CERTAIN CASTOR OIL PRODUCTS FROM BRAZIL

Determinations of the Commission in Investigations Nos. 731-TA-236 and 237 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. 731-TA-236 and 237 (Preliminary)

CERTAIN CASTOR OIL PRODUCTS FROM BRAZIL

Determination

On the basis of the record 1/ developed in the subject investigations, the Commission determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Brazil of hydrogenated castor oil classified under item 178.20 of the Tariff Schedules of the United States (TSUS), which are alleged to be sold in the United States at less than fair value (LTFV). 2/ The Commission further determines that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Brazil of 12-hydroxystearic acid, classified under item 490.26 of the TSUS and which are alleged to be sold in the United States at LTFV. 2/

Background

On December 27, 1984, petitions were filed with the Commission and the Department of Commerce by counsel for the American Manufacturers of Castor Oil Products (AMCOP), Wayne, New Jersey, 3/ alleging that industries in the United States are materially injured or threatened with material injury by reason of imports of hydrogenated castor oil and 12-hydroxstearic acid from Brazil which are alleged to be sold in the United States at LTFV. Accordingly, effective December 27, 1984, the Commission instituted preliminary antidumping duty investigations Nos. 731-TA-236 and 237 (Preliminary).

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

2/ Chairwoman Stern determines that there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, by reason of the subject imports.

3/ On January 24, 1985, Counsel for AMCOP amended the petitions to subsititute Union Camp Corp. as the petitioner.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of January 9, 1985 (50 F.R. 1135). The conference was held in Washington, DC, on January 17, 1985, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

On the basis of the record in these investigations, we determine that there is a reasonable indication that the domestic industries producing hydrogenated castor oil (HCO) and 12-hydroxystearic acid (HSA) are materially injured by reason of allegedly less than fair value (LTFV) imports of those castor oil products from Brazil.

These determinations are based on findings that domestic production and domestic shipments decreased in both industries during the period under investigation, and the available financial data show that the domestic industries experienced operating losses. Additionally, imports from Brazil of both HCO and HSA have increased their substantial presence in the market. Furthermore, these imports consistently undersold the domestic products, and there were confirmed sales of HCO and HSA lost to Brazil by the domestic industries.

Definitions of "like product" and "domestic industry"

Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "[T]he domestic producers as a whole of a like product or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 1/ "Like product" is defined 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 . . ." 2/

The imported products that are the subject of these investigations are HCO and HSA. These products are hydrogenated castor oil derivatives produced

1/ 19 U.S.C. § 1677(4)(A).
2/ 19 U.S.C. § 1677(10).

by pumping hydrogen gas into the crude castor oil at a high temperature. 3/ HCO is a hard, amorphous, waxy product which is light in color with a melting point of 80° to 82° centigrade. HSA, which is produced by further processing HCO to remove glycerin, is a hard, amorphous, fatty acid with a melting point of approximately 79° to 82° centigrade. 4/ Both HCO and HSA are used primarily for the manufacture of heavy-duty lubricants; however, because of its glycerin-free nature, HSA is used in applications where imperviousness to water is a necessary trait. 5/

On the basis of the different characteristics and uses of HCO and HSA, we have determined that the like product for imported HCO is domestically produced HCO and the like product for imported HSA is domestically produced HSA. Accordingly, we find that there are two separate domestic industries, the HCO operations of the two domestic producers, Union Camp Corporation and CasChem, Inc., 6/ and the HSA operations of these same producers. 7/ 8/

3/ Report of the Commission (Report) at A-4.

4/ Id.

5/ Id.

6/ In reaching this conclusion, we determine that CasChem's substantial captive production of HCO should be included within the domestic industry. The statutory definitions of like product and domestic industry do not take into account the method of distribution of the products. 19 U.S.C. §§ 1677(4)(A) and (10). See n.13, infra, at 5.

7/ The Commission reached this same conclusion one year ago when it conducted an investigation of the same products under section 104(b) of the Trade Agreements Act of 1979, Certain Castor Oil Products from Brazil, Inv. No. 104-TAA-20, USITC Pub. 1483 (1984).

8/ SANBRA, the Brazilian producer represented in this investigation, argued that Union Camp and CasChem should be excluded from the domestic industry as related parties under section 771(4)(B) of the Tariff Act of 1930. We decline to exclude Union Camp because it imported small amounts of the subject products from Brazil in 1983. Union Camp is a major factor in the domestic production of both products. We also decline to exclude CasChem because, although its importations of HCO and HSA from Brazil are substantial, it is importing these products in order to meet the competition from the lower-priced Brazilian imports. In addition, CasChem is a significant factor in the domestic HCO industry.

Condition of the domestic industries

Union Camp, the petitioner in this investigation, represents the vast majority of the domestic HSA production but produces less than one third of domestic HCO. 9/ In the context of the total U.S. market for HCO and HSA, the domestic industry has a minority share of domestic consumption of the two products. 10/

The Commission was able to obtain information concerning some of the economic indices it considers when making an injury determination for both U.S. producers, i.e., production, capacity, capacity utilization, domestic shipments, exports, and inventory. However, with regard to employment and financial information, CasChem informed the Commission that it was unable to supply the Commission with any reliable data. 11/ 12/

The HCO industry 13/

The available data indicate that the domestic HCO industry is materially injured. 14/ Domestic HCO production decreased from 1982 to 1984. 15/ The data indicate that the domestic capacity to produce both HCO and HSA, combined,

9/ Report at A-9.
10/ Id. at A-8-A-9.
11/ Id. at A-13-A-14.
12/ The information available is sufficient for the purposes of this preliminary investigation. However, we expect a substantially greater effort on the part of the domestic industry to produce additional financial information, if this investigation returns as a final.
13/ We considered whether the substantial captive HCO production of CasChem should be excluded from our consideration of injury to the domestic industry. We believe Congress expected us to consider the realities of the marketplace in determining the actual impact of imports on the domestic industry. For the purpose of this preliminary investigation, we considered the impact on the entire domestic industry, including the noncommercial HCO market.
14/ We are unable to discuss this data in great detail because most of it is confidential due to the limited number of domestic producers.
15/ Report at A-9.

decreased from 1982-84. 16/ Total domestic shipments of HCO decreased gradually from 1982-84. 17/ Data on inventories held by domestic producers is confidential but the trend indicates that the ratio of end-of-period inventories held by domestic producers relative to commercial shipments increased from 1982-84. 18/

Employment and financial data regarding HCO are also confidential. The data did show net operating losses 19/ and a slight decline in employment 20/ during the period of this investigation. We note that gross profits for HCO declined from 1982 to 1983 but increased beyond the 1982 level in 1984. 21/ This apparent improvement in gross profits for HCO was explained by confidential submissions, and we should note that a substantial part of the improvement in 1984 occurred in the first quarter, with a sharp drop in profitability following thereafter. 22/

The HSA industry

The available data indicate that the domestic HSA industry is also materially injured. Production increased from 1982-83 but decreased in 1984. 23/ The data on capacity and capacity utilization supplied by the

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16/ Id. However, reliance on production capacity data and anything based on it is questionable, since the domestic producers estimated capacity based on different assumptions about the product mix. Id.

17/ We note that domestic commercial shipments of HCO plummeted during that same period. Id. at A-10-A-11. This decline may be due in part to increased production of HSA. We intend to explore further the relationship, if any, between HCO and HSA shipments should this investigation reach a final. Id. at A-8-A-9.

18/ Id. at A-12.

19/ Id. at A-15.

20/ Id. at A-13.

21/ Id. at A-15. Gross profit may be a more accurate reflection of the financial health of this industry than operating profits and losses because of the method used by Union Camp to allocate fixed costs. Id. at A-16.

22/ Id. at A-16.

23/ Id. at A-9.

domestic producers are combined figures for HCO and HSA production. Thus, our discussion earlier on capacity applies here. 24/ Domestic shipments of HSA increased from 1982-83, but then declined in 1984. 25/ Domestic shipments of HSA declined while the U.S. market expanded over the period of investigation. 26/ Data on end-of-period inventories of HSA held by the domestic producers show a substantial drop from 1982-83, but an increase in 1984. 27/

The domestic HSA industry suffered net operating losses 28/ during the period of investigation, and there was a slight decline in employment. 29/ The gross profit levels throughout the period were higher than those for HCO, but the 1984 level for HSA was lower than that for 1982. 30/

Reasonable indication of material injury by reason of alleged LTFV imports

Imports of HCO and HSA from Brazil have a majority share of the U.S. market. The level of imports for both products increased during the period of investigation. 31/

Pricing data show that Brazil regularly undersold domestic HCO during the period 1980-84. The average margin of underselling was 9.1 percent. 32/ Brazilian HSA also undersold domestically produced HSA by substantial margins over the same period. The average margin of underselling was 12.4 percent. 33/

24/ See n.16., supra, at 6.
25/ Report at A-10.
26/ Id. at A-8.
27/ Id. at A-12.
28/ Id. at A-17.
29/ Id. at A-13.
30/ Id. at A-18. Should this investigation return as a final, we expect to explore further the issue of profits and allocation of costs and expenses.
31/ Id. at A-23.
32/ Id. at A-26.
33/ Id. at A-27.

The petitioner supplied the Commission with a list of firms with which it had allegedly lost sales or revenue to imports of HCO and HSA from Brazil. A majority of the firms were contacted and all of those contacted reported that they had purchased the Brazilian products. These firms also indicated that the Brazilian and domestic products are considered to be of comparable quality. Thus, decisions to purchase these products are generally based on price, and for some of the firms, a price differential of less than $0.01 determined a sale. 34/

During the investigation the Commission confirmed 6 sales of HCO lost by petitioner to Brazilian imports and 3 lost sales of HSA. 35/ Although there were no specific confirmed lost revenue allegations for either product, most purchasers contacted reported that U.S. producers had to meet lower import prices in 1984 to make sales. 36/

For the reasons stated above we determine that there is a reasonable indication that the domestic industries producing HCO and HSA are materially injured by reason of allegedly LTFV imports of those castor oil products from Brazil.

34/ Id. at A-31. Some of the firms contacted indicated that the need to maintain alternative sources of supply and a history of supply can also influence a purchasing decision. Id.
35/ Memorandum to the Commission from the Acting Director, Office of Inv. (Feb. 4, 1985); Report at A-31, A-34.
36/ Id.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On December 27, 1984, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce on behalf of the American Manufacturers of Castor Oil Products (AMCOP), Wayne, NJ, 1/ alleging that imports of hydrogenated castor oil (HCO) and 12-hydroxystearic acid (HSA) from Brazil are being sold in the United States at less than fair value (LTFV) and that an industry in the United States is materially injured and threatened with material injury, by reason of such imports.

