim 2020. During 2018-20, Brazilian producers' exports to the United States decreased by *** percent and were *** percent greater in interim 2021 compared to interim 2020.

[7] Brazilian producers reported producing ***. Email from ***, January 24, 2022.

Alternative products

As shown in table VII-4 and table VII-5, responding firms in Brazil produced other products on the same equipment and machinery used to produce lemon juice and their ability to switch production.

Table VII-4
Lemon juice: Brazil's foreign producers' production using same machinery narrative, by firm

Firm	Narrative response
***	***
***	***

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

Table VII-5
Lemon juice: Brazil's foreign producers' responses to factors impacting the ability to switch production, by firm

Firm	Narrative response
***	***
***	***

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

The industry in South Africa

The Commission issued foreign producers' or exporters' questionnaires to five firms believed to produce and/or export lemon juice from South Africa.[8] Usable responses to the Commission's questionnaire were received from five firms: Cape Fruit, Grandor Passi (Pty) Ltd. ("Grandor"), Magaliesberg Citrus Company (Pty) Ltd ("Magaliesberg"), Onderberg Verwerkingskoöperasie Ltd ("Onderberg"), and Venco. These firms' exports to the United States accounted for all known U.S. imports of lemon juice from South Africa in 2020. According to estimates requested of the responding producers in South Africa, the production of lemon juice in South Africa reported in questionnaires accounts for approximately 88 percent of overall production of lemon juice in South Africa. Table VII-6 presents information on the lemon juice operations of the responding producers and exporters in South Africa.

Table VII-6
Lemon juice: Summary data for producers in South Africa, 2020

Firm	Production (1,000 gallons concentrated basis @400 GPL)	Share of reported production (percent)	Exports to the United States (1,000 gallons concentrated basis @400 GPL)	Share of reported exports to the United States (percent)	Total shipments (1,000 gallons concentrated basis @400 GPL)	Share of firm's total shipments exported to the United States (percent)
Cape Fruit	***	***	***	***	***	***
Grandor	***	***	***	***	***	***
Magaliesberg	***	***	***	***	***	***
Onderberg	***	***	***	***	***	***
Venco	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

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

[8] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

Changes in operations

As presented in table VII-7, producers in South Africa reported several operational and organizational changes since January 1, 2018.

Table VII-7
Lemon juice: Reported changes in operations in South Africa since January 1, 2018, by firm

Item	Firm name and accompanying narrative response
Plant openings	***
Expansions	***
Expansions	***

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

Operations on lemon juice

Table VII-8 presents information on the lemon juice operations of the responding producers and exporters in South Africa. Firms mainly process lemons from February through early October with the majority of processing taking place during May through August.[9] During the period for which data were collected, South African producers' capacity to produce lemon juice increased by 2.4 percent and was 0.7 percent lower in interim 2021 compared to interim 2020. South African producers projected their capacity to remain at similar levels in 2021 and 2022 as in 2020.

During 2018-20, South African producers' production increased by 19.0 percent. South African producers' production was 12.8 percent higher in interim 2021 compared to interim 2020. Production increases were mostly drive by additional exactors added by ***. South African producers projected production to increase by 16.1 percent from 2020 to 2022.

Table VII-8
Lemon juice: Data on industry in South Africa, by period

Quantity in 1,000 gallons concentrated basis @400 GPL; ratios and shares in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity	9,204	9,266	9,424	7,989	7,930	9,354	9,220
Production	1,940	2,320	2,308	2,243	2,530	2,599	2,679
End-of-period inventories	481	1,699	1,736	2,346	2,214	1,550	1,584
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	1,777	1,060	2,344	1,572	2,001	2,873	2,784

Table continued.

[9] Email from ***, January 20, 2022.

Table VII-8 Continued
Lemon juice: Data on industry in South Africa, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity utilization ratio	21.1	25.0	24.5	28.1	31.9	27.8	29.1
Inventory ratio to production	24.8	73.2	75.2	78.4	65.6	59.6	59.1
Inventory ratio to total shipments	27.1	160.3	74.1	111.9	83.0	54.0	56.9
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Note: South African producers' primary export markets other than the United States are Australia, Europe, Israel, Japan, the United Kingdom, and New Zealand. *** foreign producer questionnaire responses, section II-8.

