

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Mexico

Post: Mexico

Mexico Issues Antidumping Ruling against U.S. Apples

Report Categories:

Trade Policy Monitoring

Fresh Deciduous Fruit

Agricultural Situation

Approved By:

David Wolf

Prepared By:

Dulce Flores

Report Highlights:

On January 6, 2016, the Secretariat of Economy (SE) published in the *Diario Oficial* (Federal Register) its preliminary resolution on the antidumping investigation against imported U.S. apples. The Mexican government is requiring provisional duty payments that range from zero percent to 20.82 percent, effective January 7, 2016.

General Information:

Introduction: This report summarizes an announcement by the Secretariat of Economy (SE) published in Mexico's "*Diario Oficial*" (Federal Register) on January 6, 2016 containing the preliminary resolution on the antidumping investigation on U.S. imported apples.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

Title: Preliminary resolution of the antidumping investigation on imports of apples from the United States. The merchandise enters under the tariff code 0808.10.01 of the General Import and Export Tax Law.

Summary:

The Regional Fruit Producers Association from the State of Chihuahua (UNIFRUT) requested an antidumping (AD) investigation against the producers and exporters of apples from the United States, because they believed that U.S. apples were sold in Mexico for less than fair value to the detriment of growers in Chihuahua. The petition was delivered to the SE on August 14, 2014. [On December 4, 2014](#) Mexico announced the initiation of an AD investigation on imports of apples from the United States. The Mexican government has now reached a preliminary determination on the case, and on January 6, 2016 it published the preliminary duties.

In its *Diario Oficial* notice, SE indicates that there is sufficient evidence to support in a preliminary manner that, during the investigation period, imports of apples from the United States were sold at discriminatory prices and caused injury to the domestic industry. Some of the conclusions are the following:

- Imports of apples from the U.S. were made with dumping margins of up to 20.82 percent during the period of investigation. Such imports represented 98 percent of total imports.
- The imports investigated registered growth both in absolute terms and relative to the market size and domestic production over the period analyzed. This resulted in the displacement of domestic sales and a larger share of U.S. imports in the Mexican market.
- The prices of the imports investigated decreased during the investigation period and were lower than the average price of domestic sales in the months previous to the harvest during the period investigated.
- Imports of apples caused the deterioration of relevant indicators of the domestic apple industry production in the period analyzed, and particularly in the period investigated; in particular, the share of domestic sales and production in the Mexican market, the income from total sales and the domestic market, as well as gross profits and gross operating margin.

- The projections provided by UNIFRUT to support the analysis of threat of injury are based on a reasonable methodology and historical figures for both imports and economic and financial indicators of the domestic industry, and allows the SE to observe a probability that in case no AD duties were imposed, an increase of imports would aggravate the injury to the domestic industry.
- The United States has export potential several times the size of the domestic market, and U.S. apple exports to the domestic market were increasing in absolute and relative terms, and were made at low prices. However, the likelihood that the imports under investigation continue to increase in the immediate future depends on what is determined in the next stage of antidumping proceedings.
- The SE believes that although there could be other factors causing injury to the domestic industry besides the imports under investigation, the presence and behavior of the imports with price discrimination, and prices at which imports were made, had a direct impact on the performance of various indicators of the domestic producers.

Due to the large number of U.S. producers/exporters of apples to Mexico, SE limited its examination in the AD investigation to the 11 largest U.S. producers/exporters of apples during the period of investigation. The SE decided to impose the following preliminary antidumping duties:

Broetje: 17.22 %
 Chiawana: 8.27%
 CPC: zero
 Custom Apple: 5.55%
 Evans: 2.44%
 Gilbert: 7.39%
 Monson: zero
 Northern Fruit: 9.45%
 Stemilt: 10.14%
 Washington Fruit: zero
 Zirkle: 20.82%

Producers/exporters not part of the sample: 7.55%
 All others: 20.82%

Preliminary AD duties will be collected beginning January 7, 2016 and will remain in force until a final determination is reached. Preliminary duties may be paid or guaranteed subject to a final determination. According to SE, interested parties may file written comments on this preliminary determination within 20 business days of its issuance directly to Mexico's investigating authority:

Unidad de Prácticas Comerciales Internacionales (UPCI)
 Insurgentes Sur 1940, planta baja (área de ventanillas),
 Colonia Florida, C.P. 01030,
 México, Distrito Federal

According to private sources, extensions of time to file additional evidence and comments may be requested; however, it is very likely that the SE will only grant a few days.

Important Dates

- 1. Publication Date:** January 6, 2016
- 2. Effective Date:** January 7, 2015

Additional Information

The whole text in Spanish can be found in two parts:
Part [One](#), Part [Two](#).

For More Information

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Useful Mexican Web Sites: Mexico's equivalent of the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, the equivalent of the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx, and the equivalent of the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the reader's convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.