# Spring Table Grapes From Chile and Mexico

Investigations Nos. 731-TA-926 and 927 (Preliminary)

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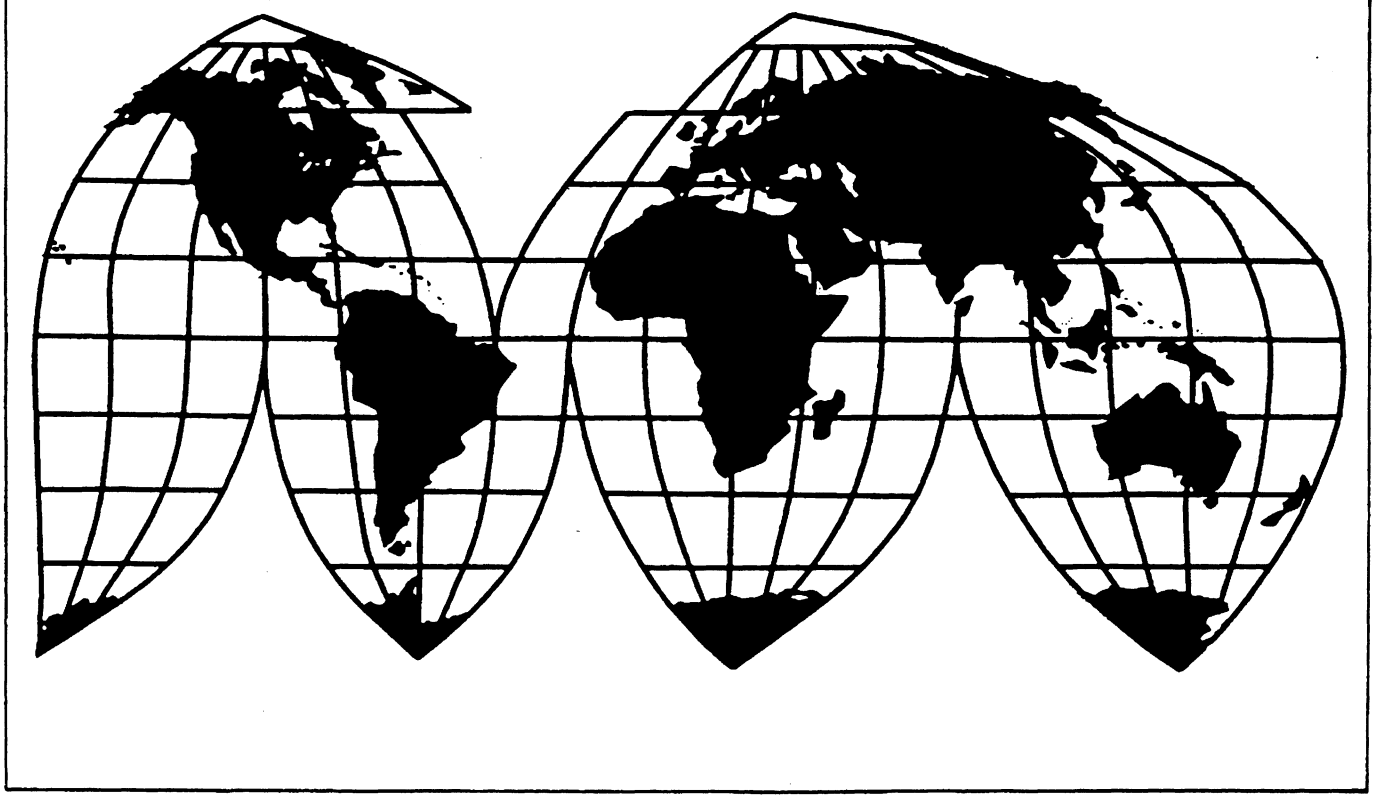
**U.S. International Trade Commission**



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# U.S. International Trade Commission

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# U.S. International Trade Commission

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**NOTE**

**Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

# UNITED STATES INTERNATIONAL TRADE COMMISSION

## Investigations Nos. 731-TA-926 and 927 (Preliminary)

## SPRING TABLE GRAPES FROM CHILE AND MEXICO

## DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission (Commission) determines,[2] pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)) (the Act), that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Chile and Mexico of spring table grapes, provided for in subheading 0806.10.40 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).

## BACKGROUND

On March 30, 2001, a petition was filed with the Commission and the United States Department of Commerce (Commerce) by the Desert Grape Growers League, Thermal, CA, and its producer-members, alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of spring table grapes from Chile and Mexico. Accordingly, effective March 30, 2001, the Commission instituted antidumping duty investigations Nos. 731-TA-926 and 927 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of April 5, 2001 (66 FR 18109). The conference was held in Washington, DC, on April 20, 2001, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

[2] Commissioner Dennis M. Devaney dissenting with respect to imports of spring table grapes from Chile and Mexico.

## VIEWS OF THE COMMISSION

## Investigations Nos. 731-TA-926 and 927 (Preliminary)

## SPRING TABLE GRAPES FROM CHILE AND MEXICO

Based on the record in these investigations, we find that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of table grapes from Chile or Mexico that are allegedly sold in the United States at less than fair value ("LTFV").[3]

## I. THE LEGAL STANDARD FOR PRELIMINARY DETERMINATIONS

The legal standard in a preliminary antidumping investigation requires the Commission to find, based upon the information available at the time of the preliminary determination, whether there is a reasonable indication that a domestic industry is materially injured or is threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[4] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[5]

## II. DOMESTIC LIKE PRODUCT AND INDUSTRY

### A. In General

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[6] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Act"), defines the relevant domestic industry as the "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[7] In turn, the Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ."[8]

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[3] Commissioner Dennis M. Devaney dissenting. See Commissioner Devaney's Dissenting Views.

[4] 19 U.S.C. § 1673b(a). See also American Lamb Co. v. United States, 785 F.2d 994, 1001-1004 (Fed. Cir. 1986); Aristech Chemical Corp. v. United States, 20 CIT 353, 354 (1996).

[5] American Lamb, 785 F.2d at 1001 (Fed. Cir. 1986). See also Texas Crushed Stone Co. v. United States, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

[6] 19 U.S.C. §1677(4)(A).

[7] Id.

[8] 19 U.S.C. § 1677(10).

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis, generally through the application of a six-factor test.[9] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[10] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[11] Although the Commission must accept the determination of the Department of Commerce ("Commerce") as to the scope of the imported merchandise allegedly subsidized or sold at LTFV, the Commission determines what domestic product is like the imported articles Commerce has identified.[12]

## B. Product Description

Commerce has defined the scope of the subject merchandise in these investigations as follows:

*imports of any variety of vitis vinifera species table grapes from Chile or Mexico, entered during the period April 1 through June 30, inclusive, regardless of grade, size, maturity, horticulture method (i.e., organic or not) or the size of the container in which packed. The scope specifically covers all varieties of seedless or seeded grapes including, but not limited to, Thompson, Red Flame, Red Globe, Perlettes, Superior seedless, Sugrone, Ribier, Black seedless, Red seedless, Blanca Italia, Moscatel Rosada, Crimson seedless, Lavallee, Emperor, Queen Rose, Calmeria, Christmas Rose, Down seedless, Beauty seedless, Almeria, Supreme seedless, Superior Seedless M., Late Royal, Muscat seedless, Royal seedless, Early Ribier, Cardinal, Moscatel Dorada, Black Giant, Kaiji, Lady Rose, Black Diamond, Piruviano, Early Thompson, King Ruby seedless, White seedless, Queen seedless, Autumn seedless, Royal, Pink seedless, Green Globe, Autumn Black, Black Beauty, and Royal Giant. The scope specifically covers all table grapes entered within the April 1 through June 30 window of each year, whether or not subject to the Federal Marketing Order set forth in 7 CFR, part 925.*[13]

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[9] See, e.g., NEC Corp. v. Department of Commerce, 36 F. Supp.2d 380, 383 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes and production employees; and, where appropriate, (6) price. See Nippon, 19 CIT at 455 n.4; Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

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

[11] Nippon Steel, 19 CIT at 455; Torrington, 747 F. Supp. at 748-49. *See* also S. Rep. No. 96-249 at 90-91 (1979) (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[12] Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (Commission may find single like product corresponding to several different classes or kinds defined by Commerce); Torrington, 747 F. Supp. at 748-752 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

[13] The description of the scope of investigation also stated:

(continued...)

The subject merchandise consists of all grapes imported from Chile and Mexico during April, May, and June that are intended for consumption in raw form as grapes. The term "table grapes" is used to distinguish these grapes from grapes that are grown for processing into products such as raisins or wine.

## C. Domestic Like Product

### 1. Spring Table Grapes Versus All Table Grapes

The petitioners, the Desert Grape Growers League and its members,[14] argue that the Commission should define the domestic like product to be only table grapes produced during April, May, or June ("Spring" table grapes).[15] According to petitioners, the "most important factors the Commission must consider are not among the six traditional factors, but are the seasonal nature of domestic Spring table grape production and the perishability of the product."[16] Petitioners claim that Spring table grapes and table grapes grown later in the year[17] differ in that they do not overlap in the market and only Spring table grapes are marketed coincidently with the subject imports.[18] They state that the Commission's consideration of its traditional six factors should be strongly influenced by the seasonal nature of the product and its perishability. Petitioners argue that such an analysis supports defining the like product to be Spring table grapes rather than all table grapes.[19]

The Chilean and Mexican Respondents[20] argue that defining the domestic like product to be table grapes produced in April, May, and June would be contrary to the statutory definition of the domestic like product and Commission practice. They argue that the timing of production and sale is not a basis for distinguishing between products for purposes of defining the domestic like product. Furthermore,

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[13] (...continued)
For further discussion, see the May 9, 2001, memorandum from the case team to Richard Moreland and Joseph Spetrini entitled "Temporal Limitations on the Class or Kind Described in the Antidumping Duty Petitions on Spring Table Grapes from Mexico and Chile." The scope excludes by-product grapes and other grapes for use as other than table grapes, including those grapes used for raisins, crushing, juice, wine, canning, processed foods and other by-product and not direct consumption purposes. The spring table grapes subject to these investigations are classifiable under subheading 0806.10.40 of the Harmonized Tariff Schedule of the United States (HTS). Although the HTS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.
66 Fed. Reg. 26831, 26832 (May 15, 2001).

[14] Petition of March 30, 2001 at 1.

[15] Petitioners' Postconference Brief, Exh. 1 at 29.

[16] Petitioners' Postconference Brief, Exh. 1 at 30.

[17] Most domestic table grapes are produced later in the year, north of the Coachella Valley in the Central Valley of California, the Kern District and San Joaquin Valley. See Petitioners' Postconference Brief, Exh.22.

[18] 19 U.S.C. § 1673b(a). See also American Lamb Co. v. United States, 785 F.2d 994, 1001-1004 (Fed. Cir. 1986); Aristech Chemical Corp. v. United States, 20 CIT 353, 354 (1996).

[19] Petitioners' Postconference Brief, Exh. 1 at 46-62.

[20] The Chilean Respondents are the Asociacion de Exportadores de Chile, an association of exporters of Chilean grapes. The Mexican Respondents are the Asociacion Agricola Local de Productores de Uva de Mesa, A.C., an association of Mexican producers of table grapes.

they maintain that there are no significant differences between Spring table grapes and table grapes grown later in the year, particularly with respect to the six factors traditionally considered by the Commission.[21]

We have considered whether the statute permits us to consider seasonality as the main factor in our determination of domestic like product. We find that it does not. The statute requires the Commission to identify the product which is "like" the article subject to investigation.[22] While seasonality and perishability may be *among* the factors we consider, they do not override the other factors that the Commission must examine to establish whether the domestic product is "like" subject imports.

The record does not indicate any significant differences between the table grapes produced during April, May, and June and those produced later in the year. The only apparent difference between these grapes is the timing of the harvest. The table grape harvest in the Coachella Valley generally begins in May and ends in July, while the harvest in the San Joaquin Valley begins in June or July and ends early in the following year.[23] However, as discussed below, other significant similarities between the products far outweigh this temporal distinction.[24]

The physical characteristics and end uses of table grapes produced during April, May, and June and of those produced later in the year are essentially identical.[25] The similarities in product characteristics make table grapes produced in the Spring interchangeable with those grown later in the year. Petitioners assert that there is no actual interchangeability because table grapes produced in later

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[21] Mexican Respondents' Postconference Brief at 24-30; Chilean Respondents' Postconference Brief at 7-35.

[22] 19 U.S.C. § 1677(10).

[23] See Mexican Respondents' Postconference Brief, App. 5 (collecting time of harvest data from the USDA and Chuck Allen's Market Review).

[24] Moreover, there is some, albeit attenuated, overlap in production and availability of Spring table grapes and the table grapes harvested later in the year, which necessarily varies from harvest to harvest due to variability in growing and harvesting conditions. Table grapes produced in the Coachella Valley and Arizona at the end of June and early July compete to some degree with San Joaquin Valley and Kern District table grapes, which are harvested beginning at the end of June or early July. See Petitioners' Postconference Brief, Exh. 22 and Mexican Respondents' Postconference Brief, App. 5. Coachella Valley producers were shipping grapes in July two of the last three years. See Petitioners' Postconference Brief, Exh. 22. Further, Arizona growers, who petitioners characterize as producing Spring table grapes, produced a significant quantity of their table grapes in July in two of the last three years. Id. Like all table grapes, Spring table grapes can remain in storage and be present in the market for up to four to six weeks after they are produced. Tr. at 34. Thus, Spring table grapes and table grapes grown later in the year overlap to some degree in time of production and in the marketplace.

[25] See Tr. at 17-19; Confidential Staff Report, June 1, 2001 ("CR") at I-7 to I-8, Public Staff Report ("PR") at I-5. Petitioners claim that Spring table grapes have a shorter shelf life because they are grown at hotter temperatures and are subject to a federal marketing order. The federal marketing order regulates the quality of table grapes through inspections, but it is a minimal standard. Tr. at 25, 177-78. It also does not apply to grapes grown in Arizona. Therefore, not all Spring table grapes, as petitioner defines them, are subject to the marketing order. CR at I-4, PR at I-3. The record also indicates that growing temperatures in the San Joaquin Valley, where later-harvested grapes are grown, are quite hot at harvest time, suggesting that harvest temperatures do not differ significantly. Tr. at 87-88: Mexican Respondents' Postconference Brief at App. 7. Regardless of the merit of petitioners' claims, table grapes produced at other times in California are the same species and are used by consumers in the same manner. Petitioners' assertions only suggest some degree of quality differences, which would not establish that table grapes grown at other times are not part of the same domestic like product.

months are not present in the market at the same time with Spring table grapes. As discussed above, the statute implicitly permits seasonality to be *among* the factors considered. It does not permit seasonality to override the substantial similarities between "Spring" and all other table grapes. Moreover, as already discussed, there is some overlap in harvest times, although we acknowledge that actual interchangeability is limited to the extent that producers of Spring table grapes try to avoid competing with the later-season table grapes grown in larger quantities further north in California.[26]

Channels of distribution, manufacturing processes, and price are similar, if not identical, for Spring table grapes and table grapes grown later in the year. All table grapes move through similar channels of distribution.[27] The production processes for Spring table grapes and table grapes grown later in the year are essentially the same and some employees work on grape harvests in both the Coachella and San Joaquin Valleys.[28] There is no evidence that purchasers or producers perceive Spring table grapes to be significantly different from table grapes grown later in the year.[29] Prices for table grapes grown later in the year may be a bit lower, but this may reflect the much greater supply of table grapes during the Summer months.[30]

Each Commission investigation is *sui generis* and based on a unique interaction of economic variables. Nonetheless, petitioners assert that the Commission's 1983 decision in Fall-Harvested Round White Potatoes from Canada provides precedent for a finding a seasonal like product.[31] While the Commission in that investigation defined the like product as round white potatoes harvested in the Fall, the Fall-harvested potatoes differed significantly in physical characteristics from those harvested at other times and the Commission's decision was based on those differences and not on seasonality alone.[32] Moreover, the Fall-harvested potatoes were in the market most of the year because they could be stored for long periods.[33]

In conclusion, the statute does not permit seasonality to override other factors used to determine the domestic like product. In these investigations, we find a high level of similarity between "Spring" and other table grapes and a lack of any significant differences besides time of harvest. We therefore find the domestic like product to be all table grapes.

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[26] Tr. at 101-102.

[27] CR at I-10 to I-11, PR at I-7.

[28] CR at I-9, PR at I-6. Petitioners have identified cultivation techniques for Spring table grapes that they assert are not used for table grapes grown at other times. However, these additional steps (application of a chemical to bring the vines out of dormancy and sprinkling the vines with water) are outweighed by the significant similarities in the overall production process. See Tr. at 23-24. See also Tr. at 53 (production processes same for San Joaquin Valley and Coachella Valley table grapes).

[29] See CR at I-9, PR at I-6; Tr. at 17-18.

[30] See Petitioners' Postconference Brief, Exh.1 at 1 and Exh. 22.

[31] Inv. No. 731-TA-124 (Final) USITC Pub. 1463 (Dec. 1983).

[32] USITC Pub. 1463 at 6.

[33] See USITC Pub. 1463 at Table 18.

### 2. Seeded Table Grapes

The Chilean Respondents ask the Commission to define seedless and seeded table grapes as distinct domestic like products.[34] They note that seeded and seedless table grapes differ in physical characteristics in that only seeded table grapes have seeds and they argue that seeded and seedless table grapes are not interchangeable because only seedless table grapes can be used in salads and other foods.[35]

Petitioners maintain that seeded and seedless table grapes should not be separate like products because seeds are only a minor physical characteristic of the grape and seedless and seeded grapes are produced, marketed, and sold side by side.[36]

The presence or absence of a seed does not alter the fundamental physical characteristics or uses of table grapes. Seeds may limit interchangeability for certain uses, such as in salads, but both varieties travel through the same channels of distribution.[37] Seeded and seedless varieties are grown in the same manner.[38] There is some evidence that purchasers and producers perceive them to be different products and that some consumers prefer one or the other type.[39] Prices for seeded and seedless table grapes are similar.[40] Based on similarities in physical characteristics, end uses, production, channels of distribution and pricing, we conclude that the similarities between seeded and seedless table grapes outweigh any differences between these two types of table grapes.

## D. Domestic Industry and Related Parties

In defining the domestic industry, the Commission's general practice has been to include in the industry all of the domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[41] Based upon our domestic like product definition, we define the domestic industry as all domestic producers of table grapes.

We must further determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Act. That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[42] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.[43]

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[34] Chilean Respondents' Postconference Brief, Attachment 1 at 1.

[35] Chilean Respondents' Postconference Brief, Attachment 1 at 1-2.

[36] See Petitioners' Postconference Brief, Exh. 1 at 74-76

[37] CR at I-10, PR at I-7.

[38] Tr. at 68 (Bianco).

[39] Tr. 147, 161.

[40] See CR & PR at Figs. V-3, V-4 and V-5.

[41] See United States Steel Group v. United States, 873 F. Supp. 673, 681-84 (CIT 1994), aff'd, 96 F.3d 1352 (Fed. Cir.1996).

[42] 19 U.S.C. § 1677(4)(B).

[43] Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), aff'd without opinion, 904

(continued8.)

***, a domestic producer of table grapes, imported the subject merchandise during the period of investigation.[44] Therefore, it is a related party and may be excluded from the definition of the domestic industry if appropriate circumstances exist.

*** imported *** million pounds of subject imports from Mexico in 1999, *** million pounds in 2000, and has arranged for the importation of *** million pounds in 2001.[45] However, its production of table grapes was far greater, *** million pounds in 2000.[46] Given that it is primarily a domestic producer of table grapes, we decline to exclude *** from the domestic industry and therefore define the domestic industry as all producers of table grapes.[47]

## III. CUMULATION

### A. In General

For purposes of evaluating the volume and price effects for a determination of reasonable indication of material injury by reason of the subject imports, section 771(7)(G)(i) of the Act requires the Commission to assess cumulatively the volume and effect of imports of the subject merchandise from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with domestic like products in the U.S. market.[48] In assessing whether subject imports compete with each other and with the domestic like product,[49] the Commission has generally considered four factors, including:

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[43] (...continued)
F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude the related parties include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and (3) the position of the related producers vis-a-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry. See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. See, e.g., Melamine Institutional Dinnerware from China, Indonesia, and Taiwan, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016 at 14, n.81 (Feb. 1997).

[44] See CR & PR at Table IV-5.

[45] CR & PR at Table IV-5.

[46] Letter from *** to Department of Commerce, April 26, 2001, in Mexican Respondents' Postconference Brief, Exh.17.

[47] Petitioners have asserted that some Central Valley producers of table grapes are also importers of the subject merchandise. Petitioners' Postconference Brief, Exh. 1 at 3-4. However, petitioners have not argued that we should exclude these producers under the related parties provision and no evidence on the record indicates that appropriate circumstances exist to do so.

[48] 19 U.S.C. § 1677(7)(G)(i).

[49] The SAA expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." SAA at 848, citing Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988). 9

(1) the degree of fungibility between the subject imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;

(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;

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

(4) whether the subject imports are simultaneously present in the market.[50]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[51] Only a "reasonable overlap" of competition is required.[52]

### B. Analysis

Fungibility among the subject imports and the domestic like product is high,[53] as the same varieties of grapes of comparable quality are generally grown in the United States and in Mexico and Chile.[54] Subject imports from both countries and domestically-produced table grapes are sold or offered for sale in the same geographic market, the entire United States,[55] and the channels of distribution are similar for the subject imports and domestic table grapes.[56]

Subject imports from Chile, however, are not to any significant degree simultaneously present in the market with subject imports from Mexico or the domestic like product.[57] The great majority of the Chilean subject imports are "packed out" and shipped to the United States by the end of April.[58] Since

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[50] See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), aff'd, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

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

[52] See Goss Graphic System, Inc. v. United States, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); Wieland Werke, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[53] See Tr. at 17-18.

[54] CR at I-9 to I-10, PR at I-6; Tr. at 105.

[55] See Petitioners' Postconference Brief, Exh. 2 (compiling importers' questionnaire responses that generally indicated that the market was the entire United States).

[56] CR at I-10, PR at I-7.

[57] We note that the SAA approves of a temporal analysis for purposes of cumulation but not for like product. See SAA at 848, citing Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[58] CR & PR at Figs. IV-3, IV-4, IV-5. The subject imports from Chile generally arrive in the United States about two weeks later. Chilean Respondents' Postconference Brief at 7.

table grapes are highly perishable, they are generally no longer saleable 4-6 weeks after harvest.[59] Therefore, Chilean subject imports are essentially no longer competing in the U.S. market by early June and have relatively little overlap with subject imports from Mexico and the domestic like product.[60] This is confirmed by shipment data from U.S. importers and domestic producers which show minimal overlap in shipments between the subject imports from Chile and domestic table grapes as well as the subject imports from Mexico [61] Moreover, examining the period of investigation as a whole (36 months), there are only 3 months with coincidence of significant shipments of subject imports from both Chile and Mexico and the domestic like product.[62]

We therefore find that a reasonable overlap of competition does not exist between the subject imports from Chile and Mexico. Nor do we find a reasonable overlap of competition between subject imports from Chile and the domestic like product. Consequently, we do not cumulate subject imports for the purpose of analyzing whether there is a reasonable indication that the domestic industry is materially injured or threatened with material injury by reason of the subject imports.[63]

## IV. MATERIAL INJURY OR THREAT OF MATERIAL INJURY BY REASON OF SUBJECT IMPORTS

### A. Legal Standard - Material Injury

In the preliminary phase of antidumping or countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured by reason of the imports under investigation.[64] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S.

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[59] Table grapes can be stored in refrigeration for up to 4-6 weeks. Tr. at 34.

[60] Petitioners claim that Chilean grapes are kept in cold storage for up to 90 days so that they can compete in the U.S. market into May and June. Petitioners' Postconference Brief at 12 (citing Tr. at 19); Tr. at 52. The Chileans maintain that they do not store grapes for the long periods asserted by petitioners. Tr. at 135 (Mr. Bown); Tr. at 143; Tr. at 143 (Mr. Eastes). The record does not support a finding that subject product from Chile is present in the U.S. market in significant quantities past early June.

Table grapes harvested late in the season have shorter shelf lives and tend to sell for a lower price. CR at V-4, PR at V-3. Hence, there is a strong incentive to sell grapes when they are fresh and command a price premium and also to avoid competition with fresher grapes that arrive on the market later. CR at I-10, PR at I-6. See also Tr. at 106; Petitioners' Postconference Brief, Exh.1 at 38. The marketing order's April 20 start date provides an additional incentive to import table grapes from Chile before that date. See Chileans' Postconference Brief, Exh 15 (showing that over 90 percent of Chilean imports are before the April 20 start of the marketing order which provides for USDA inspection of the imports).

[61] See CR & PR at Tables V-1 and V-2 (domestic and Mexican grapes not competing until May and small quantities of Chilean imports reported in May, except in 2000); CR & PR at Table V-3 (Chilean subject imports competing in May but limited subject imports from Mexico and limited domestic grapes).

[62] INV-Y-117, June 8, 2001, at 1-4. Importers shipped only very small quantities of subject imports from Chile during May in 1998, 1999, and 2000.

[63] As the CIT has held, "[a] finding by the ITC of a like product does not control whether the ITC finds competition between the subject imports for the purpose of cumulation." Ranchers-Cattlemen Action Legal Foundation v. United States, 23 CIT __, 74 F. Supp.2d 1353, 1371 (1999).

[64] 19 U.S.C. §§ 1671b(a) and 1673b(a).

production operations.[65] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[66] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[67] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[68]

With respect to the volume of the subject imports, section 771(7)(C)(i) of the Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[69]

With respect to the price effects of the subject imports, section 771(7)(C)(ii) of the Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether –

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

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[70]

In examining the impact of the subject imports on the domestic industry, we consider all relevant economic factors that bear on the state of the industry in the United States.[71] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[72] [73] [74]

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[65] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each [such] factor . . . [a]nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B). See also Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

[66] 19 U.S.C. § 1677(7)(A).

[67] 19 U.S.C. § 1677(7)(C)(iii).

[68] 19 U.S.C. § 1677(7)(C)(iii).

[69] 19 U.S.C. § 1677(7)(C)(i).

[70] 19 U.S.C. § 1677(7)(C)(ii).

[71] 19 U.S.C. § 1677(7)(C)(iii). See also SAA at 851, 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." Id. at 885.).

[72] 19 U.S.C. § 1677(7)(C)(iii). See also SAA at 851, 885; Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386, 731-TA-812-813 (Preliminary), USITC Pub. 3155 (Feb. 1999) at 25 n.148.

[73] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii) (V). In its notice of

(continued...)

Petitioners have brought this case on the basis of injury to a "Spring" table grapes industry. However, as discussed, the statute does not permit the Commission to define such an industry on the facts of this case, and we are therefore required by statute to consider whether the entire domestic table grapes industry has been materially injured or is threatened with material injury by reason of subject imports.

### B. Legal Standard - Threat of Material Injury

In the preliminary phase of antidumping or countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is threatened with material injury by reason of the imports under investigation.[75]

Section 771(7)(F) of the Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."[76] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued.[77] In making our determination, we have considered all statutory factors that are relevant to these investigations,[78] including the rate of the increase in the volume and market penetration of subject imports, unused production capacity, and inventories of subject merchandise.

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[73] (...continued)
initiation, Commerce identified estimated dumping margins of 23.00 to 99.39 percent for subject imports from Chile and dumping margins of 0.00 to 114.77 percent for subject imports from Mexico. 66 Fed. Reg. 26831 (May 15, 2001). There are no known dumping findings involving the subject merchandise in any other markets. CR & PR at VII-1 n.2

[74] Commissioner Bragg notes that she does not ordinarily consider the margin of dumping to be of particular significance in evaluating the effects of subject imports on domestic producers. See Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 (June 1996).

[75] 19 U.S.C. §§ 1671b(a) and 1673b(a).

[76] 19 U.S.C. § 1673d(b) and 1677(7)(F)(ii).

[77] 19 U.S.C. § 1677(7)(F)(ii).

[78] 19 U.S.C. § 1677(7)(F)(i). Factor VI regarding product-shifting is not an issue in these investigations. Factor VII also is inapplicable because these investigations do not involve imports of a processed agricultural product. 13

## C. Conditions of Competition

The following conditions of competition are pertinent to our analysis of material injury and threat of material injury by reason of subject imports from Chile and Mexico.

U.S. apparent consumption of table grapes increased over the period of investigation.[79] To meet this growing demand, acreage dedicated to production in the United States has increased as have U.S. producers' shipments.[80] The total value of domestic producers' shipments has also increased.[81]

The production or harvesting of table grapes in the United States occurs from April through December, depending on the area where they are grown.[82] The vast majority of U.S. production of table grapes occurs in months other than April, May, and June.[83] There is a substantial volume of nonsubject imports, including imports from Chile and Mexico, during periods other than April-June.[84]

Grapes harvested in the Coachella Valley and grapes imported between April 20 and August 15 are subject to a federal marketing order.[85] The order provides for USDA inspections of table grapes from the Coachella Valley and imports so that consistent quality is maintained.[86]

Purchasers generally buy table grapes on the spot market.[87] Prices for table grapes are generally high early in May-June and July-August when grapes are fresh and supply is limited; as the season

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[79] Apparent consumption was 1.99 billion pounds in 1998, 2.15 billion pounds in 1999, and 2.32 billion pounds in 2000. CR & PR at Table IV-9.

[80] CR & PR at Table IV-9; Mexican Respondents' Postconference Brief, App. 8 (data from USDA NASS Noncitrus Fruits and Nuts 2000 Preliminary Summary, CASS Agricultural Overview 1998-99); Chilean Respondents' Postconference Brief, Exh. 11 (data from ODEPA and USDA, National Agricultural Statistics Service).

[81] Mexican Respondents' Postconference Brief, App. 8; California Table Grapes Commission Situation Analysis 2000 (contained in Chilean Respondents' Postconference Brief, Exh. 26). While the data in the Situation Analysis reflects only California table grapes, California is the source of 99 percent of U.S. production. See CR at III-9, PR at III-8; CR & PR at Table III-8.

[82] Mexican Respondents' Postconference Brief, App. 5. In any growing season, the Coachella Valley growers, which account for less than 15 percent of U.S. production, generally harvest first. The Arizona growers typically harvest next, and the central and northern California growers are the last to harvest. See Id.

[83] See CR & PR at Table III-8. Production during the three months ranged from 11.4 percent to 13.6 percent of total domestic production from 1998 to 2000. Id.

[84] Compare CR & PR at Table IV-7 with CR & PR at Table IV-6. Nonsubject imports from Chile are over five times the amount of subject imports from Chile. See CR & PR at Table IV-7.

[85] The marketing order, 7 C.F.R. 925, regulates the quality of imports and domestic grapes from the Coachella Valley from April 20 to August 15. See CR at I-4, PR at I-5. Because there is an incentive to ship immature grapes when prices are high early in the season, the marketing order's purpose is to ensure consistent table grape quality through inspection, thus avoiding customer dissatisfaction. 52 Fed. Reg. 8865 (Mar. 10, 1987) (contained in Chilean Respondents' Postconference Brief, Exh. 14).

[86] See Tr. at 13.

[87] CR at V-4, PR at V-3; Tr. at 18-19.

progresses, prices and quality generally decline.[88] When volumes of table grapes in the market peak, promotions in supermarkets are important for selling the large quantities available.[89]

Table grapes are perishable and can generally be stored for only 4-6 weeks.[90] Producers have an incentive to bring their grapes to market earlier rather than later in order to avoid competition with other sources[91] and ship the table grapes before they deteriorate.[92] Moreover, the federal marketing order's April 20 start date provides an additional incentive for importers to import table grapes from Chile earlier in the season.[93]

## D. Chile - Material Injury

### 1. Volume of Subject Imports

The volume of subject imports from Chile was 96.6 million pounds in 1998, 79.8 million pounds in 1999, and 131.8 million pounds in 2000.[94] These imports' U.S. market share was 4.9 percent in 1998, 3.7 percent in 1999, and 5.7 percent in 2000 in terms of quantity.[95] When viewed in isolation, these volumes could be considered significant. However, as discussed above, there is very limited competition between the subject imports from Chile and domestic table grapes because the vast majority of subject imports from Chile are generally shipped in the U.S. market during April,[96] while the great majority of U.S. production and shipments of table grapes occur considerably later in the year. The limited competition that does occur is further attenuated because the subject imports from Chile are generally lower quality end of season table grapes.[97] Given the limited and attenuated competition between the subject imports and the domestic like product, we do not find that the volume of subject imports from Chile is significant.[98] Moreover, as discussed later, due to this limited competition, the record does not provide a reasonable indication that subject imports from Chile are having a negative price effect or adverse impact on the domestic industry producing all table grapes.

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[88] CR at V-4, PR at V-3.

[89] CR at V-4, PR at V-3.

[90] Tr. at 34. While petitioners assert that table grapes grown at lower temperatures can be stored for longer periods, the record indicates that table grapes stored for longer periods are less competitive and there appears to be no incentive for importers to store table grapes for long periods. Tr. at 135 (Mr. Bown); Tr. at 143; Tr. at 143 (Mr. Eastes). See also INV-Y-117, June 8, 2001, at 1-4 (indicating shipments of Chilean grapes are generally insignificant in May); CR at I-10, PR at I-6.

[91] CR at I-10, PR at I-6; Tr. at 106.

[92] See Tr. at 87-88.

[93] See Tr. at 51-52 (Chileans try to import table grapes before April 20). See also Chileans' Postconference Brief, Exh 15 (showing over 90 percent of imports before April 20 start of marketing order).

[94] CR & PR at Table IV-7. The value of the subject imports was $47.6 million in 1998, $53.3 million in 1999, and $65.0 million in 2000. CR & PR at Table IV-7.

[95] CR & PR at Table IV-9.

[96] INV-Y-117, June 8, 2001, at 1-4. Importers imported only very small quantities of subject imports from Chile during May in 1998, 1999, and 2000.

[97] See Tr. at 102, 106.

[98] Commissioner Hillman does not join in this finding.

### 2. Price Effects of the Subject Imports

The record indicates very limited competition between the vast majority of subject imports from Chile and the vast majority of domestic production, due to the timing of the subject imports' presence in the market.[99] Pricing data from U.S. producers and importers indicate that there was underselling by the subject imports from Chile for the minimal period in which there is competition.[100] We note that there are no pricing comparisons possible for much of the season because of the absence of subject imports from Chile. However, pricing comparisons are of limited utility because they mainly involve late-season Chilean grapes and early-season domestic grapes; the quality of the grapes is not always comparable.[101] Underselling that occurs at the end of the Chilean season thus likely reflects quality differences. Moreover, staff could only confirm one lost revenue allegation regarding Chile.[102] Price trends for the domestic market indicate that prices for domestic table grapes generally increased during the period of investigation.[103]

Based on the very limited competition between subject imports from Chile and the domestic like product, we find that subject imports have not depressed domestic prices to a significant degree or prevented price increases which otherwise would have occurred to a significant degree.

### 3. Impact of the Subject Imports

The Commission must evaluate the industry as a whole; that is, *all* domestic producers of table grapes.[104] Several indicators of the condition of the industry improved during the period of investigation.[105] The domestic industry's production and shipments generally rose[106] and the domestic

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[99] INV-Y-117, June 8, 2001, at 1-4. Importers shipped only very small quantities of subject imports from Chile during May in 1998, 1999, and 2000. Competition is further attenuated during May because late-season Chilean grapes tend to be seeded, which compete to a lesser degree with seedless table grapes. See Chilean Respondents' Postconference Brief, Exh. 32; CR & PR at Table V-3; Tr. at 106 (Red Globe seeded table grapes harvested late in Chilean season).

[100] See CR & PR at Table V-4. Chilean subject imports undersold domestic table grapes in 22 of the 26 price comparisons. CR & PR at Table V-4.

[101] See CR & PR at Tables V-1 and V-2. Purchasers indicated that "new" domestic grapes were competing with old Chilean grapes not of comparable quality. See CR at V-15 to V-18. Moreover, quantities of the domestic product and subject imports from Chile in the price comparisons were generally smaller for Chilean subject imports and the comparisons do not account for volume discounts offered by the domestic producers. CR at V-5, PR at V-4.

[102] See CR & PR at Tables V-5 and V-6. Many of the allegations were disputed by purchasers. Id.

[103] See California Table Grapes Commission Situation Reports from 1998, 1999, and 2000 (indicating average box prices increased in 1999 and 2000) (contained in Chilean Respondents' Postconference Brief, Exhs. 26, 34 and 35).

[104] 19 U.S.C. § 1677(4)(A).

[105] The record contains information from the USDA, the California Table Grape Association and Chuck Allen's Market Review. While the record contains some data specific to the "Spring" table grape producers, we are required to examine data covering the entire industry and growing season.

[106] U.S. producers' shipments were 1.09 billion pounds in 1998, 1.30 billion pounds in 1999, and 1.29 billion pounds in 2000. CR & PR at Table IV-7. Production also increased. See California Table Grapes Commission Situation Reports from 1998, 1999, and 2000 (contained in Chilean Respondents' Postconference Brief, Exhs. 26, 34 and 35) (indicating tonnage increased in 1999 and 2000).

industry's capacity, as expressed in acreage, grew over the period of investigation.[107] The domestic producers' market share increased slightly from 1998 to 2000.[108] The average price per box rose from 1999 to 2000 to its highest price level since 1996.[109]

Given the perishability of this product, subject imports from Chile do not compete with the majority of U.S. producers because there are no significant domestic shipments of subject imports from Chile after May and the vast majority of the table grape industry does not begin shipping until the end of June, at the earliest.[110] Therefore, the vast majority of the U.S. industry – growers outside of the Coachella Valley – does not compete with the subject imports, a point petitioners concede.[111] Indeed, several domestic producers oppose the petition, suggesting that not only have they not been injured by reason of the subject imports, but rather that the subject imports are beneficial to the U.S. industry.[112]

Accordingly, we find that subject imports from Chile have not had a significant negative impact on the U.S. industry producing table grapes. We also find that the record as a whole contains clear and convincing evidence that there is no material injury by reason of subject imports from Chile and no likelihood exists that contrary evidence will arise in a final investigation.

### E. Chile - Threat of Material Injury

In determining whether there is a reasonable indication of the threat of material injury in these investigations, we have considered the 2001 growing season.

The volume of subject imports from Chile increased from 1998 to 2000, as did the market penetration of subject imports.[113] However, data for 2001 confirm the Chilean producers' forecast that exports to the United States will be lower in 2001 than in 2000.[114] Capacity also is not expected to

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[107] Mexican Respondents' Postconference Brief, App. 8 (data from USDA NASS Noncitrus Fruits and Nuts 2000 Preliminary Summary, CASS Agricultural Overview 1998-99).