Accordingly, effective December 27, 1984, the Commission instituted antidumping investigations Nos. 731-TA-236 and 237 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded, by reason of imports from Brazil of hydrogenated castor oil (HCO) and 12-hydroxystearic acid (HSA), classified under items 178.20 and 490.26, respectively, of the Tariff Schedules of the United States (TSUS), which are alleged to be sold in the United States at LTFV.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of January 9, 1985 (50 F.R.1135). 2/ The public conference was held in Washington, DC, on January 17, 1985, at which all interested parties were afforded the opportunity to present information for the Commission's consideration. 3/ The applicable statute directs the Commission to make its determination in this investigation within 45 days after the date of the filing of the petition, or by February 11, 1985. The Commission's briefing and vote was held on February 5, 1985.

Previous Commission Investigations With Respect to Certain Castor Oil Products From Brazil

HCO and HSA were the subject of one previous investigation conducted by the Commission. In investigation No. 104-TAA-20, the Commission determined, pursuant to section 104(b) of the Trade Agreements Act of 1979 (19 U.S.C. 1671), that an industry in the United States would be materially injured by

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1/ On Jan. 24, 1985, Counsel for AMCOP amended the petition to substitute Union Camp Corp. as the petitioner. Union Camp is the only remaining active member of AMCOP.

2/ A copy of the Commission's notice is presented in app. A. A copy of Commerce's notice of institution of its antidumping investigations is presented in app. B.

3/ A list of witnesses appearing at the conference is presented in app. C.

reason of imports of HCO and HSA from Brazil if the outstanding countervailing duty order were to be revoked. 1/

The countervailing duty orders that were the subject of the 104(b) investigation evolved from a letter (dated Sept. 9, 1974) to the United States Tariff Commission from Union Camp Corp., Wayne, NJ, alleging that the Government of Brazil provided subsidies to manufacturers and/or exporters of HCO and HSA. The Union Camp complaint was forwarded to the Department of the Treasury, which instituted a countervailing duty investigation (under sec. 303 of the Tariff Act of 1930) after receipt of a formal petition from Union Camp on April 30, 1975 (40 F.R. 18814). On September 11, 1975, Treasury "tentatively determined" that benefits have been received by the Brazilian manufacturers/exporters of HCO and HSA which may constitute bounties or grants. Subsequently, on March 16, 1976 (41 F.R. 11018), Treasury determined that exports of HCO and HSA from Brazil did receive bounties or grants within the meaning of section 303 of the Tariff Act of 1930. The net amount of the subsidy was 11.3 percent of the f.o.b. or ex-works price to the United States of HCO and HSA from Brazil. Since 1976 successive administrative reviews by the Departments of Treasury and Commerce have reduced the net subsidies to 3.75 percent. 2/ The current deposit rate for imports of HCO and HSA from Brazil is zero.

The Product

Description and uses

Castor oil.--Although castor oil is not the subject of this investigation, the following discussion of castor oil and the castor plant's cultivation is given in order to provide the necessary background for understanding the economic condition of the U.S. industry producing HCO and HSA, the only articles under investigation, both of which are castor oil derivatives.

Castor oil is a vegetable oil which is derived from the bean of the castor plant, Ricinus Communis L., of the family Eurphorbiaceae. There was considerable production of castor plants in the United States in the 1800's, but by 1900, production had shifted to countries such as Brazil and India, where it was cheaper to do the necessary manual harvesting and hulling. During World War II, the U.S. Government sponsored the domestic production of castor beans because of the defense value of castor oil. Domestic production of castor beans continued after World War II, and from 1957 through 1969, U.S. production of castor beans averaged over 20,000 metric tons per year. 3/

1/ Commissioner Stern determined that industries in the United States would not be materially injured if the outstanding countervailing duty order on HCO and HSA were revoked.

2/ Department of Commerce administrative review for calendar year 1981.

3/ Imports of castor oil during that period averaged about 50,000 metric tons annually.

However, with the ending of meaningful Government price supports in 1973, the once-sizable U.S. production of castor beans dropped to almost zero by 1974. 1/ Thus, all of the crude castor oil currently consumed in the United States is imported, primarily from Brazil and India. In January-October 1983, Thailand, previously a relatively minor source of castor oil, also became a major source of the product.

Castor oil is recovered from the castor beans by the use of hydraulic presses or expellers (continuous, mechanical screw presses) followed by solvent extraction. The beans yield an oil which is pale yellow, with a slight characteristic odor. At one time castor oil was used primarily for medicinal purposes as a laxative and as a "cure all" for various physical ailments. However, castor oil is now almost exclusively used as an industrial raw material in the preparation of chemical derivatives.

The versatility of castor oil results from its having a composition of about 90-percent ricinoleic acid with a hydroxyl group, which permits a wide variety of processing techniques to transform it into various products. Processing treatments for crude castor oil include sulfonation, hydrogenation, dehydration, thermal decomposition, alkali fusion, and oxidation. Chemicals produced from crude castor oil are used mainly in protective coatings, lubricants, surfactants, hydraulic fluids, cosmetics, pharmaceuticals, and other miscellaneous products such as printing ink, insecticides, and paper coatings.

Only a small fraction of the castor oil consumed industrially in the United States is used to produce HCO or HSA. Most is used in the protective coating industry (paints, varnishes, drying oils) or for sebacic acid production. U.S. imports of castor oil in recent years were as shown in table 1.

Table 1.--Castor oil: U.S. imports, by sources, 1981-83, January-November 1983, and January-November 1984

(In thousand of pounds)

Source	1981	1982	1983	January-November-- 1983	January-November-- 1984
Brazil	86,576	54,168	51,450	48,272	50,258
India	0	7,644	12,835	12,835	17,010
Thailand	0	2,863	9,385	9,385	5,606
All other	2,465	23	579	28	2,463
Total	89,041	64,698	74,250	70,520	75,337

Source: Compiled from official statistics of the U.S. Department of Commerce.

1/ Kirk-Othmer, Encyclopedia of Chemical Technology, vol. 5, 3d ed. Also see U.S. import section of this report for a further explanation of why the U.S. producers of HCO and HSA import only castor oil and not castor beans.

HCO and HSA.--HCO and HSA, which are the only castor oil products subject to these investigations, are both hydrogenated castor oil products.

Hydrogenation is accomplished by pumping hydrogen gas into the crude castor oil at a high temperature. Depending on the type of hydrogenation, the products which result are HCO, HSA, or methyl esters of HSA. HCO is a hard, amorphous waxy product (light in color) with a melting point of about 80° to 82° C. HCO can be further processed to produce HSA, which is a hard, amorphous, fatty acid with a melting point of approximately 79° to 82° C. Both HCO and HSA are used primarily for the manufacture of heavy-duty lubricants, though some amounts go into certain barium and lithium soaps, and electrical insulation material. The two products are generally sold in bagged form. HCO and HSA have different physical characteristics and price structures, which makes each product more suitable for use in certain applications than the other. For example, HCO provides a granular structure and the inclusion of glycerine in greases, which produces certain benefits. However, the more expensive HSA provides a fibrous structure in complex greases and allows the incorporation of other fatty acids. Because of its glycerine-free nature in greases, it is used in applications where imperviousness to water is a necessary trait.

To a certain degree, HCO and HSA compete with stearic acid which is domestically produced. 1/ Stearic acid, derived from tallow fats, is used in lubricants, though it is not as suitable for heavy-duty, high-temperature HCO or HSA. Mixtures of stearic acid and HCO and HSA are often used as heavy-duty lubricants (with up to 25 percent stearic acid). There are over 20 lubricant formulas containing HCO and HSA.

U.S. tariff treatment

HCO is classified under item 178.20 of the TSUS, with a column 1 (most-favored-nation (MFN)) rate of duty of 5 cents per pound. 2/ The column 2 rate of duty for HCO is 12.5 percent ad valorem. 3/ HSA is classified in item 490.26 of the TSUS, with a column 1 rate of duty of 5 percent ad valorem and a column 2 rate of 20 percent ad valorem. The column 1 duty rates for HCO and HSA were not changed during the Tokyo round of the Multilateral Trade Negotiations (MTN). Thus, imports of HCO and HSA from least developed developing countries (LDDC's) are dutiable at the column 1 rate rather than at

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1/ See app. D for a discussion of the substitutability of stearic acid for HCO and HSA.

2/ The rates of duty in col. 1 are MFN rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences (GSP) or the Caribbean Basin Initiative (CBI), or under the "LDDC" rate of duty column.

3/ The rates of duty in col. 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

a preferential rate. 1/ Neither HCO nor HSA is eligible for duty-free treatment under the GSP, 2/ but both products are eligible articles for purposes of the CBI. 3/

The castor oil (TSUS items 176.14-176.15) which is imported to produce HCO and HSA is dutiable at a column 1 rate of 1.5 cents per pound. However, most of this castor oil is entered free of duty under the GSP.

Nature and Extent of the Alleged Sales at LTFV

There is no information relating to the nature and extent of the alleged sales at LTFV for HCO and HSA other than the allegations of the petitioner, Union Camp. The alleged LTFV margins for both HCO and HSA, as calculated by the petitioner, are based on an exporter's sales price for April-May 1984 by Sanbra, the largest Brazilian exporter of castor oil products to the United States. Union Camp alleges that Sanbra sold HCO and HSA in the United States at * * * per pound, respectively. The home-market price in Brazil for HCO and HSA is alleged to be * * * for both products. Thus, Union Camp estimates that the LTFV margins, after adjustments, are * * * percent for HCO and * * * percent for HSA.

U.S. Producers

There are currently two U.S. producers of HCO and HSA, CasChem, Inc., Bayonne, NJ, and Union Camp Corp., Wayne, NJ (Union Camp is the petitioner in this investigation). A third domestic producer, Acme-Hardesty, Jenkintown, PA, closed its fatty acid plant and ended production of castor oil products, including HCO and HSA, in October 1980.

Union Camp, a multinational corporation with operations principally in the paper products, chemicals, and building products areas, entered the castor oil products field in 1970 by purchasing its Dover, OH, plant from Pennwalt, Inc., Philadelphia, PA. Unlike CasChem, Union Camp's Dover plant is not vertically integrated in the castor oil products line. Rather, Union Camp's production of HCO and HSA * * *. The Dover plant produces four major castor oil derivative products, HCO, HSA, methyl-12-hydroxystearic acid, and sebacic acid. * * *. Union Camp informed the Commission that import competition from low-priced HCO and HSA from Brazil * * *. In 1983, Union Camp imported * * *

1/ The preferential rates of duty in the "LDDC" column reflect the full U.S. MTN concession rates implemented without staging for particular items which are the products of least developed developing countries, enumerated in general headnote 3(d) of the TSUS. Where no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty provided for in col. 1 applies.

