

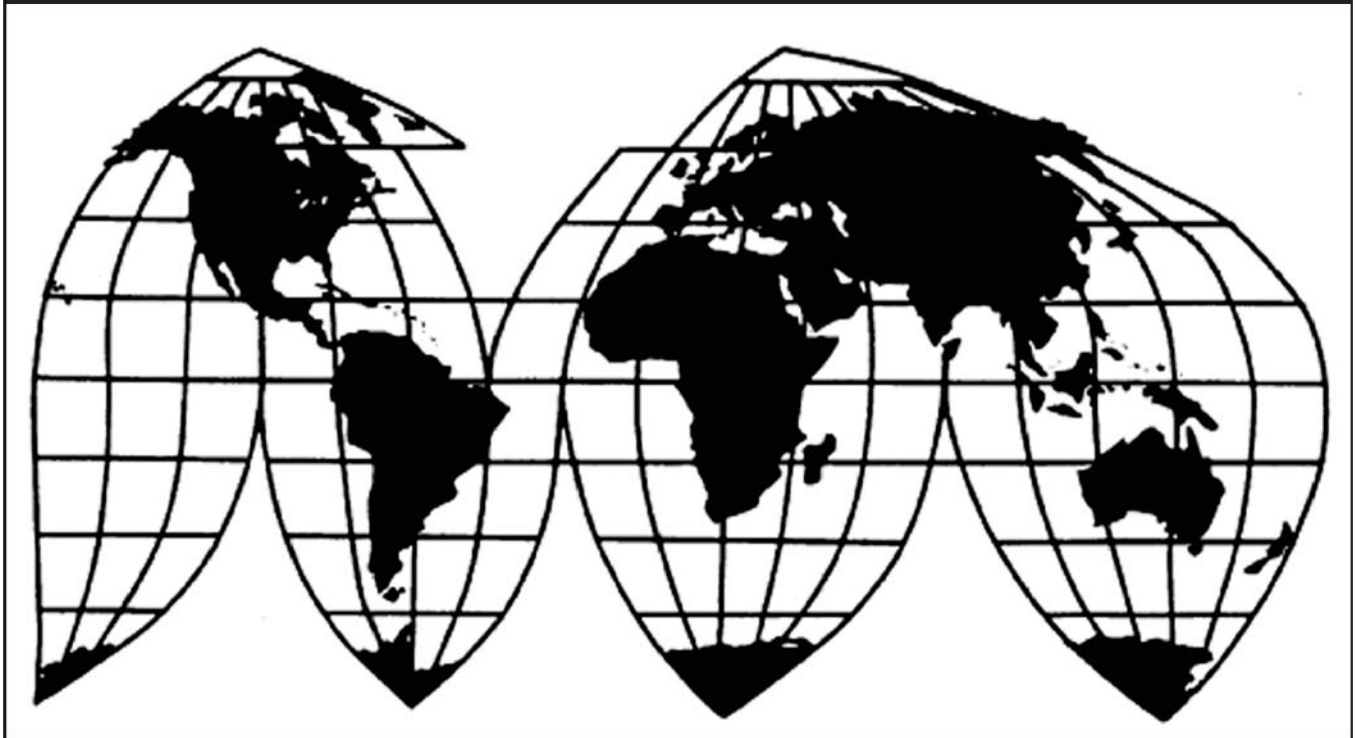
Honey from China

Investigation No. 731-TA-893 (Second Review)

Publication 4364

November 2012

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-893 (Second Review)

HONEY FROM CHINA

DETERMINATION

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

BACKGROUND

The Commission instituted this review on July 2, 2012 (77 FR 39257) and determined on October 5, 2012 that it would conduct an expedited review (77 FR 65204, October 25, 2012).

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

VIEWS OF THE COMMISSION

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

I. BACKGROUND

A. The Original Investigations and First Five-Year Reviews

The original investigations, which concerned imports from both Argentina and China, were instituted in response to a petition filed on September 29, 2000, by the American Honey Producers Association (“AHPA”), a trade association whose members produce honey in the United States, and the Sioux Honey Association (“SHA”), a non-profit cooperative marketing organization that collects, processes, packs, and markets honey produced by its members, as well as by independent beekeepers.¹ In November 2001, the Commission found that an industry in the United States was materially injured by reason of imports of honey from Argentina that the Department of Commerce (“Commerce”) found to be subsidized by the Government of Argentina and by reason of imports of honey from Argentina and China that were found by Commerce to be sold in the United States at less than fair value.² Commerce issued the countervailing and antidumping duty orders on December 10, 2001.³

The Commission conducted expedited first five-year reviews of the countervailing duty order on honey from Argentina and the antidumping duty orders on honey from Argentina and China.⁴ In June 2007, the Commission determined that revocation of the orders would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁵

B. The Current Review

The Commission instituted this review on July 2, 2012.⁶ The Commission received a joint response to the notice of institution from AHPA and SHA. Because the Commission received an

¹ Honey from Argentina and China, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Final), USITC Pub. 3470 at 2 (Nov. 2001) (“Original Determination”).

² Original Determination at 3. The Commission determined that critical circumstances existed with respect to the subject imports from China for which Commerce made affirmative critical circumstances findings. Original Determination, USITC Pub. 3470 at 24.

³ 66 Fed. Reg. 63673 (Dec. 10, 2001) (countervailing duty order regarding imports from Argentina), id. at 63672 (antidumping duty order regarding imports from Argentina), id. at 63670 (antidumping duty order regarding imports from China).

⁴ Honey from Argentina and China, Inv. Nos. 701-TA-402 & 731-TA-892-893 (Review), USITC Pub. 3929 (June 2007) (“First Reviews”) at 5.

⁵ First Reviews, USITC Pub. 3929 at 1. In the original investigations and first five-year reviews, the Commission exercised its discretion to cumulate subject imports from Argentina and China. See e.g., Original Determination, USITC Pub. 3470 at 11-15; First Reviews, USITC Pub. 3929 at 7-10.

⁶ 77 Fed. Reg. 39257 (July 2, 2012). In response to the notice of institution, the domestic interested parties indicated that they were not seeking continuation of the orders on honey from Argentina. Confidential Staff Report, INV-KK-104 (Oct. 31, 2012) (“CR”) at I-3 n.4. Subsequently, on September 21, 2012, Commerce revoked the countervailing duty and antidumping duty orders on honey from Argentina. Id. On September 27, 2012, the Commission terminated its second five-year reviews on imports of honey from Argentina. Id.

adequate response from domestic producers accounting for the majority of U.S. honey production, the Commission determined that the domestic interested party group response was adequate.⁷

The Commission received no response from any respondent interested party, and therefore determined that the respondent interested party group response was inadequate. In the absence of an adequate respondent interested party group response or any other circumstances warranting a full review, the Commission determined to conduct an expedited review.⁸

On November 2, 2012, the domestic interested parties filed comments, pursuant to 19 C.F.R. § 207.62(d), arguing that revocation of the antidumping duty order on honey from China would likely lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.⁹

II. DOMESTIC LIKE PRODUCT

In making its determination under section 751(c) of the Act, the Commission defines the “domestic like product” and the “industry.”¹⁰ The 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 under this subtitle.”¹¹ The Commission’s practice in five-year reviews is to look to the like product definition from the original determination and any completed reviews and consider whether the record indicates any reason to revisit the prior findings.¹²

In its expedited five-year review determination, Commerce defined the subject merchandise within the scope of the order under review as follows:

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

One of the most widely functional sweeteners, honey appears in a variety of products such as bread and other baked goods, cereal, condiments, candy, medicine, and shampoo.¹⁴ The definition of the scope of the order as set out above is unchanged from Commerce’s definition in the original investigations and first five-year reviews.

⁷ CR/PR at Appendix B.

⁸ CR/PR at Appendix B.

⁹ See generally AHPA and SHA Final Comments (Nov. 2, 2012).

¹⁰ 19 U.S.C. § 1677(4)(A).

¹¹ 19 U.S.C. § 1677(10); see, e.g., Cleo Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

¹² See, e.g., Internal Combustion Industrial Forklift Trucks From Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (December 2005); Crawfish Tail Meat From China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); Steel Concrete Reinforcing Bar From Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (February 2003).

¹³ 77 Fed. Reg. 59896 (Oct. 1, 2012).

¹⁴ First Reviews, USITC Pub. 3929 at 5.

In the original investigations and first five-year reviews, the Commission found a single domestic like product consisting of all honey that was coextensive with Commerce's scope of the orders under review.¹⁵ The domestic interested parties urge the Commission to adopt the domestic like product definition from the original investigations and first reviews.¹⁶ The record of this review contains no information that would suggest a reason to revisit that domestic like product definition. We therefore define the domestic like product in this review, coextensive with Commerce's scope, as all honey.

III. DOMESTIC INDUSTRY

Section 771(4)(A) of the Act defines the relevant industry 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."¹⁷ In defining the domestic industry, the Commission's general practice has been to include all domestic producers of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission defined the domestic industry as consisting of all domestic producers of honey, both raw and processed.¹⁸ The Commission considered whether to include honey packers in the domestic industry and found that all packers were engaged in sufficient production-related activities to be included in the domestic industry.¹⁹ In the first five-year reviews, the Commission again defined the domestic industry as all domestic producers of honey, both raw and processed.²⁰

No party argues that the Commission should define the domestic industry differently than it did in the original investigations and first reviews,²¹ nor is there any information on the record that would

¹⁵ Original Determination, USITC Pub. 3470 at 5; First Reviews, USITC Pub. 3929 at 5-6.

¹⁶ AHPA and SHA Response to Notice of Institution at 36.

¹⁷ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

¹⁸ Original Determination, USITC Pub. 3470 at 11.

¹⁹ Original Determination, USITC Pub. 3470 at 7. In reaching this conclusion, the Commission noted that the packers employed a considerable number of production and related workers, had made substantial capital investments, and added at least 20 percent to the value of the finished product. Id.

²⁰ First Reviews, USITC Pub. 3929 at 6.

²¹ AHPA and SHA Response to Notice of Institution at 15.

warrant a different definition.²² Accordingly, we again define the domestic industry as all domestic producers of honey, raw and processed, including packers.