South African producers' capacity utilization increased by 3.4 percentage points from 2018 to 2020 and was 3.8 percentage points higher in interim 2021 compared to interim 2020. South African producers projected their capacity utilization to increase by 4.6 percentage points from 2020 to 2022.

South African producers' commercial home market shipments increased by *** percent during 2018-20. Although, overall during 2018-20, the share of commercial shipments remained similar because exports shipments increased *** percent from 2018 to 2020. South African producers' commercial home market shipments were *** percent greater in interim 2021 compared to interim 2020. During 2018-20, South African producers' exports to the United States increased by *** percent and were *** percent greater in interim 2021 compared to interim 2020.

Alternative products

As shown in table VII-9 and table VII-10, responding firms in South Africa produced other products on the same equipment and machinery used to produce lemon juice and their ability to switch production.[10]

Table VII-9
Lemon juice: South Africa's foreign producers' production using same machinery narrative, by firm

Firm	Narrative response
***	***
***	***
***	***
***	***
***	***

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

[10] South African producers reported that there is overlap on citrus products coming to the factories. Lemons are delivered to be processed from February to October, navel oranges, come in from June to July, Valencia oranges come in from July to September, and grapefruits come in from March to September. Conference transcript, p. 134 (Richards).

Table VII-10
Lemon juice: South Africa's foreign producers' responses to factors impacting the ability to switch production, by firm

Firm	Narrative response
***	***
***	***
***	***
***	***
***	***

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

Subject countries combined

Table VII-11 presents summary data on lemon juice operations of the reporting subject producers in the subject countries.

Table VII-11
Lemon juice: Data on the industry in subject countries, by period

Quantity in 1,000 gallons concentrated basis @400 GPL

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

Table continued.

Table VII-11 Continued
Lemon juice: Data on the industry in subject countries, by period

Shares and ratios in percent

Item	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021	Projection 2021	Projection 2022
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

The collective annual production capacity for the responding foreign producers in the subject countries increased by *** percent during 2018-20 and was *** comparing the two interim periods. Production capacity for the foreign producers in the subject countries is projected to be *** in 2021 and 2022 as in 2020.

During 2018-20, foreign producers' production fluctuated but overall increased by *** percent. Production is projected to increase by *** percent from 2020 to 2022. Responding foreign producers' capacity utilization fluctuated between *** percent and *** percent and is projected to be in this range in 2021 and 2022.

Foreign producers' home market shipments in the subject countries increased by *** percent during 2018-20. It is projected to increase irregularly by *** percent from 2020 to 2022. During 2018-20, foreign producers' exports to the United States increased *** percent. Responding foreign producers' collective exports to the United States is projected to increase by *** percent from 2020 to 2022.

U.S. inventories of imported merchandise

Table VII-12 presents data on U.S. importers' reported inventories of lemon juice. During 2018-20, U.S. importers' inventories of lemon juice from Brazil and South Africa increased by *** percent and by *** percent, respectively. U.S. importers' inventories of lemon juice from Brazil and South Africa were *** percent and *** percent higher in interim 2021 compared to interim 2020, respectively. Meanwhile, U.S. importers' inventories of lemon juice from nonsubject countries decreased by 54.4 percent during 2018-20 and were 21.1 percent lower in interim 2021 compared to interim 2020.

As a ratio to imports, U.S. shipments of imports and total shipments of imports, U.S. importers' reported inventories of lemon juice from Brazil increased during 2018-20 and were higher in interim 2021 compared to interim 2020. While as a ratio to imports, U.S. shipments of imports and total shipments of imports, U.S. importers' reported inventories of lemon juice from South Africa and nonsubject sources decreased during 2018-20 and were higher in interim 2021 compared to interim 2020.