2/ The GSP, as enacted under title V of the Trade Act of 1974 and renewed in the Trade and Tariff Act of 1984, provides duty-free treatment of specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and will remain in effect until July 4, 1993. Provisions of the GSP are given in general headnote 3(c) of the TSUS.

of HCO and HSA from Brazil * * *. Currently Union Camp * * * U.S. producer of HSA * * * for domestically produced HCO.

CasChem's roots in the production of castor oil and its derivatives go back to 1857, with the founding of the H.J. Baker & Bros. Co., which built a castor oil production plant in Jersey City, NJ. In 1889, the Baker Castor Oil Co. was incorporated and became the operator of the Jersey City plant. During the ensuing years, the Baker Castor Oil Co. acquired the Bayonne, NJ, plant (from the Oilseeds Co. in 1910) and developed many new innovations in the use of castor oil. National Lead Co. acquired a controlling interest in the Baker Castor Oil Co. in 1949, and by 1970, Baker had become a wholly owned subsidiary of National Lead.

In December 1973, the Baker Castor Oil Co. was consolidated into the Industrial Chemical Division of NL Industries, along with other NL chemical divisions. NL Industries divested the castor oil, castor derivatives, and urethane product lines into CasChem, a new company, in December 1981. * * *.

CasChem (and its forerunners) is, * * * of HCO. * * *. CasChem produces * * *. In 1983, CasChem * * *. * * *. * * *.

U.S. Importers

During 1982-84, there were seven major importers of HCO and HSA. All known imports of HCO and HSA during the period came from Brazil and India. The names and locations of the major importers are as follows:

Company	Product and country of origin
Acme-Hardesty Co., Inc. Jenkintown, PA	* * * * * *.
Alnor Oil Co., Inc. Valley Stream, NY	* * * * * *.
Bunge Corp. New York, NY	* * * * * *.
CasChem, Inc. Bayonne, NJ	* * * * * *.
Latina Trading Corp. Rockaway Park, NY	* * * * * *.
Union Camp Corp. Wayne, NJ	* * * * * *.
York Castor Oil Co. Mountainside, NJ	* * * * * *.

The * * * importer * * * 1982-84 period is Bunge Corp., New York, NY. Bunge is a * * *, * * *. Bunge imports and acts as a broker for many agricultural commodities as well as other products. For the castor oil products from Brazil, * * *. However, Bunge does maintain a continual inventory of castor oil products at its three regional warehouses in Newark, NJ, New Orleans, LA, and Charleston, SC. In 1980 and 1981, Bunge accounted for over * * * percent of all HCO and HSA imports from Brazil. * * *, in 1984, Bunge's share of such imports * * *.

York Castor Oil Co. is * * *; * * *. York was founded in 1973 by a former vice president of the Baker Castor Oil Co., L.J. Jubanowsky. * * *. * * *. 1/ In * * * 1984, the York Castor Oil Co. was sold to * * *.

Latina Trading Co., New York, NY, is a * * * castor oil, HCO, and HSA from Brazil. * * *. * * *. Other * * * importers of HCO and HSA are Alnor Oil Inc., * * * castor oil broker, and Acme-Hardesty, a former U.S. producer of HCO and HSA.

The two U.S. producers of HCO and HSA, CasChem and Union Camp, have also imported those products. * * *. Union Camp imported * * * of HCO and HSA in * * *. Both companies cited intense competition from Brazilian producers and from U.S. companies that use imported raw materials for their decision to use the imported HCO and HSA in * * *. 2/

Foreign Producers

Five major producers of Brazilian HCO and HSA export their products to the United States. The names of these producers are as follows: 3/

Brasway, S.A. Industria e Commercio

Cerelit

Coelho (Exportadora Coelho)

Henkel A.G.

Sanbra (Sociedade Algodocira do Nordeste do Brasil)

Of the five Brazilian producers, Sanbra is the largest * * * in terms of exports of HCO and HSA to the United States, with Brasway, * * * to the United States. Europe is the largest market for castor oil and castor oil products for the Brazilian producers.

1/ See confidential submission from York Castor Oil Co., dated October 1983.
2/ Meetings between Mr. W. Schechter of the Commission's staff and Mr. R.S. Hawkins of Union Camp on Jan. 9, 1985, in Wayne, NJ, and Mr. Paul Elkins of CasChem on Jan. 10, 1985, in Bayonne, NJ.
3/ Based on industry sources, * * *.

There are three major Indian producers of castor oil and HCO and HSA. They are as follows:

1) Bombay Oil Mills
   Bombay, India

2) Hindustan Lever Brothers, Ltd.
   Bombay, India

3) Jayant, Sebacates
   Bombay, India

There are castor oil producers in both Thailand and the People's Republic of China. However, to date, no imports of HCO or HSA have been recorded from these countries.

Channels of Distribution

HCO and HSA are used in a wide variety of industrial and consumer products. Both domestic producers and importers ship these products in bags by the least expensive, most practical mode of transportation, which is usually by 40,000-pound truckload.

For the most part, domestic producers ship HCO and HSA directly to the consuming companies. The majority of the imported HCO and HSA is distributed to consuming companies * * *. The * * * Brazilian exporter, Brasway, * * * to distribute its products. The * * * Brazilian exporter, Coelho, uses * * * as its exclusive U.S. agent for castor oil products.

U.S. Market

As shown in table 2, apparent U.S. consumption of HCO for the commercial market increased from * * * million pounds in 1982 to * * * million pounds in 1983, and then fell to * * * million pounds in 1984. The total HCO market increased irregularly from * * * million pounds in 1982 to * * * million pounds in 1984.

Table 2.--HCO and HSA: Apparent U.S. consumption, 1982-84

(In thousands of pounds)

Year	HCO		HSA		HCO and HSA	
	Commercial	Total	Commercial	Total	Commercial	Total
1982	***	***	***	***	***	***
1983	***	***	***	***	***	***
1984	***	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

The HSA market differs from the HCO markets * * *. * * *. Apparent U.S. consumption of HSA increased by * * * percent during the 1982-84 period. The aggregated commercial markets for HCO and HSA increased by * * * percent from 1982 to 1984, while the total aggregated HCO and HSA market experienced a * * * percent growth.

Consideration of Alleged Material Injury

U.S. production, capacity, and capacity utilization

U.S. production of HCO declined by * * * percent from 1982 to 1984. HSA production increased by * * * percent from 1982 to 1983, but then declined slightly in 1984 (table 3). Total U.S. production of HCO and HSA declined by * * * percent during the 1982-84 period.

Table 3.--HCO and HSA: U.S. production, capacity, and capacity utilization, by firms, 1982-84

Item	Production			Capacity HCO and HSA	Capacity utilization
	HCO	HSA	Total		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	percent
1982:					
CasChem	***	***	***	***	***
Union Camp	***	***	***	***	***
Total	***	***	***	***	***
1983:					
CasChem	***	***	***	***	***
Union Camp	***	***	***	***	***
Total	***	***	***	***	***
1984:					
CasChem	***	***	***	***	***
Union Camp	***	***	***	***	***
Total	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * *. CasChem informed the Commission that it has a total aggregate production capacity of * * * million pounds for both HCO and HSA. For every pound of HCO produced, the production capacity of HSA * * *. * * *. Union Camp informed the Commission that the machinery used to produce HCO and HSA * *. The total production capacity (* * *) of the machinery used in the production of HCO and HSA by Union Camp is * * * million pounds. Based on its 1984 product mix (* * *), Union Camp estimates production capacity at * * * million pounds for HCO and * * * million pounds for HSA. The * * * used by both domestic producers in deriving their production capacity for HCO and HSA account * * * capacity utilization for the firms.

CasChem's production of HCO * * * pounds in 1982 to * * * pounds in 1984. It should be noted that * * * percent of CasChem's HCO production is internally consumed to produce "thixcin" and "thixtro" and other castor oil products. CasChem informed the Commission that * * * into other chemical castor oil products. CasChem * * * importing HCO and HSA for * * *. * * *.

Union Camp's production of HCO * * * pounds in 1982 to * * * pounds in 1984. At the same time, Union Camp's production of HSA * * * percent. The reason for the * * * in Union Camp's production of HSA was the * * *. Union Camp exported * * * pounds of HSA in 1983 and 1984 to * * *. It should be noted that during 1982-84 Union Camp has * * * production capacity for HCO and HSA at its Dover, OH, plant.

Domestic shipments

Domestic commercial shipments of HCO plummeted from * * * million pounds in 1982 to * * * million pounds in 1984, or by * * * percent. The sharp decline in commercial HCO shipments was partially due to * * *. Furthermore, Union Camp experienced increasing import competition from HCO imports from Brazil (see lost sales section).

Intracompany shipments of HCO, * * *, also experienced a declining trend during 1982-84, as shown in the following tabulation (in thousands of pounds):

	1982	1983	1984
Intracompany	***	***	***
Commercial	***	***	***
Total	***	***	***

Domestic shipments of HSA, * * *, increased from * * * million pounds in 1982 to * * * million pounds in 1983, but then declined to * * * million pounds in 1984 (table 4).

Table 4.--HCO and HSA: Commercial shipments of domestically produced HCO and HSA, 1982-84 1/

(In thousands of pounds)

Item	1982	1983	1984
HCO:			
CasChem	***	***	***
Union Camp	***	***	***
Total	***	***	***
HSA:			
CasChem	***	***	***
Union Camp	***	***	***
Total	***	***	***
Total:			
CasChem	***	***	***
Union Camp	***	***	***
Total	***	***	***

1/ Data do not include exports.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. exports

Only Union Camp reported export shipments during 1982-84. Union Camp's exports of HCO * * * during that period; HSA exports * * *, as shown in the following tabulation (in thousands of pounds):

Item	1982	1983	1984
HCO	***	***	***
HSA	***	***	***
Total	***	***	***

Union Camp informed the Commission that the * * * in HSA exports were due to the * * *. * * *. It is not known if * * * will remain * * * for U.S.-produced HSA.

U.S. Producers' Inventories

Both Union Camp and CasChem reported end-of-period inventories for the 1982-84 period. Domestically produced end-of-period inventories of HCO decreased irregularly by * * * percent between 1982 and 1984. * * *.