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

A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping or countervailing duty order unless (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”²³ The Statement of Administrative Action to the Uruguay Round Agreements Act (“SAA”) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”²⁴ Thus, the likelihood standard is prospective in nature.²⁵ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.²⁶

²² In the original investigations, the Commission found that the record contained insufficient information regarding the importers from whom the packers purchased subject honey to determine whether the packers controlled importers or exporters through their purchases. Original Determination, USITC Pub. 3470 at 9. Consequently, it did not exclude these packers from the industry under the related parties provision of the statute. However, the Commission found that appropriate circumstances existed to exclude three firms from the domestic industry because they had sourced a large portion of their honey from subject sources and had shielded themselves from the effects of unfairly traded imports. Id. at 10-11.

In the first five-year reviews, the Commission noted that because the record in those expedited reviews was limited and it lacked company-specific data, it was unable to resolve whether any domestic producers were related parties, let alone whether appropriate circumstances existed to exclude any producers from the domestic industry definition under the related parties provision of the statute. First Reviews, USITC Pub. 3929 at 7.

In this second review, AHPA and SHA agree with the Commission’s definition of the domestic industry and have not argued that the Commission should exclude any producers from the domestic industry. AHPA and SHA Response to Notice of Institution at 36. Because the record in this expedited review again is limited, we find that, even if any producer meets the definition of a related party, there is insufficient information in the record to determine whether appropriate circumstances exist to exclude it from the domestic industry.

²³ 19 U.S.C. § 1675a(a).

²⁴ SAA, H.R. Rep. 103-316 at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” Id. at 883.

²⁵ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

²⁶ See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d mem., 140 Fed. Appx. 268

(continued...)

The Act states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”²⁷ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”²⁸

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”²⁹ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).³⁰ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.³¹

No respondent interested parties participated in this expedited review. The record, therefore, contains limited new information with respect to the honey industry in China. There is also limited information on the honey market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and first review, as well as the limited new information on the record in this second review.³²

²⁶ (...continued)

(Fed. Cir. 2005); Nippon Steel Corp. v. United States, 26 CIT 1416, 1419 (2002) (same); Usinor Industeel, S.A. v. United States, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

²⁷ 19 U.S.C. § 1675a(a)(5).

²⁸ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” Id.

²⁹ 19 U.S.C. § 1675a(a)(1).

³⁰ 19 U.S.C. § 1675a(a)(1). We note that Commerce has made no duty absorption findings. CR/PR at I-6.

³¹ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

³² 19 U.S.C. § 1677e(a) authorizes the Commission to “use the facts otherwise available” in reaching a determination when (1) necessary information is not available on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782 of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 782 are applicable only to Commerce. 19 U.S.C. § 1677m. See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2001) (“[T]he ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of a Commission investigation.”).

B. Conditions of Competition and Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”³³ We find the following conditions of competition relevant to our determination.

Demand. Demand for honey is driven by demand for downstream food products that use honey as an ingredient.³⁴ In the original investigations, the Commission found that demand for honey increased over the period examined.³⁵ As measured by apparent U.S. consumption, demand rose from 352.7 million pounds in 1998 to 419.2 million pounds in 2000.³⁶

In the first reviews, the Commission found that demand for honey, as measured by apparent U.S. consumption, had declined since the original investigations, although it increased over the period of review.³⁷ Apparent U.S. consumption increased from 330.4 million pounds in 2001 to 407.3 million pounds in 2005.³⁸

In this expedited second review, the limited data in the record indicate that apparent U.S. consumption of honey fluctuated during the period, although it was slightly higher in 2011, at 436.6 million pounds, than in 2006, at 432.8 million pounds.³⁹

Supply. The U.S. market is supplied by domestic producers, subject imports, and nonsubject imports. In the original investigations, domestic producers’ U.S. shipments accounted for between 57.4 percent and 64.2 percent of apparent U.S. consumption, and subject imports increased from 25.8 percent to 31.5 percent of apparent U.S. consumption.⁴⁰ The Commission found that nonsubject imports exhibited a relatively stable presence in the U.S. market during most of the period examined.⁴¹

In the first reviews, domestic producers’ U.S. shipments accounted for between 52.9 percent and 63.0 percent of apparent U.S. consumption, and subject imports increased irregularly from 18.3 percent to 19.8 percent of apparent U.S. consumption.⁴² The volume of nonsubject imports also increased during the period of review.⁴³ The Commission noted that the bee population in the United States had declined over the past 50 years by an estimated 40 to 50 percent, largely due to disease and the use of pesticides.⁴⁴

In this second review, AHPA and SHA report that the domestic honey bee population has continued to decline, due in part to the spread of disease by varroa mites, which feed on the honeybees’ blood, causing deformities and reduced life spans.⁴⁵ Other factors reportedly contributing to the declines in the bee population during the period of review include the use of insecticides, severe droughts,

³³ 19 U.S.C. § 1675a(a)(4).

³⁴ CR at I-30, PR at I-22.

³⁵ Original Determination, USITC Pub. 3470 at 16.

³⁶ Original Determination, USITC Pub. 3470 at 16.

³⁷ First Reviews, USITC Pub. 3929 at 13.

³⁸ First Reviews, USITC Pub. 3929 at 13.

³⁹ CR/PR at Table I-6.

⁴⁰ CR/PR, Appendix C at Table I-17.

⁴¹ Original Determination, USITC Pub. 3470 at 17.

⁴² CR/PR, Appendix C at Table I-17.

⁴³ First Reviews, USITC Pub. 3929 at 13.

⁴⁴ First Reviews, USITC Pub. 3929 at 14.

⁴⁵ CR at I-25, PR at I-18; AHPA and SHA Response to Notice of Institution at 10.

shrinking conservation reserve land, and colony collapse disorder.⁴⁶ U.S. production fluctuated throughout the period of review, but declined overall, as did the U.S. beekeepers' share of apparent U.S. consumption, which declined from 35.8 percent in 2006 to 34.0 percent in 2011.⁴⁷ Subject imports declined over the period, and their market share dropped from 16.4 percent to 0.8 percent.⁴⁸

Nonsubject imports now include imports from Argentina, which were subject imports during the prior proceedings. Argentina was the largest source of nonsubject imports in 2011.⁴⁹ Nonsubject imports' share of apparent U.S. consumption ranged from 47.8 to 65.3 percent during the review period.⁵⁰

Substitutability. Absent any contrary evidence in the record, we find, as the Commission did in the original investigations and first reviews, that subject imports are generally substitutable with domestically produced honey and that price is an important factor in purchasing decisions.⁵¹

Based on the available record evidence, we find that the conditions of competition in the U.S. honey market are not likely to change significantly in the reasonably foreseeable future. Accordingly, we find that current conditions provide us with a reasonable basis on which to assess the likely effects of revocation of the antidumping duty order in the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the order under review were revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁵² In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁵³

1. The Original Investigations

In the original investigations, the Commission found that the quantity of cumulated subject imports increased over the period examined and that the value of cumulated subject imports followed the same trend.⁵⁴ The domestic industry's market share decreased over the period of investigation, while subject import market share increased steadily and substantially and nonsubject imports maintained a

⁴⁶ CR at I-25, PR at I-18; AHPA and SHA Response to Notice of Institution at 10-11.

⁴⁷ CR/PR at Table I-6.

⁴⁸ CR/PR at Table I-6.

⁴⁹ CR/PR at Table I-5 n.2.

⁵⁰ CR/PR at Table I-6. The volume of nonsubject imports ranged from 193.8 million pounds to 284.9 million pounds during the period of review. *Id.*

⁵¹ Original Determination, USITC Pub. 3470 at 16; First Reviews, USITC Pub. 3929 at 14.

⁵² 19 U.S.C. § 1675a(a)(2).

⁵³ 19 U.S.C. § 1675a(a)(2)(A) - (D).

⁵⁴ Original Determination, USITC Pub. 3470 at 17.

stable presence in the U.S. market.⁵⁵ On this basis, the Commission found that the increased cumulated volumes of subject imports, both in absolute terms and relative to consumption in the United States, were significant.⁵⁶

2. The First Five-Year Reviews

In the first reviews, the Commission found that subject producers would have an incentive to ship significant volumes of additional exports to the United States if the orders were revoked.⁵⁷ The Commission based this determination on the substantial cumulated volumes of subject imports into the United States and their gains in market share during the original investigations, the attractiveness of the U.S. market to subject producers (particularly as indicated by the number of new shipper reviews instituted by Chinese producers during the review period), the fact that there were substantial cumulated volumes of subject imports in the U.S. market throughout the period of review notwithstanding the restraining effects of the orders, and the sizes and export orientation of both the Chinese and Argentine honey industries.⁵⁸ Based on these facts, the Commission found that the likely cumulated volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the orders were revoked.⁵⁹

3. The Current Review

In this second review, subject imports from China were 70.8 million pounds in 2006, 38.6 million pounds in 2007, 24.8 million pounds in 2008, 148,000 pounds in 2009, and 3.4 million pounds in 2010 and 2011.⁶⁰ Shipments of subject imports as a share of apparent U.S. consumption (by quantity) were 16.4 percent in 2006, 10.1 percent in 2007, 6.3 percent in 2008, 0.1 percent in 2009, and 0.8 percent in 2010 and 2011.⁶¹

For several reasons, we find that the volume of subject imports likely would be significant if the order were revoked. First, subject imports from China consistently maintained a significant presence in the U.S. market during the original investigations, the last time they were free from the discipline of the order. In the original investigations, the volume of subject imports from China ranged from 30.5 million pounds to 58.7 million pounds, and their U.S. market share ranged from 23.0 percent to 27.9 percent.⁶² Absent an order, the volume of Chinese subject imports would likely increase significantly from the relatively low levels observed since 2009.⁶³

⁵⁵ Original Determination, USITC Pub. 3470 at 18.

⁵⁶ Original Determination, USITC Pub. 3470 at 18.

⁵⁷ First Reviews, USITC Pub. 3929 at 16.

⁵⁸ First Reviews, USITC Pub. 3929 at 16.

⁵⁹ First Reviews, USITC Pub. 3929 at 16.