Table VII-12
Lemon juice: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 gallons concentrated basis @400 GPL; ratios in percent

Measure	Source	2018	2019	2020	Jan-Sep 2020	Jan-Sep 2021
Inventories quantity	Brazil	***	***	***	***	***
Ratio to imports	Brazil	***	***	***	***	***
Ratio to U.S. shipments of imports	Brazil	***	***	***	***	***
Ratio to total shipments of imports	Brazil	***	***	***	***	***
Inventories quantity	South Africa	***	***	***	***	***
Ratio to imports	South Africa	***	***	***	***	***
Ratio to U.S. shipments of imports	South Africa	***	***	***	***	***
Ratio to total shipments of imports	South Africa	***	***	***	***	***
Inventories quantity	Subject sources	263	211	393	360	716
Ratio to imports	Subject sources	17.9	19.9	24.2	27.6	39.6
Ratio to U.S. shipments of imports	Subject sources	19.7	19.0	27.4	32.7	52.5
Ratio to total shipments of imports	Subject sources	19.6	19.0	27.3	32.4	52.0
Inventories quantity	Nonsubject	647	425	295	322	254
Ratio to imports	Nonsubject	15.7	14.9	9.5	10.3	10.7
Ratio to U.S. shipments of imports	Nonsubject	17.3	13.8	9.1	9.8	10.6
Ratio to total shipments of imports	Nonsubject	17.3	13.8	9.1	9.8	10.5
Inventories quantity	All	910	636	688	682	970
Ratio to imports	All	16.2	16.3	14.5	15.3	23.3
Ratio to U.S. shipments of imports	All	17.9	15.2	14.7	15.6	25.7
Ratio to total shipments of imports	All	17.9	15.2	14.7	15.5	25.6

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

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of lemon juice from Brazil and South Africa after September 30, 2021. Their reported data is presented in table VII-13. Ten importers reported such imports. Overall, the majority of arranged imports reported by responding U.S. importers are nonsubject sources with Brazil accounting for the second largest share.

Table VII-13
Lemon juice: U.S. importers' arranged imports, by source and period

Quantity in 1,000 gallons concentrated basis @400 GPL

Source	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	Jul-Sept 2022	Total
Brazil	***	***	***	***	***
South Africa	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubect sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

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

Third-country trade actions

Based on available information, lemon juice from Brazil and South Africa has not been subject to other antidumping or countervailing duty investigations outside the United States.

Information on nonsubject countries

In most regions of the world, lemons are primarily grown for the fresh market. The leading producers of fresh lemons and limes include India, Mexico, China, Argentina, Brazil, Turkey, Spain, the United States, South Africa, and Iran.[11] The leading exporters of fresh lemons and limes include Mexico, Spain, Turkey, South Africa, Argentina, Netherlands, the United States, Brazil, Egypt, and China.[12] Leading producers of fresh citrus, including fresh lemons, also tend to be major processors because not all fresh citrus fruit is suitable for the fresh market and disposal costs tend to be high.

Most lemon and lime producers focus on the fresh market, tending to process less than a third of their total lemon and lime production (table VII-14); Argentina, is an exception and processes more than 70 percent of its total lemon and lime production. Leading nonsubject exporters include Argentina, Spain, and Mexico (table VII-15). According to FAO data, the leading exporters of concentrated lemon juice in 2020 were Argentina ($137.3 million), South Africa ($27.0 million), Mexico ($26.9 million), and Peru ($10.6 million).[13] Also according to FAO data, the leading exporters of single-strength lemon juice in 2020 were Italy ($11.2 million), Brazil ($9.1 million), South Korea ($5.6 million), and Uruguay ($3.3 million).[14]

[11] Selected production data comparable across countries available from the United States Department of Agriculture and the Food and Agriculture Organization of the United Nations typically do not report data for lemons and limes separately. UN FAO, FAOSTATS database, accessed January 21, 2022.

[12] UN FAO, FAOSTATS database, accessed January 21, 2022.

[13] UN FAO, FAOSTATS database, accessed January 21, 2022.