[108] The domestic industry's market share was 55.0 percent in 1998, 60.6 percent in 1999, and 55.4 percent in 2000. CR & PR at Table IV-9.

[109] See California Table Grapes Situation Report 2000 (contained in Chilean Respondents' Postconference Brief, Exh. 26).

[110] Mexican Respondents' Postconference Brief, App.5.

[111] Petitioners have acknowledged that there is no competition between the great majority of domestic product and the subject imports from Chile. Petitioners' Postconference Brief, Exh 1 at 37-38 ("Chilean imports compete only with the spring table grape producers and do not compete with summer table grape producers after June.").

[112] See Mexican Respondents' Postconference Brief, Exh. 17 (collecting letters from Gerawan Farming, Ranch 124 Farming, Giumarra Companies, Magnum Farming, Jamat Partnership, J. Milicic and Son, Grapery, Pandol & Sons, Stevco, Nash De Camp, Bari Produce, Pacific Trellis Fruit, Borg Produce, Andrew Williamson Sales, Anton Caratan & Son, Caymus Vineyards, and Agricare). Some domestic producers, as well as respondents, have stated that the subject imports are necessary to maintain shelf space for table grapes in supermarkets when domestic production is low. See, e.g., Tr. at 103, 154, 167, and 188.

[113] See CR & PR at Tables IV-7 and IV-9

[114] See CR & PR at Table IV-3 (Chilean packout data lower for April 2001 relative to April 2000); CR & PR at Table VII-1 (forecasting reduced subject imports in 2001).

increase in Chile.[115] All of these factors indicate no likelihood of substantially increased imports of the subject merchandise from Chile in the imminent future.[116]

As discussed earlier, there is very little overlap between subject imports from Chile and the domestic product because they are not present in the market at the same time. The limited competition that does exist is generally between lower-quality end of season Chilean table grapes and fresher, domestic table grapes. The record does not indicate any imminent change in this pattern.[117] Packout data for April 2001 indicate the likelihood of reduced domestic shipments of Chilean subject imports in competition with domestic table grapes.[118] Moreover, the earliest U.S. harvest, the Coachella Valley harvest, is anticipated to be later in 2001 than in 2000, further reducing the likelihood of competition in the marketplace between domestic table grapes and the subject imports from Chile.[119] Prices for domestic table grapes were higher overall during 2000 despite the increase in shipments of subject imports.[120] We thus do not find it likely that subject imports will have significant price depressing or suppressing effects given the extremely limited competition with domestic table grapes generally as well as the likely reduced level of subject imports and reduced competition with domestic table grapes in 2001.

The positive trends for the industry as a whole during the period of investigation, including increased production, shipments, capacity, and domestic prices, provide no reasonable indication that material injury to the domestic industry as a whole is imminent. As we have described, competition from the subject imports from Chile is likely to be further attenuated in 2001 due to the later harvest in the Coachella Valley and the reduced Chilean packouts in April 2001. Furthermore, reports indicate a strong growing season in the Coachella Valley with increased production.[121]

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[115] See CR & PR at Table VII-1.

[116] Unused capacity and inventories are not relevant in this investigation because producers generally operate at peak capacity and inventories cannot be maintained for significant periods due to perishability. Tr. at 34. There is no incentive for importers to store grapes for long periods. Tr. at 135 (Mr. Bown); Tr. at 143; Tr. at 143 (Mr. Eastes). Capacity utilization has no real meaning in this industry as growers operate close to capacity and consider production to be capacity. See CR & PR at Table III-4.

[117] See INV-Y-117, June 8, 2001, at 1-4. Given the limited scope of the investigation as well as the different growing season in the Southern Hemisphere, competition between subject imports from Chile and the vast majority of domestic production effectively *cannot* increase in the imminent future.

[118] See CR & PR at Table IV-3 (Chilean packout data lower for April 2001 relative to April 2000). May data is incomplete for 2001. Id.

[119] Reports indicate that the Coachella Valley harvest will be 10-12 days later in 2001 than in 2000. See Sun World expects 10 percent Jump in Coachella Grape Volume, Produce News, May 14, 2001 (attached as an exhibit to Chilean Respondents' Letter to the Commission of May 21, 2001). See also Weather May Tighten Memorial Day Supplies, The Packer, May 14, 2001 (indicating later and larger harvest in Coachella Valley).

[120] See California Table Grapes Situation Report 2000 (contained in Chilean Respondents' Postconference Brief, Exh. 26).

[121] See Sun World expects 10 percent Jump in Coachella Grape Volume, Produce News, May 14, 2001 (attached as an exhibit to Chilean Respondents' Letter to the Commission of May 21, 2001). See also Weather May Tighten Memorial Day Supplies, The Packer, May 14, 2001 (indicating later and larger harvest in Coachella Valley). 18

Therefore, we find that the record as a whole indicates that there is no reasonable indication of a threat of material injury by reason of subject imports from Chile and no likelihood exists that contrary evidence will arise in a final investigation. For the foregoing reasons, we find that there is no reasonable indication of a threat of material injury by reason of the subject imports from Chile.

## F. Mexico - Material Injury

### 1. Volume of Subject Imports

The volume of subject imports from Mexico was 142.6 million pounds in 1998, 179.7 million pounds in 1999, and 189.4 million pounds in 2000.[122] These imports' U.S. market share rose from 7.2 percent in 1998 to 8.4 percent in 1999, and then fell slightly to 8.2 percent in 2000 in terms of quantity.[123] When viewed in isolation, these quantities could be considered significant. However, there is only limited competition between subject imports from Mexico and domestic table grapes because the vast majority of subject imports from Mexico are shipped in the U.S. market during May and June[124] while the great majority of U.S. production and shipments of table grapes occurs considerably later in the year, in August or later.[125]

Given the limited competition between subject imports from Mexico and the domestic like product, we do not find that the volume of subject imports from Mexico, both in absolute terms and relative to U.S. apparent consumption, is significant.[126] Moreover, as discussed later, due to this limited competition, the record does not provide a reasonable indication that subject imports from Mexico are having a negative price effect or adverse impact on the domestic industry producing all table grapes.

### 2. Price Effects of the Subject Imports

The record indicates only limited competition between subject imports from Mexico and a substantial majority of domestic production, due to the timing of their presence in the market.[127] Pricing data from U.S. producers and importers indicate that there was a mixed pattern of underselling and overselling by the subject imports from Mexico for the minimal period in which there is competition between subject imports and domestic product.[128] We note that there are no pricing comparisons possible for much of the season because of the absence of subject imports from Mexico. Staff could only confirm five lost revenue allegations and no lost sales allegations regarding Mexico, and many of the allegations

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[122] CR & PR at Table IV-7. The value of the subject imports was $47.6 million in 1998, $53.3 million in 1999, and $65.0 million in 2000. CR & PR at Table IV-7.

[123] CR & PR at Table IV-9.

[124] INV-Y-117, June 8, 2001, at 1-4.

[125] INV-Y-117, June 8, 2001, at 1-4. See also CR & PR at Table III-8.

[126] Commissioner Hillman does not join in this finding.

[127] While subject imports from Mexico compete with domestic table grapes only during May and June, the domestic table grapes produced in this period constitute a small portion of total domestic table grapes production. Domestic shipments begin in May and last until December with the vast majority occurring after June. See INV-Y-117, June 8, 2001, at 1-4.

[128] See CR & PR at Table V-4. Mexican subject imports oversold domestic table grapes in 22 of the 48 price comparisons. CR & PR at Table V-4.

were disputed by purchasers and the lost revenue allegations confirmed were for small amounts.[129] Price trends for the domestic market indicate that prices for domestic table grapes generally increased during the period of investigation.[130]

Based on the very limited competition between the subject imports from Mexico and the domestic like product, we find that subject imports have not depressed domestic prices to a significant degree or prevented price increases which otherwise would have occurred to a significant degree.

### 3. Impact of the Subject Imports

The Commission must evaluate the industry as whole; that is, *all* domestic producers of table grapes.[131] Several indicators of the condition of the domestic industry improved during the period of investigation.[132] The domestic industry's production and shipments generally rose, [133] and the domestic industry's capacity, as expressed in acreage, grew over the period of investigation.[134] The domestic producers' market share increased slightly from 1998 to 2000.[135] The average price per box rose from 1999 to 2000 to its highest level since 1996.[136]

Subject imports from Mexico have not had a significant impact on U.S. producers because there are no significant U.S. shipments of subject imports from Mexico that compete with the great majority of domestic production. The later season table grapes do not begin shipping until the end of June, at the earliest.[137] Therefore, the vast majority of the U.S. industry – growers outside the Coachella Valley – does not compete with the subject imports, a fact the petitioners concede.[138] Indeed, several domestic

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[129] See CR & PR at Tables V-5 and V-6.

[130] See California Table Grapes Commission Situation Reports from 1998, 1999, and 2000 (indicating average box prices increased in 1999 and 2000).

[131] 19 U.S.C. § 1677(4)(a).

[132] The record contains information from the USDA, the California Table Grape Association, and Chuck Allen's Market Review. While the record contains some data specific to the "Spring" table grape producers, we are required to examine the data covering the *entire* industry and growing season.

[133] U.S. producers' shipments were 1.09 billion pounds in 1998, 1.30 billion pounds in 1999, and 1.29 billion pounds in 2000. CR & PR at Table IV-7. Production also increased. See California Table Grapes Commission Situation Reports from 1998, 1999, and 2000 (contained in Chilean Respondents' Postconference Brief, Exhs. 26, 34 and 35) ( indicating tonnage increased in 1999 and 2000).

[134] Mexican Respondents' Postconference Brief, App. 8.

[135] The domestic industry's market share was 55.0 percent in 1998, 60.6 percent in 1999, and 55.4 percent in 2000. CR & PR at Table IV-9.

[136] See California Table Grapes Situation Report 2000 (contained in Chilean Respondents' Postconference Brief, Exh. 26).

[137] Mexican Respondents' Postconference Brief, App.5.

[138] Petitioners have acknowledged that there is no competition between the other California growers and the subject imports from Mexico. See Petitioners' Postconference Brief, Exh 1 at 37-38 (indicating that Mexican producers bring their grapes to market as quickly as possible to avoid competing with domestic table grapes from the San Joaquin Valley). See also Tr. at 106 (Mexican producers avoid competing with domestic table grapes from San Joaquin Valley).

producers oppose the petition, suggesting that not only have they not been injured by reason of the subject imports, but rather that the subject imports are beneficial to the U.S. industry.[139]

Accordingly, we find that subject imports from Mexico have not had a significant negative impact on the U.S. industry producing table grapes. We also find that the record as a whole indicates that there is no reasonable indication of material injury by reason of subject imports from Mexico and no likelihood exists that contrary evidence will arise in a final investigation.

## G. Mexico - Threat of Material Injury

In determining whether there is a reasonable indication of the threat of material injury, we have considered the 2001 growing season.

The volume of subject imports from Mexico increased from 1999 to 2000,[140] although the market share of the subject imports from Mexico fell.[141] Capacity and production are not expected to grow significantly in Mexico.[142] These factors indicate no likelihood of substantially increased injurious imports of the subject merchandise from Mexico in the imminent future.[143]

As we have described in our material injury determination, there is a very limited overlap in competition between the subject imports and domestic table grapes because they are not present in the market at the same time as the great majority of domestic product. The limited competition that does occur is limited to May and June, a small portion of the season when only a small portion of domestic production of table grapes is present.[144] The record does not indicate any change in this pattern in 2001.[145] Prices for domestic table grapes were higher overall during 2000 despite the increase in shipments of subject imports.[146] We thus do not find it likely that subject imports will have significant price depressing or suppressing effects given the very limited competition between subject imports from Mexico and the domestic product.

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[139] See Mexican Respondents' Postconference Brief, Exh. 17 (collecting letters from Gerawan Farming, Ranch 124 Farming, Giumarra Companies, Magnum Farming, Jamat Partnership, J. Milicic and Son, Grapery, Pandol & Sons, Stevco, Nash De Camp, Bari Produce, Pacific Trellis Fruit, Borg Produce, Andrew Williamson Sales, Anton Caratan & Son, Caymus Vineyards, and Agricare). Some domestic producers, as well as respondents, have stated that the subject imports are necessary to maintain shelf space for table grapes in supermarkets when domestic production is low. See, e.g., Tr. at 103, 154, 167, and 188.

[140] See CR & PR at Tables IV-7 and IV-9

[141] See CR & PR at Table IV-9.

[142] See CR & PR at Table VII-5 (capacity up slightly and production down in 2001).

[143] Unused capacity and inventories are not relevant in this investigation because producers generally operate at peak capacity and inventories cannot be maintained for significant periods due to the perishability of table grapes. Tr. at 34. There is no incentive for importers to store grapes because domestic table grapes grown later in the year will enter the market in large quantities. Tr. at 106. Capacity utilization has no real meaning in this industry as growers operate close to capacity and consider production to be capacity. See CR & PR at Table III-4.

[144] See INV-Y-117, June 8, 2001, at 1-4.

[145] Moreover, given the temporal limitation on the scope of the subject imports, competition between subject imports and the great majority of subject imports effectively *cannot* increase in the imminent future.

[146] See Chilean Respondents' Postconference Brief, Exh. 26.

The positive trends for the industry as a whole during the period of investigation, including increased production, shipments, capacity, and domestic prices, provide no reasonable indication that material injury to the industry as a whole is imminent. Reports also indicate a strong growing season in the Coachella Valley coupled with increased production.[147]

Therefore, we find that the record as a whole contains clear and convincing evidence that there is no reasonable indication of material injury by reason of subject imports from Mexico and no likelihood exists that contrary evidence will arise in a final investigation. For the foregoing reasons, we do not find a reasonable indication of a threat of material injury by reason of the subject imports from Mexico.

## CONCLUSION

For the foregoing reasons, we determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of table grapes from Chile or Mexico that are allegedly sold in the United States at LTFV.

[147] See Sun World expects 10 percent Jump in Coachella Grape Volume, Produce News, May 14, 2001 (attached as an exhibit to Chilean Respondents' Letter to the Commission of May 21, 2001). See also Weather May Tighten Memorial Day Supplies, The Packer, May 14, 2001 (indicating later and larger harvest in Coachella Valley). 22

## DISSENTING VIEWS OF COMMISSIONER DENNIS M. DEVANEY

## Investigations Nos. 731-TA-926 and 927 (Preliminary)

## SPRING TABLE GRAPES FROM CHILE AND MEXICO

Based on the record in these investigations, I find that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of spring table grapes from Chile and Mexico.

I respectfully dissent from the majority's definition of the domestic like product, their definition of the domestic industry, and their determination that the domestic industry is neither materially injured nor threatened with material injury by reason of subject imports. Below, I set forth the reasoning for my conclusion that the domestic industry is threatened with material injury by reason of subject imports.

## I. DOMESTIC LIKE PRODUCT AND INDUSTRY

### A. Domestic Like Product

In analyzing the domestic like product, my determination is based on the factual circumstances of the case, applying the standard set forth in relevant precedent.[1] I have considered not only the six-factor test, but have also looked at other relevant factors based on the facts of the investigation and the transparent dividing lines between possible like products.[2] [3]

In this investigation, I find the domestic like product to be table grapes produced during April, May or June (spring table grapes). The Commission's six-factor test, along with factors unique to the spring table grape industry, supports defining the like product to be spring table grapes rather than all table grapes.

The critical distinguishing characteristic of spring table grapes is their perishability evidenced by the rapid cooling necessary to preserve the grapes.[4] [5] There is no interchangeability or competition between table grapes grown in the spring in the Coachella Valley and those grown in the summer in the Central Valley since the table grapes from Coachella and the Central Valley do not exist in the market at

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[1] See, e.g., NEC Corp. v. Department of Commerce, 36 F. Supp.2d 380, 383 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes and production employees; and, where appropriate, (6) price. See Nippon, 19 CIT at 455 n.4; Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

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

[3] Nippon Steel, 19 CIT at 455; Torrington, 747 F. Supp. at 748-49. See also S. Rep. No. 96-249 at 90-91 (1979) (Congress has indicated that the definition of 'like product' should not be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[4] Petitioners' Postconference Brief, Exh. 1 at 47.

[5] Petitioners' Postconference Brief, Exh. 1 at 48.

the same time.[6] [7] Generally, the marketing and production processes of spring table grapes are different from those of summer table grapes.[8] Purchasers view spring table grapes as being distinct from those marketed in the summer.[9] The record indicates that production processes differ for spring and summer table grapes since table grapes grown in the Coachella Valley are treated with a chemical that induces dormancy in the vines, and are also sprinkled with water to create a cooler microclimate for the vines .[10]

In addition, the seasonal nature of the production of table grapes, temporal limitations on the product, and the perishability of table grapes are important factors that support this definition of the domestic like product.[11] There are very few shipments of table grapes from the Coachella Valley growers, the Mexicans, or Chileans in July, when growers in the Central Valley are beginning to ship summer table grapes.[12] Therefore, I believe the appropriate domestic like product is spring table grapes produced between April 1 and June 30, inclusive.

### Whether Seeded Grapes or Seedless Grapes Constitute a Separate Like Product

I believe that the domestic like product of spring table grapes should include two separate like products consisting of seeded spring table grapes and seedless spring table grapes. There is a continuum of physical characteristics among both seeded and seedless grapes, however, the clear dividing line between the two products is the presence or absence of seeds.

The record indicates that, generally, the only difference in physical characteristics between spring and summer table grapes is in terms of seeds. Seeded and seedless table grapes are not interchangeable because only seedless table grapes can be used in salads and other prepared foods.[13] Customers perceive seeded table grapes to be different from seedless table grapes and labeling of grapes as seeded or seedless in the markets indicate this difference. Evidence suggests general consumers of grapes prefer seedless table grapes and certain ethnic groups prefer seeded grapes.[14] Although seeded grapes and seedless grapes are produced by the same production processes and move through the same channels of distribution, customer perceptions and the higher selling price for seedless grapes indicate that they are two separate products.[15] [16] Accordingly, I find two like products consisting of all seeded spring table grapes and all seedless spring table grapes.

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[6] Petitioners' Postconference Brief, Exh. 1 at 52.

[7] Petitioners' Postconference Brief, Exh. 1 at 52.

[8] Petitioners' Postconference Brief, Exh. 1 at 53.

[9] Petitioners' Postconference Brief, Exh. 1 at 55-57.

[10] Petitioners' Postconference Brief, Exh. 1 at 58-59.

[11] Petitioners' Postconference Brief, Exh. 1 at 30.

[12] Petitioners' Postconference Brief, Exh. 1 at 36.

[13] Chilean Respondents' Postconference Brief, Attachment 1at 2.

[14] Tr. 147, 161.

[15] Chilean Respondents' Postconference Brief, Attachment 1at 3.

[16] Chilean Respondents' Postconference Brief, Attachment 1at 4.

### B. Domestic Industry and Related Parties

In defining the domestic industry, the Commission's general practice has been to include in the industry all of the domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[17] Based on my definition of the domestic like product, I define the domestic industry as all producers of spring table grapes. I further would find that appropriate circumstances do not exist to exclude any producer from the domestic industry as a related party.

## II. NEGLIGIBLE IMPORTS

I find that the record indicates that import quantities for each of the subject countries exceeded the 3 percent statutory negligibility threshold during the pertinent period. Subject imports constituted the overwhelming majority of imports during April, May, and June of 2000.

## III. REASONABLE INDICATION OF THREAT OF MATERIAL INJURY

Based on the evidence in the record, I find that there is a reasonable indication that the domestic industry is threatened with material injury by reason of subject imports.

### 1. Foreign Production Capacity

Data indicates that Mexican capacity has grown over the period of investigation and that Mexican producers have the ability to increase capacity. [18] Chilean capacity has grown from 29 million pounds in 1997 to 56 million pounds in 2000 and there is no evidence that they will not further increase capacity.[19]

### 2. Volume and Market Penetration of Subject Imports

Since Mexican capacity has increased and has the potential to continue to increase, it is likely that a large majority of the increased production in Mexico will be shipped to the United States.[20] Mexican producers' questionnaire responses alluded to a potential reduction in home market shipments in 2001.[21] This is demonstrated by the fact that the United States received 76 percent of the increased Mexican shipments between 1997 and 2000.[22]

Another significant indication of a threat of material injury to the domestic industry comes from the Chileans attempt to expand their growing season by planting new late-season grapes, which compete directly with the domestic spring table grapes and cut into domestic producers' market share. This new

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[17] See United States Steel Group v. United States, 873 F. Supp. 673, 681-84 (CIT 1994), aff'd, 96 F.3d 1352 (Fed. Cir.1996).

[18] CR & PR at Table VII-5. Petitioners assert that the Mexican producers will increase capacity from 227 million pounds in 2000 to 241 million pounds in 2001 and to 252 million pounds in 2002, CR & PR at Table VII-5.

[19] CR & PR at Table VII-1.

[20] Petitioners' Postconference Brief at 36.

[21] Petitioners' Postconference Brief at 37.

[22] Petitioners' Postconference Brief at 36, CR & PR at Table VII-5.

practice contradicts the Chilean respondents' argument that the late harvest in 2000 was an aberration.[23] Therefore it seems logical to expect that the growth in imports experienced over 1997-2000 will continue.[24] Additionally, higher tariffs in the EU provide an incentive for the Mexican and Chilean producers to export to the United States, which imposes no tariffs.[25]

### 3. Inventories of Subject Imports

Although the Chilean respondents' claim that the build-up of inventories in 2000 was an anomaly, as stated above, there is a potential threat that the Chilean producers can and will continue the practice of harvesting their crops later in the season and therefore building up inventories to ship to the U.S. in the future. Data indicates that Chilean grapes can be stored up to 90 days in Chile prior to shipment.[26]

### 4. Dumping Findings in Other Markets

There are no known dumping findings involving the subject merchandise in any other markets.[27]

## IV. CONCLUSION

For the foregoing reasons, I determine that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of spring table grapes from Chile and Mexico.

[23] Petitioners' Postconference Brief at 39.

[24] Petitioners' Postconference Brief at 41.

[25] Petitioners' Postconference Brief at 37-38.

[26] Petitioners' Postconference Brief at 22.

[27] CR at VII-1 n.2, PR at VII-1 n.2.

# PART I: INTRODUCTION

## BACKGROUND

These investigations result from a petition filed on March 30, 2001, by the Desert Grape Growers League, Thermal, CA, and its producer-members, alleging that an industry in the United States is materially injured and threatened with material injury by reason of imports of spring table grapes from Chile and Mexico that are alleged to be sold in the United States at less than fair value (LTFV).[1]

The Commission instituted these investigations on March 30, 2001. On April 19, 2001, the U.S. Department of Commerce (Commerce) notified the Commission, pursuant to section 732(c)(1)(B) of the Tariff Act of 1930 (the Act), that it was extending the date of its initiation by 20 days from April 19, 2001, to May 9, 2001, in order to determine the definition of the domestic industry, and whether the petitioners had legal standing to file a petition on behalf of the industry.[2] Information relating to the background of these investigations is presented in table I-1.

## ORGANIZATION OF THE REPORT

Information on the subject merchandise, alleged antidumping margins, and the domestic like product are presented in Part I. Information on conditions of competition and other economic factors are presented in Part II. Information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment, are presented in Part III. Information on the volume of imports of the subject merchandise is presented in Part IV. Part V presents data on prices in the U.S. market. Part VI presents information on the financial experience of U.S. producers. Information on the subject country foreign producers and U.S. importers' inventories is presented in Part VII.

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[1] The imported products subject to these investigations are defined by Commerce as any variety of *vitus vinifera* species table grapes from Chile or Mexico, entered during the period April 1 through June 30, inclusive, regardless of grade, size, maturity, horticulture method *(i.e.*, organic or not), or the size of the container in which packed.

The scope specifically covers all varieties of seedless or seeded grapes including, but not limited to, Thompson, Red Flame, Red Globe, Perlettes, Superior seedless, Sugraone, Ribier, Black seedless, Red seedless, Blanca Italia, Moscatel Rosada, Crimson seedless, Lavallee, Emperor, Queen Rose, Calmeria, Christmas Rose, Down seedless, Beauty seedless, Almeria, Supreme seedless, Superior Seedless M., Late Royal, Muscat seedless, Royal seedless, Early Ribier, Cardinal, Moscatel Dorada, Black Giant, Kaiji, Lady Rose, Black Diamond, Piruviano, Early Thompson, King Ruby seedless, White seedless, Queen seedless, Autumn seedless, Royal, Pink seedless, Green Globe, Autumn Black, Black Beauty, and Royal Giant. The scope specifically covers all table grapes entered within the April 1 through June 30 window of each year, whether or not subject to the Federal Marketing Order set forth at 7 CFR, part 925.

The scope excludes by-product grapes and other grapes for use as other than table grapes, including those grapes used for raisins, crushing, juice, wine, canning, processed foods, and other by-product and not direct consumption purposes.

The spring table grapes subject to these investigations are classified under subheading 0806.10.40 of the Harmonized Tariff Schedule of the United States (HTS). Although the HTS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive. *See*, 66 FR 26831, May 15, 2001.

[2] *See*, Commerce's notice of initiation, 66 FR 26831, May 15, 2001. *See also*, Commerce memoranda: *Industry Support Calculations in the Antidumping Duty Petitions on Spring Table Grapes from Chile and Mexico*, May 9, 2001; and *Domestic Like Product and Industry Support*, May 9, 2001. I-1

**Table I-1**
**Spring table grapes: Chronology of investigations Nos. 731-TA-926 and 927 (Preliminary)**

| Date | Action |
|---|---|
| March 30, 2001 | Antidumping duty petitions filed with Commerce and the Commission; Commission institutes investigations Nos. 731-TA-926 and 927 (Preliminary) |
| April 5, 2001 | Commission's notice of institution is published in the *Federal Register*[1] |
| April 20, 2001 | Commission's public conference[2] |
| May 15, 2001 | Commerce's notice of initiation is published in the *Federal Register*[3] |
| June 11, 2001 | Commission's public briefing and vote |
| June 11, 2001 | Commission's transmittal of determinations to Commerce |
| June 18, 2001 | Commission's transmittal of views to Commerce |

[1] 66 FR 18109, April 5, 2001. A copy of this notice is presented in appendix A.
[2] A list of witnesses appearing at the conference is presented in appendix B.
[3] 66 FR 26831, May 15, 2001. A copy of this notice is presented in app. A. Pursuant to section 732(c)(1)(B) of the Tariff Act of 1930, as amended, Commerce extended the date of its initiation from April 19, 2001 to May 9, 2001.

Source: Various notices of the Commission and Commerce.

## SUMMARY OF DATA PRESENTED IN THE REPORT

A summary of data collected in the investigations is presented in appendix C, table C-1. U.S. industry data on spring table grapes are based on the questionnaire responses of 18 firms, accounting for almost all U.S. production during the time period of April 1-June 30, and official statistics of the U.S. Department of Agriculture (USDA). U.S. import data are based on official statistics of Commerce, except as noted. Data on the foreign producers and exporters in Chile and Mexico are based on the responses of such firms to the Commission's foreign producers' questionnaires, and on data provided by the table grape associations in Chile and Mexico.

## THE NATURE AND EXTENT OF ALLEGED SALES AT LTFV

Table I-2 presents information from Commerce on the estimated dumping margins for the subject countries. The period of review for Commerce's dumping investigations is calendar year 2000, and specifically the April 1-June 30, 2000, growing season.

**Table I-2**
**Spring table grapes: Estimated dumping margins at initiation, by sources**

| Country | Type of comparison | Range of estimated dumping margins | |
|---|---|---|---|
| | | Low | High |
| | | *Percent ad valorem* | |
| Chile | Constructed export price to normal value | 23.00 | 99.39 |
| Mexico | Constructed export price to constructed value | 0.00 | 114.77 |

Source: Commerce's notice of initiation published in the *Federal Register* (66 FR 26831, May 15, 2001).

## THE SUBJECT PRODUCT

The imported product subject to these investigations is any variety of *vitis vinifera* species table grapes from Chile or Mexico entered during the period April 1 through June 30, inclusive (hereafter referred to as spring table grapes). Included are seedless and seeded grapes, regardless of color. Excluded are by-product grapes and other grapes for use as other than table grapes, including those grapes used for raisins, crushing, juice, wine, canning, processed foods, and other by-product and not direct consumption purposes. The domestically produced spring table grapes are essentially the same as the imported product. There is a Federal Marketing Order (7 CFR 925) in effect for table grapes grown in a designated area of southeastern California and harvested during the period April 20 through August 15 each year.[3] The marketing order provisions also apply to all imports of table grapes entered into the United States during the period April 20 through August 15. Fresh table grapes grown in Arizona are not subject to the provisions of the marketing order.

### U.S. Tariff Treatment

Table I-3 presents current tariff rates for table grapes.

**Table I-3**
**Fresh grapes: Tariff rates, 2001**

| HTS subheading[1] | Article[2] | General (Normal trade relations)[3] | Special[4] | Column 2[5] |
|---|---|---|---|---|
| | | Rates *(percent ad valorem, except as noted)* | | |
| Subject: Fresh or dried (table) grapes: | | | | |
| 0806.10.40 | If entered during the period from April 1 to June 30, inclusive, in any year | Free | ([6]) | $8.83/m$^3$ |
| Nonsubject: Other fresh or dried (table) grapes: | | | | |
| 0806.10.20 | If entered during the period from February 15 to March 31, inclusive, in any year | $1.13/m$^3$ | Free | $8.83/m$^3$ |
| 0806.10.60 | If entered at any other time | $1.80/m$^3$ | Free | $8.83/m$^3$ |

[1] The HTS subheadings are provided for convenience and customs purposes. The written descriptions in the scope remain dispositive.
[2] An abridged description is provided for convenience; however, an unabridged description may be obtained from the respective headings, subheadings, and legal notes of the HTS.
[3] Formerly known as the most-favored-nation duty rate. The free duty rate for spring table grapes has been in effect since January 1, 1972 (former Tariff Schedules of the United States item 147.63), following Kennedy Round staged reductions. The other duty rates, which became effective January 1, 2000, are not subject to further staged reductions pursuant to concessions granted by the United States under the Uruguay Round of Multilateral Trade Negotiations (Presidential Proclamation 6763).
[4] Applies to eligible goods under the Generalized System of Preferences (only from least-developed beneficiary countries, not part of these investigations), African Growth and Opportunity Act, Caribbean Basin Economic Recovery Act, Israel FTA, and Andean Trade Preference Act, and goods of Canada and Mexico.
[5] Applies to imports from a small number of countries that do not enjoy normal or preferential trade relations duty status.
[6] Not applicable.

Source: Harmonized Tariff Schedule of the United States (2001).

[3] The Federal Marketing Order applies to table grapes grown in Imperial County and parts of Riverside County and San Diego County east of a line drawn due north and south through the Post Office in White Water, CA. I-3

## Physical Characteristics and Uses

Spring table grapes may vary in color from green to greenish-white and from red to almost black, and may vary in shape from round to oblong. They may be either seedless or seeded.[4] Imported and domestically produced spring table grapes have essentially the same physical characteristics and uses, although the mix of varieties (and the proportion of seedless vs. seeded grapes) varies to some degree among U.S., Chilean, and Mexican grapes.

## Production Process

Although the farming process is generally the same for all varieties of spring table grapes, the varieties mature at varying speeds, leading to differences in harvest times. The flowers and buds are typically thinned periodically to allow the vines to develop the optimum number of bunches of the desired size and quality. The grapes are hand-picked by workers who cut the bunches from the vines, grade them, and place them in 2-pound bags. The bags are field-packed, typically 9 bags to a box, to create 18-pound boxes or "lugs." The lugs are palletized and taken by truck to a packing shed where they are inspected and graded by USDA inspectors. The boxes are then re-palletized and the grapes are taken to cooling rooms where they are rapidly cooled to 32°-34°F. Once cooled, the grapes must be refrigerated until sold. The shelf life of spring table grapes is, under normal conditions, generally no longer than 6 weeks, but growers and packers normally ship table grapes as soon as possible after cooling.[5]

## DOMESTIC LIKE PRODUCT ISSUES

The petitioners in these investigations believe the domestic like product to be table grapes harvested during the period April 1 through June 30, inclusive.[6] The respondents assert that the domestic like product should be all table grapes, regardless of when harvested.[7] The Department of Commerce, in determining whether the petition had the requisite level of industry support, found a single domestic like product consisting of spring table grapes sold for fresh consumption, and found that the spring table grapes industry consists of those producers who harvest grapes predominantly during the period April through June (*i.e.*, those producers in the Coachella Valley of California and western Arizona).[8]

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[4] See tables III-2 and III-3 for a description of major California varieties of seedless and seeded table grapes, respectively.

[5] Petition, pp. 36-37.

[6] Petitioners' arguments in detail on domestic like product issues can be found in their postconference brief, Exhibit 1, pp. 27-81.

[7] Respondent Asociacion Agricola Local de Productores de Uva de Mesa, A.C. arguments in detail on domestic like product issues can be found in their postconference brief, pp. 7-37. Respondent Asociacion de Exportadores de Chile arguments in detail on domestic like product issues can be found in their postconference brief, pp. 24-30.

[8] *See*, Commerce's notice of initiation, 66 FR 26831, May 15, 2001. I-4

## Physical Characteristics and Uses

The petitioners contend that domestically produced table grapes harvested during April-June are physically distinct from table grapes harvested during other periods in that they are a seasonal product only produced in an 8-week window between April and July 4th, they are marketed as soon as possible after harvest, they are highly perishable with a very short shelf life (as a result of hot growing conditions), and they do not compete with domestically produced table grapes harvested at other times of the year.[9] All of the domestically produced grapes harvested during April-June are used as table grapes. They are not suitable for making wine or for making raisins. The same varieties of domestically produced grapes that are harvested during April-June are harvested at other times of the year in growing areas other than those that produce grapes that are harvested during April-June; the grapes that are harvested at times other than April-June can be and are used to produce wine, raisins, or other processed products as well as for table use. Petitioners contend that spring table grapes from all sources are fungible and that "all grapes compete with all grapes."[10]

Respondents assert that the domestically produced table grapes that are harvested during April-June are identical to domestically produced table grapes that are harvested during periods other than April-June. They state that grapes harvested in California's Coachella Valley and Arizona are exactly the same varieties as are grown elsewhere in California.[11] Further, they state that during the first 2 weeks of July, there are typically grapes from Mexico, Coachella, the San Joaquin Valley, and Arizona in the market almost every year.[12] They state that the table grapes harvested during April-June are marketed as soon as possible after harvest and only for table use because of the higher prices that are received for table grapes during that period and not because of physical inability to store the grapes or use them for processing uses.

In its domestic like product analysis, Commerce alluded to the fact that only those grapes produced in the counties of Southern California during the spring season are subject to a federal marketing order, which establishes such requirements as the grade, bunch size, and berry size. Commerce also found that "differences exist with respect to the required sugar content of grapes grown in the Coachella Valley as opposed to other parts of California." Commerce further stated the following:

> "The analysis of the product here concerns the intersection of physical and temporal characteristics. As an agricultural product, grapes can only be produced in certain climates and at certain times of the year. As a perishable product, grapes must be consumed before they spoil. In fact, the longer a grape exists, the more it deteriorates. Therefore, time is a particularly important characteristic when determining the product which is most like the subject grape. In this case, at least two distinct time periods have been identified for table grape production in the United States. The[y] are the Spring and Summer. Due to perishability, the grapes grown in these two time periods are distinct from one another [. . . ]."[13]

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[9] Transcript of conference, pp. 32-37.

[10] Postconference brief, pp. 6 and 7.

[11] Transcript of conference, p. 98.

[12] Transcript of conference, p. 99.

[13] *See*, Commerce memorandum: *Domestic Like Product and Industry Support*, May 9, 2001. I-5

## Production Facilities and Production Employees

Petitioners assert that spring table grapes (*i.e.*, those that are harvested during April-June) can only be produced in certain geographical areas–principally the Coachella Valley and in western Arizona, where the warm, dry climate allows grapes to mature quickly enough to fully mature when harvested.[14] They also state that in order to produce fruit that is harvested during April-June, the producers must chemically treat the vines to induce a winter dormancy. Respondents indicate that there is no difference in production facilities for producing grapes in any location and that some producers grow grapes in the Coachella Valley and in other areas and that identical equipment is used in both areas. Most of the production workers are employed directly by the growers and are not migrant workers. However, some of the production workers do travel north to participate in the harvest of table grapes in other areas after working in the Coachella Valley harvest, bringing with them the same equipment used in the spring table grape harvest.[15]

Commerce, in its analysis, found differences between the Coachella Valley and Western Arizona producers vs. the San Joaquin Valley producers in terms of the locations of facilities, climate, and production processes (*i.e.*, the Coachella and Western Arizona producers use a product called Dormex to speed the harvest of their grapes in the spring (thereby minimizing any overlap in competition with San Joaquin producers) and to achieve a state of dormancy of the buds in the fall).[16]

## Interchangeability and Customer and Producer Perceptions

Petitioners state that there is no interchangeability between spring table grapes and other table grapes because they are not in the market at the same time (except for a very short overlap) due to the seasonal nature of the production and the highly perishable nature of table grapes.[17] The spring table grapes are sold as soon as possible after harvest and are essentially consumed prior to the availability of other grapes. Producers of spring table grapes do not store spring table grapes for later sale in competition with summer table grapes because it is not economically feasible to do so; prices for table grapes typically go down as larger supplies of summer table grapes become available. Respondents argue that domestically produced spring and summer table grapes are interchangeable from the standpoint that they are of the same varieties and same qualities. In its analysis, Commerce found that "the grapes produced in the different U.S. seasons have limited interchangeability because they largely do not and cannot exist in the market at the same time."[18]

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[14] Petition, p. 25.

[15] Transcript of conference, pp. 78-80.

[16] *See*, Commerce memorandum: *Domestic Like Product and Industry Support*, May 9, 2001.

[17] Petitioners' postconference brief, pp. 37 and 38.

[18] *See*, Commerce memorandum: *Domestic Like Product and Industry Support*, May 9, 2001. I-6

## Channels of Distribution and Price

Channels of distribution for domestically produced spring and summer table grapes are basically the same; however, as Commerce pointed out in its analysis, spring and summer table grapes are generally not present within these channels at the same time. Commerce found that producers of spring table grapes place an emphasis on shipping the merchandise quickly instead of keeping the grapes in cold storage.[19]

All table grapes are sold directly to either retailers (*e.g.*, grocery stores) or distributors (*e.g.*, terminal markets). Those grapes sold to distributors are then typically sold to retailers. The majority of spring table grapes are sold through supermarket chains, with the supermarkets generally purchasing large quantities from U.S. growers and importers and then handling their own distribution to their stores.[20] [21] Table grapes are sold through grocery stores on a non-branded basis,[22] with retailers stocking green grapes and red grapes, and some retailers also stocking other varieties such as black grapes.[23]

Prices of both spring and summer table grapes are determined by various supply and demand factors. Prices may vary considerably from one season to the next but also on a daily basis within seasons. A further discussion of prices of spring table grapes is presented in Part V, *Pricing and Related Information*.