⁶⁰ CR/PR at Table I-6.

⁶¹ CR/PR at Table I-6. Shipments of subject imports as a share of apparent U.S. consumption (by value) were 8.8 percent in 2006, 3.7 percent in 2007, 1.6 percent in 2008, 0.1 percent in 2009, 0.4 percent in 2010, and 0.8 percent in 2011. Id.

⁶² CR/PR, Appendix C at Table I-14.

⁶³ The domestic interested parties argue that the volume of subject imports is likely significantly understated due to circumvention and transshipment by Chinese honey producers during the review period. See e.g., AHPA and SHA Response to Notice of Institution at 29-33. We note that, in August 2012, Commerce found that blends of honey and rice syrup from China, regardless of the percentage of honey they contain, are later-developed

(continued...)

INTRODUCTION

On July 2, 2012, in accordance with section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ the U.S. International Trade Commission (“Commission” or “USITC”) gave notice that it had instituted a review to determine whether revocation of the antidumping duty order on honey from China would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.^{2 3 4} On October 5, 2012, the Commission determined that the domestic interested party group response to its notice of institution was adequate⁵ and that the respondent interested party group response was inadequate.⁶ In the absence of respondent interested party responses and any other circumstances that would warrant the conduct of a full review, the Commission determined to conduct an expedited review of the antidumping duty order pursuant to section 751(c)(3) of the Act (19 U.S.C. § 1675(c)(3)).⁷ The Commission is scheduled to vote on this review on November 19, 2012, and to notify Commerce of its determination on November 29, 2012. The following tabulation presents selected information relating to the schedule of this five-year review.⁸

¹ 19 U.S.C. 1675(c).

² *Honey From Argentina and China Institution of Five-Year Reviews Concerning the Countervailing Duty Order on Honey From Argentina and the Antidumping Duty Orders on Honey from Argentina and China*, 77 FR 39257, July 2, 2012. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission’s notice of institution is presented in app. A.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 77 FR 39218, July 2, 2012.

⁴ The Commission also instituted and Commerce initiated the reviews concerning honey from Argentina. However, in response to the Commission’s notice of institution, the domestic interested party stated that it is not requesting continuation of the orders against Argentina because imports from Argentina, while present in substantial quantities in the U.S. market during the review period, have not caused injury to the domestic honey industry and are not likely to cause material injury if those orders are revoked. *Response* of domestic interested party, August 1, 2012, p. 37. Subsequently, on September 21, 2012, Commerce published notice that it was revoking the countervailing duty and antidumping duty orders on honey from Argentina because no domestic interested party responded to the sunset review notice of initiation (77 FR 58524). The Commission terminated the reviews concerning honey from Argentina effective September 27, 2012 (77 FR 64827).

⁵ The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of the American Honey Producers Association (“AHPA”) and the Sioux Honey Association (“SHA”) (collectively referred to herein as “domestic interested party”). The domestic interested party reported that it accounted for *** percent of total U.S. production of honey in 2011. *Response* of domestic interested party, August 1, 2012, p. 14.

⁶ The Commission did not receive a response from any respondent interested parties to its notice of institution.

⁷ *Honey From China; Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Honey from China*, 77 FR 65204, October 25, 2012. The Commission’s notice of an expedited review appears in app. A. The Commission’s statement on adequacy is presented in app. B.

⁸ Cited *Federal Register* notices are presented in app. A.

Effective date	Action
July 2, 2012	Commission's institution of the five-year review (77 FR 39257)
July 2, 2012	Commerce's initiation of the five-year review (77 FR 39218)
October 1, 2012	Commerce's final determination in its expedited five-year review (77 FR 59896)
October 5, 2012	Commission's determination to conduct an expedited five-year review (77 FR 65204, October 25, 2012)
November 19, 2012	Commission's vote
November 29, 2012	Commission's determination transmitted to Commerce

The Original Investigations

On September 29, 2000, a petition was filed with Commerce and the Commission by the AHPA and SHA, alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of honey from Argentina and China and by reason of subsidized imports of honey from Argentina. The Commission completed its original investigations in November 2001, determining that an industry in the United States was materially injured by reason of imports of honey from Argentina that were found by Commerce to be subsidized by the Government of Argentina and by reason of imports of honey from Argentina and China that were found by Commerce to be sold at LTFV.⁹ After receipt of the Commission's final determinations, Commerce issued antidumping duty orders on imports of honey from Argentina¹⁰ and China¹¹ and a countervailing duty order on imports of honey from Argentina.¹²

The First Five-Year Reviews

The Commission instituted its first reviews of the antidumping duty orders on honey from Argentina and China and the countervailing duty order on honey from Argentina on November 1, 2006.¹³ On February 5, 2007, the Commission determined that it would conduct expedited five-year reviews.¹⁴ Effective March 7, 2007, Commerce found that revocation of the antidumping duty orders on honey from

⁹ *Honey from Argentina and China: Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. 1. The Commission determined that critical circumstances existed with respect to subject imports from China for which Commerce made affirmative critical circumstances findings. Commissioners Bragg, Miller, and Devaney made an affirmative critical circumstances finding and Chairman Koplan, Vice Chairman Okun, and Commissioner Hillman made a negative critical circumstances finding with respect to those imports. Ibid.

¹⁰ *Notice of Antidumping Duty Order; Honey From Argentina*, 66 FR 63672, December 10, 2001.

¹¹ *Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Honey From the People's Republic of China*, 66 FR 63670, December 10, 2001.

¹² *Notice of Countervailing Duty Order: Honey From Argentina*, 66 FR 63673, December 10, 2001.

¹³ *Institution Of Five Year Reviews Concerning The Countervailing Duty Order On Honey From Argentina And The Antidumping Duty Orders On Honey From Argentina And China*, 71 FR 64292, November 1, 2006.

¹⁴ *Honey From Argentina and China*, 72 FR 6745, February 13, 2007.

Argentina and China and the countervailing duty order on honey from Argentina would likely lead to continuation or recurrence of dumping.¹⁵

Commerce’s Final Result of Expedited Second Five-Year Review

Commerce published the final results of its expedited second five-year review on October 1, 2012. Commerce concluded that revocation of the antidumping duty order on honey from China would likely lead to a continuation or recurrence of dumping at the weighted average margins presented in table I-1.

Table I-1
Honey: Commerce’s original, first and second five-year weighted-average dumping margins, by firm

Producer/exporter	Original investigation (percent)	First five-year review (percent)	Second five-year review (percent)
Inner Mongolia Autonomous Region Native Produce and Animal By-Products Import and Export Corporation	57.13	57.13	57.13
Kunshan Foreign Trade Co., Ltd.	49.60 ¹	49.60	49.60
Zhejiang Native Produce and Animal By-Products Import and Export Corporation	25.88 ¹	25.88	25.88
High Hope International Group	45.46 ¹	45.46	45.46
Shanghai Eswell Enterprise Co., Ltd	45.46	45.46	45.46
Anhui Native Produce Import and Export Corp	45.46	45.46	45.46
Henan Native Produce Import and Export Corp	45.46	45.46	45.46
PRC-Wide Rate	183.80 ¹	183.80	183.80
¹ Affirmative critical circumstances determinations were made with respect to U.S. imports of honey from these firms. Source: <i>Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order; Honey From the People’s Republic of China</i> , 66 FR 63670, December 10, 2001; <i>Honey From Argentina and the People’s Republic of China; Final Results of the Expedited Five-Year (“Sunset”) Reviews of Antidumping Duty Orders</i> , 72 FR 10150, March 7, 2007; and <i>Honey From the People’s Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order</i> , 77 FR 59896, October 1, 2012.			

¹⁵ *Honey From Argentina and the People’s Republic of China; Final Results of the Expedited Five-Year (“Sunset”) Reviews of Antidumping Duty Orders*, 72 FR 10150, March 7, 2007.

Commerce's Administrative Reviews

Since 2007, when the antidumping duty order was last continued, Commerce has completed four administrative reviews¹⁶ and two new shipper reviews of the antidumping duty order on honey from China. The results of the reviews are shown in table I-2. There have been no duty absorption rulings. On August 21, 2012, Commerce made an affirmative final determination of circumvention of the antidumping duty order on honey from China.¹⁷

**Table I-2
Honey: Administrative and new shipper reviews of the antidumping duty order on imports of honey from China since 2007**

Date results published	Period of review	Producer or exporter	Margin
July 11, 2007 (72 FR 37713) ¹	12/1/2004- 11/30/2005	Inner Mongolia Altin Bee-Keeping Co., Ltd.	130.11%
		Dongtai Peak Honey Industry Co., Ltd.	28.75%
July 11, 2007 (72 FR 37715)	12/1/2004- 11/30/2005	Anhui Honghui Foodstuff (Group) Co., Ltd.	221.02%
		PRC-wide Rate ²	221.02%
November 30, 2007 (72 FR 67702) ¹	12/1/2005- 6/30/2006	Linxiang Jindeya Beekeeping Co., Ltd./ Shanghai Bloom International Trading Co., Ltd.	221.02%
July 21, 2008 (73 FR 42321)	12/1/2005- 11/30/2006	Dongtai Peak Honey Industry Co., Ltd.	\$0.98/kg
		Zhejiang Native Produce & Animal By-Products I/E Group Corporation	\$0.98/kg
		PRC-Wide Rate ³	\$2.06/kg
January 8, 2009 (74 FR 796)	12/1/2006- 11/30/2007	Anhui Native	\$2.63/kg
		PRC-wide Entity ⁴	\$2.63/kg
May 6, 2010 (75 FR 24880)	12/1/2007- 11/30/2008	PRC-Wide Rate ⁵	\$2.63/kg

Table continued on next page.

¹⁶ Commerce rescinded the review of the antidumping duty order on honey from China for the period of December 1, 2008 through November 30, 2009, and for the period of December 1, 2009 through November 30, 2010. *Honey from the People's Republic of China: Notice of Rescission of Antidumping Duty Administrative Review*, 75 FR 16752, April 2, 2010; and *Honey From the People's Republic of China: Final Rescission of Antidumping Duty Administrative Review*, 77 FR 34343, June 11, 2012.