[14] This data is reported as single-strength lemon juice, thus, it is unknown if it includes just not-from-concentrate juice or also includes reconstituted lemon juice. UN FAO, FAOSTATS database, accessed January 21, 2022.

Table VII-14
Fresh lemons and limes: Quantity of production and processing, by country and marketing year

Quantity in 1,000 metric tons; shares in percent

Exporting country	Status	2019-20 Produced	2019-20 Processed	2020-21 Produced	2020-21 Processed	Share Processed
Mexico	Nonsubject	2,717	507	2,870	350	15.3
European Union	Nonsubject	1,480	320	1,654	362	21.8
Argentina	Nonsubject	1,491	1,078	1,150	831	72.3
Turkey	Nonsubject	950	50	1,100	50	4.9
United States	Nonsubject	983	305	835	240	30.0
South Africa	Subject	620	138	625	139	22.2
Israel	Nonsubject	75	9	70	5	9.7
Japan	Nonsubject	51	40	45	30	72.9

Source: USDA, FAS, PSD Database

Note: Marketing years vary by country, the U.S. lemon/lime marketing year is August to July while the South Africa marketing year is April to March, and the Brazil marketing year is July to June; USDA does not report lemon/lime data for Brazil

Table VII-15
Juice from any other (not orange, grapefruit, or lime juice) single citrus fruit: Value of global exports, by country and period

Value in 1,000 dollars

Exporting country	Status	2017	2018	2019	2020	YTD 2021
Argentina	Nonsubject	161,232	193,098	132,628	115,291	96,005
Spain	Nonsubject	124,535	135,183	119,222	122,723	108,111
Mexico	Nonsubject	66,920	64,370	29,882	41,109	57,424
Brazil	Subject	37,849	39,489	35,248	36,800	34,591
United States	Nonsubject	35,408	38,169	40,597	35,025	30,963
Israel	Nonsubject	34,096	37,251	37,314	35,826	30,183
South Africa	Subject	23,668	29,342	22,419	28,478	24,302
Egypt	Nonsubject	10,427	---	---	---	---
Peru	Nonsubject	8,848	10,532	12,188	11,950	11,108
Japan	Nonsubject	8,332	10,663	12,844	11,736	14,042
All other exporters	Nonsubject	60,094	64,223	59,631	56,564	51,351
All exporters	n/a	571,408	622,319	501,972	495,502	458,081

Source: IHS Markit, Global Trade Atlas, HS subheadings 2009.31 and 2009.39. These data may be overstated as these HS subheadings may contain products outside the scope of these preliminary investigations, accessed January 21, 2022

Notes: YTD 2021 is through October; U.S. imports from Argentina are currently subject to a suspension agreement

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
87 FR 992, January 7, 2022	*Lemon Juice From Brazil and South Africa; Institution of Antidumping Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2022-01-07/pdf/2022-00084.pdf
87 FR 3768, January 25, 2022	*Lemon Juice From Brazil and South Africa: Initiation of Less-Than-Fair-Value Investigations*	https://www.govinfo.gov/content/pkg/FR-2022-01-25/pdf/2022-01411.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared in the United States International Trade Commission's preliminary conference via videoconference:

Subject: Lemon Juice from Brazil and South Africa

Inv. Nos.: 731-TA-1578 and 1579 (Preliminary)

Date and Time: January 20, 2022 - 9:30 a.m.

OPENING REMARKS:

In Support of Imposition (**Matthew T. McGrath**, Barnes, Richardson & Colburn, LLP)
In Opposition to Imposition (**Nancy Noonan**, Arent Fox LLP)

In Support of the Imposition of Antidumping Duty Order:

Barnes, Richardson & Colburn, LLP
Washington, DC
on behalf of

Ventura Coastal LLC

David McDermott, Chief Financial Officer, Ventura Coastal LLC

William "Bill" Borgers, Chief Executive Officer, Ventura Coastal LLC

Mert E. Arkan)
) – OF COUNSEL
Matthew T. McGrath)

In Opposition to the Imposition of Antidumping Duty Order:

Covington & Burling
Washington, DC
on behalf of

Greenwood Associates Inc.