The ratios of Union Camp's and CasChem's end-of-period inventories to domestic shipments of HCO are shown in the following tabulation:

Year and producer	End-of-period inventory (1,000 pounds)	Domestic commercial shipments (1,000 pounds)	Ratio of end-of period inventories to commercial shipments (percent)
1982:			
Union Camp------	***	***	***
CasChem---------	***	***	***
Total-------	***	***	***
1983:			
Union Camp------	***	***	***
CasChem---------	***	***	***
Total-------	***	***	***
1984:			
Union Camp------	***	***	***
CasChem---------	***	***	***
Total-------	***	***	***

Union Camp's end-of-period inventories of its domestically produced HCO * * * percent of its shipments of such merchandise in 1982 to * * * percent in 1983, but then * * * percent in 1984. CasChem's ratio of end-of-period inventories to commercial shipments of HCO * * * percent in 1982 to * * * percent in 1984.

Union Camp's end-of-period inventories of domestically produced HSA * * * percent during 1982-84. CasChem * * * inventories of HSA during the period. The ratios of end-of-period inventories to domestic shipments of HSA for Union Camp and CasChem are shown in the following tabulation:

Year	End-of-period inventory (1,000 pounds)	Domestic commercial shipments (1,000 pounds)	Ratio of end-of period inventories to commercial shipments (percent)
1982:			
Union Camp------	***	***	***
CasChem---------	***	***	***
Total-------	***	***	***
1983:			
Union Camp------	***	***	***
CasChem---------	***	***	***
Total-------	***	***	***
1984:			
Union Camp------	***	***	***
CasChem---------	***	***	***
Total-------	***	***	***

Relative to domestic shipments, Union Camp's end-of-period inventories of domestically produced HSA * * * percent in 1982 to * * * percent in 1983, and then * * * percent in 1984.

U.S. Employment

CasChem informed the Commission that its Bayonne plant is vertically integrated in the production of castor oil products and so is its work force. Thus, the company was unable to segregate HCO and HSA workers. CasChem's total number of employees * * * persons during 1982-84. Its production and related workers * * * in 1982 to * * * in 1983 and * * * in 1984. The number of production and related workers making HCO and HSA was estimated at * * * during 1982-84.

Union Camp submitted complete employment and wage information (table 5). However, the calculation of the number of workers dedicated to HCO and HSA production was based on allocations. Union Camp's employment data revealed

Table 5.--HCO and HSA: Union Camp's employment and wage data for its Dover, OH, plant, 1982-84

Item	1982	1983	1984
Average number employed in the reporting establishment(s):			
All persons------------	***	***	***
Production and related workers producing--			
All products---------	***	***	***
HCO------------------	***	***	***
HSA------------------	***	***	***
Total--------------	***	***	***
Wages paid to production and related workers producing--			
All products 1,000 dollars--	***	***	***
HCO--------------do----	***	***	***
HSA--------------do----	***	***	***
Total----------do----	***	***	***
Total compensation paid to production and related workers producing--			
All products 1,000 dollars--	***	***	1/ ***
HCO--------------do----	***	***	***
HSA--------------do----	***	***	***
Total----------do----	***	***	***

1/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

that the number of production and related workers for HCO and HSA * * * in 1982 to * * * in 1984, * * *.

Financial Experience of Union Camp Corp.

Only Union Camp Corp. (accounting for * * * percent of commercial shipments of HCO and HSA, in 1984) 1/ furnished income-and-loss data relative to its establishment operations and to its HCO and HSA operations. 2/

HCO operations

* * * * * * *.

* * * * * * *.

* * * * * * *.

1/ Although Union Camp accounted for * * * percent of commercial shipments of HCO and HSA in 1984, it * * * percent of domestic production in that year.

2/ CasChem reports that it was unable to provide financial data in any form since the vast majority of its HCO production is internally consumed in the production of other products. See letter to Commission of Dec. 22, 1983.

Table 6.--Income-and-loss experience of Union Camp Corp. on its operations producing HCO, 1982-84

Item	1982	1983	1/ 1984
Quantity sold----------short tons--:	***	***	***
Net sales----------1,000 dollars--:	***	***	***
Cost of goods sold 2/ 1,000 dollars--:	***	***	***
Gross profit----------------do----:	***	***	***
General, selling, and administrative expenses 3/ 1,000 dollars--:	***	***	***
Operating income or (loss)--do----:	***	***	***
Interest expense------------do----:	***	***	***
Other income or (expenses)-net 1,000 dollars--:	***	***	***
Net income or (loss) before income taxes------------1,000 dollars--:	***	***	***
Depreciation and amortization expense----------1,000 dollars--:	***	***	***
Cash flow or (deficit) from operations-------1,000 dollars--:	***	***	***
Ratio to net sales of--			
Gross profit-----------percent--:	***	***	***
Operating income or (loss) percent--:	***	***	***
Net income or (loss) before income taxes---------percent--:	***	***	***
Cost of goods sold--------do----:	***	***	***
General, selling, and administrative expenses-----percent--:	***	***	***

1/ * * *.
2/ * * *.
3/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 7.--Selected quarterly financial information of Union Camp Corp. on its operations producing HCO, by quarters, 1983 and 1984

Item	First quarter	Second quarter	Third quarter	Fourth quarter	Total
1983:					
Quantity sold short tons--	***	***	***	***	***
Net sales 1,000 dollars--	***	***	***	***	***
Cost of goods sold 1,000 dollars--	***	***	***	***	***
Gross profit or (loss) 1,000 dollars--	***	***	***	***	***
Ratio of gross profit or (loss) to net sales-----percent--	***	***	***	***	***
1984:					
Quantity sold short tons--	***	***	***	***	***
Net sales 1,000 dollars--	***	***	***	***	***
Cost of goods sold 1,000 dollars--	***	***	***	***	***
Gross profit or (loss) 1,000 dollars--	***	***	***	***	***
Ratio of gross profit or (loss) to net sales-----percent--	***	***	***	***	***

Source: Compiled from data submitted by Union Camp in response to request of staff of the U.S. International Trade Commission.

* * * * * * *.

* * * * * * *.

* * * * * * *.

<u>HSA operations</u>

* * * * * * *.

* * * * * * *.

Table 8.--Income-and-loss experience of Union Camp Corp. on its operations producing HSA, 1982-84

Item	1982	1983	1/ 1984
Quantity sold---------short tons--:	***	***	***
Net sales----------1,000 dollars--:	***	***	***
Cost of goods sold 2/ 1,000 dollars--:	***	***	***
Gross profit----------------do----:	***	***	***
General, selling, and administrative expenses 3/ 1,000 dollars--:	***	***	***
Operating income or (loss)--do----:	***	***	***
Interest expense------------do----:	***	***	***
Other income or (expenses)-net 1,000 dollars--:	***	***	***
Net income or (loss) before income taxes------------1,000 dollars--:	***	***	***
Depreciation and amortization expense----------1,000 dollars--:	***	***	***
Cash flow or (deficit) from operations-------1,000 dollars--:	***	***	***
Ratio to net sales of--			
Gross profit-----------percent--:	***	***	***
Operating income or (loss) percent--:	***	***	***
Net income or (loss) before income taxes----------percent--:	***	***	***
Cost of goods sold--------do----:	***	***	***
General, selling, and administrative expenses-----percent--:	***	***	***

1/ * * *.
2/ * * *.
3/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * * * * * *.

* * * * * * *.

Table 9.--Selected quarterly financial information of Union Camp Corp. on its operations producing HSA, 1983 and 1984

Item	First quarter	Second quarter	Third quarter	Fourth quarter	Total
1983:					
Quantity sold short tons--:	***	***	***	***	***
Net sales 1,000 dollars--:	***	***	***	***	***
Cost of goods sold 1,000 dollars--:	***	***	***	***	***
Gross profit or (loss) 1,000 dollars--:	***	***	***	***	***
Ratio of gross profit or (loss) to net sales-----percent--:	***	***	***	***	***
1984:					
Quantity sold short tons--:	***	***	***	***	***
Net sales 1,000 dollars--:	***	***	***	***	***
Cost of goods sold 1,000 dollars--:	***	***	***	***	***
Gross profit or (loss) 1,000 dollars--:	***	***	***	***	***
Ratio of gross profit or (loss) to net sales-----percent--:	***	***	***	***	***

Source: Compiled from data submitted by Union Camp in response to request of staff of the U.S. International Trade Commission.

* * * * * * *.

* * * * * * *.

Overall establishment operations

* * * * * * *.

Table 10.--Income-and-loss experience of Union Camp Corp. on the overall operations of its establishments within which HCO and HSA are produced, 1982-84

Item	1982	1983	1/ 1984
Net sales----------1,000 dollars--:	***	***	***
Cost of goods sold 2/ 1,000 dollars--:	***	***	***
Gross profit----------------do----:	***	***	***
General, selling, and administrative expenses 3/ 1,000 dollars--:	***	***	***
Operating income or (loss)--do----:	***	***	***
Interest expense------------do----:	***	***	***
Other income or (expenses)-net 1,000 dollars--:	***	***	***
Net income or (loss) before income taxes------------1,000 dollars--:	***	***	***
Depreciation and amortization expense----------1,000 dollars--:	***	***	***
Cash flow or (deficit) from operations-------1,000 dollars--:	***	***	***
Ratio to net sales of--			
Gross profit-----------percent--:	***	***	***
Operating income----------do----:	***	***	***
Net income or (loss) before income taxes---------percent--:	***	***	***
Cost of goods sold--------do----:	***	***	***
General, selling, and administrative expenses-----percent--:	***	***	***
HCO sales-----------------do----:	***	***	***
HSA sales-----------------do----:	***	***	***
Total------------------do----:	***	***	***

1/ * * *.
2/ * * *.
3/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Investment in productive facilities

* * * * * * *.

Table 11.--Investment in productive facilities of Union Camp Corp. on specified operations, 1982-84

Item	1982	1983	1/ 1984
Establishment operations:			
Original cost----1,000 dollars--	***	***	***
Book value-----------------do----	***	***	***
Ratio of operating income or (loss) to--			
Net sales------------percent--	***	***	***
Original cost-----------do----	***	***	***
Book value--------------do----	***	***	***
HCO operations:			
Book value-------1,000 dollars--	***	***	***
Ratio of operating income or (loss) to--			
Net sales------------percent--	***	***	***
Book value--------------do----	***	***	***
HSA operations:			
Book value-------1,000 dollars--	***	***	***
Ratio of operating income or (loss) to--			
Net sales------------percent--	***	***	***
Book value--------------do----	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Capital expenditures and research and development expenses

* * * * * * *.