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[19] *Ibid.*

[20] Transcript of conference, p. 18.

[21] According to questionnaire data, sales to retailers accounted for 75.0 percent of U.S. producers' U.S. shipments in 1997, 76.1 percent in 1998, 74.1 percent in 1999, and 75.8 percent in 2000. Sales to retailers accounted for 57.8 percent of U.S. importers' U.S. shipments in 1997, 61.7 percent in 1998, 58.2 percent in 1999, and 57.7 percent in 2000. Sales to distributors accounted for the remainder of U.S. shipments.

[22] Transcript of conference, p. 12.

[23] Transcript of conference, p. 18.

# PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

## MARKET SEGMENTS AND CHANNELS OF DISTRIBUTION

Spring table grapes are sold by U.S. growers to wholesalers that purchase for specific retailers or groups of retailers or to retailers themselves. Some producers use brokers to sell their crop for them; in addition, spring table grapes are sold in terminal markets and to institutional/food service users. Price is typically determined at the time of the delivery by negotiations, based on the market price data available and the characteristics of the grapes. During the peak of the season, a large share of grapes are sold under contracts with supermarkets; under these contracts, the stores typically have an advertised special on grapes and the grapes are sold to them with a guaranteed price cap.

Spring table grapes from Chile and Mexico are usually sold through importer/consigners. Typically, the importers do not take ownership of the grapes but provide a selling service and may provide storage. The U.S. importers from Mexico may also provide cooling and palletization services, whereas this is typically done in Chile for Chilean grapes. Importers of the Mexican product sell a similar range of varieties of table grapes as the U.S. growers since these are grown in the same season and under similar conditions. Chilean grapes sold in the spring in the U.S. market are picked in the summer/fall in the southern hemisphere; thus, Chilean grapes face somewhat different growing conditions than spring grapes grown in the United States or in Mexico. The growing conditions for Chilean grapes are more similar to those of U.S. summer/fall grapes. The Chilean growers therefore may sell some varieties of grapes not usually sold by the U.S. spring table grape growers.

Spring table grapes are typically sold in lugs of 18 pounds, with each lug containing 9 bags with 2 pounds of grapes in each bag. In addition, grapes may be sold in 4.5, 7, 8, and 10 kilogram or 11, 16, 19, 20, 21, 22, and 23 pound boxes with or without bags.

Imports from the subject countries comprised 71.9 percent of the volume of U.S. table grape consumption in the spring of 2000, domestic producers' shipments comprised 26.5 percent, and imports from nonsubject countries comprised 1.6 percent.

## SUPPLY AND DEMAND CONSIDERATIONS

### U.S. Supply

#### Domestic Production

Based on the available information, staff believes that in the short run, U.S. spring table grape growers are likely to respond to changes in demand with relatively small changes in shipments of U.S.-grown grapes to the U.S. market. Factors contributing to the low responsiveness of supply are discussed below.

#### *Capacity in the U.S. industry*

Spring table grapes are perishable and face a market in which the price tends to fall over the season, thus the growers try to sell them as soon as possible. Year-to-year changes in output reflect changes in growing conditions and changes in productive acreage. U.S. producers can increase

production in approximately two years, given suitable acreage is available for planting.[1] U.S. producers' capacity utilization rates ranged from a high of 97.6 percent in 1997 to a low of 90.1 percent in 2000 (table III-4).[2]

### *Production alternatives*

Grapes sold as spring table grapes could also be used for processing into raisins, grape juice, canned grapes, or wine.[3] The land, once the grape vines are removed, could be used to produce other crops such as vegetables.

### *Inventory levels*

For each year of the period of investigation, the U.S. producers reported no beginning inventories; they therefore are only able to respond to changes in demand with somewhat quicker shipments which would reduce end-of-period inventories. The U.S. producers report that it is not efficient to store spring table grapes. Their storage life is relatively short, up to 6 weeks, and the price of table grapes tends to fall over their season.[4] Importers, however, report that there is no reason that spring table grapes cannot be stored as long as other table grapes, but they are typically not stored for long because the market price tends to fall during the season.

### *Export markets*

Domestic growers' exports fell from 3.4 percent of production in 1997 to 3.2 percent in 2000. The low level of exports indicates that domestic producers could shift relatively little from other markets to the United States to replace subject imports.

## U.S. Demand

Consumption of spring table grapes increased by 31.5 percent over the period of investigation, from 340 million pounds to 447 million pounds. The main factors influencing overall demand for spring table grapes are the population, income levels, prices of other competing fruit, consumers' perceptions of grapes, and promotions by retailers. In addition, the petitioners report that having different varieties of grapes available in retail markets, particularly grapes of different colors, increases overall grape consumption. A few importers report that year-round availability increased demand for grapes by maintaining supermarket shelf space and the habit of purchasing grapes. Between 1990 and 1999 U.S. per capita grape consumption increased from 7.9 pounds per year to 8.2 pounds.[5]

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[1] It takes approximately 1.5 years from when a grape vine is planted until it is able to produce in the Coachella Valley and in the parts of Mexico growing spring table grapes; in the Central Valley of California and Chile it takes from 2.5 to 3 years for vines to produce. Michael Coursey, transcript of conference, p. 54.

[2] Capacity utilization may be overstated as a result of confusion regarding the proper method for reporting capacity; this is evidenced by the fact that a number of producers simply reported capacity equal to production.

[3] They may not be the best varieties of grapes, however, for these applications.

[4] The petitioners report that summer/fall grapes have a storage life of 12 weeks or more. Petition, p. 41.

[5] Linda Calvin et. al. U.S. Fresh Fruit and Vegetable Marketing: Emerging Trade Practice, Trends, and Issues. USDA Agricultural Economic Report No. 795, p. 6. II-2

### Substitute Products/Cost Share

There are no direct substitutes for spring table grapes except when their sale overlaps with the sale of domestic grapes picked after June 30 or imported grapes entered before April 1 or after June 30. Other types of fruit that are available between April and June can be substituted for grapes in the diet, as well as many other types of food. Seventeen of 26 responding importers reported substitutes for spring table grapes; these included other types of fruit reported by 15 importers, and summer/fall grapes reported by 6 importers, with 4 reporting both other fruit and summer/fall grapes. Sixteen of 18 responding producers reported no substitutes for spring table grapes; however, one of these reported that other fruit may compete with grapes, but they are not substitutes. Of the remaining two producers, one reported other food might be seen as a substitute for grapes and the other reported other fruit was a substitute. The California Table Grape Commission reported that demand for grapes was very elastic at the retail level, and promotions at prices below a dollar achieved the greatest sales increase. In 1997, per capita expenditures for food represented only 6.6 percent of total income; spring table grapes, although the third largest type of fruit consumed, would be a small share of this.

## SUBSTITUTABILITY ISSUES

The simplest distinctions among spring table grapes are between green, red, and black, and between seeded and seedless.[6] There are, however, a number of different varieties of grapes in each of these categories.[7] According to the California Table Grape Commission, each "variety possesses a distinct color, taste, texture, and history." Different varieties of grapes are grown on different vines and ripen at different speeds. Some purchasers contacted for lost sales indicated a preference for certain grape varieties, and some importers reported their purchasers preferred certain grape varieties. For example, one purchaser reported that when Thompson grapes become available, Perlette grapes must be priced below Thompson grapes. In addition, some importers reported that Sugraone/Superior grapes were preferred over other grape varieties. Timing also determines substitutability since grapes deteriorate when stored; thus, one importer reported that Chilean seedless grapes were on their last legs and uncompetitive with fresh U.S. grapes when these came on the market. The wide range of prices reported by the USDA, even for each variety of grape, indicates that a multitude of supply and demand factors influence the price of grapes, even of the same variety.

### Comparison of Domestic Products and Subject Imports

### Chile

All 17 of the responding U.S. growers reported that domestic and Chilean spring table grapes are always interchangeable (table II-1). One of the 26 responding importers reported Chilean and U.S. product were always interchangeable (table II-2). Reasons importers reported that Chilean and U.S. spring table grapes were not always interchangeable include: differences in freshness, quality, availability, size, variety, transport, and level of service; U.S. consumers prefer seedless grapes but Chilean tends to be seeded at the end of its season while the new U.S. crop would be seedless; some

[6] Relatively few black/purple grapes are grown in the United States or Mexico as spring grapes, but these may be available from Chile or nonsubject countries during the spring months.

[7] The California Table Grape Commission reports that there are more than 50 varieties of table grapes. Many of these varieties, however, may not be suitable for growing for the spring season, which requires relatively fast-ripening grapes.

major supermarkets in the Midwest and East prefer Chilean because of better size and flavor, or stay with Chilean until the U.S. grapes' sugar levels rise; there is no significant Red Globe production in the Coachella Valley; Chilean grapes are old crop when the U.S. crop is new; and retailers may promote based on country of origin.

**Table II-1**
**Spring table grapes: Number of U.S. producers reporting different levels of interchangeability of product between country pairs**

| Country pair | United States | | | | Chile | | | | Mexico | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | F | S | N | A | F | S | N | A | F | S | N |
| Chile | 17 | 0 | 0 | 0 | | | | | | | | |
| Mexico | 17 | ([1]) | ([1]) | 0 | 17 | 0 | 0 | 0 | | | | |
| Nonsubject countries | 16 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 16 | 0 | 0 | 0 |

[1] One *** reported that Mexican product could be either frequently interchangeable *** but only sometimes interchangeable for ***.

Note.–A = always interchangeable, F = frequently interchangeable, S = sometimes interchangeable, N = never interchangeable.

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

**Table II-2**
**Spring table grapes: Number of importers reporting different levels of interchangeability of product between country pairs**

| Country pair | United States | | | | Chile | | | | Mexico | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | F | S | N | A | F | S | N | A | F | S | N |
| Chile | 1 | 5 | 15 | 5 | | | | | | | | |
| Mexico | 4 | 8[1] | 12[1] | 0 | 1 | 3 | 11 | 3 | | | | |
| Nonsubject countries | 1 | 0 | 9 | 2 | 2 | 0 | 9 | 0 | 0 | 1 | 7 | 1 |

[1] In addition, one *** reported that Mexican product could be either frequently interchangeable *** but only sometimes interchangeable for ***.

Note.–A = always interchangeable, F = frequently interchangeable, S = sometimes interchangeable, N = never interchangeable.

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

Fifteen of the 17 responding U.S. growers reported that there were never significant differences between U.S. and Chilean grapes other than price (table II-3). Producers reporting differences did not report what these were. Only 1 of the 21 responding importers agreed with most U.S. producers that there were never significant differences other than price (table II-4).[8] In addition to the differences reported under interchangeability for Chilean and U.S. grapes, importers also reported other differences, including the following: customers prefer the Superior variety; Chile is mainly producing Red Globe, which do not compete much with early U.S. production; buyers look for Chilean product from April through the first week of May because after that the quality from Chile declines and good quality U.S. and Mexican grapes become available; no U.S. grapes are available in April and there is limited

[8] In spite of reporting no significant differences other than price between U.S. and Chilean product in the table, this firm reported that the U.S. crop was fresher (*i.e.*, Chilean seedless are usually finished by early to mid-May while U.S. seedless are usually not available until the third week of May), and that U.S. grapes are shipped from the west while most Chilean grapes are shipped from the east. II-4

availability of both Chilean and U.S. grapes in May; Chilean seedless are not available in June and there is limited availability of seeded in June; and Chilean grapes mainly enter in Philadelphia while U.S. grapes are in California, and there is a $2 per box difference in freight.

**Table II-3**
**Spring table grapes: Number of U.S. producers reporting significant differences other than price of product between country pairs**

| Country pair | United States | | | | Chile | | | | Mexico | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | F | S | N | A | F | S | N | A | F | S | N |
| Chile | 0 | 0 | 2 | 15 | | | | | | | | |
| Mexico | 0 | 1 | 1 | 16 | 0 | 0 | 2 | 14 | | | | |
| Nonsubject countries | 0 | 0 | 0 | 16 | 0 | 0 | 1 | 15 | 0 | 0 | 1 | 15 |

Note.–A = always significant differences, F = frequently significant differences, S = sometimes significant differences, N = never significant differences.

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

**Table II-4**
**Spring table grapes: Number of importers reporting significant differences other than price of product between country pairs**

| Country pair | United States | | | | Chile | | | | Mexico | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | F | S | N | A | F | S | N | A | F | S | N |
| Chile | 6 | 7 | 7 | 1 | | | | | | | | |
| Mexico | 4 | 11 | 5 | 1 | 5 | 4 | 5 | 0 | | | | |
| Nonsubject countries | 3 | 1 | 3 | 1 | 2 | 0 | 4 | 1 | 1 | 1 | 4 | 0 |

Note.–A = always significant differences, F = frequently significant differences, S = sometimes significant differences, N = never significant differences.

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

## Mexico

Seventeen of 18 responding U.S. growers reported that domestic and Mexican spring table grapes are always interchangeable (table II-1). Four of 24 importers reported that Mexican and U.S. product were always interchangeable (see table II-2). Reasons that importers reported Mexican and U.S. spring table grapes were not interchangeable include: grapes are sold in retail bags that report country of origin; retailers may advertise California grapes; customers prefer Sugraone/Superior variety; differences in quality, availability, transport, and services; many consumers prefer U.S. grapes and will shift from Mexican to U.S. grapes when they become available; and Mexican grapes become available earlier and become sweeter earlier.

Sixteen of 18 responding U.S. producers and 1 of the 21 responding importers reported that there were never significant differences other than price between U.S. and Mexican product (tables II-3 and II-4). Differences reported included factors reported above under interchangeability. In addition, importers also noted the following reasons: Mexican grapes are more available in the Sugraone variety; buyers will stay with the Mexican grapes if the quality is good; and Mexican White seedless are a variety preferred over the U.S. Thompson variety.

## Comparison of Subject Spring Table Grapes

All 17 responding U.S. producers and 1 of the 18 responding importers reported that Chilean and Mexican product were always interchangeable (tables II-1 and II-2). Reasons importers reported that Mexican and Chilean product were not always interchangeable include: differences in freshness, quality, variety, service, flexibility, availability, and transportation; no product overlap; no competition between seeded Red Globe and seedless; Chilean seedless are not in the market at the same time as Mexican seedless; and Chile and Mexico do not produce grapes at the same time.

## Comparison of Domestic Product and Subject Imports to Nonsubject Imports

All 16 responding U.S. producers and 1 of the 12 responding importers reported that U.S. and nonsubject spring table grapes were always interchangeable (tables II-1 and II-2). Reasons importers reported that U.S. and nonsubject table grapes were not always interchangeable include: differences in freshness, quality, variety, service, flexibility, availability, transportation, and services; and there was no product overlap.

All 16 responding domestic producers and 2 of the 11 responding importers reported that Chilean and nonsubject product were always interchangeable (tables II-1 and II-2). Reasons reported for incomplete interchangeability include: differences in freshness, quality, variety, service, flexibility, availability, and transport; availability of the Sugraone/Superior variety; and Chilean and nonsubject product only overlapped in black seeded grapes.

All 16 responding domestic producers but none of the 9 responding importers reported that Mexican and nonsubject product were always interchangeable (tables II-1 and II-2). Reasons they were not always interchangeable include: differences in freshness, availability, quality, variety, service, and flexibility; availability of the Sugraone/Superior variety; and no overlap of product.

# PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

Information on capacity, production, shipments, inventories, and employment is presented in this section of the report, and is based on the questionnaire responses of 18 U.S. producers of spring table grapes representing over 90 percent of U.S. production during the period 1997 through 2000. Seventeen responding producers are located in the Coachella Valley of California. One producer is located in western Arizona.[1]

## U.S. PRODUCERS

Table III-1 presents a list of U.S. producers responding to the Commission's questionnaires, including information on the location of production facilities, position taken with respect to the petition, U.S. production during the period April 1-June 30, 2000, acreage, and yield per acre.

Information on selected varieties of California seedless and seeded table grapes is presented in tables III-2 and III-3, respectively. The three major varieties of table grapes grown by California Desert Grape Growers in the Coachella Valley are Flame seedless (44.3 percent of U.S. shipments in 2000), Thompson seedless (20.7 percent), and Perlettes (20.5 percent). The remaining varieties include Sugraone seedless, Fantasy seedless, Crimson seedless, Beauty seedless, and exotics. Currently three producers, Drake Larson, Stevco, and Sun World International (Sun World), produce organic spring table grapes.[2]

[1] According to data of the California Desert Grape Administrative Committee (CDGAC), growers in Arizona accounted for 8.2 percent of U.S. spring table grape production in 1997, 7.4 percent in 1998, 9.7 percent in 1999, and 6.6 percent in 2000. *See*, CDGAC Annual Reports, 1997-2000.

[2] Drake Larson has 50 acres of organic Perlette, Thompson, Mariah, and black seedless varieties; Stevco has approximately 25 acres of organic Thompsons; and Sun World has 240 acres of proprietary Superior Seedless and Midnight Beauty varieties, and Flame table grapes in transition from conventional to organic production. *Experiments Inch Into Ranks of Big 3 Varieties*, The Packer, May 14, 2001. III-1

**Table III-1**
**Spring table grapes: U.S. producers, location of production facilities, position with respect to the petition, April 1-June 30 production, share of U.S. production, rank, acreage, and yield, 2000**

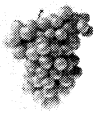
| Company[1] | Location of production facilities | Position with respect to the petition | April 1-June 30 production | Share of U.S. production | Rank | Acreage | Yield |
|---|---|---|---|---|---|---|---|
| | | | *1,000 pounds* | *Percent* | | | *1,000 pounds per acre* |
| Anderson Vineyards[2] | Coachella, CA | Petitioner | *** | *** | *** | *** | *** |
| Anthony Vineyards[3] | Coachella, CA | Petitioner | *** | *** | *** | *** | *** |
| Belmont Produce Sales | Reedley, CA | Petitioner | *** | *** | *** | *** | *** |
| Big Penny Vineyards[4] | Mecca, CA | Petitioner | *** | *** | *** | *** | *** |
| Chuchian Ranch[5] | Coachella, CA | Petitioner | *** | *** | *** | *** | *** |
| Dateland Vineyards[6] | Dateland, AZ | Petitioner | *** | *** | *** | *** | *** |
| Desert Fresh[7] | Coachella, CA | Petitioner | *** | *** | *** | *** | *** |
| Desert Vineyards | Indio, CA | Petitioner | *** | *** | *** | *** | *** |
| Drake Larson[8] | Thermal, CA | Petitioner | *** | *** | *** | *** | *** |
| Melkesian Vineyards[9] | Indio, CA | Petitioner | *** | *** | *** | *** | *** |
| Peter Rabbit Farms[10] | Coachella, CA | Petitioner | *** | *** | *** | *** | *** |
| Richard L. Blair | Palm Desert, CA | Petitioner | *** | *** | *** | *** | *** |
| Richard Bagdasarian[11] | Mecca, CA | Petitioner | *** | *** | *** | *** | *** |
| Rivera Vineyards[12] | La Quinta, CA | Petitioner | *** | *** | *** | *** | *** |
| Stevco[13] | Delano, CA | *** | *** | *** | *** | *** | *** |
| Sun World[14] | Bakersfield, CA | Petitioner | *** | *** | *** | *** | *** |
| Tudor Ranch[15] | Mecca, CA | Petitioner | *** | *** | *** | *** | *** |
| Walter Ranch | Thermal, CA | Petitioner | *** | *** | *** | *** | *** |
| Total/average | | | 125,339 | 100.0 | | 12,995 | 9.6 |

[1] Firms listed in alphabetical order.
[2] Anderson Vineyards is ***.
[3] Anthony Vineyards ***.
[4] Big Penny Vineyards ***.
[5] *** handles marketing for Chuchian Ranch.
[6] Dateland Vineyards ***.
[7] Desert Fresh has a ***.
[8] Drake Larson ***. ***.
[9] Melkesian Vineyards ***.
[10] Peter Rabbit Farms ***. Fazio Marketing, Fresno, CA, handles marketing for Peter Rabbit Farms.
[11] Richard Bagdasarian operates three farms in Mecca, CA: Mali Basta Ranches, Mr. Grape Vineyards, and Sultan Ranches. The firm ***. ***. ***.
[12] Rivera Vineyards ***. The firm ***. David Oppenheimer & Co., Visalia, CA, handles marketing for Rivera Vineyards.
[13] Stevco, Inc., Beverly Hills, CA, owns and operates Lucich Farms, Delano, CA.
[14] Sun World is ***. The firm ***. Sun World mainly grows its own proprietary Superior Seedless and Midnight Beauty grape varieties.
[15] Tudor Ranch ***. The firm ***. Unifrutti of America, Philadelphia, PA, handles marketing for Tudor Ranch.

Note.–Because of rounding, figures may not add to the totals shown.

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

**Table III-2**
**Table grapes: Selected seedless California table grapes, by varieties**

| Variety/color[1] | Description | Availability | Picture |
|---|---|---|---|
| Beauty seedless (blue-black) | This firm, bluish-black grape has a spicy taste and a tender flesh. Beauty seedless ripens very early and shows distinctive blue-green foliage. Originating in Davis, California. | May - September |  |
| Perlette (green-white) | The first grape of each season is the seedless Perlette. It is light-colored with an almost frosty green, translucent cast to its round berries. Thus the French name, which means "little pearl." Tart-sweet in flavor. | May - July |  |
| Flame seedless (red) | The result of a cross between Thompson, Cardinal, and other varieties, Flame seedless is crunchy in texture and sweet-tart in flavor. | May - December |  |
| Sugraone (green-white) | An elongated, bright green grape with a light, sweet flavor and a distinctive crunch. | June - August |  |
| Fantasy seedless (blue-black) | These blue-black sweet berries are oval, thin-skinned, and firm. Fantasy's conical clusters have medium-sized berries with pale green flesh and a mellow flavor. | June - October |  |
| Thompson seedless (green-white) | This grape is light green and oblong-shaped. Thompson seedless, noted for its large, long bunches, was first introduced to California in the 1870s by an English settler. Originally from Persia in south-central Iran. | June - December |  |
| Marroo seedless (blue-black) | Originating in Australia, the Marroo seedless is a cross between the Carolina Blackrose and the Ruby seedless. Bluish-black in color, the medium-large berries are firm and juicy with a mellow flavor. | July - December |  |
| Premium Red (red) | This red seedless variety has medium-sized berries with a sweet flavor. | August - November |  |
| Ruby seedless (red) | Grown commercially since 1968, the Ruby seedless is deep red in color and sweet in flavor. | August - February |  |
| Crimson seedless (red) | This blush-red variety has firm, crisp berries with a sweetly tart, almost spicy, flavor. | September - December |  |

[1] Varieties listed in order of harvest.

Source: California Table Grape Commission web site, http://www.tablegrape.com.

**Table III-3**
**Table grapes: Selected seeded California table grapes, by varieties**

| Variety/color[1] | Description | Availability | Picture |
|---|---|---|---|
| Exotic (blue-black) | This seeded blue-black grape is plump and grows in compact clusters. Originating in 1947 as a cross between the red Flame Tokay and the blue-black Ribier varieties. | June - October |  |
| Niabell (blue-black) | This Concord-type variety features thick-skinned, round berries ranging in color from purple to black with an earthy, rich flavor. | August - October |  |
| Christmas Rose (red) | This seeded variety has large, bright red berries with a sweet flavor. A cross between four older varieties. | August - January |  |
| Red Globe (red) | This sweet, red, seeded variety is known for its large, plum-sized berries. Developed from the Emperor variety in 1980, Red Globe is very popular in Asian markets and is increasingly available in the United States. | August - January |  |
| Ribier (blue-black) | This seeded blue-black variety is notable because of its large berries. The Ribier crossed the channel from Orleans, France, in 1860 to become an English hothouse-cultivated variety. | August - January |  |
| Rouge (red) | These seeded, dark red berries are large and oval with a firmly crisp, thick-skinned texture and a mildly sweet, earthy flavor. | September - December |  |
| Calmeria (green-white) | Nicknamed ladyfinger for its elongated, light green, and delicately sculptured berries, this seeded grape is mild and tangy in flavor. | September - January |  |
| Emperor (red) | This seeded variety is known for its large, deep red clusters and rich, mellow-flavored berries. First planted in 1863. | September - January |  |

[1] Varieties listed in order of harvest.

Source: California Table Grape Commission web site, http://www.tablegrape.com.

## U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Spring table grapes producers' capacity, production, and capacity utilization data for April 1-June 30, 1997-2000, and post-June harvests, 1997-2000, are presented in table III-4 and figure III-1.

**Table III-4**
**Spring table grapes: U.S. producers' capacity, production, and capacity utilization, April 1-June 30, 1997-2000, and post-June harvests, 1997-2000[1]**

| Item | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| | April 1-June 30 | | | |
| Capacity *(1,000 pounds)* | 152,695 | 152,329 | 145,422 | 139,166 |
| Production *(1,000 pounds)*[2] | 149,094 | 139,365 | 137,743 | 125,339 |
| Capacity utilization *(percent)*[3] | 97.6 | 91.5 | 94.7 | 90.1 |
| Acreage[4] | 10,991 | 11,884 | 12,112 | 12,995 |
| Yield *(pounds per acre)* | 13.9 | 12.8 | 12.0 | 11.1 |
| | Post-June harvests | | | |
| Capacity *(1,000 pounds)* | 2,339 | 21,424 | 10,382 | 153 |
| Production *(1,000 pounds)* | 2,339 | 32,008 | 13,243 | 152 |
| Capacity utilization *(percent)*[3] | 100.0 | 149.4 | 127.6 | 99.3 |
| | Total Coachella Valley and Arizona harvests | | | |
| Capacity *(1,000 pounds)* | 155,034 | 173,753 | 155,804 | 139,319 |
| Production *(1,000 pounds)* | 151,433 | 171,373 | 150,986 | 125,491 |
| Capacity utilization *(percent)*[3] | 97.7 | 98.6 | 96.9 | 90.1 |

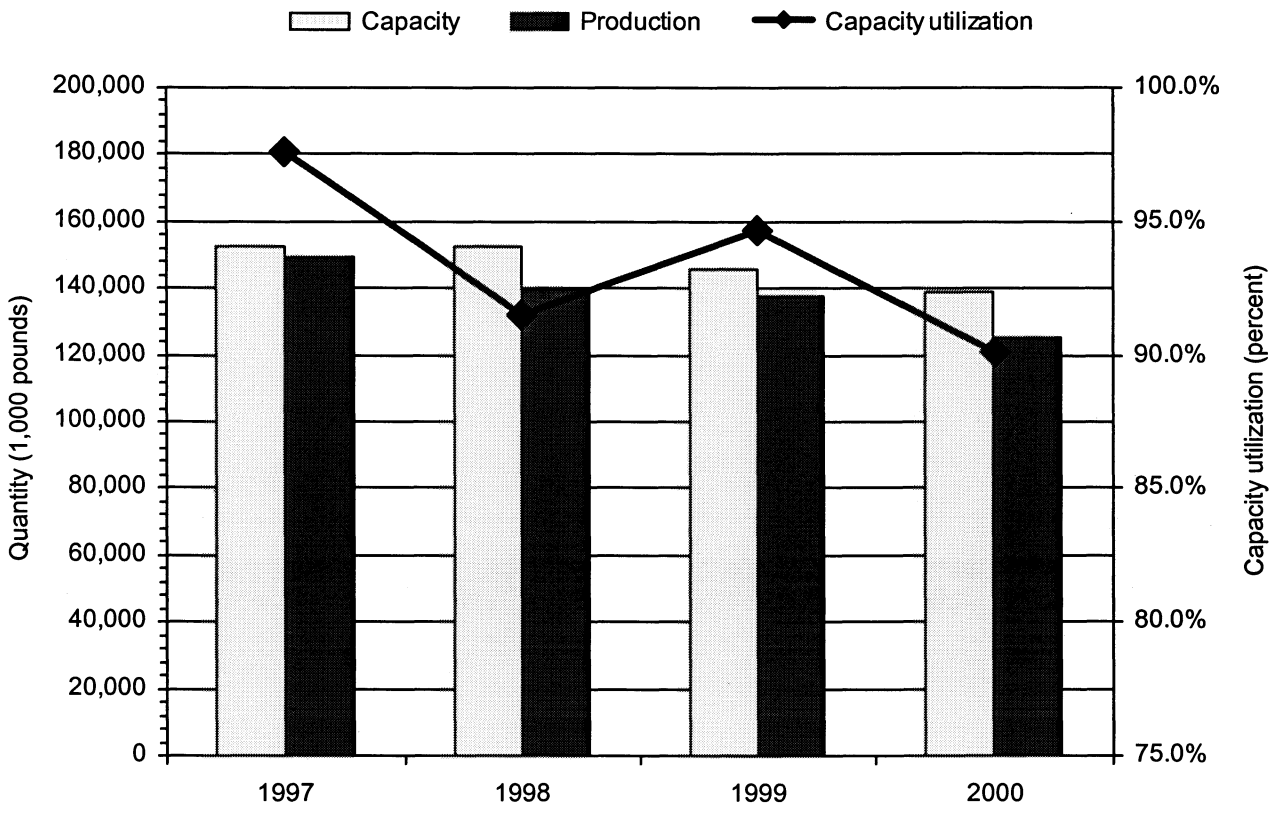
[1] Data presented in this table are based on responses to Commission questionnaires. Data of reporting firms may be less than industry data presented by the California Desert Grape Administrative Committee (CDGAC). Differences may include the number of potential reporting firms and reporting methods.
[2] Data as reported by U.S. spring table grape producers. According to the CDGAC, production for April 1-June 30 (based on packouts) was 204.6 million pounds in 1997, 148.7 million pounds in 1998, 169.7 million pounds in 1999, and 147.5 million pounds in 2000.
[3] Capacity utilization may be overstated as a result of confusion regarding the proper method for reporting capacity; this is evidenced by the fact that a number of producers simply reported capacity equal to production.
[4] Data as reported by U.S. spring table grape producers to the Commission's producers' questionnaire. According to the CDGAC, acreage was 13,512 in 1997, 13,294 in 1998, 12,975 in 1999, and 10,740 in 2000.

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

U.S. production capacity of spring table grapes decreased by 8.9 percent from 1997 to 2000. U.S. production of spring table grapes decreased by 15.9 percent during this same period. Industry capacity utilization was 97.6 percent in 1997, 91.5 percent in 1998, 94.7 percent in 1999, and 90.1 percent in 2000.[3] Post-June harvests accounted for 1.5 percent of the total reported Coachella and Arizona harvest in 1997, 18.7 percent in 1998, 8.8 percent in 1999, and 0.1 percent in 2000.

[3] Petitioners identified 9 firms that exited the table grape growing business since 1997, and either shifted production to other crops or sold their vineyards to other producers. *See*, petitioners' postconference brief, Exhibit 1, pp. 24-25. III-5

**Figure III-1**
**Spring table grapes: U.S. producers' capacity and production, April 1-June 30, 1997-2000**




Source: Table III-4.

Information on grape acreage in California and Arizona is presented in table III-5. Wine grapes account for the largest share of grape acreage in California, followed by raisins and then table grapes. Table grapes consistently accounted for about 11 percent of California's grape acreage during 1997-2000. Spring table grape acreage in the Coachella Valley accounted for 16.7 percent of California's total table grape acreage in 1997, 16.0 percent in 1998, 14.9 percent in 1999, and 11.8 percent in 2000.

**Table III-5**
**Grapes: Bearing acreage in California and Arizona, by types, 1997-2000**

| Item | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| | *Acres* | | | |
| Arizona[1] | 4,300 | 4,300 | 4,100 | 4,100 |
| California– | | | | |
| Table: | | | | |
| Coachella Valley[2] | 13,512 | 13,294 | 12,975 | 10,740 |
| All other areas | 67,488 | 69,706 | 74,025 | 80,260 |
| Subtotal | 81,000 | 83,000 | 87,000 | 91,000 |
| Raisin | 270,000 | 275,000 | 279,000 | 281,000 |
| Wine | 374,000 | 385,000 | 424,000 | 465,000 |
| Total California | 725,000 | 743,000 | 790,000 | 837,000 |

[1] Acreage not available by grape types and may include acreage for wine and raisins. Dateland Vineyards, Dateland, AZ, the only producer from Arizona responding to the Commission's producer questionnaire and representing approximately *** percent of spring table grape production in Arizona, had *** acres dedicated to table grapes in 1997, *** acres in 1998, *** acres in 1999, and *** acres in 2000.
[2] California Desert Grape Administrative Committee data.

Source: California Desert Grape Administrative Committee, *Annual Reports;* U.S. Department of Agriculture, *USDA Noncitrus Fruits and Nuts 1999 Summary* (July 2000), and *USDA Noncitrus Fruits and Nuts 2000 Preliminary Summary (January 2001).*

Table III-6 presents data on Coachella Valley acreage by grape varieties. In 2000, 44.3 percent of the Coachella Valley's acreage was devoted to Flame seedless varieties, 26.8 percent to Perlettes, 17.7 percent to Thompson, 7.3 percent to Sugraone, and 4.0 percent to other varieties. Reportedly, all grapes grown in the Coachella Valley are consumed as fresh table grapes.[4]

**Table III-6**
**Spring table grapes: Acreage of California Desert Grape Growers Association member-producers, by varieties, 1997-2000**

| Variety | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| | *Acres* | | | |
| Flame seedless | 5,777 | 5,444 | 5,922 | 4,758 |
| Perlettes | 3,553 | 3,427 | 3,136 | 2,878 |
| Thompson seedless | 2,893 | 2,935 | 2,544 | 1,896 |
| Sugraone | 675 | 921 | 893 | 780 |
| Other varieties | 614 | 567 | 480 | 428 |
| Total | 13,512 | 13,293 | 12,975 | 10,740 |

Source: California Desert Grape Administrative Committee, *Annual Reports*.

Data on U.S. production of fresh grapes by state are presented in table III-7. The only two states producing fresh table grapes in commercial quantities are California and Arizona. Production in all of the other states is of grapes used to produce wine, juice, or other processed foods.

Data on U.S. production of table grapes by growing seasons and by regions are presented in table III-8. Table grapes grown in the Coachella Valley and Arizona during the period April 1-June 30 accounted for 15.4 percent of annual U.S. production in 1997, 13.6 percent in 1998, 13.0 percent in 1999, and 11.4 percent in 2000. Coachella Valley growers accounted for 92.6 percent of U.S. production during the period April 1-June 30, 1997, 95.7 percent during the comparable period of 1998, 93.3 percent in 1999, and 95.0 percent in 2000.

[4] Transcript of conference, pp. 69-70.

**Table III-7**
**Fresh grapes: U.S. production, by states, 1997-2000[1]**

| Item | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| | Quantity *(1,000 pounds)* | | | |
| Arizona: | | | | |
| Table[2] | 17,228 | 16,480 | 18,336 | 10,049 |
| Other | 13,637 | 11,739 | 9,883 | 16,627 |
| Subtotal | 30,865 | 28,219 | 28,219 | 26,676 |
| Arkansas | 4,189 | 2,359 | 1,764 | 1,764 |
| California: | | | | |
| Table | 1,311,749 | 1,078,059 | 1,285,293 | 1,278,680 |
| Raisin[3] | 606,271 | 507,063 | 529,109 | 573,201 |
| Wine[4] | 99,208 | 92,594 | 99,208 | 99,208 |
| Subtotal | 2,017,227 | 1,677,716 | 1,913,610 | 1,951,089 |
| Georgia | 2,646 | 3,527 | 2,205 | 2,205 |
| Michigan | 441 | 882 | 1,102 | 1,102 |
| Missouri | 220 | 220 | 331 | 331 |
| New York | 6,614 | 4,409 | 4,409 | 4,409 |
| Ohio | 2,205 | 441 | 441 | 220 |
| Pennsylvania | 0 | 2,205 | 2,205 | 3,307 |
| Other states | 1,356 | 1,378 | 1,700 | 1,488 |
| Total | 2,065,764 | 1,721,356 | 1,955,985 | 1,992,591 |
| | Value *($1,000)* | | | |
| Arizona | 11,900 | 14,848 | 14,336 | 12,584 |
| Arkansas | 1,634 | 677 | 496 | 480 |
| California: | | | | |
| Table | 329,630 | 296,823 | 384,197 | 394,400 |
| Raisin | 208,725 | 164,450 | 168,960 | 156,000 |
| Wine | 11,250 | 10,500 | 12,375 | 13,500 |
| Subtotal | 549,605 | 471,773 | 565,532 | 563,900 |
| Georgia | 1,440 | 2,560 | 1,500 | 1,500 |
| Michigan | 180 | 360 | 400 | 400 |
| Missouri | 53 | 54 | 98 | 96 |
| New York | 2,370 | 1,000 | 1,200 | 1,100 |
| Ohio | 72 | 134 | 104 | 60 |
| Pennsylvania | 600 | 465 | 615 | 698 |
| Other states | 679 | 896 | 962 | 1,018 |
| Total | 568,533 | 492,767 | 585,243 | 581,836 |

[1] USDA utilized production converted from metric tons to pounds (1 ton=2,204.62 pounds). Only California and Arizona produce fresh table grapes. All other states produce grapes used in the production of wine, juice, or other processed foods.
[2] California Desert Grape Administrative Committee data.
[3] Some grapes used in the production of raisins are classified by USDA as "processed grapes." Data presented here are "fresh grapes" used in the production of raisins. The quantity of processed grapes used in the production of raisins was 6.4 million pounds in 1997, 4.6 million pounds in 1998, 4.7 million pounds in 1999, and 6.1 million pounds in 2000.
[4] Some grapes used in the production of wine are classified by USDA as "processed grapes." Data presented here are "fresh grapes" used in the production of wine. The quantity of processed grapes used in the production of wine was 7.2 million pounds in 1997, 6.2 million pounds in 1998, 6.5 million pounds in 1999, and 7.8 million pounds in 2000.