James H. Berman, Chief Operating Officer, Greenwood Associates Inc.

Shara L. Aranoff) – OF COUNSEL

In Opposition to the Imposition of
Antidumping Duty Order (continued):

Doyle, Barlow & Mazard PLLC
Washington, DC
on behalf of

Global Natural Foods, Inc. ("GNF")

Randy Lewis, President and Founder, GNF

Camelia C. Mazard) – OF COUNSEL

Arent Fox LLP
Washington, DC
on behalf of

The Coca-Cola Company

Jason Maxfield, Procurement Manager, The Coca-Cola Company

Nancy Noonan)
) – OF COUNSEL
Yun Gao)

INTERESTED PARTY IN OPPOSITION:

Trade Law Chambers
Cape Town, South Africa

South African Fruit Juice Association

Rudi Richards, General Manager

Rian Geldenhuys, Chief Executive Officer and Counsel

REBUTTAL/CLOSING REMARKS:

In Support of Imposition
(**Mert E. Arkan** *and* **Matthew T. McGrath**, Barnes, Richardson & Colburn, LLP)

In Opposition to Imposition (**Camelia C. Mazard**, Doyle, Barlow & Mazard PLLC)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
Lemon juice: Summary data concerning the U.S. market, by period

Quantity=1,000 gallons concentrated basis @400 GPL; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per gallon concentrated basis @400 GPL; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Sep		Comparison years			Jan-Sep
	2018	2019	2020	2020	2021	2018-20	2018-19	2019-20	2020-21
U.S. consumption quantity:									
Amount	***	***	***	***	***	▼***	▼***	▲***	▲***
Producers' share (fn1)	***	***	***	***	***	▲***	▲***	▼***	▲***
Importers' share (fn1):									
Brazil	***	***	***	***	***	▼***	▼***	▼***	▲***
South Africa	***	***	***	***	***	▲***	▼***	▲***	▲***
Subject sources	***	***	***	***	***	▼***	▼***	▲***	▲***
Nonsubject sources	***	***	***	***	***	▼***	▼***	▼***	▼***
All import sources	***	***	***	***	***	▼***	▼***	▲***	▼***
U.S. consumption value:									
Amount	***	***	***	***	***	▼***	▼***	▼***	▲***
Producers' share (fn1)	***	***	***	***	***	▲***	▲***	▼***	▲***
Importers' share (fn1):									
Brazil	***	***	***	***	***	▼***	▼***	▼***	▲***
South Africa	***	***	***	***	***	▲***	▼***	▲***	▲***
Subject sources	***	***	***	***	***	▼***	▼***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▼***	▼***	▲***	▼***
All import sources	***	***	***	***	***	▼***	▼***	▲***	▼***
U.S. imports from:									
Brazil:									
Quantity	1,196	917	786	331	730	▼(34.2)	▼(23.3)	▼(14.3)	▲120.4
Value	23,973	19,922	14,302	5,298	12,360	▼(40.3)	▼(16.9)	▼(28.2)	▲133.3
Unit value	$20.05	$21.72	$18.19	$15.99	$16.92	▼(9.3)	▲8.3	▼(16.2)	▲5.8
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▲***
South Africa:									
Quantity	453	250	627	459	695	▲38.4	▼(44.8)	▲150.9	▲51.5
Value	8,109	4,340	9,444	7,264	8,469	▲16.5	▼(46.5)	▲117.6	▲16.6
Unit value	$17.90	$17.37	$15.07	$15.84	$12.19	▼(15.8)	▼(3.0)	▼(13.3)	▼(23.0)
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▲***
Subject sources:									
Quantity	1,648	1,167	1,413	790	1,425	▼(14.3)	▼(29.2)	▲21.1	▲80.4
Value	32,082	24,262	23,746	12,562	20,829	▼(26.0)	▼(24.4)	▼(2.1)	▲65.8
Unit value	$19.46	$20.79	$16.81	$15.90	$14.62	▼(13.6)	▲6.8	▼(19.2)	▼(8.1)
Ending inventory quantity	263	211	393	360	716	▲49.4	▼(19.8)	▲86.3	▲98.9
Nonsubject sources:									
Quantity	6,701	5,455	5,926	4,139	3,643	▼(11.6)	▼(18.6)	▲8.6	▼(12.0)
Value	164,260	127,563	134,800	96,035	86,722	▼(17.9)	▼(22.3)	▲5.7	▼(9.7)
Unit value	$24.51	$23.39	$22.75	$23.20	$23.81	▼(7.2)	▼(4.6)	▼(2.7)	▲2.6
Ending inventory quantity	647	425	295	322	254	▼(54.4)	▼(34.3)	▼(30.6)	▼(21.1)
All import sources:									
Quantity	8,349	6,622	7,338	4,929	5,068	▼(12.1)	▼(20.7)	▲10.8	▲2.8
Value	196,342	151,825	158,547	108,597	107,551	▼(19.2)	▼(22.7)	▲4.4	▼(1.0)
Unit value	$23.52	$22.93	$21.60	$22.03	$21.22	▼(8.1)	▼(2.5)	▼(5.8)	▼(3.7)
Ending inventory quantity	910	636	688	682	970	▼(24.4)	▼(30.1)	▲8.2	▲42.2
U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	▲***
Production quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Capacity utilization (fn1)	***	***	***	***	***	▲***	▲***	▲***	▼***
U.S. shipments:									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▲***
Value	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▼***	▲***	▼***	▼***
Export shipments:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Value	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit value	***	***	***	***	***	▼***	▼***	▲***	▼***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Inventories/total shipments (fn1)	***	***	***	***	***	▲***	▲***	▲***	▼***
Production workers	***	***	***	***	***	▲***	▲***	▼***	▲***
Hours worked (1,000s)	***	***	***	***	***	▲***	▲***	▲***	▼***
Wages paid ($1,000)	***	***	***	***	***	▲***	▲***	▲***	▲***
Hourly wages (dollars per hour)	***	***	***	***	***	▼***	▲***	▼***	▲***
Productivity (gallons per hour)	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit labor costs	***	***	***	***	***	▼***	▼***	▼***	▲***