¹⁷ Commerce found that blends of honey and rice syrup, regardless of the percentage of honey they contain, from China are later-developed merchandise, and instructed U.S. Customs and Border Protection to suspend liquidation of all entries of blends of honey and rice syrup, from China that were entered, or withdrawn from warehouse, for consumption on or after December 7, 2011. *Honey From the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*. 77 FR 50464, August 21, 2012.

Table I-2--Continued

Honey: Administrative and new shipper reviews of the antidumping duty order on imports of honey from China since 2007

<p>¹ New shipper review.</p> <p>² Including Jiangsu, Shino–Food, and Kunshan Xin’an.</p> <p>³ Including QHD Sanhai, Wuhu Qinshi, Jiangsu Light, QMD, and IMA.</p> <p>⁴ Including Alfred L. Wolff (Beijing) Co., Ltd., Cheng Du Wai Yuan Bee Products Co., Ltd., Haoliluck Co., Ltd., Hubei Yusun Co., Ltd., Inner Mongolia Youth Trade Development Co., Ltd., Mgl. Yung Sheng Honey Co., Ltd. (also DBA Fresh Honey Co., Ltd.), Nefelon Limited Company and Qinhuangdao Municipal Dafeng Industrial Co., Ltd.</p> <p>⁵ Including Anhui Native Produce Import and Export Corp., Inner Mongolia Youth Trade Development Co., Ltd., Qinhuangdao Municipal Dafeng Industrial Co., Ltd., and Wuhu Qinshgi Tangye.</p> <p>Note.—On September 18, 2008, in accordance with the order contained in the Court of International Trade's (CIT) May 29, 2008, <i>Wuhan v. U.S.</i>, Commerce amended the <i>Final Results</i> for the second administrative review of honey from China. The revised weighted average dumping margin for Wuhan Bee Healthy Co., Ltd. (“Wuhan Bee”) is 101.48 percent. <i>Honey From the People’s Republic of China: Notice of Amended Final Results Pursuant to Final Court Decision</i>, 73 FR 54366, September 18, 2008.</p> <p>Note.—On April 14, 2010, in accordance with the order contained in the CIT’s November 18, 2008 judgement, <i>Shanghai Eswell II</i>, Commerce amended the <i>Final Results</i> of the second administrative review of honey from China. The revised weighted average dumping margin for Shanghai Eswell Enterprise Co., Ltd is 27.64 percent; Jinfu Trading Co., Ltd. is 58.44 percent; and Zhejiang Native Produce and Animal By-Products Import & Export Group Corp. is 34.81 percent. <i>Honey From the People’s Republic of China: Notice of Amended Final Results Pursuant to Final Court Decision</i>, 75 FR 19357, April 14, 2010.</p> <p>Source: Cited <i>Federal Register</i> notices.</p>

Related Commission Investigations and Reviews

In 1976, the Commission conducted an investigation concerning honey under section 201 of the Trade Act of 1974.¹⁸ At that time, the Commission determined that honey was being imported into the United States in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic industry producing articles like or directly competitive with the imported article. The Commission found that a tariff-rate quota system was necessary to prevent the threatened injury. On August 28, 1976, President Ford advised Congress that “import relief for the U.S. industry engaged in the commercial production and extraction of honey is not in the national economic interest.”¹⁹

On October 6, 1993, following a request from the U.S. Trade Representative, the Commission instituted an investigation under the provisions of section 406(a) of the Trade Act of 1974. As a result of the investigation, the Commission determined that imports of honey from China were increasing rapidly so as to be a significant cause of market disruption to a domestic industry in the United States. On January 7, 1994, the Commission reported its determinations and recommendations to the President.²⁰ On April 21, 1994, President Clinton determined that import relief for honey was not in the national interest of the United States and directed the U.S. Trade Representative to develop a plan to monitor imports of honey from China.²¹

¹⁸ *Honey, Report to the President on Investigation No. TA-201-14 Under Section 201 of the Trade Act of 1974*, USITC Publication 78 1, June 1976.

¹⁹ *U.S. Honey Industry*, Communication from the President of the United States to Congress, August 28, 1976, p. 1 (41 FR 36787).

²⁰ *Honey from China*, Inv. No. TA-406-13, USITC Publication 2715, January 1994.

²¹ *Presidential Documents, Import Relief Determination Under Section 406 of the Trade Act of 1974 on Honey from the People’s Republic of China*, 59 FR 19627, April 25, 1994.

On October 3, 1994, the American Beekeeping Federation (“ABF”) and the AHPA filed a petition alleging that an industry in the United States was materially injured and threatened with material injury by reason of LTFV imports of honey from China. The Commission subsequently made an affirmative preliminary determination²² and Commerce issued a preliminary determination finding dumping margins ranging from 127.52 to 157.16 percent *ad valorem*.²³

On August 2, 1995, Commerce and the representatives of the government of China concluded an agreement that suspended the investigations being conducted by the Commission and Commerce concerning honey from China. The suspension agreement obligated the government of China to restrict the volume of honey exports to the United States from all Chinese producers/exporters²⁴ and established a pricing mechanism for Chinese exports.²⁵ Specifically, Chinese honey exported to the United States could not be sold at a price less than a reference price, which the agreement defined to be “92 percent of the weighted-average of the honey unit import values from all other countries for the most recent six months of data available at the time the reference price is calculated.”²⁶

On July 3, 2000, the Commission and Commerce instituted five-year reviews concerning the suspended investigation on honey from China.²⁷ The U.S. industry elected not to participate in the sunset review of the suspended investigation because it believed that the reference price mechanism of the suspension agreement was unsuccessful in establishing price stability. Based on the fact that no domestic interested party expressed a willingness to participate in the five-year sunset review, Commerce published a notice on July 28, 2000, terminating the suspended investigation concerning honey from China.²⁸

THE PRODUCT

Scope

In its most recent *Federal Register* notice, Commerce defined the subject merchandise as follows: The products covered by the order are natural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural honey by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form. The merchandise subject to the order is currently classifiable under subheadings 0409.00.00, 1702.90.90, 2106.90.99, 0409.00.0010, 0409.00.0035, 0409.00.0005, 0409.00.0045, 0409.00.0056, and 0409.00.0065 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS

²² *Honey from the People’s Republic of China, Inv. No. 731-TA-722 (Preliminary)*, USITC Publication 2832, November 1994.

²³ *Notice of Preliminary Determination of Sales at Less Than Fair Value: Honey from the People’s Republic of China*, 60 FR 14725, March 20, 1995.

²⁴ The export limit was set at 43.925 million pounds plus or minus a maximum of 6 percent per year based on changes in the U.S. market for honey. *Agreement Suspending the Antidumping Investigation from the People’s Republic of China*, 60 FR 42522, August 16, 1995.

²⁵ *Honey from the People’s Republic of China; Suspension of Investigation*, 60 FR 42521, August 16, 1995.

²⁶ Following consultation and negotiation between China and the United States, an agreement was reached to change the period for the calculation of the reference price. Beginning on July 1, 1998, the reference price was based on the most recent three months of data available. *People’s Republic of China, Honey Annual 1999*, FAS GAIN Report, USDA, August 25, 1999.

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

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

subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise under the order is dispositive. Also included in the scope are blends of honey and rice syrup, regardless of the percentage of honey contained in the blend.²⁹

U.S. Tariff Treatment

The subject honey is classifiable in the Harmonized Tariff Schedule of the United States ("HTS") under heading 0409.00.00 (natural honey) and subheadings 1702.90.90 (a residual or "basket" category covering artificial honey as well as miscellaneous sugars) and 2106.90.99 (a "basket" category covering nonenumerated food preparations). Imports of honey under HTS subheading 0409.00.00 enter the United States at a column 1-general duty rate of 1.9 cents per kilogram, HTS subheading 1702.90.90 at 5.1 percent *ad valorem*, and HTS subheading 2106.90.99 at 6.4 percent *ad valorem*. Consistent with past Commission practice regarding honey and because imports of artificial honey and preparations of natural honey are believed to be minimal and also comprise only a very small portion of the products entering under HTS subheadings 1702.90.90 and 2106.90.99, the import data presented in this report are from HTS subheading 0409.00.00.

U.S. Government Programs and Regulations Affecting the U.S. Honey Industry³⁰

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

The U.S. Department of Agriculture (USDA) issues voluntary U.S. grade standards for extracted honey under the authority of the Agricultural Marketing Act of 1946, which calls for the development of official U.S. grades for use in designating different levels of quality. These grades provide uniform standards that producers, suppliers, buyers, and consumers can all apply to extracted honey for their specific purposes. The grade standards, while voluntary, serve as a basis for inspection and grading by the USDA's Federal inspection service. Grades are based on a minimum soluble solids requirement and on three quality factors: absence of defects; flavor and aroma; and clarity. The three factors are examined, classified, and then scored. The specific grade of the honey is then determined based upon the total score received. The grades are: (1) U.S. Grade A or "U.S. Fancy;" (2) U.S. Grade B or "U.S. Choice;" (3) U.S. Grade C or "U.S. Standard;" and (4) Substandard. Color designation is not considered a factor of quality for the purpose of the grade standards, but the USDA does issue approved color standards, from water white to dark amber.

The National Honey Board ("NHB") was created in 1986 to establish a program for generic honey research, advertising, and promotion under the Honey, Research, Promotion, and Consumer Information Act. The NHB consists of 13 members appointed by the Agriculture Secretary, based upon nominations from representatives of state beekeeping associations. Included on the NHB are domestic producers, packers, importers/exporters, and a representative from the general public. The NHB is funded by an assessment of 1 cent per pound on all honey entering the market from domestic and foreign

²⁹ *Honey From the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 77 FR 59896, October 1, 2012.