Source: U.S. Department of Agriculture, *USDA Noncitrus Fruits and Nuts 1999 Summary* (July 2000), and *USDA Noncitrus Fruits and Nuts 2000 Preliminary Summary (January 2001).*

**Table III-8**
**Table grapes: U.S. production, by growing regions and by seasons, 1997-2000[1]**

| Item | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| | Quantity *(1,000 pounds)* | | | |
| Arizona:[1] | | | | |
| April 1-June 30 | 15,139 | 6,386 | 11,350 | 7,376 |
| July 1-December 31 | 2,089 | 10,094 | 6,986 | 2,673 |
| Subtotal, Arizona | 17,228 | 16,480 | 18,336 | 10,049 |
| California: | | | | |
| April 1-June 30[1] | 189,472 | 142,363 | 158,301 | 140,082 |
| July 1-December 31: | | | | |
| Coachella Valley[1] | 3,927 | 63,565 | 11,878 | 1,324 |
| Rest of California[2] | 1,118,350 | 872,131 | 1,115,114 | 1,137,274 |
| Subtotal | 1,122,277 | 935,696 | 1,126,992 | 1,138,598 |
| Subtotal, CA | 1,311,749 | 1,078,059 | 1,285,293 | 1,278,680 |
| All states: | | | | |
| April 1-June 30[1] | 204,613 | 148,749 | 169,650 | 147,458 |
| July 1-December 31 | 1,124,366 | 945,790 | 1,133,978 | 1,141,271 |
| Total | 1,328,979 | 1,094,539 | 1,303,628 | 1,288,729 |
| | Share *(percent)* | | | |
| Arizona:[1] | | | | |
| April 1-June 30 | 1.1 | 0.6 | 0.9 | 0.6 |
| July 1-December 31 | 0.2 | 0.9 | 0.5 | 0.2 |
| Subtotal, Arizona | 1.3 | 1.5 | 1.4 | 0.8 |
| California: | | | | |
| April 1-June 30[1] | 14.3 | 13.0 | 12.1 | 10.9 |
| July 1-December 31: | | | | |
| Coachella Valley[1] | 0.3 | 5.8 | 0.9 | 0.1 |
| Rest of California[2] | 84.2 | 79.7 | 85.5 | 88.3 |
| Subtotal | 84.5 | 85.5 | 86.5 | 88.4 |
| Subtotal, CA | 98.7 | 98.5 | 98.6 | 99.2 |
| All states: | | | | |
| April 1-June 30[1] | 15.4 | 13.6 | 13.0 | 11.4 |
| July 1-December 31 | 84.6 | 86.4 | 87.0 | 88.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

[1] California Desert Grape Administrative Committee data.
[2] USDA data.

Note.–Because of rounding, figures may not add to the totals shown.

Source: U.S. Department of Agriculture, *USDA Noncitrus Fruits and Nuts 1999 Summary* (July 2000), and *USDA Noncitrus Fruits and Nuts 2000 Preliminary Summary (January 2001).*

## U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of spring table grapes for the period April 1-June 30, 1997-2000 are presented in table III-9. U.S. shipments during the April-June periods (based on quantity) decreased by 15.8 percent from 1997 to 2000. There were no internal shipments or transfers to related firms. Shipments of spring table grapes for post-June harvest periods, 1997-2000 are presented in table III-10.

**Table III-9**
**Spring table grapes: U.S. producers' shipments, by types, April 1-June 30, 1997-2000**

| Item | April 1-June 30 | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Quantity *(1,000 pounds)* | | | |
| Commercial shipments | 140,621 | 129,893 | 128,953 | 118,384 |
| Internal consumption | 0 | 0 | 0 | 0 |
| Transfers to related firms | 0 | 0 | 0 | 0 |
| U.S. shipments | 140,621 | 129,893 | 128,953 | 118,384 |
| Export shipments[1] | 5,102 | 4,291 | 3,709 | 3,961 |
| Total | 145,723 | 134,184 | 132,662 | 122,346 |
| | Value *($1,000)* | | | |
| Commercial shipments | 101,038 | 76,520 | 102,787 | 78,643 |
| Internal consumption | 0 | 0 | 0 | 0 |
| Transfers to related firms | 0 | 0 | 0 | 0 |
| U.S. shipments | 101,038 | 76,520 | 102,787 | 78,643 |
| Export shipments[1] | 3,458 | 2,596 | 2,928 | 2,533 |
| Total | 104,496 | 79,116 | 105,715 | 81,175 |
| | Unit value *(per pound)* | | | |
| Commercial shipments | $0.72 | $0.59 | $0.80 | $0.66 |
| Internal consumption | (2) | (2) | (2) | (2) |
| Transfers to related firms | (2) | (2) | (2) | (2) |
| U.S. shipments | 0.72 | 0.59 | 0.80 | 0.66 |
| Export shipments[1] | 0.68 | 0.61 | 0.79 | 0.64 |
| Average | 0.72 | 0.59 | 0.80 | 0.66 |

[1] Eight U.S. producers exported spring table grapes during the period 1997-2000.
[2] Not applicable.

Note.–Because of rounding, figures may not add to the totals shown.

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

Eight U.S. producers exported spring table grapes from 1997 to 2000.[5] The largest exporters were *** (accounting for *** percent of U.S. exports during this period) and *** (*** percent). Export shipments decreased by 22.4 percent from 1997 to 2000, and accounted for 3.5 percent of total shipments in 1997, 3.2 percent in 1998, 2.8 percent in 1999, and 3.2 percent in 2000.

**Table III-10**
**Spring table grapes: U.S. producers' shipments, by types, post-June harvests, 1997-2000**

| Item | Post-June harvests | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Quantity *(1,000 pounds)* | | | |
| Commercial shipments | 4,668 | 34,559 | 17,067 | 2,401 |
| Internal consumption | 0 | 0 | 0 | 0 |
| Transfers to related firms | 0 | 0 | 0 | 0 |
| U.S. shipments | 4,668 | 34,559 | 17,067 | 2,401 |
| Export shipments[1] | 678 | 2,131 | 910 | 343 |
| Total | 5,346 | 36,690 | 17,977 | 2,744 |
| | Value *($1,000)* | | | |
| Commercial shipments | 2,785 | 20,048 | 11,811 | 1,353 |
| Internal consumption | 0 | 0 | 0 | 0 |
| Transfers to related firms | 0 | 0 | 0 | 0 |
| U.S. shipments | 2,785 | 20,048 | 11,811 | 1,353 |
| Export shipments[1] | 412 | 1,304 | 708 | 204 |
| Total | 3,197 | 21,352 | 12,519 | 1,557 |
| | Unit value *(per pound)* | | | |
| Commercial shipments | $0.60 | $0.58 | $0.69 | $0.56 |
| Internal consumption | (2) | (2) | (2) | (2) |
| Transfers to related firms | (2) | (2) | (2) | (2) |
| U.S. shipments | 0.60 | 0.58 | 0.69 | 0.56 |
| Export shipments[1] | 0.61 | 0.61 | 0.78 | 0.59 |
| Average | 0.60 | 0.58 | 0.70 | 0.57 |

[1] Eight U.S. producers exported spring table grapes during the period 1997-2000.
[2] Not applicable.

Note.–Because of rounding, figures may not add to the totals shown.

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

[5] The firms are: ***. Export markets identified include: Canada, Hong Kong, New Zealand, Russia, Singapore, and the United Kingdom.

Data on Coachella Valley packouts by varieties are presented in table III-11.

**Table III-11**
**Spring table grapes: Packouts of Coachella Valley growers, by varieties, calendar years 1997-2000**

| Variety | Calendar year | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Quantity *(1,000 pounds)* | | | |
| Flame seedless | 86,169 | 93,223 | 87,241 | 65,411 |
| Perlettes | 48,766 | 42,131 | 33,154 | 28,947 |
| Thompson seedless | 43,887 | 48,927 | 28,184 | 29,276 |
| Other varieties[1] | 14,578 | 21,648 | 21,599 | 17,906 |
| Total | 193,400 | 205,929 | 170,178 | 141,540 |

[1] Includes Sugraone, Fantasy, Red Globe, Crimson, Beauty seedless, exotics, and other varieties.

Source: California Desert Grape Administrative Committee, *Annual Reports.*

Table III-12 presents information on harvest dates of California Desert Grape Growers Association member-producers, by varieties, for the period 1997-2000.

**Table III-12**
**Spring table grapes: Period of harvests of California Desert Grape Growers Association member-producers, by varieties, 1997-2000**

| Variety | 1997 | | 1998 | | 1999 | | 2000 | |
|---|---|---|---|---|---|---|---|---|
| | Begin | End | Begin | End | Begin | End | Begin | End |
| Perlettes | April 30 | June 16 | May 19 | June 25 | May 12 | June 18 | May 22 | June 16 |
| Flame seedless | May 2 | July 8 | May 21 | July 22 | May 13 | July 15 | May 4 | July 5 |
| Beauty seedless | May 12 | July 2 | May 26 | July 3 | May 17 | July 1 | May 9 | June 22 |
| Exotics | May 23 | June 26 | June 15 | July 15 | June 11 | July 7 | May 26 | June 29 |
| Thompson seedless | May 29 | July 3 | June 15 | July 22 | June 14 | July 16 | June 2 | July 7 |
| Sugraone | May 13 | June 30 | June 2 | July 9 | (1) | (1) | (1) | (1) |
| Fantasy | May 23 | July 1 | June 11 | July 10 | June 10 | July 7 | (1) | (1) |
| Red Globe | June 17 | July 1 | June 19 | July 22 | June 19 | July 22 | (1) | (1) |
| Other varieties | June 2 | July 1 | June 2 | July 22 | May 24 | July 22 | May 9 | July 19 |
| All varieties | April 30 | July 8 | May 19 | July 22 | May 12 | July 22 | May 4 | July 19 |

[1] Data not available.

Source: California Desert Grape Administrative Committee, *Annual Reports.*

Data on weekly harvests of table grapes in the Coachella Valley are presented in table III-13. Data on weekly harvests of table grapes in Arizona are presented in table III-14. Data on weekly harvests of table grapes in the Coachella Valley and Arizona combined are presented in table III-15.

**Table III-13**
**Table grapes: U.S. weekly harvests in the Coachella Valley of California, growing seasons 1997-2000[1]**

| Month/week | 1997 | | 1998 | | 1999 | | 2000 | |
|---|---|---|---|---|---|---|---|---|
| | Quantity | Share | Quantity | Share | Quantity | Share | Quantity | Share |
| | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* |
| April/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/3rd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/4th | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| May/1st | 519 | 0.3 | 0 | 0.0 | 0 | 0.0 | 1,130 | 0.8 |
| May/2nd | 5,067 | 2.6 | 0 | 0.0 | 488 | 0.3 | 5,646 | 4.0 |
| May/3rd | 21,235 | 11.0 | 0 | 0.0 | 8,054 | 4.7 | 13,346 | 9.4 |
| May/4th | 29,666 | 15.3 | 1,691 | 0.8 | 21,522 | 12.6 | 22,058 | 15.6 |
| May/5th | 24,394 | 12.6 | 13,352 | 6.5 | 24,057 | 14.1 | 19,318 | 13.7 |
| Subtotal | 80,880 | 41.8 | 15,043 | 7.3 | 54,122 | 31.8 | 61,498 | 43.5 |
| June/1st | 28,854 | 14.9 | 30,027 | 14.6 | 27,672 | 16.3 | 24,792 | 17.5 |
| June/2nd | 30,923 | 16.0 | 35,369 | 17.2 | 24,073 | 14.1 | 23,851 | 16.9 |
| June/3rd | 28,975 | 15.0 | 30,838 | 15.0 | 27,744 | 16.3 | 19,599 | 13.9 |
| June/4th | 19,840 | 10.3 | 31,086 | 15.1 | 24,689 | 14.5 | 10,343 | 7.3 |
| Subtotal | 108,593 | 56.2 | 127,320 | 61.8 | 104,179 | 61.2 | 78,584 | 55.6 |
| Total, April-June | 189,472 | 98.0 | 142,363 | 69.1 | 158,301 | 93.0 | 140,082 | 99.1 |
| July/1st | 3,909 | 2.0 | 27,216 | 13.2 | 10,209 | 6.0 | 1,258 | 0.9 |
| July/2nd | 18 | 0.0 | 22,693 | 11.0 | 1,619 | 1.0 | 0 | 0.0 |
| July/3rd | 0 | 0.0 | 11,351 | 5.5 | 50 | 0.0 | 66 | 0.0 |
| July/4th | 0 | 0.0 | 2,306 | 1.1 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 3,927 | 2.0 | 63,565 | 30.9 | 11,878 | 7.0 | 1,324 | 0.9 |
| August/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| August/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TOTAL | 193,399 | 100.0 | 205,929 | 100.0 | 170,178 | 100.0 | 141,406 | 100.0 |

[1] Quantities converted from cases to pounds assuming 1 case=18 pounds.

Source: California Desert Grape Administrative Committee Annual Reports, as compiled by the Asociacion de Exportadores de Chile in Exhibit 10 of its postconference brief.

**Table III-14**
**Table grapes: U.S. weekly harvests in Arizona, growing seasons 1997-2000[1]**

| Month/week | 1997 | | 1998 | | 1999 | | 2000 | |
|---|---|---|---|---|---|---|---|---|
| | Quantity | Share | Quantity | Share | Quantity | Share | Quantity | Share |
| | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* |
| April/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/3rd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/4th | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| May/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| May/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| May/3rd | 185 | 1.1 | 0 | 0.0 | 0 | 0.0 | 29 | 0.3 |
| May/4th | 1,111 | 6.4 | 0 | 0.0 | 344 | 1.9 | 182 | 1.8 |
| May/5th | 883 | 5.1 | 32 | 0.2 | 758 | 4.1 | 242 | 2.4 |
| Subtotal | 2,178 | 12.6 | 32 | 0.2 | 1,102 | 6.0 | 454 | 4.5 |
| June/1st | 2,442 | 14.2 | 815 | 4.9 | 2,495 | 13.6 | 1,029 | 10.2 |
| June/2nd | 3,847 | 22.3 | 715 | 4.3 | 2,531 | 13.8 | 893 | 8.9 |
| June/3rd | 4,159 | 24.1 | 1,605 | 9.7 | 2,490 | 13.6 | 2,272 | 22.6 |
| June/4th | 2,512 | 14.6 | 3,219 | 19.5 | 2,732 | 14.9 | 2,729 | 27.2 |
| Subtotal | 12,961 | 75.2 | 6,354 | 38.6 | 10,248 | 55.9 | 6,923 | 68.9 |
| Total, April-June | 15,139 | 87.9 | 6,386 | 38.8 | 11,350 | 61.9 | 7,376 | 73.4 |
| July/1st | 1,630 | 9.5 | 3,874 | 23.5 | 2,286 | 12.5 | 1,719 | 17.1 |
| July/2nd | 458 | 2.7 | 2,012 | 12.2 | 1,826 | 10.0 | 562 | 5.6 |
| July/3rd | 0 | 0.0 | 2,067 | 12.5 | 2,653 | 14.5 | 300 | 3.0 |
| July/4th | 0 | 0.0 | 1,879 | 11.4 | 221 | 1.2 | 93 | 0.9 |
| Subtotal | 2,088 | 12.1 | 9,833 | 59.7 | 6,986 | 38.1 | 2,673 | 26.6 |
| August/1st | 0 | 0.0 | 245 | 1.5 | 0 | 0.0 | 0 | 0.0 |
| August/2nd | 0 | 0.0 | 16 | 0.1 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 261 | 1.6 | 0 | 0.0 | 0 | 0.0 |
| TOTAL | 17,228 | 100.0 | 16,480 | 100.0 | 18,336 | 100.0 | 10,049 | 100.0 |

[1] Quantities converted from cases to pounds assuming 1 case=18 pounds.

Source: California Desert Grape Administrative Committee Annual Reports, as compiled by the Asociacion de Exportadores de Chile in Exhibit 10 of its postconference brief.

**Table III-15**
**Table grapes: U.S. weekly harvests in the Coachella Valley and Arizona, growing seasons 1997-2000[1]**

| Month/week | 1997 | | 1998 | | 1999 | | 2000 | |
|---|---|---|---|---|---|---|---|---|
| | Quantity | Share | Quantity | Share | Quantity | Share | Quantity | Share |
| | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* |
| April/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/3rd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/4th | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| May/1st | 519 | 0.2 | 0 | 0.0 | 0 | 0.0 | 1,130 | 0.7 |
| May/2nd | 5,067 | 2.4 | 0 | 0.0 | 488 | 0.3 | 5,646 | 3.7 |
| May/3rd | 21,420 | 10.2 | 0 | 0.0 | 8,054 | 4.3 | 13,376 | 8.8 |
| May/4th | 30,777 | 14.6 | 1,691 | 0.8 | 21,866 | 11.6 | 22,240 | 14.7 |
| May/5th | 25,276 | 12.0 | 13,384 | 6.0 | 24,815 | 13.2 | 19,560 | 12.9 |
| Subtotal | 83,059 | 39.4 | 15,075 | 6.8 | 55,223 | 29.3 | 61,951 | 40.9 |
| June/1nd | 31,297 | 14.9 | 30,842 | 13.9 | 30,167 | 16.0 | 25,820 | 17.0 |
| June/2rd | 34,770 | 16.5 | 36,084 | 16.2 | 26,604 | 14.1 | 24,743 | 16.3 |
| June/3th | 33,134 | 15.7 | 32,443 | 14.6 | 30,235 | 16.0 | 21,871 | 14.4 |
| June/4th | 22,353 | 10.6 | 34,305 | 15.4 | 27,421 | 14.5 | 13,072 | 8.6 |
| Subtotal | 121,554 | 57.7 | 133,674 | 60.1 | 114,427 | 60.7 | 85,507 | 56.5 |
| Total, April-June | 204,613 | 97.1 | 148,749 | 66.9 | 169,650 | 90.0 | 147,458 | 97.4 |
| July/1st | 5,539 | 2.6 | 31,090 | 14.0 | 12,494 | 6.6 | 2,977 | 2.0 |
| July/2nd | 477 | 0.2 | 24,705 | 11.1 | 3,446 | 1.8 | 562 | 0.4 |
| July/3rd | 0 | 0.0 | 13,419 | 6.0 | 2,702 | 1.4 | 366 | 0.2 |
| July/4th | 0 | 0.0 | 4,184 | 1.9 | 221 | 0.1 | 93 | 0.1 |
| Subtotal | 6,015 | 2.9 | 73,398 | 33.0 | 18,863 | 10.0 | 3,997 | 2.6 |
| August/1st | 0 | 0.0 | 245 | 0.1 | 0 | 0.0 | 0 | 0.0 |
| August/2nd | 0 | 0.0 | 16 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 261 | 0.1 | 0 | 0.0 | 0 | 0.0 |
| TOTAL | 210,628 | 100.0 | 222,408 | 100.0 | 188,514 | 100.0 | 151,456 | 100.0 |

[1] Quantities converted from cases to pounds assuming 1 case=18 pounds.

Source: California Desert Grape Administrative Committee Annual Reports, as compiled by the Asociacion de Exportadores de Chile in Exhibit 10 of its postconference brief.

## U.S. PRODUCERS' PURCHASES

Data on U.S. producers' purchases (other than direct imports) are presented in table III-16. Four U.S. producers, ***, purchased spring table grapes from other U.S. producers during the period 1997-2000. Two U.S. producers, ***, purchased spring table grapes imported from Mexico during this same period. ***. ***.

**Table III-16**
**Spring table grapes: U.S. producers' purchases (other than direct imports), by sources, April 1-June 30, 1997-2000**

* * * * * * *

## U.S. PRODUCERS' INVENTORIES

Data on U.S. producers' inventories of spring table grapes are presented in table III-17.

**Table III-17**
**Spring table grapes: U.S. producers' end-of-period inventories, April 1-June 30, 1997-2000**

| Item | April 1-June 30 | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| End-of-period inventories *(1,000 pounds)* | 3,098 | 12,631 | 6,987 | 2,830 |
| Ratio to production *(percent)* | 2.1 | 9.1 | 5.1 | 2.3 |
| Ratio to U.S. shipments *(percent)* | 2.2 | 9.7 | 5.4 | 2.4 |
| Ratio to total shipments *(percent)* | 2.1 | 9.4 | 5.3 | 2.3 |
| Source: Compiled from data submitted in response to Commission questionnaires. | | | | |

## U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

U.S. producers' employment data are presented in table III-18.

**Table III-18**
**Average number of production and related workers producing spring table grapes, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, April 1-June 30, 1997-2000**

| Item | April 1-June 30 | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| Production and related workers | 7,782 | 7,969 | 11,670 | 12,002 |
| Hours worked *(1,000)* | 6,330 | 5,511 | 5,943 | 5,657 |
| Wages paid *($1,000)* | 46,099 | 48,663 | 40,880 | 40,110 |
| Hourly wages | $7.28 | $8.83 | $6.88 | $7.09 |
| Productivity *(pounds per hour)* | 22.3 | 23.1 | 22.6 | 21.6 |
| Unit labor costs *(per pound)* | $0.33 | $0.38 | $0.30 | $0.33 |

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

# PART IV: U.S. IMPORTS, APPARENT CONSUMPTION, AND MARKET SHARES

## U.S. IMPORTERS

The Commission sent questionnaires to 42 firms that were believed to import spring table grapes from Chile and Mexico during the period 1997 through 2000. Thirty-five firms responded to the Commission's request for information.[1] Thirty of these firms imported spring table grapes from the subject countries during the period. Seventeen firms imported spring table grapes from Chile, while 20 firms imported spring table grapes from Mexico.[2] Seven firms imported spring table grapes from both Chile and Mexico. Three firms imported spring table grapes from other sources.[3]

As shown in table IV-1, the largest U.S. importers of spring table grapes from Chile were ***. The largest U.S. importers of spring table grapes from Mexico were ***.

Based on a comparison with official import statistics of Commerce, responding U.S. importers of spring table grapes accounted for 71.7 percent of combined subject imports from Chile and Mexico in 1997, 87.0 percent in 1998, 82.2 percent in 1999, and 88.7 percent in 2000. Responding U.S. importers accounted for 73.9 percent of subject imports from Chile in 1997, 87.6 percent in 1998, 89.3 percent in 1999, and 87.6 percent in 2000. Responding U.S. importers accounted for 70.6 percent of subject imports from Mexico in 1997, 86.6 percent in 1998, 79.1 percent in 1999, and 89.4 percent in 2000.

## U.S. IMPORTS

Table IV-2 and figure IV-1 present data on U.S. imports of spring table grapes based on official statistics of Commerce. U.S. imports of the subject merchandise from Chile (based on quantity) increased by 112.4 percent from 1997 to 2000. U.S. imports from Mexico increased by 42.4 percent from 1997 to 2000. U.S. imports from nonsubject countries never exceeded 2.2 percent of total imports during the April-June periods of 1997-2000.

[1] Four firms identified by U.S. Customs as importers responded that they in fact had not imported spring table grapes since January 1, 1997. One company, ***, ceased importing during the period and was unable to provide the Commission with useful data.

[2] According to the Chilean Expordata Yearbook 2000, there are 22 North American importers of Chilean table grapes. *See*, postconference brief of petitioners, Exhibit 14.

[3] ***.

**Table IV-1**
**Spring table grapes: U.S. importers' imports from Chile and Mexico, April 1-June 30, 1997-2000**

| Company[1] | April 1-June 30 | | | | | | |
|---|---|---|---|---|---|---|---|
| | U.S. imports from Chile and Mexico | | | | Share of U.S. imports during 1997-2000 | | |
| | 1997 | 1998 | 1999 | 2000 | Chile | Mexico | Subject |
| | Quantity *(1,000 pounds)* | | | | *Percent* | | |
| Bionova Produce | *** | *** | *** | *** | *** | *** | *** |
| Chiquita Frupac | *** | *** | *** | *** | *** | *** | *** |
| Corrin Produce Sales | *** | *** | *** | *** | *** | *** | *** |
| David Oppenheimer | *** | *** | *** | *** | *** | *** | *** |
| Del Monte Fresh Produce | *** | *** | *** | *** | *** | *** | *** |
| Dole Fresh Fruit | *** | *** | *** | *** | *** | *** | *** |
| Farmer's Best International | *** | *** | *** | *** | *** | *** | *** |
| Fisher Capespan USA | *** | *** | *** | *** | *** | *** | *** |
| Frank's Distributing of Produce | *** | *** | *** | *** | *** | *** | *** |
| Gerawan Farming Partners | *** | *** | *** | *** | *** | *** | *** |
| Giumarra International | *** | *** | *** | *** | *** | *** | *** |
| H.M. Distributors | *** | *** | *** | *** | *** | *** | *** |
| Jac Vandenberg | *** | *** | *** | *** | *** | *** | *** |
| Kings Canyon Corrins | *** | *** | *** | *** | *** | *** | *** |
| MAS Melons & Grapes | *** | *** | *** | *** | *** | *** | *** |
| Nash De Camp | *** | *** | *** | *** | *** | *** | *** |
| Omega Produce Co. | *** | *** | *** | *** | *** | *** | *** |
| Pandol Brothers | *** | *** | *** | *** | *** | *** | *** |
| Rio Vista | *** | *** | *** | *** | *** | *** | *** |
| Sales King International | *** | *** | *** | *** | *** | *** | *** |
| San Rafael Distributing | *** | *** | *** | *** | *** | *** | *** |
| Sbrocco International | *** | *** | *** | *** | *** | *** | *** |
| Sierra Kiwi | *** | *** | *** | *** | *** | *** | *** |
| Stevco | *** | *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** | *** | *** |
| Sun Fresh International | *** | *** | *** | *** | *** | *** | *** |
| Sunny Valley International | *** | *** | *** | *** | *** | *** | *** |
| The William Sykes | *** | *** | *** | *** | *** | *** | *** |
| U.S. Produce Exchange | *** | *** | *** | *** | *** | *** | *** |
| William H. Kopke, Jr. | *** | *** | *** | *** | *** | *** | *** |
| Totals | *** | *** | *** | *** | *** | *** | *** |
| Coverage[2] | 71.7 | 87.0 | 82.2 | 88.7 | | | |

[1] Companies are listed in alphabetical order.
[2] Coverage is based on data reported by firms responding to Commission questionnaires as a share of official statistics of Commerce.

Note.–Because of rounding, figures may not add to the totals shown.

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

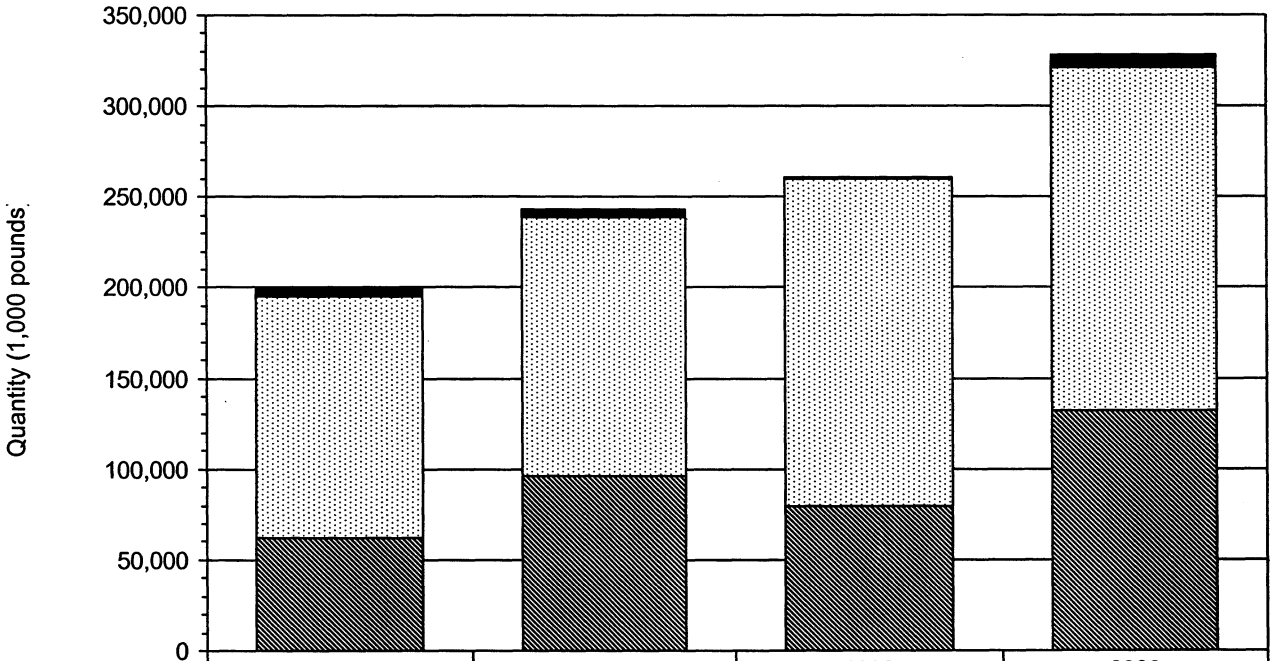
**Table IV-2**
**Spring table grapes: U.S. imports, by sources, April 1-June 30, 1997-2000**

| Source | April 1-June 30 | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Quantity *(1,000 pounds)* | | | |
| Chile | 62,035 | 96,591 | 79,821 | 131,786 |
| Mexico | 133,011 | 142,558 | 179,703 | 189,445 |
| Subtotal | 195,047 | 239,148 | 259,523 | 321,231 |
| All other sources | 4,172 | 4,199 | 927 | 7,294 |
| Total | 199,219 | 243,347 | 260,450 | 328,525 |
| | Landed, duty-paid value *($1,000)* | | | |
| Chile | 38,245 | 47,564 | 53,347 | 65,042 |
| Mexico | 82,101 | 89,388 | 210,558 | 145,256 |
| Subtotal | 120,346 | 136,953 | 263,905 | 210,298 |
| All other sources | 2,944 | 2,042 | 688 | 5,871 |
| Total | 123,290 | 138,995 | 264,594 | 216,169 |
| | Unit value *(per pound)* | | | |
| Chile | $0.62 | $0.49 | $0.67 | $0.49 |
| Mexico | 0.62 | 0.63 | 1.17 | 0.77 |
| Subtotal | 0.62 | 0.57 | 1.02 | 0.65 |
| All other sources | 0.71 | 0.49 | 0.74 | 0.80 |
| Total | 0.62 | 0.57 | 1.02 | 0.66 |
| | Share of quantity *(percent)* | | | |
| Chile | 31.1 | 39.7 | 30.6 | 40.1 |
| Mexico | 66.8 | 58.6 | 69.0 | 57.7 |
| Subtotal | 97.9 | 98.3 | 99.6 | 97.8 |
| All other sources | 2.1 | 1.7 | 0.4 | 2.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |
| | Share of value *(percent)* | | | |
| Chile | 31.0 | 34.2 | 20.2 | 30.1 |
| Mexico | 66.6 | 64.3 | 79.6 | 67.2 |
| Subtotal | 97.6 | 98.5 | 99.7 | 97.3 |
| All other sources | 2.4 | 1.5 | 0.3 | 2.7 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

Note.–Because of rounding, figures may not add to the totals shown.

Source: Compiled from official statistics of Commerce.

**Figure IV-1**
**Spring table grapes: U.S. imports, by sources, April 1-June 30, 1997-2000**




| | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| All other | 4,172 | 4,199 | 927 | 7,294 |
| Mexico | 133,011 | 142,558 | 179,703 | 189,445 |
| Chile | 62,035 | 96,591 | 79,821 | 131,786 |

Source: Table IV-2.

## Cumulation

Petitioners argue that spring table grapes from Chile and Mexico should be cumulated because there is a reasonable overlap in competition between the subject imports and the domestic like product. They contend that U.S., Chilean, and Mexican table grapes are fungible, are sold in common distribution channels and overlapping geographic markets, and have been simultaneously present in the U.S. market during the period examined.[4] Counsel for the Chilean respondents argues that Chilean and Mexican grapes should not be cumulated because there is not a reasonable overlap of competition between imports of table grapes from Chile and Mexico.[5] Counsel for the Mexican respondents is willing to concede that cumulation is appropriate for purposes of the preliminary determination.[6]

The principal argument raised by the Chilean respondents is that there is a minimal degree of temporal overlap between imports of Chilean and Mexican table grapes. Table IV-3 presents Chilean harvest packouts, by weeks, from the first week of March through the second week of August, 1997-2000, and from the first week of March through the first week of May, 2001. Table IV-4 presents Mexican harvest packouts, by weeks, from the first week of March through the second week of August, 1997-2000. Figures IV-2 through IV-5 present weekly packout data for U.S., Chilean, and Mexican producers for the period beginning the first week of March through the fourth week in July, 1997-2000.

[4] Petitioners' postconference brief, pp. 4-12.

[5] Chilean postconference brief, pp. 30-31.

[6] Mexican postconference brief, Appendix 1, p. 11.

**Table IV-3**
**Spring table grapes: Chilean harvest packouts, by weeks, first week of March through second week of August, 1997-2000, and first week of March through first week of May, 2001[1]**

| Month/week[2] | 1997 | | 1998 | | 1999 | | 2000 | | 2001 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Quantity | Share | Quantity | Share | Quantity | Share | Quantity | Share | Quantity | Share |
| | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* |
| March/1st | 39,173 | 16.1 | 51,282 | 16.4 | 40,392 | 18.7 | 48,276 | 11.7 | 42,984 | 13.7 |
| March/2nd | 38,574 | 15.8 | 45,990 | 14.7 | 39,996 | 18.5 | 57,510 | 13.9 | 29,700 | 9.4 |
| March/3rd | 37,206 | 15.3 | 43,740 | 14.0 | 21,949 | 10.2 | 70,578 | 17.1 | 39,546 | 12.6 |
| March/4th | 34,560 | 14.2 | 57,096 | 18.2 | 21,996 | 10.2 | 53,208 | 12.9 | 40,986 | 13.0 |
| March/5th | 22,878 | 9.4 | 36,018 | 11.5 | 20,682 | 9.6 | 47,988 | 11.6 | 33,930 | 10.8 |
| Subtotal | 172,391 | 70.7 | 234,126 | 74.8 | 145,015 | 67.1 | 277,560 | 67.3 | 187,146 | 59.5 |
| April/1st | 23,778 | 9.7 | 35,766 | 11.4 | 18,360 | 8.5 | 17,897 | 4.3 | 33,030 | 10.5 |
| April/2nd | 21,654 | 8.9 | 34,308 | 11.0 | 20,988 | 9.7 | 52,812 | 12.8 | 38,142 | 12.1 |
| April/3rd | 23,274 | 9.5 | 3,982 | 1.3 | 19,494 | 9.0 | 53,640 | 13.0 | 47,934 | 15.2 |
| April/4th | 0 | 0.0 | 3,132 | 1.0 | 3,636 | 1.7 | 5,544 | 1.3 | 4,680 | 1.5 |
| Subtotal | 68,706 | 28.2 | 77,188 | 24.7 | 62,478 | 28.9 | 129,893 | 31.5 | 123,786 | 39.4 |
| May/1st | 2,430 | 1.0 | 648 | 0.2 | 6,012 | 2.8 | 2,700 | 0.7 | 3,582 | 1.1 |
| May/2nd | 0 | 0.0 | 486 | 0.2 | 1,170 | 0.5 | 288 | 0.1 | 0 | 0.0 |
| May/3rd | 0 | 0.0 | 198 | 0.1 | 540 | 0.3 | 2,250 | 0.5 | 0 | 0.0 |
| May/4th | 360 | 0.1 | 0 | 0.0 | 36 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| May/5th | 36 | 0.0 | 378 | 0.1 | 54 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 2,826 | 1.2 | 1,710 | 0.5 | 7,812 | 3.6 | 5,238 | 1.3 | 3,582 | 1.1 |
| June/1st | 0 | 0.0 | 0 | 0.0 | 18 | 0.0 | 18 | 0.0 | 0 | 0.0 |
| June/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| June/3rd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| June/4th | 0 | 0.0 | 0 | 0.0 | 810 | 0.4 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 828 | 0.4 | 18 | 0.0 | 0 | 0.0 |
| Tot., Mar-Jun | 243,923 | 100.0 | 313,024 | 100.0 | 216,133 | 100.0 | 412,709 | 100.0 | 314,514 | 100.0 |
| July/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| July/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| July/3rd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| July/4th | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| August/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| August/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TOTAL | 243,923 | 100.0 | 313,024 | 100.0 | 216,133 | 100.0 | 412,709 | 100.0 | 314,514 | 100.0 |

[1] Quantities converted from cases to pounds assuming 1 case=18 pounds.
[2] Because of at least a two week delay between harvest and entry into the United States, March data are presented for Chilean exports in order to approximate their presence in the U.S. market.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Sermaco (a consulting firm), as presented by the Asociacion de Exportadores de Chile in Exhibit 9 of its postconference brief.