Year	Capital expenditures, HCO/HSA	Research and development expenditures, HCO
1982------------------	***	***
1983------------------	***	***
1984------------------	***	***

Union Camp's statement of the effects of imports from Brazil on its growth, investment, and ability to raise capital

The Commission asked U.S. producers to describe any actual or potential negative effects of imports of HCO and HSA from Brazil on their firm's growth, investment, and ability to raise capital. Union Camp provided the following response:

* * * * * * *.

Consideration of the Causal Relationship Between the Allegedly LTFV Imports and the Alleged Material Injury

U.S. imports

Background.--Until 1968, the U.S. producers of HCO, HSA, and other castor oil products imported castor beans from Brazil and India and then processed the castor beans into castor oil and its derivative products. In 1968, Brazil embargoed all sales of castor oil beans and announced that henceforth it would export only castor oil. India followed Brazil's lead and also decided to export only castor oil and not the castor beans to the United States and other countries. Thus, the United States became an importer of castor oil instead of castor beans. During the following decade, the producers of castor oil in both Brazil and India advanced vertically in the production of castor oil products and began to export HCO and HSA to the United States. In 1983, Thailand also became an important exporter of castor oil to the United States.

Imports of HCO.--Total U.S. imports of HCO increased from 8.1 million pounds in 1982 to 10 million pounds in 1983, and then increased again to 10.8 million pounds in 1984--an increase of 33 percent for 1982-84 (table 12). Only Brazil and India exported HCO to the United States during the period of investigation. All of the imports of HCO from India in 1982 and 1983 * * *. There were no imports of HCO from India in 1984.

Imports of HCO from Brazil increased by * * * percent during 1982-84. The * * * * * Brazilian HCO, Bunge, * * * in HCO imports from 1983 to 1984. Acme-Hardesty, formerly a U.S. producer of HCO, * * *. * * *.

Table 12.--HCO: U.S. imports for consumption, by sources and by importing firms, 1982-84

(In thousands of pounds)

Source and importer	1982	1983	1984
Brazil:			
Alnor	***	***	***
ASOMA	***	***	***
Bunge	***	***	***
CasChem	***	***	***
Fallek	***	***	***
Acme-Hardesty	***	***	***
Latina	***	***	***
Union Camp	***	***	***
York	***	***	***
Total	***	***	10,832
India: * * *	***	***	***
Total	***	***	***
Grand total	8,143	10,043	10,832

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Imports of HSA.--Total U.S. imports of HSA increased by 25.9 percent during 1982-84 (table 13). Only Brazil exported HSA to the United States during the period under investigation. * * * pounds in 1982 to * * * pounds in 1983, but then * * * pounds in 1984. Acme-Hardesty, * * *.

Table 13.--HSA: U.S. imports for consumption, by sources and by importing firms, 1982-84

(In thousands of pounds)

Source and importer	1982	1983	1984
Brazil:			
Acme-Hardesty	***	***	***
Alnor	***	***	***
Bunge	***	***	***
CasChem	***	***	***
Fallek	***	***	***
Latina	***	***	***
Union Camp	***	***	***
Total	6,113	6,725	7,698

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Market penetration of the allegedly LTFV imports

U.S. imports of HCO captured an increasing share of the stagnant commercial market during the 1982-84 period. Such imports increased as a share of apparent U.S. consumption (commercial market), from * * * percent in 1982 to * * * percent in 1984. U.S. imports of HCO from Brazil followed the same general trend, increasing from * * * percent in 1982 to * * * percent (U.S. commercial market) in 1984. When compared with the total U.S. HCO market (including domestic intracompany shipments), imports of HCO from Brazil increased their market share from * * * percent in 1982 to * * * percent in 1984 (table 14).

U.S. imports of HSA (all from Brazil) followed a different trend than imports of HCO. Such imports declined as a share of apparent U.S. consumption from * * * percent in 1982 to * * * percent in 1983, but then rebounded to a * * * percent market share in 1984. If both products are aggregated, the 1984 commercial market share of Brazilian imports is currently * * * percent, compared with * * * percent in 1982. In the total market, aggregated imports of HCO and HSA from Brazil commanded a * * * percent market share in 1984 compared with * * * percent in 1982.

Threat of material injury

Data on Brazilian capacity, production, domestic shipments, and exports of castor oil, HCO, and HSA from all Brazilian producers were requested by cablegram from the U.S. Embassy in Brazil during investigation No. 104-TAA-20

Table 14.--HCO and HSA: U.S. commercial, intracompany, and total domestic shipments, imports for consumption from Brazil, India, and all sources, and apparent U.S. consumption, 1982-84

Period and product	Domestic producers: Commercial shipments	Domestic producers: Intracompany shipments	Domestic producers: Total domestic shipments	Imports: From Brazil	Imports: From India	Imports: Total
	1,000 pounds					
1982:						
HCO	***	***	***	***	***	8,143
HSA	***	***	***	***	***	6,113
Total	***	***	***	***	***	14,256
1983:						
HCO	***	***	***	***	***	10,043
HSA	***	***	***	***	***	6,725
Total	***	***	***	***	***	16,768
1984:						
HCO	***	***	***	***	***	10,832
HSA	***	***	***	***	***	7,698
Total	***	***	***	***	***	18,530

Period and product	Apparent consumption: Commercial shipments	Apparent consumption: Total shipments	Ratio to consumption of imports: Commercial shipments: From Brazil	Commercial shipments: Total imports	Total shipments: From Brazil	Total shipments: Total imports
	1,000 pounds		Percent			
1982:						
HCO	***	***	***	***	***	***
HSA	***	***	***	***	***	***
Total	***	***	***	***	***	***
1983:						
HCO	***	***	***	***	***	***
HSA	***	***	***	***	***	***
Total	***	***	***	***	***	***
1984:						
HCO	***	***	***	***	***	***
HSA	***	***	***	***	***	***
Total	***	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

"Certain Castor Oil Products From Brazil." The U.S. Embassy reported that none of the information requested was available. United Nations data were also checked for information on HCO and HSA, but data on these products are not shown separately. Sanbra (the principal Brazilian exporter), however, estimates that sales of HCO and HSA in the Brazilian home market accounted for * * * of total Brazilian output of these products. In addition, Sanbra states that Brazilian exports of HCO and HSA to the United States account for about * * * of total Brazilian exports of these products. Should these preliminary investigations advance to the final stage, more complete data on these subjects will be sought.

Inventories of imported products

* * *, * * *, * * *, and * * * reported end-of-period inventories of imported HCO and HSA. * * *. * * *.

As shown in the following tabulation, yearend inventories of imported HCO declined steadily by * * * percent between 1982 and 1984.

(1,000 pounds)

Year	* * *	* * *	* * *	* * *	Total
1982	***	***	***	***	***
1983	***	***	***	***	***
1984	***	***	***	***	***

* * * maintained the highest level of end-of-period inventories of imported HCO. However, its inventories * * * from 1982 to 1984. Relative to its imports, * * * end-of-period inventories * * * in 1982 to * * * in 1984.

As shown in the following tabulation, yearend inventories of imported HSA increased erratically, but by * * * percent, during 1982-84.

Year	* * *	* * *	* * *	Total
1982	***	***	***	***
1983	***	***	***	***
1984	***	***	***	***

* * * * * * *.

Prices

U.S. petroleum companies are the major purchasers of castor oil products, using them primarily in the production of lubricants. Most of these companies request bids from both domestic suppliers and importers of HCO and HSA, receive a price quote on a confidential basis, and purchase from the lowest bidder able to supply the needed quantity of required product. There are no published price lists for HCO or HSA. Whereas there is no apparent seasonality in the quantity of sales of these products, seasonal factors can affect the supply of castor beans and castor oil, which in turn can affect input costs and HCO and HSA selling prices.

Castor oil, the primary raw material used to produce HCO and HSA, is imported in bulk from Brazil. There is a significant relationship between HCO and HSA prices and castor oil prices, because castor oil accounts for approximately 80 percent of total HCO and HSA production costs. Thus, changing prices for both U.S.-produced and imported HCO and HSA in part reflected changing raw-material costs. 1/

The Commission requested price data for HCO and HSA from the 2 U.S. producers and 14 importers. * * *. 2/ * * *. The other * * *. 3/ Price data were requested by quarters for the period January 1982 through December 1984. 4/ Both f.o.b. and net delivered prices were requested for sales to four principal customers during a given quarter.

Price Trends.--Domestic and Brazilian HCO and HSA prices showed very similar trends throughout 1980-84, with prices generally declining during 1980-82, showing significant increases in late 1983-early 1984, and then declining through the last three quarters of 1984. A more detailed description of HCO and HSA price trends follows.

HCO prices displayed a general downward trend from January 1980 to March 1983, with the exception of some firming of prices in the first half of 1981 (table 15). Domestic prices declined from * * * per pound in January-March 1980 to * * * per pound in January-March 1983, or by * * * per pound. Prices of Brazilian HCO declined from * * * per pound, or by * * * per pound, over the same period.

HCO prices for both sources increased significantly from January 1983 to January 1984, the U.S. producer's price increasing to * * * per pound, or by * * *, and importers' prices increasing to * * *. This price increase was attributed to a bad castor bean crop in Brazil in 1983, which resulted in higher castor oil input costs and castor oil derivative (HCO and HSA) selling prices. 5/ HCO prices subsequently declined during 1984--the U.S. producer's price to * * * per pound and importers' prices to * * * per pound.

1/ See "Castor oil purchase prices" on p. A-28 for a more detailed analysis of this relationship.

2/ * * *.

3/ * * *.

4/ Price data for 1980 and 1981 are from an earlier castor oil investigation and represent producers' and importers' prices to their eight largest customers. A comparison of prices collected for both investigations in overlapping quarters shows them to vary by no more than $0.01 per pound.

5/ See the section on castor oil purchase prices for a more detailed discussion.

Table 15.--HCO: Weighted-average net delivered prices received by domestic producers and importers from largest customers, and margins of underselling, by quarters, January 1980-December 1984 1/

Period	U.S.-produced 2/	Brazilian	Margin of underselling	
	Per pound			Percent
1980:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***
1981:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***
1982:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***
1983:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***
1984:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***

1/ Prices for 1980 and 1981 were collected for the investigation No. 104-TAA-20, Certain Castor Oil Products from Brazil, and are weighted-average prices for sales to the supplier's 8 largest customers. Prices for 1982 to 1984 are weighted-average prices for sales to the supplier's 4 largest customers.