³⁰ Unless indicated otherwise, the discussion in this section is based on information from *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, pp. I-11-14.

sources.³¹ For the 12-month period from August 2011 through July 2012, the NHB collected \$1.29 million in assessments on domestic honey and \$2.84 million in assessments on imported honey.³²

Domestic Like Product and Domestic Industry

The domestic like product is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is the collection of U.S. producers, as a whole, of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. In its original determination and its full first five-year review determination concerning honey from China, the Commission found one domestic like product consisting of all honey, coextensive with Commerce's scope definition.³³ In its original determination and its full first five-year review determination, the Commission found the relevant domestic industry to consist of U.S. producers of both raw and processed honey, including beekeepers that produce raw honey and packers that process and pack the honey. In the original determination, the Commission also excluded two packers and one beekeeper/packer (***) from the domestic industry pursuant to the related parties provision.³⁴ The domestic interested party indicated in its response to the notice of institution in this second five-year review that it agrees with the Commission's definition of the domestic like product and domestic industry.³⁵

Physical Characteristics and Uses³⁶

Natural Honey

Honey is a sweet viscous fluid derived from the nectar of flowers and produced in the honey sac of bees. Honey is an invert sugar, composed approximately 70 percent of simple sugars (i.e., fructose and glucose) and approximately 17 percent of water.³⁷

³¹ A beekeeper, packer, or importer who produces or imports less than 6,000 pounds of honey annually, or who consumes the honey at home or donates the honey to a non-profit organization, is exempt from the assessment.

³² National Honey Board, *Domestic and Import Assessments Collected*, www.honey.com/nhb/industry/industry-statistics.

³³ *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. 5 and *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. 6.

³⁴ *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. 11. In the first five-year review determination, the Commission lacked current company-specific data with respect to individual honey producers, and was unable to resolve whether any domestic producers are related parties, let alone whether appropriate circumstances existed to exclude any from the domestic industry. *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. 7.

³⁵ *Response* of domestic interested party, August 1, 2012, p. 36.

³⁶ Unless indicated otherwise, the discussion in this section is based on information contained in *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-14-16.

³⁷ The remaining components of honey are maltose, sucrose, and other complex carbohydrates.

Honey is classified by its individual characteristics (e.g., floral source, color, season, physical state, and means of preparation).³⁸ There are over 300 unique varieties of honey that are produced in the United States,³⁹ differing in flavor and color. Honey may be classified as monofloral (i.e., the nectar is extracted from a specific blossom type) or polyfloral (i.e., the nectar is extracted from multiple botanical sources, with no single predominant floral source).⁴⁰ The floral source gives honey its distinctive flavor (e.g., star thistle, orange blossom, sage, and clover) and color (e.g., dark amber). Generally, lighter-colored honeys (e.g., clover honey) possess a more mild flavor, while darker-colored honeys (e.g., buckwheat honey) possess a stronger flavor. Honey is valued on the basis of floral source and color, and in most countries the light-colored and milder-tasting honeys are considered to be more valuable. While many varieties of honey exist on the market, most honey is blended to achieve a desired color and flavor,⁴¹ as well as to provide a uniform product throughout a given market and/or lower costs.

Most natural honey produced in the United States is marketed in liquid form, which is honey that is extracted from the comb by centrifugal force, gravity, or straining. Natural honey is also marketed as cream honey (also called “creamed,” “whipped,” or “spun”), which consists of pure honey in which dextrose crystallization has been encouraged; comb honey, which is honey marketed in the beeswax comb, both of which are edible; cut comb honey, which is liquid honey that has been packaged with chunks of honey comb; and dry honey (also known as “dried” or “powdered”), which is made by removing the water found in liquid honey by drum- or spray-drying.⁴²

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

Artificial Honey Mixed with Natural Honey

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

Preparations of Natural Honey and Flavored Honey

Preparations of natural honey are not explicitly defined in the HTS or in the explanatory notes to the HTS; however, in the explanatory notes it is indicated that the 6-digit HTS subheading 2106.90 includes “natural honey mixed with bees’ royal jelly.”⁴³ The notes do not indicate the percentage of

³⁸ *The Hive and the Honey Bee*, Dadant & Sons, Inc., Hamilton, IL, 1992, p. 869.

³⁹ National Honey Board, *America’s Honey Suppliers*, 1999, p. v.

⁴⁰ Examples of monofloral classifications include “blueberry honey” and “clover honey.” Examples of polyfloral classifications include “autumn honey” and “mountain honey,” referring to the time of year or general area in which the honey was produced.

⁴¹ National Honey Board, *America’s Honey Suppliers*, 1999, p. v.

⁴² National Honey Board, *America’s Honey Suppliers*, 1999, p. iv.

⁴³ Royal jelly is food, rich in gland products and sugars, which is produced and fed by the bees to potential queens. The main markets for royal jelly in North America are the cosmetics industry and the health food market. *The Hive and the Honey Bee*, op. cit., pp. 81 and 971-972.

honey content required for classification under this subheading; however, in the scope language, such preparations must contain more than 50 percent by natural weight of honey.⁴⁴ It is not clear whether importation of the product exists, but it is likely that any such imports comprise a small portion of imports entering under the HTS subheading. Also, it is not clear whether there is substantial production of the product in the United States; the product, as defined in the scope language, would most likely be marketed as a specialty product in specialty stores and health food stores.

Flavored honey was not explicitly defined by the petitioners in the original investigation. In fact, Customs reported that, although no official definition exists, the unofficial guideline is that a product entering under statistical reporting number 2106.90.9988 (“flavored honey”) must contain 99 percent or more honey by weight.⁴⁵ Imports of flavored honey are not significant relative to overall imports of natural honey. Flavored honey is most likely sold as a specialty product for retail consumption and not for industrial use.

Production Process⁴⁶

Honey is produced in a beehive by a colony of honeybees. A typical colony of commercial honeybees in the United States contains one queen, 500 to 1,000 drones (male bees without stingers whose single purpose is to mate with the queen), and approximately 40,000 to 60,000 workers (female bees that perform the work of the colony including cleaning the nursery, caring for larvae, collecting nectar, making wax, and guarding and cooling the hive). The beehive is a series of combs composed of hexagonal cells that are made from wax produced in the stomach of the worker bees. The wax cells are used for storage. The worker bees naturally construct a core nest where the brood⁴⁷ are stored and then create a layer of insulation above the nest consisting of pollen and honey.

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

U.S. Beekeeper Operations

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

⁴⁴ 65 FR 65831, November 2, 2000.

⁴⁵ Staff conversation with Stan Hopard, National Import Specialist, U.S. Customs Service, October 20, 2000.

⁴⁶ Unless indicated otherwise, the discussion in this section is based on information contained in *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-16-18.

⁴⁷ The young honeybees are collectively called brood.

and beeswax.⁴⁸ The migration is generally from north in the summer to south in the winter, as well as to California during almond season and several other states for pollination of crops such as melons.⁴⁹

Beekeepers in the United States keep their bees in constructed wooden hives that are relatively easy to transport. Hives are often placed on wooden pallets for ease of handling by forklifts. Bees live in the core nest of beekeepers' artificially constructed hives, and store the honey, intended to serve as food for the colony, in wooden frames known as "supers." To prevent the queen from laying brood in the supers containing the honey, beekeepers place an "excluder" between the lower core nest and the supers above. Worker bees produce more honey than required for use by the colony, so the excess honey can be harvested without harming the colony.

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

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

U.S. Packer Operations

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

Upon receipt of extracted honey, packers may blend different types of honey from both domestic and foreign sources.⁵⁰ The honey, usually in 55-gallon drums⁵¹ from the beekeepers, is labeled by the

⁴⁸ Morse, R.A. and N.W. Calderone, "The Value of Honey Bees as Pollinators of U.S. Crops in 2000," *Bee Culture* magazine, March 2000, p. 1.

⁴⁹ "America's Beekeepers: Hives for Hire," *National Geographic*, May 1993, p. 76.

⁵⁰ Honey may also be stored for years under proper storage conditions (i.e., in a dry place at approximately 70 ° F, or alternatively at freezing temperatures). According to the USDA, honey stored for years at freezer temperatures, 0° to -10° F, cannot be distinguished from fresh, newly-extracted honey in color, flavor, or aroma. Honey: Background for 1995 Farm Legislation, ERS, USDA, April 1989, p. 12.

⁵¹ One gallon of honey equals 11.84 pounds (*Weights, Measures, and Conversion Factors for Agricultural Commodities and Their Products*, USDA, ERS, Agricultural Handbook Number 697, p. 13.)

packers according to color and floral source, making blending selections or production of a monofloral honey possible.⁵²

Honey is normally heated to aid the flow of honey through the processing facility and retard granulation and spoilage, largely through the destruction of yeasts naturally present in honey.⁵³ Honey that has been heated is acceptable to most users in the United States, although in some other areas of the world, honey that has been heated is perceived to have lost some of its health and nutritional benefits. Some countries require certain levels of diastase and hydroxymethylfurfural (“HMF”) in imported honey, both of which are affected by heating.⁵⁴ “Flash heating,” whereby the honey is rapidly heated to 120 degrees or above and then quickly cooled, can produce honey with acceptable HMF and diastase levels for export to many countries, while maintaining its favorable processing characteristics.

Heated honey next flows through filtering mechanisms (filtering paper sheets in commercial processing plants), usually under high pressure, and into a “settling tank” in a warm area for several hours or even days, with any remaining foreign material floating to the top, where it can be skimmed.⁵⁵ Honey then can be poured directly into containers and sold to consumers or industrial users.

Creamed honey is another honey product that the packer may also process. This is honey in which the natural granulation has been encouraged and controlled for a smooth consistency similar to butter.⁵⁶ The honey is heated and filtered first, but once it cools, a “starter” seed consisting of creamed honey that has been finely ground to create extremely fine glucose crystals is blended into the honey to assure uniform crystallization. After blending, the mixture of seed and honey is allowed to set for a period of time during which air bubbles rise to the surface and are skimmed.⁵⁷

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

Interchangeability and Customer and Producer Perceptions⁵⁸

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

⁵² A 55-gallon steel drum with an FDA-approved food liner and an open head with a lid is the common container for U.S.-produced bulk raw honey. Imports of honey from China are packed in 55-gallon closed-head steel drums. The steel drums, both foreign and domestic, are often reusable, and so are returned to U.S. beekeepers for refilling with newly extracted honey.

⁵³ A large portion of U.S. honey must be heated due to the honey arriving in a crystallized state from the beekeeper.