**Table IV-4**
**Spring table grapes: Mexican harvest packouts, by weeks, first week of March through second week of August, 1997-2000[1]**

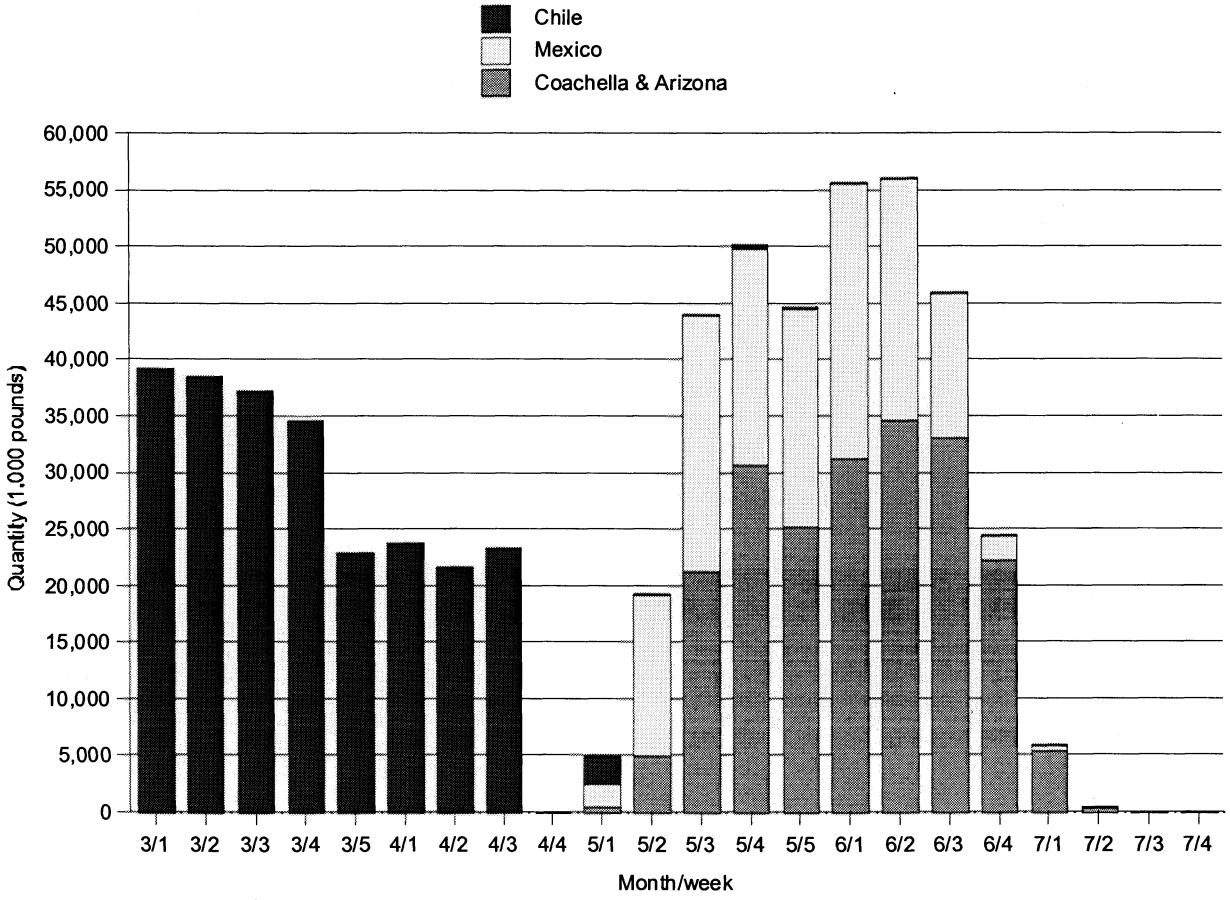
| Month/week | 1997 | | 1998 | | 1999 | | 2000 | |
|---|---|---|---|---|---|---|---|---|
| | Quantity | Share | Quantity | Share | Quantity | Share | Quantity | Share |
| | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* | *1,000 pounds* | *Percent* |
| March/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| March/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| March/3rd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| March/4th | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| March/5th | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/3rd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| April/4th | 0 | 0.0 | 0 | 0.0 | 1,533 | 0.9 | 1,778 | 1.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 1,533 | 0.9 | 1,778 | 1.0 |
| May/1st | 2,000 | 1.4 | 0 | 0.0 | 4,269 | 2.5 | 12,368 | 6.7 |
| May/2nd | 14,255 | 10.3 | 1,349 | 0.7 | 17,031 | 9.9 | 20,470 | 11.1 |
| May/3rd | 22,629 | 16.4 | 17,085 | 9.1 | 21,628 | 12.6 | 29,054 | 15.8 |
| May/4th | 19,099 | 13.8 | 29,098 | 15.4 | 18,813 | 10.9 | 30,169 | 16.4 |
| May/5th | 19,323 | 14.0 | 28,118 | 14.9 | 21,912 | 12.7 | 33,132 | 18.0 |
| Subtotal | 77,306 | 56.0 | 75,650 | 40.2 | 83,653 | 48.7 | 125,193 | 68.0 |
| June/1st | 24,313 | 17.6 | 27,820 | 14.8 | 24,646 | 14.3 | 28,362 | 15.4 |
| June/2nd | 21,321 | 15.4 | 26,963 | 14.3 | 23,962 | 13.9 | 20,568 | 11.2 |
| June/3rd | 12,774 | 9.2 | 26,072 | 13.8 | 23,007 | 13.4 | 7,294 | 4.0 |
| June/4th | 2,041 | 1.5 | 17,052 | 9.1 | 11,373 | 6.6 | 972 | 0.5 |
| Subtotal | 60,451 | 43.8 | 97,907 | 52.0 | 82,988 | 48.3 | 57,196 | 31.0 |
| Total, April-June | 137,756 | 99.7 | 173,557 | 92.1 | 168,173 | 97.8 | 184,167 | 100.0 |
| July/1st | 383 | 0.3 | 11,859 | 6.3 | 3,257 | 1.9 | 65 | 0.0 |
| July/2nd | 0 | 0.0 | 2,712 | 1.4 | 476 | 0.3 | 0 | 0.0 |
| July/3rd | 0 | 0.0 | 227 | 0.1 | 0 | 0.0 | 0 | 0.0 |
| July/4th | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 383 | 0.3 | 14,798 | 7.9 | 3,733 | 2.2 | 65 | 0.0 |
| August/1st | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| August/2nd | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Subtotal | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TOTAL | 138,139 | 100.0 | 188,355 | 100.0 | 171,907 | 100.0 | 184,232 | 100.0 |

[1] Quantities converted from cases to pounds assuming 1 case=18 pounds.

Note.–Because of rounding, figures may not add to the totals shown.

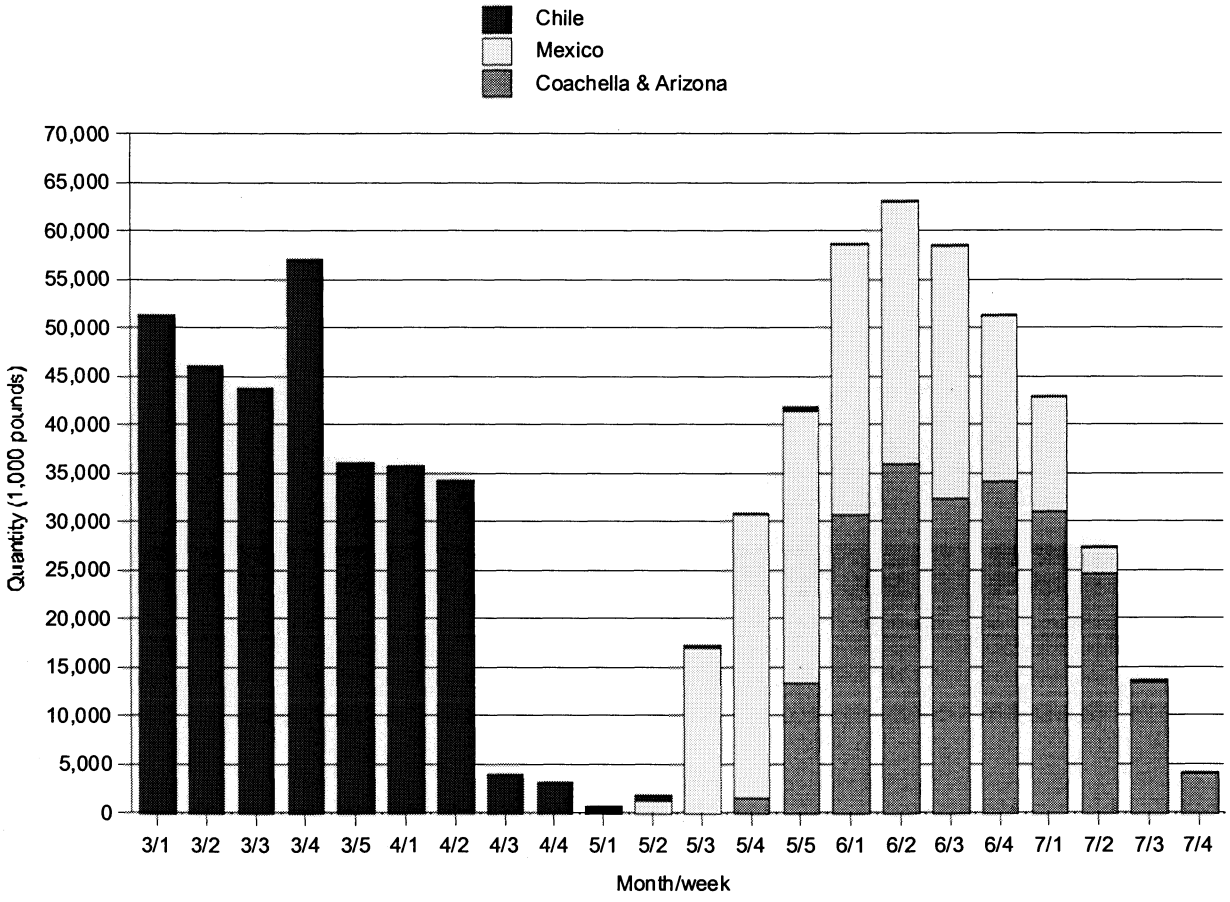
Source: California Desert Grape Administrative Committee annual reports, as compiled by the Asociacion de Exportadores de Chile in Exhibit 9 of its postconference brief.

**Figure IV-2**
**Spring table grapes: Weekly packouts, by sources, first week of March through fourth week of July, 1997**



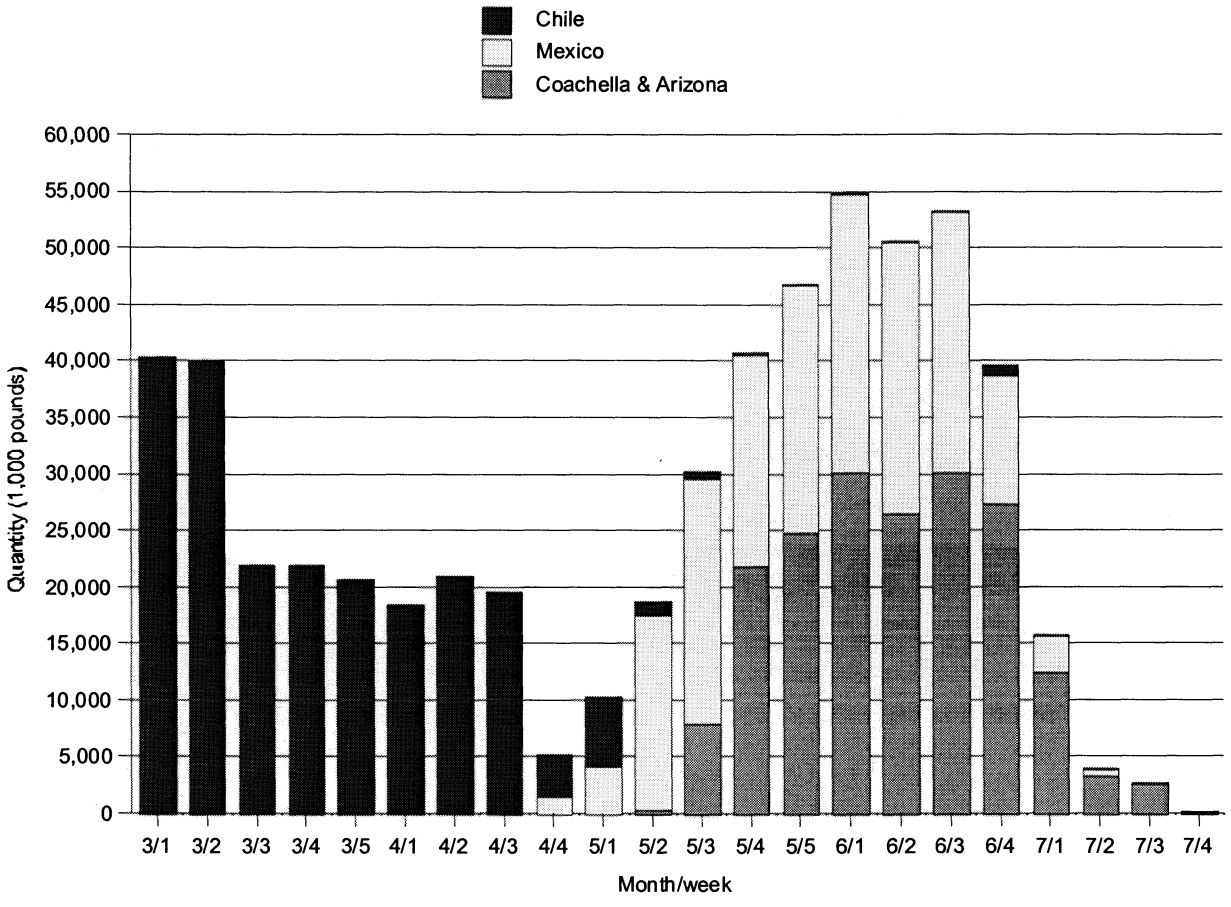

Source: Tables III-15, IV-3, and IV-4.

**Figure IV-3**
**Spring table grapes: Weekly packouts, by sources, first week of March through fourth week of July, 1998**



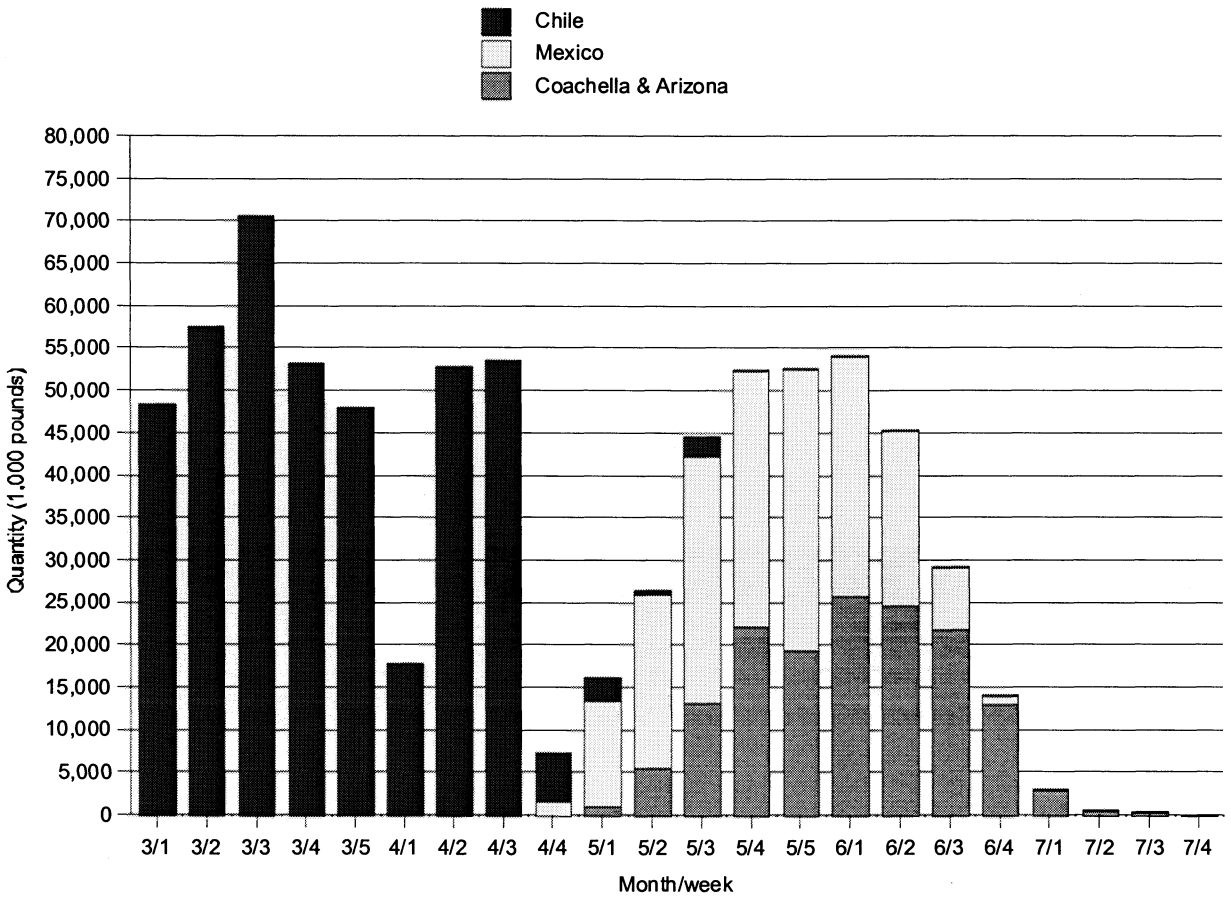

Source: Tables III-15, IV-3, and IV-4.

**Figure IV-4**
**Spring table grapes: Weekly packouts, by sources, first week of March through fourth week of July, 1999**




Source: Tables III-15, IV-3, and IV-4.

**Figure IV-5**
**Spring table grapes: Weekly packouts, by sources, first week of March through fourth week of July, 2000**




Source: Tables III-15, IV-3, and IV-4.

## U.S. Producers' Imports

Data on U.S. producers' direct imports (other than U.S. purchases of imports) are presented in table IV-5. *** U.S. producers, ***, directly imported spring table grapes from Mexico during the period 1997-2000. No U.S. producers imported subject merchandise from Chile during this period.

***. ***.

**Table IV-5**
**Spring table grapes: U.S. producers' imports, by sources, April 1-June 30, 1997-2000**

| | | | | | | |
|---|---|---|---|---|---|---|
| * | * | * | * | * | * | * |

## APPARENT U.S. CONSUMPTION

Table IV-6 presents data on apparent U.S. consumption of spring table grapes. Based on quantity, apparent U.S. consumption increased by 31.5 percent from 1997 to 2000. Based on value, apparent U.S. consumption increased by 31.4 percent during the same period. Table IV-7 presents data on apparent U.S. consumption of all table grapes.

## U.S. MARKET SHARES

Table IV-8 presents data on U.S. market shares based on apparent U.S. consumption of spring table grapes. The U.S. market share of domestic producers decreased from 41.4 percent in 1997 to 26.5 percent in 2000. The U.S. market share for imports of spring table grapes from Chile increased from 18.3 percent in 1997 to 29.5 percent in 2000. The U.S. market share for imports of spring table grapes from Mexico increased from 39.1 percent in 1997 to 42.4 percent in 2000. Table IV-9 presents data on U.S. market shares based on apparent U.S. consumption of all table grapes.

**Table IV-6**
**Spring table grapes: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, April 1-June 30, 1997-2000**

| Source | April 1-June 30 | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Quantity *(1,000 pounds)* | | | |
| U.S. producers' U.S. shipments[1] | 140,621 | 129,893 | 128,953 | 118,384 |
| U.S. imports from–[2] | | | | |
| Chile | 62,035 | 96,591 | 79,821 | 131,786 |
| Mexico | 133,011 | 142,558 | 179,703 | 189,445 |
| Subtotal | 195,047 | 239,148 | 259,523 | 321,231 |
| All other sources | 4,172 | 4,199 | 927 | 7,294 |
| Total U.S. imports | 199,219 | 243,347 | 260,450 | 328,525 |
| Apparent U.S. consumption | 339,840 | 373,240 | 389,403 | 446,909 |
| | Value *($1,000)* | | | |
| U.S. producers' U.S. shipments[1] | 101,038 | 76,520 | 102,787 | 78,643 |
| U.S. imports from–[2] | | | | |
| Chile | 38,245 | 47,564 | 53,347 | 65,042 |
| Mexico | 82,101 | 89,388 | 210,558 | 145,256 |
| Subtotal | 120,346 | 136,953 | 263,905 | 210,298 |
| All other sources | 2,944 | 2,042 | 688 | 5,871 |
| Total U.S. imports | 123,290 | 138,995 | 264,594 | 216,169 |
| Apparent U.S. consumption | 224,328 | 215,514 | 367,381 | 294,812 |

[1] Based on responses to Commission questionnaires. Questionnaire data are lower than those reported by the California Desert Grape Administrative Committee (CDGAC).
[2] Based on official statistics of Commerce.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to questionnaires of the Commission and from official statistics of Commerce.

**Table IV-7**
**Table grapes: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, calendar years 1997-2000**

| Source | Calendar year | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Quantity *(1,000 pounds)* | | | |
| U.S. producers' U.S. shipments: | | | | |
| April 1-June 30[1] | 204,613 | 148,749 | 169,650 | 147,458 |
| July 1-December 31[2] | 1,124,366 | 945,790 | 1,133,978 | 1,141,271 |
| Subtotal | 1,328,979 | 1,094,539 | 1,303,628 | 1,288,729 |
| U.S. imports:[3] | | | | |
| Subject imports from–[4] | | | | |
| Chile | 62,035 | 96,591 | 79,821 | 131,786 |
| Mexico | 133,011 | 142,558 | 179,703 | 189,445 |
| Subtotal | 195,047 | 239,148 | 259,523 | 321,231 |
| Nonsubject imports from–[5] | | | | |
| Chile | 538,350 | 541,053 | 526,301 | 661,160 |
| Mexico | 33,905 | 80,205 | 13,490 | 10,621 |
| All other sources | 26,194 | 34,266 | 46,528 | 42,597 |
| Subtotal | 598,449 | 655,524 | 586,319 | 714,378 |
| Total imports from– | | | | |
| Chile | 600,386 | 637,644 | 606,122 | 792,946 |
| Mexico | 166,916 | 222,763 | 193,193 | 200,066 |
| All other sources | 26,194 | 34,266 | 46,528 | 42,597 |
| Total U.S. imports | 793,496 | 894,672 | 845,843 | 1,035,609 |
| Apparent U.S. consumption: | | | | |
| April 1-June 30 | 399,660 | 387,897 | 429,173 | 468,689 |
| July 1-December 31 | 1,722,816 | 1,601,314 | 1,720,297 | 1,855,649 |
| Total | 2,122,476 | 1,989,211 | 2,149,470 | 2,324,338 |

See footnotes at end of table.

**Table IV-7–*Continued***
**Table grapes: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, calendar years 1997-2000**

| Source | Calendar year | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Value *($1,000)* | | | |
| U.S. producers' U.S. shipments: | | | | |
| April 1-June 30[6] | 147,321 | 87,762 | 135,720 | 97,322 |
| July 1-December 31 | ([7]) | ([7]) | ([7]) | ([7]) |
| Subtotal | ([7]) | ([7]) | ([7]) | ([7]) |
| U.S. imports:[3] | | | | |
| Subject imports from–[4] | | | | |
| Chile | 38,245 | 47,564 | 53,347 | 65,042 |
| Mexico | 82,101 | 89,388 | 210,558 | 145,256 |
| Subtotal | 120,346 | 136,953 | 263,905 | 210,298 |
| Nonsubject imports from–[5] | | | | |
| Chile | 328,931 | 338,356 | 348,040 | 445,845 |
| Mexico | 19,477 | 62,125 | 10,240 | 5,540 |
| All other sources | 15,356 | 18,125 | 26,244 | 26,677 |
| Subtotal | 363,764 | 418,606 | 384,524 | 478,063 |
| Total imports from– | | | | |
| Chile | 367,176 | 385,921 | 401,387 | 510,887 |
| Mexico | 101,578 | 151,513 | 220,798 | 150,797 |
| All other sources | 15,356 | 18,125 | 26,244 | 26,677 |
| Total U.S. imports | 484,110 | 555,559 | 648,430 | 688,360 |
| Apparent U.S. consumption: | | | | |
| April 1-June 30 | 267,667 | 224,715 | 399,625 | 307,620 |
| July 1-December 31 | ([7]) | ([7]) | ([7]) | ([7]) |
| Total | ([7]) | ([7]) | ([7]) | ([7]) |

[1] Based on California Desert Grape Administrative Committee (CDGAC) harvest (packout) data.
[2] Based on USDA production data.
[3] Based on official statistics of Commerce.
[4] Imports in April 1-June 30 entering under HTS subheading 0806.10.40.
[5] Imports in other than April 1-June 30 entering under HTS subheadings 0806.10.20 and 0806.10.60.
[6] Data estimated from CDGAC harvest (packout) data times the average unit value of U.S. producers' U.S. shipments as reported in questionnaire responses.
[7] Not available.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Compiled from official statistics of Commerce and USDA.

**Table IV-8**
**Spring table grapes: Apparent U.S. consumption and market shares, by sources, April 1-June 30, 1997-2000**

| Source | April 1-June 30 | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Quantity *(1,000 pounds)* | | | |
| Apparent U.S. consumption | 339,840 | 373,240 | 389,403 | 446,909 |
| | Value *($1,000)* | | | |
| Apparent U.S. consumption | 224,328 | 215,514 | 367,381 | 294,812 |
| | Share of quantity *(percent)* | | | |
| U.S. producers' shipments | 41.4 | 34.8 | 33.1 | 26.5 |
| U.S. imports from– | | | | |
| Chile | 18.3 | 25.9 | 20.5 | 29.5 |
| Mexico | 39.1 | 38.2 | 46.1 | 42.4 |
| Subtotal | 57.4 | 64.1 | 66.6 | 71.9 |
| All other sources | 1.2 | 1.1 | 0.2 | 1.6 |
| Total imports | 58.6 | 65.2 | 66.9 | 73.5 |
| | Share of value *(percent)* | | | |
| U.S. producers' shipments | 45.0 | 35.5 | 28.0 | 26.7 |
| U.S. imports from– | | | | |
| Chile | 17.0 | 22.1 | 14.5 | 22.1 |
| Mexico | 36.6 | 41.5 | 57.3 | 49.3 |
| Subtotal | 53.6 | 63.5 | 71.8 | 71.3 |
| All other sources | 1.3 | 0.9 | 0.2 | 2.0 |
| Total imports | 55.0 | 64.5 | 72.0 | 73.3 |

Note.–Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to questionnaires of the Commission and from official statistics of Commerce.

**Table IV-9**
**Table grapes: Apparent U.S. consumption and market shares, by sources, calendar years 1997-2000**

| Source | Calendar year | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Quantity *(1,000 pounds)* | | | |
| Apparent U.S. consumption | 2,122,476 | 1,989,211 | 2,149,470 | 2,324,338 |
| | Share of quantity *(percent)* | | | |
| U.S. producers' shipments | 62.6 | 55.0 | 60.6 | 55.4 |
| U.S. imports: | | | | |
| Subject imports from– | | | | |
| Chile | 2.9 | 4.9 | 3.7 | 5.7 |
| Mexico | 6.3 | 7.2 | 8.4 | 8.2 |
| Subtotal | 9.2 | 12.0 | 12.1 | 13.8 |
| Nonsubject imports from– | | | | |
| Chile | 25.4 | 27.2 | 24.5 | 28.4 |
| Mexico | 1.6 | 4.0 | 0.6 | 0.5 |
| All other sources | 1.2 | 1.7 | 2.2 | 1.8 |
| Subtotal | 28.2 | 33.0 | 27.3 | 30.7 |
| Total imports | 37.4 | 45.0 | 39.4 | 44.6 |

Note.–Because of rounding, figures may not add to the totals shown.

Source: Table IV-7.

# PART V: PRICING AND RELATED INFORMATION

## FACTORS AFFECTING PRICES

### Raw Material Costs

Data on the cost of production of U.S. spring table grapes are presented in Part VI of the report.

### U.S. Inland Transportation Costs

Only six U.S. producers reported U.S. inland transportation costs, which accounted for between *** and *** percent of the total delivered price of spring table grapes.[1] Seventeen importers reported that transportation costs accounted for between *** and *** percent of the delivered price of spring table grapes, with seven reporting they were 5 or 6 percent.[2] All 17 responding producers reported that the purchasers paid for transportation, while 19 of 28 responding importers reported that purchasers paid for transportation.[3]

### Tariff Rates

Spring table grapes are covered by subheading 0806.10.40 of the HTS. The general tariff rate for these products is free from all sources.

### Exchange Rates

Quarterly exchange rates reported by the International Monetary Fund for Chile and Mexico during the period January 1997-December 2000 are shown in figures V-1 and V-2, respectively.

## PRICING PRACTICES

Spring table grapes are sold in a number of varieties with somewhat different characteristics; the most important distinctions are among green, red, and black grapes and between seedless and seeded.[4] Green seedless varieties include Thompson, Perlette, and Sugraone/Superior; red seedless varieties include Flame, Ruby, and Red; and red seeded varieties include Red Globe.[5] Prices differ by the variety of grape, country of origin, size, condition, and other factors.

[1] In addition, 3 reported shipping costs of 0 percent.

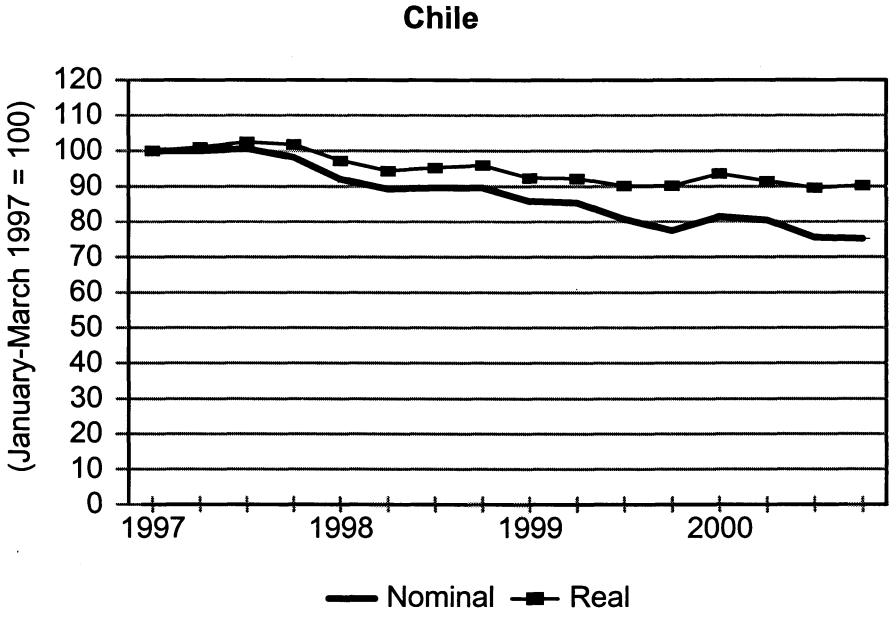
[2] In addition, 4 reported shipping costs of 0 percent.

[3] Six importers reported that they paid for the U.S. inland transportation and 3 reported that either purchasers or importers could pay for transportation.

[4] Few domestic black grapes have been picked in the spring; however, imported black grapes may be available from the southern hemisphere during the spring in the United States.

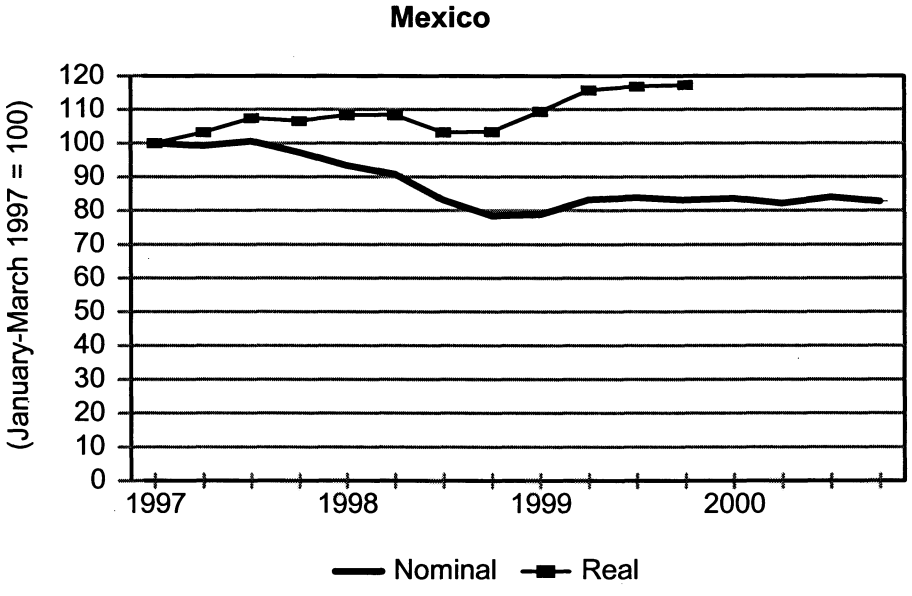
[5] Green seeded grape varieties were less common for table grape consumption in the United States.

**Figure V-1**
**Exchange rates: Indexes of the nominal and real exchange rates of the Chilean peso relative to the U.S. dollar, by quarters, January 1997-December 2000**




Source: International Monetary Fund, *International Financial Statistics*, March 2001.

**Figure V-2**
**Exchange rates: Indexes of the nominal and real exchange rates of the Mexican peso relative to the U.S. dollar, by quarters, January 1997-December 2000**




Note.–Producer price index data are not available for 2000, thus real exchange rates are not provided.

Source: International Monetary Fund, *International Financial Statistics*, March 2001.

The USDA reports approximate daily prices (per case) for 15 cities, by grape variety, size, country of origin, and sometimes quality. These data have a number of problems but they are frequently used as the basis for price negotiations. Availability of price data reduces the chance that buyers and sellers are buying or selling at a price that is much higher or lower than the market. However, even with the availability of approximate price data and the disaggregation of the data, almost all prices are reported in ranges. For example, on June 16, 1998, the USDA reported that the price of an 18-pound lug of California Perlette medium to large grapes ranged from $11 to $14; the price was mostly $12 per lug and a few were reported priced as high as $18 per lug. In most cases, however, only one price range is given for a particular variety and size from each country.[6] Sellers reported that they tend to report the higher priced sales of the day to the USDA in an attempt to keep the price up.

Importers reported that certain growers were known for the quality of their grapes and they get significantly more for grapes from these growers than from other growers. Among the important characteristics importers reported affecting the price of grapes was the "strength" of the grapes, reflected by their shelf-life. One purchaser reported the importance of the phase in the season. At the beginning of the season grapes tended to have longer shelf lives, whereas at the end of the season they are sweeter but have a shorter shelf life. Grapes with a shorter shelf life must be priced lower.

The ways in which spring table grapes are sold varies over the season. Before the picking begins, growers, importers, and purchasers estimate when the first grapes will be picked, when grapes will be available in volume, and when grapes will be available in sufficiently large quantities for store promotions. At the beginning of the U.S. season spring table grapes are typically sold in the spot market. Quantities are relatively small and prices tend to be relatively high. Purchasers do not want to buy large amounts at this time because they expect that the price will fall. When the volume grows, purchasers and sellers are more likely to sell by oral contracts and arrange promotions.

Promotions are very important in this industry when grape production gets relatively high. The stores typically want to know approximately 3 weeks in advance to set advertisements. Producers hope that these promotions during periods of high supply will increase demand and thus prevent the spot market price from falling excessively. The purchasers need to know the maximum price they may be charged in order to set ads at a profitable price. For this reason they make oral agreements with the growers/importers on the maximum price. If the spot price is lower than this maximum price, the purchaser typically pays the market price rather than the estimated price. If the spot price is higher, however, the purchaser pays the agreed maximum price. According to one importer, promotions can increase retail sales by as much as 3 times what they would be at the same retail price without a promotion.[7] Without this increase in demand at the time of peak production, according to this importer, the price of grapes would fall much more than it does and it would not be possible to sell the amount sold.

Both domestic producers and importers reported that they sold mainly on the spot market. Six of the 17 responding domestic producers reported selling from *** to *** percent of their product on a contract basis, whereas 11 sold only on a spot basis. Only one U.S. producer reported using contracts for the majority of its sales. Ten of the 24 responding importers reported contracts covering from ***

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[6] When the USDA reported that a particular variety of grapes was mostly sold at a specific price or price range, this price or range has been reported in the tables of USDA price data in appendix D; otherwise the full price range is reported.

[7] Mr. Richard Eastes, Director of Procurement, David Openheimer Co., transcript of conference, pp. 167-168

percent to *** percent of their sales; only two of these sold most of their product using contracts, while the remainder sold *** percent or less through contracts.

Importers reported that contracts lasted from *** days to ***, however six of the 12 responding importers reported contracts of one week. Of the six producers reporting the length of their contracts, five reported contracts of 1 week, and the other reported contracts of ***. Five of the six responding U.S. producers and nine of the 12 responding importers reported that contracts had both fixed prices and quantities.[8]

Nine of the 18 responding U.S. producers reported no discounts, six reported volume discounts, two reported advertising discounts, and one reported that ***. Twenty-eight importers responded to the question on their discount policies; 13 of these either reported no discounts or no discount policy, and 10 reported volume discounts. Of the remaining five, one provided discounts for consumer taste tests, two provided discounts on a case-by-case basis, one provided discounts for problem shipments, and one gave advertising discounts.

Conventional price lists are typically not used in the grapes market; however, the USDA provides daily reports of price data, and a number of firms reported using these data in setting prices. Eleven of the 19 responding U.S. producers reported that prices are determined by transaction-by-transaction negotiations, daily prices, market prices, or negotiated prices. Two reported that prices are determined by both transaction-by-transaction negotiations and prices set in advance, two reported contract prices which were adjusted to the market price at the time of the delivery, and one reported the price is "whatever purchasers are willing to pay me."[9] Sixteen of 25 responding importers reported selling on a transaction-by-transaction basis or that prices changed daily.[10] Six firms reported that in addition to market prices, some prices were determined in advance, while two reported that the USDA data were used to determine prices. Two firms reported using price lists, although neither reported that these were the main source of prices; one of these reported that prices were determined by supply and demand, and the other is included in the six firms reporting that they sold both by contract and at market prices.

Fifteen of 17 responding domestic producers reported selling on an f.o.b. basis, one reported selling on both a delivered and f.o.b. basis, and one reported selling delivered. Twenty of the 26 responding importers sold on an f.o.b. basis, two sold on a delivered basis, three reported selling on both a delivered and an f.o.b. basis, and one sold Mexican product on an f.o.b. basis and sold Chilean product on both an f.o.b. and a delivered basis.

[8] The remaining producer reported both were fixed; however, this was subject to constant price renegotiation. Two of the three remaining importers reported that a range was agreed to for quantity, while the final importer reported that contracts could have fixed prices, fixed quantities, or both.

[9] In addition, one reported that the price was quoted over the phone and one reported that its price was determined by ***.

[10] In addition, two responded to this question with none or NA.

## PRICE DATA

The Commission requested the U.S. producers and importers to provide quantity and value data for sales made on a Tuesday of each week between the beginning of May and the end of June for 1997 through 2000 for the following products:[11]

| | |
|---|---|
| **Product 1** | Red seedless table grapes |
| **Product 2** | Green seedless table grapes |
| **Product 3** | Red seeded table grapes |

U.S. producers and importers who sold spring table grapes were asked to provide values for the product f.o.b. at their U.S. point of shipment.

Thirteen U.S. producers and 23 importers provided usable price data for sales of the requested products in the U.S. market, although not necessarily for all products and all days for each country.[12] Weighted-average pricing data and margins of under/overselling are presented in tables V-1 to V-3 and figures V-3 through V-5. Usable pricing data accounted for about 7.9 percent of U.S. commercial shipments of domestic spring table grapes in 2000, about 30.1 percent of shipments of spring table grapes from Chile, and about 13.2 percent of shipments from Mexico.

In 2000, a number of importers and one domestic producer reported very low prices. In the case of imports from Chile, one of the reasons cited was problems with the condition of the product. The U.S. producer reported ***. If grapes were disposed of and not sold, they are excluded from the pricing data, as are sales where the importers report that most of the grapes probably were disposed of by the wholesaler purchaser.