2/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

HSA prices displayed a general trend similar to HCO prices, although the U.S. producer's price displayed some erratic fluctuations within some individual years (table 16). The U.S. producer's HSA spot market prices declined from * * * per pound in January-March 1980 to * * * per pound in January-March 1983, or by * * *. 1/ Prices of Brazilian HSA declined from * * * per pound in January-March 1980 to * * * per pound in January-March

Table 16.--HSA: Weighted-average net delivered prices received by domestic producers and importers from largest customers, and margins of underselling, by quarters, January 1980-December 1984 1/

Period	U.S. produced 2/	Brazilian	Margin of underselling	
	Per pound			Percent
1980:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***
1981:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***
1982:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***
1983:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***
1984:				
January-March	***	***	***	***
April-June	***	***	***	***
July-September	***	***	***	***
October-December	***	***	***	***

1/ Prices for 1980 and 1981 were collected for Investigation No. 104-TAA-20, Certain Castor Oil Products from Brazil, and are weighted-average prices for sales to the supplier's 8 largest customers. Prices for 1982 to 1984 are weighted-average prices for sales to the supplier's 4 largest customers.

2/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

1/ Transcript of Conference, Jan. 17, 1985, pp. 52-53.

by * * *. HSA selling prices from both sources increased significantly through early 1984, domestic prices increasing to * * * per pound in April-June 1984 and Brazilian prices increasing to * * * per pound in January-March 1984. These price increases were primarily the result of the Brazilian castor bean crop problem, as discussed earlier. Prices then declined through the remainder of 1984.

Margins of underselling.--Brazilian HCO undersold domestic HCO over the entire 1980-84 period (table 15). However, a significant development is the narrowing of this price differential from * * * per pound in early 1982 to * * * per pound in the last quarter of 1984. This trend is consistent with reports by HCO purchasers who indicated that * * * price competitive with Brazilian product in the last half of 1984. 1/

Brazilian HSA also undersold U.S.-produced HSA by substantial margins over the entire 1980-84 period (table 16). Margins of underselling ranged from * * * per pound to * * * per pound. However, there existed a wider variation in * * * HSA selling prices to * * * relative to the price variation for HCO, especially in late 1984. This suggests that where competitive pressures are greater, * * *. 2/ * * *. * * *.

Castor oil purchase prices.--Castor oil is the raw material used in the production of both HCO and HSA, and accounts for a large portion of the total cost of production. 3/ * * *. Table 17 shows the divergence between the castor oil contract prices paid by * * * and prevailing spot market castor oil prices. This differential ranged from * * * per pound in 1982 and January-March 1983, and increased to * * * per pound in July-December 1983 and to * * * per pound in January-March 1984. This high differential represented * * *. The * * * per pound by October-December 1984.

Figure 1 shows the relationship between Union Camp's castor oil import prices and its HCO and HSA selling prices. The figure indicates that Union Camp * * *. For example, in January-March 1984, Union Camp paid * * * per pound for castor oil and sold HCO and HSA for * * * per pound, respectively. In October-December 1984, Union Camp paid * * * per pound for castor oil and sold HCO and HSA for * * * per pound, * * *.

Transportation costs.--In a previous HCO and HSA investigation, 1983 transportation cost data were collected for HCO and HSA to assess the competitive advantage based on freight costs between importers and domestic producers. 4/ At the staff conference, Union Camp reported that its unit freight costs were virtually the same in 1984 as in 1983. 5/ Sanbra, a Brazilian producer of HCO and HSA that exports to the United States, provided 1984 transportation cost data for its HCO and HSA shipments to the United

1/ See the lost sales section of this report.

2/ * * *.

3/ In 1984, raw-materials costs accounted for * * * percent of the cost of goods sold for HCO, and * * * percent for HSA.

4/ Investigation No. 104-TAA-20 on certain castor oil products from Brazil.

5/ Transcript of preliminary conference, Jan. 17, 1985, p. 51.

Table 17.--Castor oil: Purchase prices reported by Union Camp Corp., CasChem, Inc., Bunge Corp., and Alnor Oil Co., by quarters, 1982-84

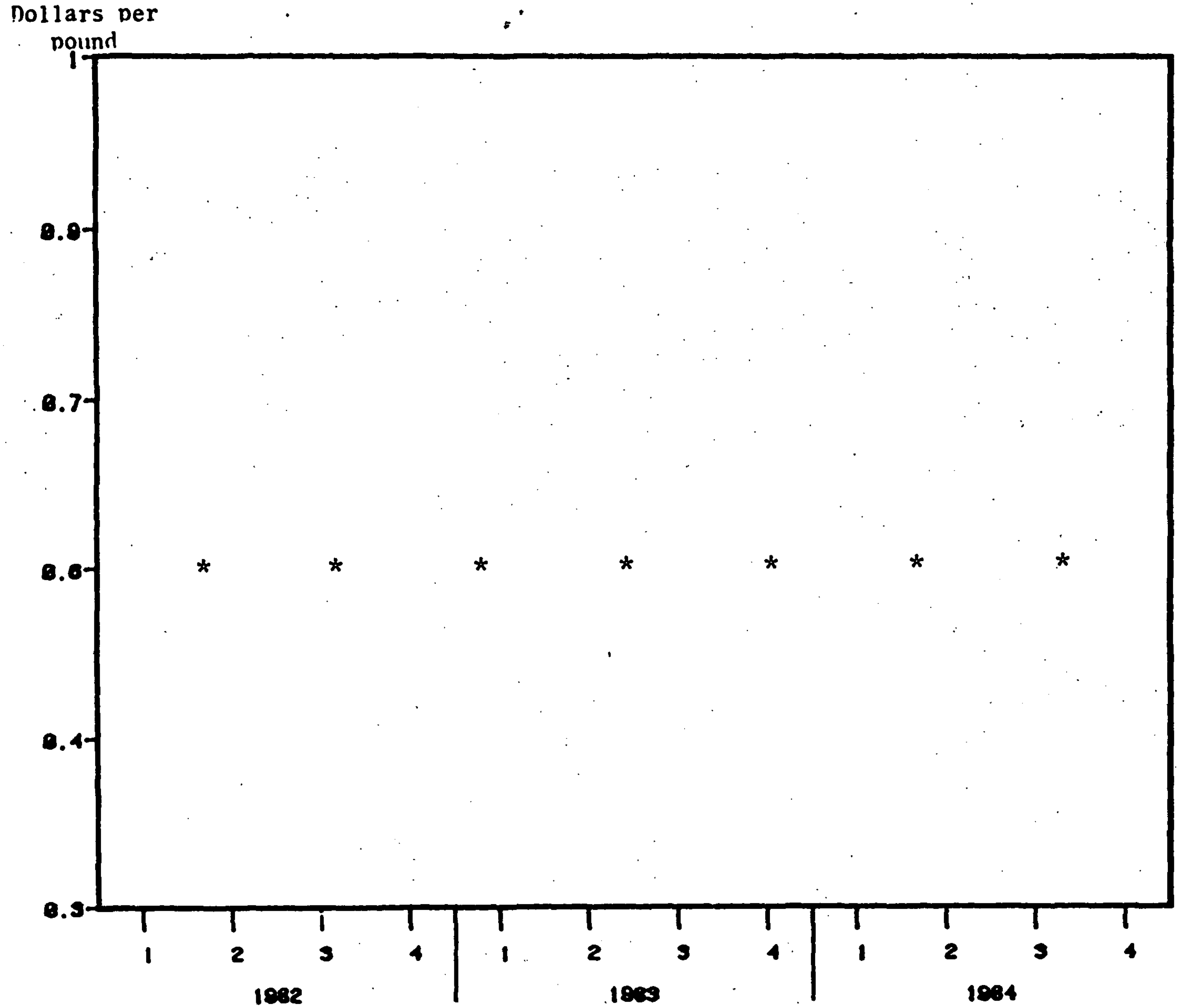
(Per pound)

Period	Union Camp		CasChem	Bunge	Alnor Oil
	Contract 1/	Spot 2/			
.982:					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1983:					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
1984:					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***

1/ * * *.
2/ * * *.
3/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Figure 1.-- Union Camp's contract castor oil purchase price, and HCO and HSA selling prices, by quarter, January 1982 to December 1984



——— Castor oil contract price

· · · · · ·· HCO selling price

— — —· HSA selling price

Source: Tables 15, 16 and 17

States. The transportation cost comparisons presented in table 18 take into account both relative HCO and HSA transportation costs as well as relative transportation costs of the raw material, castor oil.

The transportation cost comparisons indicate that Union Camp has a transportation cost * * *. The Brazilian product * * * transportation cost * * *.

Exchange rates.--About 80 percent of the U.S. producers' cost of production is accounted for by castor oil, which is imported primarily from Brazil. While an appreciating dollar may result in lower prices for imported Brazilian HCO and HSA, it also provides the U.S. producer a means of becoming more competitive with the imports, through lower castor oil costs. On balance, therefore, it is unlikely that either nominal or real exchange-rate changes significantly affect the relative competitiveness of domestic and Brazilian HCO and HSA.

In nominal terms, the U.S. dollar appreciated by 93.1 percent relative to the Brazilian cruzeiro over January-March 1982 to July-September 1984 (table 19). Because of the high inflation rate in Brazil, an index of real exchange rates, which takes into account relative changes in inflation rates, is also presented. In real terms, the U.S. dollar appreciated against the Brazilian cruzeiro by 21.9 percent from January-March 1982 to April-June 1983, depreciated by 9.1 percent from April-June 1983 to October-December 1983, and remained relatively stable in 1984.

Lost sales and lost revenue

Union Camp supplied the Commission with a list of * * * firms to which it allegedly lost sales or revenue because of allegedly LTFV castor oil product imports from Brazil. These allegations concerned * * * individual HCO transactions and * * * individual HSA transactions during July 1984 to December 1984. Most of the firms named in these allegations were the same as named in an earlier HCO and HSA investigation which involved allegations over 1982-83. 1/ The Commission contacted * * * firms, and all reported having purchased the Brazilian product. Because the domestic and Brazilian HCO and HSA are considered of comparable quality, all firms reported that both products are very price sensitive; some reported that a price differential of even less than $0.01 can determine a sale. According to some purchasers, considerations such as maintaining alternative sources and history of supply can also affect a purchasing decision. A summary of the lost sales and lost revenue allegations and the information obtained from each of the purchasers is presented in the following tabulation.

1/ Certain Castor Oil Products from Brazil, Determination of the Commission in investigation No. 104-TAA-20, . . ., USITC Publication 1483, January 1984.