⁵⁴ Diastase is an enzyme that destroys starch and HMF is a by-product of the decomposition of sugars in acid.

⁵⁵ Some operations reverse the process, and place honey in settling tanks before filtration.

⁵⁶ Although nearly all honey can be creamed, those honeys higher in glucose generally granulate the fastest.

⁵⁷ *The Hive and the Honey Bee*, Dadant & Sons, Inc., Hamilton, IL, 1992, p. 702.

⁵⁸ Unless indicated otherwise, the discussion in this section is based on information contained in *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-18-19.

and between subject imports. Subject honey was often blended with domestic honey to obtain a uniform product. Most (84.8 percent) of the responding beekeepers in the original investigation indicated that domestic honey was “always” interchangeable with Chinese honey. Based on the record as a whole, the Commission found there was general interchangeability between subject imports and between subject imports and the domestic like product.

Channels of Distribution⁵⁹

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

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

In the Commission’s original investigation, beekeeper-packers reported that in 2000, 56.6 percent of U.S. shipments of honey were sold through the industrial or ingredient sector, 42.5 percent through the retail sector, and less than one percent through the food service sector. Independent packers reported that 44.3 percent of U.S. shipments of honey were sold through the retail sector, 41.5 percent through the industrial or ingredient sector, and 14.1 percent through the food service sector. In 2005, the NHB’s *National Packer Survey* reported that packers were using similar channels of distribution as was reported in the original investigation: 46 percent through industrial/ingredient channel; 40 percent through the retail channel; and 14 percent through the food service channel.

Pricing⁶⁰

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

⁵⁹ Unless indicated otherwise, the discussion in this section is based on information contained in *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-19-22.

⁶⁰ Unless indicated otherwise, the discussion in this section is based on information contained in *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-23-26.

During the final phase of the original investigation, the Commission requested quarterly quantity and value data from U.S. beekeeper-packers and independent packers concerning the U.S., and Chinese honey they purchased in the U.S. market for the following four honey products: (1) white honey, (2) extra light or amber honey, (3) light amber honey, and (4) amber honey. Of the 51 instances where price data for domestic honey and honey imported from China were compared, there were 39 instances of underselling for the product from China. Margins of underselling ranged from 0.6 to 20.8 percent. There were 12 instances of overselling, where the margins ranged from 0.1 to 42.5 percent.

The USDA National Agricultural Statistics Service (“NASS”) publishes yearly national average prices in the retail and co-op/private market sectors for four color classes of honey: (1) water white, extra white, white; (2) extra light amber; (3) light amber, amber, dark amber; and (4) all other, area specialties. Prices are based on retail sales by domestic producers and sales to private processors and cooperatives. USDA price data for 2006-11 are presented in table I-3.

Table I-3
Honey: U.S. prices by market sector and by color, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
Price (cents per pound)						
Water white, extra white, white:						
Co-op and private	97.0	103.0	138.9	142.6	157.5	165.9
Retail	175.6	172.8	195.0	252.6	297.1	281.0
Total	99.9	104.6	141.2	144.0	159.8	169.1
Extra light amber:						
Co-op and private	94.0	97.5	135.2	144.5	151.1	161.3
Retail	176.0	188.0	209.7	252.5	266.3	307.6
Total	104.0	106.4	140.7	150.4	157.6	168.3
Light amber, amber, dark amber:						
Co-op and private	86.7	93.8	127.4	135.1	148.9	163.9
Retail	201.7	218.3	240.5	291.4	330.5	340.7
Total	106.3	112.5	142.0	148.2	167.0	178.8
All other honey, area specialties:						
Co-op and private	114.0	132.7	143.3	179.8	172.1	180.5
Retail	231.9	291.1	326.8	414.3	471.1	511.9
Total	163.2	175.6	205.9	247.9	208.1	217.1
All honey:						
Co-op and private	94.0	99.9	135.4	141.5	154.1	164.3
Retail	192.0	204.6	224.7	283.7	311.6	328.4
Total	103.6	107.7	142.1	147.3	161.9	172.9
Source: Source: NASS, USDA, Agriculture Statistics Board, “Honey,” February 29, 2008, February 27, 2009, February 26, 2010, February 25, 2011, and March 30, 2012.						

THE INDUSTRY IN THE UNITED STATES

U.S. Beekeepers

The USDA classifies beekeepers as hobbyists (fewer than 25 colonies), part-time beekeepers (25 to 299 colonies), and full-time or commercial producers of honey (300 colonies or more). Hobbyists generally consume most of the honey they produce, give it to friends and family, or distribute the honey through local outlets. Part-time beekeepers sell the majority of their honey, but beekeeping is not generally their major source of income. They market their honey either through direct sales to consumers or retail outlets, or through bulk sales to honey processors. Full-time beekeepers are those that rely on sales of honey as their primary source of income. According to the USDA, full-time beekeepers are responsible for about 60 percent of the extracted honey produced in the United States. Full-time beekeepers also provide pollination services to supplement their incomes and to gain access to other sources of nectar for honey production. In addition, some full-time beekeepers specialize in the production of queen bees and packaged bees and may even focus on the production of beeswax to further augment their income.⁶¹ The Commission reported in the original investigation that most of the honey extracted in the United States is done by commercial beekeepers, even though the commercial beekeeper population comprised only about 1 percent of the total beekeeping population.⁶² Hobbyists comprised about 90-95 percent of the beekeeping population, and part-time beekeepers the remainder.⁶³

In the original investigation, 119 beekeepers responded to the Commission's questionnaire with usable data, 116 of which indicated that they supported the petition. During the first five-year review, the domestic interested party identified over 650 domestic producers of honey, many of which were characterized as small beekeepers or hobbyists.⁶⁴ In response to the Commission's notice of institution in this second five-year review, the domestic interested party identified over 800 current domestic producers of honey, 650 of which are members of the AHPA or SHA.⁶⁵ The USDA reported that, during 2011, there were 2.49 million commercial bee colonies in the United States.⁶⁶

U.S. Packers

U.S. honey packers are either beekeeper-packers or independent packers. For purposes of this report, a beekeeper-packer is defined as a beekeeper that both extracts honey from its own colonies and packs the honey. An independent packer is defined as a firm engaged in the processing or packaging of purchased honey. Such honey may be purchased from domestic and/or foreign sources.

The Commission reported in the original investigation that, during 2000, there were approximately 350 beekeeper-packers and 110 independent packers in the United States. *** reporting beekeeper-packer supported the petition,⁶⁷ and five of 21 reporting independent packers supported the petition.

⁶¹ Canada, Carol and Jasper Womach, CRS Report for Congress, *Farm Commodity Programs: Honey*, October 4, 2006, p. CRS-3.

⁶² Hoff, F., *Honey: Background for 1995 Farm Legislation*, ERS, USDA, April 1995, p. 2.

⁶³ Ibid.

⁶⁴ *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-26.

⁶⁵ *Response* of domestic interested party, August 1, 2012, p. 13 and exh. 9; and *Entry of Appearance* of domestic interested party, July 23, 2012, attachments 1-2.

⁶⁶ NASS, USDA, Agriculture Statistics Board, "Honey," March 30, 2012.

⁶⁷ ***.

U.S. Producers' Trade and Financial Data

Domestic production of honey varies widely among regions and from year to year depending on rainfall, soil conditions, temperature, cropping patterns, management, and various other factors. Cold and rainy weather can prevent bees from collecting nectar, which reduces honey production. Rain, drought, or freezing temperatures can also cut honey production by damaging nectar sources.⁶⁸

The two associations that responded to the Commission's notice of institution, AHPA and SHA, are estimated to represent *** percent of U.S. production of honey in 2011.⁶⁹ Table I-4 presents data concerning U.S. producers' trade and financial data for calendar years 2006-11. Data concerning U.S. producers' trade and financial data for calendar years 1998-2005, as reported in the first five-year review, are presented in appendix C. U.S. honey production has fluctuated over the period 2006 to 2011 but declined overall by 4.2 percent. The domestic interested party in this current review indicated that much of the decline in honey production reflects the continued declines in the bee population. Varroa mites, which feed on the honeybees' blood causing deformities and reduced life spans, and carry honeybee diseases, continue to affect U.S. beekeepers in 2012. In addition, the domestic interested party cites drought conditions in 2011 and continued dry weather in 2012 that led to fewer honeybees, poor honey production, and low brood numbers. Neonicotinoid insecticides, shrinking conservation reserve land, and continued colony collapse disorder ("CCD")⁷⁰ all continue to affect the production of honey in the United States.⁷¹

Table I-4

Honey: U.S. producers' trade, employment, and financial data, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
U.S. beekeepers':						
Colonies (1,000)	2,393	2,443	2,342	2,498	2,692	2,491
Production:						
Quantity (1,000 pounds)	154,907	148,341	163,789	146,416	176,462	148,357
Value (\$1,000)	160,484	159,763	232,744	215,671	285,692	256,509
Unit value (\$/pound)	1.04	1.08	1.42	1.47	1.62	1.73
Yield per colony (pounds)	64.7	60.7	69.9	58.6	65.6	59.6
Ending stocks (1,000 pounds)	60,548	52,635	51,159	37,516	45,018	36,761
EOP ¹ stocks/production (percent)	39.1	35.5	31.2	25.6	25.5	24.8

Table continued on next page.

⁶⁸ *The U.S. Beekeeping Industry*, ERS, USDA, May 1994, p. 3.

⁶⁹ The AHPA represents *** percent of total U.S. production of honey in 2011, while the SHA represents *** percent. The domestic industry has adjusted SHA's production figures to avoid double counting of production by companies that are members of both SHA and AHPA. *Response* of domestic interested party, August 1, 2012, p. 14.

⁷⁰ CCD leads to the disappearance of most, if not all, of the adult honey bees in a colony, leaving behind honey and brood but no dead bee bodies. The exact cause of CCD is still unknown.

⁷¹ *Response* of domestic interested party, August 1, 2012, pp. 9-11.