In addition to questionnaire data, the USDA publishes price data for different types of grapes available in various domestic terminal markets. These data for Los Angeles, Chicago, and New York are provided by (green and red seedless) variety for the same days as were collected from importers and producers and are presented in appendix D (tables D-1 through D-6).[13] The USDA prices are reported by country of origin, variety, size of grape (sometimes), freshness (sometimes), and if the grapes are air shipped. The USDA also notes if there are relatively few transactions on that product that day.[14] USDA price data are also presented for each Tuesday in May 2001 (table D-7).

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[11] The respondents allege that these aggregated pricing products mask the price differences between the different varieties.

[12] Some firms did not keep daily price and quantity data but instead provided their average weekly prices and quantities. Since these prices were not on the same basis as other prices they have not been included.

[13] Since medium-to-large grapes are most common during this period, this size is used if available.

[14] The USDA may provide more than one price range and specific prices for a variety of grapes on a specific day and location. When more than one price range is given, the USDA typically reports that prices were "mostly" in a narrower range or at a specific price. This narrower range or specific price is used in tables D-1 through D-7. The USDA may also report prices that occur "occasionally;" these are not reported in the tables.

**Table V-1**
**Spring table grapes: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), for each Tuesday in May and June between 1997 and 2000**

| Period | United States | | Chile | | | Mexico | | |
|---|---|---|---|---|---|---|---|---|
| | Price | Quantity | Price | Quantity | Margin | Price | Quantity | Margin |
| | *Per pound* | *Pounds* | *Per pound* | *Pounds* | *Percent* | *Per pound* | *Pounds* | *Percent* |
| 1997: | | | | | | | | |
| May 6 | $1.57 | 222,424 | *** | *** | *** | *** | *** | *** |
| May 13 | 1.36 | 1,635,992 | *** | *** | *** | $1.42 | 774,540 | (4.1) |
| May 20 | 0.95 | 2,165,448 | *** | *** | *** | 0.79 | 1,665,598 | 17.7 |
| May 27 | 0.67 | 2,506,264 | (2) | (2) | (3) | 0.65 | 2,519,596 | 2.9 |
| June 3 | 0.66 | 2,350,576 | (2) | (2) | (3) | 0.65 | 814,781 | 1.7 |
| June 10 | 0.64 | 1,809,900 | *** | *** | *** | 0.61 | 679,869 | 4.8 |
| June 17 | 0.61 | 1,533,214 | (2) | (2) | (3) | 0.53 | 735,051 | 13.0 |
| June 25 | *** | *** | (2) | (2) | (3) | *** | *** | *** |
| 1998: | | | | | | | | |
| May 5 | (2) | (2) | $0.68 | 555,316 | (3) | (2) | (2) | (3) |
| May 12 | (2) | (2) | 0.60 | 607,246 | (3) | 1.52 | 23,508 | (3) |
| May 19 | (2) | (2) | *** | *** | (3) | 1.84 | 491,634 | (3) |
| May 26 | 1.01 | 1,035,244 | (2) | (2) | (3) | 0.94 | 1,939,088 | 7.5 |
| June 2 | 0.65 | 2,405,060 | *** | *** | *** | 0.66 | 2,372,230 | (2.3) |
| June 9 | 0.56 | 3,488,004 | *** | *** | *** | 0.60 | 1,109,892 | (5.8) |
| June 16 | 0.50 | 2,356,110 | (2) | (2) | (3) | 0.51 | 1,561,645 | (1.0) |
| June 23 | 0.46 | 2,145,080 | (2) | (2) | (3) | 0.44 | 1,244,942 | 4.4 |
| June 30 | 0.53 | 2,434,120 | (2) | (2) | (3) | 0.50 | 425,110 | 4.8 |
| 1999: | | | | | | | | |
| May 4 | (2) | (2) | 1.41 | 143,266 | (3) | 2.22 | 214,278 | (3) |
| May 11 | (2) | (2) | 0.71 | 8,534 | (3) | 2.04 | 1,298,926 | (3) |
| May 18 | 1.06 | 130,686 | *** | *** | *** | 1.28 | 2,505,042 | (20.5) |
| May 25 | 0.96 | 1,537,402 | (2) | (2) | (3) | 0.95 | 3,117,984 | 1.1 |
| June 1 | 0.81 | 3,751,576 | (2) | (2) | (3) | 0.85 | 2,112,876 | (5.4) |
| June 8 | 0.78 | 4,148,844 | (2) | (2) | (3) | 0.83 | 2,814,519 | (5.8) |
| June 15 | 0.77 | 3,043,036 | *** | *** | *** | 0.75 | 2,365,496 | 1.7 |
| June 22 | 0.78 | 1,949,598 | (2) | (2) | (3) | 0.75 | 2,130,174 | 4.6 |
| June 29 | 0.76 | 1,744,458 | (2) | (2) | (3) | 0.72 | 1,168,194 | 6.0 |
| 2000: | | | | | | | | |
| May 2 | (2) | (2) | 0.58 | 1,130,366 | (3) | 1.35 | 179,494 | (3) |
| May 9 | 0.85 | 927,790 | 0.52 | 1,067,075 | 38.5 | 1.00 | 2,111,120 | (17.0) |
| May 16 | 0.75 | 1,626,976 | 0.40 | 788,464 | 46.3 | 0.84 | 3,181,162 | (11.8) |
| May 23 | 0.72 | 1,739,806 | 0.38 | 564,271 | 46.6 | 0.73 | 3,547,938 | (1.2) |
| May 30 | 0.69 | 1,769,986 | 0.39 | 190,149 | 42.8 | 0.68 | 3,434,502 | 1.8 |
| June 6 | 0.63 | 2,282,326 | 0.37 | 326,166 | 42.1 | 0.59 | 2,742,354 | 6.4 |
| June 13 | 0.63 | 1,587,324 | 0.42 | 136,821 | 33.0 | 0.56 | 3,274,124 | 10.6 |
| June 22 | 0.66 | 1,621,358 | *** | *** | *** | 0.52 | 1,786,614 | 21.3 |
| June 27 | 0.65 | 1,303,984 | *** | *** | *** | 0.49 | 840,314 | 25.0 |

[1] Red seedless table grapes.
[2] Data not reported.
[3] Margins not calculated.

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

**Table V-2**
**Spring table grapes: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), for each Tuesday in May and June between 1997 and 2000**

| Period | United States | | Chile | | | Mexico | | |
|---|---|---|---|---|---|---|---|---|
| | Price | Quantity | Price | Quantity | Margin | Price | Quantity | Margin |
| | *Per pound* | *Pounds* | *Per pound* | *Pounds* | *Percent* | *Per pound* | *Pounds* | *Percent* |
| 1997: | | | | | | | | |
| May 6 | $1.30 | 676,512 | $0.89 | 71,675 | 31.5 | *** | *** | *** |
| May 13 | 1.12 | 2,001,762 | 0.63 | 3,928 | 43.4 | $1.19 | 870,516 | (6.4) |
| May 20 | 0.89 | 2,445,678 | *** | *** | *** | 0.95 | 942,124 | (6.0) |
| May 27 | 0.82 | 1,315,940 | *** | *** | *** | 0.75 | 648,629 | 8.3 |
| June 3 | 0.70 | 2,047,644 | *** | *** | *** | 0.72 | 840,637 | (4.0) |
| June 10 | 0.63 | 2,222,974 | *** | *** | *** | 0.66 | 1,065,936 | (6.0) |
| June 17 | 0.54 | 3,141,950 | (2) | (2) | (3) | 0.53 | 1,122,612 | 3.3 |
| June 25 | *** | *** | (2) | (2) | (3) | *** | *** | *** |
| 1998: | | | | | | | | |
| May 5 | (2) | (2) | 0.62 | 208,844 | (3) | 1.88 | 43,788 | (3) |
| May 12 | (2) | (2) | 0.39 | 61,219 | (3) | 1.67 | 581,726 | (3) |
| May 19 | 1.94 | 48,582 | *** | *** | *** | 1.56 | 1,130,100 | 19.7 |
| May 26 | 0.98 | 908,892 | (2) | (2) | (3) | 1.05 | 1,250,796 | (7.0) |
| June 2 | 0.71 | 1,824,598 | *** | *** | *** | 0.77 | 1,090,214 | (8.3) |
| June 9 | 0.58 | 2,140,196 | *** | *** | *** | 0.68 | 1,947,986 | (17.3) |
| June 16 | 0.49 | 1,687,474 | (2) | (2) | (3) | 0.58 | 1,804,212 | (18.1) |
| June 23 | 0.51 | 2,277,608 | (2) | (2) | (3) | 0.50 | 1,796,044 | 1.0 |
| June 30 | 0.53 | 2,929,342 | (2) | (2) | (3) | 0.49 | 1,689,739 | 8.0 |
| 1999: | | | | | | | | |
| May 4 | (2) | (2) | 1.50 | 41,319 | (3) | 2.28 | 236,070 | (3) |
| May 11 | (2) | (2) | *** | *** | (3) | 1.93 | 869,850 | (3) |
| May 18 | *** | *** | *** | *** | *** | 1.23 | 2,007,032 | *** |
| May 25 | 0.93 | 2,289,147 | (2) | (2) | (3) | 1.02 | 1,502,227 | (9.6) |
| June 1 | 0.83 | 2,509,872 | (2) | (2) | (3) | 0.90 | 1,324,760 | (8.4) |
| June 8 | 0.88 | 2,166,476 | (2) | (2) | (3) | 0.87 | 1,620,013 | 1.6 |
| June 15 | 0.88 | 1,068,034 | *** | *** | *** | 0.97 | 2,056,553 | (10.8) |
| June 22 | 0.90 | 1,799,710 | (2) | (2) | (3) | 0.79 | 2,066,366 | 12.4 |
| June 29 | 0.73 | 2,149,205 | (2) | (2) | (3) | 0.61 | 2,716,004 | 15.8 |
| 2000: | | | | | | | | |
| May 2 | *** | *** | 0.69 | 1,368,521 | *** | 1.22 | 464,400 | *** |
| May 9 | 0.89 | 646,866 | 0.51 | 792,112 | 42.6 | 0.94 | 959,896 | (6.5) |
| May 16 | 0.79 | 1,144,854 | 0.33 | 314,448 | 57.7 | 0.78 | 1,627,174 | 1.0 |
| May 23 | 0.72 | 2,171,620 | 0.09 | 206,456 | 87.5 | 0.79 | 1,681,679 | (9.2) |
| May 30 | 0.69 | 1,442,058 | *** | *** | *** | 0.73 | 1,705,486 | (5.6) |
| June 6 | 0.63 | 1,561,204 | (2) | (2) | (3) | 0.63 | 2,881,721 | 0.8 |
| June 13 | 0.62 | 1,813,228 | *** | *** | *** | 0.53 | 2,994,232 | 14.0 |
| June 22 | 0.59 | 1,675,202 | (2) | (2) | (3) | 0.47 | 2,810,262 | 20.3 |
| June 27 | 0.57 | 1,724,282 | (2) | (2) | (3) | 0.44 | 2,837,886 | 22.6 |

[1] Green seedless table grapes.
[2] Data not reported.
[3] Margins not calculated.

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

**Table V-3**
**Spring table grapes: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), for each Tuesday in May and June between 1997 and 2000**

| Period | United States | | Chile | | | Mexico | | |
|---|---|---|---|---|---|---|---|---|
| | Price | Quantity | Price | Quantity | Margin | Price | Quantity | Margin |
| | *Per pound* | *Pounds* | *Per pound* | *Pounds* | *Percent* | *Per pound* | *Pounds* | *Percent* |
| 1997: | | | | | | | | |
| May 6 | (2) | (2) | *** | *** | (3) | (2) | (2) | (3) |
| May 13 | (2) | (2) | (2) | (2) | (3) | (2) | (2) | (3) |
| May 20 | (2) | (2) | (2) | (2) | (3) | (2) | (2) | (3) |
| May 27 | (2) | (2) | (2) | (2) | (3) | (2) | (2) | (3) |
| June 3 | (2) | (2) | (2) | (2) | (3) | (2) | (2) | (3) |
| June 10 | (2) | (2) | (2) | (2) | (3) | *** | *** | (3) |
| June 17 | *** | *** | (2) | (2) | (3) | *** | *** | *** |
| June 25 | *** | *** | (2) | (2) | (3) | *** | *** | *** |
| 1998: | | | | | | | | |
| May 5 | (2) | (2) | $0.65 | 87,191 | (3) | (2) | (2) | (3) |
| May 12 | (2) | (2) | 0.67 | 408,080 | (3) | (2) | (2) | (3) |
| May 19 | (2) | (2) | 0.79 | 428,088 | (3) | (2) | (2) | (3) |
| May 26 | (2) | (2) | 0.87 | 97,356 | (3) | (2) | (2) | (3) |
| June 2 | (2) | (2) | *** | *** | (3) | (2) | (2) | (3) |
| June 9 | (2) | (2) | (2) | (2) | (3) | (2) | (2) | (3) |
| June 16 | (2) | (2) | (2) | (2) | (3) | (2) | (2) | (3) |
| June 23 | (2) | (2) | (2) | (2) | (3) | *** | *** | (3) |
| June 30 | *** | *** | (2) | (2) | (3) | *** | *** | *** |
| 1999: | | | | | | | | |
| May 4 | (2) | (2) | 0.77 | 705,525 | (3) | (2) | (2) | (3) |
| May 11 | (2) | (2) | 0.76 | 811,298 | (3) | (2) | (2) | (3) |
| May 18 | (2) | (2) | 0.85 | 343,074 | (3) | (2) | (2) | (3) |
| May 25 | (2) | (2) | *** | *** | (3) | (2) | (2) | (3) |
| June 1 | (2) | (2) | *** | *** | (3) | (2) | (2) | (3) |
| June 8 | (2) | (2) | (2) | (2) | (3) | *** | *** | (3) |
| June 15 | (2) | (2) | *** | *** | (3) | *** | *** | (3) |
| June 22 | *** | *** | *** | *** | *** | *** | *** | *** |
| June 29 | *** | *** | *** | *** | *** | *** | *** | *** |
| 2000: | | | | | | | | |
| May 2 | (2) | (2) | 0.55 | 406,906 | (3) | (2) | (2) | (3) |
| May 9 | (2) | (2) | 0.52 | 541,540 | (3) | (2) | (2) | (3) |
| May 16 | (2) | (2) | 0.43 | 272,215 | (3) | (2) | (2) | (3) |
| May 23 | (2) | (2) | 0.39 | 188,050 | (3) | (2) | (2) | (3) |
| May 30 | (2) | (2) | 0.41 | 170,418 | (3) | (2) | (2) | (3) |
| June 6 | (2) | (2) | 0.45 | 69,769 | (3) | (2) | (2) | (3) |
| June 13 | (2) | (2) | 0.21 | 103,628 | (3) | *** | *** | (3) |
| June 22 | (2) | (2) | 0.23 | 344,949 | (3) | *** | *** | (3) |
| June 27 | *** | *** | *** | *** | *** | *** | *** | *** |

[1] Red seeded table grapes.
[2] Data not reported.
[3] Margins not calculated.

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

**Figure V-3**
**Weighted-average net f.o.b. prices (per pound) of product 1, by day (prices were reported for one day a week), May and June, 1997-2000**

* * * * * * *

**Figure V-4**
**Weighted-average net f.o.b. prices (per pound) of product 2, by day (prices were reported for one day a week), May and June 1997-2000**

* * * * * * *

**Figure V-5**
**Weighted-average net f.o.b. prices (per pound) of product 3, by day (prices were reported for one day a week), May and June, 1997-2000**

* * * * * * *

## U.S. Producers' and Importers' Prices

### U.S. Product

U.S. producers' prices for product 1 ranged from a high of *** per pound to a low of *** per pound. Prices for product 2 ranged from *** to *** per pound, and prices for product 3 ranged from *** per pound to *** per pound. Each year, prices for each of the products fell over the period in which prices were collected. Prices tended to be lower in 2000.

### Chilean Product

Prices for Chilean product 1 ranged from *** per pound to *** per pound. Prices for product 2 ranged from *** per pound to a low of *** per pound, and prices for product 3 ranged from *** per pound to a low of *** per pound. Unlike the U.S. and Mexican prices, the prices of Chilean products did not consistently fall within each year over the period for which data were collected. Only in 2000 was there a clear pattern of falling prices from the beginning to the end of the period for which data were collected.[15]

[15] A number of Chilean importers were contacted because their 2000 prices were extremely low. These firms reported major problems selling their grapes because of quality problems. Some reported selling to wholesalers who

(continued)

## Mexican Product

The price of Mexican product 1 ranged from *** to *** per pound. Reported prices for product 2 ranged from *** to *** per pound, and reported prices for product 3 ranged from *** to *** per pound. For each of the products and in each of the years for which prices were collected, the price fell from the beginning of the period to the end.

## Price Comparisons

Tables V-1 to V-3 show the margins of underselling/(overselling) for spring table grapes in 1997 through 2000 for the subject countries. Table V-4 shows a summary of underselling(overselling) information by country, product, and year for which data were collected.

**Table V-4**
**Spring table grapes: Frequency and average margins of underselling/(overselling) for products 1, 2, and 3, by country, 1997-2000**

| Item | Product 1 | | | Product 2 | | | Product 3 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Times under-selling | Times over-selling | Average margin of under-selling/ (over-selling) | Times under-selling | Times over-selling | Average margin of under-selling/ (over-selling) | Times under-selling | Times over-selling | Average margin of under-selling/ (over-selling) |
| Chile: | | | | | | | | | |
| 1997 | 3 | 1 | 7.0 | 2 | 4 | (13.2) | 0 | 0 | -- |
| 1998 | 1 | 1 | 34.8 | 2 | 1 | 20.1 | 0 | 0 | -- |
| 1999 | 2 | 0 | 25.8 | 2 | 0 | 12.6 | 2 | 0 | 48.0 |
| 2000 | 8 | 0 | 40.2 | 5 | 1 | 43.4 | 1 | 0 | *** |
| Total | 14 | 2 | 29.4 | 11 | 6 | 15.7 | 3 | 0 | *** |
| Mexico: | | | | | | | | | |
| 1997 | 5 | 3 | 1.5 | 2 | 6 | (5.1) | 0 | 2 | (7.6) |
| 1998 | 3 | 3 | 1.3 | 3 | 4 | (3.1) | 1 | 0 | *** |
| 1999 | 4 | 3 | (2.6) | 3 | 4 | *** | 2 | 0 | 19.6 |
| 2000 | 5 | 3 | 4.4 | 5 | 4 | *** | 0 | 1 | *** |
| Total | 17 | 12 | 1.2 | 13 | 18 | (3.5) | 3 | 3 | 2.4 |

Source: Tables V-1-V-3.

[15] (...continued)
tossed out most of the grapes they received and sold the rest to sellers willing to take lower quality fruit. As much as possible these sales have not been included because the grapes may not be in direct competition with U.S. grapes. However, in other cases the firms reported that these sales were through their normal channels of distribution, but in order to get these sales, the importers reported that they did not sell on a firm price basis as they normally did but on a price-after-sale basis. Under the price-after-sale agreements, the retailers determined the price they paid for the grapes after they were sold. As a result, one importer reported that it did not realize how low its prices were getting until later. Staff discussions with importers, April 23, 2001, May 1, 2001, and May 2, 2001. V-10

## LOST SALES AND LOST REVENUES

In the petition (prior to amendment), the petitioners reported 25 allegations of lost sales with a total value of *** (table V-5) and 28 allegations of lost revenues with a total value of *** (table V-6).[16] Staff obtained comments from 19 of the 20 purchasers named, as detailed below. Of 28 lost revenue allegations, information was obtained in 20 instances; in the remaining 8 cases the purchaser did not have information available to confirm or deny the allegations or was not willing to answer the questions. Of the 25 lost sales allegations, information was obtained in 18 instances; in seven cases the purchaser did not have information available to confirm or deny the allegations, was not willing to answer the questions, or did not respond.

**Table V-5**
**Lost sale allegations reported by petitioners**

| | | | | | | |
|---|---|---|---|---|---|---|
| * | * | * | * | * | * | * |

**Table V-6**
**Lost revenue allegations reported by petitioners**

| | | | | | | |
|---|---|---|---|---|---|---|
| * | * | * | * | * | * | * |

*** was named in *** lost revenue allegations, with a value of ***. *** reported that he acted as a broker representing *** buying grapes during the 2000 season. He reported that he never bought Mexican grapes because *** was concerned about possible ***.

*** was named in one lost revenue allegation with a value of ***. *** of *** reported that he did not recall the specific transaction in the allegation but reported that if the grapes from Mexico were priced at *** per lug these would be substandard grapes and they would be in bond for Canada and not sold in the United States. He reported that the quantity involved would more likely have been *** lugs rather than *** lugs. He said that by *** the *** season would be almost over and the *** seasons would be starting. *** had a good market, he reported, because they were the first grapes available. When the other varieties such as *** were available, the *** had to be sold at a discount. He believed that by *** competition from these other grape varieties would have been the reason the price of *** was down rather than competition from Mexican grapes.

[16] Additional allegations were received in an amendment; these are included in the table but not in the allegations covered in this section because there was not adequate time to contact the purchasers. The petition also included additional allegations that did not provide sufficient information.

*** was named in one lost revenue allegation with an alleged value of ***. *** of *** reported that the lost revenue allegation was not correct. Chilean grapes may have been at *** a lug at that time *** but that was because they had been in storage for some time. He said that Chilean grapes had to come into the United States before April and as a result the Chilean grapes would be ***. They would have to be sold to purchasers willing to buy lower quality grapes. Because of this, Chilean grapes would not cause the price of fresh U.S. *** grapes to fall. U.S. *** would have been better quality than the Chilean grapes. The price of U.S. *** grapes may have been falling at that time but this would be because of the availability of these grapes. As production increases, the price falls and it can fall from one day to the next at that time of year. Mexican grapes might have affected the price of U.S. grapes because the Mexican grapes were part of the supply at that time. However, there would have been no Mexican grapes at *** per lug.

*** was named in one lost sale allegation with an alleged value of ***. *** of *** reported that in general he agreed with the allegation; however, the quantity was *** lugs rather than *** lugs. He also reported that some of the losses in the U.S. sales were because many customers felt that the Mexican product had better color in their *** than the U.S. grapes.

*** was named in *** lost revenue allegations with an alleged value of ***. *** of *** agreed with all *** allegations.

*** was named in *** lost sale allegation with an alleged value of ***. *** of *** disagreed with the allegation. She reported that on *** purchased *** grapes from a U.S. grower. She also reported that the price and the quantity reported in the allegation were incorrect. ***, she reported, had purchased *** lugs of green grapes from Mexico on *** at *** per lug rather than the alleged *** per lug; however, these were not *** grapes.

*** was named in one lost sale allegation with an alleged value of ***. *** of *** denied this allegation, reporting that Mexican grapes were purchased because of their quality, not because of their price. He reported that the quality of Mexican grapes was outstanding last season.

***.

*** was named in *** lost revenue allegations with an alleged value of ***. *** of *** disagreed with both allegations. He reported that in *** there were no Coachella grapes available and therefore product was shipped from Mexico. He also reported that the quantity of grapes involved was lower than reported in ***.[17]

*** was named in *** lost sale allegations with an alleged value of ***. *** of *** disagreed with all *** allegations. He reported that the grapes out of Coachella were not of a quality suitable for his customers; therefore, he shipped product out of Mexico due to better quality, size, and condition of the fruit. He also reported that the quantity of grapes involved was lower than reported in ***.[18]

*** was named in one lost sale allegation with an alleged value of ***. *** of *** denied the allegation, reporting that *** bought produce based first on quality, not price.

[17] For the ***.

[18] For the ***.

*** was named in *** lost sale allegations with an alleged value of ***. *** of *** denied all allegations. He reported that for the lost sales alleged for *** the Coachella Valley did not start harvesting until ***. For the other dates they have no record of grapes shipped on the specified date. He further reported that grapes may not have been purchased from one supplier in Coachella because another California supplier offered grapes at a lower price.

*** was named in *** lost revenue allegations with an alleged value of ***. *** of *** disagreed with the allegations. He reported that *** purchases from a number of areas based on the field personnel's feedback on overall appearance and quality of the grapes. Quality includes the size of the grape, the USDA grade, the color, sweetness, and overall appearance. Because of *** it must source from a number of areas because individual shippers ***. During the period in question, it purchased ***. Quality determined the price paid.

*** was named in *** lost revenue allegations with an alleged value of ***. *** of *** reported that he could not recall the specific instances but thought the allegations might be correct. He reported that the amount of competition between Chilean and U.S. grapes depends on how late the Chilean season is. Late season grapes would not be as strong (they have a shorter shelf life in the stores). On the other hand, late season grapes tend to be sweeter than the new season grapes. Late season grapes can be attractive if they can be priced low enough so they sell rapidly and therefore do not need a long shelf life. For this reason, the Chilean grapes have to be priced below the stronger Coachella grapes being sold at the same time. As a wholesaler, *** tries to get competitive prices. The Coachella growers used to have no competition from late season grapes from Chile. There was a gap of a week or two when there were no grapes available, then the Coachella growers entered the market. They had the market to themselves and could charge very high prices on a take it or leave it basis. This has changed; Mexican production has increased so they have some competition. Chile now grows grape varieties that ripen later so they are in the market longer. He reported that late season, early season competition occurs not only between imports and domestic growers but also between the growers in different locations in California. At the end of the Coachella season ("deal"), Coachella growers compete with the start of the next deal. The Coachella grapes by that time are weaker (*i.e.,* have shorter shelf lives than the other grapes), but they are sweeter. They need to sell at a lower price so that they will sell quickly from the stores.

*** was named in *** lost revenue allegations with an alleged value of ***. *** refused to respond to these allegations.

*** was named in *** lost sale allegations with an alleged value of ***. *** refused to respond to these allegations.

*** was named in *** lost sale allegations with an alleged value of ***. *** reported that he could not remember the specific sale. He reported that around *** he would usually be buying Mexican product because it was better quality; he would switch to Coachella grapes later when their quality improved.

*** was named in one lost revenue allegation with an alleged value of ***. *** of *** was not able to comment on the specific transaction. He reported that generally the late Chilean grapes of 2000 depressed the start-up markets for both Mexican and Californian grapes. He did not believe that what happened last year was likely to reoccur very often.

*** was named in *** lost sale allegations with an alleged value of ***. *** of *** reported that he did not recall any of the transactions specified. He reported, however, that he did buy more Mexican grapes last year but this was strictly because of quality.

*** was named in one lost revenue allegation with an alleged value of ***. *** of *** refused to give any information about the allegation.

*** was named in *** lost revenue allegations with an alleged value of ***. *** of *** reported that in each of the *** lost revenue allegations he did not have the information to agree or disagree with the allegation and he did not know how he could find it.

*** was named in one lost revenue allegation with an alleged value of ***. *** of *** agreed with the allegation that Chilean grapes had caused U.S. producers to reduce their price. He reported that in 2000 Chilean grapes were still on the market at that time.

# PART VI: FINANCIAL CONDITION OF THE U.S. INDUSTRY

## BACKGROUND

Eighteen growers, accounting for all reported U.S. production of spring table grapes, provided financial data for their spring table grape operations.[1] The financial data include post-June harvest spring table grapes.

## OPERATIONS ON SPRING TABLE GRAPES

The results of the combined U.S. growers' spring table grape operations are presented in table VI-1.[2] Net sales quantities for the combined companies increased in 1998 compared to 1997; however, the average net sales value per pound decreased, resulting in a decreased net sales value. Conversely, the net sales quantity decreased in 1999 compared to 1998, but the average net sales value per pound increased, resulting in an increased net sales value. The net sales quantity continued to decrease in 2000 to a 4-year low while the net sales value per pound also decreased, causing the net sales value to decrease to its lowest level in the 4-year period. The per-pound value of cost of goods sold increased in 1999 compared to 1998 and in 2000 compared to 1999 even though the value of cost of goods sold decreased in 1999 and 2000 compared to their respective prior years. The increases in the per-pound values of cost of goods sold in 1999 and 2000 are due, in part, to fixed costs[3] being absorbed by lower sales quantities. Increased labor and energy costs along with costs associated with increased acreage planted by the combined companies in 1998, 1999, and 2000 partially offset decreasing variable costs resulting from decreasing net sales quantities in 1999 and 2000. The combined companies incurred operating losses in 1998 and 2000.

Selected financial data, by size of firm, are presented in table VI-2. The data indicate that in the operating loss years of 1998 and 2000, operating losses or lower operating income were incurred by the combined firms in all revenue ranges.

---

[1] Twelve growers have fiscal year ends of December 31, one has July 31, and two have August 31. Two of the growers have fiscal year ends of May 31 but provided financial data for the respective crop years. One grower (comprising approximately *** percent of the combined companies' net sales value in 2000) provided financial data as of its fiscal year end of May 31. Five of the growers are proprietorships, 2 are partnerships, and 11 are corporations.

[2] Post-June harvest spring table grapes included in the financial data for the combined companies were *** percent of the net sales quantity in 1997, 21.9 percent in 1998, 11.9 percent in 1999, and *** percent in 2000. Post-June harvest spring table grapes accounted for *** percent of the net sales value in 1997, 21.5 percent in 1998, 11.6 percent in 1999, and *** percent in 2000. Four growers had post-June harvest sales in 1997 and 2000, and 8 growers had post-June harvest sales in 1998 and 1999.

[3] A review of the detailed operating expenses provided by *** for the year 2000 indicates that approximately *** percent of its operating expenses may be considered fixed costs (costs that may not vary with changes in the quantity harvested). ***.

**Table VI-1**
**Results of operations of U.S. spring table grape growers, fiscal years 1997-2000**

| Item | Fiscal year | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Quantity (*1,000 pounds*) | | | |
| Net sales | 149,999 | 168,185 | 152,114 | 127,592 |
| | Value (*1,000 dollars*) | | | |
| Net sales | 107,710 | 100,005 | 118,880 | 85,439 |
| Cost of goods sold | 88,586 | 94,913 | 94,843 | 92,935 |
| Gross profit or (loss) | 19,124 | 5,092 | 24,037 | (7,496) |
| SG&A expenses | 9,436 | 9,947 | 10,402 | 9,208 |
| Operating income or (loss) | 9,688 | (4,855) | 13,635 | (16,704) |
| Interest expense | 4,820 | 5,698 | 5,932 | 6,713 |
| Other expense | 1,295 | 1,155 | 1,458 | 1,341 |
| Other income | 2,247 | 3,186 | 1,310 | 1,047 |
| Net income or (loss) | 5,820 | (8,522) | 7,555 | (23,711) |
| Depreciation/amortization[1] | 5,092 | 5,164 | 6,283 | 6,000 |
| Cash flow | 10,912 | (3,358) | 13,838 | (17,711) |
| | Ratio to net sales (*percent*) | | | |
| Cost of goods sold | 82.2 | 94.9 | 79.8 | 108.8 |
| Gross profit or (loss) | 17.8 | 5.1 | 20.2 | (8.8) |
| SG&A expenses | 8.8 | 9.9 | 8.8 | 10.8 |
| Operating income or (loss) | 9.0 | (4.9) | 11.5 | (19.6) |
| Net income or (loss) | 5.4 | (8.5) | 6.4 | (27.8) |
| | Unit value *(per pound)* | | | |
| Net sales[2] | $0.72 | $0.59 | $0.78 | $0.67 |
| Cost of goods sold[3] | 0.59 | 0.56 | 0.62 | 0.73 |
| Gross profit or (loss) | 0.13 | 0.03 | 0.16 | (0.06) |
| SG&A expenses | 0.06 | 0.06 | 0.07 | 0.07 |
| Operating income or (loss) | 0.06 | (0.03) | 0.09 | (0.13) |
| | Number of firms reporting | | | |
| Operating losses | 6 | 11 | 4 | 13 |
| Data | 17 | 17 | 18 | 18 |

[1] Twelve producers provided depreciation expense.
[2] The average per-pound sales values for the post-June harvest spring table grapes included in the financial data were *** cents in 1997, 59 cents in 1998, 76 cents in 1999, and *** cents in 2000.
[3] The higher per pound value of cost of goods sold in 2000 is due, in part, to fixed costs being absorbed by lower sales quantities and increases in other costs, such as labor and energy.

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

**Table VI-2**
**Results of operations of U.S. spring table grape growers, by size of revenue, fiscal years 1997-2000**

| Year/revenue range *($1,000)* | Total growers | Growers with operating losses | Net sales | Operating income (loss) | Operating income (loss) margin |
|---|---|---|---|---|---|
| | *Number* | | Value *($1,000)* | | *Percent* |
| 1997: | | | | | |
| Less than $2,500 | *** | *** | *** | *** | *** |
| $2,500 to $4,999 | *** | *** | *** | *** | *** |
| $5,000 to $9,999 | *** | *** | *** | *** | *** |
| $10,000 to $14,999 | *** | *** | *** | *** | *** |
| $15,000 and above | *** | *** | *** | *** | *** |
| Total | 17 | 6 | 107,710 | 9,688 | 9.0 |
| 1998: | | | | | |
| Less than $2,500 | *** | *** | *** | *** | *** |
| $2,500 to $4,999 | *** | *** | *** | *** | *** |
| $5,000 to $9,999 | *** | *** | *** | *** | *** |
| $10,000 to $14,999 | *** | *** | *** | *** | *** |
| $15,000 and above | *** | *** | *** | *** | *** |
| Total | 17 | 11 | 100,005 | (4,855) | (4.9) |
| 1999: | | | | | |
| Less than $2,500 | *** | *** | *** | *** | *** |
| $2,500 to $4,999 | *** | *** | *** | *** | *** |
| $5,000 to $9,999 | *** | *** | *** | *** | *** |
| $10,000 to $14,999 | *** | *** | *** | *** | *** |
| $15,000 and above | *** | *** | *** | *** | *** |
| Total | 18 | 4 | 118,880 | 13,635 | 11.5 |
| 2000: | | | | | |
| Less than $2,500 | *** | *** | *** | *** | *** |
| $2,500 to $4,999 | *** | *** | *** | *** | *** |
| $5,000 to $9,999 | *** | *** | *** | *** | *** |
| $10,000 to $14,999 | *** | *** | *** | *** | *** |
| $15,000 and above | *** | *** | *** | *** | *** |
| Total | 18 | 13 | 85,439 | (16,704) | (19.6) |

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

## CAPITAL EXPENDITURES, RESEARCH AND DEVELOPMENT EXPENSES, AND INVESTMENT IN PRODUCTIVE FACILITIES

Capital expenditures, research and development (R&D) expenses, and the original cost and book value of property, plant, and equipment used in the production of spring table grapes are shown in table VI-3. Capital expenditures decreased in each comparative year, reaching a value in 2000 which was approximately one-third of the capital expenditures in 1997. R&D expenses increased in each comparative period. The original cost of fixed assets also increased in each comparative period.

**Table VI-3**
**Capital expenditures, R&D expenses, and the value of assets of U.S. growers with respect to spring table grapes, fiscal years 1997-2000**

| Item | Fiscal year | | | |
|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 |
| | Value (*$1,000*) | | | |
| Capital expenditures[1] | 12,778 | 11,223 | 7,150 | 4,386 |
| R&D expenses[2] | *** | *** | *** | *** |
| Fixed assets:[3] | | | | |
| Original cost | 101,265 | 113,021 | 121,155 | 123,990 |
| Book value | 71,584 | 76,246 | 76,774 | 73,979 |

[1] Sixteen growers provided data on capital expenditures.
[2] Two growers provided data on R&D expenses.
[3] Thirteen growers provided usable data on fixed assets.

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

## CAPITAL AND INVESTMENT

The Commission requested U.S. growers to describe any actual or potential negative effects of imports of spring table grapes from Chile and Mexico on their firms' growth, investments, ability to raise capital, and/or development and production efforts (including efforts to develop a derivative or more advanced version of the product). Their responses are shown in appendix E.

# PART VII: THREAT CONSIDERATIONS

The Commission analyzes a number of factors in making threat determinations.[1] Information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows.[2]

The Commission sent foreign producer questionnaires to all known producers in Chile and Mexico through counsel representing the respective producers and/or exporters. The Commission also sent a State Department telegram to the U.S. embassy in Mexico City requesting information.[3]

## THE INDUSTRY IN CHILE

The Commission received questionnaire responses from 36 producers and/or exporters of spring table grapes in Chile, accounting for 66.1 percent of U.S. imports of spring table grapes from Chile in 1997, 72.7 percent in 1998, 69.1 percent in 1999, and 73.2 percent in 2000.[4] The companies responding to the questionnaire appear to be primarily exporters rather than producers, as reported production accounted for only 21.5 percent of reported shipments during the April-June periods of 1997-2000. Data from responses to the Commission's foreign producers'/exporters' questionnaire are presented in table VII-1.

Chile's climate and topography are favorable to the growing of table grapes, and table grapes have long been the country's largest agricultural export.[5] Since Chile is in the southern hemisphere, its seasons are directly opposite those in North America. The harvest season begins in mid-November and ends in April. The grape varieties grown in Chile are similar to those grown in California. Grapes are transported to the United States by ship, where ocean transit times range from 12 to 14 days. The major U.S. ports of entry for Chilean table grapes are Philadelphia, PA and Los Angeles, CA.[6]

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[1] *See*, 19 U.S.C. § 1677(7)(F)(i)).

[2] There are no known antidumping duty orders in third-country markets on table grapes exported from Chile or Mexico.

[3] State Department cable 065845, April 13, 2001. Two responses were received from the Office of Agricultural Affairs, U.S. embassy in Mexico City. The first response, received on April 20, 2001, contained a situation report on the Mexican table grapes industry. The second response, received on April 23, 2001, contained a list of table grape producers in the state of Sonora, Mexico.

[4] Calculated based on shipments to the United States as reported in questionnaire responses compared to official import statistics of Commerce.

[5] *See*, postconference brief of Asociación de Exportadores de Chile (ASOEX), p. 3.