Table continued.

Table C-1 Continued
Lemon juice: Summary data concerning the U.S. market, by period

Quantity=1,000 gallons concentrated basis @400 GPL; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per gallon concentrated basis @400 GPL; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Sep		Comparison years			Jan-Sep
	2018	2019	2020	2020	2021	2018-20	2018-19	2019-20	2020-21
U.S. producers': (continued)									
Net sales:									
Quantity	***	***	***	***	***	▲***	▼***	▲***	▲***
Value	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▼***	▲***	▼***	▼***
Cost of goods sold (COGS)	***	***	***	***	***	▼***	▲***	▼***	▲***
Gross profit or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▲***	▼***
SG&A expenses	***	***	***	***	***	▼***	▼***	▼***	▲***
Operating income or (loss) (fn2)	***	***	***	***	***	▲***	▼***	▲***	▼***
Net income or (loss) (fn2)	***	***	***	***	***	▲***	▼***	▲***	▼***
Unit COGS	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit SG&A expenses	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit operating income or (loss) (fn2)	***	***	***	***	***	▲***	▼***	▲***	▼***
Unit net income or (loss) (fn2)	***	***	***	***	***	▲***	▼***	▲***	▼***
COGS/sales (fn1)	***	***	***	***	***	▼***	▲***	▼***	▲***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▲***	▼***	▲***	▼***
Net income or (loss)/sales (fn1)	***	***	***	***	***	▲***	▼***	▲***	▼***
Capital expenditures	***	***	***	***	***	▲***	▼***	▲***	▼***
Research and development expenses	***	***	***	***	***	▼***	▼***	***	***
Net assets	***	***	***	***	***	▲***	▲***	▲***	***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040, accessed on January 7, 2022. Imports are based on the imports for consumption data series. Import value data reflect landed duty-paid values.

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