Table I-4--Continued
Honey: U.S. producers' trade, employment, and financial data, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
U.S. independent packers':						
Commercial shipments: Quantity (1,000 pounds)	(²)	(²)	(²)	(²)	(²)	***3
Value (\$1,000)	(²)	(²)	(²)	(²)	(²)	***3
Unit value (\$/pound)	(²)	(²)	(²)	(²)	(²)	***3
Total beekeeping revenue (\$1,000)	(²)	(²)	(²)	(²)	(²)	***3
Beekeeping/operating expenses (\$1,000)	(²)	(²)	(²)	(²)	(²)	***3
Net income before taxes (\$1,000)	(²)	(²)	(²)	(²)	(²)	***3
¹ End of period. ² Not available. ³ Data presented are for AHPA and SHA members, whose production accounted for *** percent of the domestic industry's production in 2011. The domestic interested party has adjusted production figures for SHA to avoid double counting of production by companies that are members of both SHA and AHPA.						
Source: NASS, USDA, Agriculture Statistics Board, "Honey," February 29, 2008, February 27, 2009, February 26, 2010, February 25, 2011, and March 30, 2012; <i>Response of domestic interested party</i> , August 1, 2012, exh. 8.						

Related Party Issues

In its final determinations, the Commission excluded two domestic packers (***) and one domestic beekeeper/packer (***) from the domestic industry pursuant to the related parties provision.⁷² In the first five-year review, the Commission did not exclude any producers from the domestic industry because it lacked current company-specific data with respect to individual honey producers and was unable to resolve whether any domestic producers are related parties. In their response to the notice of institution in this second five-year review, the domestic interested party indicated that none of the individual members of the AHPA and the SHA are importers of the subject merchandise and none are related to a foreign producer, exporter, or importer of the subject merchandise.⁷³ ***.

⁷² *Honey from Argentina and China, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. 11.

⁷³ *Response of domestic interested party*, August 1, 2012, p. 3.

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

U.S. Imports

In the Commission's original investigation, questionnaire responses with usable data were received from 18 U.S. importers of honey. Data submitted by responding firms accounted for 84 percent of total imports of honey from China. *** was the largest known U.S. importer of honey from China in 2000. In the expedited first five-year review of the order, the domestic interested parties identified over 100 U.S. importers of honey from both Argentina and China.⁷⁴ In its response to the Commission's notice of institution in this second five-year review, the domestic interested party identified 54 U.S. importers of honey from China.⁷⁵ Data regarding U.S. imports of honey, as reported by Commerce, are presented in table I-5 and figure I-1. Subject imports from China decreased to almost zero by 2009, but increased to 3.4 million pounds by 2011. However, subject imports from China decreased overall by 95.2 percent between 2006 and 2011. Nonsubject sources increased by 37.6 percent from 2006 to 2011. Import data for 1998-2005 are presented in appendix C.

The domestic interested party, in response to the Commission's notice of institution in this second five-year review, noted that China continues to export honey to the United States through various circumvention schemes such as the new shipper bond scheme, the undervaluation of entries, third country circumvention, and mislabeling honey as other sugar products. The new shipper review bond scheme allowed Chinese companies to post customs bonds instead of cash to satisfy the estimated duty deposit requirement of entries of Chinese honey, until the new shipper review bond scheme was suspended in 2006. In addition, the domestic interested party states that certain importers of Chinese honey also began to value their imports at low values to minimize the dumping duty cash deposit required. Chinese exporters of honey produced in China have falsely labeled the honey as produced in other Asian nations, or mislabeled them as other sugar compounds. Finally, Chinese exporters are importing honey misreported as honey blends to avoid paying the dumping duties.⁷⁶ In August 2012, Commerce found that blends of honey and rice syrup, regardless of the percentage of honey they contain, from China are later-developed merchandise, and have instructed U.S. Customs and Border Protection to suspend liquidation of all entries of blends of honey and rice syrup from China that were entered, or withdrawn from warehouse, for consumption on or after December 7, 2011.⁷⁷

⁷⁴ *Honey from Argentina and China, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-34.

⁷⁵ *Response* of domestic interested party, August 1, 2012, exh. 10.

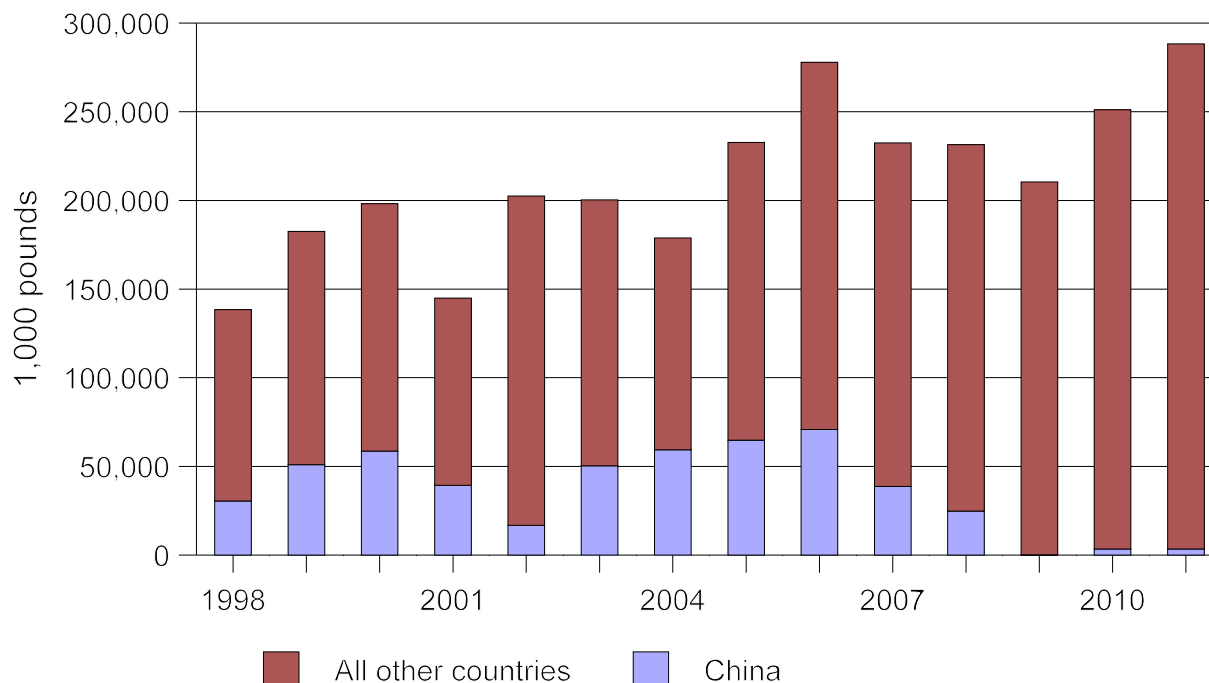
⁷⁶ *Response* of domestic interested party, August 1, 2012, pp. 19-32.

⁷⁷ *Honey From the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*. 77 FR 50464, August 21, 2012.

Table I-5
Honey: U.S. imports, by source, 2006-11

Source	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pounds)						
China	70,877	38,610	24,768	148	3,410	3,374
Other sources ²	207,060	193,838	206,630	210,289	247,766	284,914
Total	277,937	232,449	231,398	210,437	251,176	288,289
Value (1,000 dollars)¹						
China	30,872	12,438	7,651	166	2,658	5,181
Other sources ²	159,537	163,916	226,056	232,310	303,670	398,996
Total	190,409	176,354	233,707	232,476	306,327	404,177
Unit value (per pound)						
China	0.44	0.32	0.31	1.12	0.78	1.54
Other sources ²	0.77	0.85	1.09	1.10	1.23	1.40
Average	0.69	0.76	1.01	1.10	1.22	1.40
Share of quantity (percent)						
China	25.5	16.6	10.7	0.1	1.4	1.2
Other sources ²	74.5	83.4	89.3	99.9	98.6	98.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)						
China	16.2	7.1	3.3	0.1	0.9	1.3
Other sources ²	83.8	92.9	96.7	99.9	99.1	98.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
¹ Landed, duty-paid. ² The main sources of nonsubject imports are: Argentina, representing 25.6 percent of total imports during 2011; Vietnam, 21.3 percent; India, 20.6 percent; and Brazil, 11.5 percent.						
Source: Compiled from official Commerce statistics. Import data are based on HTS subheading 0409.00.00, and consist of virtually all, if not all, U.S. imports of honey.						

Figure I-1
Honey: U.S. imports, by source, 1998-2011



Source: Compiled from official Commerce statistics, HTS subheading 0409.00.

Ratio of Imports to U.S. Production

Subject imports of honey from China were equivalent to 2.3 percent of reported U.S. production in 2011. The ratio of imports of honey from nonsubject sources to domestic production was 192.0 percent in 2011.

Apparent U.S. Consumption and Market Shares

Demand for honey is dependent on the demand for downstream food products that use honey as an ingredient, and thus is dependent on the demand for honey at the retail and food service sectors. Consistent with the Commission's original investigation and first five-year review, apparent U.S. consumption of honey consists of beekeepers' production plus U.S. imports.⁷⁸

Apparent U.S. consumption of honey and market shares of honey for 2006-11 are presented in table I-6. Apparent U.S. consumption data for 1998-2005 are presented in appendix C. Apparent consumption of honey, in terms of quantity, fluctuated during the review period, and increased by less than one percent from 2006 to 2011. Apparent consumption, in terms of value, however, increased 88.3 percent from 2006 to 2011. According to the domestic interested party, imports from other countries, including Argentina, have increased since 2007 to supply the increasing U.S. demand.⁷⁹

⁷⁸ Since the USDA discontinued issuance of the annual honey updates, there is no published data on U.S. honey consumption. While the use of production plus imports may not take into account inventory fluctuations, it provides an adequate proxy for consumption that does not distort market share trends.

⁷⁹ Response of domestic interested party, August 1, 2012, p. 16.