[6] During April-June 2000, 76.5 percent of Chilean exports were received at the port of Philadelphia and 21.5 percent were received at the port of Los Angeles. *See*, postconference brief of ASOEX, Exhibit 23. VII-1

**Table VII-1**
**Spring table grapes:[1] Data on the industry in Chile, April 1-June 30, 1997-2000, and projected April 1-June 30, 2001-02**

| Item | April 1-June 30 | | | | | |
|---|---|---|---|---|---|---|
| | Actual experience | | | | Projected | |
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| | Quantity *(1,000 pounds)* | | | | | |
| Capacity | 28,640 | 43,323 | 43,711 | 55,705 | 52,168 | 54,692 |
| Production | 32,209 | 44,509 | 44,561 | 52,663 | 48,469 | 50,457 |
| End-of-period inventories | 99 | 919 | 175 | 1,790 | 1,343 | 1,350 |
| Shipments: | | | | | | |
| Internal consumption | 462 | 825 | 712 | 857 | 950 | 950 |
| Home market | 13,757 | 22,504 | 17,502 | 22,653 | 8,569 | 10,500 |
| Exports to: | | | | | | |
| United States | 41,026 | 70,194 | 55,140 | 96,434 | 82,219 | 86,136 |
| All other markets | 94,906 | 112,161 | 99,976 | 158,521 | 119,277 | 132,582 |
| Subtotal | 135,932 | 182,355 | 155,115 | 254,956 | 201,495 | 218,718 |
| Total | 150,151 | 205,685 | 173,329 | 278,466 | 211,014 | 230,168 |
| | Ratios and shares based on quantity *(percent)* | | | | | |
| Capacity utilization | 112.5 | 102.7 | 101.9 | 94.5 | 92.9 | 92.3 |
| Inventories/shipments | 0.1 | 0.4 | 0.1 | 0.6 | 0.6 | 0.6 |
| Share of total shipments: | | | | | | |
| Internal consumption | 0.3 | 0.4 | 0.4 | 0.3 | 0.5 | 0.4 |
| Home market | 9.2 | 10.9 | 10.1 | 8.1 | 4.1 | 4.6 |
| Exports to: | | | | | | |
| United States | 27.3 | 34.1 | 31.8 | 34.6 | 39.0 | 37.4 |
| All other markets | 63.2 | 54.5 | 57.7 | 56.9 | 56.5 | 57.6 |
| Total | 90.5 | 88.7 | 89.5 | 91.6 | 95.5 | 95.0 |

[1] Harvested or entered into the United States during April 1-June 30.

Note.–Because of rounding, figures may not add to the totals shown.

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

Chile exports at least 15 varieties of seedless grapes to the United States. However, two seedless varieties, Thompson seedless (which accounted for 38.2 percent of exports of table grapes to the United States during the 1996-2000 growing seasons) and Flame seedless (which accounted for 29.4 percent of such exports), represented the overwhelming majority of Chilean exports. Chile also exports at least 13 varieties of seeded grapes. However, only one variety, Red Globe (which accounted for 8.7 percent of table grape exports to the United States), was exported in quantity.[7] Table VII-2 presents data on Chilean exports of table grapes to the United States by varieties.

The Chilean respondents argue that acreage devoted to table grapes in Chile has been declining over the period examined, noting that such acreage has fallen by 3.3 percent during 1997-2000.[8] Nevertheless, total reported shipments of Chilean spring table grapes increased by 85.5 percent from 1997 to 2000, which may reflect increased yields.

Table VII-3 presents exports from Chile by export market. During the March-June time period, the United States accounted for 40.0 percent by quantity of Chilean exports of table grapes in 1997, 47.8 percent in 1998, 40.3 percent in 1999, and 49.6 percent in 2000. The corresponding shares by value ranged from a low of 57.8 percent in 1999 to a high of 61.1 percent in 2000. Table VII-4 presents exports of table grapes from Chile by month.

[7] *See*, postconference brief of ASOEX, Exhibit 3.

[8] USDA data. *See*, postconference brief of ASOEX, pp. 5-6 and Exhibit 11.

**Table VII-2**
**Table grapes: Exports from Chile to the United States, by varieties, growing seasons 1996-2000**

| Item | Growing seasons | | | | |
|---|---|---|---|---|---|
| | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | Share of total exports during 1996-2000 |
| | *Quantity (1,000 pounds)* | | | | *Percent* |
| Seedless: | | | | | |
| Thompson | 257,997 | 272,778 | 204,773 | 273,617 | 38.2 |
| Flame | 166,425 | 187,763 | 210,274 | 212,432 | 29.4 |
| Ruby | 30,410 | 39,311 | 30,023 | 40,657 | 5.3 |
| Red | 25,273 | 33,875 | 20,482 | 33,250 | 4.3 |
| Black | 23,864 | 26,124 | 20,773 | 26,609 | 3.7 |
| Sugraone | 20,726 | 19,131 | 21,237 | 34,400 | 3.6 |
| Perlette | 14,494 | 13,569 | 13,884 | 14,822 | 2.2 |
| Tudor | 10,022 | 15,372 | 10,951 | 9,023 | 1.7 |
| Crimson | 0 | 1,143 | 2,133 | 11,371 | 0.6 |
| Down | 1,778 | 1,409 | 1,174 | 1,516 | 0.2 |
| Supreme | 857 | 1,531 | 479 | 0 | 0.1 |
| Beauty | 518 | 679 | 796 | 439 | 0.1 |
| White | 909 | 963 | 0 | 0 | (1) |
| Muscat | 0 | 0 | 0 | 479 | (1) |
| Superior | 0 | 0 | 412 | 0 | 0.0 |
| Subtotal | 553,272 | 613,649 | 537,392 | 658,616 | 89.5 |
| Seeded: | | | | | |
| Red Globe | 22,476 | 48,356 | 71,054 | 88,653 | 8.7 |
| Ribier | 5,667 | 3,199 | 2,355 | 4,683 | 0.6 |
| Queen Rose | 381 | 1,434 | 1,633 | 3,979 | 0.3 |
| Emperor | 1,757 | 1,340 | 1,210 | 647 | 0.2 |
| Sin Especificar | 0 | 0 | 1,977 | 0 | 0.1 |
| Blanca Italia | 333 | 0 | 641 | 531 | 0.1 |
| Ruby seeded | 0 | 0 | 0 | 1,496 | 0.1 |
| Perlon | 0 | 315 | 0 | 642 | (1) |
| Christmas Rose | 432 | 463 | 0 | 0 | (1) |
| Superior seeded | 564 | 0 | 0 | 0 | (1) |
| Calmeria | 0 | 0 | 507 | 0 | (1) |
| Moscatel | 354 | 0 | 0 | 0 | (1) |
| Kyoho | 0 | 323 | 0 | 0 | (1) |
| Subtotal | 31,963 | 55,430 | 79,377 | 100,630 | 10.1 |
| Other[2] | 2,175 | 1,958 | 1,718 | 3,146 | 0.3 |
| Total | 587,411 | 671,037 | 618,487 | 762,393 | 100.0 |

[1] Less than 0.05 percent.
[2] Other grapes could be either seeded or seedless grapes.

Note.–Because of rounding, figures may not add to the totals shown.

Source: ASOEX and Asociación Gremial; postconference brief of ASOEX, Exhibit 3.

**Table VII-3**
**Table grapes: Exports from Chile, by export markets, March-June 1997-2000**

| Item | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| | Quantity *(1,000 pounds)* | | | |
| March-June:[1] | | | | |
| United States | 188,901 | 298,720 | 204,432 | 364,184 |
| Other markets: | | | | |
| Europe | 132,992 | 128,883 | 133,235 | 143,971 |
| Asia | 81,153 | 91,337 | 88,503 | 111,794 |
| Mexico | 10,890 | 18,700 | 25,974 | 38,063 |
| Canada | 0 | 35 | 28 | 190 |
| All other | 58,191 | 87,470 | 55,082 | 75,524 |
| Subtotal, other markets | 283,226 | 326,425 | 302,822 | 369,542 |
| Total | 472,127 | 625,145 | 507,254 | 733,725 |
| | Share of total *(percent)* | | | |
| United States | 40.0 | 47.8 | 40.3 | 49.6 |
| Other markets: | | | | |
| Europe | 28.2 | 20.6 | 26.3 | 19.6 |
| Asia | 17.2 | 14.6 | 17.4 | 15.2 |
| Mexico | 2.3 | 3.0 | 5.1 | 5.2 |
| Canada | 0.0 | (2) | (2) | (2) |
| All other | 12.3 | 14.0 | 10.9 | 10.3 |
| Subtotal, other markets | 60.0 | 52.2 | 59.7 | 50.4 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |
| | Quantity *(1,000 pounds)* | | | |
| Calendar year: | | | | |
| United States | 605,027 | 636,982 | 603,313 | 803,214 |
| Other markets: | | | | |
| Europe | 210,090 | 183,486 | 200,806 | 205,008 |
| Asia | 118,264 | 112,685 | 121,308 | 134,949 |
| Mexico | 21,772 | 29,672 | 41,893 | 61,303 |
| Canada | 69 | 174 | 29 | 259 |
| All other | 84,065 | 117,363 | 75,572 | 109,651 |
| Subtotal, other markets | 434,260 | 443,380 | 439,608 | 511,170 |
| Total | 1,039,288 | 1,080,361 | 1,042,921 | 1,314,385 |
| | Share of total *(percent)* | | | |
| United States | 58.2 | 59.0 | 57.8 | 61.1 |
| Other markets: | | | | |
| Europe | 20.2 | 17.0 | 19.3 | 15.6 |
| Asia | 11.4 | 10.4 | 11.6 | 10.3 |
| Mexico | 2.1 | 2.7 | 4.0 | 4.7 |
| Canada | (2) | (2) | (2) | (2) |
| All other | 8.1 | 10.9 | 7.2 | 8.3 |
| Subtotal, other markets | 41.8 | 41.0 | 42.2 | 38.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

[1] There is approximately a 2-3 week lag between the time the grapes are exported to the time the grapes clear U.S. Customs; therefore, export data are presented for the period March-June in order to approximate the April-June import time period.
[2] Less than 0.05 percent.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Official Chilean export statistics from Global Trade Information Services; postconference brief of ASOEX, Exhibit 2.

**Table VII-4**
**Table grapes: Exports from Chile to the United States, by months, 1997-2000[1]**

| Item | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| | Quantity *(1,000 pounds)* | | | |
| January | 175,826 | 128,454 | 178,354 | 160,137 |
| February | 157,834 | 153,409 | 178,392 | 192,652 |
| March | 132,090 | 205,521 | 137,762 | 239,707 |
| April | 55,191 | 88,733 | 59,043 | 108,926 |
| May | 1,529 | 4,245 | 7,277 | 14,897 |
| June | 91 | 220 | 350 | 654 |
| July | 0 | 0 | 0 | 156 |
| August | 0 | 0 | 0 | 0 |
| September | 0 | 0 | 0 | 0 |
| October | 0 | 0 | 0 | 0 |
| November | 3,358 | 914 | 960 | 4,328 |
| December | 79,109 | 55,486 | 41,174 | 81,757 |
| Total | 605,028 | 636,982 | 603,312 | 803,214 |
| | Share of total *(percent)* | | | |
| January | 29.1 | 20.2 | 29.6 | 19.9 |
| February | 26.1 | 24.1 | 29.6 | 24.0 |
| March | 21.8 | 32.3 | 22.8 | 29.8 |
| April | 9.1 | 13.9 | 9.8 | 13.6 |
| May | 0.3 | 0.7 | 1.2 | 1.9 |
| June | (2) | (2) | 0.1 | 0.1 |
| July | 0.0 | 0.0 | 0.0 | (2) |
| August | 0.0 | 0.0 | 0.0 | 0.0 |
| September | 0.0 | 0.0 | 0.0 | 0.0 |
| October | 0.0 | 0.0 | 0.0 | 0.0 |
| November | 0.6 | 0.1 | 0.2 | 0.5 |
| December | 13.1 | 8.7 | 6.8 | 10.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

[1] There is approximately a 2-3 week lag between the time the grapes are exported and the time the grapes clear U.S. Customs.
[2] Less than 0.05 percent.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Official Chilean export statistics from Global Trade Information Services; postconference brief of ASOEX, Exhibit 2.

## THE INDUSTRY IN MEXICO

The Commission received questionnaire responses from 76 producers and/or exporters of spring table grapes in Mexico, accounting for 90.0 percent of U.S. imports of spring table grapes from Mexico in 1997, 104.4 percent in 1998, 86.1 percent in 1999, and 94.2 percent in 2000.[9] Data for these producers and/or exporters are presented in table VII-5.

According to the Mexican respondent Asociación Agrícola Local de Productores de Uva de Mesa, A.C. (AALPUM), Mexican grapes exported to the United States are produced in the Hermosillo and Caborca areas of the state of Sonora. Although grapes are grown in other areas of Mexico, grapes grown in these other areas are not exported to the United States.[10] The vast majority of Mexican grapes enter the United States through the city of Nogales, AZ.

Table VII-6 presents acreage in Sonora by grape varieties. According to the Sonora Table Grape Growers Association, the amount of acreage in Sonora dedicated to table grapes increased by 67.8 percent from 1998 to 1999, but decreased by 5.7 percent from 1999 to 2000. AALPUM argues that Mexican table grape production is constrained by the lack of available water in the grape-producing regions of Sonora, and the competition for water among growers of other crops.[11] The water used to grow grapes in Mexico must be pumped from aquifers, and such pumping requires permits from the government, which stopped issuing new permits in 1969.[12] Because acreage and water supplies are limited, producers are trying to become more efficient by increasing yields rather than increasing acreage.[13] In spite of the alleged constraints on production imposed by a lack of available water for irrigation, total reported production and shipments of spring table grapes in Mexico increased by 47.2 percent and 52.6 percent, respectively, from 1997 to 2000.

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[9] Calculated based on shipments to the United States as reported in questionnaire responses compared to official import statistics of Commerce.

[10] Approximately 77 percent of Mexico's grape production occurs in Sonora. Grapes are also grown in the Mexican states of Aquascalientes, Baja California, Coahuila, and Zacatecas, where there are approximately 3,000 acres devoted to growing grapes, producing approximately 18 million pounds of grapes. According to AALPUM, production in these states is limited to varieties of grapes that are not typically considered table grapes; rather these grapes are used for processing into such products as wine, brandy, jams, or juice. *See*, postconference brief of AALPUM, Exhibit 1, p. 12.

[11] All acreage for table grape production is irrigated.

[12] According to testimony at the conference, the water supply is fixed and production cannot expand unless permits are purchased from existing farmers. *See*, testimony of Mr. Bon, transcript of conference, pp. 108-109. *See also*, postconference brief of AALPUM, pp. 39-40.

[13] Mexican water experts estimate that the current ditch irrigation systems waste between 30 and 50 percent of available water pumped. Mexican agricultural producers are working with the Bank of Mexico's Farm Development Trust to implement a 5-year program to invest in a new drip and pressurized system that would increase efficiency to more than 95 percent. *See*, fax transmittal from the Office of Agricultural Affairs, U.S. embassy, Mexico City, April 20, 2001. VII-7

**Table VII-5**
**Spring table grapes:[1] Data on the industry in Mexico, April 1-June 30, 1997-2000, and projected April 1-June 30, 2001-02**

| Item | April 1-June 30 | | | | | |
|---|---|---|---|---|---|---|
| | Actual experience | | | | Projected | |
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| | Quantity *(1,000 pounds)* | | | | | |
| Capacity | 151,838 | 176,219 | 201,242 | 226,904 | 240,550 | 252,224 |
| Production | 140,962 | 180,537 | 183,891 | 210,835 | 187,931 | 207,531 |
| End-of-period inventories | 3,353 | 3,285 | 1,325 | 3,676 | 3,700 | 3,703 |
| Shipments: | | | | | | |
| Internal consumption | 3 | 9 | 13 | 8 | 0 | 0 |
| Home market | 19,293 | 25,688 | 22,836 | 30,821 | 20,418 | 21,841 |
| Exports to: | | | | | | |
| United States | 119,740 | 148,827 | 154,727 | 178,471 | 152,285 | 155,084 |
| All other markets | 5,578 | 11,807 | 12,162 | 12,596 | 18,832 | 23,404 |
| Subtotal | 125,318 | 160,634 | 166,889 | 191,067 | 171,117 | 178,488 |
| Total | 144,613 | 186,331 | 189,738 | 221,896 | 191,535 | 200,329 |
| | Ratios and shares based on quantity *(percent)* | | | | | |
| Capacity utilization | 85.0 | 94.4 | 85.4 | 85.4 | 74.3 | 78.4 |
| Inventories/production | 2.4 | 1.8 | 0.7 | 1.7 | 2.0 | 1.8 |
| Inventories/shipments | 2.3 | 1.8 | 0.7 | 1.7 | 1.9 | 1.8 |
| Share of total shipments: | | | | | | |
| Internal consumption | (2) | (2) | (2) | (2) | 0.0 | 0.0 |
| Home market | 13.3 | 13.8 | 12.0 | 13.9 | 10.7 | 10.9 |
| Exports to: | | | | | | |
| United States | 82.8 | 79.9 | 81.5 | 80.4 | 79.5 | 77.4 |
| All other markets | 3.9 | 6.3 | 6.4 | 5.7 | 9.8 | 11.7 |
| Total | 86.7 | 86.2 | 88.0 | 86.1 | 89.3 | 89.1 |

[1] Harvested or entered into the United States during April 1-June 30.
[2] Less than 0.05 percent.

Note.–Because of rounding, figures may not add to the totals shown.

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

**Table VII-6**
**Table grapes: Acreage in Sonora, Mexico, by varieties, 1997-2000[1]**

| Item | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| | *Acres* | | | |
| Perlette | (2) | 392 | 577 | 692 |
| Flame Seedless | (2) | 107 | 709 | 951 |
| Sugraone | (2) | 598 | 500 | 224 |
| Red Globe | (2) | 266 | 395 | 109 |
| Others | (2) | 0 | 106 | 180 |
| Total | (2) | 1,363 | 2,287 | 2,156 |

[1] Data converted from hectares to acres where 1 hectare=2.47 acres.
[2] Data not available.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Sonora Table Grape Growers Association, as presented in the postconference brief of AALPUM, Exhibit 7.

Monthly data on exports of spring table grapes from Mexico to the United States are presented in table VII-7. Although the United States is the most important export market for Mexican table grape producers, accounting for 93.5 percent of total reported Mexican exports of spring table grapes during 1997-2000, Mexico reportedly is looking toward Europe and other countries to expand trade. Mexico recently signed a free trade agreement with the European Union (EU) which went into effect on July 1, 2000 (after the 2000 harvest). A duty rebate was negotiated for imported table grapes from Mexico, and the tariff will be phased out from 12.6 percent beginning July 1, 2000. Mexico will have access to a window from April 1 to June 30 in the EU market at a reduced tariff of 9.45 percent for 2001.[14]

[14] *See*, fax transmittal from the Office of Agricultural Affairs, U.S. embassy in Mexico City, April 20, 2001.VII-9

**Table VII-7**
**Table grapes: Exports from Mexico to the United States, by months, 1997-2000**

| Item | 1997 | 1998 | 1999 | 2000 |
|---|---|---|---|---|
| | Quantity *(1,000 pounds)* | | | |
| January | 0 | 0 | 0 | 0 |
| February | 0 | 0 | 0 | 0 |
| March | 0 | 0 | 0 | 0 |
| April | 0 | 0 | 0 | 200 |
| May | 64,550 | 52,500 | 61,090 | 77,970 |
| June | 88,120 | 114,270 | 92,960 | 111,250 |
| July | 2,140 | 31,910 | 19,390 | 4,950 |
| August | 0 | 130 | 40 | 0 |
| September | 0 | 0 | 0 | 0 |
| October | 0 | 0 | 0 | 0 |
| November | 0 | 0 | 0 | 0 |
| December | 0 | 0 | 0 | 0 |
| Total | 154,810 | 198,810 | 173,480 | 194,370 |
| | Share of total *(percent)* | | | |
| January | 0.0 | 0.0 | 0.0 | 0.0 |
| February | 0.0 | 0.0 | 0.0 | 0.0 |
| March | 0.0 | 0.0 | 0.0 | 0.0 |
| April | 0.0 | 0.0 | 0.0 | 0.1 |
| May | 41.7 | 26.4 | 35.2 | 40.1 |
| June | 56.9 | 57.5 | 53.6 | 57.2 |
| July | 1.4 | 16.1 | 11.2 | 2.6 |
| August | 0.0 | 0.1 | (1) | 0.0 |
| September | 0.0 | 0.0 | 0.0 | 0.0 |
| October | 0.0 | 0.0 | 0.0 | 0.0 |
| November | 0.0 | 0.0 | 0.0 | 0.0 |
| December | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

[1] Less than 0.05 percent.

Note.–Because of rounding, figures may not add to the totals shown.

Source: United States Department of Agriculture, Agricultural Marketing Service, as presented in the postconference brief of AALPUM, Exhibit 4.

## U.S. IMPORTERS' INVENTORIES

Table VII-8 presents data on U.S. importers' end-of-period inventories of imported spring table grapes.

**Table VII-8**
**Spring table grapes: U.S. importers' end-of-period inventories of imports, by sources, 1997-2000**

| | | | | | | |
|---|---|---|---|---|---|---|
| * | * | * | * | * | * | * |

# APPENDIX A

## *FEDERAL REGISTER* NOTICES

## INTERNATIONAL TRADE COMMISSION

**[Investigations Nos. 731–TA–926 and 927 (Preliminary)]**

### Spring Table Grapes From Chile and Mexico

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of antidumping investigations and scheduling of preliminary phase investigations.

**SUMMARY:** The Commission hereby gives notice of the institution of investigations and commencement of preliminary phase antidumping investigations Nos. 731–TA–926 and 927 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) (the Act) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Chile and Mexico of spring table grapes, provided for in subheading 0806.10.40 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value. Unless the Department of Commerce extends the time for initiation pursuant to section 732(c)(1)(B) of the Act (19 U.S.C. 1673a(c)(1)(B)), the Commission must reach a preliminary determination in antidumping investigations in 45 days, or in this case by May 14, 2001. The Commission's views are due at the Department of Commerce within five business days thereafter, or by May 21, 2001.

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

**EFFECTIVE DATE:** March 30, 2001.

**FOR FURTHER INFORMATION CONTACT:** Fred Fischer (202–205–3179/ ffischer@usitc.gov), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server *http://www.usitc.gov.* The public record for these investigations may be viewed on the Commission's electronic docket (EDIS–ON–LINE) at *http://dockets.usitc.gov/eol/public.*

**SUPPLEMENTARY INFORMATION:**

*Background.*—These investigations are being instituted in response to a petition filed on March 30, 2001, by the Desert Grape Growers League, Thermal, CA, and its producer-members.

*Participation in the investigations and public service list.*—Persons (other than petitioners) wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in sections 201.11 and 207.10 of the Commission's rules, not later than seven days after publication of this notice in the **Federal Register.** Industrial users and (if the merchandise under investigation is sold at the retail level) representative consumer organizations have the right to appear as parties in Commission antidumping investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance.

*Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.*—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these investigations available to authorized applicants representing interested parties (as defined in 19 U.S.C. 1677(9)) who are parties to the investigations under the APO issued in the investigations, provided that the application is made not later than seven days after the publication of this notice in the **Federal Register.** A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

*Conference.*—The Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on April 20, 2001, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Fred Fischer (202–205–3179/ ffischer@usitc.gov) not later than April 17, 2001, 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. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

*Written submissions.*—As provided in sections 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before April 25, 2001, a written brief containing information and arguments pertinent to the subject matter of the investigations. Parties may file written testimony in connection with their presentation at the conference no later than three days before the conference. If briefs or written testimony contain BPI, they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

**Authority:** These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.12 of the Commission's rules.

Issued: March 30, 2001.

By order of the Commission.

**Donna R. Koehnke,**

*Secretary.*

[FR Doc. 01–8383 Filed 4–4–01; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–337–805, A–201–829]

## Initiation of Antidumping Duty Investigations: Spring Table Grapes From Chile and Mexico

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

**ACTION:** Initiation of Antidumping Duty Investigations.

**EFFECTIVE DATE:** May 15, 2001.

**FOR FURTHER INFORMATION CONTACT:** Donna Kinsella (for Chile) or Irina Itkin (for Mexico) at (202) 482–0194 and (202) 482–0656, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

### Initiation of Investigations

*The Applicable Statute and Regulations*

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995,

the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce's (the Department's) regulations are references to the provisions codified at 19 CFR part 351 (April 2000).

*The Petitions*

On March 30, 2001, the Department received petitions filed in proper form by The Desert Grape Growers League of California and its members (collectively "the League"). The Department received information supplementing the petitions throughout the initiation period.

In accordance with section 732(b) of the Act, the petitioners allege that imports of spring table grapes from Chile and Mexico 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 Act, and that such imports are materially injuring an industry in the United States.

On April 12 and 13, 2001, we received submissions from the Asociacion Agricola Local de Productores de Uva de Mesa, A.C. (AALPUM) and the Asociacion de Exportadores de Chile (ASOEX), associations of exporters of the subject merchandise in Mexico and Chile, respectively, which challenged the basis for the petitioners' claim of industry support. On April 19, 2001, the petitioners filed a response. On April 24, 2001, AALPUM and ASOEX submitted additional comments on the issue of industry support, and the petitioners responded to these comments on April 30, 2001. Moreover, in April and May 2001, the Department received a number of letters from producers of table grapes in California opposing the petitions. In addition, we received several letters from California table grape producers supporting the petitions. The Department has taken these submissions into consideration in making the initiation determination.

Pursuant to section 732(c)(1)(B) the Department extended the deadline for initiation to no later than May 9, 2001.

The Department finds that the petitioners filed these petitions on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (E) of the Act and they have demonstrated sufficient industry support with respect to each of the antidumping investigations that they are requesting the Department to initiate (*see* the "Determination of Industry Support for the Petitions" section, below).

*Scope of Investigations*

The scope of these investigations includes imports of any variety of vitis vinifera species table grapes from Chile or Mexico, entered during the period April 1 through June 30, inclusive, regardless of grade, size, maturity, horticulture method (*i.e.*, organic or not) or the size of the container in which packed. The scope specifically covers all varieties of seedless or seeded grapes including, but not limited to, Thompson, Red Flame, Red Globe, Perlettes, Superior seedless, Sugrone, Ribier, Black seedless, Red seedless, Blanca Italia, Moscatel Rosada, Crimson seedless, Lavallee, Emperor, Queen Rose, Calmeria, Christmas Rose, Down seedless, Beauty seedless, Almeria, Supreme seedless, Superior Seedless M., Late Royal, Muscat seedless, Royal seedless, Early Ribier, Cardinal, Moscatel Dorada, Black Giant, Kaiji, Lady Rose, Black Diamond, Piruviano, Early Thompson, King Ruby seedless, White seedless, Queen seedless, Autumn seedless, Royal, Pink seedless, Green Globe, Autumn Black, Black Beauty, and Royal Giant. The scope specifically covers all table grapes entered within the April 1 through June 30 window of each year, whether or not subject to the Federal Marketing Order set forth in 7 CFR, part 925. For further discussion, see the May 9, 2001, memorandum from the case team to Richard Moreland and Joseph Spetrini entitled "Temporal Limitations on the Class or Kind Described in the Antidumping Duty Petitions on Spring Table Grapes from Mexico and Chile."

The scope excludes by-product grapes and other grapes for use as other than table grapes, including those grapes used for raisins, crushing, juice, wine, canning, processed foods and other by-product and not direct consumption purposes.

The spring table grapes subject to these investigations are classifiable under subheading 0806.10.40 of the Harmonized Tariff Schedule of the United States (HTS). Although the HTS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

During our review of the petitions, we discussed the scope with the petitioners to ensure that it accurately reflects the product for which the domestic industry is seeking relief. We note that the scope in the petitions included all spring table grapes harvested through June 30 of each year. However, the U.S. Customs Service has informed us that including a harvesting limitation would lead to problems in its administering these cases. *See* the April 11, 2001, memorandum from Chief, Special Products Branch at the United States Customs Service to David Goldberger entitled "Proposed Scope Language, Spring Table Grapes from Chile and Mexico." We agree that including grapes harvested through June 30 will raise major questions for imports after June 30. As a consequence, we have not included spring table grapes harvested during the period April 1 though June 30 but entered after that period in the scope of the merchandise under investigation. We have discussed this scope modification with the petitioners.

As discussed in the preamble to the Department's regulations (*see Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27295, 27323 (May 19, 1997)), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments within 20 calendar days of publication of this notice. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determinations.

*Class or Kind*

In addition to describing the physical product at issue, the antidumping duty petitions on spring table grapes from Mexico and Chile limit the class or kind to table grapes entered in the spring. Parties have argued that the Department does not have the authority to accept a class or kind limited to imports during certain periods, or, in the alternative, that the temporal limitations in this case are not appropriate. However, in the view of the Department the statute does not preclude a limitation on subject merchandise according to the time of year during which that merchandise was produced or entered. Section 771(25) of the Act only defines the term subject merchandise in pertinent part as the "class or kind of merchandise that is within the scope of an investigation. * * *" However, neither the term "class or kind" nor the term "scope" is defined in the statute.

It is well established that the Department has the ultimate authority under the statute to define the class or kind of merchandise subject to its

proceedings.[1] Thus, the Department has the authority both to limit and to expand the class or kind alleged in the petition.[2] This authority notwithstanding, it has generally been the policy of the Department to accept the class or kind of merchandise alleged in the petition absent some overarching reason to modify that class or kind.[3] This policy stems from the fact that the domestic industry is in the best position to identify the imports that they compete against and believe to be unfairly traded.[4]

Moreover, a petitioning industry often must draw a bright line between the imports it wants covered and those it does not. To the extent it can establish that the covered imports are dumped and the cause of material injury, it is entitled to relief under the statute, notwithstanding the fact that it may have excluded from the scope other products which may or may not also be the subject of injurious dumping. It is appropriate not to make imports the subject of unnecessary antidumping proceedings. It is also appropriate that the Department not force the petitioner to seek duties on products against its will.

In the present case, the petitioners have drawn a legitimate line between those products they believe to be appropriately covered, and those they do not. First, the existence of a separate HTS number for the April 1–June 30 period (*i.e.* HTS 0806.10.40) supports a finding that such a period appropriately can form a class or kind of merchandise. The Department has often stated that its determination as to the appropriate coverage of an investigation is not determined by HTS categories. However, the fact that the period of April through June falls under a separate HTS category reflects the fact that imports during this season are recognized by industry and other U.S. government agencies as distinct from other imports. In both cases the petitioners have rationally identified those imports which directly compete with their product, and excluded from the investigation those imports which they are not concerned about. Imports from Chile and Mexico during the April 1 through July 30 period compete with spring grape production in the United States, which begins in May and continues through July.

For all of these reasons we have determined that these cases can proceed on the basis of a class or kind defined in part by the April 1 through June 30 period.

*Determination of Industry Support for the Petitions*

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that the Department's industry support determination, which is to be made before the initiation of the investigation, be based on whether a minimum percentage of the relevant industry supports the petition. A petition meets this requirement if the domestic producers or workers who support the petition account for: (1) At least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall either poll the industry or rely on other information in order to determine if there is support for the petition.

Section 771(4)(A) of the Act defines the "industry" as the producers of a domestic like product. Thus, to determine whether the petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to the law.[5]

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," *i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition.

The domestic like product described in the petitions is spring table grapes sold for fresh use, regardless of variety. Based upon our review of the petitioners' claims, we concur that there is a single domestic like product: spring table grapes sold for fresh consumption. For further discussion, see the May 9, 2001, from the case team to Richard Moreland and Joseph Spetrini memorandum entitled "Domestic Like Product and Industry Support."

Concerning industry support, for both countries covered by the petitions, the petitioners claimed that they represent the majority of the spring table grapes industry, defined as growers of U.S. table grapes in the period April through June. We find that the spring table grapes industry consists of those producers who harvest grapes predominantly during this period (*i.e.*, those producers in the Coachella Valley of California and western Arizona).

[1] *See Mitsubishi Elec. Corp.* v. *United States*, 898 F.2d 1577, 1582 (Fed. Cir. 1990); and *Diversified Products Corp.* v. *United States*, 572 F.Supp. 883, 887 (1983). *See also Smith-Corona Group* v. *United States*, 713 F.2d 1568, 1582 (Fed. Cir. 1983), cert. denied, 465 U.S. 1022 (1984).

[2] *See Mitsubishi Elec. Corp.* v. *United States*, 700 F.Supp. 538, 555 (1988), aff'd, 898 F.2d 1577 (Fed. Cir. 1990); and *Torrington Co.* v. *United States*, 745 F.Supp. 718, 721 n4 (CIT 1990).

[3] In many cases the Department has used the so-called "Diversified Products" criteria in analyzing class or kind issues. See 19 CFR § 351.225(k)(2). However, these criteria are not used to expand the class or kind defined in the petition, but rather to determine whether a particular product is within the class or kind as defined or, more rarely, to determine whether the scope as alleged actually covers several classes or kinds. See, e.g. *Partial Recission of Initiation of Antidumping Investigations and Dismissal of Petitions; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Romania, Singapore, and Thailand*, 53 FR 39327 (October 6, 1988) (Department split one class or kind in to five classes or kinds); and *Cyanuric Acid and Its Chlorinated Derivatives from Japan Used in the Swimming Pool Trade; Final Determination of Sales at Less Than Fair Value*, 49 FR 7424 (1984) (Department split one class or kind into three classes or kinds). In other words, absent some overarching reason to the contrary, the fact that application of the "Diversified Products" criteria reveals that a particular product which is excluded from the scope could be considered within the same class or kind will not normally result in including that product in the coverage of the investigation for reasons discussed above: to the extent the petitioners are not interested in seeking trade relief against a particular product, the Department should not require them to do so. There does not appear to be any such reason to depart from this approach in this case.

[4] *See Torrington*, 745 F.Supp. at 721. ("The petitioner's description of class or kind is awarded some deference inasmuch as the petitioner often will call Commerce's attention to an otherwise overlooked potential dumping problem.").

[5] *See Algoma Steel Corp. Ltd.*, v. *United States*, 688 F. Supp. 639, 642–44 (CIT 1988); *High Information Content Flat Panel Displays and Display Glass from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380–81 (July 16, 1991).

Consequently, we find that the petitioners established industry support by demonstrating that they account for over 25 percent of total production of the domestic like product (*see Antidumping Investigations Initiation Checklist,* dated May 9, 2001 (*Initiation Checklist*), thereby meeting the first requirement under section 732(c)(4)(A) of the Act.

We note that in 2000 a small amount of production by the Coachella Valley and western Arizona producers actually occurred in July. However, even if we include all U.S. production data for July in our determination of industry support, we would find that the petitioners established industry support by demonstrating that they account for over 25 percent of total production of the domestic like product (*see* the May 9, 2001, memorandum from the team to Richard W. Moreland and Joseph Spetrini entitled "Industry Support Calculations in the Antidumping Duty Petitions on Spring Table Grapes from Chile and Mexico" (the Industry Support Memo). In making this determination, we observe that by including July the petitioners would represent less than 50 percent of the domestic production of the like product in the April through July period. For this reason, we have additionally examined industry support as required by section 732(c)(4)(D) of the Act considering the positions of each company with production in the April through July period which expressed an opinion on the petitions. We find that, based on this additional information, there is still sufficient support for the petition. Specifically, we find that the companies supporting the petitions represent over 50 percent of the production of companies that have expressed support or opposition to the petitions. Furthermore, because we have determined that several additional companies have taken neutral positions with respect to the petitions, we find that any additional potential opposition could not possibly represent over 50 percent of the industry. *See* the Industry Support Memo. Accordingly, we determine that these petitions are filed on behalf of the domestic industry within the meaning of section 732(c)(4)(A) of the Act.

*Constructed Export Price and Normal Value*

The following are descriptions of the allegations of sales at less than fair value upon which the Department based its decision to initiate these investigations. The sources of data for the deductions and adjustments relating to U.S. price, home market price, third country price, and constructed value (CV) are also discussed in the *Initiation Checklist.* Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we may re-examine the information and revise the margin calculations, if appropriate.

**Chile**

*Constructed Export Price*

The petitioners identified ten of the largest export trading companies which account for sixty percent by volume of spring table grape exports to the United States during the year 2000. The ten exporters are: David del Curto S.A., Dole Chile S.A., Exportadora Rio Blanco Ltda., Exportadora Agua Santa S.A., Exportadora Chiquita-Enza Chile Ltda., Del Monte Fresh Produce S.A., (formerly United Trading Company), Servicios de Exportaciones Fruiticolas Ltda., Sociedad Agro Comercial Verfrut Ltda., Exportadora Aconcagua Ltda., Exportadora Unifruitti Traders Ltda. The petitioners used information obtained through foreign market research to demonstrate that the prices negotiated by the U.S. importers/distributors of spring table grapes to their customers in the U.S. market on behalf of Chilean exporters are the prices that should be used to determine dumping margins for grapes exported from Chile. To the best of the petitioners' knowledge, the exporter is the first party in the chain of distribution that has knowledge of the ultimate destination of the merchandise. In this case, the exporters sell the grapes in the United States through affiliated or unaffiliated importers/distributors. Accordingly, it is appropriate to use constructed export price (CEP) based on the prices of the sales by the U.S. importers/distributors in the United States. However, the petitioners were unable to obtain these prices. For purposes of the petition, petitioners obtained through foreign market research the corresponding FOB Chile prices (*i.e.,* the resulting price after the deduction of all relevant expenses from the prices of sales in the United States). These prices are based on data compiled by ODEPA, an official government agency of Chile. The average FOB Chile prices obtained through foreign market research are consistent with the average FOB values in the official U.S. import statistics. (*See* Exhibit B–13 of the petition.)

*Normal Value*

With respect to normal value (NV), information reasonably available to the petitioners indicates the existence of a particular market situation which renders price comparisons between home market and U.S. prices inappropriate. The factors cited by the petitioners as evidence of a particular market situation in Chile with respect to spring table grapes are the same factors present in *Notice of Final Determination of Sales at Less Than Fair Value: Fresh Atlantic Salmon From Chile,* 63 FR 31411 (June 9, 1998): (1) The Chilean table grape industry is export-oriented; (2) the home market is incidental to the Chilean industry; (3) the home market is comprised almost exclusively of grapes graded as other than export quality; (4) the home market sales are made at drastically reduced prices compared to the export quality merchandise; and (5) domestically-sold spring table grapes had perfunctory marketing and distribution. As a result, the petitioners obtained information through foreign market research for nine Chilean exporters with respect to sales to third country markets. The petitioners obtained information demonstrating that the Netherlands, Hong Kong/People's Republic of China, and Mexico are by far the principal third country export markets for Chilean spring table grapes. The petitioners relied on exporter-specific data to determine the largest third country market by exporter and then based NV for that exporter on its sales to that market.

In the course of this investigation, the Department will examine further the issue of particular market situation and the proper comparison market to be examined in this investigation.

Based upon the comparison of CEP to NV, the estimated dumping margins range from 23.00 to 99.39 percent.

**Mexico**

*Constructed Export Price*

According to the petitioners, U.S. sales of the subject merchandise should be considered CEP sales, as the first sales to unaffiliated customers in the United States are made by brokers/commissionaires in the United States on behalf of the Mexican producers.