Table 18.--HCO and HSA: Freight costs associated with shipments by Union Camp and Sanbra to specified destinations and the respective transportation cost advantage (-) or disadvantage (+) to the domestic producer

Destinations	Total freight costs 1/			Transportation cost advantage (-)/ disadvantage (+)	
	Sanbra		Union Camp		
	From New Orleans	From New York	from Dover, Ohio	Amount	Percent
	------------cents per pound----------				
East coast:					
Charlotte, NC	***	***	***	***	***
Charlotte, NC	***	***	***	***	***
Greenville, NC	***	***	***	***	***
Greenville, NC	***	***	***	***	***
Philadelphia, PA	***	***	***	***	***
Pittsburgh, PA	***	***	***	***	***
Pittsburgh, PA	***	***	***	***	***
Midwest:					
Franklin Park, IL	***	***	***	***	***
Franklin Park, IL	***	***	***	***	***
Kansas City, MO	***	***	***	***	***
Oklahoma City, OK	***	***	***	***	***
Ponca City, OK	***	***	***	***	***
St. Paul, MN	***	***	***	***	***
St. Paul, MN	***	***	***	***	***
Whiting, IN	***	***	***	***	***
Wichita, KS	***	***	***	***	***
Wichita, KS	***	***	***	***	***
Gulf coast:					
Beaumont, TX	***	***	***	***	***
Houston, TX	***	***	***	***	***
New Orlean, LA	***	***	***	***	***
West coast:					
Los Angeles, CA	***	***	***	***	***
Los Angeles, CA	***	***	***	***	***

1/ Total freight includes an ocean freight component and an inland freight component for transportation in the United States. The inland transport costs for HCO/HSA for * * *.

Source: Union Camp data are from confidential report to the Commission for investigation No. 104-TAA-20 on certain castor oil products from Brazil. Sanbra data are from the post-conference submission of respondents.

Table 19.--Nominal and real exchange rates of the U.S. dollar against the Brazilian cruzeiro, by quarters, January 1982-December 1984

(January-March 1982=100.0)

Period	Nominal rates	Real rates
1982:		
January-March	100.00	100.00
April-June	86.07	103.81
July-September	72.70	103.26
October-December	59.85	98.12
1983:		
January-March	42.24	86.35
April-June	28.97	78.09
July-September	21.60	82.59
October-December	15.89	85.18
1984:		
January-March	12.09	84.17
April-June	9.10	83.96
July-September	6.88	84.84
October-December	1/	1/

1/ Not available.

Source: Compiled from data in the January 1985 International Financial Statistics of the International Monetary Fund.

Purchasing company	Product	Alleged quantity lost (pounds)	Alleged revenue lost

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Competitive advantage factors

At the public conference, counsel for Sanbra, the largest Brazilian producer, argued that their competitive market position in the United States and any increases in their import market share are the result of cost advantages enjoyed by Brazilian producers relative to U.S. producers of HCO and HSA. 2/ The most significant cost advantage, according to Sanbra's counsel, is in relative raw-material costs, because vertically integrated Brazilian producers have access to Brazilian-grown castor beans, while U.S. producers must import the castor oil made from castor beans. Other competitive advantages include relative freight costs and labor costs, according to respondents. 3/

1/ * * *.
2/ Transcript of conference, Jan. 17, 1985, p. 60. Post conference brief on behalf of Sanbra, pp. 4-11.
3/ See p. A-28 for a discussion of relative freight costs.

Petitioners argue that, because castor oil imports into Brazil are restricted, when Brazilian castor bean prices are high, U.S. producers enjoy a cost advantage by having access to relatively lower priced castor oil in world markets. 1/ Table 20 shows monthly castor bean prices paid by one Brazilian HCO/HSA producer, contract castor oil prices paid by Union Camp, and spot castor oil prices. 2/ Although the cost of converting castor beans to castor oil would have to be added to the castor bean price for strict comparability, relative price changes over time may give some indication of changes in relative competitiveness in raw-material costs. 3/

* * * * * * *.

* * * * * * *. 4/

1/ Transcript of conference, Jan. 17, 1985, pp. 11-13, and 38.

2/ Because approximately 2.3 pounds of castor beans are required to produce 1 pound of castor oil, the per pound castor bean purchase prices were multiplied by 2.3 for comparability purposes.

3/ For example, the conversion of castor beans to castor oil in Brazil includes the cost of capital for castor bean crushing, but also includes a return because the residue product (castor cake) can be sold for livestock feed (phone converation with Mr. Barry Cohen, Jan. 28, 1985).

4/ Phone conversation with Mr. Robert Hawkins of Union Camp, Inc., Jan. 29, 1985.

Table 20.--Castor bean prices and contract and spot market castor oil prices, by months, January 1983-December 1984

Period	Castor bean prices 1/	Contract castor oil prices 2/	Spot market castor oil prices 2/
1983:			
January	***	***	***
February	***	***	***
March	***	***	***
April	***	***	***
May	***	***	***
June	***	***	***
July	***	***	***
August	***	***	***
September	***	***	***
October	***	***	***
November	***	***	***
December	***	***	***
1984:			
January	***	***	***
February	***	***	***
March	***	***	***
April	***	***	***
May	***	***	***
June	***	***	***
July	***	***	***
August	***	***	***
September	***	***	***
October	***	***	***
November	***	***	***
December	***	***	***

1/ Price for 2.3 pounds of castor beans because approximately this quantity is required to produce 1 pound of castor oil.
2/ Price per pound.

Source: Castor bean prices from confidential submission of Sanbra. Castor oil prices from questionnaire of Union Camp, Inc.

APPENDIX A

COMMISSION'S NOTICE OF INSTITUTION OF PRELIMINARY INVESTIGATIONS

OR FURTHER INFORMATION CONTACT: uby J. Dionne, Office of the Secretary, .S. International Trade Commission, elephone 202—523—0176.

By order of the Commission.

Issued: January 3, 1985.

enneth R. Mason,

ecretary.

FR Doc. 85–647 Filed 1–8–85; 8:45 am]

ILLING CODE 7020-02-M

Investigations Nos. 731-TA-208, 209, and 10 (Preliminary)]

arbed Wire And Barbless Wire Strand rom Argentina, Brazil, And Poland; eterminations

On the basis of the record [1] developed n investigations Nos. 731–TA–208, 209, nd 210 (Preliminary), the Commission etermines, pursuant to section 733(a) of he Tariff Act of 1930 (19 U.S.C. 673b(a)), that there is a reasonable ndication that an industry in the United tates is materially injured by reason of mports from Argentina, Brazil, and oland of barbed wire and barbless vire strand, provided for in items 642.02 nd 642.11, respectively, of the Tariff chedules of the United States, which re allegedly being sold in the United tates at less than fair value (LTFV).

ackground

On November 19, 1984, petitions were iled with the U.S. International Trade ommission and the U.S. Department of ommerce by counsel on behalf of orbes Steel & Wire Corp., Canonsburg, A. The petitions were also supported y CF&I Steel Corp., Pueblo, CO, Davis Walker Corp., Los Angeles, CA, and klahoma Steel Wire Corp., Madill, OK. he petitions allege that barbed wire nd barbless wire strand from rgentina, Brazil, and Poland are being, r are likely to be, sold in the United tates at LTFV. Accordingly, effective November 19, 1984, the Commission nstituted preliminary antidumping nvestigations to determine whether here is a reasonable indication that an ndustry in the United States is naterially injured, or is threatened with naterial injury, or the establishment of n industry in the United States is naterially retarded, by reason of the mportation of such merchandise into he United States.

Notice of the institution of the ommission's investigations and of a ublic conference to be held in onnection therewith was given by osting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 28, 1984 (49 F.R. 46816). The conference was held in Washington, DC, on December 12, 1984, and all persons who requested the opportunity were permitted to appear in person or by counsel. The Commission's determinations in these investigations were made in an open "Government in the Sunshine" meeting held on January 2, 1985.

The Commission transmitted its report on these investigations to the Secretary of Commerce on January 3, 1985. A public version of the Commission's report, Barbed Wire and Barbless Wire Strand From Argentina, Brazil, and Poland (investigations Nos. 731–TA–208, 209, and 210 (Preliminary, USITC Publication 1631, January 1985), contains the views of the Commission and information developed during the investigations.

By Order of the Commission.

Issued: January 2, 1985.

Kenneth R. Mason,

Secretary.

[FR Doc. 85–646 Filed 1–8–85; 8:45 am]

BILLING CODE 7020-02-M

[1] The "record" is defined in § 207.2(i) of the ommission's Rules of Practice and Procedure (19 FR 207.2(i)).

[Investigation No. 701-TA-220 (Final)]

Certain Carbon Steel Welded Pipes and Tubes From Spain; Postponement of Hearing

AGENCY: International Trade Commission.

ACTION: Postponement of hearing.

SUMMARY: On January 2, 1985, the Commission received notice from the International Trade Administration, U.S. Department of Commerce (Commerce) that Commerce has postponed for 90 days its final determination in this countervailing duty investigation on certain carbon steel welded pipes and tubes from Spain. The Commission's public hearing on this investigation, scheduled for Monday, January 7, 1985, is hereby postponed indefinitely. This postponement is pursuant to § 201.14(b) of the Commission's Rules of Practice and Procedure.

EFFECTIVE DATE: January 3, 1985.

FOR FURTHER INFORMATION CONTACT: Cynthia S. Wilson (202–523–0291), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436.

Authority: This notice is published pursuant to § 201.14 of the Commission's rules (19 CFR 201.14).

By order of the Commission.

Issued: January 4, 1985.

Kenneth R. Mason,

Secretary.

[FR Doc. 85–640 Filed 1–8–85; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 731-TA-236 and 237 (Preliminary)]

Certain Castor Oil Products From Brazil

AGENCY: International Trade Commssion.

ACTION: Institution of preliminary antidumping investigations and scheduling of a conference to be held in connection with the investigations.

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigations Nos. 731–TA–236 and 237 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Brazil of hydrogenated castor oil and 12-hydroxystearic acid, provided for in items 178.20 and 490.26, respectively, of the the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in this case by February 11, 1985.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201).

EFFECTIVE DATE: December 27, 1984.

FOR FURTHER INFORMATION CONTACT: Bill Schechter (202–523–0300), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to a petition filed on December 27, 1984, by the American Manufacturers of Castor Oil Products (AMCOP), Wayne, New Jersey.