Table I-6

Honey: U.S. producers' U.S. production, U.S. imports, and apparent U.S. consumption, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pounds)						
U.S. beekeepers' production	154,907	148,341	163,789	146,416	176,462	148,357
U.S. imports:						
China	70,877	38,610	24,768	148	3,410	3,374
Other sources	207,060	193,838	206,630	210,289	247,766	284,914
Total Imports	277,937	232,449	231,398	210,437	251,176	288,289
Apparent U.S. consumption	432,844	380,790	395,187	356,853	427,638	436,646
Value (1,000 dollars)¹						
U.S. beekeepers' production	160,484	159,763	232,744	215,671	285,692	256,509
U.S. imports:						
China	30,872	12,438	7,651	166	2,658	5,181
Other sources	159,537	163,916	226,056	232,310	303,670	398,996
Total Imports	190,409	176,354	233,707	232,476	306,327	404,177
Apparent U.S. consumption	350,893	336,117	466,451	448,147	592,019	660,686
Share of consumption based on quantity (percent)						
U.S. beekeepers' production	35.8	39.0	41.4	41.0	41.3	34.0
U.S. imports:						
China	16.4	10.1	6.3	(²)	0.8	0.8
Other sources	47.8	50.9	52.3	58.9	57.9	65.3
Total Imports	64.2	61.0	58.6	59.0	58.7	66.0
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0	100.0
Share of consumption based on value (percent)						
U.S. beekeepers' production	45.7	47.5	49.9	48.1	48.3	38.8
U.S. imports:						
China	8.8	3.7	1.6	(²)	0.4	0.8
Other sources	45.5	48.8	48.5	51.8	51.3	60.4
Total Imports	54.3	52.5	50.1	51.9	51.7	61.2
Apparent U.S. consumption	100.0	100.0	100.0	100.0	100.0	100.0
¹ Landed, duty-paid. ² Less than 0.05 percent.						
Source: Compiled from official Commerce statistics, HTS subheading 0409.00.00; and NASS, USDA, Agriculture Statistics Board, "Honey," 2008-12.						

ANTIDUMPING ACTIONS OUTSIDE THE UNITED STATES

There are no outstanding antidumping and/or countervailing duty measures against honey produced in China in countries other than the United States. However, the domestic interested party in this current five-year review states that there are other barriers to entry for Chinese honey into the other major honey export markets based on phytosanitary concerns. They further explain that the European Union and Canada require honey imports to undergo much more rigorous laboratory testing for certain antibiotics and other undesirable chemicals, including heromethyl furfural (“HMF”), phenol, as well as genetically modified organisms (“GMO”), than are used by the United States. The European Union (“EU”) issued a ruling in 2011 that banned genetically modified honey from general sales in the EU market. Additionally, in June 2010, the EU banned honey from India due to concerns of lead and other contaminants. The domestic interested party pointed out that the United States has no, or lower, standards for these contaminants.⁸⁰

THE SUBJECT INDUSTRY IN CHINA

During the original investigation and first five-year review, China was named as the world’s largest producer of honey. During the original investigation, the Commission received questionnaire responses from 13 Chinese exporting firms, which accounted for 68 percent of total U.S. imports of honey from China during 2000.⁸¹ Table I-7 presents trade data for the Chinese honey industry during 2006-11. Data for the honey industry in China for 1998-2005 are presented in appendix C.

Table I-7
Honey: Data on the industry in China, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Quantity (1,000 pounds)						
Production	744,231	787,534	897,763	898,089	877,439 ¹	(²)
Domestic consumption	(²)	(²)	(²)	(²)	(²)	(²)
Exports to— United States	58,071	24,998	21,736	162	1,276	2,865
All other markets	120,665	116,878	165,359	158,512	221,694	217,364
Total exports	178,737	141,876	187,095	158,674	222,970	220,229

Table continued on next page.

⁸⁰ Response of domestic interested party, August 1, 2012, pp. 35-36.

⁸¹ *Honey from Argentina and China, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. VII-4.

Table I-7--Continued
Honey: Data on the industry in China, 2006-11

Item	Calendar year					
	2006	2007	2008	2009	2010	2011
Ratios to production (percent)						
Domestic consumption	(²)	(²)	(²)	(²)	(²)	(²)
Exports to the United States	7.8	3.2	2.4	(³)	0.1	(²)
Exports to all other markets	16.2	14.8	18.4	17.7	25.3	(²)
Total exports	24.0	18.0	20.8	17.7	25.4	(²)
¹ FAO estimate. ² Data not available. ³ Less than 0.05 percent.						
Source: FAOSTAT, http://faostat.fao.org/ , and Global Trade Atlas data, HTS 0409 ("Honey, Natural").						

THE GLOBAL MARKET

During 2005, China was ranked as the world's largest producer and consumer of honey.⁸² Table 1-8 presents data on world exports of honey from 2006 to 2011, and table 1-9 presents data on world imports of honey from 2006 to 2011. Argentina was the world's largest exporter of honey in each year of the review period, with the exception of 2010, when China was the largest exporter of honey.

Table I-8
Honey: World exports, 2006-11

Market	2006	2007	2008	2009	2010	2011
Value (1,000 dollars)						
Argentina	154,181	134,216	181,311	160,291	173,349	223,448
China	105,269	94,616	147,103	125,942	182,515	201,469
Germany	76,008	93,991	126,577	114,165	111,566	114,619
Mexico	48,381	56,454	83,789	81,239	84,743	90,359
New Zealand	26,941	40,311	50,869	60,384	71,044	87,639
All others	370,827	428,281	661,019	663,704	816,792	883,478
Total	781,607	847,869	1,250,668	1,205,725	1,440,009	1,601,012
Source: Compiled from Global Trade Atlas data, HTS 0409 ("Honey, Natural").						

⁸² *Honey from Argentina and China, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. I-44.

Table I-9
Honey: World imports, 2006-11

Market	2006	2007	2008	2009	2010	2011
Value (1,000 dollars)						
United States	172,777	162,806	221,046	220,300	292,739	387,255
Germany	156,147	196,508	252,805	260,421	294,612	270,241
United Kingdom	71,180	84,833	104,937	103,066	105,179	125,993
Japan	61,996	67,275	85,695	87,182	101,115	117,454
France	51,912	65,155	93,441	86,399	97,019	108,016
All others	239,813	278,674	410,461	449,585	514,660	562,286
Total	753,824	855,250	1,168,384	1,206,954	1,405,325	1,571,245
Source: Compiled from Global Trade Atlas data, HTS 0409 ("Honey, Natural").						

APPENDIX A
***FEDERAL REGISTER* NOTICES**

Table A-1
Honey: Federal Register notices

Publication date	Title and citation
July 2, 2012	<i>Initiation of Five-Year ("Sunset") Review, 77 FR 39218</i>
July 2, 2012	<i>Honey From Argentina and China Institution of Five-Year Reviews Concerning the Countervailing Duty Order on Honey From Argentina and the Antidumping Duty Orders on Honey from Argentina and China, 77 FR 39257</i>
October 1, 2012	<i>Honey From the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order, 77 FR 59896</i>
October 25, 2012	<i>Honey from China; Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Honey From China, 77 FR 65204</i>

APPENDIX B
STATEMENT ON ADEQUACY

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Honey from China

Inv. No. 731-TA-893 (Second Review)

On October 5, 2012, the Commission unanimously determined to conduct an expedited review in the subject five-year review pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. §1675(c)(3)(B).

The Commission received an adequate joint response filed by the American Honey Producers Association (“AHPA”), a trade association whose members are engaged in the business of producing honey in the United States, and Sioux Honey Association (“SHA”), a non-profit cooperative marketing organization that collects, processes, packs, and markets honey produced by its members and by independent beekeepers. Because the Commission received an adequate response from interested parties accounting for the majority of U.S. production of honey, the Commission determined that the domestic interested party group response was adequate.

The Commission also unanimously determined that the respondent interested party group response was inadequate, as no respondent interested party filed a response to the notice of institution.

The Commission did not find any circumstances that would warrant conducting a full review. The Commission, therefore, decided to conduct an expedited review of this order.

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

APPENDIX C

SUMMARY DATA FROM THE FIRST FIVE-YEAR REVIEW

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

Item	1998	1999	2000	Jan.-June		2001	2002	2003	2004	2005
				2000	2001					
U.S. beekeepers: Colonies (1,000)	2,633	2,688	2,634	(²)	(²)	2,506	2,574	2,599	2,556	2,410
Production: Quantity (1,000 pounds)	220,316	205,228	221,005	(²)	(²)	185,461	171,718	181,727	183,582	174,643
Value (\$1,000)	147,254	125,422	132,205	(²)	(²)	132,225	228,338	253,106	196,259	157,795
Unit value (\$/pound)	0.66	0.61	0.59	(²)	(²)	0.70	1.33	1.39	1.07	0.90
Yield per colony (pounds)	83.7	76.3	83.9	(²)	(²)	74.0	66.7	70.0	71.8	72.5
Ending stocks (1,000 pounds)	80,808	79,361	86,158	(²)	(²)	64,556	39,393	40,785	61,222	62,406
EOP ³ stocks/production (percent)	36.7	38.7	39.0	(²)	(²)	34.8	22.9	22.4	33.3	35.7
PRWs ⁴ (number) ⁵	***	***	***	(²)	(²)	1,418	1,321	1,489	1,535	1,515
Hours worked (1,000 hours)	***	***	***	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Wages paid (\$1,000) ⁶	***	***	***	(²)	(²)	30,281	31,201	35,579	38,002	40,257
Hourly wages ⁵	\$***	\$***	\$***	(²)	(²)	\$10.28	\$11.35	\$11.48	\$11.90	\$12.78
Productivity (pounds per hour)	***	***	***	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Unit labor costs (per pound) ⁵	\$***	\$***	\$***	(²)	(²)	\$0.16	\$0.18	\$0.20	\$0.21	\$0.23

Table continued on following page.

Table I-13--Continued
Honey: U.S. producers' trade, employment, and financial data, 1998-2000, January-June 2000, January-June 2001, and 2001-05'

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

Table continued on following page.

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

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

Table continued on following page.

Table I-13--Continued
Honey: U.S. producers' trade, employment, and financial data, 1998-2000, January-June 2000, January-June 2001, and 2001-05'

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

Table continued on following page.

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

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

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

² Not available.

³ End of period.

⁴ Production and related workers.

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

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

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

⁸ Cost of goods sold.

⁹ SHA's commercial shipments of packed honey.

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

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

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

Table I-17

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

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

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

Table I-20

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

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