The petitioners based CEP on U.S. export price data from two Mexican growers' associations. According to the petitioners, these prices are packed, FOB shipping prices in Nogales, Arizona. To calculate CEP, the petitioners deducted a distributor's commission (*i.e.,* distributor mark-up), cold storage and palletization costs, and movement expenses (*i.e.,* foreign inland freight, U.S. border crossing fees, USDA inspection fees, and U.S. inland freight) from the price quotes. The information

for all of these adjustments except foreign inland freight, palletization and cold storage expenses were based on the actual documentation of U.S. sales transactions. The other information was obtained from the petitioners' foreign market research. The petitioners also made an adjustment for credit expenses based on the payment terms claimed to be typical for the industry and the average lending rate in the United States during the second quarter of 2000, as published in *International Financial Statistics.*

*Normal Value*

The petitioners based NV on CV because they claimed that all of the prices that they obtained in the home market were made below the fully absorbed cost of production (COP), within the meaning of section 773(b) of the Act. As a consequence, they alleged that there are reasonable grounds to believe or suspect that sales of the subject merchandise in the home market were made at below-cost prices and they requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of cost of manufacture (COM), selling, general, and administrative (SG&A) expenses, and packing expenses. The petitioners calculated COM, SG&A expenses, and packing expenses for three varieties of grapes based on costs contained in foreign market research studies for grapes produced in Mexico. We adjusted the petitioners' calculations of the COPs by excluding the amounts for selling expenses, because these expenses were deducted, in part, from the home market sales prices.

With respect to home market price, the petitioners obtained Mexican home market daily wholesale prices through the Mexican National Market Information System. The petitioners made a deduction from home market price for foreign inland freight obtained from foreign market research. Additionally, the petitioners deducted distributor markups using the percentage applied to CEP sales as they were unable to obtain comparable Mexican price information.

The petitioners claimed that their foreign market research showed that there are no other fees, such as inspection or cold storage expenses, incurred on home market sales. However, based on the description of the harvesting and distribution system, we find it unlikely that grapes in the home market underwent no cold storage at all. For purposes of the initiation, we included an adjustment for cold storage expenses to the net home market price based on the same information applied to CEP.

Based upon a comparison of the prices of the foreign like products in the home market to the calculated COPs of those products, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners based NV on CV. The petitioners calculated CVs for three varieties of grapes using the same COM, SG&A and packing expense figures used to compute the home market costs. The petitioners, using a conservative approach, did not include an amount for profit in their calculation of CV as provided by section 773(e)(2) of the Act. We adjusted the petitioners' calculations of CV by excluding the amounts of selling expenses the petitioners included in SG&A expenses.

The petitioners claimed that their foreign market research showed that there are generally no credit expenses incurred on home market sales. However, our review of the petition documentation indicates that home market credit expense may be incurred on some sales. Therefore, for purposes of the initiation, we included an adjustment to CV for Mexican credit expenses using the payment terms data applied to the CEP sales and the Mexican interest rate published in *International Financial Statistics.*

Based upon the comparison of CEP to CV, the revised calculated estimated dumping margins range from 0 to114.77 percent.

**Fair Value Comparisons**

Based on the data provided by the petitioners, there is reason to believe that imports of spring table grapes from Chile and Mexico are being, or are likely to be, sold at less than fair value.

**Allegations and Evidence of Material Injury and Causation**

The petitions allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the individual and cumulated imports of the subject merchandise. The petitioners contend that the industry's injured condition is evident in the declining trends in net operating income, net sales volume and value, profit to sales ratios, and capacity utilization. The allegations of injury and causation are supported by relevant evidence including U.S. Customs import data, lost sales, and pricing information. We have assessed the allegations and supporting evidence regarding material injury and causation, and have determined that these allegations are properly supported by accurate and adequate evidence, and meet the statutory requirements for initiation (*see Initiation Checklist*).

**Initiation of Antidumping Investigations**

Based upon our examination of the petitions on spring table grapes, we have found that they meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of spring table grapes from Chile and Mexico are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended, we will make our preliminary determinations no later than 140 days after the date of this initiation.

**Distribution of Copies of the Petitions**

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of each petition has been provided to the representatives of the governments of Chile and Mexico. We will attempt to provide a copy of the public version of each petition to each exporter named in the petition, as appropriate.

**International Trade Commission Notification**

We have notified the ITC of our initiations, as required by section 732(d) of the Act.

**Preliminary Determinations by the ITC**

The ITC will determine, no later than June 4, 2001, whether there is a reasonable indication that imports of spring table grapes from Chile and Mexico are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination for any country will result in the investigations being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: May 9, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 01–12212 Filed 5–14–01; 8:45 am]

BILLING CODE 3510–DS–P

# APPENDIX B

# CALENDAR OF PUBLIC CONFERENCE

# UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, DC

## CALENDAR OF PUBLIC CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission's conference held in connection with the following investigations:

SPRING TABLE GRAPES FROM CHILE AND MEXICO
Investigations Nos. 731-TA-926 and 927 (Preliminary)

April 20, 2001 - 9:30 a.m.

The conference was held in the Main Hearing Room of the United States International Trade Commission Building, 500 E Street, SW, Washington, DC.

### In Support of the Imposition of Antidumping Duties

Collier Shannon Scott
Washington, DC
*on behalf of*

DESERT GRAPE GROWERS LEAGUE AND ITS MEMBER PRODUCERS

Robert Bianco, President, Desert Grape Growers League
Michael Bozick, President, Richard Bagdasarian, Inc.
Cecilia Tudor, Chief Financial Officer, Tudor Ranch
John Powell, Jr., Chief Financial Officer, Peter Rabbit Farms
Gina Beck, Economist, Georgetown Economic Services
Michael Kerwin, Economist, Georgetown Economic Services

Michael Coursey )
R. Alan Luberda )–OF COUNSEL

## CALENDAR OF PUBLIC CONFERENCE–*Continued*

### In Opposition to the Imposition of Antidumping Duties

Akin, Gump, Strauss, Hauer & Feld
Washington, DC
*on behalf of*

ASOCIACION DE EXPORTADORES DE CHILE (CHILEAN EXPORTERS ASSOCIATION)
GIUMARRA COMPANIES
WILLIAM H. KOPKE, JR. INC.
DAVID OPPENHEIMER COMPANY

Ronald Bown, Chairman, Chilean Exporters Association
Claude Moldenhauer, Consultant
Richard Eastes, Director of Procurement, David Oppenheimer Co.
Peter Kopke, Jr., President, William H. Kopke, Jr. Inc.
Don Corsaro, President, Giumarra Cos.
Daniel Klett, Economist, Capital Trade

Warren Connelly )
D. Michael Kaye )–OF COUNSEL

Shearman & Sterling
Washington, DC
*on behalf of*

ASOCIACIÓN AGRÍCOLA LOCAL PRODUCTORES UVA DE MESA, A.C. (AALPUM)

John Pandol, Owner, Pandol Brothers
Carlos Bon, Owner, Vinedos Alta y Prima
Cesar Salazar, Director General, AALPUM
Alberto Vanegas, Owner, Agricola Don Emilio

Jeffrey Winton )
Jerónimo Gómez del Campo )–OF COUNSEL
Anne MacGregor )

Lipstein, Jaffe & Lawson
Washington, DC
*on behalf of*

GERAWAN FARMING

Matthew Jaffe )–OF COUNSEL

# APPENDIX C

## SUMMARY TABLE

**Table C-1**
**Spring table grapes: Summary data concerning the U.S. market, 1997-2000**

(Quantity=*1,000 pounds*; value=*$1,000*; unit values, labor costs, and unit expenses are *per 1,000 pounds*; period changes=*percent*, except where noted)

| Item | Calendar year | | | | Period changes | | | |
|---|---|---|---|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 | 1997-00 | 1997-98 | 1998-99 | 1999-00 |
| U.S. consumption quantity: | | | | | | | | |
| Amount | 339,840 | 373,240 | 389,403 | 446,909 | 31.5 | 9.8 | 4.3 | 14.8 |
| Producers' share[1] | 41.4 | 34.8 | 33.1 | 26.5 | -14.9 | -6.6 | -1.7 | -6.6 |
| Importers' share:[1] | | | | | | | | |
| Chile | 18.3 | 25.9 | 20.5 | 29.5 | 11.2 | 7.6 | -5.4 | 9.0 |
| Mexico | 39.1 | 38.2 | 46.1 | 42.4 | 3.3 | -0.9 | 8.0 | -3.8 |
| Subtotal | 57.4 | 64.1 | 66.6 | 71.9 | 14.5 | 6.7 | 2.6 | 5.2 |
| All other sources | 1.2 | 1.1 | 0.2 | 1.6 | 0.4 | -0.1 | -0.9 | 1.4 |
| Total imports | 58.6 | 65.2 | 66.9 | 73.5 | 14.9 | 6.6 | 1.7 | 6.6 |
| U.S. consumption value: | | | | | | | | |
| Amount | 224,328 | 215,514 | 367,381 | 294,812 | 31.4 | -3.9 | 70.5 | -19.8 |
| Producers' share[1] | 45.0 | 35.5 | 28.0 | 26.7 | -18.4 | -9.5 | -7.5 | -1.3 |
| Importers' share:[1] | | | | | | | | |
| Chile | 17.0 | 22.1 | 14.5 | 22.1 | 5.0 | 5.0 | -7.5 | 7.5 |
| Mexico | 36.6 | 41.5 | 57.3 | 49.3 | 12.7 | 4.9 | 15.8 | -8.0 |
| Subtotal | 53.6 | 63.5 | 71.8 | 71.3 | 17.7 | 9.9 | 8.3 | -0.5 |
| All other sources | 1.3 | 0.9 | 0.2 | 2.0 | 0.7 | -0.4 | -0.8 | 1.8 |
| Total imports | 55.0 | 64.5 | 72.0 | 73.3 | 18.4 | 9.5 | 7.5 | 1.3 |
| U.S. imports from– | | | | | | | | |
| Chile: | | | | | | | | |
| Quantity | 62,035 | 96,591 | 79,821 | 131,786 | 112.4 | 55.7 | -17.4 | 65.1 |
| Value | 38,245 | 47,564 | 53,347 | 65,042 | 70.1 | 24.4 | 12.2 | 21.9 |
| Unit value | $0.62 | $0.49 | $0.67 | $0.49 | -19.9 | -20.1 | 35.7 | -26.2 |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** |
| Mexico: | | | | | | | | |
| Quantity | 133,011 | 142,558 | 179,703 | 189,445 | 42.4 | 7.2 | 26.1 | 5.4 |
| Value | 82,101 | 89,388 | 210,558 | 145,256 | 76.9 | 8.9 | 135.6 | -31.0 |
| Unit value | $0.62 | $0.63 | $1.17 | $0.77 | 24.2 | 1.6 | 86.9 | -34.6 |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** |
| Subtotal: | | | | | | | | |
| Quantity | 195,047 | 239,148 | 259,523 | 321,231 | 64.7 | 22.6 | 8.5 | 23.8 |
| Value | 120,346 | 136,953 | 263,905 | 210,298 | 74.7 | 13.8 | 92.7 | -20.3 |
| Unit value | $0.62 | $0.57 | $1.02 | $0.65 | 6.1 | -7.2 | 77.6 | -35.6 |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** |
| Other sources: | | | | | | | | |
| Quantity | 4,172 | 4,199 | 927 | 7,294 | 74.8 | 0.6 | -77.9 | 686.8 |
| Value | 2,944 | 2,042 | 688 | 5,871 | 99.4 | -30.6 | -66.3 | 753.1 |
| Unit value | $0.71 | $0.49 | $0.74 | $0.80 | 14.1 | -31.1 | 52.7 | 8.4 |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** |
| All sources: | | | | | | | | |
| Quantity | 199,219 | 243,347 | 260,450 | 328,525 | 64.9 | 22.2 | 7.0 | 26.1 |
| Value | 123,290 | 138,995 | 264,594 | 216,169 | 75.3 | 12.7 | 90.4 | -18.3 |
| Unit value | $0.62 | $0.57 | $1.02 | $0.66 | 6.3 | -7.7 | 77.9 | -35.2 |
| Ending inventory quantity | *** | *** | *** | *** | *** | *** | *** | *** |

See footnotes at end of table.

**Table C-1--*Continued***
**Spring table grapes: Summary data concerning the U.S. market, 1997-2000**

(Quantity=*1,000 pounds*; value=*$1,000*; unit values, labor costs, and unit expenses are *per 1,000 pounds*; period changes=*percent*, except where noted)

| Item | Calendar year | | | | Period changes | | | |
|---|---|---|---|---|---|---|---|---|
| | 1997 | 1998 | 1999 | 2000 | 1997-00 | 1997-98 | 1998-99 | 1999-00 |
| U.S. producers': | | | | | | | | |
| Average capacity quantity | 152,695 | 152,329 | 145,422 | 139,166 | -8.9 | -0.2 | -4.5 | -4.3 |
| Production quantity | 149,094 | 139,365 | 137,743 | 125,339 | -15.9 | -6.5 | -1.2 | -9.0 |
| Capacity utilization[1] | 97.6 | 91.5 | 94.7 | 90.1 | -7.6 | -6.2 | 3.2 | -4.7 |
| U.S. shipments: | | | | | | | | |
| Quantity | 140,621 | 129,893 | 128,953 | 118,384 | -15.8 | -7.6 | -0.7 | -8.2 |
| Value | 101,038 | 76,520 | 102,787 | 78,643 | -22.2 | -24.3 | 34.3 | -23.5 |
| Unit value | $0.72 | $0.59 | $0.80 | $0.66 | -7.5 | -18.0 | 35.3 | -16.7 |
| Export shipments: | | | | | | | | |
| Quantity | 5,102 | 4,291 | 3,709 | 3,961 | -22.4 | -15.9 | -13.5 | 6.8 |
| Value | 3,458 | 2,596 | 2,928 | 2,533 | -26.8 | -24.9 | 12.8 | -13.5 |
| Unit value | $0.68 | $0.61 | $0.79 | $0.64 | -5.7 | -10.7 | 30.5 | -19.0 |
| Ending inventory quantity | 3,098 | 12,631 | 6,987 | 2,830 | -8.7 | 307.7 | -44.7 | -59.5 |
| Inventories/total shipments[1] | 2.1 | 9.4 | 5.3 | 2.3 | 0.2 | 7.3 | -4.1 | -3.0 |
| Production workers | 7,782 | 7,969 | 11,670 | 12,002 | 54.2 | 2.4 | 46.5 | 2.8 |
| Hours worked *(1,000s)* | 6,330 | 5,511 | 5,943 | 5,657 | -10.6 | -12.9 | 7.8 | -4.8 |
| Wages paid *($1,000s)* | 46,099 | 48,663 | 40,880 | 40,110 | -13.0 | 5.6 | -16.0 | -1.9 |
| Hourly wages | $7.28 | $8.83 | $6.88 | $7.09 | -2.6 | 21.2 | -22.1 | 3.1 |
| Productivity[3] | 22.3 | 23.1 | 22.6 | 21.6 | -3.1 | 3.6 | -1.9 | -4.7 |
| Unit labor costs | $0.33 | $0.38 | $0.30 | $0.33 | 0.4 | 17.0 | -20.6 | 8.1 |
| Net sales: | | | | | | | | |
| Quantity | 149,999 | 168,185 | 152,114 | 127,592 | -14.9 | 12.1 | -9.6 | -16.1 |
| Value | 107,710 | 100,005 | 118,880 | 85,439 | -20.7 | -7.2 | 18.9 | -28.1 |
| Unit value | $0.72 | $0.59 | $0.78 | $0.67 | -6.7 | -17.2 | 31.4 | -14.3 |
| Cost of goods sold (COGS) | 88,586 | 94,913 | 94,843 | 92,935 | 4.9 | 7.1 | -0.1 | -2.0 |
| Gross profit or (loss) | 19,124 | 5,092 | 24,037 | (7,496) | (2) | -73.4 | 372.1 | (2) |
| SG&A expenses | 9,436 | 9,947 | 10,402 | 9,208 | -2.4 | 5.4 | 4.6 | -11.5 |
| Operating income or (loss) | 9,688 | (4,855) | 13,635 | (16,704) | (2) | (2) | (2) | (2) |
| Capital expenditures | 12,778 | 11,223 | 7,150 | 4,386 | -65.7 | -12.2 | -36.3 | -38.7 |
| Unit COGS | $0.59 | $0.56 | $0.62 | $0.73 | 23.3 | -4.4 | 10.5 | 16.8 |
| Unit SG&A expenses | $0.06 | $0.06 | $0.07 | $0.07 | 14.7 | -6.0 | 15.6 | 5.5 |
| Unit oper. income or (loss) | $0.06 | $(0.03) | $0.09 | $(0.13) | (2) | (2) | (2) | (2) |
| COGS/sales[1] | 82.2 | 94.9 | 79.8 | 108.8 | 26.5 | 12.7 | -15.1 | 29.0 |
| Oper. income or (loss)/sales[1] | 9.0 | (4.9) | 11.5 | (19.6) | -28.5 | -13.8 | 16.3 | -31.0 |

[1] "Reported data" are in percent and "period changes" are in percentage points.
[2] Not applicable.
[3] Productivity=pounds per hour.

Note.–Financial data are reported on a fiscal-year basis and may not necessarily be comparable to data reported on a calendar-year basis. Because of rounding, figures may not add to the totals shown. Unit values, shares, and period changes are calculated from the unrounded figures. January-September inventory ratios are annualized.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

# APPENDIX D

# USDA TERMINAL MARKET PRICING DATA

**Table D-1**
**Spring table grapes: Los Angeles terminal market prices (per 18 pound lug) of green seedless grape varieties in terminal markets reported by the USDA, for each Tuesday in May and June between 1997 and 2000**

| Item | Green seedless grape varieties | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Thompson | | | Perlette | | Sugraone | | White | |
| | U.S. | Chile | Mexico | U.S. | Mexico | U.S. | Mexico | U.S. | Mexico |
| 1997: | | | | | | | | | |
| May 6 | | | | | | | | | |
| May 13 | | | | | | | | | |
| May 20 | | | | $20-21 | | | | | |
| May 27 | | | | 16.50-18 | | | | | |
| June 3 | | | | 16-18 | $17-18 | | | | |
| June 10 | $18 | | | 14 | 12-14 | | | | |
| June 17 | 18-19 | | | 14 | 15-18 | | | | |
| June 25 | 9-12 | | $7-10 | | | | | | |
| 1998: | | | | | | | | | |
| May 5 | | $12-14 | | | | | | | |
| May 12 | | 12-14 | | | | | | | |
| May 19 | | 12-14 | | | 38-42[1] | | | | |
| May 26 | | | | 35 | | | | | |
| June 2 | | | | 18-19 | 16-18,17-18[2] | | | | |
| June 9 | | | | 12-15 | 12-14 | | | | |
| June 16 | | | | 12 | 12 | | | | |
| June 23 | | | | 7-9 | 7-8 | | | | |
| June 30 | 15-17 | | | 11 | | | | | $11-12 |
| 1999: | | | | | | | | | |
| May 4 | | | | | 46 | | | | |
| May 11 | | | | | | | | | |
| May 18 | | | | | 26-28 | | | | |
| May 25 | | | | 18-20 | 18-20 | | | | |
| June 1 | | | | 18-20 | 18-20 | | | | 22 |
| June 8 | | | | 20-24 | 20-24 | | | $23-26 | 22 |
| June 15 | | | | 20-24 | 22-24 | | | 23-26 | 22-24 |
| June 22 | 23-24 | | 18-20 | 20-22 | | | | 23-26 | 22-24 |
| June 29 | 16-20 | | 13-16 | | | | | 13-16 | 13-16 |
| 2000: | | | | | | | | | |
| May 2 | | 12-16 | | | | | | | |
| May 9 | | 10-16 | | 22 | | | | | |
| May 16 | | 10-16 | | 18-20 | 15.50-17.50 | | | | |
| May 23 | | | | 15-18 | 14.50-15.50 | | | | |
| May 30 | | | | 14.50-17 | 13.50-16 | | | | |
| June 6 | | | | 12.50-15 | 12-14.50 | | | | 14.50-15 |
| June 13 | | | | 12 | 11.50-12.50 | | | 19-20 | 14 |
| June 20 | 16-17 | | | 11-12 | 11.50-12.50 | | | | |
| June 27 | 14-16.50 | | | 11-12 | | | | | 9-11 |

[1] The USDA reported that there were few sales of Mexican product this day.
[2] First price is reported as for new crop.

Source: USDA Fruit and Vegetable Market News.

**Table D-2**
**Spring table grapes: Los Angeles terminal market prices (per 18 pound lug) of red seedless grape varieties in terminal markets reported by the USDA, for each Tuesday in May and June between 1997 and 2000**

| Item | Red seedless grape varieties | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Flame | | | Red | | | Crimson | Ruby |
| | U.S. | Chile | Mexico | U.S. | Chile | Mexico | Chile | Chile |
| 1997: | | | | | | | | |
| May 6 | | | | | | | | |
| May 13 | | | | | | | | |
| May 20 | $25-26 | | | | | | | |
| May 27 | 14-15 | | $18 | | | | | |
| June 3 | 13-16 | | 13-14 | | | | | |
| June 10 | 15-16 | | 12-14 | | | | | |
| June 17 | 15-16 | | 12-14 | | | | | |
| June 25 | 11-12 | | 10-11 | | | | | |
| 1998: | | | | | | | | |
| May 5 | | $12-14 | | | | | | $18-20 |
| May 12 | | 12-14 | | | | | | 18-20 |
| May 19 | | 12-14 | 38-42[1] | | | | | 18-20 |
| May 26 | | | 32-38 | | | | | |
| June 2 | 17-18 | | 17-18 | | | | | |
| June 9 | 12-15 | | 12-15 | | | | | |
| June 16 | 12-14 | | 12 | | | | | |
| June 23 | 8-10 | | 7-9 | | | | | |
| June 30 | 11 | | 10-12 | | | | | |
| 1999: | | | | | | | | |
| May 4 | | | | | $23-26 | | $30-32 | |
| May 11 | | | | | | | | |
| May 18 | | | 30-34 | | | | | |
| May 25 | 19 | | 18-20 | | | | | |
| June 1 | 19 | | 18-20 | | | | | |
| June 8 | 19 | | 18-20 | | | | | |
| June 15 | 19 | | 18-20 | | | | | |
| June 22 | 18-19.50 | | 16-2 | | | | | |
| June 29 | 15-18 | | 15-18 | | | | | |
| 2000: | | | | | | | | |
| May 2 | | 13-14 | | | 12-14 | | | 12 |
| May 9 | 20-24 | | 22 | | 10-12 | | | 12 |
| May 16 | 18-20 | | 15.50-16.50 | | 10-12 | | | 12 |
| May 23 | 14-18 | | 14-16 | | | | | 12 |
| May 30 | 14.50-16 | | 12-16 | | | | | 8-9[2] |
| June 6 | 12.50-14 | | 11.50-14 | | | | | 8-9[2] |
| June 13 | 12-14 | | 9-12 | | | | | 5-8[2] |
| June 20 | 12-12.50 | | 10-12 | | | | | |
| June 27 | 13-14 | | 10-12 | | | | | |

[1] The USDA reported that there were few sales of this product on this day.
[2] These grapes were inferior quality. No price data were available for good quality grapes of this variety, from this country, on this day.

Source: USDA Fruit and Vegetable Market News.

**Table D-3**
**Spring table grapes: Chicago terminal market prices (per 18 pound lug) of green seedless grape varieties in terminal markets reported by the USDA, for each Tuesday in May and June between 1997 and 2000**

| Item | Green seedless grape varieties | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Thompson | | | Perlette | | Sugraone | | White | |
| | U.S. | Chile | Mexico | U.S. | Mexico | U.S. | Mexico | U.S. | Mexico |
| 1997: | | | | | | | | | |
| May 6 | | $26-26 | | $37-38 | | | | | |
| May 13 | | | | 34-35 | $32-33 | | | | |
| May 20 | | | | 26-27 | 26-27 | | | | |
| May 27 | | | | 20 | 20 | | | | |
| June 3 | | | | 20 | 15-16 | | | | $21-21.50 |
| June 10 | $19 | | | | 16 | | | | 20-20.50 |
| June 17 | 19 | | | | 16 | | | | 16-17 |
| June 25 | 15-16 | | $15 | | 8-9 | | $12-13 | | |
| 1998: | | | | | | | | | |
| May 5 | | 18-19 | | | | | | | |
| May 12 | | 22 | | | | | | | |
| May 19 | | 14 | | | 52 | | | | |
| May 26 | | | | | 34.50-35 | | | | |
| June 2 | | | | 19-20 | 19.50-20 | | | | |
| June 9 | | | | 18 | 16-17 | | 20 | | |
| June 16 | | | | 15-16 | 14-15 | | 17-18 | | |
| June 23 | | | | 12 | 10-11 | | 14-15 | $14 | |
| June 30 | | | | 10[2] | 8-8.50[2] | | | 8-9 | 7-8 |
| 1999: | | | | | | | | | |
| May 4 | | 43 | | | 46-48 | | | | |
| May 11 | | 34.50 | | | 48 | | | | |
| May 18 | | | | | 32-34 | | | | 40 |
| May 25 | | | | 22.50-24 | 22-24 | | | | 20 |
| June 1 | | | | 22 | 22 | | | | 24 |
| June 8 | | | | 20-22 | 20-22 | | | | 20-22 |
| June 15 | | | | 23-24 | 23-24 | | | | 22-23 |
| June 22 | 23.50 | | | 22-23 | 22-23 | | | | 20 |
| June 29 | 19.50-21 | | 19-19.50 | 19.50-20 | 18.50-19.50[1] | | | 19-19.50 | 16.50[1] |
| 2000: | | | | | | | | | |
| May 2 | | | 14-14.50[1] | | | | | | |
| May 9 | | 18.50-19[2] | 14-15[3] | | 24-26 | | | | |
| May 16 | | 20 | 12[3] | | | | | | |
| May 23 | | | 3-5[4] | 17 | 16-17 | | | | |
| May 30 | | | 3-5[4] | 16-17 | 11.75-12.75 | | | 21-22 | |
| June 6 | | | | 16-17 | 11.75-12.75 | | | 19-20 | |
| June 13 | 18[2] | | | 14 | 10.50-11.50 | | | | 10.50-11.50[5] |
| June 20 | 18[2] | | | | 10.50-11.50 | | | | 8-10.50[5] |
| June 27 | 18[2] | | | | 10.50-11.50 | | | | 10[5] |

[1] The USDA reports that there were few sales of this product on this day.
[2] The prices reported are for small grapes.
[3] The prices reported are for large grapes.
[4] These grapes were inferior quality. No price data were available for good quality on this date.
[5] The prices reported are for medium grapes.

Source: USDA Fruit and Vegetable Market News.

**Table D-4**
**Spring table grapes: Chicago terminal market prices (per 18 pound lug) of red seedless grape varieties in terminal markets reported by the USDA, for each Tuesday in May and June between 1997 and 2000**

| Item | Red seedless grape varieties | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Flame | | | Red | | | Crimson | Ruby |
| | U.S. | Chile | Mexico | U.S. | Chile | Mexico | Chile | Chile |
| 1997: | | | | | | | | |
| May 6 | | | | | $30 | | | |
| May 13 | | | | | | | | |
| May 20 | | | $32 | | | | | |
| May 27 | $17-18 | | 17-18 | | | | | |
| June 3 | 18[1] | | 14.50-15 | | | | | |
| June 10 | 16.50-17 | | 13-13.50 | | | | | |
| June 17 | 16 | | 13-13.50 | | | | | |
| June 25 | 15, 16[2] | | 13-13.50 | | | | | |
| 1998: | | | | | | | | |
| May 5 | | $17-17.50 | | | 17-18 | | | $14 |
| May 12 | | 17-18 | | | 18-19 | | | 16-18 |
| May 19 | | | | | | | | 16-18 |
| May 26 | | | | | | $34-34.50 | | 14 |
| June 2 | 20 | | 19-20 | | | 21-22 | | |
| June 9 | 17-18 | | 16.50-17 | | | | | |
| June 16 | 15-16 | | 15-16 | | | | | |
| June 23 | 12-13 | | 11-12 | | | | | |
| June 30 | 15 | | 8-8.50 | | | | | |
| 1999: | | | | | | | | |
| May 4 | | | | | 25-26 | | | |
| May 11 | | | | | | | | |
| May 18 | | | 32-33 | | | | | |
| May 25 | | | 20-22 | | | | | |
| June 1 | | | 22 | | | 22 | | |
| June 8 | 20-22 | | 20-22 | | | 18.50-20 | | |
| June 15 | 20-22 | | 20-22 | | | | | |
| June 22 | 19-20 | | 19-20 | | | | | |
| June 29 | 19-20 | | 18-19 | | | | | |
| 2000: | | | | | | | | |
| May 2 | | | | | 12-13 | | | 13-14 |
| May 9 | | | 18.5-20[3] | | 18[4] | | | 13-14 |
| May 16 | | 5[5] | 13.50-14.50 | $22 | 18[4] | | | 5-5.50 |
| May 23 | 17 | 2-5[5] | | | 12-14 | | | 8-10 |
| May 30 | 17 | | 11.75-12.50 | | | | | |
| June 6 | 16-17 | | 11.75-12.50 | | 1-5[5] | | | |
| June 13 | 16-17 | | 11.12 | | | | | |
| June 20 | 16-17 | | | 22[3] | | | | |
| June 27 | 16-17 | | | 22[3] | | | | |

[1] The USDA reported that there were few sales of this product on this day.
[2] The first price is for California grapes, the second is for Arizona grapes.
[3] The prices are for small grapes.
[4] The prices are for large grapes.
[5] These grapes were inferior quality. No price data were available for good quality on this date.

Source: USDA Fruit and Vegetable Market News.

**Table D-5**
**Spring table grapes: New York terminal market prices (per 18 pound lug) of green seedless grape varieties in terminal markets reported by the USDA, for each Tuesday in May and June between 1997 and 2000**

| Item | Green seedless grape varieties | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Thompson | | | Perlette | | Sugraone | | White | |
| | U.S. | Chile | Mexico | U.S. | Mexico | U.S. | Mexico | U.S. | Mexico |
| 1997: | | | | | | | | | |
| May 6 | $16-22[1] | | $42-45 | | | | | | |
| May 13 | | | | $34-35[2] | | | | | |
| May 20 | | | | 22-23[2] | $22-24[2] | | | | |
| May 27 | | | | 18[2] | 20[2] | | | | |
| June 3 | | | | 15-18[2] | 15-18[2] | | $24-26[2] | | |
| June 10 | 20-23[3] | | | 13-15 | 13-15[2] | $20 | 20-21 | | |
| June 17 | 15[3] | | $16[4] | 8-10[2] | | | 13-14 | | |
| June 25 | 16[3] | | 9-10 | | | | | | $8-10 |
| 1998: | | | | | | | | | |
| May 5 | | $22-24 | | | | | | | |
| May 12 | | 14-16[5] | | | | | | | |
| May 19 | | 1-5[1] | | | 55-58 | | | | |
| May 26 | | | | | 36-40 | | | | |
| June 2 | | | | 17-18 | 15-16 | | | | |
| June 9 | | | | | 12-14 | | | | 15-17 |
| June 16 | | | | 10-12 | 11-12 | | | | 12-14 |
| June 23 | | | | 13 | 8-10 | | | | 12-14 |
| June 30 | 20[3] | | | | | | | | 12-13 |
| 1999: | | | | | | | | | |
| May 4 | | 38-40 | | | 48-50 | | | | |
| May 11 | | 30-34[6] | | | 46-48[1] | | | | |
| May 18 | | | | 40-42[1] | 30[1] | | 36-38 | | |
| May 25 | | | | 22[5] | 20-22[1] | | 28-30[2] | | |
| June 1 | | | | 20[1] | | | | | |
| June 8 | | | | | 18-20[1] | 20-21[3] | 22-24[3] | | |
| June 15 | | | | | | 24-26[2] | 22-24[3] | | |
| June 22 | 28[2] | | | | 18[5] | 22-24[2] | 20[3] | | |
| June 29 | 22-26[2] | | | 14-16[2] | | 18-20[2] | 16-18[3] | | |
| 2000: | | | | | | | | | |
| May 2 | | | 16-18 | | | | | | |
| May 9 | | | 6-10 | 28 | 22 | | | | |
| May 16 | | | 2-4[5] | | 17 | | | | |
| May 23 | | | | 18[2] | 15-17[2] | | | | |
| May 30 | | | | 20 | 17 | | 19-20 | | |
| June 6 | | | | 14-15[2] | 15[2] | | | | |
| June 13 | 17-18[2] | 15-16[2] | | 12-14[2] | | 13 | | | |
| June 20 | 16[2] | | | | | | 12-14 | | |
| June 27 | 14-16[3] | 12[6] | | | 7-8[5] | | 8 | | |

[1] The prices are for small to medium grapes.
[2] The prices are for medium grapes.
[3] The prices are for large grapes.
[4] The prices are for small grapes.
[5] These grapes were inferior quality. No price data were available for good quality on this date.
[6] The USDA reported that there were few sales of this product on this day.

Source: USDA Fruit and Vegetable Market News.

**Table D-6**
**Spring table grapes: New York terminal market prices (per 18 pound lug) of red seedless grape varieties in terminal markets reported by the USDA, for each Tuesday in May and June between 1997 and 2000**

| Item | Red seedless grape varieties | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Flame | | | Red | | | Crimson | Ruby |
| | U.S. | Chile | Mexico | U.S. | Chile | Mexico | Chile | Chile |
| 1997: | | | | | | | | |
| May 6 | | | | | $17-20 | | | |
| May 13 | $45-48[1] | | | | | | | |
| May 20 | | | $28[1] | | | | | |
| May 27 | | | 16-17[1] | | | | | |
| June 3 | 16[1] | | 13-15[1] | | | | | |
| June 10 | 14-16[1] | | 15[1] | | | | | |
| June 17 | 15-16[1] | | 14[1] | | | | | |
| June 25 | 14-16 | | 10-12 | | | | | |
| 1998: | | | | | | | | |
| May 5 | | | | | 14-15[2] | | | $12-14[2] |
| May 12 | | | | | | | | 12-14[3] |
| May 19 | | | 55-58 | | | | | |
| May 26 | | | 35-40 | | | | | |
| June 2 | 19 | | 15-17 | | | | | |
| June 9 | | | 13-14 | | | | | |
| June 16 | 10-12 | | 11-12 | | | | | |
| June 23 | 9-11 | | 10-12 | | | | | |
| June 30 | 12-14 | | 8-10 | | | | | |
| 1999: | | | | | | | | |
| May 4 | | | | | 18-20 | | $25 | 16-18 |
| May 11 | | | 52 | | 30-32[4] | $18[1] | | |
| May 18 | | | 32-34 | | | | | |
| May 25 | | | 20-22[1] | | | | | |
| June 1 | 20 | | | | | | | |
| June 8 | | | 19-20 | | | | | |
| June 15 | 20-22 | | 18-20 | | | | | |
| June 22 | 16-18 | | 16-18 | | | 18 | | |
| June 29 | 24[4] | | 16[1] | | | | | |
| 2000: | | | | | | | | |
| May 2 | | $15-18 | | | 16 | | 12[4] | 16 |
| May 9 | | 12 | 28-30 | | | | | 6-7 |
| May 16 | | | 20 | | 2-4[4] | | | |
| May 23 | 17-19[1] | | 14-16[1] | | | | | |
| May 30 | 18[1] | | 14-15[1] | | | | | |
| June 6 | 12-13[3] | | 14-15[1] | | | | | |
| June 13 | 14-16[3] | | 14-16[1] | | | | | |
| June 20 | 16[1] | | 12-14[4] | | | | | |
| June 27 | 20-21 | | 12-15[4] | | | | | |

[1] The prices are for medium grapes.
[2] These grapes were inferior quality. No price data were available for good quality on this date.
[3] The prices are for small to medium grapes.
[4] The prices are for large grapes.

Source: USDA Fruit and Vegetable Market News.

**Table D-7**
**Spring table grapes: Chicago, Los Angeles, and New York terminal market prices (per 18 pound lug) of green and red seedless grape varieties in terminal markets reported by the USDA, for each Tuesday from May 1 to May 29, 2001**

| Item | Green seedless grape varieties | | | Red seedless grape varieties | | | | |
|---|---|---|---|---|---|---|---|---|
| | U.S. Perlette | Mexican Perlette | Chile Thompson | U.S. Flame | Mexican Flame | Chile Ruby | Chile Red | Chile Crimson |
| 2001: | | | | | | | | |
| May 1: Chicago | | | $22-23 | | | $26[1] | $26-27[1] | $22-23 |
| May 1: L.A. | | | 16-21[1] | | | 21-24[1] | | 23-24[1] |
| May 1: New York | | | 23-26 [1] | | | 20[1] | 17-18[1] | 30[1] |
| May 8: Chicago | | | 22-23 | | | 26[1] | 26-27[1] | 22-23 |
| May 8: L.A. | | | ([2]) | | | 21-24[1] | | 23-24[1] |
| May 8: New York | | | 24-25[1] | | | 26[3] | 20-23[1] | 25-26[1] |
| May 15: Chicago | | | 22-23 | | | 26[1] | 26-27[1] | 22-23 |
| May 15: L.A. | | | 21-24[1] | | | 21-24[1] | | 23-24[1] |
| May 15: New York | | $60-65[1] | | | | | 28[3] | 35[1] |
| May 22: Chicago | $45 | 43-45 | | | | | | |
| May 22: L.A. | 32-36[1] | 32-36[1] | | | | | | |
| May 22: New York | 48-50[1] | 45-50[1] | | | $50-58[1] | | | |
| May 29: .Chicago | 24-25 | 24-25 | | $45 | 45 | | | |
| May 29: L.A. | 30-32[1] | 30-32[1] | | | | | | |
| May 29: New York | 28[1] | 28-30[1] | | | 44-45[4] | | | |

[1] Grapes were large sized.
[2] The USDA reported that nothing good was offered.
[3] Grapes were extra large sized.
[4] Grapes were medium sized.

Source: USDA Fruit and Vegetable Market News.

# APPENDIX E

## EFFECTS OF IMPORTS ON U.S. PRODUCERS' EXISTING DEVELOPMENT AND PRODUCTION EFFORTS, GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL

Responses of U.S. producers to the following questions:

**Question: Since January 1, 1997, has your firm experienced any actual negative effects on its return on investment or its growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of spring table grapes (entered into the United States from April 1 through June 30) from Chile and Mexico?**

Responses of the producers are:

* * * * * * *

**Question: Does your firm anticipate any negative impact of imports of spring table grapes (entered into the United States from April 1 through June 30) from Chile and Mexico?**

Responses of the producers are:

* * * * * * *