Participation in the Investigations

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Service list

Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with § 201.16(c) of the rules (19 CFR 201.16(c)), each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Conference

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m. on January 17, 1985, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Bill Schecter (202-523-0300) not later than January 14, 1985, to arrange for their appearance. Parties in support of the imposition of antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written Submissions

Any person may submit to the Commission on or before January 22, 1985, a written statement of information pertinent to the subject of the investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of section 201.6 of the Commission's rules (19 CFR 201.6, as amended by 49 FR 32569, Aug. 15, 1984).

Authority: These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

By order of the Commission.

Issued: December 31, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 85-643 Filed 1-8-85; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-203]

Certain Floppy Disk Drives and Components Thereof; Receipt of Initial Determination Terminating Respondents of the Basis of Consent Order Agreement

AGENCY: International Trade Commission.

ACTION: Notice is hereby given that the Commission has received an initial determination from the presiding officer in the above-captioned investigation terminating the following respondents on the basis of a consent order agreement: Jay J. Ahn, Herbert Berger and Edward Wilka.

SUPPLEMENTARY INFORMATION: This investigation is being conducted pursuant to section 337 of the Tariff Act of 1930 (19 U.S.C. 1337). Under the Commission's rules, the presiding officer's initial determination will become the determination of the Commission thirty (30) days after the date of its service upon the parties, unless the Commission orders review of the initial determination. The initial determination in this matter was served upon the parties on January 2, 1984.

Copies of the initial determination, the consent order agreement, and all other nonconfidential documents filed in connection with this investigation are available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, telephone 202-523-0161.

Written Comments

Interested persons may file written comments with the Commission concerning termination of the aforementioned respondents. The original and 14 copies of all such comments must be filed with the Secretary to the Commission, 701 E Street, NW., Washington, D.C. 20436, no later than 10 days after publication of this notice in the Federal Register. Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request confidential treatment. Such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why confidential treatment should be granted. The Commission will either accept the submission in confidence or return it.

FOR FURTHER INFORMATION CONTACT: Ruby J. Dionne, Office of the Secretary, U.S. International Trade Commission, telephone 202-523-0176.

By order of the Commission.

Issued: December 31, 1984.

Kenneth R. Mason,

Secretary.

[FR Doc. 85-648 Filed 1-8-85; 8:45 am]

BILLING CODE 7020-02-M

[701-TA-235 (Preliminary)]

Iron Ore Pellets From Brazil; Correction

In FR Doc. 84-33647, published in the Federal Register beginning on page 50314 in the issue of Thursday, December 27, 1984, the effective date appeared incorrectly. It should have been December 20, 1984 instead of January 20, 1985. The incorrect date appeared in the sixteenth line of the first column on page 50315.

By Order of the Commission.

Issued: January 3, 1985.

Kenneth R. Mason,

Secretary.

[FR Doc. 85-644 Filed 1-8-85; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 731-TA-196 (Final)]

Certain Red Raspberries From Canada

AGENCY: International Trade Commission.

ACTION: Institution of a final antidumping investigation and scheduling of a hearing to be held in connection with the investigation.

SUMMARY: The Commission hereby gives notice of the institution of final antidumping investigation No. 731-TA-196 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) to

APPENDIX B

COMMERCE'S NOTICE OF INSTITUTION OF INVESTIGATION

filed additional information in support of its petition. In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Brazil are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1637) (the Act), and that these imports are materially injuring, or are threating to materially injure, a United States industry. The allegations of sales at less than fair value of the merchandise under investigation from Brazil are supported by comparisons of United States price based on sales of Brazilian hydrogenated castor oil by a U.S. broker who is related to the Brazilian producer of the merchandise, and home market prices, based on sales and offers to unrelated purchasers in Brazil.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition filed by counsel for Union Camp Corporation, and we have found that it meets the requiements of section 732(b) of the Act. Therefore, we are initiating an antidumping investigation to determine whether hydorgenated castor oil from Brazis is being, or is likely to be, sold at less than fair value in the United States. If our investigation proceeds normally, we will make our preliminary determination by May 9, 1985.

Scope of Investigation

The merchandise covered by this investigation consists of hydrogenated castor oil, as provided for under item number 178.2000 of the *Tariff Schedules of the United States, Annotated.*

Notification to the ITC

Section 732(d) of the Act requries us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivilged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without

[A-351-410]

Hydrogenated Castor Oil From Brazil; Initiation of Antidumping Investigation

AGENCY: International Trade Administration Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping investigation to determine whether hydrogenated castor oil from Brazil is being, or is likely to be, sold in the United States at less than fair valne. We are notifying the United States International Trade Administration (ITC) of the action, so that it may determine whether imports of this merchandise are materially injuring, or threating to materially injure, a United States industry. If the investigation proceeds normally, the ITC will make its preliminary determination on or before February 10, 1985, and we will make our own on or before May 9, 1985.

EFFECTIVE DATE: January 24, 1985.

FOR FURTHER INFORMAITON CONTACT: William D. Kane, Office of Investigations, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-1766.

SUPPLEMENTARY INFORMATION: On December 27, 1984, we received a petition from counsel for Union Camp

Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine within 45 days of the date the petition was received whether there is a reasonable indication that imports of hydrogenated castor oil from Brazil are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, this investigation will terminate; otherwise it will proceed according to statutory procedures.

Alan F. Homer,

Deputy Assistant Secretary for Import Administration.

January 17, 1985.

[FR Doc. 85-1824 Filed 1-23-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-351-409]

Hydroxystearic Acid From Brazil; Initiation of Antidumping Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping investigation to determine whether 12-hydroxystearic acid from Brazil is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Administration (ITC) of the action, so that it may determine whether imports of this merchandise are materially injuring, or threatening to materially injure, a United States industry. If the investigation proceeds normally, the ITC will make its preliminary determination on or before February 10, 1985, and we will make our own on or before May 9, 1985.

EFFECTIVE DATE: January 24, 1985.

FOR FURTHER INFORMATION CONTACT: William D. Kane, Office of Investigations, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone: (202) 377-1766.

SUPPLEMENTARY INFORMATION: On December 27, 1984, we received a petition from counsel for Union Camp Corporation. On January 7, 1985, counsel filed additional information in support of its petition. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Brazil are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these imports are materially injuring, or are threatening to materially injure, a United States industry. The allegations of sales at less than fair value of the merchandise under investigation from Brazil are supported by comparisons of United States price based on sales of Brazilian 12-hydroxystearic acid by a U.S. broker who is related to the Brazilian producer of the merchandise, and home market prices, based on sales and offers to unrelated purchasers in Brazil.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition filed by counsel for Union Camp Corporation, and we have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping investigation to determine whether 12-hydrozystearic acid from Brazil is being, or is likely to be, sold at less than fair value in the United States. If our investigation proceeds normally, we will make our preliminary determination by May 9, 1985.

Scope of Investigation

The merchandise covered by this investigation consists of 12-hydroxystearic acid, as provided for under item numbers 490.2650 and 490.2670 of the *Tariff Schedules of the United States, Annotated.*

Notification to the ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine within 45 days of the date of the petition was received whether there is a reasonable indication that imports of 12-hydroxystearic acid from Brazil are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, this investigation will terminate; otherwise it will proceed according to statutory procedures.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

January 17, 1985.

[FR Doc. 85-1823 Filed 1-23-85; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX C

CALENDAR OF WITNESSES APPEARING AT THE COMMISSION'S CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 731-TA-236 and 237 (Preliminary)

CERTAIN CASTOR OIL PRODUCTS FROM BRAZIL

Those listed below appeared at the United States International Trade Commission's conference held in connection with the subject investigations on January 17, 1985, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, D.C.

In support of the imposition of antidumping duties

Pillsbury, Madison, and Sutro
Washington, D.C.
on behalf of

American Manufacturers of Castor Oil Products

Robert S. Hawkins, Corporate Purchasing Manager, Union Camp Corporation

Richard H. Irving, III, General Counsel

Donald E. deKieffer)
Keith Mendelson)--OF COUNSEL

In opposition to the imposition of antidumping duties

Davis, Graham and Stubbs--Counsel
Washington, D.C.
on behalf of

Sociedade Algodeira do Nordeste Brazileiro--SANBRA

Barry E. Cohen)
Thomas G. Sheehan)--OF COUNSEL

APPENDIX D

A DISCUSSION OF THE SUBSTITUTABILITY OF STEARIC ACID FOR HCO AND HSA

THE SUBSTITUTABILITY OF STEARIC ACID FOR HCO AND HSA

Hydrogenated castor oil (HCO) and 12-hydroxystearic acid (HSA) are minor derivatives of castor oil and are used primarily for the manufacture of heavy-duty lubricants.

With one notable exception, castor oil derivatives are chemically similar to corresponding materials made from domestically produced animal fats and vegetable oils. The exception is the presence of a hydroxy group located in almost all of the 18-carbon chains of this particular vegetable oil. The hydroxy group imparts superior lubricating qualities and raises the melting point of the castor oil derivatives by more than 20° Centigrade compared with those of derivatives of more ordinary fats and oils; it is these factors which make certain castor oil derivatives uniquely suitable for heavy-duty lubricants.

The subject castor oil derivatives, HCO and HSA, are used in lubricants both as is and in the form of lithium soaps. The as-is uses (e.g., for HCO, a hard wax) are predominantly in the metalworking and textile industries. 1/

Lithium soaps (and soaps of other metals) of HSA or other fatty acids are combined with petroleum oils to solidify them to produce lubricating greases which remain in place for long periods of time without further attention--e.g., in the front-wheel bearings of automobiles.

Lubricants for certain types of machinery operated at high speeds or under high pressure must have high melting points (as well as lubricating qualities). Both HCO and HSA are preferred for such heavy-duty lubricants. Less expensive lubricants such as those based on animal tallow and its derivative stearic acid can be used alone for light-duty applications or blended with the castor oil derivatives for intermediate requirements.

1/ Chemical Purchasing, May 1983, p. 16.

The following tabulation summarizes the points made above.

	Price 1/ (cents per pound)	Melting point 2/
HCO--	68	87°C
Hydrogenated tallow----------------------------	34	67°C
HSA--	78	85°C
Stearic acid-----------------------------------	36	62°C

1/ Chemical Marketing Reporter, Nov. 7, 1983, and Commission staff report on investigation No. 104-TAA-20; partially estimated.
2/ Data from Union Camp Corp., June and December 1983.

The disparity in prices indicates that the tallow/stearic acid types of derivatives will be chosen where they will meet the requirements, but that the castor oil derivatives command double the prices of the former where heavy-duty, high-temperature lubrication performance is required.